

**HB**

**340**

<TARGET><BILL>HB 340</BILL><SUBJECT>HB  
340</SUBJECT><COMM>SRES27</COMM></TARGET>

# ALASKA STATE LEGISLATURE

**Member:**

House Finance Committee  
Legislative Budget & Audit Committee



**Chair:**

House Budget Sub Committees on:  
- Department of Administration  
- Department of Labor and Workforce  
Development

**Session:**

Alaska State Capitol  
Juneau, AK 99801-1182  
Phone: (907) 465-2679  
Fax: (907) 465-4822  
Toll Free (800) 505-2678

**Interim:**

600 E. Railroad Ave  
Wasilla, AK 99654  
Phone: (907) 376-2679  
Fax: (907) 373-4745

## ***Representative Mark Neuman***

Rep.Mark.Neuman@legis.state.ak.us

March 26, 2012

Dear Senator Wagoner and Senator Paskvan

Subject: HB 340 "An Act relating to the reservation of certain mining claims from all uses incompatible with the purposes for establishing the Petersville Recreational Mining Area."

Please consider scheduling this legislation for a hearing at your earliest convenience. Providing my office with some lead time will be greatly appreciated as we would be able to have Ms. Michele Stevens available to answer any questions the committee may have. Attached is a committee package.

Included are the following:

- Letter of Request
- Current version of the bill.
- Sponsor statement.
- 2012 Fiscal Notes
- Supporting Documents
- Names of persons expected to testify (will depend on hearing date).

Please feel free to contact myself or my aide Rex Shattuck (465-2696) with any questions.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Mark Neuman".

Representative Mark Neuman

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

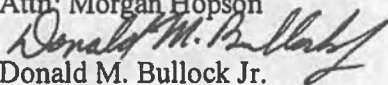
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 23, 2012

**SUBJECT:** Amending the land description for the Petersville Recreational Mining Area (HB 340; Work Order No. 27-LS1342\A)

**TO:** Representative Mark Neuman  
Attn: Morgan Hopson

**FROM:**   
Donald M. Bullock Jr.  
Legislative Counsel

HB 340 amends the description of land and water that are included in the Petersville Recreational Mining Area (Petersville). You asked whether this bill violates the prohibition against local and special legislation in art. II, sec. 19, Constitution of the State of Alaska.<sup>1</sup> Passage of the bill is not prohibited by art. II, sec. 19.

The establishment of the area is authorized by art. VIII, sec. 7, Constitution of the State of Alaska. Section 7 authorizes the legislature to acquire special purpose sites and to preserve and administer the sites for the "use, enjoyment, and welfare of the people."<sup>2</sup> A description of the area is consistent with acquiring and administering a specific area for the people, and HB 340 amends the description of Petersville.

While a description of any limited area in the state is necessarily local, the constitutional authority to acquire and administer Petersville necessarily requires a description of the area within Petersville. HB 340 amends the description of that area. Given the context, the local or special prohibition is likely inapplicable.

---

<sup>1</sup> Article II, sec. 19. Local or Special Acts. The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination. Local acts necessitating appropriations by a political subdivision may not become effective unless approved by a majority of the qualified voters voting thereon in the subdivision affected.

<sup>2</sup> Article VIII, sec. 7. Special Purpose Sites.

The legislature may provide for the acquisition of sites, objects, and areas of natural beauty or of historic, cultural, recreational, or scientific value. It may reserve them from the public domain and provide for their administration and preservation for the use, enjoyment, and welfare of the people.

Representative Mark Neuman  
March 23, 2012  
Page 2

You may wish to review the reasons for excluding the mining claims listed in the bill. Although the designation of the specific area may be necessary for the establishment and administration of the area, the basis for excluding previously included land and water should be consistent with the management of Petersville for the people of the state.

If I may be of further assistance, please advise.

DMB:plm  
12-187.plm

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND AND WATER

SEAN PARNELL, GOVERNOR

DIRECTOR'S OFFICE  
550 W. 7<sup>th</sup> AVE., SUITE 1070  
ANCHORAGE, ALASKA 99501-3579

PHONE (907) 269-8600  
FAX (907) 269-8904

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.]

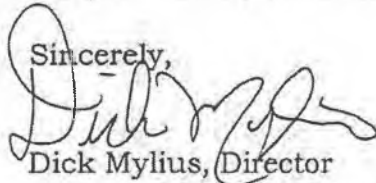
If the above statutory language were removed, the Commissioner of DNR would then need to issue a Mineral Opening Order to make these lands open to mineral entry (under AS 38.05.185). The land transfer from the BLM would also need to occur before the lands can be open to mineral entry, although "At Risk"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

*"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."*

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

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

SEAN PARNELL, GOVERNOR

1031 WEST 4<sup>TH</sup> AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501-1994  
PHONE: (907)269-5100  
FAX: (907)276-3697

March 8, 2012

The Honorable Eric Feige  
House of Representatives  
Alaska State Capitol, Room 126  
Juneau, Alaska 99801

The Honorable Paul Seaton  
House of Representatives  
Alaska State Capitol, Room 102  
Juneau, Alaska 99801

Re: HB 340

Dear Representatives Feige and Seaton:

The House Resources Committee requested the Department of Natural Resources (DNR) and the Department of Law (DOL) to provide answers to legal questions about House Bil No. 340. This bill relates to the reservation of certain mining claims from all uses incompatible with the purposes for establishing the Petersville Recreational Mining Area. Much of the land in question, although still owned by the federal government, has been selected by the state to fulfill the state entitlement from the federal government.

First, the Committee asked whether DNR and DOL can assure the Legislature that mining locations recently made by "Golden Girls LLC" (Michele Stevens) are valid locations on state selected lands, such that if HB 340 passed and Mineral Closing Order No. 674 were lifted, Golden Girls LLC would be in possession of these locations once the state-selected land is transferred to the State of Alaska. The DNR and DOL cannot guarantee to the Legislature that these locations would be considered valid in such an instance.

The Alaska Supreme Court has held that a locator of state-selected lands "acquired mining rights at the time of location." *Moore v. Dept. of Natural Res.*, 992 P.2d 576, 581 (Alaska 1999). Here, at the time of the location by Golden Girls LLC, Alaska Statute 41.23.630 was in effect. Alaska Statute 41.23.630(d) states that, "[t]he Petersville Recreational Mining Area is closed to mineral entry under AS 38.05.185-38.05.275" (emphasis added). This language could be interpreted to mean that at the time Golden Girls LLC located claims, the area was closed to such "at-risk" staking (described in AS

38.05.275). Therefore, the DNR and DOL cannot assure the legislature that the recent "Golden Girls LLC" locations would be considered valid if HB 340 passed and Mineral Closing Order No. 674 were lifted, as AS 41.23.630 was in full effect at the time of location.


Second, the Committee asked whether the Sponsor could draft legislation that directly reinstates certain mining locations to Michele Stevens. Such legislation could be legally problematic. There could be an issue regarding Article II, Section 19 of the Alaska Constitution, which states that, "[t]he legislature shall pass no local or special act if a general act can be made applicable." The Alaska Supreme Court evaluates "special acts" constitutional challenges with a test which examines the "legislative goals and the means used to advance them to determine whether the legislation bears a fair and substantial relationship to legitimate purposes." *Baxley v. State*, 958 P.2d 422, 430 (Alaska 1998) (internal citations and quotations omitted). Although property is unique in nature, legislation relating to mining claims may at least have to include similarly-situated mining claims.

Please feel free to contact me at 269-5211 or Ed Fogels at 269-8423 with any additional questions or concerns.

Sincerely,

MICHAEL C. GERAGHTY  
ATTORNEY GENERAL

By:

  
Ashley Brown  
Assistant Attorney General  
Oil, Gas & Mining Section

ACB/jde

cc: Representative Mark Neuman  
Cori Badgley  
Ed Fogels  
Heather Brakes  
Sonia Christensen



FINDING OF THE COMMISSIONER  
AS 38.05.185(a)

Mineral Closing Order No. 674

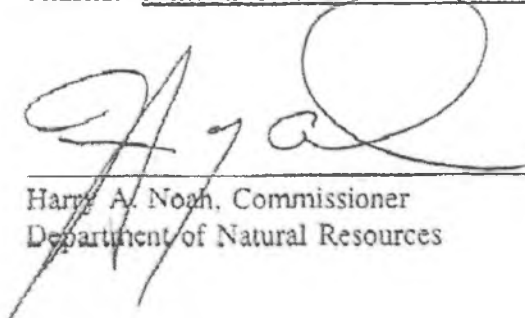
In order to have flexibility in pursuing development of a recreational mining area for the general public, the Division of Mining submitted a request to the Division of Land in March of 1993 for closing to new locatable mineral entry, pursuant to AS 38.05.185, approximately 123 abandoned federal mining claims located in the Peters Creek drainage in the vicinity of Petersville. Total acreage involved approximated 2460 acres and involved U.S. Mineral Surveys No. 2384, 2403, and 2451.

The land surrounding the mining claims, selected by the State of Alaska, was tentatively approved by the Bureau of Land Management (BLM) for transfer to the State. However, the subject federal mining claims were not tentatively approved because of ongoing litigation between the claim owners and BLM. A final court ruling agreed with BLM that the mining claims are abandoned.

Partially as a result of discussions with parties opposed to portions of the original closure proposal, the Division of Mining reconsidered the closure boundaries, reducing it to approximately 520 acres. In conjunction with support from the Alaska Miners Association and other agencies and individuals for closing the area described in Mineral Closing Order (MCO) No. 674 and proceeding with establishing the recreational mining area, the Division of Mining has requested closing the land described in Attachment A.

A recreational mining area and the activities associated therewith would constitute a significant use of the surface estate which would be incompatible with commercial mining and mineral location. Conflicts could be created on the land between the surface and potential subsurface users. MCO 674 would become effective on the date the land is accepted by the State from the Bureau of Land Management by tentative approval or patent, whichever comes first, making null and void any mining claims staked on the land prior to that date.

It is my finding, in accordance with AS 38.05.185(a), that commercial mining and mineral location would be incompatible with the intended surface use of the subject land and therefore, the best interest of the State and its residents is served by closing the land identified in MCO 674 to new locatable mineral entry under the locatable mineral and mining laws of the State of Alaska: Mineral Closing Order No. 674.

  
\_\_\_\_\_  
Harry A. Noah, Commissioner  
Department of Natural Resources

6/2/94  
\_\_\_\_\_  
Date

# STATE OF ALASKA / TONY KNOWLES, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF MINING AND WATER MANAGEMENT

3601 C Street, Suite 800  
Anchorage, AK 99503-5935  
Telephone: (907) 269-8600

December 2, 1996

Dear Alaskan:

I am asking for your comment on draft regulations that concern mining-related fees and activities. For the most part, the proposed changes are clarifications and housekeeping changes. The regulations do contain some new material including new fees for processing mining-related applications, extension of leasehold location requirement to new municipal and charitable conveyances, and a definition of "successor in interest" for the purposes of describing who may not re-stake a location within one year of its abandonment.

If you would like to comment, please do so in writing before **February 14, 1997**. We will accept comments by letter, fax, or e-mail at the address below.

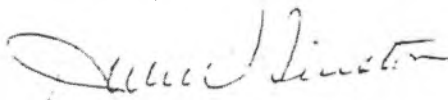
Jules V. Tileston, Director  
Division of Mining and Water Management  
3601 C Street, Suite 800  
Anchorage, Alaska 99503  
Tele: (907) 269-8600  
Fax: (907) 563-1853  
E-mail: JulesT@dnr.state.ak.us

We are asking for your review of the proposed regulations and have prepared this packet to aid your review and comment. We have included an explanation of the proposed changes and a draft of the proposed regulation changes. In addition to any comments on the draft regulations, please indicate any other areas of the department's mining regulations that you believe need change. If you have questions, please do not hesitate to call me, or call Bob Loeffler or Kerwin Krause on my staff. They can also be reached at the address and phone number above.

The regulations were developed in response to review by Division of Mining and Water Management staff, and after working with individuals and groups that have suggested changes to the Division.

Thank you for your consideration. Please write with comments or call with questions.

Sincerely,



Jules V. Tileston,  
Director

Attachments

**\*Sec. 15. - AS 38.05.275 is amended to add a new subsection (d) to read as follows:**

**AS 38.05.275 RECOGNITION OF LOCATIONS**

(d) If a mineral location is made in a disputed navigable waterway such as a river bottom where there is likely to be litigation between the state and federal government over ownership, the mineral location shall be treated as located on "state selected land", and will not become a mining claim until such time as the dispute is resolved or court decision rendered granting the state title to the river bed area.

*Justification: To treat mining claims located in certain disputed navigable waters where there was there was likely to be litigation between the state and federal government over ownership. The proposed solution is treat these disputed state mining claims in the same manner as claims located on land selected by the state. (The claim is valid only at such time as the state gets T.A. from BLM. In the mean time no mining can be done and the claim is invalid if the area is not T.A. ed or if the land is closed to mineral entry under state law/regulation prior to T.A.)*

**\*Sec. 16. - AS 41.23 Multiple Use Management of Public Resources is amended to add a new recreational mining area to Sections 600 - 625 as follows:**

**AS 41.23.600 PURPOSE.**

The purpose of AS 41.23.600 - 41.23.62[0] is to establish the areas described in AS 41.23.620 and AS 41.23.625 as the Caribou Creek Recreational Mining Area and Petersville Recreational Mining Area, respectively. The Caribou Creek and Petersville Recreational Mining Areas [IS] are established to provide for [A] public recreational mining areas to permit public recreational activities and to allow other multiple use activities to continue as long as the activities do not detract from the primary purpose for the establishment of the Caribou Creek and Petersville Recreational Mining Areas.

**Sec. 41.23.610. MANAGEMENT AND REGULATIONS.**

(a) The commissioner is responsible for the management of the surface and subsurface estate within the Caribou Creek and Petersville Recreational Mining Areas necessary to carry out the purposes of AS 41.23.600. The commissioner shall adopt and may revise a management plan and shall adopt regulations for the management, use, and development of the Caribou Creek and Petersville Recreational Mining Areas.

(b) The management plans, including any revisions, and regulations adopted by the commissioner shall be developed in consultation with the commissioner of fish and game and the commissioner of transportation and public facilities. The management plans and regulations shall address, but not be limited to,

(1) the methods of mining permitted within the [CARIBOU CREEK R]recreational [M]ining [A]reas;

(2) the types of mining equipment that may be used within the [CARIBOU CREEK R]recreational [M]ining [A]reas;

(3) the protection of habitat within the [CARIBOU CREEK R] recreational [M]ining [A]reas; and

(4) other restrictions consistent with the purposes stated in AS 41.23.600

(c) Except as provided in this subsection, the Caribou Creek and Petersville Recreational Mining Areas [IS] are open to recreational mining under AS 41.23.600 - 41.23.62[0]5. The commissioner of fish and game is responsible for the management of the fish and game resources and the public use of fish and wildlife resources within the Caribou Creek and Petersville Recreational Mining Areas consistent with the purposes stated in AS 41.23.600. The commissioner of fish and game shall issue a general permit to the public authorizing recreational mining activities subject to seasonal restrictions on the mining activities within specified waterbody areas necessary to maintain fishery resources within the Caribou Creek and Petersville Recreational Mining Areas.

(d) The Caribou Creek and Petersville Recreational Mining Areas [IS] are closed to mineral entry under AS 38.05.185 - 38.05.275.

(e) The commissioner shall permit the construction and realignment of the Glenn Highway by the commissioner of transportation and public facilities within the Caribou Creek Recreational Mining Area as follows:

(1) Township 20 North, Range 10 East, Seward Meridian Section 29: The centerline of the realigned Glenn Highway is described as commencing at the Southwest corner of Section 29; thence on a state plane, Zone 4 bearing of North 2 degrees 09'55/" West, along the West boundary of Section 29, 1481.55 feet to proposed centerline Station 692+58.19 and the True Point of Beginning; thence South 85 degrees 52'40/" East, a distance of 3395.32 feet to proposed centerline Station 726+53.51; thence along a curve to the left, having a radius of 916.73 feet, through an arc of 121 degrees 37'14/", a distance of 1945.93 feet to P.C.C. Station 745+99.44; thence along a compound curve to the left, having a radius of 1637.02 feet, through an arc of 30 degrees 01'50/", a distance of 858.01 feet to Point of Tangent Station 754+57.45; thence North 57 degrees 31'44/" West, a distance of 453.00 feet to P.C. Station 759+10.45; thence along a curve to the right, having a radius of 996.45 feet, through an arc of 144 degrees 30'28/", a distance of 2513.18 feet to Point of Tangent Station 784+23.63 BACK = 741+49.55 AHEAD; thence North 86 degrees 58'44/" East, a distance of 1347.13 feet to Station 754+96.68, a point on the east boundary of Section 29, said point is South 2 degrees 09'55/" East, a distance

of 115.88 feet from the Northeast corner of Section 29;

(2) the right-of-way lines that cross Caribou Creek Recreational Mining Area extend varying distances from the centerline as follows:

(A) from Station 760+00 to Station 765+00 the right-of-way extends 300 feet on the left of centerline and 150 feet on the right;

(B) from Station 765+00 to Station 780+00, the right-of-way extends 300 feet on each side of the centerline;

(C) from Station 780+00 to P.T. Station 784+23.63 the right-of-way extends 300 feet on the left and 400 feet to the right of the centerline.

(f) The commissioner shall allow any construction and realignment of the Petersville Road by the commissioner of transportation and public facilities within the Petersville Recreational Mining Area as needed.

#### Sec. 41.23.620. CARIBOU CREEK RECREATIONAL MINING AREA.

The vacant and unappropriated state-owned land and water and the state land and water acquired in the future that lie within 100 feet of either ordinary high water or mean high tide of the banks of the creeks or rivers described in this section are designated as the Caribou Creek Recreational Mining Area, are reserved from all uses incompatible with the purposes of AS 41.23.600, and are assigned to the department for control and management:

Township 20 North, Range 10 East, Seward Meridian

(1) That portion of Caribou Creek located in Section 28: W1/2; and Section 29: E1/2

(2) That portion of the Matanuska River located in Section 32: SE1/4; and Section 33: NE1/4, NW1/4, SW1/4.

#### Sec. 41.23.625. PETERSVILLE RECREATIONAL MINING AREA.

Within portions of U.S. Mineral Surveys No's. 2384, 2451, and 2452, those vacant and unappropriated state-owned lands and waters conveyed and acquired in the future through Tentative Approval or Patent, whichever comes first, to the State of Alaska under General Purpose Grant State Selection AA-6909, AA-6911, AA-6912, A-051376-A. Upon the date the State of Alaska accepts title to the above selected lands, Mineral Closing Order (MCO) 674 (described below) becomes effective and all state-selected mining claims located prior to that

date become null and void. The land within the claims listed below become designated as the Petersville Recreational Mining Area, are reserved from all uses incompatible with the purposes of AS 41.23.600, and are assigned to the department for control and management.

Township 28 North, Range 8 West, Seward Meridian

(1) The following mining claims within Sections 6-8: Daisy No. 2 (portions thereof); Hidden Treasure No. 1 (portions thereof); Hidden Treasure No. 2; Flora No. 1 and 2; Moose No. 1; Beaver No. 1; Alexander No. 1 and No. 2; Lost Shovel No. 1 and No. 2; Peters Creek No. 8, 9, 10, and 11.

(2) The following mining claims within Sections 21 and 28: Alder #1 and #2; Cottonwood #3 and #4; Seattle #1 and #2; Contact #1; Contact Claim #2; Willow Claim; Korter Bench.

Township 28 North, Range 9 West, Seward Meridian

The following mining claims within Section 1: Daisy No.2 (portion thereof); Hidden Treasure No. 1 (portion thereof).

*Justification: There is significant interest in having the opportunity to pan for gold by tourists and some Alaskan residents. Most areas where there are actual naturally occurring deposits of placer gold are in private ownership or are under active mining claims/leases under state or federal law. This is an opportunity to promote tourism related expenditures associated with gold panning, especially with the forthcoming Gold Rush Centennial activities.*

*Background: AS 41 23.600 established, in 1990, the Caribou Creek Recreational Mining Area to provide for a public recreation mining area and to permit public recreational activities and to allow other multiple use activities so long as the activities do not detract from the primary purpose for establishing Caribou Creek Recreational Mining Area. The Caribou Creek Area (immediately off the Glenn highway near Sheep Mountain) was withdrawn from entry under the state mining laws and reserved as a public area where a person wanting to seek gold could do so without worrying about whether they are on somebody's mining claim. Criteria used to select the Caribou Creek area were: easy access, no existing state or federal mining claims, and the presence of gold that could be recovered by panning. A wayside and trail system has been established and maintained by the Division of Lands. No visitor statistic are available, but the area is regularly used and appears to be popular.*

*During the process of developing criteria for selection of a recreational mining area, the department consulted the Tooheys about the operation of the Crow Creek Mine near Girdwood. Currently, the Crow Creek Mine is one of the top tourist attractions in Southcentral Alaska, with annual visits nearing 35,000 people. The Crow Creek Mine charges \$5/person. Independence Mine receives about 25,000 visits and one of the underground mines there is seriously*

considering the option of opening an underground mine tourist operation. One of the visitor attractions to Nome is recreational panning on the Nome beach.

In 1994, the department identified two areas at Petersville that have the qualifications to become a Legislatively Designated Recreational Mining Area like Caribou Creek. Two areas, one at Petersville and the other on the other side of the canyon, have been withdrawn from mineral entry. \*This action was taken with public involvement and was not opposed by the Alaska Mining Association or miners in the area. In addition to being on the approach to the Denali State Park, the history, scenery, and actual gold available for panning far exceed that of Caribou Creek.

\*The basic intent of the withdrawal action was to secure a place where it might be possible to develop a commercial tourist concession 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 in Alaska.

**Legislative Proposal:** Amend the Caribou Creek Recreational Mining Area (AS #1.23.600) by adding a new subsection for the two road accessible areas at Petersville. \*In addition, we would propose that 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. This provision would apply to both the Caribou Creek Recreational Mining Area and Petersville, as well as any future additions. Finally, the legislation would provide that a portion of the fees collected for the recreational mining opportunity be available for appropriation as a fund to reclaim abandoned placer mining operations in area where there is documented damage to other high value public resources due to the unreclaimed condition of the mine area.

If the concept is approved, we intend to contact the Nome city government to see if there would be an opportunity to have a Legislatively Designated Recreational Mining Area there.

Michele Stevens  
P.O. Box 20  
Talkeetna, Alaska  
99676  
Feb. 8, 1997

To:  
Senator Lyda Green  
Room 423  
Juneau , Ak 99801-1182

Senator Lyda Green:

I am sending you a package of papers on Petersville and some of the new mining regulations that you will be going over this session. The information on the papers are pretty self-explanatory. I originally asked for 240 acres but will take less. I need a minimum of 40 acres but if I have to, I can squeeze my existing buildings onto 20 acres, which would not leave me much room to expand or for the museum building. If you agree with Sec. 41.23.610. Management and regulations, I would appreciate it if you would make a yes vote on it. This would enable me to negotiate with the commissioners on a workable plan that all of the public may enjoy.

I would appreciate anything you could do to help. The papers I am enclosing are most of the records that are currently filed in the DNR office in Anchorage.

My cell ph. 1-907-242-1696, message ph 1-907-345-9655, message ph(Mother, Carol Young)1-907-733-2351. I need all of the help I can get so I am also sending copies to Representative Beverly Masek.

Sincerely,

Michele Stevens

CC:  
Rep. Beverly Masek

Michele Stevens  
P.O. Box 20  
Talkeetna, Alaska  
99676  
Feb. 8, 1997

To:  
Rep. Beverly Masek  
Room 418  
Juneau , Ak 99811

Representative Beverly Masek:

I am sending you a package of papers on Petersville and some of the new mining regulations that you will be going over this session. The information on the papers are pretty self-explanatory. I originally asked for 240 acres but will take less. I need a minimum of 40 acres but if I have to, I can squeeze my existing buildings onto 20 acres, which would not leave me much room to expand or for the museum building. If you agree with Sec. 41.23.610. Management and regulations, I would appreciate it if you would make a yes vote on it. This would enable me to negotiate with the commissioners on a workable plan that all of the public may enjoy.

I would appreciate anything you could do to help. The papers I am enclosing are most of the records that are currently filed in the DNR office in Anchorage.

I just found out that you were here last week-end. I would have come down and talked to you, had I known at the time.

My cell ph. 1-907-242-1696, message ph 1-907-345-9655, message ph(Mother, Carol Young)1-907-733-2351. I need all of the help I can get, so I am also sending copies to Senator Lyda Green.

Sincerely, *↓ name*

Michele Stevens

CC: ~~Senator Lyda Green~~

*name*



Rep. Mark Neuman  
State Capitol  
Juneau AK. 90801-1182

March 5, 2012  
Carol Young, President  
Yentna Mining District  
P.O.Box 211  
Talkeetna, Ak. 99676  
carola.g.mtaonline.net  
Ph.907-733-2351

Re: southern section of Petersville recreation Mining area. Constituent Michele Stevens.

Michele Stevens asked me to comment on having the southern portion of the Petersville recreation area closed. Legal description:

Township 28 North, Range 8 West, Seward Meridian. The following claims within section 21 and 28: Alder # 1 and 2; Cottonwood #3 and 4; Seattle # 1 and 2; Contact Claim #1; Contact Claim # 2; Willow Claim; Korter Bench. All invalid 20 acre Federal claims, which BLM currently holds title to.

A little History: On May 14<sup>th</sup> 1985 BLM null and voided all of the original 20 acre Federal claims previously held by Jacobsen and his wife since the early 1940's. To protect his interests, on May 20 and 21<sup>st</sup> 1985, Michele's predecessor, John Jacobsen, had 40 acre "State at risk" claims staked over all of the ground where his previous Federal claims had been, including the area that would later be proposed (1997) to become the south recreation area. Jacobsen paid over \$100,000.00 to have a professional staking crew help with the new staking. On Jan. 1994 Michele Stevens acquired 127, 40 acre, State at Risk claims from Jacobsen.

I believe it was May 1994 that Michele and I had a meeting with DOM about having the recreational area's gifted to the state (the null and void Federal claims were used as boundary markers because they had been surveyed for patent previously). Alaska Miners Assoc, Yentna Mining District and several others went along with the June 2, 1994 MCO No 674 because of the promise of a concession to Michele Stevens for giving up valuable mining ground for a public cause, (copy of MCO 674 attached, by Comm.Noah) This issue was discussed with Director of Mining Jules Tileston, and Commissioner Harry Noah, and later with Deputy Commissioner Marty Rutherford and many others over a period of 17 years

Division of Mining wanted them for recreational use. Division of Mining told Michele she could have a "concession", (enclosed copy of original proposal by Jules Tileston) renting gold pans etc. and the DOM would have a percentage of this and it would be good to have someone to be there to organize things and to keep a sense of order. It would be a win win situation for both the State and Michele as it would give her some money to help preserve the historic buildings and the historic mining equipment and to build the museum promised to her predecessor in memory of his wife. The recreation areas were given to the Department of Lands instead of the Department of Mining to manage. when lands and mining merged and this was when everything changed, another long story. Employees come and go and Administrations change over a period of 17 years and things have a way of getting confused and misplaced and misunderstood. BLM did issue a RESIDENTIAL lease to Ms Stevens for 5 acres which is where Ms Stevens buildings are located so this helps protect the historical buildings, but she cannot run a business on it unless she goes up for a competitive public bid. This could go for any price and if Michele could not beat the price she would stand the chance of losing her buildings (which by the way is her support center for her mining ventures).

The bottom line to "quote from Comm.Noah's MCO 674" (Para 4 & 5): Para 4: " A recreational mining area and the activities associated therewith would constitute a significant use of the surface estate which would be INCOMPATIBLE with COMMERCIAL mining and mineral location. Conflicts could be created on the land between the surface and potential subsurface users. MCO 674 would become effective on the date the land is ACCEPTED by the State from the Bureau of Land Management by tentative approval or patent, whichever comes first, making null and void any mining claims staked on the land PRIOR to that date."

Para 5: "It is my finding, in accordance with AS 38.05.185(a), that COMMERCIAL MINING and mineral location would be INCOMPATIBLE with the INTENDED surface use of the subject land and therefore the best interest of the state and its residents is served by closing the land identified in MCO 674 to new locatable mineral entry under the locatable mineral and mining laws of the State of Alaska: MINERAL CLOSING ORDER 674."

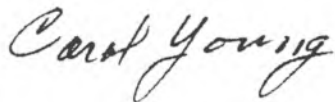
The northern recreational mining claims are currently open to the public, as that land was conveyed to the State in the 90's. It is easily accessible as there are roads all along the site.

All of the land that was State selected in the 1970's has been conveyed to the State of Alaska where the null and void Federal claims were, also the areas on both sides of the Federal claims giving Ms Stevens valid State claims. Everything has been conveyed to the State EXCEPT for the land where the Proposed South Recreational mining area is. State of Alaska Has not accepted the Conveyance to the land until this issue can be resolved. BLM still holds title to this ground.

It would be appreciated if you would make it possible for the state of Alaska to honor their promise to Ms Stevens.

I know you are very busy and I sincerely thank you for your time spent on this issue.

Respectfully,

A handwritten signature in cursive script that reads "Carol Young".

Carol young, President  
Yentna Mining District  
(907-733-2351)

Sean Parnell, Governor  
Third Floor, Capitol  
P.O. Box 110001  
Juneau, Alaska 99811-0001

January 26, 2012

Dear Governor Parnell:

We respectfully urge your support for legislation to adjust the Petersville Recreation Mining Area established on May 8, 1997.

As the former Director, Mining and Water Management and former Deputy Commissioner, Department of Natural Resources, we were directly involved in the initial decisions leading to the establishment of the Petersville Recreation Mining Area and we strongly support the legislation to amend that Petersville Recreation Mining Area designation.

**Background:**

Prior to the Mineral Closing Order, MCO# 674, on June 2, 1994 there were numerous meetings with Ms. Michele Stevens the then owner of approximately 500 acres of State mining claims located on federal land selected by the State. Ms. Stevens proposed to operate a mining concession including a museum and public campground as well as using her mining equipment to facilitate public access to the placer gold known to be in the area. Her concept for a concession-type operation was in part based on the successful commercial operations at the Crow Creek Mine on private land at Girdwood and the El Dorado Gold Mine located on Mental Health Trust land near Fairbanks.

The Director of Mining and Water Management and other members of the Division inspected the 500 acres and adjacent active mining operations in the Petersville area included Ms. Stevens' historic buildings and structures and equipment used when the area was being mined under federal mining law. The Department subsequently determined the 500 acres would make a valuable addition to the areas set aside in Alaska for the general public to pan for gold without being in conflict with a mining claim owner, and therefore initiated the 1994 Mineral Closing Order (MCO).

The original public recreation mining areas in Alaska involved abandoned mining claims, hence Ms. Stevens was requested to gift her 500 acres of mining claims that otherwise would automatically fall into place when the State received title to the land from the federal government. Ms. Stevens did this concurrently with the MCO being imposed.

The State has received title to land in the Petersville area that includes approximately 280 acres of the mining claims Ms. Stevens gifted to the State and that area is now open to public use as a public recreation mining area. Until recently, transfer of the federal land including the remaining 220 acres surrounding Ms. Stevens' historic building and structures has been delayed until the

State and Bureau of Land Management could reach agreement on how to handle the buildings and structures. These buildings and structures were eventually deeded to Ms. Stevens. This issue has been resolved and the land is now ready for transfer to State ownership.

The agreement in 1994 between the Department of Natural Resources and Ms. Stevens was for the Department to authorize Ms. Stevens to operate a commercial recreation mining business on the 220 acres of land surrounding her buildings and structures. Subsequently, the Department determined that it could not legally issue a non-competitive commercial lease to fulfill the agreement with Ms. Stevens. In 2006 DNR determined there actually was a legal way to proceed, whereby a commercial mining 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.

However, and very unfortunately, the 2006 approach cannot be followed for lands designated by statute as a recreational mining area since there are no underlying private interests to the minerals. The proposed legislative amendment to the Petersville Recreation Mining Area established in 1997 contains two provisions to correct the problems the Department and Ms. Stevens have been trying to resolve. The pending legislation would: 1) Reinstate Ms. Stevens' full mineral rights to those portions of her mining claims ADLs 508020-508026 that she gifted to the State in this southern area; and 2) It would remove the statutory designation and allow the DNR to fulfill its original agreement with Ms. Stevens. The proposed amendment does not affect the approximately 280 acres of land that will remain in the Petersville Recreation Mining Area.

In summary, we respectfully request your support in correcting a situation that evolved and allow the state to honor its commitments to Ms. Stevens

Sincerely,

Signed

Jules V. Tileston  
4740 Cambridge Way  
Anchorage, AK 99503  
phone: 907-561-0540

Signed

Marty K. Rutherford  
2371 Loussac Drive  
Anchorage, AK 99517  
phone: 907-317-4728