



April 10, 2023

Rob Hoelscher, District Ranger
Hell Canyon District
Black Hills National Forest
1019 North 5th Street
Custer, SD 57730
comments-rocky-mountain-black-hills-hell-canyon@usda.org

Dear District Ranger Hoelscher:

This letter serves as our scoping comments on the proposed Newark gold exploration drilling project. Black Hills Clean Water Alliance is a nonprofit organization with members throughout western South Dakota, including in the Custer area. We request that an Environmental Impact Statement be completed for F3 Gold's proposed Newark drilling project for a number of reasons.

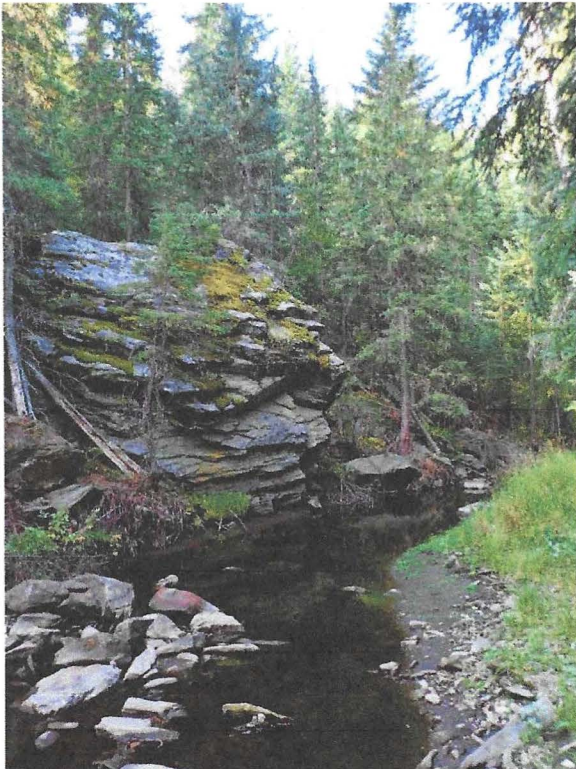
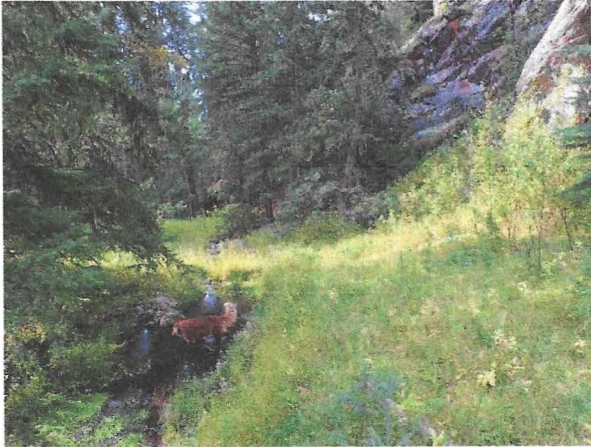
This project should not be subject to a categorical exclusion (see 36 CFR 220.6 for more information). It is highly unlikely to be completed, including reclamation, within a year. Half of the year, it is too cold/snowy for grasses to germinate in the proposed project area, and it takes awhile for grasses to become established. In March, April, and May, it is often too wet and muddy to allow heavy equipment and pickup trucks to travel in this area without causing substantial resource destruction. This means that the drilling at 39 drill pads – as many as 390 drill holes – would have to be completed from September to February. Or using F3 Gold's schedule, between a dry May and July, so that reclamation had a chance to be completed within a year. Both timeframes are highly unlikely. The company will be back at your door asking for an extension, and this possibility is totally foreseeable. You should foresee it now, and not give F3 Gold a categorical exclusion.

Next, a categorical exclusion cannot be granted for a project that involves clearing more than acre of land or creating more than a mile of new road. This proposed project would – even in the company's minimized calculations – require clearing of 4.49 acres and over a mile of new road (about 5,500 feet, according to the Plan of Operations or "PoP"). This can be called "temporary new access alignment" repeatedly without changing the fact that it is new road, 12 feet wide, requiring brush clearing and potentially earth moving. The company does plan to use a dozer. Saying that this will disturb only 1.5 acres strains credibility. It will disturb not only the actual surface of the road, but also wildlife, water flow, air quality, campers, and other outdoor recreators in the general area.

Next, there are wetlands and at least one spring in the proposed project area, as well as French Creek. French Creek runs right through Custer, SD, and is used by the municipality, and then flows into

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Custer State Park. This is a scenic river that draws bicyclists, hikers, and tourists. Any contamination would negatively impact outdoor recreation and the area's economy. Without further study, it is not possible to say that this unique area of the Black Hills doesn't contain threatened or endangered or sensitive species, cultural or historical sites or resources, or critical habitat – all of which are more likely by springs and waterways. One type of habitat that is of concern is montane grasslands, which are limited to the Black Hills and are present in the general area. See the enclosed photos of the area, which show a distinct landscape that is diverse and different from the usual vegetation in the general Black Hills.



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The Forest Service's study of this project needs to include robust and substantive tribal consultation and – under the United Nations Declaration on the Rights of Indigenous Peoples – the free, prior, and informed consent of the area's indigenous peoples before any drilling was to begin. As noted above, this beautiful site that includes water and plentiful grass is a likely location for cultural and historical sites. A number of indigenous peoples consider the entire Black Hills to be a sacred landscape, and all drilling to be sacrilege. The Forest Service needs to understand and respect this fact.

These issues constitute extraordinary circumstances, and a categorical exclusion should not be granted.

Another issue arose at the meeting sponsored by the Forest Service on February 16, 2023, in Custer. At this meeting, you stated that the Newark project was going to happen, regardless of public input or opposition. This violated NEPA, which is designed to ensure that proposed projects are fully considered before an agency decision is made, and to ensure public education and participation in the decision-making process. You put the cart before the proverbial horse, and the NEPA process should be started over for this project and headed up by someone who has not pre-determined the outcome.

The PoO for the Newark project appears to be modeled after the PoO for F3 Gold's Jenny Gulch project. If this is the case – and the language is very similar in a number of sections – this is inappropriate and should be remedied. The Jenny Gulch area and the Newark area are both in the central Black Hills, but the two areas are also very different. They are at least different in terms of history (so probably cultural resources), presence of a large reservoir at Jenny Gulch, topography, fauna, flora, some types of recreation, and socioeconomic variables. Each requires independent, thorough study.

That independent, thorough study should include an Environmental Impact Statement. It should consider many topics raised by the public and in the PoO, such as:

- Potential impacts on people's wells
- Impacts on area tourism and outdoor recreation businesses, including specific businesses, the Custer-area economy, and the Black Hills economy more generally
- Impacts of a 24-hour operation with bright lights and traffic on wildlife, area residents, businesses, and people's need for quiet and solitude
- The risk of fire from F3 Gold's operations
- The abysmal plan to leave exploration wastes on the ground without consideration for contamination of area water or land
- The history of gold mining in the Black Hills, including creation of Superfund sites and contamination of water all the way downstream to the Missouri River
- A realistic, detailed plan for the handling of hazardous materials
- The potential economic impacts of spills and leaks from the project, including drilling fluids, dumping of drilling wastes, and hazardous materials that could end up on area land and in area waters
- The potential impact of vehicle accidents, as occurred at the Mineral Mountain Resources drilling project in the northern Black Hills. This accident involved a water truck that went off the road, dumping its load of water
- The risk of invasive plants from the proposed project

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- The regulatory history and compliance – or lack thereof – by F3 Gold, its owners and principals, its related enterprises (such as Big Rock Exploration), its contractors, and any other individual or company that will be involved in the proposed project
- Project traffic issues, including those related to the use of the area by other vehicles. This includes traffic on Highway 16, especially in the summer months
- Drill sites should not be allowed to “vary in location by up to 75 feet in any direction,” as stated in the PoO. If F3 Gold has “verified these proposed locations in the field” as they state in the PoO, the locations should already be clear. There should not be enough wiggle room for the project’s disruption to be moved into a sensitive area
- Neither F3 Gold nor the Forest Service should rely on State Historical Preservation Organization information in determining where cultural resources may be present or absent. The last word on these locations lies with the indigenous communities that have both long histories in the area and the cultural knowledge needed to identify and locate sites of cultural importance
- The PoO states, “Generally, all proposed sites have factored in a buffer of approximately 100 feet to known intermittent streams and water bodies where possible.” The words “generally,” “approximately,” “known,” and “where possible” make this sentence meaningless. There should be clear avoidance of all intermittent streams and water bodies
- The statement that this proposed project does not include mining, milling, or processing is meaningless. This project’s only purpose is to find a place to mine. This fact needs to be recognized by the Forest Service, and potential mining that results from this or any other exploration in a broad area must be considered as part of the cumulative impacts section in the Environmental Impact Statement
- Groundwater baseline data should be gathered before drilling was permitted, as the geology of the central Black Hills is little-known. This leaves the door open to contamination due to unexpected water sources being drilled into, contamination by drilling fluid, or multiple water sources being connected by drilling.
- Both water quantity and water quality should be studied over a period of time (at least 2 years) before the Forest Service writes analyses of groundwater and geology. The Forest Service can adequately monitor an applicant’s activity only if appropriate, thorough baseline groundwater studies have been completed before the project would begin
- The Black Hills are prone to flash flood events. According to the National Weather Service, floods have become much more common in recent years, probably due to climate change. Flooding has the potential to wash drilling wastes and hazardous materials into French Creek and the wetlands in the project area. Forest Service analysis and mitigation requirements must take account of this increasing threat
- The source of water for the project should be made public early in the process, so that environmental impacts from water trucks driving to and from the project site can be included in the Forest Service’s evaluation of the project
- The “Environmental Protection Measures” section of the PoO indicates, first, that applicant has not really thought about this topic and, second, that it does not pay much attention to this topic. The Forest Service should be sure to remedy this situation as it prepares its Environmental Impact Statement by providing detailed requirements for environmental protection. For example, scenic values will clearly be impacted by this project, despite what applicant says. Many people hike and bicycle into the area. And the applicant doesn’t seem to know about any

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threatened or endangered species or about any historical mine shafts, holes, adits, or workings. These two points intersect around the active concern for bats in the Black Hills

- F3 Gold would have a hard time reporting hazardous spills to the State when it doesn't know the proper name of the relevant agency. Overall, this PoO received little attention, and the applicant needs to start over and write a complete document that is geared toward specific local issues
- If it gets to that point, bonding should be adequate to resolve any likely issues. Those include abandonment of the project, as happened in northwestern South Dakota a few years ago, and a drill bit breaking off and leaving groundwater vulnerable, as happened near Waste, SD, a few years ago. The Forest Service should be creative in thinking about the potential problems that could arise from the proposed project and set as high a bond as possible

The argument for doing an Environmental Impact Statement is bolstered by looking at other proposed drilling projects that the Forest Service is considering in the Black Hills. For example, the Northern Hills District is doing an Environmental Assessment for Solitario Zinc's Golden Crest project, which includes only 23 drill pads. This number is only 59% as many drill pads as the 39 proposed for this project. Clearly, the Newark project is larger and requires more scrutiny than the Golden Crest project.

The Newark project's original Plan of Operations was for 49 drill pads. This and the large extent of the company's contiguous claims indicate that the current 39 drill pads are just a beginning. The full extent of F3 Gold's intended drilling on all its Black Hills claims (over 57,000 acres) should be considered under cumulative impacts. For example, the company also intends to drill on part of a large area of claims in the central Black Hills, although this plan is temporarily on hold while the US Forest Service and the Bureau of Land Management consider a mineral withdrawal for some of that area.

Immediately to the south of the F3 claims that surround the Newark project, there are hundreds of claims held by United Lithium, which proposes to mine lithium in the area stretching from Highway 16 to south of Pringle, SD. A map showing these claims – and all other active mining claims in the Black Hills as of December 30, 2022 (228,000 acres) -- is attached.

There are also lithium claims north of the Black Elk Wilderness, as well as lithium mining south of Custer on private lands. Note that lithium mining on private lands in South Dakota requires only a 1-page application, so there are likely to be more projects in the near future. Potential and actual exploration and mining by United Lithium and the at least 8 other lithium operators in the Black Hills should be included as cumulative impacts.

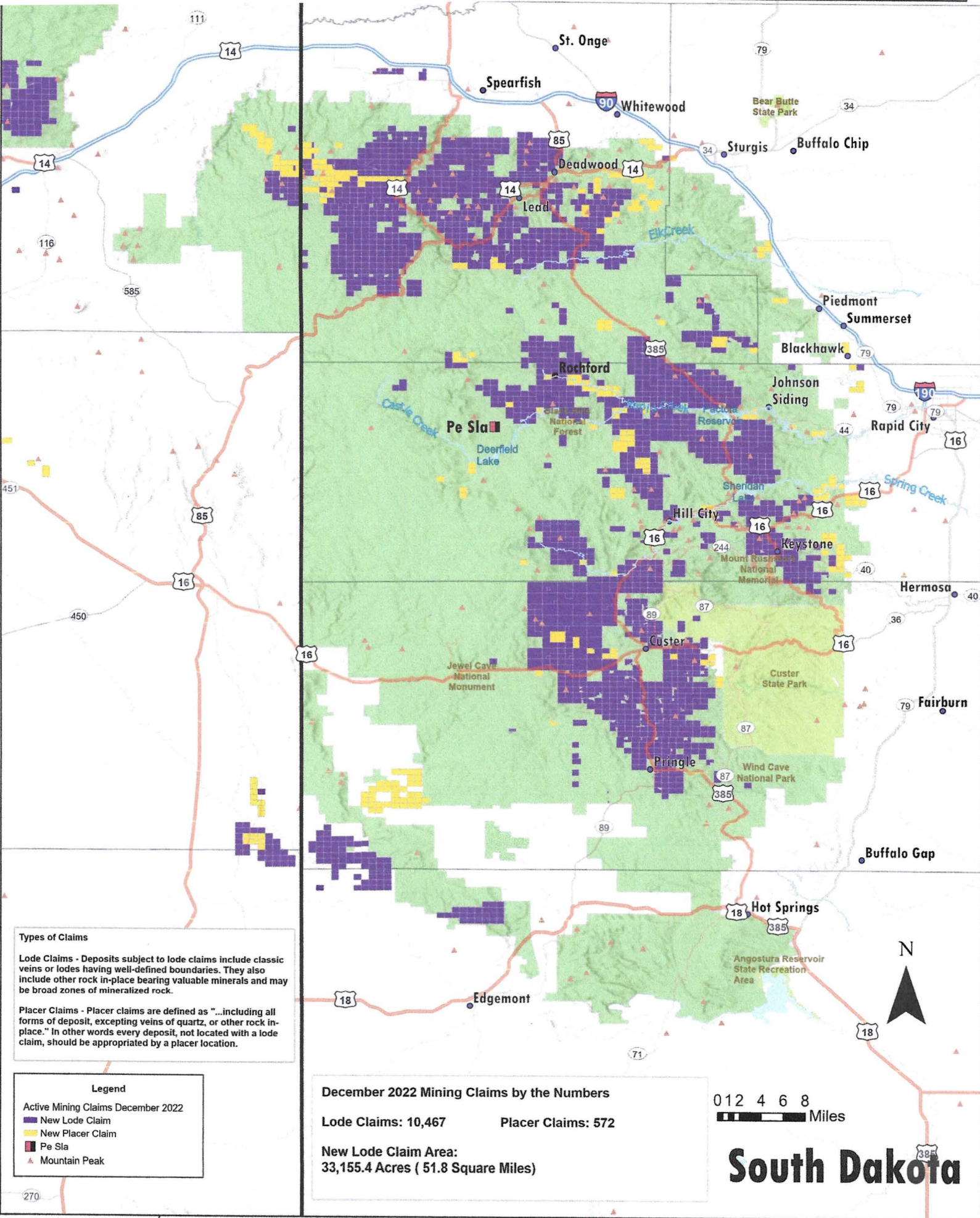
This completes our scoping comments on the proposed Newark gold exploration drilling project. We respectfully request that you do not use a categorical exclusion for this project and, instead, require an Environmental Impact Statement. Please let me know if you have any questions.

Sincerely,



Lilius Jarding, PhD
Executive Director

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Types of Claims

Lode Claims - Deposits subject to lode claims include classic veins or lodes having well-defined boundaries. They also include other rock in-place bearing valuable minerals and may be broad zones of mineralized rock.

Placer Claims - Placer claims are defined as "...including all forms of deposit, excepting veins of quartz, or other rock in-place." In other words every deposit, not located with a lode claim, should be appropriated by a placer location.

Legend

- Active Mining Claims December 2022
- New Lode Claim
- New Placer Claim
- Pe Sla
- Mountain Peak

December 2022 Mining Claims by the Numbers

Lode Claims: 10,467

Placer Claims: 572

**New Lode Claim Area:
33,155.4 Acres (51.8 Square Miles)**

0 1 2 4 6 8
Miles

South Dakota

Strategic Mapping Provided by:



Mato Ohitika Analytics LLC

South Dakota Study Area
BLM Mining Claims
Paha Sapa