

State of Montana

Department of Environmental Quality

Mineral Exploration License

The Exploration License is one of three regulatory instruments that the Department of Environmental Quality (DEQ) Mining Bureau (MB) administers under the 1971 Montana Metal Mine Reclamation Act (MMRA). The Exploration License is not a mining permit, and cannot be used for mining. Likewise, the Operating Permit (OP) and Small Miner's Exclusion Statement (SMES) are intended for "mining" and cannot be used for "exploration."

Exploration License Laws and Rules

This document outlines some of the basic framework related to compliance with the Exploration License. The information included is not comprehensive, so please take some time to read over all of the provisions of state law applicable to Exploration Licenses. The MMRA provisions are set forth in Section [82-4-331](#) and [82-4-332](#) of the Montana Code Annotated (MCA) and the Administrative Rules of Montana (ARM) [17.24.102 through 17.24.108](#).

Key Terms

- *Exploration License* - An Exploration License covers work at one exploration project (see below) on private or public lands. DEQ MB regulates exploration everywhere in the State with the exception of reservation lands.
- *Exploration Project* - An exploration project is defined by location and, at times, landowner. Proposing exploration at a new location requires an application for a new exploration license.
- *License Amendment* - Licenses can be amended to include new exploration work that would occur in the same location as an existing exploration project.
- *Environmental Review* - Approval of a new exploration license or amendment to an existing license is a "state action" and, therefore, DEQ is required to complete an environmental review under the Montana Environmental Policy Act (MEPA).
- *Bond* - An applicant is required to submit a reclamation bond in the full amount for each new amendment that has been calculated by DEQ prior to being granted authorization to conduct exploration activities.
- *Reclamation* - Full reclamation of all exploration disturbance is required within 2 years of concluding exploration at an exploration project or abandonment of the exploration project.

Annual Renewals

Exploration licenses are valid for a period of one year and can be renewed annually by submitting a renewal fee of \$25 along with a notarized annual renewal form. Exploration license renewal forms can be found at <https://deq.mt.gov/mining/assistance>. Licenses with an associated bond should be renewed until reclamation is complete and a full bond release has been granted. Annual renewals can include an updated map of work completed in the last year, and work plans for the following year.

Field Inspections

DEQ or other authorized parties may inspect the proposed exploration project site before work begins. DEQ may also conduct site inspections during exploration activities. Upon completion of the project or following interim surface reclamation, a licensee may contact DEQ to request a reclamation inspection. A formal reclamation inspection is required for DEQ to consider a bond release. Under most circumstance, DEQ will conduct no more than one formal reclamation inspection per year at the licensee's request. Typically, no formal reclamation inspections will be scheduled while snow is on the ground, as it is not feasible to adequately assess reclamation progress. Site inspections are subject to staff availability and seasonal limitations.

Personal Responsibility

DEQ cannot over emphasize the importance of adhering to the final approved plan of operations. Everyone on site is expected to read and fully understand the plan of operations and project constraints. Typically, if there are issues with exploration campaigns it is due to lack of understanding of the environmental constraints, conditions, or commitments. Deviating from the approved plan may result in a Violation Letter, suspension of the operation, bond forfeiture, and referral to enforcement for a corresponding penalty, or any combination thereof.

Exploration License Process

Getting Started

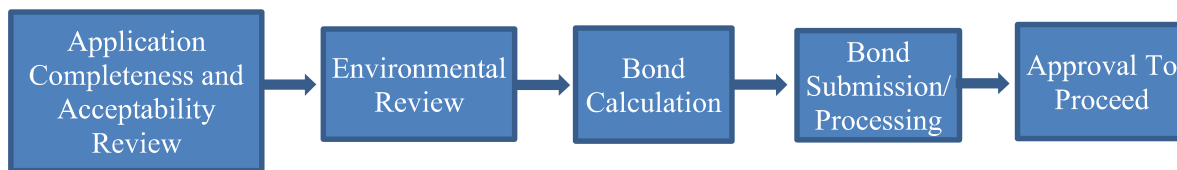
An application for a *new Exploration License* must be submitted with the following:

- Exploration License page
- Supplemental questions and associated materials
- \$100 Application Fee

An application for an *amendment to an existing Exploration License* must be submitted with only the supplemental questions and associated materials.

Process

As a general guideline, a new exploration license or amendment to an existing license may take one or more months to process. Once an application has been submitted to DEQ, the general process and timeline for review and consideration is as follows, although a number of factors, including federal agency participation, may modify this process and extend this timeline:



Completeness and Acceptability

The submitted application must be deemed “complete” and “acceptable” by DEQ before the environmental review can begin. An application is considered to be complete if it meets administrative requirements, such as being fully filled out and including appropriate maps and other necessary materials. An application is considered to be acceptable if it meets the technical requirements necessary for DEQ to calculate an adequate bond and develop an appropriate environmental review.

If an application is determined to be incomplete and/or unacceptable, it will be returned to the applicant with deficiency comments. The applicant must re-submit the entire application when addressing deficiencies. DEQ advises applicants to save an electronic copy of their application in order to avoid filling out the entire application again when addressing deficiencies.

DEQ will issue a Notice of Completeness and Acceptability to the applicant when a complete and acceptable application is received. The timeline for processing an exploration license is dependent on the quality of the application submitted to DEQ.

Environmental Review

Once an application is determined to be complete, DEQ will prepare an environmental review that analyzes potential environmental impacts that could result from the project as proposed by the applicant. If the project is on private property and if DEQ determines that an Environmental Assessment (EA) is the appropriate level of environmental review, DEQ is required to complete the review within 90 days of receiving a complete and acceptable application. If the project is on

state or federal land, DEQ will coordinate the environmental review with the partner agency. In this case, timing is dependent on the partner agency's requirements, which often exceed 90 days. Should an environmental impact assessment (EIS) be determined the appropriate level of environmental review, DEQ then has 180 days to produce the EIS.

Depending on the project, the environmental review process may involve various levels of public engagement including, but not limited to, scoping, public comment periods, and public meetings.

Bond Calculation

Before exploration can begin, an applicant must submit a reclamation bond to DEQ. The purpose of the bond is to ensure that the State of Montana would be able to reclaim any disturbance caused by exploration activities in the event that the licensee does not complete reclamation of the exploration project.

The bond may not be less than the estimated cost to the state to ensure compliance with Montana's Clean Air Act, Water Quality Act, MMRA, administrative rules adopted under the MMRA, and the exploration license. DEQ's bond calculation is based on the work proposed. In order for an accurate bond to be calculated, the details requested in the application must be complete. For specific laws regarding exploration license bonds, please see [82-4-332\(3\)](#) and [82-4-338\(1\)\(a\)](#), MCA.

Bond Submission

A full reclamation bond must be submitted and processed before DEQ issues an Approval to Proceed. Bonds can be submitted in the form of a surety, Letter of Credit (LOC), Certificate of Deposit (CD), or cash.



EXPLORATION LICENSE

[Pursuant to § 82-4-331 et seq. MCA]



1. Exploration License (for DEQ use) # _____

2. Applicant Information

Return via mail: DEQ Hard Rock Mining Bureau
P.O. Box 200901
Helena, MT 59620

Return electronically: DEQSMESandExploration@mt.gov
Questions? (406) 444-3920

APPLICANT INFORMATION

Licensee (Company Name or Individual)

Primary Contact Person

Address

City, State/Province, Zip/Postal Code

Phone

E-mail

Signature

NOTARY

Subscribed and sworn to me this _____ day of

_____, 20_____.

_____, Notary Signature

_____, Residency (City,
State/Province)

Notary Public for the
State/Province of:

My commission expires: _____

LICENSE INFORMATION

Date received: _____ Fee received: _____

License issued by: _____ Date: _____
Hard Rock Mining Bureau; Air, Energy, and Mining Division

License is valid from _____ to _____

This license, when executed by the Department of Environmental Quality (DEQ) and the Licensee, shall authorize the Licensee to explore for minerals in the State of Montana, in accordance with and subject to the exploration plan of operations and exploration map submitted with the application for this Exploration License to the extent that the Licensee's exploration activities have been approved by DEQ and with any modifications or conditions agreed upon by DEQ and the Licensee. The Licensee certifies that they shall reclaim any surface area disturbed by mineral exploration activities in accordance with the Montana Metal Mine Reclamation Act and Rules and Regulations pursuant to the Act. The Licensee certifies that they are not in default of any reclamation obligations under Title 82, Chapter 4, Part 3, Montana Code Annotated (MCA). **As of May 1, 2001, the fee for a new Exploration License is \$100 USD; the fee for annual Exploration License renewals is \$25 USD.**

Excerpts from Title 82, Chapter 4, Part 3, MCA:

"Exploration" means all activities that are conducted on or beneath the surface of lands and that result in material disturbance of the surface for the purpose of determining the presence, location, extent, depth, grade, and economic viability of mineralization in those lands, if any, other than mining for production and economic exploitation; and all roads made for the purpose of facilitating exploration...

"Mineral" means any ore, rock, or substance (**other than** oil, gas, bentonite, clay, coal, sand, gravel, peat, soil materials, or uranium) that is taken from below the surface or from the surface of the earth...

A person may not engage in exploration in the state without first obtaining an exploration license from the department. A license must be issued for a period of 1 year from date of issue and is renewable from year to year on application. An application for renewal must be filed within 30 days preceding the expiration of the current license and be accompanied by payment of a fee as required for a new license. A license may not be renewed if the applicant for renewal is in violation of any provision of this part. A license is subject to suspension and revocation as provided by this part.□

...a person or operator who violates a provision of this part, a rule or order adopted under this part, or a term or condition of a permit ...[or]...any director, officer, or agent of a corporation who willfully authorizes, orders, or carries out a violation of a provision of this part, a rule or order adopted under this part, or a term or condition of a permit [is subject to] a civil penalty of not less than \$100 or more than \$1,000 for each of the following violations, an additional civil penalty of not less than \$100 or more than \$1,000 for each day during which the violation continues, and an injunction from continuing the violation. If the violation created an imminent danger to the health or safety of the public or caused significant environmental harm, the maximum penalty is \$5,000 for each day of violation. In addition, if any provisions of the Montana Water Quality Act, and/or rules and regulations adopted pursuant to the Act, are violated as a result of the exploration operation, the operator is subject to penalties of up to \$25,000 for each day of violation.

EXPLORATION LICENSE

Applicant Principal, Controlling Member, and Business Information

The Department of Environmental Quality requires an exploration license applicant to provide a list of its principals and their corresponding firm or business associations of which the applicant or principal is or was a principal or controlling member and that previously has been issued an Exploration License, Operating Permit, or Small Miner Exclusion Statement under the Metal Mine Reclamation Act. For individual applicants, the applicant may likely also be considered the principal.

- If the applicant is **not** an individual:
 - Please provide a list of the principals associated with the organization (See Section 1).
 - Please provide a list of any business associations related to mining and exploration in Montana and the principal/controlling member's roles in that business association (See Section 2).
- If the applicant **is** an individual:
 - Please identify the individual under the "Company Principals" table shown below (See Section 1).
 - Please provide a list of any of the individual's business associations related to mining and exploration in Montana and the individual's role in that business association.

1. COMPANY PRINCIPALS (if applicant is not an individual)

Name	Role
Name	Role
Name	Role
Name	Role
Name	Role
Name	Role

2. COMPANY PRINCIPALS OR CONTROLLING MEMBERS BUSINESS ASSOCIATIONS

Name	Business/Organization (if any)	Role (if any)
Name	Business/Organization	Role
Name	Business/Organization	Role
Name	Business/Organization	Role
Name	Business/Organization	Role
Name	Business/Organization	Role