

MEMORANDUM

TO: John V. Corra, Director, Wyoming Department of Environmental Quality *JVC*

THROUGH: Donald McKenzie, Administrator, Land Quality Division *DM 9/14/10*

FROM: Lowell Spackman *LS* and Bill Hogg *BH*, Land Quality Division

DATE: September 13, 2010

SUBJECT: Permit 255, Terry Hankins, Information and Chronology for Bond Forfeiture, NOV, Docket No. 4643-10

Documentation Necessary for Forfeiture

The Land Quality Division (LQD) is requesting Reclamation Bond Forfeiture for Permit 255. The operator was issued a Notice of Violation (NOV) for failure to reclaim. Mr. Hankins responded to the NOV in a letter to the Director received on July 1, 2010 and inspected the site on August 25, 2010, to insure that the work had not been completed. The following lists the documents and information requested in Instruction Memorandum No. 34:

- 1) *Copy of the NOV which forms the basis of the forfeiture:* A copy of the NOV Docket No. 4643-10 is attached to this memorandum.
- 2) *Brief History of the operation:* This Mining Permit was issued to Terry Hankins on March 3, 1975 for 63.02 acres of disturbance. Most of the disturbance in the permit area is pre-law disturbance from mining in the late 1800's and early 1900's. AML has worked to reduce the effects of the ground water that is flowing from the pre-law 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 pre-law shafts and adits above the Osceola entry that may reduce the ground water flow from the entry by controlling the surface water infiltration as well as reducing the safety hazards.
- 3) *Explanation of why the forfeiture is necessary:* The operator is currently incarcerated in Sterling, CO. and has been sentenced to live in prison without parole for the death of his wife. It is questionable if Mr. Hankins has the financial ability to mine or reclaim the operation from prison. The operation is on private lands. Ownership of all the lands in the vicinity of the mine is not clear.
- 4) *Documentation of attempts to get the operator to reclaim:* On March 2, 2010, the LQD issued a Notice of Violation and Order to Mr. Hankins in care of the Sterling Correction Facilities where Mr. Hankins has been incarcerated. Mr. Hankins responded on July 1, 2010, with a letter to the Director notifying him that he was planning a lawsuit.
- 5) *All information submitted by the operator relevant to the forfeiture:* Since Mr. Hankins' incarceration, LQD has only received the letter to the Director dated July 1, 2010. It is clear that Permit 255 is not being run by Mr. Hankins as he is in jail and he does not have the ability to continue operations.

- 6) *Land Ownership and location including a complete legal description and general location:* The operation is on patented claims owned by Mr. Hankins at the time of the LQD authorization. The operation is located in Section 16, T14N, R86W, Sierra Madre Mountains, 2 miles west of Bridger Peak in Carbon County, Wyoming. Access to the operation is from State Highway 70.
- 7) *Acres disturbed and reclaimed based on recent field inspections:* The amount of total disturbance is not known. It is expected that 95% of the disturbance is pre law. Very little new disturbance was create by Mr. Hankins. Mr. Hankins' plans to reopen the old working were never realized. As noted in the order, LQD concerns are the old equipment and hazardous fluids that were brought to the site in hope of reopening the operation. The small reclamation bond, \$1,000, is not adequate for the removal of these equipment and fluids. The estimated cost to remove the waste, equipment, and buildings and to conduct reclamation to stabilize the area in which Mr. Hankins conducted his operation is approximately \$60,000.
- 8) *The bond amount and type including issuing company and number:* The \$1000 bond, a Certificate of Deposit No 2711 was issues by the Moffat County State Bank and is held by the LQD for the reclamation of the disturbance.
- 9) *A brief discussion of the type of reclamation necessary and adequacy of the bond to finance the work to be done:* The small reclamation bond, \$1,000.00, is not adequate to complete the disturbance that Mr. Hankins is responsible for reclaiming. Because of the location of this operation and the past effects of the pre law mining discharges to Haggerty Creek, LQD believes that all toxic and or hazardous fluids must be removed from the site. Old equipment must be removed to prevent further ground water and surface water contamination.
- 10) *A memorandum for the Director's signature to the EQC requesting approval to initiate bond forfeiture proceedings:* The memo is included.