

**NONCOAL
STANDARD OPERATING PROCEDURE NO. 1.3**

LAND QUALITY DIVISION

SUBJECT: PERMIT TRANSFER

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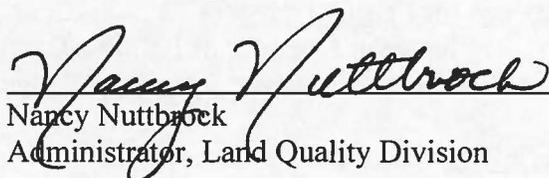
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Foreword

The attached Standard Operating Procedure is the internal policy of the Land Quality Division of the Wyoming Department of Environmental Quality covering the topic of Transfers of Noncoal Permits. Staff shall make no significant deviations from this policy without the prior approval of the District Supervisor and the Administrator.

Signed this 13th day of February, 20 14.



Nancy Nuttbach
Administrator, Land Quality Division

I. Reasons for Permit Transfers

A. Change in Operator or Permittee

Most transfers involve a new operator or permittee. This transfer is usually directly solicited by the new and old permittee.

B. Name or Corporate Structure Change

The Land Quality Division (LQD) should be alert to all changes in a permittee's name or status. If a new name appears on correspondence, annual report filings, etc., the LQD should inquire whether the change was simply a name change or whether the company was reorganized and the assets transferred to another entity. A written response from the company outlining the transaction(s) is required.

1. Company Name Change

If the change is merely a name change, a transfer is not required. The LQD requires verification from the Secretary of State's Office or a certified copy of the Board of Director's resolution which affected the change. A Form 11 along with a bond rider, Letter of Credit Amendment or new bonding instrument which lists the new name shall be sent in duplicate to the appropriate LQD District Office with directions to make appropriate changes in all files, record logs and forms. This will be processed as a revision utilizing the Form 11. The District office must check with the Records Specialist for the appropriate change number.

2. Company Reorganization

Reorganization usually involves changes in the corporate family tree, such as a new

corporate entity or a new partnership. Such reorganizations usually involve transfer of a permittee to a wholly-owned subsidiary or affiliated company.

These reorganizations require a formal permit transfer to the new corporate entity, new partnership or Limited Liability Company. In the case where a partner or member is replaced by a new partner or member, the permit should be transferred to the new partnership or Limited Liability Company. It is LQD's position that any change in the ownership results in the dissolution of the original partnership or Limited Liability Company.

II. Definitions

Some of the transfer documents require different actions by specific parties.

- A. The TRANSFEROR is the current permit holder, Form 1(t), item 1(a).
- B. The TRANSFEREE is the prospective new permittee/applicant, Form 1(t), item 2(a) and Form 3, item 1.

III. Coordination Responsibilities

Unless otherwise designated by the Administrator, the respective District Office will coordinate all permit transfers.

In general, the District office is responsible for:

- A. All preliminary discussion and coordination with the transferee and transferor to ensure a complete application.
- B. Initial processing of the transfer application including proper filing and coordination with the Cheyenne LQD staff for establishment of a Temporary Filing Number, solicitation of Cheyenne Staff assistance, etc.
- C. Determination of a complete application.
- D. Conduct necessary/appropriate compliance assessment (field inspection, contact with other DEQ agencies, etc.).
- E. Assembling the final transfer package including draft approval letter(s), prospective Form 1(t) conditions, warehousing directions, etc.

IV. Procedures

A. Small, Regular and In-Situ Permit Transfer Applications

- 1. Form 1(t), Permit Transfer Application

The transferee and transferor must submit a fully executed Form 1(t). The form must be an original with all four pages attached as one unit, with all original seals affixed.

2. Form 3, License to Mine Application

The transferee must submit a fully executed Form 3 and the \$25.00 filing fee made payable to the Department of Environmental Quality/Land Quality Division. If the transferee has a license to mine with the correct name under the present permit, a new Form 3 is not required.

The applicant must submit written correspondence stating which currently active licenses to mine are to remain active and which are to be terminated upon approval of the transfer.

3. Reclamation Performance Bond

The permit transfer package must include a fully executed Reclamation Performance Bond in the name of the prospective transferee. The bond aggregate and proper LQD bond form must be verified.

The transferor's bond will be released concurrently with the approval of the permit transfer.

4. New Appendices A, B, and C must be submitted if the appendices currently on file do not include all approved incidental boundary revisions.

Appendix A: Names and last known addresses of the owners of record of the surface and mineral rights on the land to be covered by the permit, including identification by quarter-quarter, section, township and range.

Associated map identifying locations of ownership.

Appendix B: Names and last known addresses of the owners of records of surface rights for lands immediately adjacent to the permit, including identification by quarter-quarter, section, township and range.

Associated map identifying locations of ownership.

Appendix C: A list of the location of lands by legal subdivision, section, township, range, county and Municipal Corporation, if any.

A United States Geological Survey (USGS) topographic map, if available, of the permit area or evidence of prior approval to submit other than an original USGS quad.

A tabulation of lands in the permit area where no right to mine is claimed with acreage, and of lands which overlap with other permittee.

5. Compliance Assessment

W.S. §35-11-408 provides that no permit be transferred if the permit holder is in violation of the Wyoming Environmental Quality Act (EQA) and/or applicable Agency Rules and Regulations. **This includes violations of Air Quality Division, Water Quality Division, LQD or Solid and Hazardous Waste Division statutes.**

When a permit transfer is requested, the LQD will inspect the permit area to verify current compliance with the EQA. If the permit holder is found not to be in compliance, approval of the transfer will be withheld pending resolution of the violations unless the transferee agrees to bring the permit into compliance.

In consultation with the Administrator, the District Supervisor may exercise some discretion in the need for a formal field compliance inspection of all permitted acreage.

6. Interim Annual Report

In consultation with the Administrator, the District Supervisor may require an Interim Annual Report from the current permittee. This Interim Annual Report should address the items listed in W.S. §35-11-411 for the benefit of the State and the permit transferee. This report, along with the annual report submitted by the transferee at the first normal Annual Report due date would provide relatively complete documentation of activities conducted during the report period. The permit anniversary date will remain the same after any permit transfer.

7. Existing Permit Conditions or Proposed Permit Revisions

The permit is normally transferred with all procedures, commitments, conditions, etc. intact. The transferee may request minor changes to the existing permit as a component of the overall transfer application. The transferee must clearly identify these changes and agree on formatting of the changes with the LQD prior to submittal of the transfer application.

The proposed revisions will be reviewed and specifically approved as a component of the overall permit transfer.

B. Final Decision Recommendation

The District Office will prepare a draft approval letters for the Administrator and forward these drafts with other necessary supporting information to the LQD Cheyenne Office. *[Attachments A and B are Draft approval letters for the LQD Administrator and DEQ Director's signature.]*

C. Limited Mining Operations

Limited Mining Operations (LMO) may be transferred to another operator. The process requires:

1. Submittal of a new fully executed LMO Application Form. The LQD staff should ensure that the transferee uses the most current version of the LMO Application Form. The transferee has the option to alter the listed acreage.
2. Reclamation Performance Bond

The permit assumption package must include a fully executed Reclamation Performance Bond (RPB) in the name of the prospective transferee. The new RPB must be at either \$2,000 per acre or \$3,000 per acre pursuant to W.S. §35-11-401(e)(vi)(B). The transferor's bond will be released concurrently with the approval of the LMO transfer.

3. Submittal of a fully executed LMO Transfer form.
4. Compliance Assessment

The LQD should make some effort to ensure that there is no outstanding compliance issue. The need for an actual site inspection lies with the discretion of the District Supervisor.

5. The District Office shall consolidate all materials and forward them along with a recommendation for approval to the Mine Operations Permit/Bonding Analyst, who will prepare the appropriate approval letters for the Administrator's approval.
 - a. Sample approval letter - Attachment C
 - b. Letter to previous operator - Attachment D

D. Drilling Notifications

Drilling Notifications may be transferred to another operator. The process requires:

1. Submittal of a new fully executed Form 9DN. The LQD staff should ensure that the transferee uses the most current version of Form 9DN.
2. Reclamation Performance Bond

The permit assumption package must include a fully executed Reclamation Performance Bond (RPB) in the name of the prospective transferee. The bond amount will be determined by District office.

The transferor's bond will be released concurrently with the approval of the permit transfer.

3. Submittal of a fully executed Reclamation Assumption of Liability form.
4. Compliance Assessment

The LQD should make some effort to ensure that there is no outstanding compliance issue. The need for an actual site inspection lies with the discretion of the District Supervisor.

5. The District Office shall consolidate all materials and forward them along with a recommendation for approval to the Mine Operations Permit/Bonding Analyst, who will prepare the appropriate approval letters for the Administrator's approval.
 - a. Sample approval letter - Attachment E
 - b. Letter to previous operator - Attachment F

E. License to Explore by Dozing (LE)

Licenses to Explore may be transferred (assumed) by another operator. The process requires:

1. Submittal of a new fully executed Form 4 along with the \$25.00 fee. The LQD staff should ensure that the transferee uses the most current version of Form 4.
2. Reclamation Performance Bond

The permit assumption package must include a fully executed Reclamation Performance Bond (RPB) in the name of the prospective transferee. The bond amount will be determined by District office.

The transferor's bond will be released concurrently with the approval of the permit transfer.

3. Submittal of a fully executed Reclamation Assumption of Liability form.
4. Compliance Assessment

The LQD should make some effort to ensure that there is no outstanding compliance issue. The need for an actual site inspection lies with the discretion of the District Supervisor.

5. The District Office shall consolidate all materials and forward them along with a recommendation for approval to the Mine Operations Permit/Bonding Analyst, who will prepare the appropriate approval letters for the Administrator's approval.

- a. Sample approval letter - Attachment G
- b. Letter to previous operator - Attachment H

V. Filing Procedures

The approved Transfer will be catalogued as a separate document with the original permit document. The District Office will consult with the Cheyenne LQD Records Specialist to ensure that procedures agree.

VI. Attachments - see following pages

Attachment A

OMIT DATE

RE: Approval of Transfer for Permit No. , TFN , Change No.

Dear

With the recommendation of , District , your pending permit transfer referenced above has been approved effective this date. This action will be labeled as Change No. to Permit No. (xxx-xx). (Name of Surety Co., Bank, etc.) (bond, cd, etc.) no. has been accepted in the amount of Dollars (\$) to cover the reclamation costs associated with Permit No. . Copies of your approved permit transfer application, license to mine, and bond are enclosed.

As of this date no further mining activity may take place by (old permittee name) under Permit no. .

Termination of licenses??

Should you should have any questions, please feel free to contact the District (I, II or III) office in (Cheyenne, Lander, Sheridan).

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

Todd Parfitt
Director
Dept. of Environmental Quality

DH:NN:

Enclosures

- xc: District w/enclosures
- Surety/Bank - released bond
- Licenses??
- old operator
- Surety Co. - new bond w/encl.

Attachment B

CERTIFIED

(old permittee)

RE: Approval of Transfer of Permit No.

Dear :

With the recommendation of , , District , the pending transfer referenced above has been approved effective this date. Enclosed is (Name of Surety Co., Bank, etc.) which may be presented to the surety for cancellation.

As of this date no further mining activity may take place by (old permittee name) under Permit No. .

Should you should have any questions, please feel free to contact the District (I, II or III) office in (Cheyenne, Lander or Sheridan).

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

Todd Parfitt
Director
Dept. of Environmental Quality

DH:NN:
Enclosure
xc: District
(surety)

Attachment C

OMIT DATE

CERTIFIED

RE: Approval of Assumption of Limited Mining Operation No. ET, TFN

Dear :

With the recommendation of , District , your pending Limited Mining Operations assumption cited above has been approved effective this date. (Name of Surety Company, Bank, etc.) in the amount of dollars (\$), has been accepted as the bonding instrument to cover the reclamation costs associated with Limited Mining Operation No. ET. Copies of your approved LMO form and bond instrument are enclosed.

If you haven't done so already, please contact the Air Quality Division for possible permits that would be required for this operation. Their phone number is listed above in the letterhead.

If your operation involves excavation or placement of fill within a drainage or wetland, you must contact the U.S. Army Corps of Engineers for permitting information. They may be reached at 504 W. 17th St., Cheyenne, WY 82001 (307-772-2300).

An annual report on your operation will be due on or within thirty (30) days prior to the anniversary date of this Ten Acre Exemption. You will be notified by the Land Quality District office prior to that time and supplied with the necessary forms.

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

NN:

Enclosure

cc: District w/enclosure
(BLM)
(surety)
U.S. Army Corps of Engineers
WDEQ - Air Quality Division
State Mine Inspector
Don Stauffenberg
PO Box 1094
Rock Springs, WY 82902

Attachment D

OMIT DATE

CERTIFIED

(Old Permittee)

RE: Approval of Assumption of Limited Mining Operatoin No. ET

Dear :

With the recommendation of , District , the pending Limited Mining Operation referenced above has been approved effective this date. Enclosed is which may be presented to the surety for cancellation.

As of this date no further mining activity may take place by (old permittee name) under Limited Mining Operation No. ET.

Should you should have any questions, please feel free to contact the District (I, II or III) office in (Cheyenne, Lander or Sheridan).

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

NN:

Enclosure

xc: District
(surety)

Attachment E

OMIT DATE

CERTIFIED

RE: Approval of Assumption of Drilling Notification No. DN, TFN

Dear :

With the recommendation of , , District , your pending drilling notification assumption cited above has been approved effective this date. (Surety name, Bank name, etc.) bond no. in the amount of (\$) has been accepted as the bonding instruments to cover the reclamation costs associated with Drilling Notification No. DN. A copy of your approved bond is enclosed.

If you have any questions about the drill hole report or any other aspect of this permit, please contact the District (I, II or III) office in (Cheyenne, Lander or Sheridan) .

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

NN:

Enclosure

xc: District w/enclosure
(surety)

Attachment F

OMIT DATE

CERTIFIED

(Old Permittee)

RE: Approval of Assumption of Drilling Notification No. DN

Dear :

With the recommendation of , , District , the pending drilling notification assumption referenced above has been approved effective this date. Enclosed is which may be presented to the surety for cancellation.

As of this date no further drilling activity may take place by (old permittee name) under Drilling Notification No. DN.

Should you should have any questions, please feel free to contact the District (I, II or III) office in (Cheyenne, Lander or Sheridan).

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

NN:

Enclosure

xc: District
(surety)

Attachment G

OMIT DATE

CERTIFIED

RE: Approval of Assumption of License to Explore No. LE, TFN

Dear :

With the recommendation of , , District , your pending license to explore assumption cited above has been approved effective this date. (Surety name, Bank name, etc.) bond no. in the amount of (\$) has been accepted as the bonding instruments to cover the reclamation costs associated with License to Explore No. LE. Copies of your approved license and bond are enclosed.

If you have any questions about this license, please contact the District (I, II or III) office in (Cheyenne, Lander or Sheridan).

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

NN:

Enclosure

xc: District w/enclosure
(surety)

Attachment H

OMIT DATE

CERTIFIED

(Old Permittee)

RE: Approval of Assumption of License to Explore No. LE

Dear :

With the recommendation of , , District , the pending license to explore assumption referenced above has been approved effective this date. Enclosed is which may be presented to the surety for cancellation.

As of this date no further exploration activity may take place by (old permittee name) under License to Explore No. LE.

Should you should have any questions, please feel free to contact the District (I, II or III) office in (Cheyenne, Lander or Sheridan).

Sincerely,

Nancy Nuttbrock
Administrator
Land Quality Division

NN:

Enclosure

xc: District
(surety)