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Ardelle M. Kissler, Clerk
Environmental Quality Council

ENVIRONMENTAL QUALITY COUNCIL

HATHAWAY BUILDING

CHEYENNE, WYOMING

Docket No. 373-78

IN THE MATTER OF THE)
APPLICATION OF ASHLAND) STIPULATION
EXPLORATION, INC.)

The Department of Environmental Quality ("DEQ"), the Wyoming Attorney General ("Attorney General"), and Ashland Exploration, Inc. ("Ashland") hereby stipulate as follows:

1. A fundamental issue in the above-captioned action is whether or not Ashland's exploration drilling operations and certain support activities incident thereto constitute "exploration by dozing" which requires a special license to explore, pursuant to Wyo. Stat. Ann. §§35-11-413 and 414 (1977) (formerly Wyo. Stat. §§35-502.30 and .31). Specifically there exists a disputed question of law as to whether one or more of the following acts constitutes "exploration by dozing":

A. Use of a drilling rig for rotary or core drilling to expose possible indications of mineralization.

B. Use of a bulldozer, backhoe or other earthmoving equipment to reclaim the site around the exploratory drill hole by spreading drill cuttings, overburden and top soil to restore the drill site as nearly as possible to its original condition.

C. Minor drill site preparation including access and leveling by use of bulldozers, backhoes or similar earthmoving equipment.

D. Use of bulldozers, backhoes, or other earthmoving equipment to excavate "mudpits" supportive of the exploration drilling operations, and to fill in such mudpits in order to restore the drill site upon completion of drilling.

2. Where the sole basis for the DEQ or the Attorney General to assert that Ashland is in violation of the Wyoming Environmental Quality Act is that Ashland is conducting one or more of the activities described in Paragraph 1 without obtaining a special license to explore for minerals by dozing, the DEQ and the Attorney General hereby stipulate that they will not seek to recover civil penalties from, or seek criminal sanctions against, Ashland solely for conducting those operations during the pendency of the above-captioned action, which is presently before the Environmental Quality Council.

3. Ashland hereby stipulates that within twenty (20) days after the approval of this stipulation, Ashland will post a bond of \$10,000.00 in each district where it desires to conduct exploration drilling operations to assure reclamation of drill sites as required by Wyo. Stat. Ann. § 35-11-404 (1977). The bond shall be kept in force during the pendency of the above-captioned action that is presently before the Environmental Quality Council, but the posting of such bond is in no way to be construed as an admission by Ashland that such a bond is required by the Environmental Quality Act, or that the Administrator of the Land Quality Division has authority to require posting of any bond as a prerequisite to exploration drilling operations.

4. The DEQ and the Attorney General do not waive their rights to take any action, including instituting judicial enforcement proceedings and seeking civil penalties and criminal sanctions otherwise permitted by law, rule or

regulation, against Ashland for any conduct which violates any provisions of the Environmental Quality Act (other than the requirement that a special license to explore for minerals be obtained for the drilling and attendant operations described in Paragraph 1).

5. The DEQ and the Attorney General do not waive their rights to take any action, including instituting judicial enforcement proceedings and seeking civil penalties and criminal sanctions otherwise permitted by law, rule or regulation, against Ashland if Ashland's exploration drilling activities are conducted so as to violate provisions of the Environmental Quality Act other than the DEQ's asserted requirement that a special license to explore for minerals by dozing be obtained for exploration drilling operations.

6. This stipulation shall not in any way be construed as interpreting or affecting the DEQ's or Ashland's respective positions as to whether the actions described in Paragraph 1 constitute exploration by dozing.

7. The DEQ does not waive its rights to take administrative action, including service of notices of violation and orders to comply, with respect to any of the exploration drilling operations of Ashland which the DEQ contends require a special license to explore for minerals by dozing.

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