



**Board of Minerals
and Environment**

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

AGENDA

Live audio of the meeting can be heard at <http://www.sd.net/mtc>

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

October 18, 2018
10:00 a.m. Central Time

Scheduled times are estimates only. Agenda items may be delayed due to prior scheduled items.

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

Approval of minutes from September 20, 2018, meeting

Mining issues

- Consent Calendar – Tom Cline
- Exchange of Surety for Wharf Resources (USA) Inc.'s Post Closure Bonds for Permits 356, 434, 435, 464, & 476 and Permit 450 – Eric Holm

10:15 a.m. In the matter of the application of Peter K. Roosevelt, Denver, CO, for approval of a permit to inject production water in the existing 2-33 Alkali Federal Well and to inject production water in the unconsolidated sand of the Minnelusa Formation for salt water disposal – Brian Walsh

Next meeting

Public comment period in accordance with SDCL 1-25-1

Adjourn

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
Telephone Conference Call Meeting
Matthew Environmental Education and Training Center
523 East Capitol Avenue
Pierre, South Dakota
and
Department of Environment and Natural Resources
Conference Room
2050 West Main, Suite 1
Rapid City, South Dakota

September 20, 2018
10:00 a.m. CT

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, Dennis Landguth, Daryl Englund, Gregg Greenfield, Glenn Blumhardt, Doyle Karpen, Bob Morris, and John Scheetz.

BOARD MEMBER ABSENT: None.

OTHERS PRESENT: Mark C. Van Norman, attorney from Rapid City; James Picotte, Eagle Butte; Tonia Stands, Oglala; Benjamin Kirven, attorney from Buffalo, WY, Steven Gunn, attorney from St. Louis, MO, Steve Blair, Rich Williams, and Charles McGuigan, Attorney General's Office, Bob Mercer, newspaper; Mike Lees, Mike Cepak, Eric Holm, Lucy Dahl, Brett Graves, Roberta Hudson, Jenny Hegg, and Mark Keenihan, DENR.

APPROVAL OF MINUTES OF AUGUST 16, 2018, MEETING: Motion by Blumhardt, seconded by Karpen, to approve the minutes of the August 16, 2018, 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 with the department's recommendation for a transfer of liability and two releases of liability (see attachment).

Brett Graves, DENR Minerals and Mining Program, was available to answer questions. There were no questions from the board or the audience.

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

Annual Update on Preliminary List of Special, Exceptional, Critical, or Unique Lands: Eric Holm reported that under ARSD 74:29:10:19, the board is required to annually hold a hearing to consider any petitions received to nominate lands to the Preliminary List of Special, Exceptional, Critical, or Unique Lands. Under ARSD 74:29:10:17(4), DENR publishes an annual notice to solicit petitions to add areas to preliminary list

The notice was published on May 25, 2018, in the Pierre Capitol Journal, Sioux Falls Argus Leader, Black Hills Pioneer, and Rapid City Journal. Affidavits of publication were received from all newspapers, and are on file at the DENR Pierre office.

The deadline for submittal of petitions to nominate areas to preliminary list was August 1, 2018. No nominating petitions were submitted.

Mr. Holm noted that no board action is required.

TRANSFER OF EXPLORATION NOTICES OF INTENT, EXNI-363, EXNI 368, EXNI-418, EXNI-421, AND EXNI-423 FROM MINERAL MOUNTAIN RESOURCES LTD. TO HOLY TERROR MINING COMPANY: Chairman Hagg recused himself from participating in this matter. He turned the gavel over to Vice Chairman Blumhardt.

Eric Holm stated that it was brought to the department's attention that there was an error in the legal description in the public notice that was published in the Rapid City Journal. Since there was an error in the public notice, it does not meet the requirements of the statutes, so the corrected notice will need to be republished, and this matter will need to be postponed until a later date.

Mr. Morris stated that he had discovered the legal description error in the notice the previous evening, and he contacted DENR's counsel, Steve Blair and advised him of the error.

Vice Chairman Blumhardt stated this matter will need be postponed until after proper notice is published.

Motion by Greenfield, seconded by Morris, to postpone the hearing until after proper notice is published. A roll call vote was taken, and the motion carried unanimously.

Vice Chairman Blumhardt turned the gavel back over to Chairman Hagg.

Chairman Hagg asked the board's secretary to read the following letter from former board member, Pete Bullene.

To: Members of the Board of Minerals and Environment

I would like to take this opportunity to thank the past and current Governors for providing a forum for me to serve the great State of South Dakota. A special thanks to Steve Pirner for having the faith in my knowledge and abilities to perform my duties on the Board. During the 10 plus years of being on the Board I have had the opportunity to learn and interact with many of the State's finest employees. The interaction with the State employees provided an opportunity to build special relationships which I will treasure forever. The Board members, both past and present, have been an inspiration and an excellent source of knowledge. I am honored to have been a part of this special group these past years. Not only has the Board widened my horizons but has enabled me to bond and develop personal relationships.

Thank you again,

Peter Bullene

Chairman Hagg thanked Mr. Bullene for his service on the board.

NEXT MEETING: The next meeting is scheduled for October 18, 2018, at the Matthew Training Center, Foss Building, Pierre.

PUBLIC COMMENT PERIOD IN ACCORDANCE WITH SDCL 1-25-1: James Picotte, Cheyenne River Sioux Tribe, Mark Van Norman, attorney from Rapid City, and Tonia Stands, Oglala Sioux Tribe, offered comments regarding the transfer of Exploration Notices of Intent from Mineral Mountain Resources Ltd. to Holy Terror Mining Company.

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

Secretary

Date

Witness

Date

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 20, 2018</i> <u>DENR Recommendation</u>
<u>Transfers of Liability:</u>						
Brownlee Construction, Inc. Watertown, SD	89-393	393025	\$20,000	54-40062	United Fire & Casualty Company	Transfer liability.
Transfer to:		Section 27; T118N-R54W, Codington County				
Clausen & Sons Construction LLC Watertown, SD	83-15		\$20,000	SD5117645	Merchants Bonding Company	
Mc Cook County Highway Department Salem, SD	83-157	157015	EXEMPT	NA	NA	Transfer liability.
Transfer to:		SE1/4 SW1/4 & SW1/4 SE1/4 Section 2; T103N-R54W, Mc Cook County				
Twedt Construction Company, Inc. Montrose, SD	96-594		\$2,500	3254	Security State Bank, Montrose	
			\$1,000	95528	Security State Bank, Montrose	
			\$500	75708	First National Bank, Pierre	

South Dakota Board of Minerals & Environment Consent Calendar

						<i>September 20, 2018</i>
<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:</u>						
Dakota Constructors, Inc. Harrisburg, SD	17-1019	1019001	\$3,500 W1/2 W1/2 Section 9; T19N-R30E, Corson County	GRSD40292A	Granite Re, Inc.	Release liability.
Ziebach County Highway Department Dupree, SD	83-246	246020	EXEMPT SW1/4 Section 3; T13N-R22E, Dewey County	NA	NA	Release liability.
<u>Release of Surety:</u>						
Pro Crush, LLC Olivet, SD	14-975		\$1,000	57424	The Farmers & Merchants State Bank, Scotland	Release \$1,000.

South Dakota Board of Minerals & Environment Consent Calendar

September 20, 2018

<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 Exploration Notices of Intent EXNI-363, EXNI-368, EXNI-418, EXNI-421, & EXNI-423:</u>					
Mineral Mountain Resources Ltd. Vancouver BC, Canada	EXNI-363 EXNI-368 EXNI-418 EXNI-421 EXNI-423	\$20,000	144240113	Great Western Bank, Rapid City	<p>Transfer EXNI-363, EXNI-368, EXNI-418, EXNI-421, and EXNI-423 from Mineral Mountain Resources Ltd. to Holy Terror Mining Company. Release Certificate of Deposit No. 144240113, Great Western Bank, Rapid City, South Dakota, in the amount of \$20,000.</p> <p>Accept Irrevocable Letter of Credit No. 128, First Northern Bank of Wyoming, Buffalo, Wyoming, in the amount of \$20,000.</p>
Transfer to: Holy Terror Mining Company Buffalo, WY		\$20,000	ILOC No. 128	First Northern Bank of Wyoming, Buffalo	
		Legal:	Portions of Sections 4, 5, & 9; T2S-R6E, Pennington 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>October 18, 2018</i> <u>DENR Recommendation</u>
<u>Release of Surety:</u>						
Marty's Gary, SD	10-896		\$1,000	60903	DNB National Bank, Gary	Release \$1,000.
<u>Release of Liability and Surety:</u>						
David Glissendorf White Lake, SD	12-939		\$1,000	4474	Farmers & Merchants Bank, Plankinton	Release liability and \$2,500.
			\$1,500	4745	Farmers & Merchants Bank, White Lake	
		939001	SE1/4 Section 9; T103N-R66W, Aurora County			
<u>Transfer of Liability and Release of Surety:</u>						
Kenneth Kaup Akaska, SD	13-961		\$500	300016130	Plains Commerce Bank, Hoven	Transfer liability and release \$2,000.
			\$500	300016371	Plains Commerce Bank, Hoven	
			\$1,000	30016654	Plains Commerce Bank, Hoven	
		961001	NW1/4 Section 33; T120N-R74W, Potter County			
Transfer to:						
Brownlee Construction, Inc. Watertown, SD	89-393		\$20,000	54-40062	United Fire & Casualty Company	

***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>October 18, 2018</i> <u>DENR Recommendation</u>
<u>Transfers of Liability:</u>						
Dawson Construction, Inc. Howard, SD	83-21	21020	\$20,000	RC-0024	Sun Surety Insurance Company	Transfer liability.
			W1/2 Section 16; T106N-R52W, Lake County			
Transfer to:						
Reinicke Construction, Inc. Madison, SD	91-419		\$500	929200	Wells Fargo Bank, Madison	
			\$1,000	991708	Wells Fargo Bank, Madison	
			\$1,000	0401211826	Wells Fargo Bank, Madison	
			\$2,000	602175	First Bank & Trust, Madison	
Lyman County Highway Department Kennebec, SD	83-215	215006	Exempt	NA	NA	Transfer liability.
			N1/2 NE1/4 Section 22 & NE1/4 NW1/4 Section 15; T103N-R72W, Lyman County			
Transfer to:						
Oacoma Township Oacoma, SD	18-1033		Exempt	NA	NA	

***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>October 18, 2018</i> <u>DENR Recommendation</u>
<u>Releases of Liability:</u>						
Central Specialties, Inc. Alexandria, MN	02-733	733002	\$20,000	5944949	Ohio Farmers Insurance Company	Release liability.
			E1/2 Section 27 & W1/2 Section 26; T122N-R53W, Day County			
Bennett County Highway Department Martin	93-485	485007	Exempt	NA	NA	Release liability.
			NE1/4 Section 19; T43N-R35W, Jackson County			
Jones County Highway Department Murdo, SD	83-205	205014	Exempt	NA	NA	Release liability.
			NE1/4 Section 14 & SW1/4 Section 13; T3S-R27E, Jones County			

South Dakota Board of Minerals & Environment

October 18, 2018

<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>Exchange of Surety for Wharf Resources (USA) Inc.'s Post Closure Bonds:</u>					
Wharf Resources (USA) Inc. Lead, SD	450	\$1,767,077.00	ILOC No. IS0274134U	Wells Fargo Bank, Winston-Salem, NC	Exchange Wells Fargo Bank, Irrevocable Letter of Credit No. IS0274134U, for Aspen American Insurance Company, Bond No. SU53944, in the amount of \$1,767,077.00
Wharf Resources (USA) Inc. Lead, SD	356, 434, 435, 464, & 476	\$26,800,000.00	SUR0032045	Argonaut Insurance Company	Exchange Argonaut Insurance Company, Bond No. SUR0032045, for Aspen American Insurance Company, Bond No. SU53942, in the amount of \$26,800,000.00.