



Board of Minerals and Environment

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

Live audio of the meeting is available at <http://www.sd.net>

AGENDA

**Board of Minerals and Environment
Telephone Conference Call Meeting
Secretary's Conference Room
523 East Capitol Avenue
Pierre, South Dakota**

July 18, 2024

10:00 a.m. Central Time

Call to order and roll call

Approval of minutes from May 16, 2024, meeting

Mining Issues Consent Calendar – Tom Cline

Proposed modification to Memorandum of Understanding between the State of South Dakota Department of Agriculture and Natural Resources and USDA, Forest Service Region 2, Black Hills National Forest – Roberta Hudson

Election of Officers

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

Next meeting

Adjourn

The board packet is available on the Boards and Commissions website at <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=67>

Interested parties may participate via telephone or in the DANR Secretary's Conference Room, 523 East Capitol Avenue, Pierre, SD. To participate via telephone please contact DANR at (605) 773-3886 or via email at brenda.binegar@state.sd.us no later than 4:00 p.m. Central Time on Wednesday, July 17, 2024.

Notice is given to individuals with disabilities that the meeting is being held in a physically accessible location. Individuals requiring assistive technology or other services in order to participate in the meeting or materials in an alternate format should contact Brian Walsh, Nondiscrimination Coordinator, by calling (605) 773-5559 or by email at Brian.Walsh@state.sd.us as soon as possible but no later than two business days prior to the meeting in order to ensure accommodations are available.

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
523 East Capitol Avenue
Pierre, South Dakota

May 16, 2024
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.

The meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Rex Hagg, Glenn Blumhardt, Bob Ewing, Gary Haag, Doyle Karpen, Bob Morris, and Laurie Schultz.

BOARD MEMBERS ABSENT: Jessica Gruenwald and Gregg Greenfield.

OTHERS PRESENT: Mike Lees, Roberta Hudson, Eric Holm, Bret Graves, Tom Cline, DANR Minerals, Mining, and Superfund Program; Steve Kropp and Nick Burke, DANR Waste Management Program; Patrick Malone, Jerry Aberle, and Timm Comer, DTRC, LLC; Mark Tieszen, Homestake Mining Company/Richmond Hill; Stephanie Kuntz, Marsh; and Matt Zietlow, Wharf Resources.

APPROVAL OF MINUTES FROM MARCH 21, 2024, MEETING: Motion by Blumhardt, seconded by Ewing, to approve the minutes from the March 21, 2024, Board of Minerals and Environment meeting. A roll call vote was taken, and the motion carried unanimously.

APPOINT HEARING CHAIR AND SET HEARING DATE IN THE MATTER OF THE PERMIT APPLICATION OF THE CITY OF MADISON TO OPERATE AND CONSTRUCT A RESTRICTED USE SOLID WASTE SITE: Chairman Hagg appointed Glenn Blumhardt as hearing chair for this matter. The board members concurred with holding the hearing on July 18, 2024, in Pierre.

An Order will be prepared appointing Mr. Blumhardt as hearing chair and setting a July 18, 2024, hearing date.

MINING ISSUES CONSENT CALENDAR: Prior to the meeting the board received a copy of the consent calendar, which is a table listing the department recommendations for release of liability and surety and transfer of liability. (See attachment)

Tom Cline with the Minerals, Mining, and Superfund Program was available for questions from the board. There were no questions.

Motion by Karpen, seconded by Haag, to approve the consent calendar, as presented. A roll call vote was taken, and the motion carried unanimously.

ACCEPTANCE OF FINANCIAL ASSURANCE INCREASE FOR WHARF RESOURCES (USA), INC., LARGE SCALE MINE PERMITS 356, 434, 435, 464, 476, AND 490: Eric Holm noted that Matt Zietlow with Wharf, and Stephanie Kuntz with Marsh, were on the phone to answer questions.

Mr. Holm presented the board with an adjustment of the financial assurance amount for Wharf Resources. This financial assurance, also known as the cyanide spill bond, is required under SDCL 45-6B-20.1 and covers costs to the state for responding to, and remediating accidental releases of, cyanide and other leaching agents at the Wharf site. This financial assurance is in addition to Wharf Resources' \$72.15 million reclamation bond and \$42.69 million postclosure bond.

The department adjusted the financial assurance for inflation and calculated a revised amount of \$825,700 which is an increase of \$18,400 from the 2023 update. The Construction Cost Index in the Engineering News Record was used to calculate the inflationary increase in the bond.

To cover the increase, Wharf has submitted a rider to the Siriuspoint America Insurance Company surety bond that currently serves as financial assurance which increases the amount to \$825,700. Siriuspoint America 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 excellent, strong, upper medium grade, and high credit quality, respectively. All outlooks are stable.

The department recommended the board accept the rider to Bond No. SPA153047_002, Siriuspoint America Insurance Company, increasing the financial assurance bond from \$807,300 to \$825,700.

There were no questions from the board.

Motion by Morris, seconded by Karpen, to accept the rider to Bond No. SPA153047_002, Siriuspoint America Insurance Company, increasing the financial assurance bond from \$807,300 to \$825,700. A roll call vote was taken, and the motion carried unanimously.

DISCOUNT RATE UPDATE OF POST CLOSURE FINANCIAL ASSURANCE FOR WHARF RESOURCES (USA), INC., LARGE SCALE MINE PERMITS 356, 434, 435, 464, 476, AND 490: Mr. Holm noted the Mr. Zietlow and Ms. Marsh were available to answer questions.

In October 2023 the board approved lowering the discount rate from 5 percent to 4.2 percent for the postclosure financial assurance for Homestake's Mine Permits 332 and 456.

In March 2024 the board approved lowering the discount rate to 4.2 percent for the postclosure financial assurance for Homestake's Mine Permit 445.

Mr. Holm stated that the department is now requesting that the board approve lowering the discount rate from 5 percent to 4.2 percent for Wharf Resources' postclosure financial assurance. This is the last postclosure financial assurance that needs to have the discount rate adjusted.

As a result of the discount rate adjustment, the face value of Wharf's postclosure financial assurance is required to be \$52,689,000. This is an increase of \$10,003,400 from the current \$42,685,600 amount. To cover the increase, Wharf Resources submitted Surety Bond No. ES00017792 from Everest Reinsurance Company in the amount of \$10,003,400. Everest Reinsurance Company is licensed in South Dakota and is on the US Department of Treasury's list of approved surety companies. Ratings for the company from AM Best, Standard and Poor's, and Moody's are superior, strong, and upper medium quality, respectively. Outlooks are stable.

Staff recommended the board accept Surety Bond No. ES00017792, Everest Reinsurance Company, in the amount of \$10,003,400, increasing the postclosure bond amount to \$52,689,000.

In response to a question from Mr. Morris, Mr. Holm stated that prior to this increase, the amount of the surety bond was \$42,685,600. Wharf has submitted several surety bonds to cover the total surety amount. Everest Reinsurance Company is submitting the additional \$10,003,400 surety. A review of the postclosure surety amount for Homestake's three mine permits is done on a yearly basis. The next review of Wharf Resources' postclosure surety amount will likely be done next year after review of the updated water treatment costs.

Motion by Morris, seconded by Karpen, to accept Surety Bond No. ES00017792, Everest Reinsurance Company, in the amount of \$10,003,400, increasing the postclosure bond amount to \$52,689,000 for Wharf Resources Large Scale Mine Permits 356, 434, 435, 464, 476, and 490. Motion carried unanimously.

RELEASE OF RECLAMATION LIABILITY FOR B4TIME, EXNI-408: Mr. Holm reported that on April 16, 2020, the Board of Minerals and Environment forfeited the \$1,000 surety posted by B4Time for its mineral exploration activities under EXNI-408. The board directed the forfeited surety be given to the US Forest Service to complete reclamation of the site. At that time, the board did not release B4Time's reclamation liability for the site. It was the board's intent to consider releasing reclamation liability at the time the department and the Forest Service verified that reclamation had been completed.

On June 5, 2020, the Minerals, Mining and Superfund Program received a \$1,000 check from TruStar Federal Credit Union which constituted the proceeds of the forfeited certificate of deposit. The Minerals, Mining and Superfund Program sent the check to the Forest Service. The Forest Service began reclamation of the site on September 14, 2020.

Mr. Holm discussed slides showing the B4Time Mine Reclamation Project. The slides can be viewed at <https://boardsandcommissions.sd.gov/bcuploads/5-16-2024%20BME%20Packet.pdf>

In discussions with Jonathan Manning of the US Forest Service, he confirmed that the reclamation of the area disturbed by B4Time is complete and satisfactory according to US Forest Service standards. Staff agreed with the Forest Service assessment, and since reclamation has been completed, the department's recommendation is to release B4Time, LLC's reclamation liability and close the file.

In response to a question from Ms. Schultz regarding the \$1,000 surety, Mr. Holm stated that the Forest Service did not share the cost of reclamation with the department. Mr. Haag, a former Forest Service employee, stated that the Forest Service construction maintenance crew did the reclamation at a very low cost.

Motion by Ewing, seconded by Karpen, to release reclamation liability for B4Time, LLC EXNI-408. A roll call vote was taken, and the motion carried unanimously.

ORAL MINING REPORTS: The annual oral mining reports were presented to the board by representatives of the large-scale gold mining companies. The representatives reported on water treatment, production, and reclamation activities during 2023 and plans for 2024. The annual oral mining presentations are required by statute.

Mark Tieszen presented the annual reports for Homestake Mining Company's Mine Permits 332, 445, and 456.

Matt Zietlow presented the annual report for Wharf Resources.

Timm Comer presented the annual report for DTRC, LLC.

UPDATE ON BROHM EPA SUPERFUND SITE: Roberta Hudson, DANR Minerals, Mining, and Superfund Program, presented the annual update for the Brohm Superfund site and answered questions from the board.

The slide presentations for the oral mining reports and Brohm EPA Superfund Site are available at <https://boardsandcommissions.sd.gov/bcuploads/5-16-2024%20BME%20Packet.pdf>

ANNUAL UPDATE OF PRELIMINARY LIST OF SPECIAL, EXCEPTIONAL, CRITICAL, OR UNIQUE LANDS: Mr. Holm stated 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), DANR publishes an annual notice to solicit petitions to add areas to the preliminary list. The notice was published on February 1, 2024, in the Sioux Falls Argus Leader, Black Hills Pioneer, and Rapid City Journal. Affidavits of publication were received from all newspapers.

Board of Minerals and Environment
May 16, 2024, Meeting Minutes

On January 25, 2024, the South Dakota Department of Tourism, the Department of Game, Fish, and Parks, the Department of Education and Cultural Affairs, and the Archaeological Research Center were also invited to submit nominating petitions.

The deadline for submittal of petitions to nominate areas to preliminary list was May 1, 2024. No nominating petitions were submitted.

No board action was necessary.

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

NEXT MEETING: The next meeting is scheduled for July 18, 2024, at the Foss Building Matthew Training Center in Pierre, and is tentatively scheduled as an in-person meeting. Some agenda items include routine mining issues, a contested case hearing in the matter of the permit application of the city of Madison to operate and construct a restricted use solid waste site, and possibly an oil and gas enforcement matter.

Chairman Hagg stated that his term will expire June 30, 2024. He has declined reappointment to the board but has agreed to serve until the Governor appoints his replacement.

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

Secretary, Board of Minerals and Environment Date

Witness Date

May 16, 2024

License Holder **License No.** **Site No.** **Surety Amount** **Surety Company or Bank** **DANR Recommendation**

Release of Liability & Surety:

Wipf Excavating, LLC 23-1120 **1120001** \$2,500 American Bank & Trust
Huron, SD SW1/4 Section 28; T111N-R65W Beadle County Release liability and \$2,500.

Transfer of Liability:

Aggregate Construction, 89-382 **382044** \$20,000 Ohio Farmers Insurance Transfer liability.
Inc. Section 27 and SE1/4 Section 21; T6N-R16E
Minot, ND Meade County Westfield Center, OH

Transfer to:

James L. Feist 24-1135 \$1,000 Bankwest
Pierre, SD

May 16, 2024

<u>Permit Holder</u>	<u>Permit No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Acceptance of Financial Assurance for Wharf Resources (USA), Inc.:</u>				
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, 476, & 490	\$807,300	Siriuspoint America Insurance Company	Accept rider to Bond No. SPA153047_002, Siriuspoint America Insurance Company, increasing the Financial Assurance amount to \$825,700.
<u>Discount Rate Update of Post Closure Financial Assurance:</u>				
Wharf Resources (USA), Inc. Lead, SD	356, 434, 435, 464, 476, & 490	\$10,003,400	Everest Reinsurance Company	Accept Bond No. ES00017792, Everest Reinsurance Company, in the amount of \$10,003,400 increasing the post closure bond amount to \$52,689,000.
<u>Release of Reclamation Liability:</u>				
B4Time, LLC Bemidji, MN	EXNI-408	\$0	\$1,000 surety forfeited and sent to US Forest Service April 16, 2020, to complete reclamation	Release B4Time's reclamation liability and close file.

Consent Calendar
South Dakota Board of Minerals & Environment

July 18, 2024

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Transfer of Liability:</u>					
Carl E Scott Custer, SD	89-388		\$1,500	First National Bank, Pierre First Interstate Bank, Custer	Transfer liability.
		388002	NE1/4 Section 35; T4S-R4E,	Custer County	
Transfer to:					
Michael Buszkohl Custer, SD	24-1138		\$4,000	First National Bank, Rapid City	
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047003	Longview Claim – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E,	Custer County	
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047004	Beecher Lode – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E,	Custer County	
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	

Consent Calendar
South Dakota Board of Minerals & Environment

July 18, 2024

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Transfer of Liability:</u>					
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047005	Black Diamond Claim – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E, Custer County		
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	
Cody Schad Rapid City, SD	19-1047		\$20,000	Pioneer Bank & Trust, Rapid City	Transfer liability.
		1047006	Dyke Lode – SW1/4 Section 7 and W1/2 Section 18; T4S-R5E, Custer County		
Transfer to:					
Longview Minerals LLC. Custer, SD	24-1139		\$20,000	Pioneer Bank & Trust, Rapid City	
<u>Transfer of Liability & Surety:</u>					
Tom Loomis dba Dakota Matrix Minerals Rapid City, SD	04-801		\$1,000	First National Bank, Pierre	Release liability & \$1,000.
		801001	SW1/4 Section 8; T4S-R4E, Custer County		
Transfer to:					
Michael Busskohl Rapid City, SD	24-1138		\$4,000.00	First National Bank, Rapid City	

Consent Calendar
South Dakota Board of Minerals & Environment

July 18, 2024

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Transfer of Liability & Surety:</u>					
Minnehaha County Highway Department Sioux Falls, SD	83-236		Exempt	NA	Release liability & close license.
		236001	E1/2 SE1/4 and NW1/4 SE1/4 Section 6; T101N-R50W, Minnehaha County		
Transfer to:					
First Rate Excavate, Inc. Sioux Falls, SD	05-817		\$20,000	North American Specialty Insurance Company, Sioux Falls	
<u>Release of Liability:</u>					
Morris Inc. Pierre, SD	83-2		\$20,000	United Fire & Casualty Company Cedar Rapids, IA	Release liability.
		2034	SW1/4 Section 6; T41N-R36W, Jackson County		
Morris Inc. Pierre, SD	83-2		\$20,000	United Fire & Casualty Company Cedar Rapids, IA	Release liability.
		2054	SW1/4 Section 22; T1N-20E, Haakon County		
DOT-Aberdeen Region Aberdeen, SD	83-10.2		Exempt	NA	Release liability.
		10015	W1/2 Section 36; T116N-R72W, Hyde County		

Consent Calendar
South Dakota Board of Minerals & Environment

July 18, 2024

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Release of Liability:</u>					
Clausen & Sons Construction LLC Watertown, SD	83-15	15014	\$20,000	Merchants Bonding Company, Des Moines, IA NE1/4 Section 9; T116N-R52W, Codington County	Release liability
Western Construction Inc. Rapid City, SD	09-880	880006	\$20,000	Western Surety Company, Chicago, IL Section 26; T2S-R12E, Pennington County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880009	\$20,000	Western Surety Company, Chicago, IL N1/2 Section 36; T1S-R8E, Pennington County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880014	\$20,000	Western Surety Company, Chicago, IL S1/2 NW1/4 Section 11; T1N-R23E, Haakon County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880015	\$20,000	Western Surety Company, Chicago, IL W1/2 SW1/4 Section 21; T2N-R11E, Pennington County	Release liability.

Consent Calendar
South Dakota Board of Minerals & Environment

July 18, 2024

<u>License Holder</u>	<u>License No.</u>	<u>Site No.</u>	<u>Surety Amount</u>	<u>Surety Company or Bank</u>	<u>DANR Recommendation</u>
<u>Release of Liability:</u>					
Western Construction Inc. Rapid City, SD	09-880	880018	\$20,000	Western Surety Company, Chicago, IL SW1/4 Section 21 and NW1/4 Section 28; T3S- R9E, Custer County	Release liability.
Western Construction Inc. Rapid City, SD	09-880	880021	\$20,000	Western Surety Company, Chicago, IL NW1/4 SW1/4 Section 5; T18N-R1E, Harding County	Release liability.
Sorber Inc. Colome, SD	20-1077	1077001	\$500	First Fidelity Bank, Colome N1/2 Section 10; T95N-R75W, Tripp County	Release liability.
<u>Release of Liability & Surety:</u>					
James W Heinrich Tolstoy, SD	04-795	795001	\$500	First National Bank, Pierre S1/2 Section 33; T122N-R73W, Edmunds County	Release liability & \$500.



MODIFICATION OF GRANT OR AGREEMENT

PAGE	OF PAGES
1	3

1. U.S. FOREST SERVICE GRANT/AGREEMENT NUMBER: 23-MU-11020300-043	2. RECIPIENT/COOPERATOR GRANT or AGREEMENT NUMBER, IF ANY: n/a	3. MODIFICATION NUMBER: 001
4. NAME/ADDRESS OF U.S. FOREST SERVICE UNIT ADMINISTERING GRANT/AGREEMENT (unit name, street, city, state, and zip + 4): U.S. Forest Service, Office of Grants and Agreements 1617 Cole Blvd. Building 17 Lakewood, CO 80401	5. NAME/ADDRESS OF U.S. FOREST SERVICE UNIT ADMINISTERING PROJECT/ACTIVITY (unit name, street, city, state, and zip + 4): U.S. Forest Service, Black Hills NF, Supervisor's Office 1019 N. 5th Street Custer, SD 57730	
6. NAME/ADDRESS OF COOPERATOR (street, city, state, and zip + 4, county): South Dakota Department of Agriculture and Natural Resources, The 523 E Capitol Ave Pierre, South Dakota 57501-3182	7. COOPERATOR'S HHS SUB ACCOUNT NUMBER (For HHS payment use only): n/a	

8. PURPOSE OF MODIFICATION

CHECK ALL THAT APPLY:	This modification is issued pursuant to the modification provision in the grant/agreement referenced in item no. 1, above.
<input type="checkbox"/>	CHANGE IN PERFORMANCE PERIOD:
<input type="checkbox"/>	CHANGE IN FUNDING:
<input checked="" type="checkbox"/>	ADMINISTRATIVE CHANGES: Updates provision III. B. 2.
<input type="checkbox"/>	OTHER (Specify type of modification):

Except as provided herein, all terms and conditions of the Grant/Agreement referenced in 1, above, remain unchanged and in full force and effect.

9. ADDITIONAL SPACE FOR DESCRIPTION OF MODIFICATION (add additional pages as needed):
The purpose of this modification is to update Section III.B.2 of the MOU to reflect the changes to the bonding requirements. See following page for details.

10. ATTACHED DOCUMENTATION (Check all that apply):

<input checked="" type="checkbox"/>	Revised Scope of Work
<input type="checkbox"/>	Revised Financial Plan
<input type="checkbox"/>	Other:

11. SIGNATURES

AUTHORIZED REPRESENTATIVE: BY SIGNATURE BELOW, THE SIGNING PARTIES CERTIFY THAT THEY ARE THE OFFICIAL REPRESENTATIVES OF THEIR RESPECTIVE PARTIES AND AUTHORIZED TO ACT IN THEIR RESPECTIVE AREAS FOR MATTERS RELATED TO THE ABOVE-REFERENCED GRANT/AGREEMENT.

11.A. COOPERATOR'S SIGNATURE See page 2.	11.B. DATE SIGNED	11.C. U.S. FOREST SERVICE SIGNATURE See page 2.	11.D. DATE SIGNED
(Signature of Signatory Official)		(Signature of Signatory Official)	
11.E. NAME (type or print):		11.F. NAME (type or print):	
11.G. TITLE (type or print):		11.H. TITLE (type or print):	

12. G&A REVIEW

12.A. The authority and format of this modification have been reviewed and approved for signature by: DAVID GRAHAM DAVID GRAHAM U.S. Forest Service Grants & Agreements Specialist	12.B. DATE SIGNED Digitally signed by DAVID GRAHAM Date: 2024.06.21 10:47:51 -06'00' 06/21/2024
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Modification 001 to Memorandum of Understanding: 23-MU-11020300-043

The South Dakota Legislature revised some requirements associated with mineral exploration, mining permits, and mine licenses during the 2024 state legislative session. Key statutory changes that impact the existing Memorandum of Understanding involve changes to the bonding limits for these operations. Changes to bonding requirements set in South Dakota Codified Law (SDCL) are set to take effect on July 1, 2024. Therefore, the following updates to provision III. B. 2. are hereby incorporated into the MOU. This language replaces the original language in the MOU.

III. AGREEMENT.

It is MUTUALLY AGREED AND UNDERSTOOD by and between the U.S. Forest Service and the State that:

B. Financial Assurance.

1. Exploration Notice of Intent (SDCL 45-6C-19): Effective July 1, 2024, the statewide maximum bond requirement for mineral exploration activities will increase from \$20,000 to \$100,000.
2. Small-scale mine permits (SDCL 45-6B-55): Effective July 1, 2024, the statewide maximum bond requirement for small scale mining operations will increase from \$2,500 to \$38,500.
3. Mine License operations (SDCL 45-6-71): Bond requirements for sand, gravel, limestone, and pegmatite mine operators will increase from \$500/acre or a statewide maximum of \$20,000 according to the following schedule:
 - a. For operators licensed prior to July 1, 2024:
 - i. On July 1, 2026, the required bond amount increases to \$1,500/acre or a statewide maximum of \$100,000.
 - ii. On July 1, 2027, the required bond amount increases to \$2,750/acre or a statewide maximum of \$200,000.
 - iii. On July 1, 2029, the required bond amount increases to \$3,850/acre or a statewide maximum of \$300,000.
 - b. For any new mining operator licensed after June 30, 2024, the required bond amount is \$3,850/acre or a statewide maximum of \$300,000 effective July 1, 2024.

HUNTER ROBERTS, Secretary
South Dakota Department of Agriculture and Natural
Resources, The

Date

REXFORD A. HAGG, Chairman
South Dakota Board of Minerals & Environment

Date

TONI STRAUSS, Deputy Forest Supervisor
U.S. Forest Service, Black Hills National Forest

Date



USDA Forest Service

OMB 0596-0217
FS-1500-19

Burden Statement

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0217. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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