



**DEPARTMENT OF ENVIRONMENT
and NATURAL RESOURCES**

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DENR, VMC Settle Exploration Violations

PIERRE, S.D. – The South Dakota Department of Environment and Natural Resources (DENR) has reached an agreement with VMC, LLC and Don Valentine to settle allegations related to violations of Exploration Notice of Intent (EXNI) 419.

In the settlement, VMC and Don Valentine, who was responsible for overseeing the drilling operation, agreed to pay a penalty of \$11,000, which will be deposited in the state's regulated substance-response fund. In addition to the penalty, VMC and Valentine have agreed to complete reclamation of the disturbed areas by June 1, 2018.

“The failure to comply with the exploration notice of intent did not cause any ground-water contamination, but our job is to make sure exploration activities follow all requirements of its approved exploration plan,” said DENR Secretary Steve Pirner.

EXNI 419 included property owned by Valentine and is generally located seven miles west of Lead. EXNI 419 issued to VMC for gold exploration was approved in 2012, and allowed for the drilling of up to 100 holes with a maximum depth of 100 vertical feet.

In September 2017, DENR inspectors discovered that several holes had been drilled, on property owned by Valentine, in excess of the 100 foot depth limit set by EXNI 419, including one 800-foot hole.

The drilling operation also resulted in violation of EXNI 419 conditions by failing to provide the Department of Game, Fish, and Parks (GFP) a map showing the location of all historic open mine workings in the vicinity of proposed exploration activity so the mine workings could be assessed for bat use. In addition, GFP was not notified that exploration activity, including drilling, within 100 feet of an historic mine shaft was being conducted.

Based on these findings, DENR issued a notice of violation and order for violations of EXNI 419.

DENR officials found no environmental damage due to the drilling. After sampling the holes, all holes were immediately plugged with a bentonite grout in accordance with the applicable regulations.