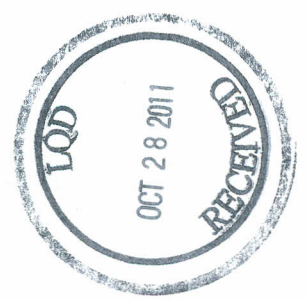


WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY
LAND QUALITY DIVISION -- INSPECTION REPORT



MINE: Melvin Gustin, Permit 310c
DATE OF INSPECTION: September 23, 2011
PARTICIPANTS: Rick Metzger – Dubois US Forest Service
Melissa L. Bautz – Lander WDEQ/LQD Geologist
DATE OF REPORT: October 5, 2011 *MLB*
PREPARED BY: Melissa L. Bautz – Lander WDEQ/LQD Geologist

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Jim Ruby, Executive Secretary
Environmental Quality Council

Introduction

An inspection of Permit 310c was conducted on September 23, 2011. It was a joint WDEQ/LQD and US Forest Service Inspection. The Permit was approved on April 18, 1975 for feldspar removal/mining on Forest Service land west of the East Fork River in northwestern Fremont County, Wyoming. The last meaningful/intelligible correspondence with Mr. Gustin occurred during a phone conversation between Mr. Gustin and Mr. Moxley (LQD) in April of 2006 (see history below for details). Since then, all LQD correspondence sent to Mr. Gustin has been refused. The purpose of this Inspection was to document the conditions at the site before issuing an NOV for failure to reclaim.

Site History/Background

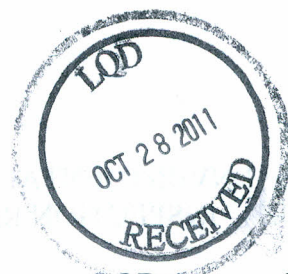
Early 1970's: Project was operated under Permit #155, an Open Cut Land Reclamation Act (OCLRA) Permit from 1969. On July 1, 1974, all of the old OCLRA permits became null and void because of the implementation of the 1973 Environmental Quality Act.

April 18, 1975: Permit 155 was converted to Permit 310c. This conversion was in response to the enactment of the 1973 Environmental Quality Act. A bond in the amount of \$200 was provided at this time. The bond was in the form of a CD (No. 3660) with First Wyoming Bank, N.A.

December 27, 1982: Reference to the bond in the file indicates the bond/CD for \$200 was now held by Central Bank & Trust and is CD#1137.

Spring 2000: Mr. Gustin sent correspondence to the WDEQ Director and State Governor stating his questioning the State's authority in overseeing his mining permit.

March 15, 2001: Mr. Gustin contacted the WDEQ/LQD Lander office regarding expanding his operation on his claims under Permit 310c.



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May 14, 2001: A meeting among LQD personnel and Mr. Gustin's personnel occurred at Mr. Gustin's place to discuss amending Permit 310c.

December 6, 2002: Permit 310c reclassified by LQD Cheyenne as a Small Mine, 310s.

April 18, 2005: The last intelligible Annual Report was filed by Mr. Gustin for 310s.

April 17, 2006: Confusing correspondence sent from Mr. Gustin. Correspondence appears to be a refusal to complete Annual Report paperwork. Blank Annual Report forms were sent back to LQD (by Mr. Gustin) and they were not completed but had unintelligible writing in red ink on the page.

April 19, 2006: Mark Moxley (LQD) spoke with Mr. Gustin on the telephone. During that conversation Mr. Gustin indicated he would like to terminate the permit and have the bond released. Mr. Moxley indicated that the Forest Service would need to concur with the termination/release. Mr. Gustin stated that Cody Forest Service office personnel had OK'd the release. Mr. Moxley said that LQD would need something in writing to that effect.

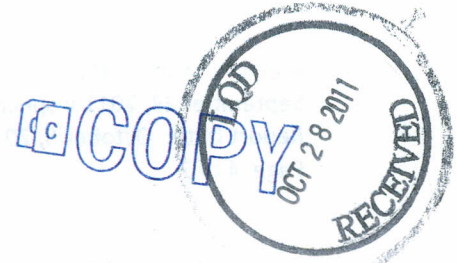
August 8, 2007: Letter from Dubois Forest Service office's Rick Metzger to LQD's Steve Platt states that USFS personnel inspected the 310s site two times in the summer of 2007. Their inspections revealed that the pits have grown in well and are not in need of further reclamation work but that the access road to the site's needs about 15 – 20 water bars installed. Mr. Metzger indicated that the USFS would like to use the bond money from 310s (once it is forfeited) to pay for installing the water bars themselves.

August 31, 2007: LQD's Steve Platt sent Mr. Gustin (via certified mail) a voluntary bond forfeiture form. Mr. Gustin refused delivery of the letter.

August and September 2008: Mr. Gustin refused delivery of two pieces of correspondence sent from LQD.

February 22, 2010: LQD sent to Mr. Gustin an Annual Report reminder letter. Mr. Gustin refused delivery of the correspondence.

September 23, 2011: LQD's Melissa Bautz conducted a joint inspection of the site with USFS' Rick Metzger. The purpose of the inspection was to verify that the pits are still healed and stable and that the only remaining work to be done is the installation of water bars on the access road.



Inspection

The access road to the site is now via non-mechanized travel only (See Photo Addendum). The road leading up to the seven identified excavation sites associated with Permit 310s is very steep and crosses numerous small ephemeral drainages. These crossings all could benefit from the installation of water bars. The actual excavation sites have grown in with native vegetation and are not a concern. It is only the need for water bars on the two-track access road that is the outstanding concern with Permit 310s. Refer to the attached Photo Addendum for details.

Bond Evaluation

The currently posted bond in the amount of \$200 was the statutory maximum at the time the permit was issued. It is likely deficient to complete the work required at the site (the installation of 15 – 20 water bars on the access road). The required work will probably cost the US Forest Service about \$500. No bond increase will be made, however, because WDEQ/LQD will be pursuing a bond forfeiture in the event that Mr. Gustin refuses delivery of the forthcoming Notice of Violation (NOV) that will be issued for the failure to reclaim the site in accordance with the approved reclamation plan.

Summary/Conclusion

As revealed in the attached Photo Addendum, the site's pits have healed and are well-vegetated. However, the Forest Service has indicated the need for the installation 15 – 20 water bars along the site's access road. Over the past five (5) years, WDEQ/LQD personnel have tried to communicate the need to complete this reclamation work to Mr. Gustin, to no avail. Mr. Gustin has refused delivery of mail correspondence from the WDEQ since 2007. Failure to reclaim affected land as mining progresses in conformity with the approved reclamation plan is a violation of W.S. §35-11-415 (b)(ix). In light of this violation, a Notice of Violation (NOV) will be sent under separate cover.

w/Photo Addendum (Pages 4 – 7 of this memo) and Site Map (provided by USFS)

*****End of Memorandum*****

Cc: Melvin E. Gustin, P. O. Box 468, Riverton, WY 82501
Rick Metzger, USFS Dubois, P. O. Box 186, Dubois, WY 82513-0186
LQD Cheyenne → Permit 310s Annual Inspection File
LQD Lander → Mark Moxley → Permit 301s Annual Inspection File
Chron (minus photos)

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Photo Addendum to accompany the 2011 Annual Inspection of Mel Gustin's Permit 310s

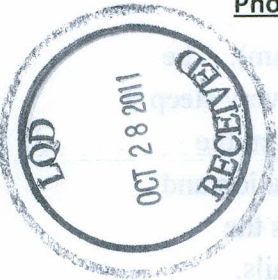


Photo Number 1: This depicts one of the healed overgrown excavation sites dug under Permit 310s. The claim post can be seen in the center of the photo.



Photo Number 2: This depicts another overgrown excavation site associated with Permit 310s.



Photo Addendum to accompany the 2011 Annual Inspection of Mel Gustin's Permit 310s cont'd...



Photo Number 3: This depicts a third excavation site dug under Permit 310s. The quartz outcrop can be clearly seen.



Photo Number 4: This depicts a steep portion of the two-track road leading to the upper three excavation sites dug under Permit 310c. This is one of the several locations along the access route that is in need of a water bar.

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Photo Addendum to accompany the 2011 Annual Inspection of Mel Gustin's Permit 310s cont'd...

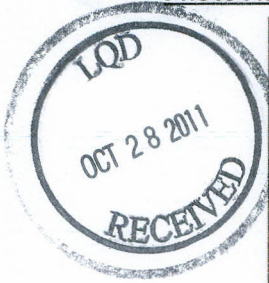


Photo Number 5: This is another portion of the access route in need of a water bar.



Photo Number 6: This depicts the quartz (silica) that is found as "float" material downhill from Mr. Gustin's excavation sites.

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Photo Addendum to accompany the 2011 Annual Inspection of Mel Gustin's Permit 310s cont'd...

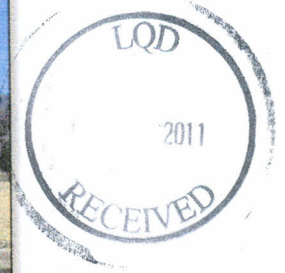


Photo Number 7: This depicts the gate at the section line between Sections 31 and 30 T. 43N, R.104W that prevents vehicular access to the area.

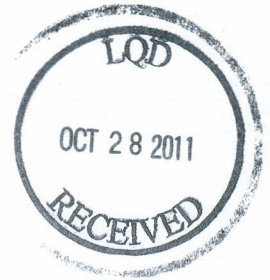


Photo Number 8: This depicts the hillside on which Mr. Gustin's Permit is located (red oval), as viewed from down below at the parking area just south of the section line between Sections 30 and 31.