

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING, LAND AND WATER

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April 9, 2010

The Honorable Charlie Huggins
Alaska State Senate
State Capitol
Juneau, Alaska 99801

Re: Your Letter of January 29, 2010 on the Petersville Recreational Mining Area

Dear Senator Huggins:

Your letter of January 29, 2010 asked what steps would be needed to reverse the recreational mining designation for the southern portion of the Petersville Recreational Mining Area. The Petersville Recreational Mining Area was enacted under House Bill 46 in 1997 and consists of two areas near Petersville. One area now open for recreational mining is referred to as the northern area and covers 300 acres. The other area is not yet state owned, therefore it is closed to recreational and other mining. This is referred to as the southern area covering 200 acres. The southern area is closed because the federal Bureau of Land Management (BLM) has not yet conveyed the land to the State. The holdup on conveyance has been because of a lease that the BLM is issuing to Michele Stevens for 5 acres within this southern area. We believe that the lease is scheduled to be issued in the near future. Since 1997, the northern recreational mining area has not had much use due in part to difficult access.

To terminate the legislative designation of the southern area, the enabling statute (AS 41.23.630) will need to be modified. In AS 41.23.630 - Petersville Recreational Mining Area, the following verbiage under Section (f)(1) would have to be removed from the statute in order eliminate the southern portion of the Petersville Recreational Mining Area:

[SECTIONS 21 AND 28; ALDER NO. 1; ALDER NO. 2; COTTONWOOD NO. 3; COTTONWOOD NO. 4; SEATTLE NO. 2; CONTACT NO. 1; CONTACT NO. 2; WILLOW CLAIM; KORTER BENCH.]

If the above statutory language were removed, the Commissioner of DNR would then need to issue a Mineral Opening Order to make these lands open to mineral entry (under AS 38.05.185). The land transfer from the BLM would also need to occur before the lands can be open to mineral entry, although "At Risk" claims could be staked by anyone prior to the land transfer. These at risk claims would

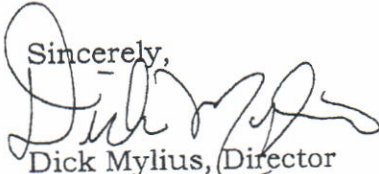
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convert to regular state claims following conveyance of the lands to the State by the BLM.

We believe that these recreational mining areas represent a unique opportunity for weekend enthusiasts and visitors to our State to enjoy the outdoors and the fun of non-mechanized mining. If the area is open to mining claims, we expect that a few recreational suction dredge miners may object to then being locked out by the new claimants that would stake mining claims. **Other than Ms. Stevens, DNR has not heard from any other members of the public that the Recreational Mining Area should be terminated. In addition, there is no assurance that Michelle Stevens would be the first to stake claims for the law is in favor of whoever stakes the claim first after the land becomes open. It is likely that a number of claimants would end of with conflicting claims. It is likely that the Department of Fish and Game may have concerns about any large-scale mining on the active portion of the Creek.**

Please feel free to contact me if you would like additional information.

Sincerely,



Dick Mylius, Director
DNR Division of Mining, Land and Water

cc: Michele Stevens
Tom Irwin, Commissioner, DNR
Rick Fredericksen, DNR, DMLW, Mining Section Chief