

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

**APPLICATION FOR  
SMALL SCALE MINING PERMIT**

RECEIVED  
OCT 29 2012  
MINERALS & MINING PROGRAM

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

**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):**

34840 sq. ft. (.79 acres)

**Estimated acres disturbed per year:**

728 sq. ft. (.01671 acres)

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 2013

**Proposed completion date:**

01 September 2023

**Estimated working days per year:**

30

Estimated duration of operation (years): 10

**Reclamation type:**

Backfill overburden/restore Top Soil/Seeding

**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.

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.

STATE OF Wyoming

COUNTY OF Campbell

On this 8th day of August

20 12, before me personally appeared

Stuart W Goldsmith who

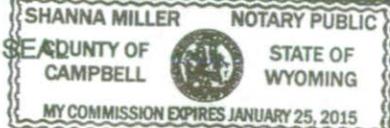
acknowledged himself to be the Claimant  
(Title)

for Stuart W Goldsmith and that  
(Operator)

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

Shanna Miller  
Notary Public

My Commission Expires: Jan 25, 2015



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

8/8/2012  
Date

**FOR DEPARTMENT USE ONLY**

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

**Chairman, SD Board of Minerals & Environment**

APPLICATION FOR SMALL SCALE MINE PERMIT (AMENDED)

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

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The small scale mining operation will process ore (Au) 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 one (1) acre and the mine life of ten (10) years. The annual extraction of ore and overburden will be 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 into the pit 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 (Rapid Creek) and prevent material from being washed into the 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 enclosed Exhibit A and Lazy Beaver Mine Site Plan.

Mining operations are planned for a 9/10 day period during the month of May through September. Equipment required to conduct mining will be a loader/backhoe, 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 pine, spruce, 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 pit and subsoil, topsoil and seeding following. Long term effects will result in the returning to its natural habitat. It is not expected that the mining operation will have a strong influence on the total ecosystem.

Previous timber harvesting has taken place as recently as the fall of 2010 and further harvesting is expected in the near future.

Mining activity will not affect stands of timber since clearing will not be required. The alluvial deposit extends south to north and is not continuous. Width of deposit will vary from fifty (50) feet to one hundred (100) feet in width.

Drainage consists of perennial gulches. One is Rapid Creek running through the mining area and Gimlet Creek and East Gimlet Creek to the northeast that drains into Rapid Creek. The two draining into Rapid Creek are outside of the proposed mining area. Terrain of the perennial gulches become steep as they progress to the north. These steep hill sides and gulches will be avoided in the proposed mining area. The valley to the northwest is wide and has Forest Service Road 231N (Rochford Road) along the side of it and will not be part of the mine plan. The surrounding hill sides will not be disturbed. There won't be any direct discharge of process water from the mining operation into Rapid Creek. There have been major precipitation events in the area and the moisture is absorbed by the soil that allows percolation and dissipation of the runoff that helps maintain control of erosion. Areas of exploration with slopes have been stable and measures will be taken to control erosion of slopes that are less than the 3:1 maximum ratio in accordance to the "Best Minerals Management Practices" manual.

Cattle occupy the area for summer rangeland. Grazing should not become a factor since the area disturbed will be no larger than one-quarter (1/4) acre at any given time. Once reclamation is complete the grazing habitat will be improved. All cattle and wildlife will be protected from high walls by placing a barrier around the pit area that could cause injury.

Deer occupy the area along with wild turkeys. The area disturbed will be no larger than one-quarter (1/4) acre at any one time and taking into consideration the mobility of wildlife, short term impact should be minimal. Game density on the proposed permit area is low and adjacent habitat should be able to accommodate any displaced animals. Wildlife is already impacted by the road passing through the mining area.

Predators such as coyotes and mountain lions have not been observed during the exploration phase and because of their continual migration, mining should have a minimal impact.

Establishment of small mammal populations following reclamation will be fairly quick due to the high reproduction rate of these species.

Some birds may be displaced during the summer, yet there is an abundance of habitat surrounding the mining operation.

No rare, threatened or endangered species have been encountered on the proposed mining area. 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 sand, gravel and boulders. Depth of alluvium ranges from two (2) feet to possibly fifteen (15).

### **Scenic**

Some scenic value will be lost during the mining operation. It is estimated that 65% of the surface area that may have potential for mining will be visible from the Mickelson Trail and the Rochford Road. 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 operation, 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 with the alluvial deposit and likely a few feet of bedrock to remove mineralization.

### **Ethnologic**

There are no known ethnologic concerns on the proposed exploration/mining area.

### **Scientific**

Soil, vegetation and wildlife do not indicate any unique scientific characteristics and can be found in other areas of the Black Hills. No endangered, threatened rare plants or animal species have been observed on the proposed mining area. Present practice for mining has been reviewed with the U. S. Forest Service personnel. Any areas that may be environmentally sensitive will be mitigated with U.S. Forest Service, South Dakota Department of Environment and Natural Resources and South Dakota Division of Game, Fish and Parks.

## **Cultural**

There are no known cultural concerns on the proposed mining area.

## **Recreational**

The only recreational usage observed has been cycling on the Mickelson Trail and fishing within Rapid Creek. ATV usage is not permitted off designated roads

### SDCL 45-6B-8:

There is no surface disturbance from previous mined land on the proposed mining area.

### SDCL 45-6B-9 and ARSD 74:29:07:17

There are no existing underground mine workings from previous mining operations in the proposed mine area.

### SDCL 45-6B-12

Enclosed is a letter of consultation with the U. S. Forest Service which grants permission for me to enter and commence mining operation and contains proof that it received from me a copy of the operating and reclamation plan in the small scale mine permit application.

### SDCL 45-6B-32

- (1) I have not been advised to the amount of surety required
- (3) No part of the proposed mining operation, the reclamation program, or the proposed future use is contrary to the laws or regulations of South Dakota or the United States.
- (4) There are no man-made structures located within two hundred feet of the affected mining operation.
- (5) I have contacted the Pennington County Planning and Zoning Department. There is no permit required. Therefore, I will not be in violation of any county zoning or subdivision regulations.
- (6) SDCL 45-6B-35 and 45-6B-36 and 45-6B-46, I acknowledge the requirements of submitting a map showing the reclamation accomplished and the requirement of an annual fee of one hundred dollars (\$ 100.00) within sixty (60) prior to the anniversary date of the permit each year. Throughout the mining operation, reclamation will be concurrent once the previous mined area doesn't interfere with the mining of the adjacent pit. The area will be visually and functionally compatible with the surrounding area by recontouring, revegetating and implementing measures to control erosion and drainage.

All mining activity will take place on U.S. National Forest and is limited in usage for industrial use, recreational development and no residential development. Industrial uses are timber harvesting, cattle grazing and mining. Cattle and wildlife will be impacted short term.

Reclamation of disturbed land will be seeded into grasslands and should be beneficial to wildlife and livestock grazing once the area is reclaimed. Recreational uses are hunting and scenic value.

Throughout the project, reclamation will be concurrent once the previous mined area doesn't interfere with the mining of the adjacent pit. Seeding will take place late fall or early spring along with weed control. Enclosed is a Noxious Weed Management Plan. Also enclosed is the Wildlife Survey SENW Section 28 T2N R4E Pennington County, which satisfies the South Dakota Department of Game, Fish and Parks. Dated 01 August 2012.

(7) I have not been found to be in violation of the provisions of this chapter with respect to any mining operation in this state.

SDCL 45-6B-32(8), SDCL 45-6B-33(3) and SDCL 45-6B-92(10).

In accordance with ARSD 74:29:10:08 and 74:29:10:09, the Department of Environment and Natural Resources have determined that the lands described in the Notice of Intent to Operate do not constitute special, exceptional, critical, or unique lands. Letter of 02 July 2012 enclosed.

SDCL 45-6B-33 (1,2,4,5, and 6)

- (1) Reclamation of the affected land pursuant to the requirements is physically and economically feasible.
- (2) There will be no substantial disposition of sediment in Rapid Creek, and water pollution can be feasibly prevented by using containment berms and silt fence.
- (4) There will be no loss or reduction of long-range productivity of aquifer, public and domestic water wells, watershed lands, aquifer recharge areas, or significant agricultural areas. Ground water has never been encountered while digging exploration pits. There are no wells located on the proposed mining area.
- (5) The biological productivity loss for the proposed mine site will be minimal. Mining activity will be less than one-quarter (1/4) of an acre at any given time. Reclamation will be ongoing.
- (6) All mining activity will take place on U.S. National Forest and is limited in usage for industrial use, recreational development and no residential development. Any adverse socioeconomic impact would be minimal.

SDCL 45-6B-37, ARSD 74:29:07:03, ARSD 74:29:04 ( 1 through 9):

All mined areas will be backfilled during and after the mining has been completed. The proposed mining area is level to gentle sloping towards Rapid Creek. The mine site is U.S. National forest. Existing drainage will be preserved during final grading and seeding. I propose to have final grading accomplished within a 90 day period after completion of mining. There will be no depressions for the accumulation of water. The area that is proposed for mining is grassland and will be leveled and seeded.

Grading, backfilling, and other topographic reconstruction methods will be included in the reclamation plan.

SDCL 45-6B-39, ARSD 74:29:02:10, and ARSD 74:29:07:06

The seed mixture for revegetation has been approved by the U.S. Forest Service.(Northern Hills District) The mixture is as follows:

Annual Ryegrass	13%
Slender Wheatgrass, Pryor CT	25%
Prairie Junegrass	02%
Western Wheatgrass, Roseanna CT	30%
Canada Wildrye	30%

@ a rate of 20 lbs./acre

The seed mixture has been submitted to Mr. Matt Odden, Pennington County Conservation District. I have contacted Mr. Odden's assistance Paul and was advised by telephone that the mixture will be approved. I am awaiting the letter of approval and will submit same upon receipt.

I have enclosed a Site Plan which I believe minimize the surface disturbances and facilitates the best possible outcome for the postmining operations. The pit operations will be conducted in a series of one-quarter (1/4) excavations, thereby minimizing the least amount of disturbance. The access will be controlled by the posting of a minimum of three (3) signs. ie:

Lazy Beaver Mine  
**Keep Out**  
Authorized Personnel Only

Active Mine Area  
**Danger**  
Do Not Enter

Mine Area  
**Danger**  
No Public Access

These signs have been posted on the north side of the proposed mine site, thirty (30') feet south and parallel to the Mickleson Bike Trail. The pit operations will be secured with fencing to minimize access to the public and wildlife. It is not economically feasible to screen the pit operations from the public view.

SDCL 45-6B-40 and ARSD 74:29:07:07

The initial removal of top soil and overburden will be from a pit area of 26' x 28'. The top soil and overburden will be placed in separate stockpiles. As the pit progresses additional top soil and overburden will be removed. Reclamation will be continuous. The top soil sign will be posted:

Top Soil  
Do Not Disturb

All topsoil and overburden will be used to reclaim. No additional materials will be required to complete reclamation. No trees will be removed. Large rocks will be separated by screening. No waste materials will be placed in mine site. A containment berm will be placed around topsoil and overburden to prevent erosion and material from entering Rapid Creek.

SDCL 45-6B-41, ARSD 74:29:02:11, and ARSE 74:29:07:08 ( 1 through 3):

I have submitted an application for a Stormwater Permit with South Dakota Department of Environment and Natural Resources (Surface Water Program) to Mr. Al Spangler. Permit will be forwarded upon receipt.

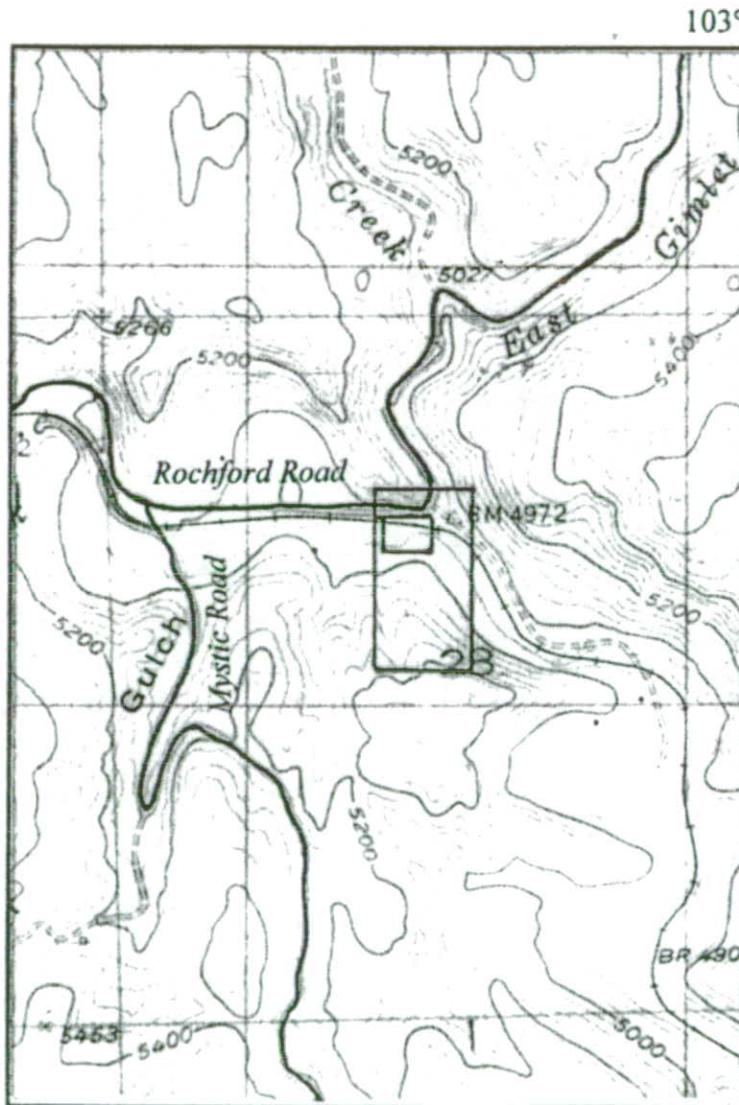
I have submitted an application for a Surface Water Discharge Permit with the South Dakota Department of Environment and Natural Resources (Surface Water Program) to Ms. Kelli Buscher. Permit will be forwarded upon receipt.

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



# LAZY BEAVER MINE

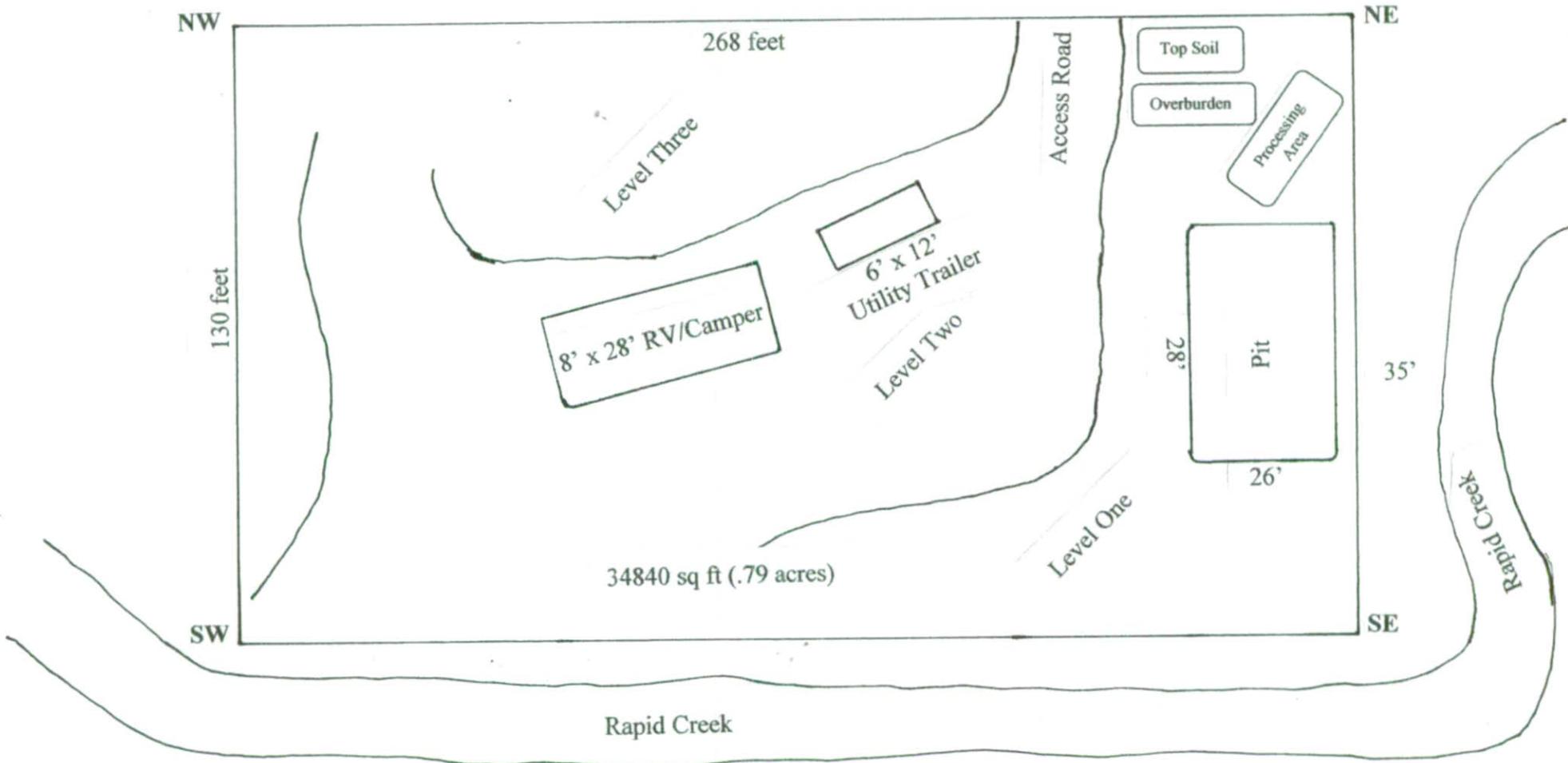
E 1/2 of SE 1/4 of NW 1/4 Sec 28 T2N R4E  
Pennington County, South Dakota

## SITE PLAN

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N 231 Rochford Road

Mickelson Bike Trail



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Pennington Conservation District  
414 E Stumer Rd Ste #300  
Rapid City, SD 57701

September 11, 2012

To Whom it May Concern:

The Pennington Conservation District approved the application for a Small Scale Mining Permit to the Department of Environment and Natural Resources. Also approved the grass mixture for reclamation. This information was entered in the September 6, 2012 regular district meeting.

The location and legal description is as follows, Exhibit A – Rochford Quadrangle, South Dakota, Pennington County, Lazy Beaver Claim MMC221588, E ½ of SE ¼ of NW ¼ of Sec 28 T2N R4E

Pennington Conservation District  
Roberta Vaughn, Admin Secretary

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**Noxious Weed Management Plan**  
**For**  
**Stuart Goldsmith**  
**E ½ of SE ¼ of NW ¼ of Section 28, T2N, R4E, BHM, Pennington County, South**  
**Dakota**

State law requires landowners to control state and local declared weeds on their property. The follow plan is a guideline to control and minimize the spread of any state and local declared noxious weeds on the property.

1. Do not remove any weed seed contaminated soil from the property during any construction. If any contaminated soil must be removed from the property, contact Pennington County Weed & Pest and notify them where it will be deposited.
2. Any equipment used in disturbing the ground on the property should be cleaned of any contaminated soil or earthen material before leaving the property.
3. Any disturbed ground should be reseeded with a native grass/vegetation mix.
4. Use an intergraded noxious weed plan for existing noxious weeds on the property. All noxious weeds should be treated with proper herbicides or mowed before seed set. Contact Pennington County Weed & Pest for proper management recommendations on specific weeds

The above steps meet the requirements the noxious weed management plan set forth by Pennington County Weed & Pest.

*Stuart W Goldsmith*

07-17-12

Stuart Goldsmith, Applicant

*Scott Guffey*

7/7/2012

Scott Guffey, Pennington County Weed & Pest Director

*Pennington County Weed & Pest*  
*3607 Cambell Street*  
*Rapid City, SD 57701*  
*(605) 394-5320*  
*scottg@co.pennington.sd.us*



**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

PMB 2020  
JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
denr.sd.gov

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**NOTICE OF DETERMINATION OF  
SPECIAL, EXCEPTIONAL, CRITICAL, OR UNIQUE LANDS  
FOR STUART GOLDSMITH**

The Department of Environment and Natural Resources has made its determination regarding a Notice of Intent to Operate and Request for Determination of Special, Exceptional, Critical, or Unique Lands from Stuart Goldsmith, 2404 Foothills Blvd, Apt 102, Gillette, WY, 82716. The Notice of Intent to Operate was submitted as required under ARSD 74:29:10 for purposes of requesting the department to determine whether the lands potentially affected by the mining operation are eligible for inclusion on the preliminary list of special, exceptional, critical, or unique lands.

The Notice of Intent to Operate involves a proposed placer gold mining operation located approximately three miles east of Rochford, South Dakota. The legal description of the proposed operation is E 1/2 SE 1/4 NW 1/4 Section 28; T2N-R4E, Pennington County. Mr. Goldsmith plans to remove topsoil and overburden from small areas with a loader/backhoe or track dozer. The placer material will be mined and processed with a power sluice. Waste rock and waste material from the sluice will be used to backfill the mined pits. Reclamation will be ongoing during the mining operation.

In accordance with ARSD 74:29:10:08 and 74:29:10:09, the department has determined that the lands described in the Notice of Intent to Operate do not constitute special, exceptional, critical, or unique lands. This determination is based on an on-site inspection of the proposed lands to be affected, examination of the established preliminary list, consultation with other agencies, and evaluating information provided with the Notice of Intent to Operate. In addition, no nominating petitions pertaining to the lands described in the Notice of Intent were filed with the department.

In accordance with ARSD 74:29:10:15, the lands described in the Notice of Intent to Operate are considered cleared from special, exceptional, critical, or unique characteristics. This clearance will remain in effect for seven years. If a mine permit application is not submitted within the seven-year period, the Board of Minerals and Environment may declare the clearance void and the lands may be reevaluated.

Mr. Goldsmith may appeal the department's determination by filing a petition for a contested case hearing pursuant to SDCL 1:26 within seven days after receipt of the determination. The hearing on the appeal shall be confined to the determination of the lands as special, exceptional, critical, or unique and whether an environmental impact statement and socioeconomic study will be required.

Persons desiring further information may contact Roberta Hudson of the South Dakota Department of Environment and Natural Resources, Minerals and Mining Program, 523 East Capitol Avenue, Pierre, South Dakota 57501 - (605) 773-4201.

July 2, 2012

Steven M. Pirner  
Secretary



DEPARTMENT OF GAME, FISH AND PARKS  
Outdoor Campus West  
4130 Adventure Trail  
Rapid City, South Dakota 57702-4804

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August 1, 2012

Stuart Goldsmith  
2404 Foothills Blvd #102  
Gillette, WY 82716

**Subject: Lazy Beaver Wildlife Survey SENW Section 28 T2N-R4E  
Pennington County, SD**

Dear Stuart,

Enclosed please find materials that satisfies South Dakota Department of Game, Fish and Parks (GFP) wildlife survey requirements pertinent to your small scale mining permit application. The enclosed Includes:

- Wildlife Review for Goldsmith Plan of Operations for Lazy Beaver Claim; Black Hills National Forest
- Element Occurrence Record; GFP
- Habitat Classification; GFP

Be free to contact me by any of the numbers listed below

Sincerely,

Stan Michals  
Energy and Minerals Coordinator

Office (605) 394-2589  
Fax (605) 394-1760  
E-mail stan.michals@state.sd.us

**Wildlife Review  
for  
Goldsmith Plan of Operations for Lazy Beaver Claim**

Black Hills National Forest  
Northern Hills District  
Pennington County, South Dakota  
T2N, R4E, Section 28  
Black Hills Meridian

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Prepared by: /s/ Valerie Carlson 3/15/12  
Valerie Carlson, Wildlife Biologist 3/15/12

**Introduction**

This wildlife review takes into consideration the potential affects to Threatened and Endangered Species (T&E), Region 2 Sensitive Species (SS), Management Indicator Species (MIS), and Species of Local Concern (SOLC) for the Goldsmith Plan of Operations for Lazy Beaver Claim on the Northern Hills Ranger District (NHRD), Black Hills National Forest (BHNF). If the proposed project description changes, this analysis no longer applies and a new wildlife review is required.

**Purpose of and Need for Action**

The United States Mining Laws, Act of May 10, 1872 as amended applies to all mineral deposits in NFS lands reserved as public domain. The area which Stewardship Mines, Inc. has requested to explore is open to mineral entry and is under the above stated laws. For a locatable minerals proposal the underlying need for action is the Forest Service's obligation to process, and modify and/or approve the operator's proposal. In this case the operator has given the Forest Service a Plan of Operations (POP) that he will be exploring in T2N, R4E, Section 28. The operator has a statutory right to explore and develop the mineral resource, and the Forest Service has the responsibility to regulate that activity.

**Detailed Description of Proposed Action**

Mr. Goldsmith, Stewardship Mines, Inc., is requesting to explore an area open to mineral entry by the United States Mining Laws, Act of May 10, 1872. The Forest Service is obligated to process and modify and/or approve the plan of operation. The area to be explored is located in T2N, R4E, Section 28. The POP includes removal of material by hand with picks, shovels, buckets, and classifying screens and processing material by power sluice. One cubic yard is estimated to be removed per season (4-5 days of operation per month). Access to the claim site would be by pickup truck from the Rochford Road. See the POP for more detail.

**Past, Present, Reasonably Foreseeable Future Actions**

Historic mining activity occurs within the boundaries of the Lazy Beaver Claim and along much of Rapid Creek. The proposed activity would occur within Management Areas 5.1 (Resource Production Emphasis) and the East Rapid Cattle Grazing Allotment. The Mickelson Trail runs through the Lazy Beaver Claim and receives a high volume of use including hiking, biking and running (Map 1). Recreational fishing is also common in Rapid Creek.

**Threatened and Endangered Species**

The U.S. Fish and Wildlife Service (USFWS) provides a list of Federally Threatened (T), Endangered (E), Proposed (P), Candidate (C) species and Nonessential/Experimental Population (XN) via their SD Field Office Internet site (most recent update 27, October, 2011). Proposed activities would occur in Pennington County, South Dakota. Listed species that may occur in Pennington County include the

least tern (E; *Sterna antillarum athallasos*), whooping crane (E; *Grus americana*), Sprague's pipit (C; *Anthus spragueii*), and black-footed ferret (*Mustela nigripes*) (XN). No known occurrences, critical habitat or suitable

habitat for these species occur in the Project Area. Based on the US FWS species list, and habitat needs of listed species, it is determined that no currently listed species with T, E, P, C, or XN status have the potential to occur within the NHRD, nor has “critical habitat” been designated in the Black Hills. Therefore, no federally listed species are addressed further in this document and there will be “no effect” to threatened, endangered or candidate species and “no adverse modifications” on critical habitat.

### **Region 2 SS, MIS, SOLC and Demand Species**

Fish and wildlife included on the most recent species lists for Region 2 SS (FSM R2 Supplement 2600-2009-1, effective June 9, 2009), BHNF MIS (Phase II Forest Plan Amendment MIS list, page II-32, USDA Forest Service 2006), and BHNF SOLC (FSM 2622.01-Exhibit 01 in FSM Supplement 2600-2011-01, effective September 6, 2011) were considered. For more information about R2 SS, MIS, SOLC and Demand Species on the BHNF and a generalized analysis of landscape scale project affects, refer to the Forest Plan FEIS (USDA Forest Service 2005).

Species of interest that are known to occupy habitat along Rapid Creek include the following species:

- Redbelly snake (SS; *Storeria occipitomaculata pahasapae*)
- Leopard frog (SS; *Rana pipiens*)
- Cooper’s mountain snail (SS; *Oreohelix strigosa cooperi*)
- Mountain sucker (SS, MIS; *Catostomus platyrhynchus*)
- white-tailed deer (MIS; *Odocoileus virginianus*)
- Beaver (MIS; *Caster canadensis*)
- Song sparrows (MIS; *Melospiza melodia*)
- Striate disc snail (SOLC; *Discus shimekii*)
- Merriam’s wild turkey (Demand Species; *Meleagris gallapava merriami*)
- Rocky mountain elk (Demand Species; *Cercus elaphus nelsoni*)
- Brown trout (Demand Species; *Salmo trutta*)
- Brook trout (Demand Species; *Salvelinus fontinalis*)

Wildlife surveys are lacking. Other species likely to occupy riparian habitat along Rapid Creek include:

- Meadow jumping mouse (SOLC; *Zapus hudsonius*)
- Atlantis Fritillary Butterfly (SOLC; *Speyeria Atlantis pahasapa*)
- Tawny crescent (SOLC; *Phyciodes batessi*)

### **Impacts to Riparian Dependant Species**

Historic mining operations in the Project Area have degraded habitat quality in the area being proposed for mining operations. Mining activity would be expected to occur within the Water Influence Zone (WIZ) and FEMA floodplains. Per the United States Mining Laws, Act of May 10, 1872, Mr. Goldsmith has the right to explore and develop the mineral resource within the WIZ and FEMA Floodplain. Activities within the WIZ should follow the Watershed Conservation Practices (WCPs) to minimize impacts to the WIZ and stream (USDA Forest Service 2006b). Impacts to water and soil resources associated with the proposed project; and project recommendations are described in the Goldsmith Plan of Operations for Lazy Beaver Claim Watershed Analysis Report (Ackerman 2012). I agree with the findings and recommendations provided in this document. Ackerman’s 2012 Watershed Analysis Report is incorporated here by reference.

Fish and Frogs: The northern leopard frog and mountain sucker are native Region 2 SS in the Black Hills; and brook trout and brown trout are BHNF Demand Species. Leopard frog population trends are in drastic decline in the western United States, yet appear to be locally abundant in the Black Hills despite a downward trend in the availability of wetlands. Forest-wide population trends for mountain sucker are in decline. Brook trout and brown trout, non-native species introduced for recreational fishing, also occupy Rapid Creek. The proposed project would occur within close proximity to Rapid Creek, but no in-stream operations are proposed. Water will be pumped out of creek, and sluice water will not be directly pumped back into the stream. However, since the

proposed project occurs within the WIZ, surface disturbing activities could result in increased sediment into the creek, especially during high flow events.

Increased sediment in Rapid Creek has the potential to reduce pool habitat, critical to overwinter survival of fish and as breeding pools for frogs. Increased sediment input also negatively effects aquatic food availability for both fish and frogs. Aquatic insects cannot cling to silt-covered rocks or live on a stream bottom in which the spaces between rocks have been plugged with silt, sand or muck. Silt can scour the stream bottom and remove bottom dwelling organisms. Sedimentation can also cover spawning beds, smother eggs, fry and tadpoles, and fill pools thereby reducing in-stream cover. In addition, degradation of terrestrial riparian and meadow habitat would occur and may affect sub-adult and adult leopard frog migratory routes and foraging habitat. I more in depth analysis of impacts to terrestrial habitat is provided below under Terrestrial Species Associated with Riparian Habitat.

*Fish Spawning:* Rapid Creek is identified as a coldwater permanent fish life propagation water for trout spawning (South Dakota Administrative Code 74:51:03:17). Mountain sucker, brook trout and brown trout are present in Rapid Creek. Activities should not take place in Rapid Creek or sedimentation should not occur into the stream during the dates of October 15<sup>th</sup> to April 1<sup>st</sup> to protect fish spawning as indicated by the South Dakota Regional permit condition pursuant to the Clean Water Act Section 404.

Terrestrial Species Associated with Riparian Habitat: 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 dependant birds and small mammal surveys have not occurred in the Project Area. A list of species known to occur and that could occur along Rapid Creek is provided above. 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.

Species that aren't mobile or that move slowly (e.g., nests, eggs, larvae, snails, snakes, etc.) could be run over, crushed or killed. More mobile species (e.g., deer, elk, turkeys, adult song birds, etc.) are likely to be displaced during mining activities but not harmed. The most serious threat too many of these species may be habitat loss, specifically the loss of mesic habitats. The proposed project would have major effects on riparian habitat since it requires substantial habitat modification in the footprint of the Project Area (up to 0.5 acres). Impacts to habitat includes soil compaction and removal of vegetation, litter, rocks, and other cover; and is likely to create conditions that are unsuitable for these species. Reclamation of the site after mining is finished may eventually return the area back to a condition that supports riparian dependant species.

### **Recommendations for Fish and Wildlife**

- See recommendation outlined in the Goldsmith Plan of Operations for Lazy Beaver Claim Watershed Analysis (Ackerman 2012).

### **Fish and Wildlife Determinations**

In summary, there will be "no effect" to threatened, endangered or candidate species and no adverse modifications on critical habitat. A determination of "May adversely impact individuals, but is not likely to result in a loss of viability on the planning area, nor cause a trend to federal listing or a loss of species viability range-wide", is made for northern leopard frog, redbelly snake and mountain sucker. The proposed project would have "No impact" on all other Region 2 SS. For MIS and SOLC fish and wildlife species, the proposed activities are not likely to impact populations.

### **Literature Cited**

Ackerman, C. 2012. Goldsmith Plan of Operations for Lazy Beaver Claim, Watershed Analysis. USDA Forest Service. Northern Hills Ranger District, Spearfish, SD.

USDA Forest Service. 2005a. 1997 Land and Resource Management Plan Final Environmental Impact Statement. Black Hills National Forest Phase II Amendment. USDA-Forest Service, Black Hills National Forest, Custer, SD.

USDA Forest Service. 2005b. The Record of Decision for the 2005 Phase II Amendment (Phase II ROD) USDA-Forest Service, Black Hills National Forest, Custer, SD.

US Fish and Wildlife Service. 2012. Endangered Species by County List, update 27, October, 2011. <http://www.fws.gov/southdakotafieldoffice/endsppbycounty.htm>. Accessed on march 15, 2012.

# Element Occurrence Record

Scientific Name: *Gnaphalium viscosum*

Occurrence #: 1

Common Name: Sticky Cudweed

SD Protection Status:

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Location Information:      Latitude: 440812N      Longitude: 1033416W

Watershed Code

Watershed

10120111

Middle Cheyenne-Elk

Township

Range

Section

002N005E

Meridian

TRS Note

BH

County Name

State

Pennington

SD

Quadrangle

Nemo

State

SD

Directions:

NEAR MERRITT.

Survey Information:

First Observation: 1922

Survey Date:

Last Observation: 1922-09-12

Eo Type:

Eo Rank:

Eo Rank Date:

Observed Area:

Comments:

General

Description: at high elevations

Comments:

Protection

Comments:

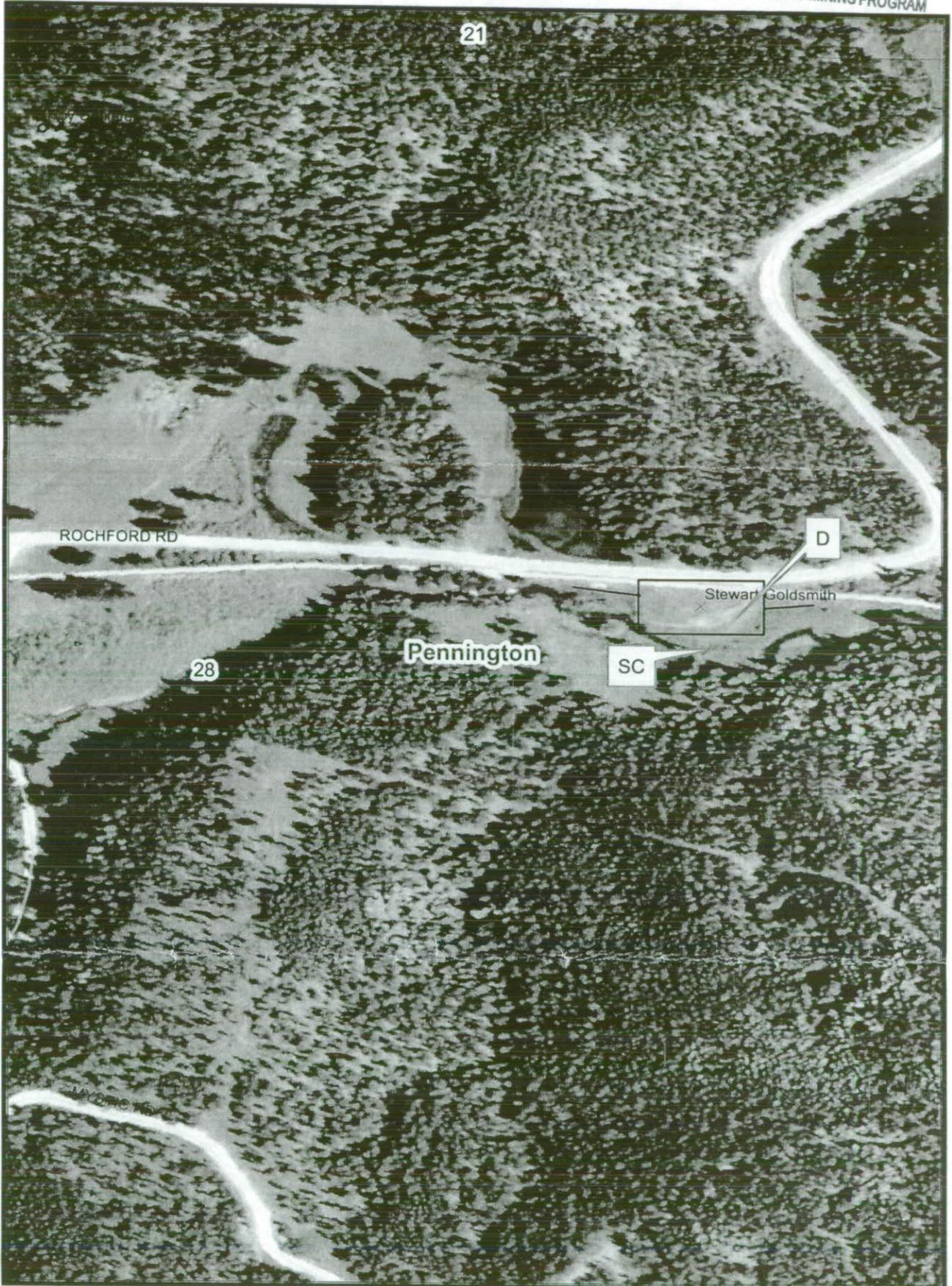
Management

Comments:

Data: rare

# Stuart Goldsmith- Lazy Beaver Claim

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## Habitat classification

SC-Salix spp. Community  
D-Disturbed

Hoffman and Alexander 1987

SD/GF&P 2012



DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

PMB 2020  
JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
denr.sd.gov

September 4, 2012

Stuart Goldsmith  
2404 Foothills Blvd Apt 102  
Gillette, WY 82716

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Dear Mr. Goldsmith:

Thank you for submitting your Notice of Intent for the General Permit for Storm Water Discharges Associated with Industrial Activity. This letter grants you coverage under this permit for the site listed below in Pennington County, SD. You must maintain your site in compliance with the permit conditions. Your facility Permit No. is **SDR00B543**. Please refer to this number in future correspondence.

Facility Information

Stuart Goldsmith - Contact Person  
SE NW, 28, T 2N, R 4E  
44.105289, - 103.648522  
5 miles ESE of Rochford, SD

Operator Information

Lazy Beaver Mine (MMC 221588)

Please check to be certain the above facility is the same as listed in the Notice of Intent.

A Storm Water Pollution Prevention Plan must be developed and implemented for this facility in accordance with Section 3.0 of the permit. Guidance materials are available from the department for assistance in developing the plan.

Thank you for preserving the natural resources of South Dakota. If you have any questions or need any guidance, please contact me at (605) 773-3351 or 1-800-SDSTORM (737-8676).

Sincerely,

Andrew Renner  
Natural Resources Engineer  
Surface Water Quality Program

Permit No.: SDR00B543  
Lazy Beaver Mine (MMC 221588)

**SOUTH DAKOTA DEPARTMENT OF ENVIRONMENT AND NATURAL  
RESOURCES  
JOE FOSS BUILDING  
523 EAST CAPITOL AVENUE  
PIERRE, SOUTH DAKOTA 57501-3181**

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**GENERAL PERMIT FOR STORM WATER DISCHARGES  
ASSOCIATED WITH INDUSTRIAL ACTIVITIES**

**AUTHORIZATION TO DISCHARGE UNDER THE  
SURFACE WATER DISCHARGE SYSTEM**

In compliance with the provisions of the South Dakota Water Pollution Control Act and the Administrative Rules of South Dakota (ARSD) Chapters 74:52:01 through 74:52:11, Stuart Goldsmith, located in the State of South Dakota, are authorized to discharge storm water associated with industrial activities in accordance with the conditions and requirements set forth herein.

This general permit shall become effective on **October 1, 2012**.

This general permit and the authorization to discharge shall expire at midnight, **September 30, 2017**.

Signed this **4th** day of **September, 2012**



Authorized Permitting Official

Steven M. Pirner  
Secretary  
Department of Environment and Natural Resources

Amended: August 27, 2012  
Effective: October 1, 2012



United States  
Department of  
Agriculture

Forest  
Service

Black Hills National Forest  
Northern Hills Ranger District

2014 N Main Street  
Spearfish SD 57783  
605-642-4622

File Code: 2810

Date: October 22, 2012

Stuart Goldsmith  
Lazy Beaver Claimant  
2404 Foothills Blvd  
Apartment 102  
Gillette, WY 82716

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OCT 29 2012  
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Dear Mr. Goldsmith:

Enclosed is the Plan of Operations (Plan) for your Lazy Beaver Claim within the Northern Hills Ranger District of the Black Hills National Forest. Please review and sign the Plan and return for my signature and execution. Execution of the plan will authorize the exploration activities if all state and local permit(s) and licensing have also been attained.

Also enclosed for your review is the bond calculation of \$2,165.98. The South Dakota Department of Environment and Natural Resources (SD DENR) also requires a bond and often the claimant posts a portion, up to the state's limit, with SD DENR and the balance with the Forest Service. Acceptable bond securities are: assigned certificate of deposit or an irrevocable letter of credit for the sum of the bond.

This Plan is not a determination that you have properly located a mining claim or an adjudication of any rights that you may have verses those of any other claimant. Approval of this Plan does not constitute recognition or certification of ownership by any person named as owner herein. Approval does not constitute now, or in the future, recognition or certification of the validity of any mining claim to which it may relate or to the mineral character of the land on which it lies.

If you have any questions, please contact Hillarie Jackson at (605) 642-4622 or email [hljackson@fs.fed.us](mailto:hljackson@fs.fed.us). Thank you for your continued cooperation with the Black Hills National Forest.

Sincerely,

  
RHONDA O'BYRNE  
District Ranger

Enclosure: Lazy Beaver Plan of Operations and its Appendices.

cc: Hillarie L Jackson



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USDA, Forest Service

## PLAN OF OPERATIONS FOR MINING ACTIVITIES ON NATIONAL FOREST SYSTEM LANDS

FS-2800-5  
OMB NO. 0596-0022

**USE OF THIS FORM IS OPTIONAL!** 1<sup>st</sup> TIME USERS SHOULD DIRECT QUESTIONS REGARDING THIS FORM OR REGULATIONS (36 CFR 228A) TO THE FOREST SERVICE DISTRICT OFFICE NEAREST YOUR AREA OF INTEREST.

Submitted by: Stuart Goldsmith Claimant 01/26/2012  
Signature Title Date  
(mm/dd/yy)

Plan Received by: [Signature] MINERAL SPECIALIST 01/30/2012  
Signature Title Date  
(mm/dd/yy)

### I. GENERAL INFORMATION

- A. Name of Mine/Project: Lazy Beaver
- B. Type of Operation: Placer  
(lode, placer, mill, exploration, development, production, other)
- C. Is this a (new/continuing) operation? (check one). If continuing a previous operation, this plan (replaces/modifies/supplements) a previous plan of operations. (check one)
- D. Proposed start-up date (mm/dd/yy) of operation: 4 May 2012
- E. Expected total duration of this operation: Unknown
- F. If seasonal, expected date (mm/dd/yy) of annual reclamation/stabilization close out: Unknown
- G. Expected date (mm/dd/yy) for completion of all required reclamation: Unknown

### II. PRINCIPALS

- A. Name, address and phone number of operator: Stuart Goldsmith  
2404 Foothills Blvd - Apt 102 Gillette, WY 82716 (307) 685-6410
- B. Name, address, and phone number of authorized field representative (if other than the operator). Attach authorization to act on behalf of operator. \_\_\_\_\_
- C. Name, address and phone number of owners of the claims (if different than the operator): \_\_\_\_\_
- D. Name, address and phone number of any other lessees, assigns, agents, etc., and briefly describe their involvement with the operation, if applicable: \_\_\_\_\_

(If more space is needed to fill out a block of information, use additional sheets and attach form)

**III. PROPERTY OR AREA**

Name of claim, if applicable, and the legal land description where the operation will be located.

LAZY BEAVER (MMC 221588) E 1/2 of SE1/4 of NW 1/4 SEC 28 T2N R4E  
PENNINGTON COUNTY- SOUTH DAKOTA

- A. **Access.** Show on a map (USGS quadrangle map or a National Forest map, for example) the claim boundaries, if applicable, and all access needs such as roads and trails, on and off the claim. Specify which Forest Service roads will be used, where maintenance or reconstruction is proposed, and where new construction is necessary. For new construction, include construction specifications such as widths, grades, etc., location and size of culverts, describe maintenance plans, and the type and size of vehicles and equipment that will use the access routes.

Access available. No reconstruction of access is proposed

Equipment that will use access is a Ford F250 Pickup and 6' x 12' Utility Trailer  
See Map (Exhibit A)

- B. **Map, Sketch or Drawing.** Show location and layout of the area of operation. Identify any streams, creeks or springs if known. Show the size and kind of all surface disturbances such as trenches, pits, settling ponds, stream channels and run-off diversions, waste dumps, drill pads, timber disposal or clearance, etc. Include sizes, capacities, acreage, amounts, locations, materials involved, etc.

See Site Plan (Exhibit B)

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

C. **Project Description.** Describe all aspects of the operation including mining, milling, and exploration methods, materials, equipment, workforce, construction and operation schedule, power requirements, how clearing will be accomplished, topsoil stockpile, waste rock placement, tailings disposal, proposed number of drillholes and depth, depth of proposed suction dredging, and how gravels will be replaced, etc. Calculate production rates of ore. Include justification and calculations for settling pond capacities, and the size of runoff diversion channels.

No drilling will be required

Top Soil and Overburn(Waste Rock) will have a 3:1 repose. Seeding with approved seed.(USDA)

No clearing of trees will be necessary

Production Rate approximately 1/2 to 1 yd per month

Work Force: Self

Operation Schedule will be 9/10 days per month (June, July & August)

Removal of Top Soil will be accomplished by hiring of contractor.

No Construction is planned.

10' x 10" Power Sluice – MultiQuip 4.8 hp 106 gpm Centrifical Pump- Shovel, Bucket, Classifying Screens

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

D. **Equipment and Vehicles.** Describe that which is proposed for use in your operation (Examples: drill, dozer, wash plant, mill, etc.). Include: sizes, capacity, frequency of use, etc.

2000 Ford F-250, 6' x 12' Utility Trailer, 10' x 10" Power Sluice, MultiQuip 4.8 hp 106 gpm Pump

E. **Structures.** Include information about fixed or portable structures or facilities planned for the operation. Show locations on the map. Include such things as living quarters, storage sheds, mill buildings, thickener tanks, fuel storage, powder magazines, pipelines, water diversions, trailers, sanitation facilities including sewage disposal, etc. Include engineering design and geotechnical information for project facilities, justification and calculations for sizing of tanks, pipelines and water diversions, etc.

Living Quarters: 8' x 28' Camper/Trailer (Sewage/Waste Water) Self-contained.

9/10 days per month (June, July & August).

No Chemicals will be used

Gasoline Storage: All gasoline will be stored in 5 gallon steel safety cans. Fuel will be stored in bed of pickup.

Fueling will be accomplished a minimum of 100' from waterways.

No fixed or portable storage sheds or building are required.

No explosives will be used.

## V. ENVIRONMENTAL PROTECTION MEASURES (SEE 36 CFR 228.8)

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

A. **Air Quality.** Describe measures proposed to minimize impacts on air quality such as obtaining a burning permit for slash disposal or dust abatement on roads.

No Burning of slash

Will not be using roads on site (Access Only)

B. **Water Quality.** State how applicable state and federal water quality standards will be met. Describe measures or management practices to be used to minimize water quality impacts and meet applicable standards.

1. State whether water is to be used in the operation, and describe the quantity, source, methods and design of diversions, storage, use, disposal, and treatment facilities. Include assumptions for sizing water conveyance or storage facilities.

2. Describe methods to control erosion and surface water runoff from all disturbed areas, including waste and tailings dumps.

3. Describe proposed surface water and groundwater quality monitoring, if required, to demonstrate compliance with federal or state water quality standards.

4. Describe the measures to be used to minimize potential water quality impacts during seasonal closures, or for a temporary cessation of operations.

5. If land application is proposed for waste water disposal, the location and operation of the land application system must be described. Also describe how vegetation, soil, and surface and groundwater quality will be protected if land application is used.

Water from Rapid Creek will be used to operate power sluice (106 gpm). Sluice will be operated approximately 1/2 hour to 1 hour per day.

Water used will be dispersed to percolate through soil on level ground surface, a containment berm will divert water from directly entering creek.

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

- C. **Solid Wastes.** Describe the quantity and the physical and chemical characteristics of solid waste produced by the operation. Describe how the wastes will be disposed of including location and design of facilities, or treated so as to minimize adverse impacts.

Sewage/Waste Water self contained (Camper Trailer) disposal when required at Trout Haven Camp site or other off-site disposal facility.

- D. **Scenic Values.** Describe protection of scenic values such as screening, slash disposal, or timely reclamation.

Reclamation will be on-going as production pit is expanded..

No slash will be accumulated (No timber will be required.)

- E. **Fish and Wildlife.** Describe measures to maintain and protect fisheries and wildlife, and their habitat (includes threatened, endangered, and sensitive species) affected by the operations.

Mining area will be bermed to prevent flow of material or water to enter water way

- F. **Cultural Resources.** Describe measures for protecting known historic and archeological values, or new sites in the project area.

No known historic or archeological values are on site.

In the event values are to be found, the site will be shut down until a determination has been made to significance .

- G. **Hazardous Substances.**

1. Identify the type and volume of all hazardous materials and toxic substances which will be used or generated in the operations including cyanide, solvents, petroleum products, mill, process and laboratory reagents.

*(If more space is needed to fill out a block of information, use additional sheets and attach form)*

Reclamation will be ongoing as the pit progresses. Upon completion of mining project overburden and top soil will be placed and seeded with approved seeding (USDA)

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## ***VI. TERMS AND CONDITIONS TO PLAN OF OPERATIONS***

The following terms and conditions set forth the general conditions, operating conditions, interim shutdown requirements, reclamation requirements, bonding requirements, and term of approval for the Lazy Beaver Claim Plan of Operations as agreed upon by Stuart Goldsmith (operator) and the authorized officer of the Northern Hills Ranger District, Black Hills National Forest (District Ranger).

### **A. General Conditions**

1. The operator is reminded that this operation is located on National Forest System land which is available for other uses and is subject to Forest Service management for other resources. Other uses and management may occur, but shall not conflict with the 1872 mining law as amended.
2. It is the operator's responsibility to obtain all necessary permits and comply with all requirements of state, local and other federal agencies.
3. Before any work may begin, an onsite meeting between an authorized representative of the District Ranger and the operator must take place. During this meeting, the perimeter of the approved operation will be marked plainly on the ground. If surface disturbance threatens to extend beyond the areas marked, a proposed amendment to the existing Plan of Operations or a new Plan of Operations must be submitted.
4. The operation approved is limited to a maximum disturbance area of approximately ½ acre including mining areas, the new access road, and tailings, waste rock and topsoil storage areas. In addition, use and maintenance of Forest System Roads are not approved. Should a deviation from the approved Plan of Operations be required, the District Ranger must be notified in advance to determine whether an amendment to the existing operating plan, a completely new operating plan, a new environmental assessment, and/or posting of an increased bond is necessary. All substantive changes are subject to advance approval by the District Ranger.
5. By January 31 of each year, the operator shall furnish the District Ranger with a written summary of the planned operations for the upcoming year.
6. To protect cultural resources in the project area, if cultural resources (historic or prehistoric) 50 years or older are discovered or unanticipated effects on resources are found by the operator during project activities, work in the area of the discovery shall cease immediately and the District Ranger will be notified. Subsequently, the agency will avoid, minimize or mitigate any adverse effects and notify the State Historic Preservation Officer (SHPO) and tribal groups that have requested to be on the forest's mailing list within 48 hours of discovery, according to 36 CFR 800.13.

### **B. Operating Conditions**

1. To prevent wildfires all internal or external combustion engines will be required to have approved spark arresters which meet either (1) Department of Agriculture, Forest Service Standard 51001-1A; or (2) the 80% efficiency level determined according to the appropriate

Society of Automotive Engineers (SAT) Recommended Practice J335 and J350 (36 CFR 261.52(J)). An exhaust driven turbo charger is considered to be a satisfactory spark arrester.

2. No open fires are permitted within the Black Hills Fire Protection Boundary without a burn permit. A burn permit must be obtained in advance from the Northern Hills Ranger District office and the South Dakota Division of Resource Conservation and Forestry should be notified.
3. Public safety is a vital concern. Commercially manufactured signs reading "DANGER - MINING AREA" or similar message to notify the public of dangers present, shall be placed as specified by the District Ranger.
4. Prior to developing additional mine disturbance areas, the operator shall remove topsoil and stockpile the soil at a location approved by the District Ranger. The stockpiled topsoil shall not contain significant amounts of wood or large boulders.

In accordance with the Best Minerals Management Practices (BMMP), this topsoil is to be stockpiled in the form of gentle mounds with slopes not greater than 3: 1. The topsoil stockpile shall be vegetated with an interim seed mix approved by the District Ranger and shall be clearly marked with signs denoting "topsoil stockpile".

5. No permanent structures are required or permitted for this operation.
6. No access routes other than those already existing or approved in writing by the Forest Service will be permitted. It is the Operator's responsibility to construct, and maintain mine access roads to Forest Service specifications.
7. Maintenance of roads on and accessing the operation may include construction of drainage dips and water bars and may require spot gravelling to Forest Service specifications. These standards may be found in Best Minerals Management Practices (Section D, Pages 34-37). Any aggregate applied to any National Forest System Road must meet Forest Service grading designation Q as shown in the following table unless an alternate aggregate is approved by the District Ranger.

*Forest Service grading designation Q required for aggregate applied to FSR 374.1 (AASHTO T27 and T11)*

Sieve Size	% Passing
1 inch	100
¾ inch	70-98
No. 4	36-70
No. 8	25-55
No. 30	12-35
No. 200	3-20

8. All timber on the claim is the property of the U.S. Government. The Forest Service requires that trees disturbed by mining activities or road maintenance be removed to prevent insect infestation and disease. Merchantable timber shall be purchased by the operator at current prices. Timber volume and price will be specified by the District Ranger.

All slash will either be piled in dirt-free piles in locations approved by the District Ranger or lopped and scattered in such a manner so as not to exceed heights of 18 inches above ground level. Non-merchantable timber shall be disposed of in a manner specified by the District Ranger. Merchantable timber shall be purchased in advance from the Forest Service at current stumpage rates.

No mine waste rock or tailings shall be placed on merchantable or non-merchantable timber. All timber including non merchantable timber shall be removed from mine disturbance areas prior to development or expansion of waste rock or tailings piles.

9. If any petroleum products are stored in the project area, a Petroleum Products Spill Prevention and Control Plan must be prepared which conforms to guidance found in Best Minerals Management Practices, Section D, Pages 102 and 103. A copy of the Spill Prevention and Control Plan, Appendix D, shall be submitted to the District Ranger prior to storage of petroleum products in the project area. Should a petroleum product spill or leak occur on the site the operator will, in a timely manner, remove the contaminated soil and dispose of it in an approved disposal site in accordance with instructions from the Forest Service and appropriate State Agency (ies).
10. The use or storage of any chemicals in connection with this operation must be approved in advance by the District Ranger.
11. Store fuel and keep the camp site, fueling sites, and other concentrated-use sites outside the WIZ (Management Measure 3, Criterion e; Management Measure 15, Criterion a, b, and c).
12. For safety and security reasons, gates may be installed in locations approved in advance by the District Ranger. Gates shall be of a type specified by the District Ranger.
13. Operator is responsible for the activities of or use of equipment of operator, operator employee's, agents, contractors, subcontractors, their employees or agents, acting on operations hereunder, on national Forest System lands.
14. The operator is responsible for preventing noxious weed infestations on the mine site for the duration of the Plan of Operations.
15. Solid waste generated at the site such as broken equipment, scrap metal, trash, garbage, tires etc., will be promptly disposed of at an off-site approved facility. Storage of equipment and associated supplies on the mine site is only approved for equipment required for the mining operation.
16. Keep heavy equipment out of streams, swales, and wetlands except if protected by at least 1 foot of packed snow or 2 inches of frozen soil; if feasible (Management Measure 3, Criterion c; Management Measure 6, Criterion a).
17. Keep heavy equipment out of streams during fish spawning, incubation, and emergence periods (SD Permit pursuant CWA Sec 404, Management Measure 3, Criterion c).

18. Avoid soil-disturbing actions during periods of heavy rain or wet soils (Management Measure 9, Criterion c; Management Measure 13, Criterion b).
19. Install berms around vehicle service and refueling areas and prepare a Spill Prevention Control Plan (Management Measure 16, Criterion a, e, and f).
20. Do not allow sluice water to directly enter stream (Listed in Goldsmith's Proposal; Management Measure 16, Criterion d).
21. Refrain from removing material at the toe of a slope greater than 30% to prevent mass movement.
22. Forest Plan Standards 3102, 3103 3204, and 3207 require the protection of active raptor nests, bat nurseries, bat hibernacula, and snail colonies with sensitive species or species of local concern. Any active raptor nest, bat roost or snail colony discovered during project activities will be reported to the District Wildlife Biologist for evaluation. Mitigation measures may be required for raptors, bats or snails. At this time, there are no known raptor nests, bat roosts or snail colonies that this mitigation measure applies on this claim.

#### **C. Interim Shutdown of Mining Operations**

1. If mining is inactive for a period of one year or more, the mine will be considered in a status of interim shutdown, unless a longer period is approved by the District Ranger. The District Ranger shall be notified in the event of an interim shutdown.
2. During periods of interim shutdown the operator shall complete the following: 1) Apply an interim reclamation seed mixture approved by the District Ranger to disturbed areas to prevent erosion and development of noxious weed infestations; 2) Take necessary means to mitigate safety hazards at the mine; 3) Remove all stored petroleum products, explosives, and other hazardous substances from the site; 4) Remove all mining and ancillary equipment from the site; and 5) maintain erosion/sediment control structures in operable condition..
3. The District Ranger shall be notified prior to commencement of active mining.
4. If interim shutdown extends beyond the one year duration of operation specified in the Plan of Operations, final reclamation shall commence immediately. If reclamation does not immediately commence and is not accomplished to the satisfaction of the District Ranger within a 12 month period, the District Ranger may use the bond money to complete reclamation.

#### **D. Reclamation Requirements**

1. The operator is responsible for reclaiming all ground surface disturbed by this operation. Practicality and other resource needs shall be factors in all decisions relating to reclamation, but in every case reclaimed areas shall be left in a condition which: 1) eliminates or reduces erosion to a minimum; 2) results in a visual quality in harmony with surrounding natural terrain and; 3)

rehabilitates the site to a productive state which assures that it can be managed in accordance with the Forest Plan Management Area.

2. Contouring shall consist of the following: 1) All surface areas disturbed by the operation shall be recontoured in such a way as to closely approximate either surface contours existing in the disturbed area before the start of operations or surface contours of immediately and adjacent undisturbed terrain as specified by the District Ranger; 2) To enhance public safety and minimize erosion no created or substantially modified slope shall be left steeper than 3:1, except in the case of solid rock high walls; 3) Solid rock high walls may remain if they are determined to be stable, do not present a hazard to humans or wildlife, and are approved by the District Ranger.

In all cases, resulting contours shall be made to blend and merge with surrounding natural ground surfaces in an unobtrusive way imitating natural surface features commonly found in the immediate area.

3. No manmade materials of any kind (broken equipment, scrap metal, trash, garbage, etc.) shall be used as fill.
4. A minimum 4" thick layer of topsoil shall be applied to disturbed areas with the exception of solid rock high walls. If topsoil stockpile volumes are insufficient, an alternate growth medium approved by the District Ranger may be used. Haul roads and work areas shall be ripped or scarified to mitigate compaction prior to seeding.
5. The finished recontoured ground surface shall be seeded, fertilized, and mulched in accordance with BMMP guidelines to return the reclaimed area to a productive vegetative state in harmony with surrounding vegetation.

Seeding shall be done using the Northern Hills Seed Mixture with the following composition attached in Appendix C.

The seed shall be applied at a rate of 26 pounds live seed (pls) per acre. The operator shall provide a copy of the receipt for seed payment to the District Ranger to assure proper seed mixture use. The seeding rate shall be doubled if the seed is hand broadcasted.

6. The operator is encouraged to perform partial reclamation where applicable at any time. Partial reclamation may result in application of appropriate bond amounts to expanded areas of the operation, or may result in release of part of the performance bond.
7. Reclaim the organic ground cover of disturbed areas within one year after activity ends. Use certified local native plant seed and avoid persistent or invasive exotic plants (Listed in Goldsmith's Proposal; Management Measure 2, Criterion b; Management Measure 12, Criterion d).
8. Reclamation shall be performed as soon as possible following completion of mining operations. Within 12 months of the cessation of operations, the operator shall complete backfilling, complete necessary recontouring, place topsoil, and shall fertilize, seed, and mulch to meet specifications of the operating plan. If reclamation is not accomplished to the satisfaction of the

District Ranger within the 12 month period, the District Ranger may use the bond money to complete reclamation.

**E. Reclamation Performance Standards**

1. Reclamation will be considered successful when the site meets the following reclamation performance standards:
  - a. Completion of pit backfills.
  - b. Reclamation of access roads.
  - c. Establishment of a slope of 3:1 or less on all disturbed areas with exception of solid rock high walls.
  - d. Placement of topsoil or other growth medium on all disturbed areas with exception of solid rock high walls.
  - e. Establishment of a self-sustaining vegetative cover on areas covered with topsoil.
  - f. Removal of all mining equipment, supplies, and solid wastes such as broken equipment, scrap metal, trash, garbage, tires etc.

**F. Reclamation bond requirements**

1. The total reclamation bond required for the Lazy Beaver Claim Plan of Operations is \$2,165.00.
2. The required bond amount will be reviewed annually and adjusted to compensate for any completed reclamation work, any increase in the scope of operations, changes in equipment rental rates, wages, materials etc.
3. Portions of the bond may be released when the earthwork (backfilling, topsoil placement etc.) has been completed. The amount of the bond covering these activities can be released, if the remaining bond is adequate for the other outstanding reclamation work at the site.
4. Based on the annual bond updates, the operator shall provide any additional bonding required for the operation within 30 days of notification by the District Ranger.
5. The final reclamation bond shall be released when the District Ranger provides written approval that the site meets the reclamation performance standards established for this project.
6. Reclamation of all disturbance connected with this Plan of Operations is covered by: Reclamation performance bond Assignment of Certificate of Deposit Agreement #\_\_\_\_ for Certificate of Deposit #\_\_\_\_\_ from \_\_\_\_\_ for the sum of \$\_\_\_\_\_.
7. The bond amount for this Reclamation Performance Bond was based on a bond calculation worksheet. The bond amount may be adjusted during the term of this proposed Plan of Operations in response to changes in the operations or to changes in the economy.

8. Should the bond delivered herewith, or any bond delivered hereafter in connection with this Plan of Operations, no longer be in effect, the operator shall, within 30 calendar days of receipt of the Forest Service demand, furnish a new bond satisfactory to the Forest Service. Until such time that a satisfactory bond is received by the Forest Service, no further operations other than reclamation activities will be allowed.
9. The Reclamation Performance Bond must be furnished before approval of the Plan of Operations.

**G. Operating Plan Acceptance**

1. This operating plan has been approved for a period of one year or until areal extent of ½ acre is exceeded. A new or revised plan must be submitted in accordance with 36 CFR part 228, subpart A, if operations are to be continued after that time period.
2. Approval of this plan does not constitute certification of ownership to any person named herein and/or recognition of the validity of any mining claim named herein.

I/We have reviewed and agree to comply with the general conditions, operating conditions, interim shutdown requirements, reclamation requirements, and bonding requirements for the Lazy Beaver Claim Plan of Operations.

  
Operator (or authorized representative)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
RHONDA O'BYRNE  
DISTRICT RANGER

\_\_\_\_\_  
DATE

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# EXHIBIT A

## ROCHFORD QUADRANGLE SOUTH DAKOTA - PENNINGTON CO. 7.5 - MINUTE SERIES (TOPOGRAPHIC)

103°37'30"  
44°07'30"

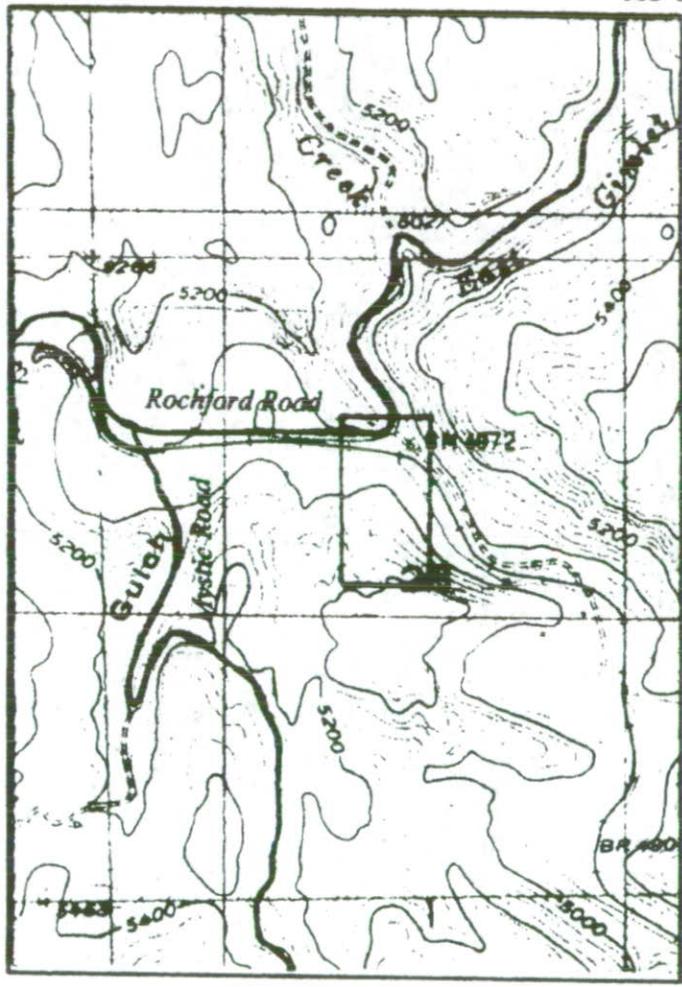
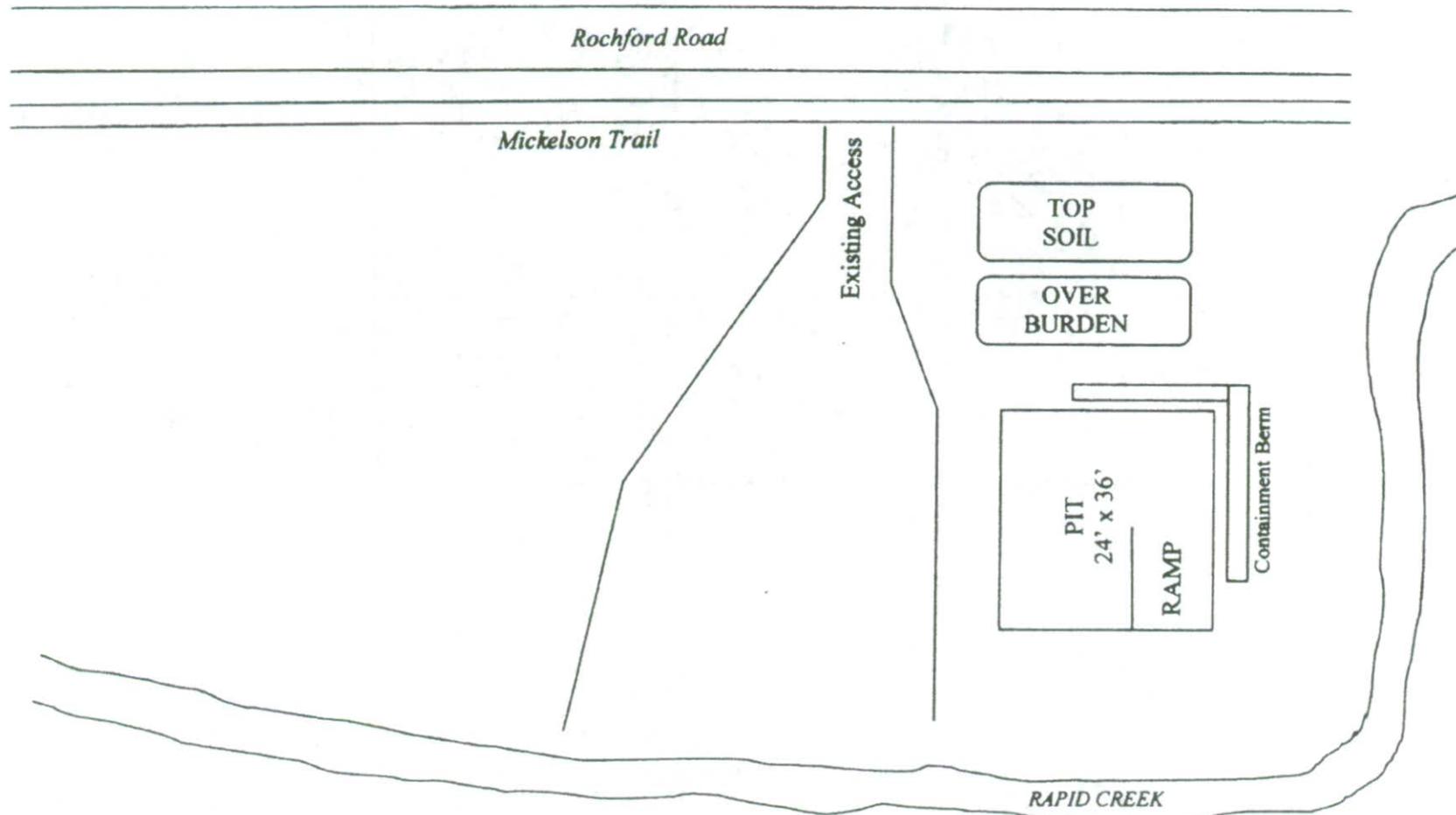


EXHIBIT B

Site Plan

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

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Appendix C  
Forest Service Required Seed Mix Standards

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**SEED APPLICATION TABLE:**

Species	North Zone	High Elevation	Low Elevation	South Zone	Cost/lbs/pls
		North Zone	North Zone		
annual rye (Lolium multiflorum)	10%	30%	35%	30%	\$0.50
slender wheatgrass (Elymus trachycaulus)	25%	25%	25%		\$1.80
prairie junegrass (Koeleria macrantha)	5%			5%	\$23.25
western wheatgrass (Pascopyrum smithii)	30%			30%	\$2.80
Canada wildrye (Elymus canadensis)	30%	10%			\$5.15
green needle grass (Nassella viridula)		20%	15%		\$2.05
American vetch (Vicia americana) OR purple prairie clover (Dalea purpurea)		5%	5%	5%	\$34.50 OR \$18.00
Warm season combination*			20%	30%	\$4.50
AVERAGE COST/LBS/PLS	\$4.05	\$2.95	\$2.73	\$4.40	
*Warm season combination – any of the following:					
blue grama (Bouteloua gracilis)					\$8.50
switchgrass (Panicum virgatum)					\$4.50
indiangrass (Sorghastrum nutans)					\$9.25
sideoats grama (Bouteloua curtipendula)					\$4.50
AVERAGE COST/LBS/PLS					\$6.69

Following completion of mining activities, claimant shall seed soil exposed areas. Soil in these areas to be seeded shall be left in a roughened condition favorable to the retention and germination of the seed. Scarification of disturbed areas should be approximately two to four inches. Seed should be spread evenly at the rate of 20 pounds of seed per acre. Seeding shall be done during the period of September 1<sup>st</sup> to June 15<sup>th</sup> unless otherwise approved.

Kinds and amounts of seed to be sown will follow **North Zone** specifications (see Seed Application Table).

All seed purchased will be certified to be free of the noxious weed seeds from weeds listed on the current "All States Noxious Weed List." Test results from certified seed analyst and seed analysis labels attached to the bags will be available to the Forest Service.

**Appendix D**  
**Fuel Transport, Storage, and Handling for**  
**Lazy Beaver Placer Mining**

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Claimant shall take all reasonable precautions to prevent pollution of air, soil, and water by claimant's operations. In the event that the claimant's operations or servicing of equipment result in pollution to soil or water, the claimant shall conduct cleanup and restoration of the polluted site to the satisfaction of the Forest Service.

Claimant shall maintain all equipment operating on National Forest System lands in good repair and free of abnormal leakage, such as is discernible on the ground, of lubricants, fuel, coolants, and hydraulic fluid. Claimant **shall not** service tractors, trucks, or other equipment on National Forest System lands where servicing is likely to result in pollution to soil or water. Claimant shall furnish oil-absorbing mats for use under all stationary equipment or equipment being serviced to prevent leaking or spilled petroleum-based products from contaminating soil and water resources. Claimant shall remove from National Forest lands all contaminated soil, vegetation, debris, vehicle filters, batteries, oily rags, and waste oil resulting from use, serving, repair, or abandonment of equipment.

***Prevention of Spills.***

Claimant shall take appropriate preventative measures to ensure that any spill of such oil or oil products does not enter any stream or other waters of the United States or any of the individual States.

If the total oil or oil products storage exceeds 1,320 gallons in containers of 55 gallons or greater, Claimant shall prepare a Spill Prevention Control and Countermeasures Plan. Such plan shall meet applicable EPA requirements (40 CFR 112), including certification by a registered professional engineer.

Fuel and lubricants will be hauled to the site in a truck in a Department of Transportation (DOT) approved container that is securely fastened into the bed of the truck. No more than 5 gallons of gasoline or diesel fuel, in one container, will be hauled to the site at one time. Oil will be transported in DOT approved 5-gallon containers. A maximum of 5 gallons of fuel and a maximum of 5 gallons of oil shall be stored on site at any one time. Stationary storage tanks or barrels for fuels, oils, lubricants, and other liquids required for the operation of the heavy equipment are NOT approved for storage on site.

The fuel and lubricants shall be hand or mechanically pumped into the fuel tanks of the equipment. There shall be a person attending such operations at all times. Sorbent pads shall be used in the event of a spill or release. They shall be stored in the truck that is used to haul the fuel and oil and in readily accessible locations on the project site.

**Appendix D**  
**Fuel Transport, Storage, and Handling for**  
**Lazy Beaver Placer Mining**

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***Spill Procedures***

All spills, regardless of size or quantity, shall be reported immediately to Northern Hills District Ranger. The following information regarding the spill will be immediately communicated:

- The chemical name of the substance that spilled or leaked,
- An estimate of the quantity that spilled or leaked,
- The time and duration of the release,
- Where the release is deposited,
- Why the release occurred, and
- Any immediate health and safety, or environmental threats or issues.

Spills that shall be reported immediately to the following agencies include:

- Spills of any substance that exceeds 5 gallons, or
- Spills that cannot be totally cleaned up within 24 hours, or
- Spills of any substance that reaches or threatens a water body or that has the potential to cause environmental damage.

The above spills shall be reported to these agencies:

- Lawrence County Emergency Management: (605) 578-2122 ,
- South Dakota Department of Environment and Natural Resources: (605) 773-4201, and
- United States Forest Service: (605) 642-4622.

***Hazardous Substances***

Claimant shall notify Northern Hills District Ranger and appropriate agencies of all reportable (40 CFR 110) spills of oil or oil products on National Forest System lands that are caused by claimant, claimant's employees, agents, contractors, subcontractors, or their employees or agents, directly or indirectly, as a result of a claimant's operations, in accordance with 40 CFR 302.

**Goldsmith Lazy Beaver Claim Reclamation Bond Estimate**

Acreage being used for bond estimate: 1/4 (0.25) acre

**Cost Sources:**

Dozer costs based on June 2011 USFS Black Hills Cost Estimating Guide for Road Construction.  
 Seeding cost included material, labor and overhead of 40.5%, based on Black Hills KV Costs for FY 2011.  
 Weed treatment cost included material, labor and overhead of 40.5%, based on Black Hills KV Costs for FY 2011.

Mobilization cost based on quote from J&S Trucking Rapid City, SD (\$125.00 per hour plus \$35.00 overwidth permit/approximately 1-hour to move dozer from Rapid City, SD to Rochford, SD).  
 Labor cost based on South Dakota Davis-Bacon wages on-line: <http://www.wdol.gov/dba.aspx#0>

**Equipment selection and production:**

A Cat D-6 dozer with a triple shank ripper selected for job because it could perform all tasks and provided most efficient production  
 Dozer production based on guidance in Caterpillar Performance Handbook Edition 30  
 Required time to rip compacted areas and maintain road based on professional judgment

**Design Contingencies:**

Estimate assumes 10% design contingency on earthwork, seeding, and weed treatment.

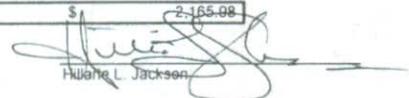
Direct Costs	Item:	Equipment mobilization-dozer	Block access road into mine-dozer	Backfill/recontour main pit	Rip compacted areas	Spread topsoil	Seeding	Weed Treatment	Total Direct Costs:
	Unit:	ea.	hr.	hr.	hr.	yd <sup>3</sup>	acre	acre	
Materials and Equipment:	Design quantity	2	0.5	1	0.5	277	0.25	0.25	
	Quantity w/ 10% design contingency	2.2	0.55	1.1	0.55	304.7	0.28	0.28	
	Unit Direct Cost	\$ 160.00	\$ 162.78	\$ 162.78	\$ 162.78	\$ 162.78	\$ 210.00	\$ 210.00	
	Production LCY/hr.					237.000			
	Total Equipment Cost	\$ 352.00	\$ 89.53	\$ 179.06	\$ 89.53	\$ 209.28	\$ 57.75	\$ 57.75	
Labor:	Req'd Labor Hours	included above	2.0	1.1	0.3	1.3	included above	included above	
	Labor Cost/hr.	included above	\$ 27.58	\$ 27.58	\$ 27.58	\$ 27.58	included above	included above	
	Total Labor Cost	n/a	\$ 55.16	\$ 30.34	\$ 6.90	\$ 35.46	n/a	n/a	
Subtotal Direct Costs:		\$ 352.00	\$ 144.69	\$ 209.40	\$ 96.42	\$ 244.74	\$ 57.75	\$ 57.75	\$ 1,162.75
Comments:		Mob or Demob			Rip compacted areas with triple shank ripper.	estimated for 24 x 36 pit	hand broadcast grass seed		

Indirect Costs	Adjustment	Amount	Source:
Contingencies	10%	\$ 116.27	
Engineering Redesign	5%	\$ 58.14	
Contractor Profit and Overhead	30%	\$ 348.82	Forest Service Guide for Reclamation Bond Estimation and Administration, 2004
FS Minerals Administrator	1 days @ \$230/day	\$ 230.00	
FS Contractor Administration	1 days @ \$250/day	\$ 250.00	

Indirect Total \$ 1,003.24

BOND TOTAL \$ 2,165.99

Estimator:

  
 Hildene L. Jackson

Date:

JUNE 28, 2012

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# 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:**

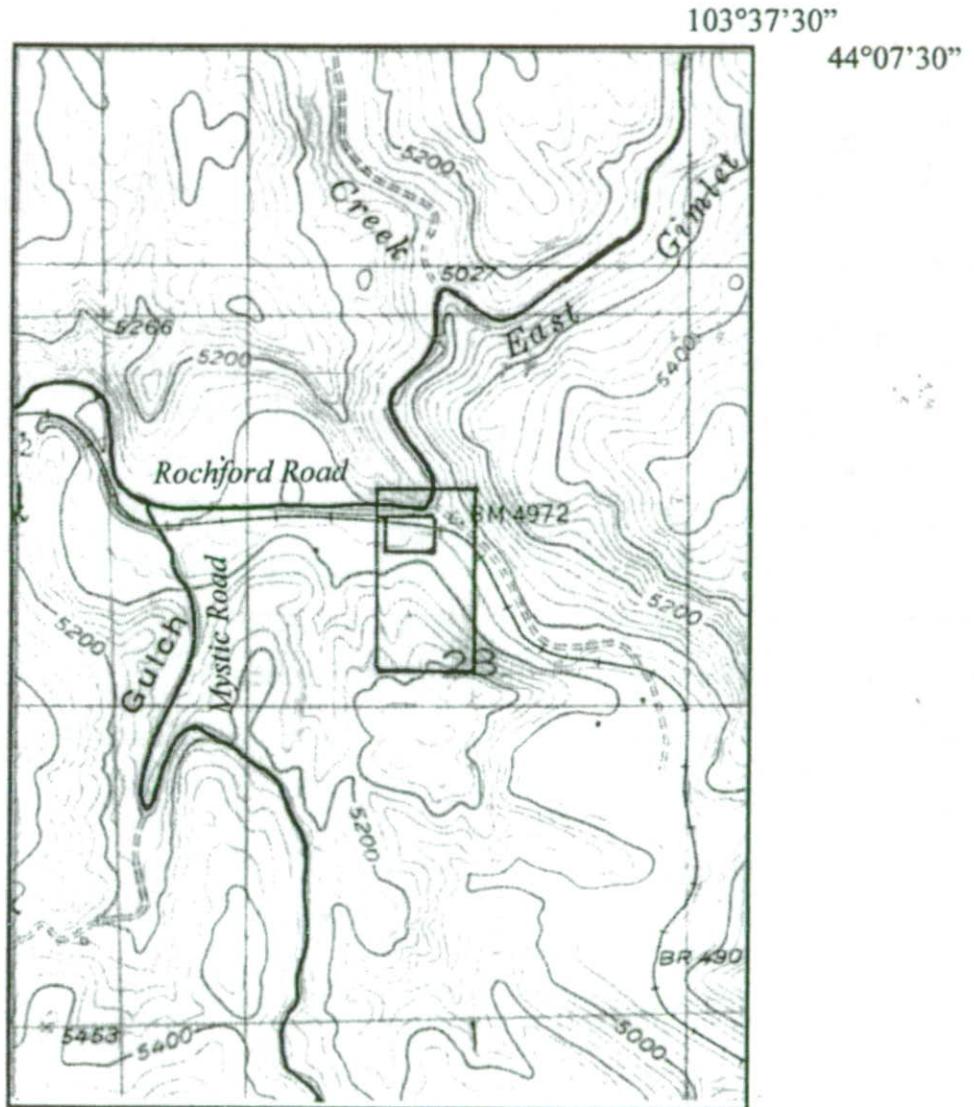
Chiefly metasedimentary quartz-mica and mica schists. Also metabasalt, metagabbro, meta-iron formation, quartzite and carbonate rocks. Exposed ledges of rock are metamorphic rocks of Tertiary origin. The mining operation proposed will be contained within the alluvial deposit and likely a few feet of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