

Memorandum

To: Permit 255c, Terry Hankins, Chronology for Enforcement Action,
Docket No. 4643-10

From: Bill Hogg ^{BH}

Date: September 10, 2010

Subject: Background Information and Chronology of Events for Notice of
Violation

HISTORY

This authorization was issued to Terry Hankins on March 3, 1975 for 63.02 acres of disturbance. The Appendix C in the permit was approved to Andover Minerals and contains old information. There is a short, ten lines of text mine plan, a partial reclamation plan, and a \$570 bond estimate. During the last several years this operation has been jointly handled by Abandoned Mine Land Program (AML) and Land Quality Division (LQD). AML worked to reduce the effects of the ground water that is flowing from the Osceola entrance of the Ferris Haggerty Mine to Haggerty Creek. These efforts have been stopped due to easement considerations. AML has also finished a project to fill many of the shafts and adits above the Osceola entry that may reduce the groundwater flow from the entry by controlling the surface water infiltration as well as reducing the safety hazards.

The mine is located 16 miles east of Encampment and 4.5 miles north of State Highway 70. The Hankins operation is located in Section 16, Township 14N, Range 86W. LQD last inspected this operation on August 23, 2010.

The Form 1 indicates that the area to be affected is 4.5 acres. A \$1,000.00 reclamation bond is held by LQD for the reclamation of the disturbance.

The Appendix C states that there are 63.02 acres in the 255c permit. There is no Appendix C map in the permit. There are maps indicating the MS claims in the area. It is expected that the 63.02 acres is made up of all of the MS 105 Rudefeha West, MS 84 Rudefeha, E ½ of MS 105 Doyle, and the W ½ of MS 105 Jordan claims. These claims are scaled at 660 feet by 1320 feet.

The Terry Hankins operation has also be known as Ferris Haggerty, Andover Minerals, Dos Lomas Mining, Electro Win, Haggerty Resources and some people refer to it as the Osceola operation.

Black Range Minerals drilled 3 holes on the Hankins claims and has plugged those holes and is planning no further operations. There is a \$30,000 reclamation bond held for this exploration.

Mr. Hankins has been sending in the same Annual Report for years stating that he will open a surface operation near his cabin and reopen the lower portal.

Two Notices of Violation (NOV) have been issued in the past. One NOV and cease & desist was issued for failure to submit a reclamation bond. The second was for failure to prevent water flow from the mine workings. The file contains a large amount of court actions associated with the polluted of Haggerty Creek and the judgment obtained by the Water Quality Division (WQD).

Chronology of Events

August 2007 Mr. Hankins was arrested for the murder of his wife on June 3, 2007. Mr. Hankins has been in jail since his arrest. Subsequently he was convicted, thus unable to complete any mining or reclamation activities.

March 27, 2009 The Environmental Quality Council approved the bond forfeiture of the Electro-Win, Permit 600s that was also operated by Mr. Hankins.

February 2, 2009 LQD received a letter from Mr. Hankins stating that he was in prison and did not have access to his files or maps to complete an Annual Report. Similar letter were received for the 2007 & 2008 Annual Reports.

August 4, 2009 The 2009 Annual Inspection was completed on August 4, 2009. It was determined that no mining or reclamation has occurred. The Compliance section of the report required the following:

“The LQD Non-coal Rules and Regulations, Chapter 3, Section 2(k)(i) requires the operator to begin reclamation after mining has ceased or to apply for interim mine stabilization within 180 days based on economic conditions. Since the most recent activity on the site was more than four years ago, you are required to commence and complete reclamation. Therefore, reclamation of the 255c Permit disturbance area must begin immediately. The LQD will provide you an additional 90 days to begin reclamation before we initiate enforcement action for failure to reclaim.”

“No further mining can occur on the permitted area until a mine and reclamation plan revision is approved by LQD. This revision must include an Appendix C update as the actual surface owner of the patented claims has been questioned. Please be aware that you are still the holder of the permit and responsible for the reclamation of your disturbance.”

The operator had not responded to either of the LQD requirements.

August 26, 2009 Mr. Hankins was convicted of First degree murder and sentenced to life in prison without parole.

March 2, 2010 Notice of Violation and Order, Docket No. 4643-10 was sent to the Terrance Hankins c/o of the Sterling Corrections Facilities, Sterling, CO.

July 1, 2010 The WDEQ Director received a letter from Mr. Hankins threatening civil action law suit against the State of Wyoming.