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# BEFORE THE ENVIRONMENTAL QUALITY COUNCIL STATE OF WYOMING

IN THE MATTER OF THE BOND	)	
FORFEITURE PROCEEDINGS	)	
AGAINST THE BONDS OF	)	<b>DOCKET NO. 16-4501</b>
RED DESERT GRAVEL, INC. (1305 ET	)	
AND 1358ET) AND JIM WISE (1276ET)	)	

### ORDER OF BOND FORFEITURE

THIS MATTER, having come before the Wyoming Environmental Quality Council ("Council") on a motion from the Wyoming Department of Environmental Quality, Land Quality Division ("Department") for forfeiture of Red Desert Gravel, Inc.'s ("Red Desert") reclamation performance bonds for permits 1305ET and 1358ET and Jim Wise's reclamation performance bond for permit 1276ET, and the Council having reviewed the motion and being otherwise fully informed, MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

### I. Red Desert Permits 1305ET and 1358ET

- 1. Red Desert posted a ten thousand dollar (\$10,000.00) reclamation performance bond, in the form of a Certificate of Deposit issued by the Rock Springs National Bank (Bond No. 10003329) under Limited Mining Operations Permit No. 1305ET. Under Permit No. 1305ET, Red Desert was permitted to operate a 13 acre gravel pit located on Bitter Creek Road, 45 miles east of Rock Springs.
- 2. Red Desert also posted a ten thousand dollar (\$10,000.00) reclamation performance bond, in the in the form of a Certificate of Deposit issued by the Rock Springs National Bank (Bond No. 10003156) under Limited Mining Operations Permit No. 1358ET.

Under Permit No. 1358ET, Red Desert was permitted to operate a six acre scoria pit located south of Creston Junction, 30 miles west of Rawlins.

- 3. On October 22, 2014, the Department issued Red Desert Notices of Violation for Permit No. 1305ET (Docket No. 5490-14) and Permit No. 1358ET (Docket No. 5491-14) for administrative and compliance issues related to its gravel and scoria mining operations. Both of these Notices of Violation were returned to the Department as "unclaimed" on November 19, 2014.
- 4. On February 9, 2010, the Secretary of State's Office administratively dissolved Red Desert Gravel for failure to pay taxes. On September 24, 2014, Anadarko Petroleum Corporation terminated its mineral lease with Red Desert for the operations under both of its permits.

## II. Jim Wise Permit 1276ET

- 5. Jim Wise, who also owns the Red Desert operations, posted a nine thousand dollar (\$9,000.00) reclamation performance bond, in the form of a Certificate of Deposit issued by the Rock Springs National Bank (Bond No. 10002967) under Limited Mining Operations Permit No. 1276ET. Under Permit No. 1276ET, Mr. Wise was permitted to operate a gravel pit located on Bureau of Land Management ("BLM") land, 70 miles east of Rock Spring and 30 miles north of I-80 on Bar X Road.
- 6. On December 15, 2014, the Department issued Mr. Wise a Notice of Violation for Permit No. 1276ET (Docket No. 5511-14) for administrative and compliance issues related to his gravel mining operations. This Notice of Violation was returned to the Department as "unclaimed" on January 12, 2015.

 On April 28, 2013, Mr. Wise's contract with BLM for the gravel mining operations expired.

## III. Bond Forfeiture

- 8. There is currently no permitted mining activity at any of the Red Desert or Jim Wise mining sites. Red Desert and Mr. Wise failed to reclaim the mining sites.
- 9. The Council approved the Department's request to initiate bond forfeiture proceedings against Red Desert and Jim Wise on August 17, 2016.
- 10. On August 24, 2016, the Office of the Attorney General mailed Notice of Bond Forfeiture to Red Desert, Jim Wise, and Rock Springs National Bank by certified mail. The notice stated the Council would enter an order forfeiting Red Desert's and Mr. Wise's bonds unless they made a demand for a hearing before the Council within thirty days. Red Desert, Mr. Wise, and Rock Springs National Bank received notice on or about August 26, 2016. Neither the Office of Attorney General nor the Council has a record of a request for a hearing before the Council from Red Desert, Mr. Wise, or Rock Springs National Bank.
- 11. The record in this matter establishes the Department satisfied all requirements for bond forfeiture pursuant to Wyoming Statutes § 35-11-421 for the reclamation performance bonds (Bond Nos. 10003329, 10003156, and 10002967), in the form of Certificates of Deposit issued by the Rock Springs National Bank in the amount of twenty-nine thousand dollars (\$29,000.00).

## Therefore, the Council HEREBY ORDERS:

 That the aforementioned reclamation performance bonds are forfeited to the Department for use by the Department to reclaim all lands affected by the Red Desert and Jim Wise limited mining operations under permits 1305ET, 1358ET, and 1276ET.

- 2. Any proceeds remaining after reclamation shall be subject to any claim by the people of the State of Wyoming.
- Any funds remaining after reclamation and payment of other claims shall be returned to Red Desert and Jim Wise.

DATED this 23 day of Sept., 2016.

WYOMING ENVIRONMENTAL QUALITY COUNCIL

Chairman Byly