



**Board of Minerals
and Environment**

523 East Capitol Avenue
Pierre, South Dakota 57501-3182
(605)773-3151 Fax: (605)773-4068

AMENDED AGENDA

Board of Minerals and Environment

Telephone Conference Call Meeting

November 17, 2016
10:00 a.m. Central Time

A limited number of phone lines are available for this call. Interested parties who wish to participate in the telephone conference call should contact DENR at (605)773-3886 no later than 3:00 p.m. CST on Wednesday, November 16, 2016.

Interested parties may also participate at the Department of Environment and Natural Resources, Matthew Environmental Education and Training Center, 523 East Capitol Avenue, Pierre, South Dakota.

10:00 a.m. Call to order and roll call

Approval of minutes from September 15, 2016, meeting

Mining issues: Consent Calendar – Tom Cline

Sand, gravel, and construction aggregate mining general information – Mike Erickson **CONTINUED TO JANUARY 19, 2017**

Contested case hearing in the matter of the petition filed by DENR for forfeiture of Western Surety Company (CNA Surety) Bond No. 141551847 issued for State Mine License 88-364 for Weatherton Contracting Co., Inc. – Tom Cline **CONTINUED TO JANUARY 19, 2017**

Contested case hearing in the matter of the petition filed by DENR for forfeiture of Certificate of Deposit Nos. 65314 and 85362, First National Bank, Pierre, SD, issued for State Mine License 93-507 for James P. Wenande Trucking – Tom Cline **CONTINUED TO JANUARY 19, 2017**

Contested case hearing in the matter of the petition filed by DENR for forfeiture of Certificate of Deposit Nos. 3761 and 4403, First Interstate Bank, Belle Fourche, SD, issued for State Mine License 86-339 for Dakota Sand and Gravel, Inc. – Tom Cline **CONTINUED TO JANUARY 19, 2017**

10:15 a.m. Contested enforcement hearing in the matter of Quartz Operations, LLC, Northern Points 1 Well; DENR Petition to revoke permit and petition to forfeit surety (O&G Permit No. 2026) **CONTINUED TO JANUARY 19, 2017**

Next meeting

Adjourn

Board members are reminded that effective July 1, 2016, members are subject to SDCL 3-23-1 to 3-23-5 (Disclosure Laws) which address the disclosure of any conflicts of interest a member may have regarding contracts with the State of South Dakota. Board members should report any potential conflicts to the Board and seek a waiver where appropriate.

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible place. Please notify the Department of Environment and Natural Resources by calling (605) 773-4216 at least 48 hours before the meeting if you have a disability for which special arrangements must be made.

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67>

Minutes of the
Board of Minerals and Environment meeting
Matthew Environmental Education and Training Center
523 East Capitol Avenue
Pierre, South Dakota

September 15, 2016
10:00 a.m. Central Time

CALL TO ORDER: The meeting was called to order by Chairman Rex Hagg. The roll was called and a quorum was present.

Chairman Hagg appointed Gregg Greenfield as secretary pro tem.

BOARD MEMBERS PRESENT: Rex Hagg, Glenn Blumhardt, Dennis Landguth, Doyle Karpen, Bob Morris, Daryl Englund, and Gregg Greenfield.

BOARD MEMBER ABSENT: Pete Bullene and Linda Hilde.

OTHERS PRESENT: See attached attendance sheet.

BOARD MEMBER CONFLICT OF INTEREST WAIVER REQUESTS: No conflict of interest waiver requests were submitted.

APPROVAL OF MINUTES FROM AUGUST 18, 2016, MEETING: Motion by Englund, seconded by Blumhardt, to approve the minutes from the August 18, 2016, meeting. Motion carried.

MINING ISSUES:

Consent Calendar: Prior to the meeting the board received a table listing the department recommendations for releases of liability and surety, transfers of liability, and releases of liability (see attachment).

Motion by Morris, seconded by Landguth, to accept the department recommendations for releases of liability and surety, transfer of liability and release of surety, transfers of liability, and releases of liability, as listed on the consent calendar. Motion carried unanimously.

Cold Spring Granite Company Reclamation Bond Increases: Eric Holm reported that on August 19, 2016, and September 1, 2016, the department notified the board that it issued uncontested Small Scale Mine Permit 486 and Large Scale Mine Permit 487, to Cold Spring Granite Company.

A condition of Mine Permit 486 allows Cold Spring Granite to combine the reclamation surety for the permit with the reclamation surety for Mine Permit 373. A similar condition for Mine Permit 487 allows Cold Spring Granite to combine the reclamation surety for the permit with the reclamation surety for Mine Permit 8. Before the sureties were combined, the department recalculated the reclamation sureties for Mine Permits 8 and 373. This resulted in an increase in the reclamation surety for Mine Permits 8 and 487 from \$674,021 to \$934,200 and the reclamation surety for Mine Permits 373 and 486 from \$177,067 to \$219,000.

The department recommended that the board accept the rider to Surety Bond No. 07512548, Western Surety Company, increasing the surety amount to \$934,200. The department also recommended the board accept the rider to Surety Bond No. 07512547, Western Surety Company, increasing the surety amount to \$219,000.

Mr. Holm answered questions from the board.

Motion by Blumhardt, seconded by Karpen, to accept the rider to Bond No. 07512548, Western Surety Company, increasing the surety amount to \$934,200 for Cold Spring Granite Company, Cold Spring, MN, Mine Permits 8 and 487. A roll call vote was taken, and the motion carried unanimously.

Motion by Greenfield, seconded by Landguth, to accept the rider to Surety Bond No. 07512547, Western Surety Company, increasing the surety amount to \$219,000 for Cold Spring Granite Company, Cold Spring, MN, Mine Permits 373 and 486. A roll call vote was taken, and the motion carried unanimously.

Dakota Granite Reclamation Bond Increase: Mr. Holm reported that on August 19, 2016, the department notified the board that it issued uncontested Small Scale Mine Permit 485.

A condition of Mine Permit 485 allows Dakota Granite to combine the reclamation surety for the permit with the reclamation surety for Mine Permit 15. Before the sureties were combined, the department recalculated the reclamation surety for Mine Permit 15, which resulted in an increase in the reclamation surety for Mine Permits 15 and 485 from \$347,400 to \$408,200.

The department received Amendment No. 2 extending the expiration date of the letter of credit to February 19, 2017 and Amendment No. 3 increasing the amount of the letter of credit to \$408,200.

The department recommended that the board accept Amendment No. 2 to Irrevocable Letter of Credit No. 161 extending the expiration date to February 19, 2017, and accept Amendment No. 3 to Irrevocable Letter of Credit No. 161 increasing the surety amount to \$408,200.

Mr. Holm answered questions from the board.

Motion by Englund, seconded by Morris, to accept Amendment No. 2 to Irrevocable Letter of Credit No. 161 extending the expiration date to February 19, 2017, and to accept Amendment No.

3 to Irrevocable Letter of Credit No. 161 increasing the surety amount to \$408,200 for Dakota Granite Company, Milbank, SD, Mine Permits 15 and 485. A roll call vote was taken, and the motion carried unanimously.

UPDATE ON QUARTZ NORTHERN POINTS 1 WELL: Bob Townsend presented an update on Quartz Operations, LLC's abandoned oil well near Wasta. Quartz had indicated that it intended to submit a required well plugging plan. The department has not received the well plugging plan.

Mr. Townsend stated that on September 2, 2016, Mark Ekse, attorney for Quartz Operations, sent a letter to the Attorney General's Office stating that the company is insolvent and does not have the capital available to pursue further plugging operations for the Northern Points 1 well. The letter also stated that Quartz Operations is willing to surrender its \$130,000 bond.

Mr. Townsend noted that the Notice of Violation states that if Quartz fails to meet either the planning deadline or the plugging deadline, the Board of Minerals and Environment will hold a contested case hearing on November 17, 2016, to consider action in regard to the Northern Points 1 well, including but not limited to acting upon the plugging and performance bond, permit revocation, and pursuit of civil penalties.

Ellie Bailey, Assistant Attorney General, stated that the Notice of Violation, which was issued by the Department of Environment and Natural Resources at the direction of the Board of Minerals and Environment, indicated that the hearing would address the plugging and performance bond, a permit revocation, and pursuing civil penalties. Ms. Bailey said since Quartz has indicated that they are willing to forfeit the bond, the question is how the board would like to direct the department to proceed.

Ms. Bailey stated that the hearing would be between the department and Quartz, and at this point the department does not anticipate that there would be a lot of issues because Quartz has already agreed to forfeit the bond. She discussed some options the board has going forward.

Chairman Hagg asked what the implications of a revocation of permit would be.

Ms. Bailey stated that one benefit to revoking the permit is under SDCL 1-40-27, which is often referred to as the bad actor law. Subsection (d) says if any operator has had a permit revoked under the environmental laws of any state or the United States, that is a basis on which the board or the department secretary could deny additional permits. Subsection (e) authorizes denial if the applicant has otherwise demonstrated through clear and convincing evidence of previous actions that the applicant lacks the necessary good character and competency to reliably carry out the obligations imposed by law upon the permit holder.

Mr. Englund stated that the board still does not know the ramifications of plugging the well or not plugging the well.

Mr. Townsend said this is primarily a compliance issue. The rules for plugging are in place to protect water resources and Quartz did not plug the well in accordance with the rules.

Mr. Englund said this may become an environmental issue sometime in the future.

Mr. Townsend said it is not known for certain that it will become an environmental issue, but bond money can be used to respond if an environmental issue were to occur.

Mr. Morris asked if the board loses jurisdiction if it revokes the bond or does the board maintain jurisdiction until the permit is revoked.

Ms. Bailey answered that at this point the board has jurisdiction so the department needs direction from the board in terms of going forward and trying to enter into some sort of stipulation and agreement with Quartz, then bring it back to the board to present it. The department would like guidance on how to proceed.

Mr. Morris asked if the department knows who is involved in Quartz Operations LLC, the make-up of it, who is presently in charge, have we seen any books to corroborate the representation of insolvency, etc.

Ms. Bailey said primarily the information the department has about the company at this point is based on the filings that have been made with the Secretary of State's Office. The last filing was in early 2016 and that filing was signed by Leon Somsen, who signed as the authorized signer of that document. The company is currently in good standing with the Secretary of State's Office. Ms. Bailey said her communication has been through written correspondence with the company's attorney, Mark Ekse, who practices out of Sioux Falls. Mike Lees has had communications with Leon Somsen who, at that point, was not aware that the well had not been plugged.

Mr. Townsend stated that the original principals are no longer involved. There was an attorney from Nevada and a lady from Deadwood, and they left the company more than a year ago. Leon Somsen, who was one of the original investors, ended up being the director of the company.

Mr. Morris asked if the department or the board have the ability to subpoena individuals who are representatives of Quartz for the November 17 hearing. He also asked if the department or the board have the ability to subpoena financial records for the company.

Mr. McGuigan stated that in contested cases the board does have the authority to subpoena individuals if necessary. With the ongoing Notice of Violation process, the department would have the ability to make discovery requests through the normal course of the contested case procedures, which are outlined in ARSD 74:09:01.

Mr. Landguth said he is concerned about the long-term effects of the unplugged well, and he would like to hear testimony from the state geologist or some other professional people regarding whether or not there will be any negative environmental effects of the unplugged well.

Mr. Townsend said he believes staff has addressed that issue through technical representations in the past. Mike Lees testified to that issue stating that he did a radius of influence calculation,

which is similar to what is done for underground injection control permits to determine how far away from a well an aquifer may be influenced by injected fluids. In this case, Mr. Lees' radius of influence calculation indicates a maximum of 1,000 feet in 50 years. In terms of water quality, the issue is total dissolved solids (TDS). The Minnelusa Formation below the Inyan Kara contains water that is mineralized and ranges anywhere from 20,000 to 25,000 parts per million (ppm) TDS whereas the Inyan Kara, which is used in this general area as a drinking water source, ranges from 500 to 800 ppm TDS. The nearest well is over seven miles away. Assuming that there is a plume of high TDS water migrating the department anticipates that, if there is an issue, it will be constrained to the area in the vicinity of the well itself.

Ms. Bailey stated that pursuant to SDCL 34A-10-2.3, the board has authority to use the security as necessary for the cleanup and remediation of environmental problems related to the activity for which the security was provided. At the present time, the department's position is that nothing needs to be done at this time, but a presentation could be made so the board can determine whether it would be appropriate to use a portion of the security for monitoring or cleanup.

Mr. Landguth asked how much it would cost the state to install a monitoring well at the site.

Mr. Townsend said the department has data from surrounding Inyan Kara wells and they continue to collect samples from these wells. The city of Wall has several Inyan Kara wells and there is a water system west of this well and they all do sampling. TDS is one of the things they sample for so the department can monitor those wells now and in the future. Mr. Townsend stated that the DENR Water Rights Program would be able to provide an estimate on the cost of installing a monitoring well, but the cost will be significant.

Responding to a question from Mr. Karpen, Ms. Bailey stated that how additional funding, above the \$130,000 bond amount, would be appropriated is an outstanding question and something that would be considered if the department were to be directed to move forward with a stipulation or agreement. That would be something that would need to be negotiated and outlined in the stipulation or agreement.

Mr. McGuigan noted that in response to Mr. Morris' question regarding subpoenas, under the Oil and Gas Conservation Statute, 45-9-59 states, "The Board of Minerals and Environment may summon witnesses, administer oaths, and require the production of records, books, and documents for examination at any hearing or investigation conducted by it."

Mr. Morris stated that based upon the department's experience and its knowledge concerning any communication between these aquifers that at this point there does not appear to be a significant or probable environmental issue. Mr. Morris asked if this is the first time a permit holder has not plugged the well.

Mr. Townsend answered that the department has well records going back to the 1930's and he is not familiar with all of those well records, but since he has been working with the Oil and Gas program he is not familiar with a case where this has occurred. It has happened a lot in other states.

Mr. Morris stated that the issue becomes a compliance issue and is a matter of why it occurred. It is part of the board's due diligence, and prospective operators and the public should be informed that the board will not tolerate this happening in the future. He asked if the department is supportive of that due diligence inquiry of Quartz Operations.

Mr. Townsend said the department is willing do whatever the board directs, but he does not have an opinion on whether or not it is necessary.

Chairman Hagg asked if a basic asset research can be done of Quartz Operations LLC to see if it is in fact what they represent. Chairman Hagg said one of his concerns is that there is a certain level of due diligence that has to be done, and just to say that they will forfeit the bond may not be enough. It doesn't appear to be an alarming environmental event, which is a very important factor, but it is important that, if this hasn't happened before, the board has a record of the fact that under due diligence this is best or the most that can be done. Chairman Hagg said if Quartz is willing to surrender the bond, that is good, but the board should still hold a hearing in order to have a record of what we know and what we don't know.

Mr. Landguth stated that in this instance, to assure the Board of Minerals and Environment that the site is environmentally safe, an independent evaluation needs to be completed.

There was consensus among the board members that a hearing should take place.

Motion by Morris, seconded by Landguth, that pursuant to SDCL 45-9-59 the Board of Minerals and Environment delegate the authority of the board to the Department of Environment and Natural Resources to issue appropriate subpoenas summoning witnesses, documents, and financial information regarding Quartz Operations, LLC, in preparation for the November 17, 2016, hearing, and as part of the hearing on November 17, 2016, the department bring forth its information concerning any potential ramifications for failure to plug the Northern Points 1 well. A roll call vote was taken, and the motion carried with Blumhardt, Englund, Karpen, Landguth, Morris, and Hagg voting aye. Greenfield abstained from voting.

FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER IN THE MATTER OF THE AIR QUALITY CONSTRUCTION PERMIT FOR RING NECK ENERGY & FEED, LLC, ONIDA, SD: Chairman Hagg passed the gavel to Dennis Landguth, who was the hearing chair for this matter.

Craig Smith, attorney, was present on behalf of Rind Neck Energy & Feed, LLC.

Ellie Bailey, assistant Attorney General, was present on behalf of the Department of Environment and Natural Resources.

The intervenors were not present.

Hearing chair Landguth noted that Mr. Smith submitted the original proposed Findings of Fact and Conclusions of Law. Steve Blair, assistant Attorney General, submitted amendments to Mr.

Smith's proposed Findings of Fact and Conclusion of Law. Mr. Smith then submitted a letter stating that he and his client had no objections to Mr. Blair's amendments.

Mr. Smith stated that the Findings of Fact and Conclusion of Law, as amended by Mr. Blair, fairly represent what is required by the board and the evidence presented the day of the hearing. Mr. Smith noted that the intervenors have not filed any objections or contacted him to assert any objections to the Findings of Fact and Conclusions of Law. Mr. Smith requested board approval of the Findings of Fact, Conclusions of Law, and Order.

Ms. Bailey stated that objections to the proposed Findings of Fact and Conclusions of Law were to be submitted by September 8, 2016. No objections were submitted. Ms. Bailey requested the board approve the Findings of Fact and Conclusions of Law as amended by Mr. Blair.

Mr. Greenfield stated that the intervenors did not object to the proposed Findings of Fact and Conclusions of Law nor did they file their own proposed Findings of Fact and Conclusions of Law.

Mr. Hagg stated that he would have liked to have the entire rule (ARSD 74:36:20:05) written out in Finding of Fact #23 on page 4.

Hearing Chair Landguth requested board action.

Motion by Englund, seconded by Blumhardt, to approve the amended Findings of Fact, Conclusions of Law, and Order, in the matter of the air quality construction permit for Ring Neck Energy & Feed, LLC, and to authorize Hearing Chair Landguth to execute the Order. A roll call vote was taken and the motion carried unanimously.

Mr. Landguth turned the gavel back over to Chairman Hagg.

TRANSFER OF MINE PERMIT NO. 478 FROM ROBERT LARSON AND C. PATRICK DILLON, CUSTER, SOUTH DAKOTA TO C. PATRICK DILLON, CUSTER, SD: Mr. Holm reported that C. Patrick Dillon has requested transfer of Small Scale Mine Permit No. 478 from Robert Larson and C. Patrick Dillon. The general location of the mining operation is one mile west of Custer, SD.

Under SDCL 45-6B-47, any mine permit can be transferred from one operator to another with the successor operator assuming all reclamation liability.

The transfer application and \$100 transfer fee were submitted on August 22, 2016. The \$2,500 replacement reclamation bond was submitted on August 24, 2016. The application was deemed complete on August 24, 2016.

The department recommendation to transfer the permit was prepared on August 25, 2016, and the recommendation was published in the Custer County Chronicle on September 1 and 8, 2016. The affidavit of publication was verified by phone call.

No intervention petitions were received.

Mr. Holm stated that under SDCL 45-6B-47, the board cannot deny a mine permit transfer unless the operation is not or cannot be brought into compliance with all applicable federal, state, or local laws or the successor operator is in violation of state mining laws or mine permit conditions for any mining operation in the state. The current mine permit and C. Patrick Dillon are in compliance with all federal, state, and local laws and regulations. Mr. Holm noted that Mr. Dillon submitted a Certification of Applicant form on August 22, 2016 and disclosed no violations.

The department recommended the board transfer Permit 478 from Robert Larson and C. Patrick Dillon to C. Patrick Dillon, release CD Nos. 1438510 and 88030, Black Hills Federal Credit Union, Custer, SD, in the amount of \$1,250 each, and accept replacement CD No. 88030-25, Black Hills Federal Credit Union, Custer, SD, in the amount of \$2,500.

Motion by Karpen, seconded by Greenfield, to transfer Permit 478 from Robert Larson and C. Patrick Dillon to C. Patrick Dillon, release CD Nos. 1438510 and 88030, Black Hills Federal Credit Union, Custer, SD, in the amount of \$1,250 each, and accept replacement CD No. 88030-25, Black Hills Federal Credit Union, Custer, SD, in the amount of \$2,500. Motion carried.

NEXT MEETING: The next meeting is November 17, 2016, in Pierre.

ADJOURN: Motion by Morris, seconded by Landguth, that the meeting be adjourned. Motion carried unanimously.

Secretary Date

Witness Date

***South Dakota Board of Minerals & Environment
Consent Calendar***

September 15, 2016

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Releases of Liability and Surety:</u>						
D & M Leasing, Inc. Corsica, SD	04-803		\$500	40393	Farmers State Bank, Parkston	Release liability and \$500.
		803001	NE1/4 NW1/4 Section 22; T99N-R63W, Douglas County			
<u>Transfer of Liability and Release of Surety:</u>						
Langle Excavating Freeman, SD	06-826		\$500	37927	Merchants State Bank, Freeman	Transfer liability and release \$3,500.
			\$2,000	151-740-920	Farmers State Bank, Marion	
			\$1,000	1170012	Farmers State Bank, Marion	
		826001	SW1/4 Section 4; T99N-R57W, Hutchinson			
Transfer to:						
James River Construction LLC Olivet, SD	16-1008		\$5,000	7000314050	First Dakota National Bank, Parkston	

***South Dakota Board of Minerals & Environment
Consent Calendar***

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<i>September 15, 2016</i> <u>DENR Recommendation</u>
<u>Transfers of Liability:</u>						
Aggregate Construction, Inc. Minot, ND	89-382		\$20,000	5301306	Ohio Farmers Insurance Company	Transfer liability.
		382045	N1/2 Section 7; T116N-R67W, Hand County			
Transfer to:						
Mark Mullenberg Rockham, SD	16-1007		\$1,500	43525013	Bank of the West, Redfield	
Fisher Sand & Gravel Company Dickinson, ND	83-54		\$20,000	190-002-030	Liberty Mutual Insurance Co.	Transfer liability.
		54122	N1/2 Section 7; T116N-R67W, Hand County			
Transfer to:						
Mark Mullenberg Rockham, SD	16-1007		\$1,500	43525013	Bank of the West, Redfield	

***South Dakota Board of Minerals & Environment
Consent Calendar***

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<u>Releases of Liability:</u>							
Nathan Beld Bryant, SD	11-914		\$1,000	9681	Bryant State Bank, Bryant	Release liability.	
		914001	\$1,000	9738	Bryant State Bank, Bryant		
		SW1/4 Section 30; T113N-R53W, Hamlin County					
Dawson Construction, Inc. Howard, SD	83-21		\$20,000	RC-0024	Sun Surety Insurance Company	Release liability.	
		21006	SW1/4 Section 22; T107N-R57W, Miner County				
		21021	Section 7; T109N-R55W & Section 12; T109N-R56W, Kingsbury County				
		21026	SE1/4 Section 31; T105N-R57W, Miner County				
Jensen Rock & Sand, Inc. Mobridge, SD	83-112		\$20,000	41-16-48	New Hampshire Insurance Company	Release liability.	
		112002	W1/2 Section 3; T127N-R76W, Campbell County				
Weatherton Contracting Co., Inc. Beresford, SD	88-364		\$20,000	141551847	Western Surety Company	Release liability.	
		364025	NW1/4 Section 29; T43N-R38W, Jackson County				
		364062	NE1/4 Section 31; T117N-R57W, Clark County				

***South Dakota Board of Minerals & Environment
Consent Calendar***

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<i>September 15, 2016</i> <u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Allen Wilde Construction Lake Preston, SD	85-301		\$1,500	0242858173	Wells Fargo Bank, Huron	Release liability.
		301010	SW1/4 Section 4; T108N-R57W, Miner County			

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South Dakota Board of Minerals & Environment

September 15, 2016

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Acceptance of Reclamation Surety Increases:</u>					
Cold Spring Granite Company Cold Spring, MN	8 & 487	\$674,021	07512548	Western Surety Company	Accept rider to Bond No. 07512548, Western Surety Company, increasing the surety amount to \$934,200.
Cold Spring Granite Company Cold Spring, MN	373 & 486	\$177,067	07512547	Western Surety Company	Accept rider to Bond No. 07512547, Western Surety Company, increasing the surety amount to \$219,000.
Dakota Granite Company Milbank, SD	15 & 485	\$347,400	ILOC No. 161	Great Western Bank, Milbank, SD	Accept Amendment No. 2 to Irrevocable Letter of Credit No. 161 extending the expiration date to February 19, 2017. Accept Amendment No. 3 to Irrevocable Letter of Credit No. 161 increasing the surety amount to \$408,200.

South Dakota Board of Minerals & Environment

September 15, 2016

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Transfer of Small Scale Mine Permit 478:</u>					
Robert Larson & C. Patrick Dillon Custer, SD	478	\$1,250	1438510	Black Hills Federal Credit Union, Custer	Transfer Permit 478. Release CD Nos. 1438510 and 88030. Accept replacement CD No. 88030-25, Black Hills Federal Credit Union, Custer, in the amount of \$2,500.
		\$1,250	88030	Black Hills Federal Credit Union, Custer	
Legal: SE1/4 Section 28; T3S-R4E, Custer County					
Transfer to: C. Patrick Dillon Custer, SD		\$2,500	88030-25	Black Hills Federal Credit Union, Custer	

***South Dakota Board of Minerals & Environment
Consent Calendar***

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<i>November 17, 2016</i> <u>DENR Recommendation</u>
<u>Release of Surety:</u>						
Loretta D. & Elwin Larson Golden Valley, MN	98-655		\$2,500	5210002	Dacotah Bank, Clark	Release \$2,500.
<u>Releases of Liability and Surety:</u>						
BankWest Inc. Pierre, SD	96-587	587001	\$3,500	60448825	BankWest, Pierre NW1/4 Section 31; T41N-R39W & NE1/4 Section 36; T41N-R40W, Jackson County	Release liability and \$3,500.
Dakota Land Trust Dickinson, ND	14-966	966001	\$1,025	5610557182	Wells Fargo, Dickinson, ND NW1/4 Section 23; T40N-R44W, Oglala Lakota County	Release liability and \$1,025.
Dan's Excavating Castlewood, SD	98-677	677001	\$1,500	1700041402	First Premier Bank, Castlewood SE1/4 NW1/4 Section 1; T114N-R52W, Hamlin County	Release liability and \$1,500.

***South Dakota Board of Minerals & Environment
Consent Calendar***

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<u>Releases of Liability and Surety:</u>						
Mark or Marcia Lermeny Reva, SD	10-908		\$500	43150772	Pioneer Bank & Trust, Buffalo	Release liability and \$1,500.
			\$1,000	23163117	Pioneer Bank & Trust, Spearfish	
		908001	SE1/4 Section 4; T18N-R7E, Harding County			
<u>Transfers of Liability:</u>						
TF Luke & Sons, Inc. Kimball, SD	83-11		\$20,000	929211763	Western Surety Company	Transfer liability.
		11068	E1/2 NE1/4 Section 35; T104N-R61W, Davison County			
Transfer to:						
Harvey Fouberg Letcher, SD	12-937		\$1,000	110029332	CorTrust Bank, Mitchell	
Webster Scale, Inc. Webster, SD	03-766		\$20,000	BDA 7900610694	AMCO Insurance Company	Transfer liability.
		766003	NW1/4 Section 1; T123N-R53W, Day County			
Transfer to:						
R & L Wright Enterprises, Inc. Grenville, SD	15-987		\$1,500	5562422	Dacotah Bank, Webster	

***South Dakota Board of Minerals & Environment
Consent Calendar***

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<i>November 17, 2016</i> <u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
TF Luke & Sons, Inc. Kimball, SD	83-11	11069	\$20,000	929211763	Western Surety Company	Release liability.
			SE1/4 Section 3; T104N-R60W, Davison County			
Midland Contracting, Inc. Huron, SD	03-768	768009	\$20,000	929292924	Western Surety	Release liability.
			N1/2 Section 10; T115N-R64W, Spink County			
Rogers Construction, Inc. Whitewood, SD	15-988	988004	\$20,000	55-212920	United Fire & Casualty Company	Release liability.
			E1/2 SW1/4 Section 7; T14N-R20E, Ziebach County			
Wayne Swenson Watertown, SD	01-715	715003	\$500	26352	Deuel County National Bank, Clear Lake	Release liability.
			\$500	60033	Deuel County National Bank, Clear Lake	
			\$500	60221	Deuel County National Bank, Clear Lake	
			\$500	60467	Deuel County National Bank, Clear Lake	
			E1/2 SW1/4 Section 23; T118N-R50W, Grant County			

***South Dakota Board of Minerals & Environment
Consent Calendar***

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<i>November 17, 2016</i> <u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Weatherton Contracting Co, Inc. Beresford, SD	88-364		\$20,000	141551847	Western Surety Company	Release liability.
		364011	NE1/4 Section 11; T126N-R71W, McPherson County			
		364022	SE1/4 Section 34; T121N-R73W, Edmunds County			
		364034	NW1/4 Section 16; T105N-R69W, Brule County			
		364047	E1/2 NW1/4 & NE1/4 Section 12; T94N-R56W, Yankton County			
		364050	SE1/4 SE1/4 SW1/4 Section 14; T116N-R52W, Codington County			
		364059	N1/2 SW1/4 Section 9; T103N-R58W, Hanson County			
Webster Scale Inc. Webster, SD	03-766		\$20,000	BDA 7900610694	AMCO Insurance Company	Release liability.
		766004	SW1/4 NE1/4 Section 22; T122N-R56W, Day County			
Clark County Highway Department Clark, SD	83-150		EXEMPT	NA	NA	Release liability.
		150012	S1/2 Section 31; T117N-R57W, Clark County			

***South Dakota Board of Minerals & Environment
Consent Calendar***

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<i>November 17, 2016</i> <u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Kranzburg Township Watertown, SD	10-898		EXEMPT	NA	NA	Release liability.
		898001	NE1/4 Section 30; T116N-R51W, Codington County			
Spink County Highway Department Redfield, SD	83-115		EXEMPT	NA	NA	Release liability.
		115017	SE1/4 Section 29; T115N-R65W, Spink County			
Ziebach County Highway Department Dupree, SD	83-246		EXEMPT	NA	NA	Release liability.
		246004	NE1/4 Section 25; T15N-R19E, Ziebach County			
		246021	E1/2 SW1/4 Section 7; T14N-R20E, Ziebach County			

South Dakota Board of Minerals & Environment

Contested Cases – Surety Forfeitures

November 17, 2016

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Surety Forfeitures:</u>						
Weather-ton Contracting Co., Inc. Beresford, SD	88-364		\$20,000	141551847	Western Surety Company	Declare Surety No. 141551847, Western Surety Company, forfeited and transfer \$20,000 to the Mined Land Reclamation Fund.
		364001			Sections 19 & 20; T101N-R69W, Brule County	
		364002			Sections 10 & 11; T99N-R79W, Tripp County	
		364003			NE1/4 NE1/4 Section 5; T97N-R58W, Hutchinson County	
		364004			W1/2 Section 2; T94N-R58W, Bon Homme County	
		364007			SW1/4 Section 26; T110N-R56W, Kingsbury County	
		364015			N1/2 NE1/4 & NE1/4 NW1/4 Section 28; T1S-R11E, Pennington County	
		364016			SE1/4 Section 20; T120N-R74W, Potter County	
		364018			NE1/4 Section 3; T124N-R75W, Walworth County	
		364020			NE1/4 Section 29; T120N-R74W, Potter County	
		364026			NW1/4 Section 5 & NE1/4 Section 6; T8N-R2E, Butte County	
		364027			Section 27; T122N-R53W, Day County	
		364029			NE1/4 Section 23; T2S-R12E, Pennington County	

South Dakota Board of Minerals & Environment

Contested Cases – Surety Forfeitures

November 17, 2016

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Surety Forfeitures:</u>						
Weatherton (continued)	88-364	364030	N1/2 Section 26 & SW1/4 Section 23; T118N-R67W, Faulk County			
		364031	NW1/4 Section 20; T108N-R68W, Buffalo County			
		364035	NW1/4 Section 12, SW1/4 Section 1, SE1/4 Section 2, & NE1/4 Section 11; T8N-R3E; Butte County			
		364036	Section 12; T6N-R8E, Meade County			
		364039	SE1/4 SW1/4 Section 17 & NW1/4 NE1/4 Section 20; T114N-R50W, Deuel County			
		364041	SE1/4 Section 24; T113N-R61W, Beadle County			
		364042	NW1/4 Section 29; T100N-R74W, Tripp County			
		364044	SW1/4 Section 6; T35N-R41W, Oglala Lakota County			
		364048	Section 3; T108N-R63W, Jerauld County			
		364049	NW1/4 Section 26; T4S-R7E, Custer County			
		364056	NE1/4 Section 26 (Area North of Hwy 18); T97N-R72W, Gregory County			
		364063	Section 18; T4N-R6E, Meade County			
		364064	SE1/4 Section 24; T96N-R69W, Gregory County			
		364065	SW1/4 SW1/4 Section 21; T106N-R71W, Lyman County			
		364066	NW1/4 Section 26; T122N-R53W, Day County			

South Dakota Board of Minerals & Environment

Contested Cases – Surety Forfeitures

November 17, 2016

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety No.</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Surety Forfeitures:</u>						
James P. Wenande Trucking Alexandria, SD	93-507		\$500 \$500	65314 85362	First National Bank, Pierre	Declare CD Nos. 65314 and 85362, First National Bank, Pierre, forfeited and transfer \$1,000 to the Mined Land Reclamation Fund.
		507001	SE1/4 Section 17; T102N-R58W, Hanson County			
Dakota Sand & Gravel, Inc. Belle Fourche, SD	86-339		\$500 \$500	3761 4403	First Interstate Bank, Belle Fourche First Interstate Bank, Belle Fourche	Declare CD Nos. 3761 and 4403, First Interstate Bank, Belle Fourche, forfeited and transfer \$1,000 to the Mined Land Reclamation Fund.
		339003	E1/2 NW1/4 Section 9; T8N-R5E, Butte County			



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

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November 3, 2016

MEMO TO: Members of the Board of Minerals and Environment
FROM: Vonni Kallemeyn, Administrator, Waste Management Program
SUBJECT: Solid Waste Permit Actions

Vonni Kallemeyn

Listed below are the solid waste permit actions since my last memo dated May 5, 2016.

Individual Permits Public Noticed and Issued

1. Town of Pollock – restricted use site (five-year renewal)
2. Specker Enterprises (Pierre) – construction and demolition debris disposal site (two-year renewal)
3. Continental Resources, Inc. (Buffalo) – petroleum-contaminated soil treatment site (five-year renewal)
4. City of Ipswich – restricted use site (five-year renewal)
5. ABE South Dakota, LLC (Aberdeen ethanol plant) – land application site for ethanol by-product wastes (two-year initial)
6. GCC Dacotah (Rapid City) – kiln dust and construction debris disposal site (five-year renewal)
7. City of New Underwood – restricted use site (five-year renewal)
8. City of McLaughlin – municipal solid waste transfer station (five-year renewal)
9. City of Burke – construction and demolition debris disposal site (two-year initial)
10. Pete Lien & Sons, Inc. (Rapid City) – kiln dust and construction debris disposal site (five-year renewal)
11. Irene – Wakonda School District (Wakonda) – construction and demolition debris disposal site (two-year initial)
12. City of Geddes – restricted use site (five-year renewal)
13. Petrik Sanitation (Wagner) – restricted use site (five-year renewal)

Individual Permit Amendments/Transfers Public Noticed and Issued

1. Northwest SD Regional Landfill – municipal solid waste landfill permit amendment to allow deeper excavation depths for future disposal cells
2. City of Freeman – restricted use site permit amendment to allow an expanded acreage for the facility
3. Black Hills Environmental Partner, LLC (Box Elder) – restricted use site permit transferred to Black Hills Rubble Management, LLC (Daene Boomsma, Rapid City)
4. Red River Energy, LLC (Rosholt) – permit amendment to expand land application acreage for ethanol plant by-products

General Permit Authorizations Issued

1. Hand County (Miller) – restricted use site (five-year renewal)
2. City of Huron – construction and demolition debris disposal site (five-year renewal)

3. City of Lake Preston – restricted use site (five-year renewal)
4. Town of Roslyn – restricted use site (five-year renewal)
5. Jerry Roseth (Philip) – petroleum-contaminated soil treatment site (five-year renewal)
6. Town of Cresbard – restricted use site (five-year renewal)
7. City of Hoven – restricted use site (five-year renewal and amendment for additional facility acreage)
8. Carlson Crushing and Excavating, LLC (Britton) – construction and demolition debris disposal site (five-year renewal)
9. Town of Conde – restricted use site (five-year renewal)
10. Boom Concrete, Inc. (Newell) – petroleum-contaminated soil treatment site (five-year renewal)
11. City of Timber Lake – restricted use site (five-year renewal)
12. City of Bryant – restricted use site (five-year renewal)
13. City of Flandreau – restricted use site (five-year renewal)