

MEMORANDUM

**TO:** File, NOV Docket No. 6127-21, LMO ET1337 Failure to Reclaim

**THROUGH:** Kyle Wendtland, WDEQ/LQD Administrator  
Mark Rogaczewski, WDEQ/LQD District 3 Supervisor *MRW 3/22*

**FROM:** David Schellinger, WDEQ/LQD District 3 Natural Resources Program Principal

**DATE:** February 23, 2022

**SUBJECT:** Bond Forfeiture Recommendation – RDG Oil & Gas, LLC Limited Mining Operation ET1337

**Background:**

Authorization for Limited Mining Operation (LMO) ET1337 was granted to RDG Oil & Gas, LLC on January 12, 2006. RDG Oil & Gas, LLC was administratively dissolved by the Wyoming Secretary of State Office on March 11, 2014 and is no longer licensed to do business in Wyoming.

ET1337 is located in Section 21, T. 41N., R. 81W. which is approximately fifteen miles south southeast of Kaycee, WY. ET1337 was approved for up to 10 acres of disturbance. The surface is privately owned by TTT Ranch Company. Approximately 2.75 acres have been disturbed. RDG Oil & Gas, LLC failed to reclaim ET1337 and, as a result, NOV Docket No. 6127-21 (enclosed) was issued on January 7, 2022 for failure to reclaim. To date, no work has been initiated to reclaim this operation.

I therefore, recommend forfeiture of the following reclamation performance bond for ET1337:

- Certificate of Deposit Number 585352 with Washington Trust Bank, Spokane Washington in the amount of \$10,000.

**Reclamation Requirements:**

A reclamation cost estimate was developed for ET1366 based on reclamation liabilities existing at the site. The reclamation cost is based on WDEQ/LQD Guideline 12A (11/30/20) rates in conjunction with past annual report and inspection report information assisted by aerial photography.

The mine site is inactive and, as an LMO, is exempt from statutory permitting requirements and has no formal reclamation plan. Based on the 2021 Annual Inspection Report, the existing disturbance spans approximately 2.75 acres. No real highwalls exist in the LMO which is essentially a shallow pit approximately 8 feet deep on a plain near the crest of a hill. Through drainage may be attained by reducing the northeastern pit edge onto an adjacent slope. The post-mining land use will be livestock grazing and wildlife. Reclamation costs are estimated to be \$2,030, which is \$7,970 less than the bond currently held by the WDEQ.

## **Pertinent History:**

Below is a current chronology of pertinent events with accompanying dates for ET1337:

General: In 2017, a letter was mail by the LQD to the operator prior to the anniversary date of the LMO reminding the operator of the obligation to submit the annual report by the stated anniversary date (January 12 of the year). The letter was returned unopened. Between March 14, 2014 and present day, no annual reports have been received.

At some time between March 14, 2014 and July 22, 2014, the LQD was notified that RDG Oil & Gas, LLC was bankrupt, and Duane Cone of Cone & Company, P.C. was the new point of contact. The LQD has no written correspondence providing the date of notification.

1. March 13, 2014 – An inaccurate Annual Report was received late from the operator for the 2012-2013 reporting period.
2. March 11, 2014 – RDG Oil & Gas, LLC Dissolved Administratively by Secretary of State for delinquent taxes.
3. March 12, 2014 – The LQD received correspondence from the operator detailing legal issues preventing the operator from operating in the LMO.
4. November 21, 2014 – Correspondence from the LQD to the operator concerning revoked authorization to conduct business in Wyoming.
5. August 24, 2017 – Mark Rogaczewski certified letter requesting 2014-2015, 2015-2016 and 2016-2017 Annual Reports be sent in 15 days.
6. July 22, 2014 – First correspondence from the LQD to Duane Cone providing a copy of the 2013 Annual Inspection Report, and informing Mr. Cone of a prospective operator to which the LMO may be transferred.
7. September 19, 2017 – LQD notified that Alba Energy, LLC has acquired RDG Oil & Gas, LLC assets by Duane Cone.
8. January 6, 2015 – An incomplete application (TFN 6 3/129) to transfer the LMO to Alba Energy, LLC received by the LQD.
9. May 4, 2020 – The LQD emailed Mr. Cone a list of actions required to complete the transfer to Alba Energy, LLC.
10. October 29, 2020 – LQD notified Alba Energy, LLC that the deadline to received materials required to complete the transfer application as December 1, 2020.
11. March 26, 2021 – The LQD District 3 Supervisor and coordinator telephoned Mr. Cone and left a message to return the call.
12. March 26, 2021 – The LQD coordinator forwarded the May 4, 2020 email listing required actions for the LMO transfer to Mr. Cone.
13. June 30, 2021 – Mr. Cone emailed the LQD coordinator that the Director of Alba Energy, LLC has no money to the required \$2,000/acre bond, and asked what would be needed to restore the property and terminate the LMO.

14. The LQD mailed Notice of Violation Docket No. 6127-21 via certified mail to the last known address of the operator on January 7, 2022 under the LQD Administrator's cover letter of the same date.
15. The LQD Administrator Assistant received the returned NOV on February 11, 2022.
16. On February 11, 2022, the LQD mailed Notice of Violation Docket No. 6127-21 via certified mail to a secondary address discovered through internet research of the operator under the LQD Administrator's cover letter dated January 7, 2022.
17. The LQD Administrator Assistant received the returned NOV on February 22, 2022.