

January 2014

For the record my name is Michele Stevens and I am a lifelong Alaskan. My testimony is in support of HB 135, and will provide historical context.

HB 135, Petersville Recreational Mining Area. This legislation removes several mining claims (Alder #1, Alder #2, Cottonwood #3, Cottonwood #4, Seattle #1, Seattle #2, Contact #1, Contact Claim #2, Willow Claim, and Korter Bench) from the southern part of the Petersville Recreational Mining Area.

In 1994 I relinquished approximately 500 acres of what were previously federal mining claims. The federal claims are encompassed by state-selected land with mining claims which I acquired from John Jacobsen (also known as the Peters Creek-Jacobsen Mining Property).

The Division of Mining and I discussed the creation of a recreational mining area located in USMS 2384. Jacobsen had previously spent over a million dollars surveying the federal mining claims so the Division of mining and I agreed to use the federal monuments and names as reference points and boundaries for the proposed site.

I agreed to gift (relinquish my mineral rights) the federal portions of my state selected claims to the State of Alaska with an express commitment by the State Division of Mining that once the federal land was conveyed to the State of Alaska, approximately 220 acres of the area, that would become known as the south Petersville Recreational Mining Area would be leased to me for the establishment of a commercial recreational mining concession. This concession would include a museum and other amenities to be provided by myself. I own several historic buildings built in 1936, and a Marion steam shovel that helped build the Panama Canal and the Alaska railroad. The Shovel came to Petersville during the 1940's and was used for mining and are still located on said previous federal mining claims.

The agreement I had with the State Division of Mining to transfer or gift my state-selected mineral rights to the state was necessary because there was no legal mechanism at that time for the Division of Mining to allow recreational mining on state mining claims and for me to have a recreational mining business on state mining claims.

To ensure the area could be managed in accordance with our agreement and that other parties could not stake state mining claims in the affected area, a mineral closing order (# 674) was issued on June 2, 1994. Commissioner Harry Noah also mentioned in his letter that "in conjunction with support from the Alaska Miners Association and other agencies and *individuals* for closing the area described in MCO #674 and proceeding with establishing the recreational mining area, The Division of Mining has requested closing the land" The associations he refers to are the Alaska Miners Association/ President Steve Borell, The Yentna Mining Dist/ President Carol Young, and the individual referred to is Michele Stevens (see attached letter)

December of 1996 Jules Tileston drafted a letter to introduce the new regulations for the use of the Petersville Recreational Area, and it stated “after working with *individuals* and *groups* that have suggested changes to the Division.” (see attached letter)

In the proposal for the legislation it stated “the basic intent of the withdrawal action was to secure a place that provides the public a high quality chance to pan for gold, provide revenues to the state, *promote local enterprise*, and provide an educational experience about gold mining.” It also states “*In addition*, we would propose the legislation provide direction that the department should aggressively pursue the opportunity to have *private enterprise develop and run* a high quality public recreation experience centered around gold panning.” In support of the Recreation Area and because of the agreement the Division of Mining and I had I wrote to my Senator and Representative asking for them to sign the regulations into legislation.(see attached letters)

May 8, 1997, House Bill 46 was signed into law establishing two portions of recreational mining areas, the North Petersville Recreational Area that is currently active and the South Petersville Recreational Mining Area, both totaling approximately 500 acres. As previously stated the *INTENT* of the Department of Natural Resources was that approximately 220 acres in the southern Recreation area would be leased back to me when the State received conveyance or T/A of the land from Bureau of Land Management.

Subsequent to the claims being gifted to the State and issuance of the mineral closing order, the Department of Natural Resources determined that it could not under existing State law establish a non-competitive commercial lease to fulfill the agreement with me. However, in 2006 DNR determined a legal way whereby a commercial business could be operated on a portion of a state mining claim or claims by establishing a miscellaneous land use lease, provided there was concurrence with the state mining claim holder. This approach could not be used on lands designated by statute as a recreational mining area.

This current legislative amendment contains two provisions: 1) It would reinstate my full mineral rights to those portions of my mining claims ADL’S 508020-508026 that encompass the southern recreational area 2) It would remove the statutory designation and allow the DNR to lift the mineral closing order and would give the State the authority to proceed forward with procedure and my claims would become whole and then DNR can fulfill its original agreement with me.

I believe that the State of Alaska DNR, the Alaska Miners Assoc. and the Yentna Mining District all concur this is the best mechanism to proceed forward.

Thank you for your time on this matter

Michele Stevens

