



Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.



Matthew H. Mead, Governor

Todd Parfitt, Director

September 22, 2017

Mr. Brian (Pablo) Good
 Good Bentonite Company
 3796 Lane 32½
 Greybull, WY 82426

Re: Bear Creek North, Permit PT-533 2017 Annual Report Review

Dear Mr. Good:

The Wyoming Department of Environmental Quality – Land Quality Division (WDEQ/LQD) District 2 Office received the 2017 Annual Report for Permit PT-533 on July 21, 2017. There has been no mining activity at this site during the report period. In the preparation of a bond estimate, it should be remembered that the estimate should reflect third party costs and not what it costs the operator/permittee to perform a specific task. The following constitutes the WDEQ/LQD's review of the submitted report:

1. Permit PT-533 is a Regular NonCoal Mine, not a Small mine. All Annual Reports should be submitted on the correct, accepted form. Please re-submit the Annual Report on the correct form and provide a map by November 30, 2017.
2. Final Bond release has not occurred on any lands associated with PT-533. W.S. 35-11-417 (e) allows for the release of up to 75% of the bond required for that affected land. The WDEQ/LQD interprets this to mean up to 75% of the cost associated with all reclamation operations (backfilling, grading, soil application, soil preparation, and seeding) maybe released when seeding is complete. To simplify this bonding requirement for NonCoal permits the WDEQ/LQD through Guideline 12A has utilized the statutory bonding costs for Limited Mining Operations of \$2,000.00 per acre and assumed a retainage fee of \$500.00 per acre to address the requirements under W.S. 35-11-417 (e). There are 24.3 acres of land that fall into this category; please provide documentation showing how and where this subject of retainage is addressed in the bond estimate provided. If the statutory required retainage was not included in the bond estimate, please revise the bond estimate as necessary and re-submit by November 30, 2017.
3. Please explain what is meant by "Seeding" and "Seeding Reserves" in the estimate. Please also see Comment 2 above and the previous bond estimate prepared by the WDEQ/LQD where 12.1 acres of existing disturbance were identified as needing to be seeded.
4. There is a nearly vertical wall that parallels the former "road" access down to the reclaimed parcel adjacent to Bear Creek. Please provide documentation showing how and where in the provided bond estimate slope reduction of this wall is addressed in the bond estimate. If the slope reduction is not addressed, please include this and revise the bond estimate appropriately. Please re-submit the bond estimate if necessary by November 30, 2017.
5. The WDEQ/LQD acknowledges that small stockpile of bentonite is the property of the mineral owner. However, once removed there is certain volume of bentonitic material that remains that must be adequately covered to ensure the best possible chance for reclamation success. Please demonstrate how this issue was addressed in the bond estimate. If this issue was not addressed, please include this in your bond estimate and revise appropriately.

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6. Please demonstrate how backfilling and grading of the existing small pit and surrounding disturbance is addressed in the bond estimate. If this issue was not addressed, please revise the bond estimate appropriately and resubmit on or before November 30, 2017.
7. The previous bond estimate developed by WDEQ/LQD estimated the stockpiled soil volume on site at 20,400 cubic yards. The estimate provided by GBC utilized a total material volume of 18,011 cubic yards. Please explain how this volume was derived, for example were stockpile volumes surveyed? Please submit documentation on or before November 30, 2017 as to how GBC's volumetric estimate was derived.
8. The total soil volume in Item 4B of the Annual Report totals 4,800 cubic yards. The total overburden volume listed in Item 5B is 13,770 cubic yards. The total volume is 18,570 cubic yards which does not match the 18,011 cubic yards slated to be moved. Please see Comment #7 and provide documentation showing how volumes were derived on or before November 30, 2017.
9. The Contingency Fee is indicated to be 25%, which equates to approximately \$4,952.00 in the estimate provided. The WDEQ/LQD has used the sliding contingency fee scale in Guideline 12A to address the economy of scale issue associated with smaller projects. To be consistent with the bonding of other operators across the State, please revise the bond estimate to utilize the sliding contingency fee scale in Guideline 12A.
10. The labor rates assumed are much lower than Wyoming's Prevailing Wage rates for equipment operators. To be consistent with the bonding of other operators across the State, please utilize the prevailing wage table in the bonding calculations.

If there are any questions regarding this review, please contact Brian Wood in the Lander Land Quality Division office at (307) 332-3047.

Sincerely,



Brian R. Wood
District 2 Assistant Supervisor
WDEQ/LQD - Lander Field Office

cc: ~~AW~~ Nancy Williams - WDEQ-LQD, District II → Permit PT-533 Annual Report / Inspection File
Tammi Pusheck - WDEQ-LQD Cheyenne → Permit PT-533 Annual Report / Inspection File
Alan Edwards, WDEQ Deputy Director (ec)
Andrew Kuhlmann, State Attorney General's Office (ec)
Brian Wood, Chron