

Bronco Creek Exploration, Inc.

1815 E Winsett St., Tucson, AZ 85719, Ph: 520-624-4153 Fax: 520-624-4192

September 2, 2008

The State of Wyoming
Environmental Quality Council
122 W. 25th Street, Herschler Bldg., Rm. 1714
Cheyenne, WY 82002

Transmitted via Fax: 307-777-6134

FILED
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Jim Ruby, Executive Secretary
Environmental Quality Council

Members of the Environmental Quality Council:

Re: Petition for Designation of an Unknown Area as Sand Creek as Rare and Uncommon – Docket No. 07-1102.

Due to the short notice with which this hearing was scheduled, representatives from our company (one of the holders or mineral rights affected by this petition) are unable to attend due to pre-existing commitments. We do not wish this to reflect a disinterest in this matter – we were simply unable to rearrange our business plans. However, we wish to voice an opinion regarding the petition.

In reviewing the amended petition and its previous iteration, two things stand out. First, the petition contains many errors and misleading information (as has been pointed out by numerous other letter writers). In addition to the deficiencies and misstatements described by others, several additional problems are recognized:

- (1) The petitioners failed to provide “A description of the current and historical land use in the area” as required by DEQ rules of practice and procedures Chapter VII, Designation of areas pursuant to W.S. §35-11-112(a)(v), SECTION 6 (a) (viii). The Mineral Hill area has seen an extensive history of mining and exploration dating back to 1870 (see attached appendix). None of this history is described in the petition, and strong language is used throughout to suggest that little or no previous mining has taken place in the petition area; e.g. “Large portions of the petition area have been found by the USFS and local land owners to be as pristine as any on the Forest” and “the upper Sand Creek is an area largely undisturbed from logging and mining” - page 10. The history of mining is described only in a single paragraph of a scant 101 words on page 13. We consider this to be conspicuous omission, especially given the fact that evidence for mining activity is clearly seen throughout the Sand Creek area and Mineral Hill mining district. Further, mineral rights and mining activities are a focus of the petition and the protections which it seeks to enact.

The Mineral Hill area has seen a renewal of exploration activity in recent years, stimulated by improved understanding of the geology of the area. This includes a *new discovery* of copper-rich styles of mineralization in the area. None of the recent activity, nor the previous history of mining are described in the petition as required by DEQ rules of practice and procedures. From this it seems evident that the petitioners do not wish this information to be considered by the

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1815 E Winsett St., Tucson, AZ 85719, Ph: 520 624 4163 Fax: 520-624-4102

Environmental Quality Council or the general public. We feel that the omission of description of mining activities renders the petition incomplete, and not in accordance with Wyoming statutes.

- (2) In the body of the petition, under the heading "Section 6 (a) (iii)", recognized placenames and geographic landmarks within the petition area are listed, as mandated by Wyoming statute. The name "Mineral Hill" has been conspicuously omitted from this list, which is remarkable considering that it is one of the key landmarks in the area. Since the vast majority of lands that comprise Mineral Hill lie within the petition area, and given the history of mining in Mineral Hill district, we feel this is an attempt to purposefully downplay the role of mining and exploration in lands incorporated within the petition boundary.
- (3) The list of holders of mining claims (Table II of the petition) is inaccurate. Newmont Exploration Ltd does not, and did not hold claims in the area at the time the petition was filed we suspect their name was included as a "scare tactic" to suggest that a major international mining company is active in the area, and motivate action on the part of environmental political groups. Further, some of the mineral claims suggested as held by Newmont Exploration Ltd in Table II are in fact held by our company. Other omissions are noted in the schedules and lists of land and mineral rights owners that adjoin the petition lands (see also comments filed by John Green on Sept. 2) – *even after the petitioners were granted a 45 day grace period at the June hearing to make complete their research and documentation of mineral rights holders in the area.*

These inaccuracies and omissions demonstrate a poor attention to detail in the construction of the petition, and undermine the credibility of the petition as a whole. However, in addition to the statutory deficiencies of the document, a second significant defect of the petition is its failure to clearly define a "very rare and uncommon" characteristic of the area described. Consideration of the species of plants and animal species listed in the petition demonstrates an utter lack of unique or unusual character (see Comments and Maps filed with the EQC by John Green on June 23, 2008), such that the petition may very well describe any number of creeks and drainages in the region.

Further, nowhere in the petition is it explained why the large portions of land that comprise the Mineral Hill Mining District, much of which lies outside of the Sand Creek drainage, were included in the petition. The Mineral Hill Mining District was deforested at the turn of the century (as is seen in historic photographs of the area), and most drainages were placer mined down to bedrock, resulting in complete reorganization of the materials, plant and animal species in those area. While the type of environmental disruption that took place at the turn of the century would be prohibited under modern regulations, it is worth pointing out that the "rare and uncommon" and fragile environmental conditions described throughout the petition survived those events and apparently flourished. Rather than fragile, the plant and animal species in the area must have been hardy, resistant, and resilient enough to survive a period of significant environmental disruption when little regulation of the mining industry was enacted. Further, since some of the plant and animal species have persisted since the last ice age (as repeatedly pointed out in the petition), those species must be significantly resistant to climate changes

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as well. If the qualities such as those emphasized in the petition were indeed as fragile and in need of protection as alleged, they would have ceased to exist during the mining activities at the turn of the last century, or in the case of ice age relicts, during any number of significant climate changes that have taken place in the past 10,000 years.

Another key point is that the drainage of Sand Creek has already been designated as a "Class 1" stream, and is already afforded a most exceptional level of environmental protection. Given the strategic inclusion of the Mineral Hill Mining District within the petition, none of which exhibits the type of allegedly fragile and "very rare and uncommon" qualities suggested in the petition, it is not clear that the petition serves as a measure of environmental stewardship, but rather serves as an anti-mineral exploration and anti-mining initiative. These two things are not synonymous, nor should they be confused as achieving the same result. This is a good example of "stretching the truth" in order to achieve a political objective by using whatever legal means are available. On the basis of the misrepresentations of fact and incomplete nature of the petition, we urge the Environmental Quality Council to reject its consideration.

At the present time, the US is facing a serious problem. We have continued to increase our demands and consumption of metals and mineral resources, and collectively as a society show no signs of abatement. It is true that we have done a better job of recycling in recent times, but our consumption rates of mineral resources keep increasing in dramatic and alarming fashion. Coupled with the extraordinary taxation of mineral and metal reserves by the acceleration of foreign economies (such as China and India), the global demand for mineral resources has led to the quintupling of the price of copper and the tripling of the price of gold in recent years. Other metals have responded in similar fashion. The US currently consumes 7.5 billion pounds of copper each year, yet our mines only produce on the order of 2.4 billion pounds. The resulting demand for importation of metals (citing copper as an example, but also many others) is having a serious impact on our trade imbalance. With the US economy listing toward recession, now is not the time to introduce redundant and unnecessary forms of legislation that will further impede the study and evaluation of areas with mineral resource potential.

Sincerely,

Dr. Eric P. Jensen
On behalf of Bronco Creek Exploration

Senior Geologist and Vice President
Bronco Creek Exploration, Inc.
1815 E Winsett St.
Tucson, AZ 85719

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APPENDIX: MINING AND EXPLORATION HISTORY OF THE MINERAL HILL DISTRICT

Gold mineralization was first discovered in the Mineral Hill area in the 1870's, at which time the first claims were staked in the area. By 1890 virtually all land within several miles of Mineral Hill were staked, and various ownership groups maintained the claims through the late 1990's. Initial operations focused on placer deposits, and placer mining has continued intermittently to the present day. Mineral Hill was also the site of underground mining operations in the 1890's and again in the 1930's.

The first serious attempts to develop lode deposits at mineral hill were made in 1894, when the Inter Ocean mine and stamp mill were constructed on the property. Production records and reliable descriptions are not available, but the mill is reported to have had 20 stamps, and current exposures in the mine area reveal a sizeable glory hole, with a series of adits and a two compartment decline shaft. The workings are now collapsed, precluding determination of their dimensions. According to historic records the 20-stamp mill operated briefly, but recoveries were hampered by high base metal contents and the amalgamation process failed. The mill operated only intermittently in the following years before being abandoned in 1904. Several adits and small mines were developed throughout the property at this time, and reports were made of small scale production from those operations. Little else is known, however, about their scale and degree of development. Many of these collapsed workings can still be seen in the area.

In the early 1930's, a group of investors and former Homestake employees built a sizeable mill on the west side of Mineral Hill, and developed over 2,000 feet of underground workings in the area. Much of their effort was focused on the Treadwell claim group, where abandoned underground workings and stopes from the turn of the century were re-opened. A steam shovel was employed to open a cut in the vicinity of the Treadwell group, and bulk samples were processed by the mill facility. The mill featured parallel recovery circuits, but only one of the circuits had been completed at the time production began. After a short period of operation (that apparently lasted only a few weeks), the amalgamation circuit was suffering from poor recoveries, and the mill was shut down while additional financing was sought to complete construction of the other circuit. For a variety of reasons (which are poorly explained), the mill was never put back into production.

The 1960's, 70's and 80's saw a renewal of activity in the district, at which time exploration trenches were excavated across a broad area centered on Mineral Hill. Many miles of roads were developed to serve as access routes, and bedrock exposures are still seen in many of the trench exposures and cuts. In 1970, Humble Oil (predecessor to Exxon) drilled two core holes in the district. According to memos, the two Humble holes were intended to test the potential for copper and gold deposits associated with the alkaline rocks at Mineral Hill, and appear to have been sited in areas of anomalous copper in soils. One hole was drilled along the west flank of Mineral Hill to a depth of 2215 feet and another 750 foot hole

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was drilled along the western margin of the alkaline intrusive complex. Geophysical surveys and extensive geochemical sampling programs were also run at this time.

In 1986, Molycorp leased portions of property in the Mineral Hill district and conducted surface, soil and stream sediment sampling programs as well as additional geophysical surveys. As part of their program Molycorp also drilled three additional holes. Unfortunately, Molycorp was unable to drill test the zones of historic gold production due to their inability to secure an interest with the central claim group held by the Josephson estate.

As part of a regional analysis of geologic features in northeastern Wyoming and western South Dakota, Bronco Creek Exploration identified Mineral Hill as an area of Interest based upon available geologic descriptions, its history of exploration and mining efforts, the ongoing small-scale placer mining efforts, and the environmentally friendly nature of the bedrock in the district. In 2003 Bronco Creek Exploration staked 40 lode claims in the area, adjoining the claim group held by Mineral Hill LP. Since that time, BCE and Mineral Hill LP have consolidated their land positions with a pooling agreement in order to continue exploring the high-grade gold veins present in the area. BCE and Mineral Hill LP have been engaged in active exploration since the spring of 2004. This work has included new surface mapping and compilation of geologic observations, and renewed surface, soil, and stream sediment sampling programs. Geophysical surveys and other sophisticated exploration methods were contracted to third parties who worked in the district on behalf of BCE and Mineral Hill LP. In 2007, four diamond core holes were drilled in the district, the cores from which are kept on-site at Welcome.

The Mineral Hill district represents a great opportunity for the development of relatively small scale, environmentally friendly mining operations that will target styles of gold and copper mineralization that are also rich in carbonate minerals. The carbonate-rich and alkaline rocks that host gold mineralization in the Mineral Hill district contain abundant acid-neutralization potential, and mitigate environmental threats such as acid-mine drainage. This is one of the key reasons why BCE has targeted this particular area for evaluation; we believe that future exploration and mining efforts in North America will focus on small volume or high-grade underground ore bodies with favorable environmental geochemistry. The Mineral Hill project is a good example of such an exploration target.