

Department of Environment and Natural Resources  
Minerals and Mining Program  
Joe Foss Building  
523 East Capitol Avenue  
Pierre, South Dakota 57501-3182  
Telephone: (605) 773-4201 Fax: (605) 773-5286

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JUN 15 2012

MINERALS & MINING PROGRAM

APPLICATION FOR  
SMALL SCALE MINING PERMIT

Pursuant to SDCL 45-6B:  
Relating to Mineral Extraction in  
Operations Affecting Less Than  
10 Acres Per Year & Removing  
Less Than 25,000 Tons Per Year

Operator's Name: Stuart W Goldsmith

Mailing address:

2404 Foothills Blvd  
Apt 102  
Gillette, WY 82716 - 2489

Telephone:

(307) 685-6410

Physical address:

2404 Foothills Blvd  
Apt 102  
Gillette, WY 82716 - 2489

Telephone:

(307) 685-6410

Fax:

Name and address of surface owner: (Enter additional owners on last page)

United States Department of Agriculture  
U.S. Forest Service (Northern Hills)  
2014 N. Main  
Spearfish, SD 57783

Legal description of affected land:

E 1/2 of SE 1/4 of NW 1/4 Sec 28 T2N R4E

County: Pennington

Minerals to be mined:

Gold (Au)

Size of affected land (acres):

1/4 Acre

Estimated acres disturbed per year:

1/4 acre

Estimated tonnage mined per year: 2/3

Estimated tons of ore per year: 1/4 to 1/2

Overburden/waste tons per year: 2/3

Name and address of mineral owner: (Enter additional owners on last page)

Stuart W Goldsmith  
2404 Foothills Blvd  
Apt 102  
Gillette, WY 82716 - 2489

Name and address of operator's resident agent (if operator is an out-of-state corporation):

Proposed starting date:

01 May 2012

Proposed completion date:

Unknown

Estimated working days per year:

30

Estimated duration of operation (years): 10

Reclamation type:

Backfill overburden/restore Top Soil/Seeding

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INSTRUCTIONS (Reference SDCL 45-6B)

Before a hearing on the permit may be conducted by the SD Board of Minerals and Environment, the applicant

This application must be accompanied by: MINERALS & MINING PROGRAM must submit the following materials:

1. A narrative description of the type of mining operation proposed and how it will be conducted pursuant to Section 54 (7). This should include a description of the initial work to develop the operation and a description of the workings during the operation.
2. A narrative description of the measures to be taken to comply with the operating and reclamation requirements of SDCL 45-6B-37 through 45-6B-46 pursuant to Section 54 (9).
3. A map showing information sufficient to locate the affected land, including existing and proposed roads or access routes to be used in connection with the mining pursuant to Section 54 (5).
4. A wildlife survey pursuant to Section 54 (8).
5. A fee of \$100.00 pursuant to Section 55.
6. A list of the names and addresses of the land-owners of the affected land.

1. Certified mail receipts confirming mailing of notice to all surface owners and lessees pursuant to Section 17.
2. A copy of the affidavit of publication of notice pursuant to Section 16.
3. Proof of filing a copy of the application with the Register of Deeds pursuant to Section 15.
4. A surety in an amount to be determined by the department pursuant to Section 20 and 55.
5. A copy of instruments of consultation from all surface landowners, if different than the owner of the minerals, including written receipt of the operating and reclamation plans pursuant to Section 12 and 13.

STATE OF Wyoming

COUNTY OF Campbell

On this 13<sup>TH</sup> day of June

20 12, before me personally appeared

Stuart W Goldsmith who

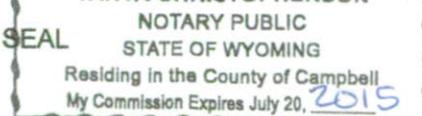
acknowledged himself to be the Claimant  
(Title)

for Stuart W Goldsmith and that  
(Operator)

he is authorized to execute the Application for Small Scale Mining Permit for the purposes contained therein.

[Signature]  
Notary Public

My Commission Expires 7/20/2015  
TANYA CHRISTOPHERSON



Applicant hereby affirms that the mining will be conducted pursuant to SDCL 45-6B, or any regulations promulgated thereunder; that he will grant access to the Board of Minerals and Environment or its agents to the area under application from the date of the application and during the life of the permit as is necessary to assure compliance with SDCL 45-6B.

*I declare and affirm under the penalties of perjury that this claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.*

[Signature]  
Signature

Claimant  
Title

13 June 2012  
Date

FOR DEPARTMENT USE ONLY

DATE APPROVED: BOND AMOUNT: PERMIT NUMBER:

Chairman, SD Board of Minerals & Environment

Department of Environment and Natural Resources  
Minerals and Mining Program  
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STATE OF SOUTH DAKOTA  
BEFORE THE SECRETARY OF  
THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

IN THE MATTER OF THE )  
APPLICATION OF Stuart W Goldsmith ) CERTIFICATION OF  
APPLICANT

STATE OF Wyoming )  
 ) SS  
COUNTY OF Campbell )

I, Stuart W Goldsmith, the applicant in the above matter after being duly sworn upon oath hereby certify the following information in regard to this application:

South Dakota Codified Laws Section 1-40-27 provides:

*"The secretary may reject an application for any permit filed pursuant to Titles 34A or 45, including any application by any concentrated swine feeding operation for authorization to operate under a general permit, upon making a specific finding that:*

*(1) The applicant is unsuited or unqualified to perform the obligations of a permit holder based upon a finding that the applicant, any officer, director, partner, or resident general manager of the facility for which application has been made:*

- (a) Has intentionally misrepresented a material fact in applying for a permit;*
- (b) Has been convicted of a felony or other crime of moral turpitude;*
- (c) Has habitually and intentionally violated environmental laws of any state or the United States which have caused significant and material environmental damage;*
- (d) Has had any permit revoked under the environmental laws of any state or the United States;*
- (e) 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; or*

*(2) The application substantially duplicates an application by the same applicant denied within the past five years which denial has not been reversed by a court of competent jurisdiction. Nothing in this subdivision may be construed to prohibit an applicant from submitting a new application for a permit previously denied, if the new application represents a good faith attempt by the applicant to correct the deficiencies that served as the basis for the denial in the original application.*

All applications filed pursuant to Titles 34A and 45 shall include a certification, sworn to under oath and signed by the applicant, that he is not disqualified by reason of this section from obtaining a permit. In the absence of evidence to the contrary, that certification shall constitute a prima facie showing of the suitability and qualification of the applicant. If at any point in the application review recommendation, or hearing process, the secretary finds the applicant has intentionally made any material misrepresentation of fact in regard to this certification, consideration of the application may be suspended and the application may be rejected as provided for under this section.

Applications rejected pursuant to this section constitute final agency action upon that application and may be appealed to circuit court as provided for under chapter 1-26."

Pursuant to SDCL 1-40-27, I certify that I have read the forgoing provision of state law, and that I am not disqualified by reason of that provision from obtaining the permit for which application has been made.

I declare and affirm under the penalties of perjury that this claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

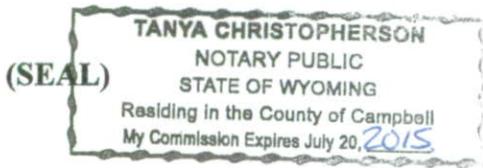
Dated this 13 day of June, 2012.

Stuart W. Goldsmith  
Applicant

Subscribed and sworn before me this 13 day of June, 2012.

Tanya  
Notary Public

My commission expires: 7/20/2015



**PLEASE ATTACH SHEET DISCLOSING ALL FACTS PERTAINING TO  
SDCL 1-40-27 (1)(a) THROUGH (e).  
ALL VIOLATIONS MUST BE DISCLOSED, BUT WILL NOT  
AUTOMATICALLY RESULT IN THE REJECTION OF AN APPLICATION.**

# Small Scale Mining Application

(Amended)

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SDCL 45-6B-38

The site will be kept clean, orderly and free of refuse. Housing will be in a 8' x 28' Camper/Trailer, all sewage and waste water will be self-contained. Disposal will be conducted off-site (Trout Haven) or an approved drop site. Oil changes will be scheduled off-site. Fueling of equipment will be accomplished a minimum of 100' from water ways. I will utilize a Ford F250 Pickup and a 6' x 12' enclosed Utility Trailer. No structures will be needed, nor any permanent buildings.

SDCL 45-6B-40

I will be placing top soil separately from overburden and will be posted "TOP SOIL Do Not Disturb". Top soil be be contoured in a 3:1 repose and seeded with approved seed. A containment berm will be placed to prevent material and water from entering water way.

Reclamation will be continuous as pit excavaction progresses. No mining will be conducted within the waterway or below ground water table. Mining will not occur within 30 feet of Rapid Creek. No chemicals or hazardous material will be used in the process of mining. A containment berm will be placed around production pit to insure safety and minimize erosion.

As this is U.S. Forest Service land, no adjacent landowners are within 500 feet of mine site.

## APPLICATION FOR SMALL SCALE MINING PERMIT

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### GENERAL DESCRIPTION OF THE TYPE OF MINING OPERATION PROPOSED AND HOW IT WOULD BE CONDUCTED. ARSD 74:29:10:03 (5)

The small scale mining operation will process ore by gravitational (non-chemical) equipment. The area proposed for mining is the same area where recreational mining is presently being conducted. It is anticipated that the surface disturbance will be less than 1/4 acres and the mine life of 10 to 15 years. The annual extraction of ore and overburden less than 2/3 tons annually.

Method of mining will be stockpiling of topsoil and subsoil adjacent to the mine pit. Overburden will be stripped to expose the ore bearing material. The ore will then be extracted from the pit and processed with waste going back to the pit area for reclamation. Surface area disturbance of the mine pit could be a maximum of one-quarter (1/4) acre before commencement of partial or complete reclamation. Reclamation will be ongoing to fill in the pit as the ore body is mined. There could be a delay in the distribution of topsoil, subsoil and seeding since the area previously mined will contain the spoil from the advancement of the pit. Complete reclamation will involve replacement of overburden, tailings, grading, subsoil and topsoil replacement. Seeding of the area reclaimed will follow in the fall and/or spring with weed control of the area. As part of the mining operation, containment berms are proposed to direct water from entering active waterways and prevent material from being washed into creek.

Access to the property will be from Forest Service Road 231N (Rochford Road) which has at present an existing access roadway crossing Mickelson Trail. An existing logging trail is sufficient to gain access to all of the property. No permanent road construction is foreseen although brushing and opening of trails will be necessary to gain access to some areas. See attached Exhibit A & B.

Mining operations are planned for a 9/10 day period during the months of May through September. Equipment required to conduct mining will be a loader/backhoe, track dozer, processing power sluice, pump, supply/equipment trailer, mobile living quarters, 4 x 4 vehicle and tractor-seeder.

### LAND IS NOT ECOLOGICALLY FRAGILE AND OPERATION WILL NOT HAVE A STRONG INFLUENCE ON THE TOTAL ECOSYSTEM. SDCL 45-6B-33

The area proposed for mining does not appear to be ecologically fragile. The primary vegetative communities on the land proposed for mining are ponderosa pine, spruce, trees and shrubs. Plants and wildlife on the proposed mining area are adapted to withstand a wide range of fluctuation in temperature, moisture, sunlight and wind. The vegetation and wildlife is widely spread throughout the Black Hills National Forest. This vegetation and wildlife will be effected short term since reclamation will be continuous by refilling of mining pits and subsoil, topsoil and seeding following. Long term effects will result in the returning to its natural habitat. It is not expected that the proposed mining operation will have a strong influence on the total ecosystem.

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located in the lower end of the proposed area of interested in mining. No mining will occur in these gulches where the terrain is steep and containing a retention of water. Crossing of some gulches at the lower end will be part of the mining plan. These are completely dry except for spring runoff and storm events. If something of biological concern would be encountered, then it will be brought to the attention of and mitigated with the U. S. Forest Service, South Dakota Department of Environment and Natural Resources and South Dakota Department of Fish, Game and Parks.

Soil conditions vary in the proposed mining area with the underlying material alluvial. The topsoil and subsoil are relatively thin. Underlying the subsoil there is a variance of clay and gravel. The clay can be several feet thick with sand, gravel and boulders below the clay. Areas of surface rock contain a potpourri of clay, sand, gravel and boulders. Depth of alluvium ranges from 2 feet to possibly 15 feet.

**Scenic:**

Some scenic value will be lost during the mining operation. It is estimated that 15% of the surface area that may have potential for mining will be visible from Rochford road and the Mickelson Trail. The remaining 85% will be hidden from view by trees and hills. Mining and reclamation will be ongoing, therefore restoring its scenic value.

**Historic:**

There are no visible historic landmarks.

**Archaeological:**

There is no known cultural material that has been identified in the proposed mine area. If a discovery is made during operations, work will be halted and the U. S. Forest Service personnel and South Dakota State Historic Preservation Office staff will be notified.

**Topographic:**

Most of the mining area is between 5200 and 5266 feet in elevation. The ridge drains into Gimlet Creek to the east and Rapid Creek. Mining will be limited to 3:1 slopes. The upper end of the perennial drainages begins as gentle swells and get steep as they progress downward towards Rapid Creek. On the northern end a wide ephemeral gulch drains into Gimlet Creek.

**Geologic:**

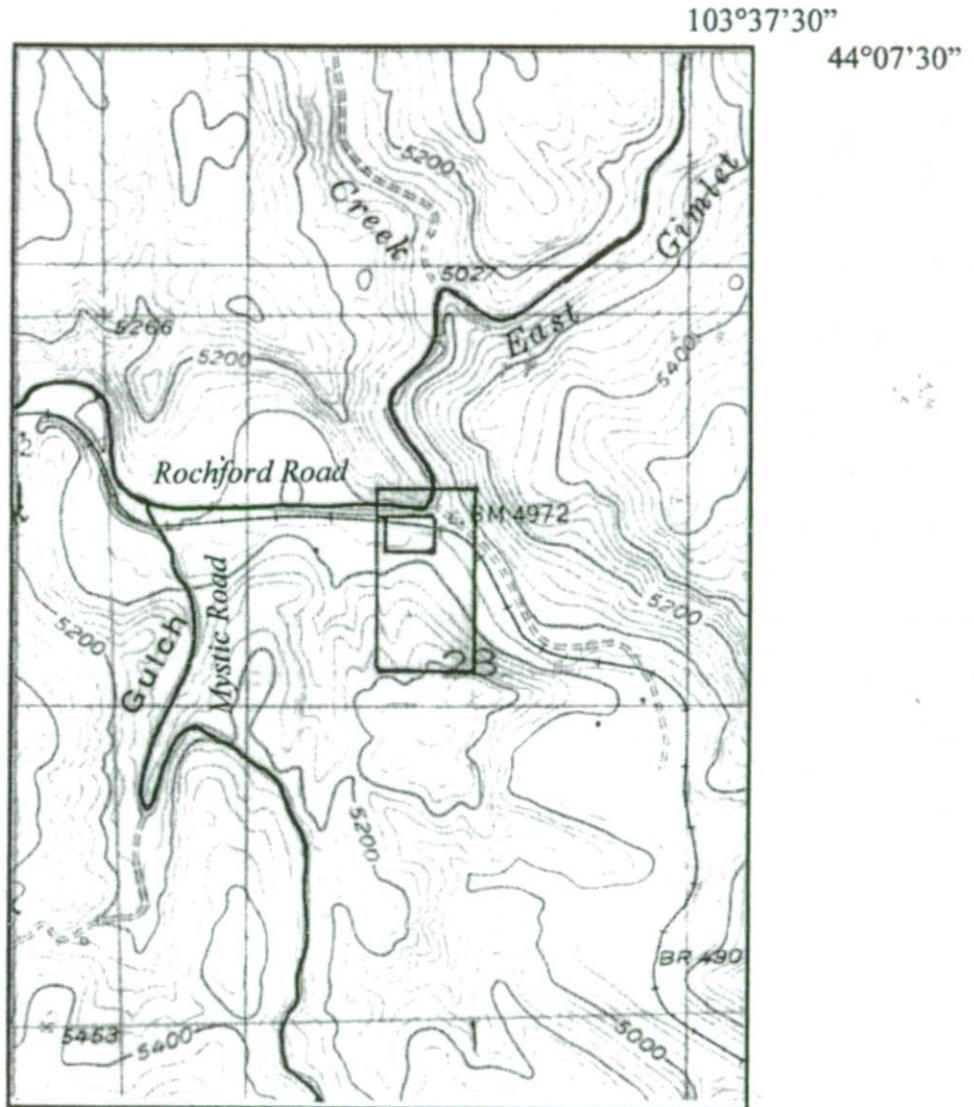
Chiefly metasedimentary quartz-mica and mica schists. Also metabasalt, metagabbro, meta-iron formation, quartzite and carbonate rocks. Exposed ledges of rock are metamorphic rocks of Tertiary origin. The mining operation proposed will be contained within the alluvial deposit and likely a few feet of bedrock to remove mineralization.

EXHIBIT A

ROCHFORD QUADRANGLE  
SOUTH DAKOTA, PENNINGTON COUNTY

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LAZY BEAVER CLAIM  
MMC221588  
E 1/2 of SE 1/4 of NW 1/4 Sec 28 T2N R4E



# EXHIBIT B (Amended)

## Site Plan

LAZY BEAVER  
MMC 221588  
E ½ of SE ¼ of NW ¼ Sec 28 T2N R4E  
Pennington County, South Dakota

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