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Minutes of the
Board of Minerals and Environment
Telephone Conference Call Meeting
523 East Capitol Avenue
Pierre, South Dakota

February 17, 2022
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 announced that this meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Rex Hagg, Gregg Greenfield, Doyle Karpen, Jessica Peterson, Daryl Englund, Dennis Landguth, Bob Morris, and John Scheetz.

BOARD MEMBERS ABSENT: Glenn Blumhardt.

OTHERS PRESENT: Mike Lees, Roberta Hudson, Eric Holm, Tom Cline, and Bret Graves, DANR Minerals and Mining Program; Mark Tieszen and Jeff Burich, Barrick.

APPROVAL OF MINUTES FROM DECEMBER 16, 2021, MEETING: Motion by Karpen, seconded by Greenfield, to approve the minutes from the December 16, 2021, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

MINING ISSUES CONSENT CALENDAR: Prior to the meeting, the board received a table listing the department recommendations for transfers of liability and releases of surety, transfers of liability, and releases of liability. (See attachment)

Tom Cline, DANR Minerals and Mining Program, answered questions from Mr. Englund regarding the transfer of liability and release of surety from McLaughlin & Schulz, Inc. in Codington County to Michael D. Wudel.

Motion by Englund, seconded by Landguth, to accept the department recommendations for releases of liability and surety, transfer of liability and release of surety, and releases of liability, as listed on the consent calendar. A roll call vote was taken, and the motion carried unanimously.

TRANSFER OF EXPLORATION NOTICE OF INTENT EXNI-399 FROM KELLY ANDERBERG TO VICTOR UTECH: Roberta Hudson reported that Victor Utech requested a

transfer of EXNI-399 from Kelly Anderberg. The general location of the operation is along Whitewood Creek three miles northeast of Deadwood.

Under SDCL 45-6C-53, any Exploration Notice of Intent can be transferred from one operator to another with the successor operator assuming all reclamation liability.

The transfer and \$2,500 replacement reclamation bond were submitted on April 20, 2021. The \$250 transfer fee was submitted on November 22, 2021, and the transfer was deemed complete on January 9, 2022.

The department recommendation to transfer the Notice of Intent was prepared on January 10, 2022. The Notice of Recommendation was published in the Black Hills Pioneer on January 17, 2022, and the affidavit of publication was received on February 1, 2022. No petitions to intervene were received.

Under SDCL 45-6C-53, the board cannot deny an Exploration Notice of Intent transfer unless the operation is not or cannot be brought into compliance with all applicable local, state, and federal laws pertaining to the operation or unless the successor operator is in violation of state statutes or restrictions for any exploration or operation in the state.

The Exploration Notice of Intent and Victor Utech are both currently in compliance with all federal, state, and local laws. Mr. Utech submitted a Certification of Applicant form and disclosed no violations.

The department recommended that the board transfer EXNI-399 from Kelly Anderberg to Victor Utech and release CD No. 523800-20, Black Hills Federal Credit Union, in the amount of \$2,500, and accept the replacement CD No. 3000091863, BankWest, in the amount of \$2,500.

In response to a question from Mr. Morris, Ms. Hudson stated that the \$2,500 surety covers the disturbance allowed under EXNI-399. Kelly Anderberg initially held the EXNI, but Victor Utech has been helping with the exploration. Ms. Anderberg and Mr. Utech have been working on cleaning up the site.

Minerals and Mining staff inspected the site in the fall of 2021. At the time, staff was unable to cross Whitewood Creek to access the site, but staff was able to see from across the creek that equipment was no longer present on-site, the pits had been backfilled, and the ponds were covered.

Responding to a question from Chairman Hagg, Ms. Hudson stated that Mr. Utech has expressed an interest in maintaining the EXNI.

Motion by Morris, seconded by Peterson, to approve the transfer of ENXI-399 and liability from Kelly Anderberg to Victor Utech, release CD No. 523799-02, Black Hills Federal Credit Union in the amount of \$2,500, and accept CD No. 3000091863, BankWest, in the amount of \$2,500. A roll call vote was taken, and the motion carried unanimously.

ANNUAL UPDATE OF POST CLOSURE FINANCIAL ASSURANCE FROM HOMESTAKE MINING COMPANY, PERMITS 332 AND 456: Eric Holm reported that in the May 18, 2006, Order regarding the post closure financial assurance for Mine Permit Numbers 332 and 456, it states the financial assurance shall be automatically extended for periods of one year. At the time of each annual extension, the face value of the financial assurance shall be adjusted to the bonding schedule set by the board in 2006 and updated in 2012 and 2018.

For 2021, the face value of the surety bond that serves as the post closure financial assurance is required to be \$61,271,809. This is an increase from the \$59,607,847 surety, which was submitted last year. For the increase, Homestake submitted a rider to Surety Bond No. 82336310, Federal Insurance Company, which increases the amount to the new face value. Federal Insurance is licensed in South Dakota and is on the US Department of Treasury list of approved surety companies. Ratings for the company from AM Best, Standard and Poor's, Moody's, and Fitch's are superior, very strong, high quality, and very high credit, respectively. Outlooks are stable.

As part of the May 18, 2006, conditions approved by the board, the department is required to review Homestake's post closure bond, beginning in 2012 and every five years thereafter in order to recalculate and update the bond. The department will begin its next five-year review in the spring of 2022 with a revised post closure bond anticipated for board approval before the end of 2022 or early 2023.

The department's recommendation was to accept the rider to Surety Bond No. 82336310, Federal Insurance Company, increasing the post closure financial assurance amount to \$61,271,809.

Mr. Scheetz asked what the surety bond covers. Mr. Holm stated that for Homestake the bond covers two main things: water treatment activities and post closure care and maintenance of the areas that were released from reclamation liability.

Mr. Scheetz asked if liability includes the Grizzley Gulch tailings impoundment. Mr. Holm answered that it does not.

Mr. Scheetz asked Mr. Holm how he feels about the fact that the Grizzley Gulch tailings impoundment is not bonded. Mr. Holm stated that it cannot be bonded because it is not part of the mining permit.

Mr. Scheetz commented that the Grizzley Gulch tailings impoundment is a liability in this state in terms of surface water quality and potential impacts to Deadwood.

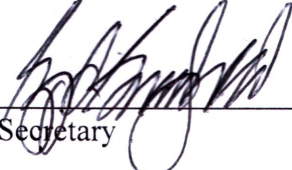
Motion by Karpen, seconded by Scheetz, to accept rider to Bond No. 82336310, Federal Insurance Company, increasing the Post Closure Financial Assurance amount to \$61,271,809 for Homestake Mining Company, Central City, SD, Mine Permits 332 and 456. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD IN ACCORDANCE WITH SDCL 1-25-1: There were no public comments.

Board of Minerals and Environment
February 17, 2022, Meeting Minutes

NEXT MEETING: The next meeting will be held via telephone conference call on March 17, 2022.

ADJOURN: Motion by Englund, seconded by Scheetz, to adjourn the meeting. A roll call vote was taken, and the motion carried unanimously.


Secretary _____ 3/19/22 _____
Date


Witness _____ 3/19/22 _____
Date

Consent Calendar
South Dakota Board of Minerals & Environment

February 17, 2022

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Transfer of Liability & Release of Surety:</u>					
American West Corp. Hill City, SD	95-535	535006	\$20,000	United Fire & Casualty Company	Transfer liability and release \$20,000.
Transfer to:			W1/2 SW1/4 Section 14 & SE1/4 Section 15; T6S-R6E, Custer County		
Randall Schroth Buffalo Gap, SD	21-1102		\$500	First Interstate Bank, Hot Springs	
Mc Laughlin & Schulz Inc. Marshall, MN	83-5	5007	\$20,000	Merchants Bonding Company (Mutual)	Transfer liability and release \$20,000.
Transfer to:			NW1/4 NW1/4 SW1/4 of NW1/4, NE1/4 NW1/4, SE1/4 NW1/4 Section 34; T117N-R52W, Codington County		
Michael D. Wudel Naples, FL	21-1106		\$20,000	Merchants Bonding Company (Mutual)	

Consent Calendar
South Dakota Board of Minerals & Environment

February 17, 2022

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<u>Transfer of Liability:</u>					
Cody Briggs Ft. Pierre, SD	95-542		\$2,000	American Bank & Trust, Pierre	Transfer liability.
		542002	NE1/4 Section 13; T118N-R69W, Faulk County		
Transfer to:					
BJ Kalkman Miranda, SD	20-1063		\$2,500	Dacotah Bank, Faulkton	
Central Specialties Inc. Alexandria, MN	02-733		\$20,000	Ohio Farmers Insurance Company	Transfer liability.
		733001	N1/2 Section 27; T106N-R54W, Lake County		
Transfer to:					
Hodne Farms Inc. Winfred, SD	21-1104		\$10,000	Great Western Bank, Madison	
<u>Release of Liability:</u>					
Teklham Inc. dba Eureka Ready Mix Eureka, SD	03-763		\$5,000	Great Plains Bank, Eureka	Release liability.
		763001	SE1/4 Section 20; T127N-R71W, McPherson County		

Consent Calendar
South Dakota Board of Minerals & Environment

February 17, 2022

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
Release of Liability:					
Edmunds County Highway Department Ipswich, SD	83-161		EXEMPT	NA	Release liability.
		161016	N1/2 SW1/4 Section 32; T125N-R72W, McPherson County		

South Dakota Board of Minerals & Environment

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<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DENR Recommendation</u>
<u>Transfer of Exploration Notice of Intent EXNI-399:</u>				
Kelly Anderberg Rapid City, SD	EXNI-399	\$2,500	Black Hills Federal Credit Union, Rapid City	Transfer liability and release CD No. 523799-20, Black Hills Federal Credit Union, Rapid City, in the amount of \$2,500.
Transfer to:				
Victor Utech Pierre, SD		\$2,500	BankWest, Pierre	