

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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JAN 23 2013

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 North Main  
Spearfish, SD 57783

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

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

Legal description of affected land:

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

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

County: Pennington

Minerals to be mined:

Gold (Au)

Proposed starting date:

01 May 2013

Size of affected land (acres):

46530 sq. ft. ( 1.068 acres)

Proposed completion date:

01 September 2023

Estimated acres disturbed per year:

728 sq. ft. (.01671 acre)

Estimated working days per year:

45

Estimated tonnage mined per year: 2/3

Estimated duration of operation (years): 10

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

Reclamation type:

Rangeland

Overburden/waste tons per year: 2/3

**INSTRUCTIONS** (Reference SDCL 45-6B)

This application must be accompanied by:

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.

STATE OF WYOMING

COUNTY OF CAMPBELL

On this 31 day of December,

20 12, before me personally appeared STUART W. Goldsmith who

acknowledged himself to be the CLAIMANT (Title)

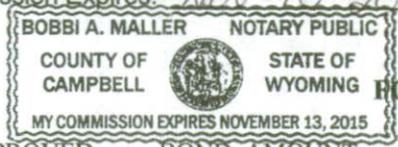
for Stuart W. Goldsmith and that (Operator)

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

Bobbi A Maller  
Notary Public

My Commission Expires: Nov 13 2015

SEAL



DATE APPROVED: \_\_\_\_\_ BOND AMOUNT: \_\_\_\_\_ PERMIT NUMBER: \_\_\_\_\_

Before a hearing on the permit may be conducted by the SD Board of Minerals and Environment, the applicant must submit the following materials:

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.

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.*

Stuart W. Goldsmith  
Signature

CLAIMANT  
Title

12/31/12  
Date

FOR DEPARTMENT USE ONLY  
\_\_\_\_\_  
Chairman, SD Board of Minerals & Environment

APPLICATION FOR SMALL SCALE MINE PERMIT (AMENDED)

16 December 2012

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MINERALS & MINING PROGRAM

GENERAL DESCRIPTION OF THE TYPE OF MINING OPERATION PROPOSED AND HOW IT WOULD BE CONDUCTED.

SDCL 45-6B-12: On 18 December 2012 I contacted Hillarie Jackson, U. S. Forest Service regarding an operations plan. She was going to contact your agency via e-mail.

SDCL 45-6B-32 (7): In response to the warning letter I received on 18 June 2012. I was digging the pit with a hand shovel. However, it never occurred to me that hauling the overburden with my John Deere Gator was a violation. I telephoned Roberta Hudson and assured her that I would not use the XUV until I received a mine permit.

SDCL 45-6B-37, ARSD 74:29:07:03, and ARSD 74:29:07:04 ( 1 through 7): No areas within the permit boundary containing slopes will be mined.

SDCL 45-6B-39, ARSD 74:29:02:10, and ARSD 74:29:07:06: The reference area will be 10' x 10'. It will be located (See Site Plan) adjacent to the west perimeter of the permit boundary. It will be posted as "Reference Area – Do Not Disturb". The area will be staked with steel posts indicating corners. No mining activity will occur within this area. The reference area is representative of postmining land uses.

SDCL 45-6B-40 and ARSD 74:29:07:07: Upon the cessation of mining, the overburden will be reclaimed and topsoil and seeding will begin. All topsoil reclamation and seeding will commence no later than 30 days following. In the initial phase of excavation, I have found the depth of topsoil to be 52". Estimated topsoil available for reclamation for Level One is 557.40 cu. yds. at a depth of 52" (4.3'). Level Three is 166.66 cu. yds. at a depth of 30" (2.5').

SDCL 45-6B-41, ARSD 74:29:02:11, and ARSD 74:29:07:08 ( 3 and 4): I contacted Mr. Jeff Breckenridge, Project Manager, Corps of Engineers on the morning of 17 December 2012. His opinion was that it would not be necessary to obtain a 404 permit or any other permits from his agency.

ARSD 74:29:02:11:

Section 9: On 11 January 2013, I secured the services of PCA Engineering, Inc, P. O. Box 2185 , 4506 Wigwam Blvd., Gillette, WY 82717-2185, Mr. Robert Swanson, P.E. to develop a Drainage, Erosion and Sediment Control Plan. Plan should be completed 15 February 2013. I will forward upon receipt.

Section 10: On 20 December 2012, I contacted Cam Riniger, Landfill Supervisor, City of Belle Fourche, SD. 183 N. 8<sup>th</sup> Ave. (605) 723-0485. He stated that their landfill was licensed and would accept petroleum contaminated soil and other spill materials. No chemical or toxic material would be accepted without proper testing. I advised him that no hazardous chemicals or agents (Mercury, Arsenic, etc.) would be used in the mining process.

SDCL 45-6B-43 and ARSD 74:29:07:15: On 18 December 2012, I contacted Hillarie Jackson, U. S. Forest Service in regard to the proposed noxious weed control plan. She concurred that the Forest Service was satisfied with the noxious weed control plan. She was going to contact your agency via e-mail.

SDCL 45-6B-45, ARSD 74:29:07:20, and ARSD 74:29:06:02: The rangeland postmine land use carrying capacity for livestock in the surrounding area is provided by the U.S. Forest Service, Northern Hills Ranger District, Hillarie Jackson, Lands and Minerals Specialist: East Rapid Cattle Grazing Allotment 6000 / 6500 acres, 600 animal units/month. This area is included within the proposed mining area. Also included is an e-mail of 19 December 2012 provided by Matthew Odden, District Conservationist, Rapid City Field Office, USDA-Natural Resource Conservation Service. A copy of the e-mail is enclosed.

SDCL 45-6B-46: The mining process will be concurrent. Upon completion of mining, backfill and the placement of topsoil and seeding will begin immediately. There will be some temporary distribution of topsoil for construction of containment berms, all remaining topsoil will be stockpiled. Upon completion of mining the containment berms will be removed and used for final reclamation.

SDCL 45-6B-54 (5): I have enclosed a map indicating the location of the permit boundary. I have also included the dimensions for the topsoil and overburden stockpiles on the (revised) Site Plan of 17 December 2012.

SDCL 45-6B-91: On 11 January 2013, I contacted Mr. Robert Swanson, P. E. of PCA Engineering, Inc., 4506 Wigwam Blvd., Gillette, WY 82717-2185 to secure his assistance in developing a Post-Closure Plan. I will forward the plan upon receipt.

SDCL 45-6B-92:

(3) There are no known raptor nest sites within ¼ mile radius, no known bat roosts within 500 feet, and no known snail colonies or snake hibernaculas in the project area. Big game is common in the area. Snail, frog, snake, butterfly, riparian dependent birds and small mammal surveys have not occurred in the project area. All of these species inhabit riparian areas adjacent to openings and moist meadows (USDA Forest Service 2005a), which is the type of habitat found in the project area. In summary, there will be "no effect" to threatened, endangered or candidate species and no adverse modifications on critical habitat.

(4) The proposed project would occur within close proximity to Rapid Creek, but no in-stream operations are proposed. Water will be pumped out of the creek, and sluice water will not be directly pumped back into the stream...No chemicals will be utilized.

(5) There will be some visual constraints, but will be minimum. Reclamation will be concurrent. Project is small in scale, thereby limiting the areas of disturbance.

(6) Areas to be mined are relatively level with little or no erosion. Historic mining operations in the project area have degraded habitat quality in the area being proposed for mining

operations. A reference area will be designated and the areas mined will be restored to base line quality.

(7) There are no known or observable cultural resources within the proposed mine area.

(8) No haulage equipment or dozers, scrapers will be used during the mining process. Airborne dust particles will be kept to a minimum. There are no residences within 500 hundred feet of the mine site. Public use of Rapid Creek for fishing will not be impacted.

(9) Noise will be held to a minimum. No crushing of rock or gravel will be utilized. No large scale classification of materials will be conducted. The use of a backhoe and water pumps will be intermittent and utilized approximately 1 to 1 1/2 hour daily.

ARSD 74:29:06:01: On 18 December 2012, I contacted Hillarie Jackson, U.S. Forest Service in regard to designating Rangeland as an appropriate postmine land use. She concurred that the Forest Service was satisfied with that designation. She was going to contact your agency via e-mail.

ARSD 74:29:07:02:

(1) Level One (1) and Level Three (3) are the only areas to be mined. Level Two (2) will be used for housing, vehicle and equipment parking. All fueling will be conducted within Level Two (2). Level Two (2) has a surface of bedrock with a light covering of road gravel. See (17 December 2012, Revised) Site Plan.

(6) All fuels will be stored in 5 gallon steel safety cans. No chemicals or hazardous agents will be used in the mining process. All kitchen waste will be stored in secure waste containers. As the pit is developed, secure fencing will be placed to prevent entry to livestock and wildlife.

(7) See Site Plan for the locations of spoil piles and topsoil stockpiles. Topsoil stockpiles will be contoured (3:1) and seeded. A containment berm will be placed around the stockpiles.

(8) All equipment repairs and oil changes will be conducted off-site. Site will be continuously monitored and keep clean and unobstructed with mine waste and spoil.

ARSD 74:29:07:14: During the initial excavations I have not observed any material that is toxic or acidic.

ARSD 74:29:07:16: I will be utilizing water from Rapid Creek for the processing of ore bearing concentrates. The excavation of overburden should not cause any subsidence. The overburden is composed of rocks and heavy gravels. After the topsoil has been removed and as overburden is being removed, I will be leaving an undisturbed forty - eight (48") catch bench around the outside parameter.

RESPONSE TO TECHNICAL COMMENTS:

ITEM 1: I was estimating 2/3 tons per year of ore (overburden) material. Only ¼ to ½ ton would be obtained in the classifying process. I am planning to remove and process (classify) the ore bearing material by the use of hand tools (Shovel and Bucket). I will classify the material with a IGR Mark 3 battery operated Trommel, the hopper is 16" x 28". The use of a backhoe is for the excavation and removal of topsoil and the stockpiling of same. I would also use the backhoe for replacing the overburden and topsoil during reclamation.

ITEM 2: I acknowledge that no more than 18 gpm from Rapid Creek may be used. I am in the process of purchasing a 1000 gallon storage tank to supplement my water requirements.

ITEM 3: In reference to the Level 3 pit, a minimum distance of 70' will be maintained from the Mickelson Bike Trail.

**Subject:** Livestock carrying capacity  
**From:** Odden, Matthew – NRCS, Rapid City, SD (matthew.odden@sd.usda.gov)  
**To:** Stu\_de\_Baker@yahoo.com;  
**Date:** Wednesday, December 19, 2012 11:50 AM

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Stuart,

Based on the soils for the area and surrounding area for your proposed mine the livestock carrying capacity is pretty variable. I used the NRCS Web soil survey to obtain production estimates which is available to the public on the internet if you wish to do any further research yourself. The production varies from approximately 660 # or less per acre to 4225 #/ac. The upland forested areas would be on the lower to middle of the range and the riparian areas along streams and overflow areas would be on the upper end of the range. That would give values of 0.18 – 1.16 AUM's/ac. AUM's are animal unit months, 1 AUM is the equivalent of the amount of forage needed for 1 – 1000 # cow for a month. I hope this information is helpful. Please let me know if you have questions about this information. Thanks

Matthew Odden  
District Conservationist  
Rapid City Field Office  
USDA-Natural Resource Conservation Service  
Phone: 605-342-0301 ext. 3 or ext. 120  
Cell: (605) 530-5320  
Fax: 605-348-8656

Note: Our office has moved! Our new address is 414 E Stumer Road, Suite 300, Rapid City, SD 57701

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**LAZY BEAVER MINE**

MMC 221588  
E 1/2 of SE 1/4 of NW 1/4 Sec 28 T2N R4E  
Pennington County, South Dakota

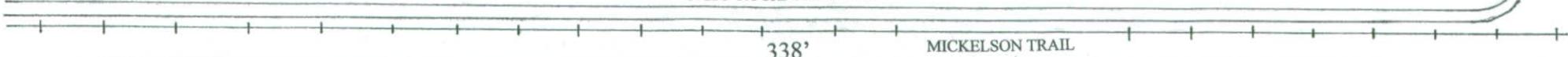
**SITE PLAN**

(Revised)  
17 December 2012

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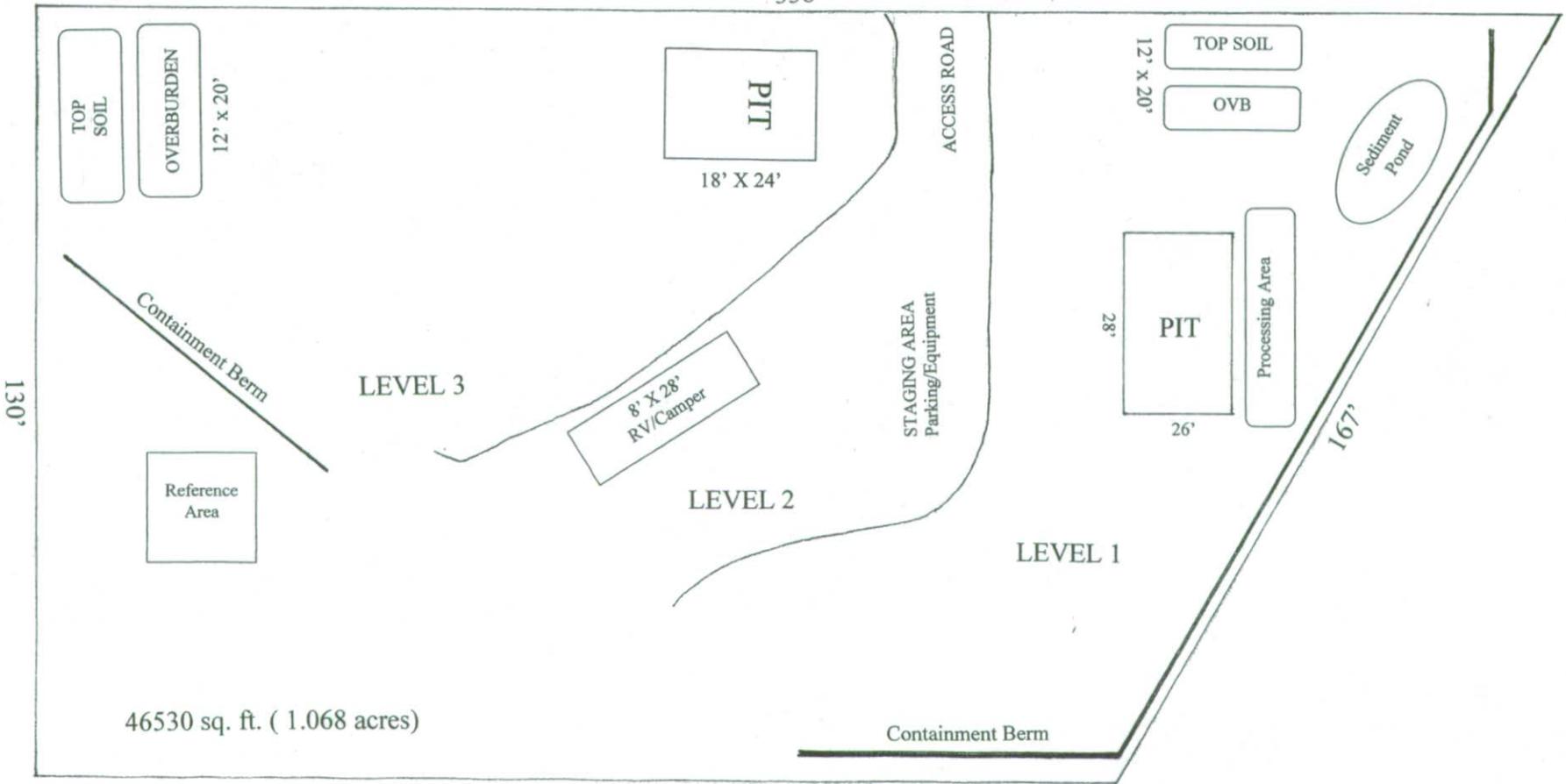


N 231 ROCHFORD ROAD



338'

MICKELSON TRAIL



268'

LAZY BEAVER MINE (MMC 221588)  
E 1/2 of SE 1/4 of NW 1/4 Sec 28 T2N R4E  
PERMIT BOUNDARY

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