



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

denr.sd.gov

July 10, 2013

Kathryn Johnson
Goldstake Explorations
24054 Palmer Gulch Rd
Hill City, SD 57745

Re: EXNI-422 for Goldstake Explorations (SD), Inc. Exploration in Butte and Meade Counties

Dear Ms. Johnson:

The department is in receipt of the Exploration Notice of Intent (EXNI) that you filed with our office on April 8, 2013 as well as the supplemental information provided on May 3 and 8, 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 Whitewood Creek is assigned the following beneficial uses:
 - 4) Warm water permanent fish propagation waters;
 - 8) Limited contact recreation waters;
 - 9) Wildlife propagation, recreation, and stock watering waters;
 - 10) Irrigation Waters.
2. No discharge of water or sediments into Whitewood Creek 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 Whitewood Creek, 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. Goldstake Explorations shall inspect, clean out, repair, or upgrade the sediment controls as necessary.
4. Prior to the commencement of exploration activities under this permit, Goldstake Explorations shall submit a plan to the department addressing the collection and disposal of petroleum contaminated soil and water during the exploration activities. All

petroleum products shall be appropriately contained to prevent overland flow to any waters of the state. Any mechanized mining equipment using oils and fuels will be operated and maintained to prevent degradation of Whitewood Creek. All fueling is required to be conducted away from the creek, and any spills during fueling shall be promptly cleaned up.

5. Test pits shall be excavated no closer than 20 feet from the banks of Whitewood Creek. Approval may be obtained from the department, on a site by site basis, to operate closer to the creek depending on site conditions for each transect.
6. All topsoil shall be salvaged and stockpiled whenever possible for use in reclamation. This includes any salvageable growth medium or topsoil-like material on top of the deposited tailings that support vegetative growth.
7. 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.
8. If mud pits are constructed for drilling operations, they shall be placed a minimum of 20 feet from the banks of Whitewood Creek. If this cannot be achieved, the mud pit shall be lined with a minimum of 2 liners.
9. During periods of active exploration, Goldstake Explorations shall provide, via email, a weekly schedule outlining when and where test pits and test holes will be constructed so the department can plan inspections and witness plugging activities for test holes.
10. All test holes shall be capped, sealed, and plugged according to ARSD 74:11:08 (Plugging Standards) immediately following drilling unless the test hole is converted to a well.
11. 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.
12. Goldstake Explorations, 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.
13. The following seed mixes shall be used for reclamation of the affected areas:

Meade County:

Sideoats grama	2.42 PLS/acre
Slender wheatgrass	1.91 PLS/acre
Western wheatgrass	6.22 PLS/acre
Alfalfa	0.52 PLS/acre

Intermediate wheatgrass 3.57 PLS/acre

Butte County:

Green needlegrass 0.61 PLS/acre
Intermediate wheatgrass 0.84 PLS/acre
Western wheatgrass 3.89 PLS/acre
Sideoats grama 0.91 PLS/acre
Slender wheatgrass 0.48 PLS/acre
Alfalfa 0.26 PLS/acre

14. Goldstake shall maintain a 20 meter buffer around archaeological site #39MD0356. This site is located on the north side of Whitewood Creek in Section 20: T7N-R5E, immediately adjacent to the proposed exploration area.
15. Goldstake 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. 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.
16. During exploration activities, Goldstake shall notify the South Dakota Game, Fish and Parks', Energy and Minerals Coordinator of nesting or winter roosting golden or bald eagles in the project areas.
17. Goldstake shall abide by South Dakota Game, Fish and Parks restrictions applied to areas of nesting raptors.

Please note that we have assigned your Notice of Intent the following number: **EXNI-422**. 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. Goldstake Explorations (SD) Inc. 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/

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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