



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182

denr.sd.gov

April 12, 2013

R. Rick Baker, P.E.
FMG, Inc.
3700 Sturgis Road
Rapid City, SD 57702-0317

Re: EXNI-421 for Mineral Mountain Resources Exploration Drilling in Section 5; T2S-R6E,
Pennington County

Dear Mr. Baker:

The department is in receipt of the Exploration Notice of Intent (EXNI) that you filed with our office on February 25, 2013. The department has determined the Notice of Intent to be procedurally complete. Based on our review of your Notice, we determine the following restrictions are required:

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. In accordance with Chapter 74:51 please note that Buckeye Gulch is assigned the following beneficial uses:
 - 9) Wildlife propagation, recreation, and stock watering waters;
 - 10) Irrigation Waters.
2. No discharge of water or sediments into Buckeye Gulch is permitted. Any water will be discharged away from the stream channels and into a settling pond or flat vegetated area to allow suspended solids to settle out. In the event that it is necessary to discharge into Buckeye Gulch, a South Dakota Surface Water Discharge permit must be obtained.
3. To ensure optimal soil erosion protection, all affected lands shall have adequate sedimentation and erosion control measures applied pursuant to SDCL 45-6C-32 and according to Best Mineral Management Practices. These measures shall be in the form of waterbar construction on access roads where appropriate; revegetation of roads; road embankment slopes; and the installation of straw bale or silt fence type sediment filters wherever necessary. Mineral Mountain 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. When drilling fluids are used and/or when ground water is encountered during drilling, the drilling fluids shall be sufficiently contained to prevent overland flow or discharge to

any waters of the state. If water tanks are used in lieu of mud pits, they shall also be sufficiently contained.

6. Mud pits shall be placed a minimum of 10 feet from the edge of a road or staging area adjacent to a down sloping hillside. If this cannot be achieved the mud pit shall be lined with a minimum of 2 liners.
7. During periods of active exploration drilling, Mineral Mountain shall provide, via email, a weekly schedule outlining when and where holes will be drilled so the department can plan inspections and witness plugging activities.
8. All test holes shall be capped, sealed, and plugged according to ARSD 74:11:08 (Plugging Standards) immediately following drilling.
9. If surface casing is used in exploration holes, the following requirements shall be met:
 - a) Prior to removal of surface casing, the hole shall be plugged in accordance with ARSD 74:11:08 to a level just below the bottom of the surface casing.
 - b) Following step a), the surface casing will be removed (when possible) or cut off at least one foot below the ground surface.
 - c) The remainder of the hole will be plugged in accordance with ARSD 74:11:08.
10. Mineral Mountain shall notify the department, in writing, when exploration drilling penetrates an aquifer. Notification shall be provided as soon as possible, but not more than 90 days after penetration of the aquifer. Notification shall include the location of the test hole penetrating the aquifer.
11. The following seed mix shall be used for reclamation of the affected areas:

Canada wildrye (variety Mandan)	4.55 PLS/acre
Slender wheatgrass (variety Pryor)	3.51 PLS/acre
Western wheatgrass (variety Rosana)	5.83 PLS/acre
Prairie junegrass (variety Common)	0.28 PLS/acre
Annual Wild Rye	2 to 5 PLS/acre

*Thickspike wheatgrass may be substituted for western wheatgrass if western wheatgrass is not available.
12. Mineral Mountain shall avoid any bones, artifacts, foundation remains, or other evidence of previously unrecorded past human use during exploration activities. For specific direction regarding avoidance of these sites, please contact Michael Fosha of the SD Archaeological Research Center.
13. 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 at once.
14. Mineral Mountain shall notify the Department of Game, Fish and Parks of the following:
 - a) If exploration activities require entry into underground workings;

- b) If exploration activities within 300 feet of the Bismarck Adit continue after October 1; or
- c) If any sealing of underground mine adits or openings is anticipated.

Please note that we have assigned you Notice of Intent the following number: **EXNI-421**. 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. Mineral Mountain resources 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,



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Mineral 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