

June 30, 2014

James Dean
dba Dakota Stone Mining and Stone Supply, Inc.
23863 Palmer Gulch Road
Hill City, SD 57745

Dear Mr. Dean:

The department has completed its review of the Notice of Intent to Conduct Mineral Exploration Operations submitted on January 31, 2013 and supplemental information submitted on March 4 and 11, 2013 and June 30, 2014. Our office received all additional materials necessary to consider this Notice of Intent complete on June 30, 2014. As a result of our review, we have determined that the following conditions are necessary:

1. This project shall be conducted and reclaimed in such a manner as to prevent any violation of the beneficial uses of specified water quality criteria of any water resources in the area, including Spring Creek. In accordance with ARSD 74:51:03:09, Spring Creek is assigned the following beneficial uses from Sheridan Lake to Section 5; T2S-R3E:
 - (2) Coldwater Permanent Fish Propagation Waters;
 - (7) Immersion Recreation Waters;
 - (8) Limited Contact Recreation Waters;
 - (9) Wildlife propagation, recreation, and stock watering waters; and
 - (10) Irrigation Waters.
2. No discharge of water or sediments into Spring Creek is permitted. In the event that it is necessary to discharge into Spring Creek, a South Dakota Surface Water Discharge permit must be obtained.
3. Erosion and sediment control structures shall be in place where necessary and functional pursuant to SDCL 45-6C-32 and Best Mineral Management Practices during the exploration operation. These measures include seeding and placing erosion control structures around topsoil stockpiles and installing waterbars, straw bales, or silt fences along the access road where appropriate. James Dean shall inspect, clean out, repair, or upgrade the sediment controls as necessary.

4. All topsoil shall be salvaged and stockpiled whenever possible for use in reclamation.

5. The following seed mix shall be used for reclamation of the affected areas:

Annual ryegrass	6 lb. PLS/acre
Slender wheatgrass	5 lb. PLS/acre
Green needlegrass	4 lb. PLS/acre
Canada wildrye	2 lb. PLS/acre
Canby bluegrass	2 lb. PLS/acre
Purple prairie clover	1 lb. PLS/acre

6. James Dean shall avoid any bones, artifacts, foundation remains, or other evidence of previously unrecorded past human use during exploration activities. If any artifacts or other archaeological or cultural resources are discovered during exploration activities, the activities shall be temporarily halted and the state archaeologist notified.

7. James Dean shall comply with the requirements of the US Forest Service operating plan approved June 23, 2014.

Please note that we have assigned you Notice of Intent the following number: **EXNI-420**. This Notice allows you to conduct only the type and amount of work which is hereby being approved. Any additional work must be covered by the submission of a new Notice to our office. You may commence with the operation contingent upon compliance with the above restrictions.

Thank you for your interest in and consideration for the natural resources of South Dakota.

Sincerely,

\s/

Eric Holm
Engineer III
Minerals and Mining Program
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cc: Stan Michals, Department of Game, Fish and Parks
Michael Fosha, Archaeological Research Center
Mark Keenihan, Rapid City office
Gary Haag, US Forest Service