

February 18, 2014

Statement of Support for HB 135 (Petersville Recreation Mining Area) by Jules V. Tileston

I strongly support enactment of HB 135. For the record, I am Jules V. Tileston, former Director of Mining and Water Management under Governor Hickel and Governor Knowles. Prior to working within DNR, I was the BLM Alaska official responsible for land use and mining on BLM lands in Alaska. My past employment at the Federal and State level provided a working knowledge of both Federal and State Mining Law in 1994.

I was personally involved in the negotiations between Ms. Stevens and the Alaska Department of Natural Resources (DNR) leading to the establishment of the Petersville Recreation Mining Area and the Mineral Closing Order (MCO)# 674 on June 2, 1994. On January 26, 2012, Ms. Marty Rutherford, former Deputy Commissioner ADNR, and I wrote Governor Parnell urging support for legislation to adjust the Petersville Recreation Mining Area established on May 8, 1997. HB 135 fully meets the objectives of the Tileston/Rutherford January 26, 2012 request to Governor Parnell.

The conceptual 1994 agreement between the DNR and Ms. Stevens was:

- Ms. Stevens would relinquish certain mining claims on land selected by the State under the provisions of the Alaska Statehood Act,
- Ms. Stevens' would support DNR's efforts to pursue legislation to establish the Petersville Recreation Mining Area,
- DNR would develop a process that would allow a commercial recreation mining activity on State land, and
- DNR and Ms. Stevens would enter into a commercial lease centered on her private structures and mining equipment in the area encumbered by the MCO and subsequent legislation establishing the Petersville Recreation Mining Area to support recreation mining activities on an area with ready public access and known placer gold resources that otherwise would have become private mining claims under State law when the land transferred from BLM to State ownership.

At the time of the MCO in 1994, DNR recognized there was no existing mechanism that would authorized a non-competitive commercial recreation mining activity on State land. But DNR in good faith with Ms. Stevens firmly believed there could be a mechanism that would accomplish both an opportunity to provide public recreation mining and a commercial private enterprise to support recreation mining on State land. It took until 2006 for DNR to develop this procedure. The final process requires the commercial recreation mining lease must also have a valid mining

claim under State law. In the case of the Petersville Recreation Mining Area, MCO# 674 prohibits a mining claim under State law. HB 135 would correct this issue by allowing Ms. Stevens to re-establish part of her former mining claims located on State Selected Land and enter into a commercial recreation mining lease. The remainder of the Petersville Recreation Mining Area encompassing approximately 380 acres along Peters Creek and the Petersville Road adjacent to the area affected by HB 135 will remain open to public recreation mining .

In summary, Ms. Stevens voluntarily gifted the State of Alaska valuable placer gold resources with the intent she would be provided an opportunity to enter into a commercial recreation mining lease with DNR.

My understanding is that the DNR supports enactment of HB 135 as does the Alaska Miners Association. I respectfully urge enactment of HB 135.

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