

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

<b>IN THE MATTER OF THE BOND</b>	)	
<b>FORFEITURE PROCEEDINGS</b>	)	
<b>AGAINST THE BONDS OF</b>	)	<b>DOCKET NO. 16-4501</b>
<b>RED DESERT GRAVEL, INC. (1305 ET</b>	)	
<b>AND 1358 ET) AND JIM WISE (1276ET)</b>	)	

**MOTION FOR BOND FORFEITURE**

The Department of Environmental Quality, Land Quality Division (“Department”), through the Office of the Attorney General, hereby moves the Environmental Quality Council (“Council”) for an order forfeiting Red Desert Gravel, Inc.’s (“Red Desert”) and Jim Wise’s reclamation performance bonds and in support of this motion states as follows:

**RED DESERT PERMITS**

1. Red Desert holds two Limited Mining Operations Permits, Nos. 1305ET and 1358ET. Under Permit No. 1305ET Red Desert operates a 13 acre gravel pit located on Bitter Creek Road, 45 miles east of Rock Springs. Under Permit No. 1358ET Red Desert operates a six acre scoria pit located south of Creston Junction, 30 miles west of Rawlins. Jim Wise is the president of Red Desert.

2. Red Desert posted a reclamation performance bond under each of its permits as financial assurance for the reclamation of the gravel and scoria pits. Specifically, Red Desert posted a \$10,000.00 Certificate of Deposit issued by Rock

Springs National Bank (Bond No. 10003329) under Permit No. 1305ET and a \$10,000.00 Certificate of Deposit issued by Rock Springs National Bank (Bond No.10003156) under Permit No. 1358ET.

3. On October 22, 2014, the Department issued Red Desert Notices of Violation for Permit No. 1305ET (Docket No. 5490-14) and Permit No. 1358ET (Docket No. 5491-14) for administrative and compliance issues related to its gravel and scoria mining operations. Both of these Notices of Violation were returned to the Department as “unclaimed” on November 19, 2014. **Exhibit A.**

4. On February 9, 2010, the Secretary of State’s Office administratively dissolved Red Desert Gravel for failure to pay taxes. **Exhibit B.** On September 24, 2014, Anadarko Petroleum Corporation terminated its mineral lease with Red Desert for the operations under both of its permits. **Exhibit C.**

5. There is currently no permitted mining activity at either of the mining sites and Red Desert failed to reclaim both mining sites.

6. Based on these facts, the Department determined that the reclamation performance bonds should be forfeited. On August 17, 2016, the Council approved the Department’s request to initiate bond forfeiture proceedings against Red Desert. **Exhibit D.**

7. The Department then requested that the Office of Attorney General begin the forfeiture proceeding.

8. On August 24, 2016, the Office of Attorney General sent notice of the forfeiture proceedings to Red Desert by certified mail. That notice stated that the Council

would enter an order forfeiting Red Desert's reclamation performance bonds unless it demanded a hearing before the Council within thirty (30) days. **Exhibit E.**

9. Neither the Office of the Attorney General nor the Council has a record of a request from Red Desert for hearing before the Council.

10. Wyoming Statute § 35-11-421(b) states that if no demand is made by the operator within thirty (30) days of the receipt of the notice, then Council shall order the bond forfeited.

11. Based on the foregoing facts, the Department satisfied all statutory prerequisites to the forfeiture of Red Desert's reclamation performance bonds and Red Desert's reclamation performance bonds should be forfeited.

#### **JIM WISE PERMIT**

12. Jim Wise holds a Limited Mining Operation Permit No. 1276ET. Under this permit, Mr. Wise operates a gravel pit located on Bureau of Land Management ("BLM") land, 70 miles east of Rock Spring and 30 miles north of I-80 on Bar X Road.

13. Mr. Wise posted a \$9,000.00 reclamation performance bond under Permit No. 1276ET as financial assurance for the reclamation of the gravel pit. The bond is in the form of a Certificate of Deposit issued by Rock Springs National Bank (Bond No. 10002967).

14. On December 15, 2014, the Department issued Mr. Wise a Notice of Violation for Permit No. 1276ET (Docket No. 5511-14) for administrative and compliance issues related to his gravel mining operations. This Notice of Violation was returned to the Department as "unclaimed" on January 12, 2015. **Exhibit F.**

15. On April 28, 2013, Mr. Wise's contract with BLM for the gravel mining operations expired. Upon information and belief, Mr. Wise still owes BLM \$12,743.50 under that contract.

16. There is currently no permitted mining activity at the gravel mine and Mr. Wise failed to reclaim the mining site.

17. Based on these facts, the Department determined that the reclamation performance bond should be forfeited. On August 17, 2016, the Council approved the Department's request to initiate bond forfeiture proceedings against Mr. Wise. **Exhibit D.**

18. The Department then requested that the Office of Attorney General begin the forfeiture proceeding.

19. On August 24, 2016, the Office of Attorney General sent notice of the forfeiture proceedings to Mr. Wise by certified mail. That notice stated that the Council would enter an order forfeiting Mr. Wise's reclamation performance bond unless he demanded a hearing before the Council within thirty (30) days. **Exhibit E.**

20. Neither the Office of the Attorney General nor the Council has a record of a request from Mr. Wise for hearing before the Council.

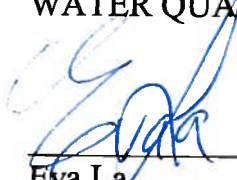
21. Wyoming Statute § 35-11-421(b) states that if no demand is made by the operator within thirty (30) days of the receipt of the notice, then Council shall order the bond forfeited.

22. Based on the foregoing facts, the Department satisfied all statutory prerequisites to the forfeiture of Mr. Wise's reclamation performance bond and Mr. Wise's reclamation performance bond should be forfeited

WHEREFORE, the Department respectfully requests that the Council enter an order forfeiting Red Desert's reclamation performance bonds totaling \$20,000.00 and Jim Wise's reclamation performance bond totaling \$9,000.00, for the total sum of \$29,000.00 to be used by the Department to reclaim the mining operations developed under the Limited Mining Operations Permit Nos. 1305ET, 1358ET, 1276ET.

Dated the 27th day of September, 2016

FOR THE DEPARTMENT OF  
ENVIRONMENTAL QUALITY  
WATER QUALITY DIVISION



---

Eva La  
Assistant Attorney General  
2320 Capitol Ave.  
Cheyenne, WY 82002


CERTIFICATE OF SERVICE

This certifies that true and correct copies of the foregoing Document were served  
this 27th day of September, 2016 by United States Mail at the following addresses:

Red Desert Gravel, Inc.  
1640 Colorado Dr.  
Green River, WY 82935

Mr. Jim Wise  
P.O. Box 2674  
Rock Springs, WY 82901

RSNB Bank  
200 2<sup>nd</sup> St.  
Rock Springs, WY 82901

  
\_\_\_\_\_  
Wyoming Attorney General's Office

EXHIBIT

tabbles

A



# Department of Environmental Quality



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

Matt Mead, Governor

Todd Parfitt, Director

October 22, 2014

**CERTIFIED MAIL, RETURN RECEIPT REQUESTED # 7014 0510 0001 9716 5227**

Mr. Jim Wise  
Red Desert Gravel  
1640 Colorado Drive  
Green River, WY 82935



**RE: Limited Mining Operation ET 1305, Notice of Violation, Docket No. 5490-14  
Limited Mining Operation ET 1358, Notice of Violation, Docket No. 5491-14**

Dear Mr. Wise:

Enclosed you will find two Notices of Violation issued under the provisions of W.S. § 35-11-701(c) (i). The Notices of Violation are based on multiple administrative and compliance issues identified by the Land Quality Division (LQD) in regard to the aforementioned Limited Mining Operations.

The LQD is attempting to resolve this issue without further enforcement action, and requests that you contact John Erickson, LQD District 2 Supervisor, within fifteen (15) days of receipt of this letter to schedule a meeting to resolve this enforcement action.

Respectfully,

\_\_\_\_\_  
Todd Parfitt  
Director  
Department of Environmental Quality

\_\_\_\_\_  
Nancy Nutbrock  
Deputy Director  
Department of Environmental Quality  
Administrator, Land Quality Division

Enclosures: Notice of Violation

xc: John Erickson, District 2 w/enclosure *AS*  
Docket #5490-14 w/enclosure  
Docket #5490-14 w/enclosure  
Mr. Don Ballard- Anadarko, 1201 Lake Robbins Dr., The Woodlands, TX 77380  
Mr. Mark Newman-BLM Rawlins, P.O. Box 2407, Rawlins, WY 82301

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH  
(307) 777-7937  
FAX 777-3610

ABANDONED MINES  
(307) 777-6145  
FAX 777-6462

AIR QUALITY  
(307) 777-7391  
FAX 777-5618

INDUSTRIAL SITING  
(307) 777-7369  
FAX 777-5973

LAND QUALITY  
(307) 777-7758  
FAX 777-5884

SOLID & HAZ. WASTE  
(307) 777-7752  
FAX 777-5973

WATER QUALITY  
(307) 777-7781  
FAX 777-5973





DEPARTMENT OF ENVIRONMENTAL QUALITY STATE OF WYOMING

NOTICE OF VIOLATION

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

Red Desert Gravel )  
c/o Mr. Jim Wise )  
1640 Colorado Drive )  
Green River, WY 82935 )

DOCKET NO. 5490-14

NOTICE

NOTICE IS HEREBY GIVEN THAT:

Notice of Violation is being sent to you pursuant to W.S. §35-1 1-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.

The Land Quality Division (LQD) Noncoal Rules and Regulations (NCRR) Chapter 10, Section 3 states that "The operator shall file annual reports pursuant to W.S. § 35-1 1-401 (k)." LQD has not received any annual reports for Limited Mining Operation ET1305 since the application was approved on April 20, 2005.


The LQD NCRR Chapter 10, Section 5 (a) (i) (A) states that the operation will be considered to be abandoned if "The individual, partnership, or corporation conducting the operation goes out of business." Red Desert Gravel, Inc. was Administratively Dissolved (Tax) by the Wyoming Secretary of State on February 9, 2010. Red Desert Gravel, Inc. has not been reinstated as of the date of this Violation.

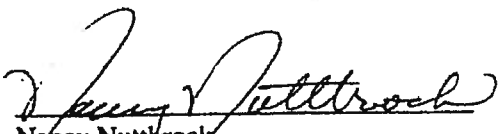
The LQD NCRR Chapter 10, Section 5 (a) (i) (B) states that the operation will be considered to be abandoned if "No further mining or reclamation work has been done from one annual report to the next." There has been no activity at Limited Mining Operation ET1305 since 2009, and Red Desert Gravel, Inc. has not addressed the reclamation failures documented in consecutive annual inspection reports.

The LQD NCRR Chapter 10, Section 5 (a) (i) (C) states that the operation will be considered to be abandoned if "The period of time for which the surface owner (or lessee) gave permission has expired and a written extension has not been obtained." In correspondence dated September 24, 2014, Anadarko Petroleum Corporation notified Red Desert Gravel, Inc. that the company was in default of their lease agreement and that Anadarko Petroleum Corporation has moved to terminate the lease.

W.S. § 35-1 1-901 (a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted there under is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

DATED THIS 22<sup>nd</sup> day of October, 2014.

  
\_\_\_\_\_  
Todd Parfitt  
Director  
Department of Environmental Quality

  
\_\_\_\_\_  
Nancy Nuttbrock  
Deputy Director  
Department of Environmental Quality  
Administrator, Land Quality Division

PLEASE DIRECT ALL INQUIRIES regarding this Notice of Violation to John Erickson, Land Quality District 2 Supervisor, 510 Meadowview Dr., Lander, WY 82520, phone (307) 332-3047.

DEPARTMENT OF ENVIRONMENTAL QUALITY STATE OF WYOMING

NOTICE OF VIOLATION

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

Red Desert Gravel )  
c/o Mr. Jim Wise )  
1640 Colorado Drive )  
Green River, WY 82935 )

DOCKET NO. 5491-14

NOTICE

NOTICE IS HEREBY GIVEN THAT:

Notice of Violation is being sent to you pursuant to W.S. §35-1-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.

The Land Quality Division (LQD) Noncoal Rules and Regulations (NCRR) Chapter 3, Section 2 (c) (i) (A) states "All topsoil or approved surface material shall be removed from all areas to be affected in the permit are prior to these areas being affected unless otherwise authorized by the Administrator." The August 26, 2014 inspection revealed that topsoil was not adequately salvaged across the project site, including drilling sumps and constructed road segments.

The LQD NCRR Chapter 3, Section 2 (c) (iv) (A) states "All overburden, spoil material and refuse shall be segregated from the topsoil and subsoil and stockpiled in such a manner to facilitate the earliest reclamation consistent with the approved reclamation plan." The May 15, 2012 and May 14, 2013 inspection reports documented mining activity which was undercutting the original topsoil stockpile on the eastern margin of the pit. No buffer was left in place between the mining activity and topsoil stockpile and Red Desert Gravel, Inc. mined up to the toe of the topsoil stockpile. The May 7, 2014 inspection report revealed that no topsoil had been stripped and that no stripped buffer was left between native soil and a newly-mined area. Failure to protect topsoil is a violation.


The LQD NCRR Chapter 10, Section 3 states that "The operator shall file annual reports pursuant to W.S. § 35-1-401 (k)." LQD has not received annual reports for Limited Mining Operation ET1358 since 2010.

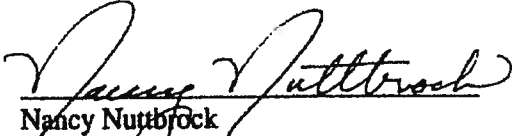
The LQD NCRR Chapter 10, Section 5 (a) (i) (A) states that the operation will be considered to be abandoned if "The individual, partnership, or corporation conducting the operation goes out of business." Red Desert Gravel, Inc. was Administratively Dissolved (Tax) by the Wyoming Secretary of State on February 9, 2010. Red Desert Gravel, Inc. has not been reinstated as of the date of this Violation.

The LQD NCRR Chapter 10, Section 5 (a) (i) (C) states that the operation will be considered to be abandoned if "The period of time for which the surface owner (or lessee) gave permission has expired and a written extension has not been obtained." In correspondence dated September 24, 2014, Anadarko Petroleum Corporation notified Red Desert Gravel, Inc. that the company was in default of their lease agreement and that Anadarko Petroleum Corporation has moved to terminate the lease.

W.S. § 35-1-901 (a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted there under is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

ATED THIS 22<sup>nd</sup> day of October, 2014.

  
\_\_\_\_\_  
Todd Parfitt  
Director  
Department of Environmental Quality

  
\_\_\_\_\_  
Nancy Nuttbrock  
Deputy Director  
Department of Environmental Quality  
Administrator, Land Quality Division

PLEASE DIRECT ALL INQUIRIES regarding this Notice of Violation to John Erickson, Land Quality District 2 Supervisor, 510 Meadowview Dr., Lander, WY 82520, phone (307) 332-3047.

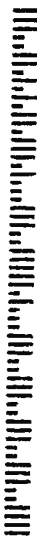
7014 0510 0001 9716 5227



U.S. POSTAGE **PRIME FLOWERS**  
ZIP 82001 \$ 007.19<sup>0</sup>  
#02 1M  
0001369322 OCT 22 2014

NIXIE 829352057-1N 700 11/17/14

RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD  
RETURN TO SENDER



LAD

NOV 19 2014

RECEIVED



Department of Environmental Quality  
Land Quality Division  
Herschler Building, 3rd Floor West  
122 West 25th Street  
Cheyenne, WY 82002



Red Desert Gravel  
c/o Mr. Jim Wise  
1640 Colorado Drive  
Green River, WY 82935

*Handwritten signature*

*10-24-14*

*10-24-14*

First Notice  
Second Notice

EXHIBIT  
B

STATE OF WYOMING \* SECRETARY OF STATE

ED MURRAY

BUSINESS DIVISION

2020 Carey Avenue, Cheyenne, WY 82002-0020

Phone 307-777-7311 · Fax 307-777-5339

Website: http://soswy.state.wy.us · Email: business@wyo.gov

Filing Information



Please note that this form CANNOT be submitted in place of your Annual Report.

Name	Red Desert Gravel, Inc.		
Filing ID	2004-000478495		
Type	Profit Corporation	Status	Inactive - Administratively Dissolved (Tax)

General Information

Old Name		Sub Status	Archived
Fictitious Name		Standing - Tax	Delinquent
		Standing - RA	Delinquent
Sub Type	Close Corporation	Standing - Other	Good
Formed in	Wyoming	Filing Date	12/08/2004 12:00 AM
Term of Duration	Perpetual	Delayed Effective Date	
		Inactive Date	02/09/2010

Share Information

Common Shares	UNLIMITED	Preferred Shares	Additional Stock	N
Par Value	0.0000	Par Value	0.0000	

Principal Address

1640 Colorado Dr  
Green River, WY 82935

Mailing Address

1640 Colorado Dr  
Green River, WY 82935

Registered Agent Address

No Agent  
No Office  
Cheyenne, WY 82001

Parties

Type	Name / Organization / Address
------	-------------------------------

Notes

Date	Recorded By	Note
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## Filing Information



Please note that this form CANNOT be submitted in place of your Annual Report.

Name	Red Desert Gravel, Inc.		
Filing ID	2004-000478495		
Type	Profit Corporation	Status	Inactive - Administratively Dissolved (Tax)

### Most Recent Annual Report Information

Type	Original	AR Exempt	N	AR Year	2008
License Tax	\$50.00			AR ID	00953299
AR Date	12/10/2008 1:04 PM				
Web Filed	Y				

### Officers / Directors

Type	Name / Organization / Address
President	JIMMY J. WISE 1640 COLORADO ST, GREEN RIVER, WY 82935
Secretary	DONNA WISE 1640 COLORADO ST, GREEN RIVER, WY 82935
Treasurer	DONNA WISE 1640 COLORADO ST, GREEN RIVER, WY 82935
Vice President	ROLF NACKERUD 30 CLEARVIEW DR APT C, ROCK SPRINGS, WY 82901

### Principal Address

1640 Colorado Dr  
Green River, WY 82935

### Mailing Address

1640 Colorado Dr  
Green River, WY 82935

### Annual Report History

Num	Status	Date	Year	Tax
00778418	Original	05/16/2007	2005	\$100.00
Principal Address 1 Changed From: Jim Wise To: 1640 Colorado Dr				
Principal Address 2 Changed From: 30 Clearview Dr. Apt. C To: No value				
Principal City Changed From: Rock Springs To: Green River				
Principal Postal Code Changed From: 82901 To: 82935				
00778422	Original	05/16/2007	2006	\$100.00
00873332	Original	04/01/2008	2007	\$50.00
00953299	Original	12/10/2008	2008	\$50.00

### Amendment History

ID	Description	Date
2012-001306373	System Archive	02/11/2012
Filing Sub Status Changed From: Current To: Archived		
2010-000841806	RA Resignation	03/08/2010
Registered Agent # Changed From: 0024297 To: No Value		

## Filing Information



Please note that this form CANNOT be submitted in place of your Annual Report.

Name **Red Desert Gravel, Inc.**

Filing ID **2004-000478495**

Type Profit Corporation

Status

Inactive -  
Administratively  
Dissolved (Tax)

---

Registered Agent Organization Name Changed From: No Value To: No Agent  
Registered Agent First Name Changed From: Leonard To: No Value  
Registered Agent Middle Name Changed From: A To: No Value  
Registered Agent Last Name Changed From: Kaumo To: No Value  
Registered Agent Physical Address 1 Changed From: 531 N Front St To: No Office  
Registered Agent Physical City Changed From: Rock Springs To: No Value  
Registered Agent Physical Postal Code Changed From: 82902 To: No Value  
2010-000825000 Administrative Dissolution (Tax) 02/09/2010  
Filing Status Changed From: Active To: Inactive - Administratively Dissolved (Tax)  
2009-000803024 Delinquency Notice - Tax 12/02/2009  
2008-000707558 Delinquency Notice - Tax 12/02/2008  
2007-000647586 Delinquency Notice - Tax 12/02/2007  
2007-000610717 Reinstatement - Tax 05/16/2007  
Filing Status Changed From: Inactive - Administratively Dissolved (Tax) To: Active  
Inactive Date Changed From: 06/04/2006 To: No value  
See Filing ID Initial Filing 12/08/2004

EXHIBIT

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ANADARKO PETROLEUM CORPORATION

1201 LAKE ROBBINS DRIVE • THE WOODLANDS, TEXAS 77380  
P.O. BOX 1330 • HOUSTON, TEXAS 77251-1300



September 24, 2014

Mr. Jim Wise, President  
Red Desert Gravel, Inc.  
1640 Colorado Drive  
Green River, WY 82935

Re: Sand and Gravel Lease between Anadarko Land Corp. and Red Desert Gravel  
dated March 7, 2005 located in Sweetwater County, WY  
ALC Lease File 248-WY-680-01

Dear Mr. Wise:

In accordance with Section 21 of the above-referenced lease, Anadarko Land Corp. (Anadarko) hereby terminates the lease. As you know, on May 22, 2014, Anadarko sent you a letter notifying you that Red Desert Gravel, Inc. (Red Desert) was in default of Sections 12 and 13 and that failure to remedy any such default within thirty (30) days after your receipt could result in termination. Red Desert never responded to the letter nor corrected the violations noted in the Wyoming Department of Environmental Quality's (WDEQ) Limited Mine Operation Inspection Report dated May 20, 2014. A copy of the letter and the inspection report are enclosed. Anadarko expects and demands in the above-referenced lease that Red Desert fully comply with the law. Since the violations have not been corrected, Anadarko has moved to terminate the lease.

In addition, Anadarko is requesting the bond required by Section 22 be released. Based on the damages resulting from Red Desert's non-compliance described above, its failure to reclaim the leased premises and to pay Anadarko the advance minimum royalty in accordance with the lease, Anadarko is requesting that the bond be released and Rock Springs National Bank provide Anadarko funds in the amount of five thousand dollars (\$5,000.00). I have provided a copy of this letter to Rock Springs National Bank to provide them notice. Enclosed please find a copy of the performance bond.

If you have any questions, please let me know.

Respectfully,

A handwritten signature in black ink, appearing to read "Sean Urvan".

Sean Urvan  
Counsel

Enclosure

Cc: Don Ballard (APC)  
John Hay (Rock Springs National Bank)

ANADARKO PETROLEUM CORPORATION

MAIN (832) 636-1000  
1201 LARK ROBINNE DRIVE • THE WOODLANDS, TEXAS 77380  
P.O. BOX 1930 • HOUSTON, TX 77261-1930



May 22, 2014

Mr. Jim Wise, President  
Red Desert Gravel, Inc.  
1640 Colorado Drive  
Green River, WY 82935

RE: Sand and Gravel Lease between Anadarko Land Corp. and Red Desert Gravel  
dated March 7, 2005 located in Sweetwater County, WY  
ALC Lease File 248-WY-680-01

Dear Mr. Wise:

Anadarko Land Corp. (Anadarko) is in receipt of the Limited Mine Operation Inspection Report dated May 20, 2014 issued by the Wyoming Department of Environmental Quality (DEQ). See attached copy. As you can see, this report lists many compliance issues, several of which the DEQ terms "chronic".

This letter is to inform Red Desert that Anadarko takes these matters seriously, so seriously, in fact, that it incorporates them into the terms and conditions of its leases and, moreover, provides a remedy for non-compliance. As per statements contained in the DEQ Report, Red Desert is in default of Sections 12 and 13 of the above referenced lease. Therefore, in accordance with Section 21 of said lease, this letter will inform Red Desert that it is in default. Further, upon the failure to remedy any such default within thirty (30) days after your receipt of this written notice, Anadarko may terminate the lease.

Given the operation restrictions placed on this lease by the DEQ, Anadarko will give Red Desert until August 15, 2014 to correct the violations noted in the DEQ's inspection report. If remediation has not been completed by that date, Anadarko will move to terminate this lease.

Thank you for your prompt attention to this matter. If you have any questions or concerns, please feel free to call me at 832-636-2726.

Sincerely,

A handwritten signature in black ink that reads "Don Ballard".

Don Ballard  
Sr. Staff Landman

Enclosure

WY-680

EXHIBIT

D

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**MEMORANDUM**

**TO:** Environmental Quality Council   
**FROM:** Todd Parfitt – WDEQ Director  
**DATE:** April 29, 2016  
**RE:** Bond Forfeiture Recommendations for Red Desert Gravel, Abandoned Limited Mining Operations No. 1305ET and 1358ET; and Jim Wise, Abandoned Limited Mining Operation No. 1276ET.

Attached is information relating to the failure of Red Desert Gravel (Mr. Jim Wise, Agent) to reclaim lands affected by gravel mining under Limited Mining Operation (LMO) Nos. 1276ET and 1305ET as well as abandonment of a scoria mine authorized under Limited Mining Operation No. 1358ET.

The operator, Red Desert Gravel, is no longer licensed to do business in Wyoming and the minerals leases have expired for each operation. I have therefore determined that the three reclamation performance bonds posted by Red Desert Gravel/Mr. Jim Wise should be forfeited at this time.

I have determined that the bond for these LMO Permits Red Desert Gravel (Mr. Jim Wise, Agent), 1305ET, 1358ET, and Jim Wise 1276ET should be forfeited. I therefore seek your approval to request that the Attorney General begin bond forfeiture proceedings.

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

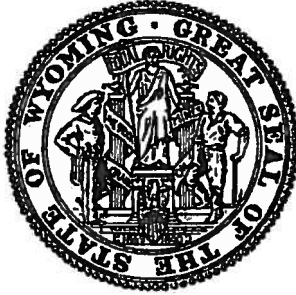
cc. Robin Jones – LQD District I Supervisor  
John Erickson – LQD District II Supervisor  
Rick Fairservis – EQC Secretary

Attachments: Director Parfitt Memo and File Memorandums

8/17/2016  
Date

  
Approved  
Chairman, Environmental Quality Council

EXHIBIT  
E



## Office of the Attorney General

**Governor**  
Matthew H. Mead

**Attorney General**  
Peter K. Michael

Water and Natural Resources Division  
Kendrick Building  
2320 Capitol Avenue  
Cheyenne, Wyoming 82002  
307-777-6946 Telephone  
307-777-3542 Fax

**Chief Deputy Attorney General**  
John G. Knepper

**Division Deputy**  
James Kaste

August 24, 2016

**CERTIFIED MAIL NOS: 7011 3500 0002 5356 7696; 7011 3500 0002 5356 7702;  
7011 3500 0002 5356 7504**

**RETURN RECEIPT REQUESTED**

Red Desert Gravel, Inc.  
1640 Colorado Dr.  
Green River, WY 82935

Mr. Jim Wise  
P.O. Box 2674  
Rock Springs, WY 82901

RSNB Bank  
200 2<sup>nd</sup> St.  
Rock Springs, WY 82901

**RE: Notice of Proposed Bond Forfeiture Relating to Limited Mining Operations No. 1305ET,  
1358ET, and 1276ET.**

Dear Mr. Wise:

The Wyoming Department of Environmental Quality, Land Quality Division (the "Department"), is seeking to forfeit the reclamation performance bonds for Limited Mining Operations Nos. 1305ET, 1358ET, and 1276ET. The Department issued permits 1305ET and 1358 ET to Red Desert Gravel, Inc. ("Red Desert") and permit 1276ET to Jim Wise. Under these permits, Red Desert and Mr. Wise posted the following reclamation performance bonds:

<b>LMO No.</b>	<b>Bond No.</b>	<b>Amount</b>	<b>Form of Bond</b>
1305ET (Bitter Creek Pit)	10003329	\$10,000.00	Certificate of Deposit (RSNB Bank)
1358ET (Anadarko Pit)	10003156	\$10,000.00	Certificate of Deposit (RSNB Bank)
1276ET (Jim Wise Bar X Road Pit)	10002967	\$9,000.00	Certificate of Deposit (RSNB Bank)

Red Desert Gravel, Inc.  
August 24, 2016  
Page 2 of 2

On October 22, 2014 and December 15, 2014, the Department issued Notices of Violations to Red Desert (Docket Nos. 5490-14 and 5491-14) and Mr. Wise (Docket No. 5511-14), respectively, for administrative and compliance issues related to these permits. Red Desert and Mr. Wise never responded to the Notices of Violation. On November 19, 2014, the Notices of Violations sent to Red Desert were returned to the Department as unclaimed. On January 12, 2015, the Notice of Violation sent to Mr. Wise was returned to the Department unclaimed. To date, Red Desert and Mr. Wise have not resolved the violations subject to the Notices of Violation. Red Desert is no longer authorized to conduct business in Wyoming as of February 9, 2010. Furthermore, upon information and belief, the surface and mineral leases associated with the permits have expired or been terminated.

Red Desert and Mr. Wise failed to satisfy their reclamation obligations despite the Department's attempts to bring them into compliance. The Department estimates that the cost of reclamation for permits 1305ET and 1358ET total approximately Thirty-Six Thousand Dollars (\$36,000.00). Similarly, the estimated cost of reclamation for permit 1276ET totals approximately Nine Thousand Dollars (\$9,000.00).

As such, the Department seeks to forfeit the reclamation performance bonds that Red Desert and Mr. Wise posted to fund its reclamation obligations. On August 17, 2016, the Department sought approval from the Wyoming Environmental Quality Council to initiate bond forfeiture proceedings. The Council approved the Department's request on August 17, 2016. See **Exhibit A** (attached hereto).

The Wyoming Attorney General's Office is hereby notifying you that the Department seeks an order from the Council to forfeit Bond Nos. 10003329, 10003156, and 10002967. These bonds are in the form of Certificates of Deposit issued by RSNB Bank totaling Twenty-Nine Thousand Dollars (\$29,000.00). The Council will order these bonds forfeited unless you make a written demand for a hearing to the Council within thirty (30) days after receiving this notice. If the bonds are forfeited, the Department will apply the proceeds to Red Desert's and Mr. Wise's reclamation obligations.

If you have any questions concerning this matter, please feel free to contact me at (307)-777-7376 or [eva.la@wyo.gov](mailto:eva.la@wyo.gov).

Sincerely,  
  
Eva La  
Assistant Attorney General

cc: Robin Jones  
Brian Goodnough  
file

**MEMORANDUM**

**TO:** Environmental Quality Council  
**FROM:** Todd Parfitt – WDEQ Director *[Signature]*  
**DATE:** April 29, 2016  
**RE:** Bond Forfeiture Recommendations for Red Desert Gravel, Abandoned Limited Mining Operations No. 1305ET and 1358ET; and Jim Wise, Abandoned Limited Mining Operation No. 1276ET.

Attached is information relating to the failure of Red Desert Gravel (Mr. Jim Wise, Agent) to reclaim lands affected by gravel mining under Limited Mining Operation (LMO) Nos. 1276ET and 1305ET as well as abandonment of a scoria mine authorized under Limited Mining Operation No. 1358ET.

The operator, Red Desert Gravel, is no longer licensed to do business in Wyoming and the minerals leases have expired for each operation. I have therefore determined that the three reclamation performance bonds posted by Red Desert Gravel/Mr. Jim Wise should be forfeited at this time.

I have determined that the bond for these LMO Permits Red Desert Gravel (Mr. Jim Wise, Agent), 1305ET, 1358ET, and Jim Wise 1276ET should be forfeited. I therefore seek your approval to request that the Attorney General begin bond forfeiture proceedings.

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

cc. Robin Jones – LQD District I Supervisor  
John Erickson – LQD District II Supervisor  
Rick Fairservis – EQC Secretary

Attachments: Director Parfitt Memo and File Memorandums

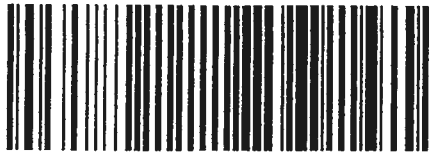
8/17/2016  
Date

*[Signature]*  
Approved  
Chairman, Environmental Quality Council





WYOMING  
GENERAL  
Revenue  
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SEP 06 2016  
WYOMING ATTORNEY  
GENERAL OFFICE, WNR

**RECEIVED**  
SEP - 6 2016  
1st NOTICE  
2nd NOTICE  
RETURNED  
ATTORNEY GENERAL'S OFFICE

8/26/16

Mr. Jim Wise  
P.O. Box 2674  
Rock S

NIXIE 841 DE 1 0002/31/16

RETURN TO SENDER  
NOT DELIVERABLE AS ADDRESSED  
UNABLE TO FORWARD

RC: 82002 \*1379-0036-24-41  
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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

2. Article Number  
(Transfer from service label)

7011 3500 0002 5356 7696

4. Restricted Delivery? (Extra Fee)  
 Yes  
 Insured Mail  
 C.O.D.  
 Registered  
 Return Receipt for Merchandise  
 Certified Mail  
 Express Mail

3. Service Type  
A. Signature  
 Signature  
 Agent  
B. Received by (Printed Name)  
*Donna Wise*  
C. Date of Delivery  
*8-26-16*  
D. Is delivery address different from item 1?  
 Yes  
 No  
If YES, enter delivery address below:

1. Article Addressed to:  
■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.  
*Red Desert Gravel, Inc.  
1640 Colorado Dr.  
Green River, WY  
82935*

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

SENDER: COMPLETE THIS SECTION

COMPLETE THIS SECTION ON DELIVERY

■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

A. Signature  
 Signature  
 Agent  
B. Received by (Printed Name)  
*Donna Wise*  
C. Date of Delivery  
*8-26-16*  
D. Is delivery address different from item 1?  
If YES, enter delivery address below:  
 Yes  
 No

1. Article Addressed to:  
*RSNB Bank  
200 2nd St.  
Rock Springs, WY  
82901*

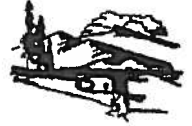
3. Service Type  
 Certified Mail  
 Registered  
 Insured Mail  
 Express Mail  
 Return Receipt for Merchandise  
 C.O.D.



EXHIBIT  
F



# Department of Environmental Quality



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

Matt Mead, Governor

Todd Parfitt, Director

December 15, 2014

CERTIFIED MAIL, RETURN RECEIPT REQUESTED # 7014 0510 0001 9716 5326

Mr. Jim Wise  
1640 Colorado Drive  
Green River, WY 82935



RE: Limited Mining Operation ET 1276, Notice of Violation, Docket No. 5511-14

Dear Mr. Wise:

Enclosed you will find a Notice of Violation issued under the provisions of W.S. § 35-11-701(c)(i). The Notices of Violation are based on administrative and compliance issues identified by the Land Quality Division (LQD) in regard to the aforementioned Limited Mining Operations.

The LQD is attempting to resolve this issue without further enforcement action, and requests that you contact John Erickson, LQD District 2 Supervisor, within fifteen (15) days of receipt of this letter to schedule a meeting to resolve this enforcement action.

Respectfully,

\_\_\_\_\_  
Todd Parfitt  
Director  
Department of Environmental Quality

\_\_\_\_\_  
Nancy Nuttbrock  
Deputy Director/Land Quality Administrator  
Department of Environmental Quality

Enclosures: Notice of Violation

✓ xc: John Erickson, District 2 w/enclosure  
Docket #5511-14 w/enclosure  
Mr. Kirk Rentmeister-BLM Rock Springs, 280 Hwy 191 North, Rock Springs, WY 82901

Herschler Building • 122 West 25th Street • Cheyenne, Wyoming 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH  
(307) 777-7937  
FAX 777-3610

ABANDONED MINES  
(307) 777-6145  
FAX 777-6462

AIR QUALITY  
(307) 777-7391  
FAX 777-5616

INDUSTRIAL SITING  
(307) 777-7369  
FAX 777-5973

LAND QUALITY  
(307) 777-7758  
FAX 777-5864

SOLID & HAZ. WASTE  
(307) 777-7752  
FAX 777-5973

WATER QUALITY  
(307) 777-7781  
FAX 777-5973



DEPARTMENT OF ENVIRONMENTAL QUALITY STATE OF WYOMING

NOTICE OF VIOLATION

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

Mr. Jim Wise )  
1640 Colorado Drive )  
Green River, WY 82935 )

DOCKET NO. 5511-14 )




NOTICE

NOTICE IS HEREBY GIVEN THAT:

1. Notice of Violation is being sent to you pursuant to W.S. §35-1-701(c)(i) which requires that a written notice shall be issued in the case of failure to correct or remedy an alleged violation.
2. The Land Quality Division (LQD) Noncoal Rules and Regulations (NCRR) Chapter 10, Section 3 states that "The operator shall file annual reports pursuant to W.S. § 35-1-401(k)." LQD has not received any annual reports for Limited Mining Operation ET1276 since April 4, 2006.
3. The LQD NCRR Chapter 10, Section 5 (a) (i) (B) states that the operation will be considered to be abandoned if "No further mining or reclamation work has been done from one annual report to the next." There has been no activity at Limited Mining Operation ET1276 since 2009, and the documented reclamation failure described in consecutive annual inspection reports has not been addressed.
4. The LQD NCRR Chapter 10, Section 5 (a) (i) (C) states that the operation will be considered to be abandoned if "The period of time for which the surface owner (or lessee) gave permission has expired and a written extension has not been obtained." In correspondence received by LQD on June 13, 2014, the BLM Rock Springs Office notified you that Bureau of Land Management contract WYW-167605 for the sale of mineral materials expired on February 28, 2013. The letter also indicates that you are in default of the lease agreement and that an outstanding balance of \$12,743.50 is owed.
5. W.S. § 35-1-901(a) provides that any person who violates any provision of the Environmental Quality Act or any rule, standard, permit, license or variance adopted there under is liable to a penalty of ten thousand dollars (\$10,000.00) for each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming.

DATED THIS 15<sup>th</sup> day of December, 2014.

  
Nancy Nuttbrock  
Deputy Director/Land Quality Administrator  
Department of Environmental Quality

  
Todd Parfitt  
Director  
Department of Environmental Quality

PLEASE DIRECT ALL INQUIRIES regarding this Notice of Violation to John Erickson, Land Quality District 2 Supervisor, 510 Meadowview Dr., Lander, WY 82520, phone (307) 332-3047.

COPY



7024 0510 0001 9714 5326



U.S. POSTAGE® PTNEY BOWES  
ZIP 82001 \$007.19<sup>0</sup>  
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RETURN TO SENDER  
UNCLAIMED  
UNABLE TO FORWARD  
RETURN TO SENDER

- Not Deliverable As Addressed
- Unable To Forward
- Insufficient Address
- Moved, Left No Address
- Incomplete
- Attempted
- No Such Street
- No Vacant
- No Mail Receiver
- Box Closed - No Order
- Return to Sender
- Postage Due

- Not Deliverable As Addressed
- Unable To Forward
- Insufficient Address
- Moved, Left No Address
- Incomplete
- Attempted
- No Such Street
- No Vacant
- No Mail Receiver
- Box Closed - No Order
- Return to Sender
- Postage Due

LAD

JAN 12 2015

RECEIVED



Department of Environmental Quality  
Land Quality Division  
Herschler Building, 3rd Floor West  
122 West 25th Street  
Cheyenne, WY 82002



Mr. Jim Wise  
1640 Colorado Drive  
Green River, WY 82935

1282-14  
First Notice  
Second Notice  
Returned

UWC