



**DEPARTMENT of AGRICULTURE
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 E CAPITOL AVE
PIERRE SD 57501-3182
danr.sd.gov

April 9, 2026

Michael Gollhofer
Pete Lien & Sons Inc
PO Box 440
Rapid City, SD 57702

Re: EXNI 469 for Pete Lien & Sons Inc. Exploration Drilling in Sections 3, 4, and 5, T1N, R3E, and Sections 25, 30, and 33, T2N, R3E, Pennington County

Dear Mr. Gollhofer:

The department is in receipt of the Exploration Notice of Intent (EXNI) that you filed with our office on March 09, 2026. The department has determined the Notice of Intent to be procedurally complete. Based on our review of your Notice, we determined the following restrictions are required:

1. This project shall be conducted and reclaimed in such a manner as to prevent any violation of the beneficial uses of specified water quality criteria of any water resources in the area. In accordance with ARSD Chapter 74:51:02 and 74:51:03, all surface waters of the state have been assigned the following beneficial uses:
 - 9) Fish and wildlife propagation, recreation, and stock watering assigned to lakes;
 - 10) Irrigation waters and fish and wildlife propagation, recreation, and stock watering for streams

In addition, there are drill pads located in areas adjacent to North Fork Castle Creek and Castle Creek. In accordance with ARSD 74:51:02 and 74:51:03, these creeks have the additional following beneficial uses:

- 2) Coldwater permanent fish-life propagation waters;
 - 8) Limited contact recreation waters
2. Any discharge from the site shall be directed to a settling pond or flat vegetated area to allow suspended solids to settle out. For any discharge into a dry draw, gulch or surface water resource, a South Dakota Surface Water Discharge permit may be required prior to discharge.
3. To ensure optimal soil erosion protection, all affected lands shall have adequate sedimentation and erosion control measures applied pursuant to SDCL 45-6C-32 and according to Best Mineral Management Practices. These measures shall be in the form of waterbar construction on access roads where appropriate; revegetation of roads; road embankment slopes; and the installation of straw bale or silt fence type sediment filters wherever necessary. Pete Lien & Sons Inc. shall inspect, clean out, repair, or upgrade the sediment controls as necessary to prevent degradation of surface waters of the state.

4. All topsoil shall be salvaged and stockpiled for use in reclamation.
5. When drilling fluids are used and/or when ground water is encountered during drilling, the fluids shall be sufficiently contained to prevent overland flow or discharge to any waters of the state. If water tanks are used in lieu of mud pits, they shall also be sufficiently contained.
6. When mud pits are being utilized in drilling a hole, where possible, these pits shall be constructed on the uphill side of the drill pad or away from highwalls.
7. Pete Lien & Sons Inc. shall spray weeds up to 50 feet from all disturbed and surrounding areas, including along access roads within the exploration permit boundary. Weed control on all disturbed or reclaimed areas is required until this EXNI is released of reclamation liability by the Board of Minerals and Environment.
8. During periods of active exploration drilling, Pete Lien & Sons Inc. shall provide, via email, a weekly schedule outlining when and where holes will be drilled so the department can plan inspections and witness plugging activities.
9. Pete Lien & Sons Inc. shall maintain a 50-foot operational buffer from any private well within the exploration area.
10. All test holes shall be capped, sealed and plugged according to ARSD 74:11:08 (Plugging Standards) immediately following drilling and probing.
11. If surface casing is used in exploration holes, the following requirement shall be met:
 - a) Prior to removal of surface casing, the hole shall be plugged in accordance with ARSD 74:11:08 to a level just below the bottom of the surface casing.
 - b) Following step a), the casing will be removed (when possible) or cut off at least one foot below the ground surface.
 - c) The remainder of the hole will be plugged in accordance with ARSD 74:11:08.
12. Pete Lien & Sons Inc. shall notify the department, in writing, when exploration drilling penetrates an aquifer. Notification shall be provided as soon as possible, but not more than 90 days after penetration of the aquifer. Notification shall include the location of the test hole penetrating the aquifer.
13. Where affected roads and drill pad areas are no longer necessary for further exploration purposes, reclamation must be completed on these disturbed areas within 12 months. If Pete Lien & Sons Inc. plans to continue exploration in disturbed areas but must temporarily cease exploration activities, reclamation must be completed within 24 months. Pete Lien & Sons Inc. may submit a request to extend these deadlines as necessary to the department.
14. Reclamation must be completed on all affected acreages within 12 months following completion of all exploration activities allowed under this Notice.
15. The following seed mix shall be used for reclamation of the affected areas:

Slender wheatgrass	5.00 PLS/acre
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Annual ryegrass	6.00 PLS/acre
Canada wildrye	2.00 PLS/acre
Canby bluegrass	2.00 PLS/acre
Green needlegrass	4.00 PLS/acre
Purple prairie clover or American vetch	1.00 PLS/acre

16. Pete Lien & Sons, Inc. shall have a qualified biologist conduct bird nest surveys on all trees proposed for removal no more than one month prior to removal. Surveys shall document species and nest status. Data on active nests shall be submitted to SDGFP to determine the proper next steps. Surveys are required to identify nests prior to tree removal and avoid nest destruction.
17. Pete Lien & Sons, Inc. shall comply with all conservation measures outlined in the following document prepared by HDR Engineering, Inc.: *Wildlife Biological Evaluation, Biological Evaluation – Botany, and Biological Assessment - Final*.
18. Pete Lien & Sons Inc. shall follow any restrictions and requirements outlined in the April 9, 2026, letter from the Archaeological Research Center prior to disturbance of any areas identified as requiring additional study.
19. During the conduct of its exploration activities, Pete Lien & Sons Inc. shall avoid bones, artifacts, foundation remains, or other evidence of previously unrecorded past human use. For specific direction regarding avoidance of these sites, please contact the SD Archaeological Research Center.
20. If any artifacts or other archaeological or cultural resources are discovered during exploration activities, the activities shall be halted and the State Archaeologist notified at once.

Please note that we have assigned your Notice of Intent the following number: **EXNI-469**. This Notice allows you to conduct only the type and amount of work which is hereby being approved. Any additional work must be covered by the submission of a new Notice to our office. Pete Lien & Sons Inc. may commence with the operation contingent upon compliance with the above restrictions and submittal and approval of the reclamation bond for this project.

Thank you for your interest in and consideration for the natural resources of South Dakota.

Sincerely,

\s/

Roberta Hudson
 Engineering Manager I
 Minerals, Mining, and Superfund Program
 Telephone: (605)-773-4201
 E-mail: roberta.hudson@state.sd.us

cc: Mandy Pearson, Department of Game, Fish and Parks
 Dustin Lloyd, Archaeological Research Center
 Roberta Hudson, Pierre Office