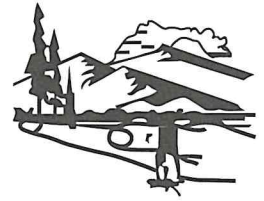




Department of Environmental Quality

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



Mark Gordon, Governor

Todd Parfitt, Director

John Corra
Wyoming Environmental Quality Council
2300 Capitol Avenue
Hathaway Building 1st, Room 136
Cheyenne, WY 82002

**RE: Bond Forfeiture Recommendation – Mineral Technology Corporation
License to Explore for Minerals by Dozing, LE0258**

Dear Mr. Corra:

Attached is information relating to the failure of Mineral Technology Corporation to reclaim lands affected by exploration under License to Explore for Minerals by Dozing LE0258. Mineral Technology Corporation is no longer licensed to do business in Wyoming and the company no longer possesses the federal leases for this exploration operation.

I have reviewed the supporting information in the attached File Memorandum and have determined that the following performance bond for LE0258 should be forfeited:

- \$5,000.00 Certificate of Deposit, issued by First Interstate Bank, Billings, Montana (Bond No. 12371)

At this time, in accordance with W.S. § 35-11-421(a), I am seeking approval from the Wyoming Environmental Quality Council (EQC) to make a formal request of the Attorney General to begin bond forfeiture proceedings for the aforementioned bond.

Should you have any questions, please contact Kyle Wendtland, WDEQ/LQD Administrator.

Sincerely,



Todd Parfitt
Director, WDEQ


Date: May 26, 2021

Attachments: LE0258 File Memorandum, EQC Letter of Approval

cc: Kyle Wendtland, WDEQ/LQD Administrator
Robin Jones, WDEQ/LQD District 1 Supervisor
Steve Lenz, EQC Secretary

MEMORANDUM

TO: Todd Parfitt, WDEQ Director

THROUGH: Kyle Wendtland, WDEQ/LQD Administrator 
Robin Jones, WDEQ/LQD District 1 Supervisor

FROM: Brian Goodnough, Permit Coordinator, LQD District 1

DATE: May 17, 2021

SUBJECT: **Bond Forfeiture Recommendation, Mineral Technology Corporation License to Explore for Minerals by Dozing, LE0258**

Introduction:

A License to Explore for Minerals by Dozing (LE0258) was issued to Mineral Technology Corporation (MTC) on November 13, 2003. The exploration activities under LE0258 are located in SE1/4NW1/4 of Section 14, T14N, R84W, which is 2.0 miles southwest of Encampment, Wyoming. LE0258 was approved to disturb approximately 2.0 acres for the exploration activities and the access road. The surface owner of the exploration activities is Willow Glen Ranches, LLC and the mineral ownership is federal. The Bureau of Land Management (BLM) has informed the Land Quality Division (LQD) that the MTC claims WTC 257620 and WMC 257622 are no longer valid.

MTC has failed to reclaim LE0258 and, as a result, LQD issued a Notice of Violation Docket No. 6081-21 on March 22, 2021. To date, no work to reclaim the exploratory activities has been initiated despite repeated requests from the LQD.

I recommend forfeiture of the following reclamation performance bond for LE0258:

- \$5,000.00 Certificate of Deposit, issued by First Interstate Bank, Billings, Montana (Bond No. 12371)

Reclamation Obligations:

A reclamation cost estimate was developed for LE0258 in 2003 and it was based on LQD Guideline 12 rates at that time. The exploration at LE0258 has been inactive since 2006 and no reclamation has been completed by the operator. The information provided in recent inspection reports indicates that the access road and two exploration test pits remain for reclamation. There are several stockpiles of materials available for backfilling the test pits and topsoil to apply to the disturbed surfaces. LQD currently holds a \$5,000.00 bond for the reclamation of this site. The LQD estimates the cost to reclaim the site at the \$5,000.00.

History:

Below is a chronology of pertinent events for LE0258, with accompanying dates:

- 11/06/2003 MTC submitted an Application for License to Explore for Minerals by Dozing under the TFN 4 1/107 and a \$5,000.00 reclamation performance bond.
- 11/13/2003 The Application for License to Explore for Minerals by Dozing under the TFN 4 1/107 was approved and assigned LE0258.
- 07/20/2004 LQD conducted the 2004 Annual Inspection and the site was inactive at the time of the inspection. There were signs of recent mining at exploration site. LQD observed a 60' X 60' X 15' test pit, two material stockpiles, and a topsoil stockpile within this disturbance area. The disturbance area was GPS surveyed approximately at 2.0 acres. The inspection report indicated that there were holes drilled on the north and west side of the pit areas and the operator was planning to blast in the near future.
- 07/25/2005 LQD conducted the 2005 Annual Inspection and the site was inactive at the time of the inspection. However, there were signs of mining at the exploration site. The inspection report noted that shot materials remain on site from a recent blast. LQD GPS surveyed the disturbance approximately at 3.0 acres. Several holes remain on the west side of the test pit and blasting cones were placed in the hole to keep them dry.
- 07/18/2006 LQD conducted the 2006 Annual Inspection with Mr. Scott Cullum of MTC present. There were signs of mining at the exploration site. The inspection report noted shot materials remain on site from a recent blast. LQD GPS surveyed the disturbance approximately at 3.0 acres. This 2006 Annual Inspection is the last time LQD observed signs of active mining or exploration at the site.
- 03/14/2009 MTC's status as a Wyoming profit corporation was revoked by the Wyoming Secretary of State due to delinquent taxes.
- 08/15/2013 LQD conducted the 2013 Annual Inspection. The inspection report indicated that no reclamation has occurred at LE0258. LQD contacted MTC and the operator agreed to conduct a site visit to determine the appropriate equipment to backfill, grade, apply the topsoil, and seed the disturbed area. The operator anticipated reclaiming the site by the fall of 2013.
- 08/08/2014 LQD conducted the 2014 Annual Inspection. The inspection report indicated that no reclamation has occurred at LE0258. MTC informed LQD that it had completed a site visit to determine the appropriate equipment to reclaim the exploration activities, but was unable to begin the reclamation activities in the fall

of 2013. The operator indicated it would contact LQD to establish the reclamation schedule.

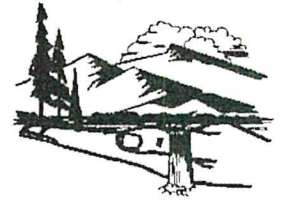
- 07/23/2015 MTC filed a petition for Chapter 11 bankruptcy in the U.S. Bankruptcy Court for the District of South Dakota.
- 03/10/2016 MTC's bankruptcy case was converted to a Chapter 7 liquidation proceeding. Forrest C. Allred was appointed by the Bankruptcy Court as Trustee for MTC's bankruptcy estate. Mr. Allred initiated contact with LQD regarding the status of LE0258 and has remained in contact with LQD since this date.
- 08/05/2020 LQD conducted the 2020 Annual Inspection. The inspection report indicated that no reclamation has occurred at LE0258. LQD notified Forrest Allred by phone that it would proceed with an NOV against MTC and forfeiture of MTC's reclamation performance bond.
- 03/22/2021 LQD issued MTC a Notice of Violation (Docket No. 6081-21) on March 22, 2021 for its failure to reclaim the exploratory activities.

Enclosed is the NOV for LE0258 which was issued on March 22, 2021.



Department of Environmental Quality

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Mark Gordon, Governor

Todd Parfitt, Director

CERTIFIED MAIL, RETURN RECEIPT REQUESTED: 7016 2070 0000 4427 5399

Scott R. Cullum
Mineral Technology Corporation
Attention: Forrest Allred
14 2nd Ave. SE #200
Aberdeen, SD 87401

RE: Notice of Violation, Docket No. 6081-21, Mineral Technology Corporation, Nichols, License to Explore by Dozing, LE0258

Dear Mr. Cullum:

Enclosed you will find a Notice of Violation issued against Mineral Technology Corporation under the provisions of W.S. §35-11-701(c)(i). The Notice of Violation is for the failure to complete the reclamation obligations of the exploratory activities.

The Land Quality Division (LQD) is attempting to resolve this issue without further enforcement action and requires that Mineral Technology Corporation contact Robin Jones, LQD District 1 Supervisor, within fifteen (15) days of receipt of this letter to schedule a meeting to resolve this enforcement action. Should a resolution of the enforcement action be reached as a result of this meeting, a settlement agreement will be signed.

If you have questions, please contact Robin Jones, LQD District 1 Supervisor, at (307) 777-8956 or Brian Goodnough at (307) 777-5922 or brian.goodnough@wyo.gov.

Sincerely,


Todd Parfitt
Director
Department of Environmental Quality


Kyle Wendtland
Administrator
Land Quality Division

Date: March 22, 2021

Enclosure: Notice of Violation Docket No. 6081-21

cc: Matt VanWormer, Attorney General's Office
Robin Jones, Cheyenne DEQ-LQD
deq-lqd.upload@wyo.gov
Karin Quigley, LQD Administrator's Administrative Assistant
Jody Paessler, DEQ Director's Administrative Assistant

**BEFORE THE
DEPARTMENT OF ENVIRONMENTAL QUALITY
STATE OF WYOMING**

NOTICE OF VIOLATION

**IN THE MATTER OF THE NOTICE OF
VIOLATION ISSUED TO:**)
)

Scott R. Cullum)
Mineral Technology Corporation)
Attention: Forrest Allred)
14 2nd Ave. SE #200)
Aberdeen, SD 87401)

DOCKET NUMBER 6081-21

NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation is being sent to you pursuant to the Environmental Quality Act (EQA), Wyoming Statutes § 35-11-701(c)(i), which requires that a written notice be issued in case of failure to correct or remedy an alleged violation.
2. This License to Explore by Dozing was authorized by Land Quality Division on November 13, 2003. Mr. Scott R. Cullum is the owner and operator of Mineral Technology Corporation. The exploration activities include two test pits and access road located within Section 14 of Township 14N, Range 84W in Carbon County, Wyoming. A \$5,000.00 reclamation performance bond is held by Land Quality Division for less than 2.0 acres of disturbance.
3. Mineral Technology is in violation of Land Quality Division, Noncoal Rules and Regulations, Chapter 5 Exploration by Dozing, Section 2 and Chapter 3 Environmental Protection Performance Standards, Section 2(b) for failure to complete the reclamation obligations of the exploration activities. These compliance issues have been documented in the annual inspection reports and have not been addressed by the Licensee.

NOTHING IN THIS NOTICE OF VIOLATION (NOV) shall be interpreted to in any way limit or contravene any other remedy available under the Environmental Quality Act, nor shall this NOV be interpreted as being a condition precedent to any other enforcement action.

Signed this 22nd day of March, 2021.



Todd Parfitt
Director
Department of Environmental Quality



Kyle Wendtland
Administrator
Land Quality Division