Save Rochford and Rapid Creek

From Drilling and Mining by Mineral Mountain Resources

Updated 12/12/2017
Goal of Mineral Mountain Resources ("MMR") is to open "another Homestake mine" near Rochford, South Dakota.

MMR has secured over 5,000 acres of mining claims and has raised over $4 million to develop gold mines throughout the Rochford area.

MMR is at the exploratory drilling phase, seeking to drill up to 240 exploratory holes on both private and public land. Drill holes to extend as deep as 5,000 feet.

The drilling on private land requires approval by the South Dakota Department of Environment & Natural Resources ("DENR"), while the drilling on public land requires approval by the U.S. Forest Service.

MMR seeks to use public water removed from Rapid Creek and/or Castle Creek, subject to permits issued by DENR.

Opponents should object to DENR allowing MMR to use public water to drill for gold.

Opponents should insist that DENR and U.S. Forest Service impose reasonable restrictions to protect the environment and the rights of local land owners.
Mineral Mountain’s Goal
“Another Homestake Mine” on public land

MMR’s image (at left) of old Standby mine is misleading

Would mine 3,000 tons per day for 10 years (leaving landowners and taxpayers to pay the bill)

Mining could encompass nearly 5,500 acres of claims on public land, using water from Rapid and Castle Creeks

Under current law, **MMR would pay no federal royalty** to mine on public land

Click [HERE](#) for MMR Prospectus
MMR’s Proposal to Drill on Public Land

Location on National Forest land near Castle Peak and Castle Creek.

MMR has secured nearly 5,500 acres of mining claims throughout Rochford area, encompassing Standby, Bloody Gulch, Cochran, Castle Peak, Brown Jug Draw, Castle Creek.

Click [HERE](#) for map of proposed drilling locations on public land.

Click [HERE](#) for Plan of Operations for Drilling (pre-mining).

Click [HERE](#) for additional information on Plan of Operations.

Click [HERE](#) for 8/14/2017 Scoping Letter (limited distribution).

Source: [https://www.fs.usda.gov/project/?project=52323](https://www.fs.usda.gov/project/?project=52323)
MMR’s Proposal to Drill on Public Land
First Step Toward “Another Homestake Mine”

● **21 proposed drill pads** (25x40 feet=1,000 sq ft each) on **public land** near Castle Peak and Castle Creek.

● **10,000 meters** of core drilling using **hundreds of drill holes**, each 1,500 to 5,000 feet deep.

● Drilling to occur **24 hours a day with two 12-hour shifts**.

● To remove **up to 1.8 million gallons of water** from Rapid Creek and Castle Creek (up to 20,000 gallons per day). (Plus another 1.8 million gallons for drilling on private land = **3.6 million gallons from Rapid and Castle Creeks**.)

● Used/polluted water to be collected and “disbursed” in the “disturbed area” to seep back into water table.

● Access includes **closed roads** and construction of 3,400 feet of **new “overland routes”** over **public land**.

● Equipment includes drill rigs, trucks, all-terrain vehicles, excavators, and skid-steer loaders.

● “1-acre staging area” near Castle Peak to store “vehicles, spare parts, core boxes, fuel, etc.”

● **No royalty paid** to federal government pursuant to current federal mining law.

Source: [https://www.fs.usda.gov/project/?project=52323](https://www.fs.usda.gov/project/?project=52323)
Proposed Public Drilling is in Addition to State-Approved Drilling on Private Land (Standby Project)

Old Standby Site
(adjacent to Rapid Creek and Mickelson Trail)

T2N, R3E
(West half of section 24, and NW quarter of section 25)

Click HERE to access this map online.
State-Approved Drilling on Private Land (Standby), cont.

- Allows drilling up to 120 holes from 12 drill pads on private land. Drilling will extend to 4,000 feet deep.
- DENR has issued a temporary permit allowing Mineral Mountain to remove up to 1.8 million gallons of water from Rapid Creek.
- Access to drill sites “primarily” over Bloody Gulch road.
- Reclamation Bond is only $20,000 – maximum allowed by SD law, but . . . .
  - Forest Service can impose additional bond (see letter from Gov. Daugaard).
- State DENR is to monitor drilling and has imposed various conditions (Click HERE to see DENR letter):
  - MMR must notify DENR before drilling occurs and provide schedule.
  - DENR officials are to “inspect and witness plugging activities.”
  - Used water is to be kept in tanks “or discharged away from the stream channels and into a settling pond or flat vegetated area to allow suspended solids to settle out.” (Risk to creeks and wells?)
  - All affected lands “shall have adequate sedimentation and erosion control measures. . . .”

Who is Mineral Mountain Resources?

Mineral Mountain Resources, Ltd., a Canadian company based in Vancouver, Canada.

- Mineral Mountain has created an entity called Mineral Mountain Resources (SD) Inc.
- Both have main address at Suite 401, 1195 West Broadway, Vancouver, British Columbia, Canada V6H 3X5 (604-714-0111).
- Together MMR and MMR(SD) own hundreds of mining claims on nearly 5,500 acres of public land throughout the Rochford area.
- MMR has been actively consolidating mining claims throughout the Rochford area since 2012 (when left Keystone to focus on Rochford).
- MMR has recently raised over $4 million in private money to develop Rochford mining.
What is the Financial Condition of Mineral Mountain Resources?

MMR’s *unaudited* financial statements, as of Sept. 30, 2017:

- $234,056 in current assets v. $537,200 in current liabilities
- Operations do not generate cash flow
  - net loss of $441,986 for the 6-mos ended Sept. 30, 2017
  - net loss of $1,226,590 for the year ended June 30, 2016
- Share price now trading at approximately **28 cents** a share.
- No reported financials for MMR(SD).
- Insufficient funds to pay for necessary reclamation?
- BUT - actively raising private money for Rochford mining.
Poor Track Record of Mineral Mountain Resources

- At Keystone (Holy Terror) site: MMR allowed drilling water and bentonite to leak a “milky white substance” into Battle Creek.

- Has MMR adequately reclaimed the Keystone/Holy Terror drill sites?

- MMR paid City of Keystone for drilling rights, **but will pay no federal royalties to drill on public land.**
1. **Write to Officials at U.S. Forest Service** *(Ruth Esperance and Gary Haag)*:

- Object to allowing Mineral Mountain Resources to use public water from Rapid Creek and Castle Creek to support exploratory drilling and potential mining for gold on public and private land.
- Request Forest Service to require an **Environmental Impact Statement** before engaging in exploratory drilling on public land.
- Request Forest Service to impose **meaningful conditions** before allowing any exploratory drilling on public land. (see, e.g., [https://denr.sd.gov/des/mm/documents/MMR/EXNI427/MMEXNI427RestricLetter.pdf](https://denr.sd.gov/des/mm/documents/MMR/EXNI427/MMEXNI427RestricLetter.pdf))
- Request Forest Service and MMR to provide regular reports to local landowners about status of project and reclamation activities.
- Request Forest Service to require a **substantial reclamation bond**, to cover MMR’s drilling on both private and public land and a formal reclamation plan, including additional reclamation for any use of existing roads and/or new overland routes.
- Click **HERE** for a sample short letter to the Forest Service. You can copy this template and modify as you see fit! See additional questions for the Forest Service on Slide/Page 14.
2. **Write to Officials at State DENR** *(Robert Hudson and Eric Gronland)*

- DENR has already provided a **temporary water permit** allowing Mineral Mountain to take 1.8 million gallons from Rapid Creek. **Ask DENR not to renew that temporary permit, or approve any new permits to allow Mineral Mountain to remove more water from Rapid or Castle Creeks.**

- Thank DENR for the **conditions DENR has imposed on** Mineral Mountain Resources, but ask DENR to take affirmative steps to monitor and report on the status of those conditions. For example, ask DENR to meter/measure the amount of water Mineral Mountain actually removes from Rapid Creek.

- Request DENR to work with Forest Service to require similar conditions on MMR’s proposed drilling on public land.

- Request DENR to work with the Forest Service to require an increased reclamation bond for MMR’s proposed work on both private and public land, as noted by [Gov. Daugaard](https://www.legis.state.sd.us/). 

- Ask questions on Slide/Page 15.
3. Write Senators Thune and Rounds and Representative Noem
   ● Points raised with Forest Service, plus . . . .
   ● Note that proposed drilling and mining does not benefit “all Americans and area residents”--- the purpose of public lands as acknowledged by the Forest Service itself.
   ● Encourage bipartisan support for Hardrock Mining and Reclamation Act of 2017.

4. Write to Governor Daugaard, Attorney General Marty Jackley, and local representatives
   ● Request State to increase bond requirement. $20,000 max under state law insufficient!
   ● Note need to protect local water sources and local landowners.

5. Ask Pennington County to develop ordinance to regulate hard rock mining.

Questions for Federal Officials Reviewing MMR’s Proposal to Drill on Public Land

1. **What conditions will the Forest Service impose** including, but not limited to, an Environmental Impact Statement?

2. Will federal officials **personally observe** the drilling and plugging activity when those activities occur?

3. Will federal officials **monitor and measure how much water is actually removed** from Rapid and Castle Creeks?

4. Will federal officials prevent Mineral Mountain Resources from **trespassing** on and drilling under private land?

5. If Mineral Mountain Resources is allowed to drill on public land, will Mineral Mountain Resources be required to post a **bond to cover full reclamation costs**, including to repair drill sites, roads used, waste and hazardous materials?
   a. If so, what will be the amount of that bond?
   b. Will Forest Service require an additional bond for work anticipated at Standby site?

6. **How does the public benefit** from allowing Mineral Mountain to conduct additional drilling on public land?
   a. How will allowing exploratory drilling on public land benefit local landowners and “all Americans”?
   b. With substantial private land holdings in the Rochford area, why should Mineral Mountain be allowed to drill on public land when it can pay local landowners to drill on their private land (subject to *appropriate* state and federal oversight)?
Questions for DENR Officials Concerning Drilling at the Standby Project

1. Will DENR install meters to monitor and confirm how much water Mineral Mountain removes from Rapid Creek?

2. Where will the used (polluted) drill water be disbursed to reduce risk of polluting creeks and wells?

3. Will DENR reject any renewed or new water permits? (Allowing MMR to take public water is not in the public interest.)

4. Will DENR ask the Forest Service to impose a larger bond to cover the full range of expected reclamation costs, including drill sites but also reclamation of roads used to access drill sites?

5. Will DENR require MMR to provide the following?
   (a) a hydrological assessment on impact on Rapid Creek, other creeks, and groundwater?
   (b) a formal reclamation plan, including additional reclamation for any roads used to access drill sites?
General Mining Act of 1872
30 U.S.C §§ 21–54

- Results of General Mining Act (ex., 2015 Gold King Mine wastewater spill):
  - Opened federal land in public domain to mining claims.
  - No royalties to federal government (unlike royalties paid by industries that extract coal, oil, or natural gas).
  - Hundreds of thousands of abandoned mines throughout United States (especially in the West).
  - Est. $32–72 billion in cleanup costs borne by taxpayers (plus more for operating mines).
  - 40% of headwaters in western U.S. watersheds polluted.
  - Lack of local control over local land use (attempts at local ordinances preempted).


- Background information

- The General Mining Act of 1872 has left a legacy of riches and ruin
Proposed Hardrock Mining and Reclamation Act of 2017

Introduced on September 19, 2017 as Senate Bill S.1833.

- Requires miners who take gold and other “locatable minerals” on public land to make a royalty payment (between 2 and 5%) (like royalty paid for extraction of oil and gas from public lands).
- Provides rules for exploratory and mining permits.
- Requires “financial assurances” before obtaining an exploratory or mining permit.
- Requires federal inspection and monitoring to ensure compliance.
- Establishes a Reclamation Fund for reclamation and restoration of land and water resources adversely affected by past hardrock mining activities.

Click HERE for link to govtrack tracking of Hardrock Mining Bill, including the full text of the proposed bill.

This should not be a partisan issue. If you agree with the bill, encourage South Dakota senators John Thune and Mike Rounds, and congressional representative Kristi Noem, to support it.
U.S. Forest Service
Ruth Esperance  resperance@fs.fed.us  (605-343-1567)
Gary Haag  ghaag@fs.fed.us  (605-673-9200)

South Dakota Department of Environment and Natural Resources (Minerals & Mining Group)
Roberta Hudson  roberta.hudson@state.sd.us  (605-773-4201)
Eric Gronlund  eric.gronlund@state.sd.us

South Dakota Senators and Congressional Representative
Senator John Thune:  contact: mark_haugen@thune.senate.gov  (605-348-7551)
Senator Mike Rounds  contact: rebecca_herman@rounds.senate.gov  (605-343-5035)
Representative Kristi Noem  contact: andrew.fisher@mail.house.gov  (605-791-4673)

Governor Dennis Daugaard  Use THIS link to post message in “Message to the Governor” box or call (605-773-3212)

Attorney General Marty Jackley  Click on THIS link and copy/paste your message in the “Message” box or call (605-773-3215)

Pennington County  Jeri Ervin, planning administrative assistant (related to proposed mining ordinance)

Dakota Rural Action  action@dakotarural.org
Cheryl Rowe  cheryl@dakotarural.org

Black Hills Clean Water Alliance  Click on THIS link and copy/paste your message in the “Comment” box

Rapid City Journal  Seth Tupper, seth.tupper@rapidcityjournal.com
“Snail Mail” Contact Information

U.S. Forest Service
Ruth Esperance  Black Hills National Forest Service, 8221 South Highway 16, Rapid City, SD 57702
Gary Haag  Black Hills National Forest Service, 330 Mt. Rushmore Road, Custer, SD 57730

South Dakota Department of Environment and Natural Resources (Minerals & Mining Group)
Roberta Hudson  DENR, PMB 2020, Joe Foss Bldg, 523 East Capitol, Pierre, SD 57501-3182
Eric Holm  DENR, PMB 2020, Joe Foss Bldg, 523 East Capitol, Pierre, SD 57501-3182

South Dakota Senators and Congressional Representative
Senator John Thune  246 Founders Park Drive, Suite 102, Rapid City, SD 57701
Senator Mike Rounds  1313 W Main Street, Rapid City, SD 57701
Representative Kristi Noem  2525 West Main Street, Suite 310, Rapid City, SD 57702

Governor Dennis Daugaard  Office of the Governor, 500 East Capitol Avenue, Pierre, S.D. 57501

Attorney General Marty Jackley  Office of the Attorney General, 1302 E Hwy 14, Suite 1, Pierre SD 57501-8501

Dakota Rural Action  West River Office, 518 6th St. Ste. 6, Rapid City, SD 57701

Black Hills Clean Water Alliance  P.O. Box 591, Rapid City, SD 57709
Federal information pertaining to MMR’s request to conduct exploratory drilling on public land:
https://www.fs.usda.gov/project/?project=52323.

State DENR information pertaining to MMR’s exploratory drilling at the Standby site:
https://denr.sd.gov/des/mm/NewExplorationPermits.aspx#MMountainEXNI.

Rapid City Journal articles:

Background information on the General Mining Act of 1872
https://www.earthworksaction.org/issues/detail/general_mining_law_of_1872#.WdJkJSU8kuM8

Article about the legacy of the General Mining Act of 1872:

The Mining Law of 1872: Digging a Little Deeper
https://www.perc.org/articles/mining-law-1872-0

Click HERE for link to govtrack tracking of Hardrock Mining Bill, including the full text of the proposed bill.