

Considered: _____

WATER PERMIT NO. 1398-1

MAP No. Same

Name of Applicant Homestake Mining Company

Post Office Address Box 875, Lead SD 57754

Amount of Water Claimed none Total Acres NA

Source of Water Supply tailings from mine operation

Water to be used for industrial purposes County Lawrence

About 2 miles S of Lead.

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

F.F. & C.L. Adopted _____ Not Approved _____ Deferred _____

PRIORITY _____ Date Received July 30, 1987 Fee \$50⁰⁰ Remarks increase

the height of the tailings dam by 50 feet

Corrected Application Received _____ Period of Annual Use _____

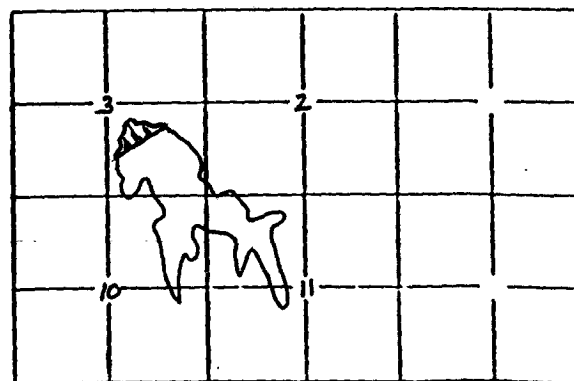
WATER QUALITY APPROVAL RECEIVED NA APPROVED/CONDITIONAL (Circle one)

WI-1 Description same as Application YES _____ NO _____ REMARKS _____

Diversion Point Grizzly Gulch Tailings dam:

SE $\frac{1}{4}$ section 3-T4N-R3E

Land to be Irrigated NA

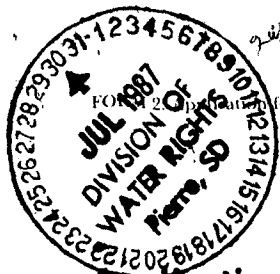


Well Log: Driller NA Licensed YES _____ NO _____

Depth of Well _____ REMARKS _____

Type of Map topo PREPARED BY Donald J. Matheson Reviewed and the Number

assigned on July 30, 1987 By Ron Duval



FORM 2 (10-1-86) for uses other than irrigation (type or print)

No. 1398-1 Hydrologic Unit 10120202
Map No. same Basin Belle Fourche R.
Newspaper Lead Daily Call, Po Box 876

Mail to: Water Rights Div.
DWNR, Foss Bldg.
Pierre, SD 57501
(605) 773-3352

Application For Permit To Appropriate Water Within The State Of South Dakota

Check use of water: Industrial ☒ Commercial ☐ Municipal ☐ Other Common Distribution System ☐
Rural Water System ☐ Suburban Housing ☐ Geothermal Heat ☐ Institutional ☐ Recreational ☐
Domestic ☐ (above 18gpm) Other ☒ Runoff from storm events in excess of a 10-year return period will be held in Grizzly Gulch Tailings dam, pumped to Homestake Mining Company's
Type of Application: Check one or more of the following water treatment plant, treated and discharged into Gold Run Creek.

New ☒ Vested Right ☐ Future Use ☐ Change Use ☐

☐ Amend Permit No. _____ with old priority date retained

Change diversion point(s) ☐ Add diversion point(s) ☐ Other ☐ _____

☐ Application to: Change diversion point(s) ☐ Add diversion point(s) ☐ on Permit No. _____

☐ Construction to use water reserved by Future Use Permit No. _____

1. Name of Applicant Homestake Mining Company Phone No. (605) 584-1020

Post Office Address Box 875 Lead State SD 57754
(Street, RR or Box) (City) Zip Code

2. Amount of water claimed (c.f.s.) up to 8978 C.F.S. (peak flood discharge for a P.M.P. plus 100 year return period event)
None

3. Source of water supply Surface runoff and tailings from mining operations

4. Location of point of diversion SE 1/4 Section 3 - T4N-R3E impounding tailings on portions of Sections 2, 3, 10 and 11, T4N, R3E, B.H.M.

County Lawrence

5. Counties where water will be used Lawrence

6. Annual period during which water is to be used January 1 - December 31
Storm event with greater than 10 year return period.

7. Give a brief description of proposed project. When available include any preliminary engineering report or other reports or information that will help explain the project. (Attach sheet if more space is needed)

- ° See attached Project Description
- ° Material on file with Chief Engineer, SDDWNR for "Application for Construction Approval; Raise No. 2, Grizzly Gulch Tailing Dam"

Attachments: Attach Form 2A if diversion from a well or dugout, or if storage of water, is proposed. Attach map (see instruction)

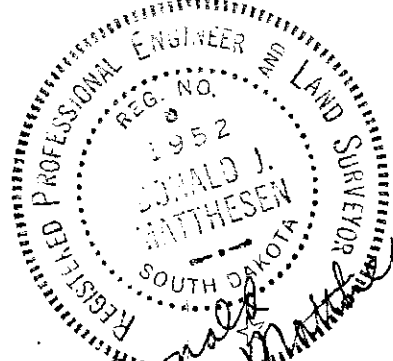
STATE OF SOUTH DAKOTA)
County of Lawrence)^{ss}

I, Donald J. Matthesen the applicant, certify that I have read this application, have examined the attached map and that the matters stated are true and that I intend, and am able to complete the necessary construction.

Signed Donald J. Matthesen

Subscribed and sworn to before me this 29th day of July 1987

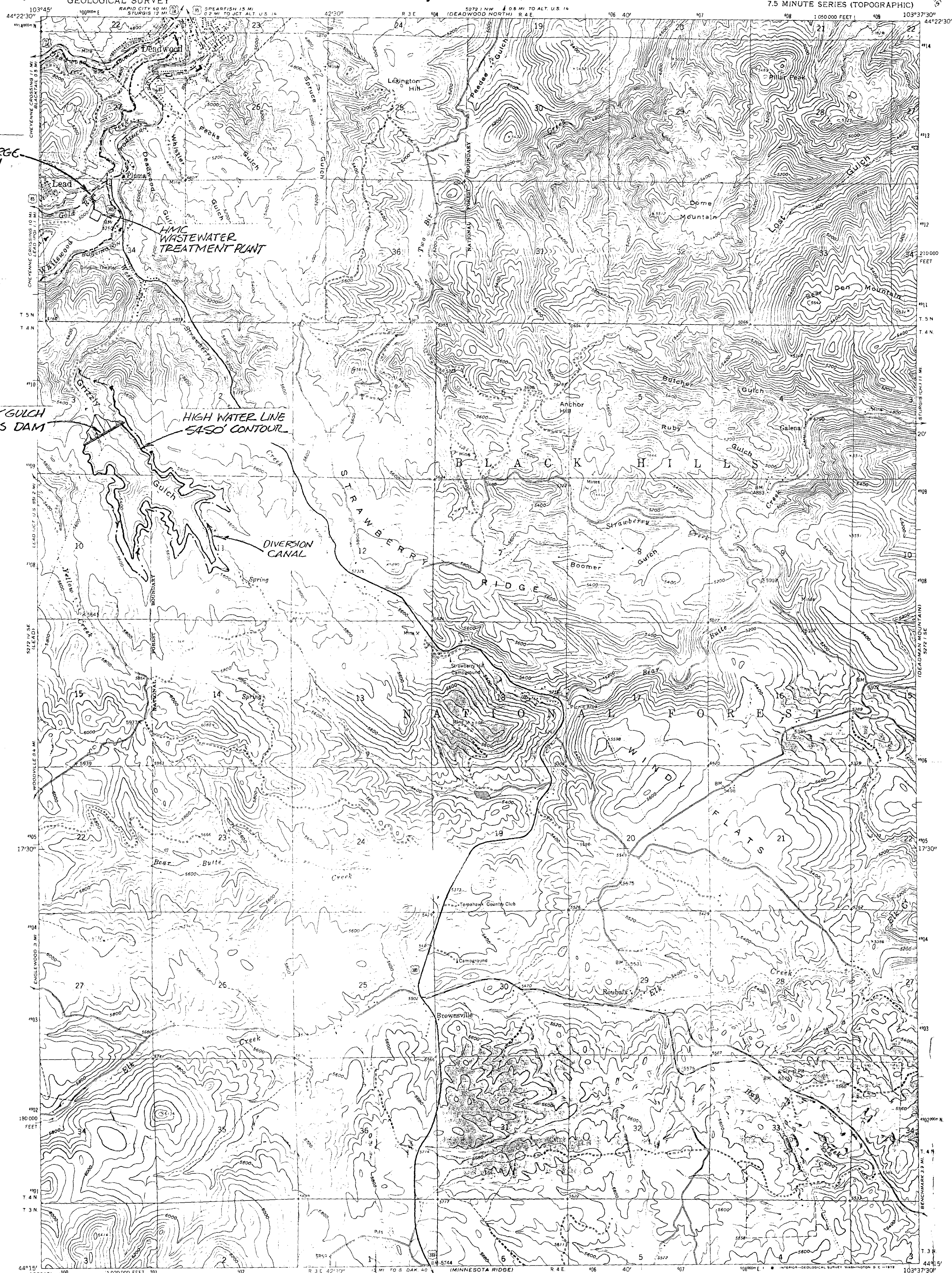
Rhiley J. Perkonich
Notary Public



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

MAP TO ACCOMPANY
WATER PERMIT APPLICATION
GRIZZLY GULCH TAILINGS DAM
Hornstake Mining Co. 7/27/87

DEADWOOD SOUTH QUADRANGLE
SOUTH DAKOTA—LAWRENCE CO.
7.5 MINUTE SERIES (TOPOGRAPHIC)



Maped, edited, and published by the Geological Survey

Control by USGS and USC&GS

Topography by photogrammetric methods from aerial

photographs taken 1958. Field checked 1961

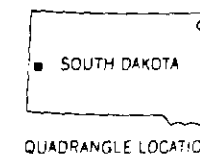
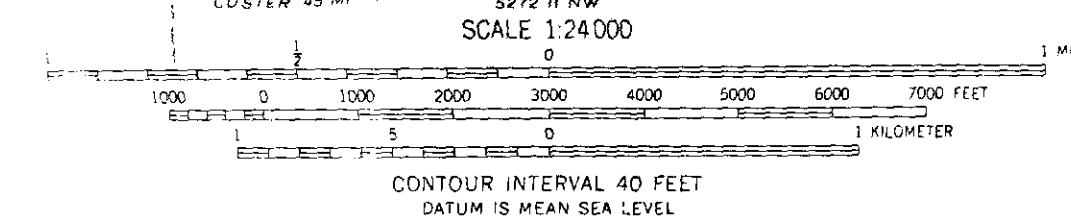
Polyconic projection. 1927 North American datum
10,000 foot grid based on South Dakota coordinate system, north zone
1000 meter Universal Transverse Mercator grid ticks,
zone 13, shown in blue

Fine red dashed lines indicate selected fence and field lines where
generally visible on aerial photographs. This information is unchecked

Revisions shown in purple compiled from aerial photographs
taken 1971. This information not field checked

UTM GRID AND 1983 MAGNETIC NORTH
DECLINATION AT CENTER OF SHEET

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR WASHINGTON, D.C. 20242
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST



ROAD CLASSIFICATION
Heavy-duty ——— Light-duty ———
Medium-duty ——— Unimproved dirt ———
U.S. Route ———

DEADWOOD SOUTH, S. DAK.
N4415-W10337.5/7.5

1961
PHOTOREVISED 1971
AMS 5272 1 SW—SERIES V873

1398-1

Appl. No. 1398-1

WATER PERMIT NO. 1398-1 TO INCREASE STORAGE CAPACITY

The Water Management Board approves Water Permit Application No. 1398-1, Homestake Mining Company, Box 875, Lead, South Dakota.

Date of first receipt of application July 30, 1987.

Approved September 9, 1987.

Approval of Water Permit No. 1398-1 by the Water Management Board authorizes an increase in the storage capacity of the Grizzly Gulch Tailings Dam located in the SE 1/4 Section 3, T4N, R3E according to plans and specifications approved by the Chief Engineer pursuant to Safety of Dams Rules Chapter 74:02:08. The dam embankment elevation will be increased by 50 feet from elevation 5400 feet mean sea level (msl) to elevation 5450 feet msl. The maximum storage capacity will be increased from approximately 11,750 acre-feet to 20,200 acre-feet.

Approval of Permit No. 1398-1 is subject to the following conditions:

1. The date from which the applicant may claim right is July 30, 1987.
2. The construction project is to be completed on or before September 9, 1992.
3. The permit does not authorize any water appropriation in addition to existing Homestake Mining Company water rights.
4. The prior water rights of all persons who, by compliance with the laws of the State of South Dakota, have acquired a right to use the water may not be unlawfully impaired by this project.

Water Management Board



Chief Engineer
Water Rights Division
Dept. of Water and Natural Resources

December 22, 1987

Supplemental Information

(type or print in ink)

1. Well Information - Proposed construction

- a) Drill Hole Diameter _____ Depth _____
- b) Casing Type _____ Diameter _____ Thickness _____
- c) Screen Type _____ Diameter _____ Thickness _____
- d) Gravel Pack Thickness _____ Length of Gravel Pack _____
- e) Depth to Top of Water Bearing Material _____
- f) Depth to Water (ground surface to water level) _____
- g) Distance to nearest existing domestic well:
- On applicants property _____ On property owned by others _____

2. Dugout Information Estimates

- a) Surface Dimensions _____ Depth _____
- b) Depth to water (ground surface to water level) _____

3. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below. The locations of each dam should be shown on the map submitted with the application.

- a) If a private engineering firm or government agency was involved in the design of this dam please give their name and address

(See attached sheet)

b) Freeboard 10.8' (2072 Ac. Ft.)

c) Crest Width 30'

Crest Length 1900'

d) Height 350'

e) Primary Outlet Capacity 2500 GPM
If Pipe, diameter 12"

f) (pump line to water treatment plant)
Secondary Spillway Capacity _____
Spillway width _____

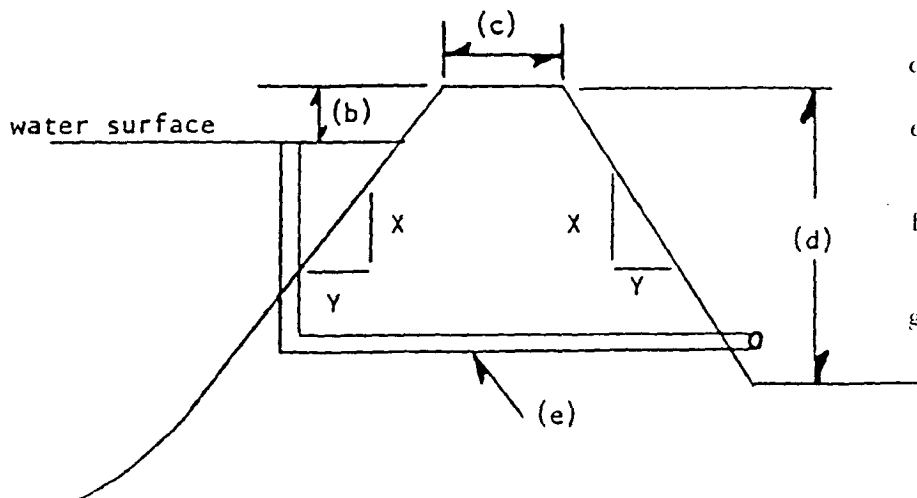
g) X & Y Slope
Upstream 2:1 & 2.25:1

Downstream 2:1 & 2.25:1

Surface Area of Impoundment 211 Ac

Storage 20,200 acre feet

Drainage area above dam 1130 Ac



Donald J. Matheson
Signature of Applicant

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

Pierre, July 30, 1987

RECEIVED OF Honestake Mining Company, Box 875, Lead, SD 57754

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. <u>1398-1</u> to Appropriate Water, to construct works and to put water to beneficial use _____	50	00
Fee for Application for Permit No. _____ to Appropriate Water for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. _____		
Fee for Filing Transfer Form _____		
Fee for Filing Extension Request _____		
Fee for Certified Copy of _____		
Fee for Print Copy of Map _____		
Fee for Certifying _____		
Fee for _____		
(Any Other Work Provided by Law)	Total	50 00

By

Chief Engineer

JOHN HATCH ms

PROJECT DESCRIPTION

The Grizzly Gulch Tailings dam is located in the southeast quarter of Sec. 3, T. 4 N, R. 3 E, Black Hills Meridian, in Lawrence County, South Dakota. This location is approximately 1 1/4 miles southeast of the Homestake Mine, near Lead, South Dakota. The project location is shown on the attached map. The basic components of the existing tailing disposal project include the dam; seepage collection trench and seepage water return; two 8-inch diameter rubber-lined steel slurry tailing pipelines; one 12-inch diameter steel decant pipeline; and the diversion canal around the perimeter of the impoundment area.

The existing dam was completed in 1977 to a maximum crest elevation of 5350. The first 50' raise to the dam was completed in 1982 to elevation 5400. Construction of the second 50' raise to elevation 5450 will be completed in 1989.

In an agreement with the Mine Safety and Health Administration (MSHA) of the United States Department of Labor, Homestake Mining Company is required to maintain a flood storage volume equal to the Probable Maximum Flood (PMF) plus a 100 year storm. The original National Pollutant Discharge Elimination System (NPDES) permit requires that the runoff from a 10-year, 24-hour precipitation event (3.5 inches) not enter the tailing disposal area. Presently, this requirement is provided for by the diversion canal around the perimeter of the impoundment area. The canal is gunite lined.

The second dam raise will block the diversion canal of the existing flood diversion system. Therefore, a new flood diversion canal is planned in conjunction with the construction of the second raise. The proposed location of the new diversion canal is intended to accommodate construction of the tailing dam to the ultimate crest elevation of 5500 (Raise No. 3) with minimum interference.

For storm events with less than a 10-year return period, the diversion canal will route runoff around the tailings dam and into Grizzly Gulch Creek. Runoff from storm events in excess of a 10-year return event will enter the tailings impoundment, and be pumped to Homestake Mining Company's wastewater treatment plant for treatment and then discharged to Gold Run Creek.

To Accompany
Water Permit Application
Grizzly Gulch Tailings Dam
Homestake Mining Co., July 27, 1987

FIRMS & AGENCIES INVOLVED IN DESIGN OF PROJECT:

Banner-Woodward Clyde, Joint Venture
P.O. Box 1140
Rapid City, SD 57709

Dames and Moore
1626 Cole Boulevard
Golden, CO 80401

John Hatch, Chief Engineer
Water Rights Division
South Dakota Department of Water & Natural Resources
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181

Mine Safety and Health Administration
Federal Building, Courthouse
515 Ninth Street
Room 202
Rapid City, SD 57701

Conversation or File Documentation

NAME OF PERSON OR FILE: RICHARDSON - BANNERADDRESS: RAPID CITY COUNTY _____DATE: 6/26/87 TELEPHONE 343-0222RE: HOMESTAKE TAILINGS DAM

COMMENTS:

QUESTIONS ABOUT TAILINGS DAM. I TOLD HIM WE NEEDED
A BREACH ANALYSIS BEFORE APPROVAL WOULD BE GRANTED.

HE SAID HE HAD WORKED OUT A DEAL WITH JOHN HATCH
ALLOWING THEM TILL THE 1ST OF JANUARY 1988. THIS IS
ALLOWED UNDER DAM SAFETY RULES? (FOR EXISTING STRUCTURES)

RICHARDSON INDICATED HE HAD DISCUSSED THIS WITH JOHN
AND IT WAS OK. AND THAT THEY HAD REQUESTED THIS
IN WRITING. (??)

THEY WILL ALSO HAVE A PRECONSTRUCTION MEETING ON
THURSDAY - BIDS HAVE BEEN LET - THEY WANT TO
START CONSTRUCTION.

THE LAST IS A QUESTION OF A WATER PERMIT. I DID NOT
DISCUSS THAT ISSUE WITH HIM BUT I DID ASK FOR DEERINGS
COMMENTS.

HE WANTED TO TALK TO GALE AND I BELIEVE GALE
DID DISCUSS THIS WITH HIM AND F. FOX A REPRESENTATIVE
OF HOMESTAKE MINING

NOT RELATED
TO
CONSERVATION

File in Permit or other file as necessary. Use to document conversations and what the other party was told; why action or decision was made.

NAME: JAS



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

July 14, 1987

Fred Fox, Environmental Director
Homestake Mining Company
PO Box 875
Lead SD 57754

Dear Mr. Fox:

We have reviewed the plans and specifications for the Homestake Mine Grizzly Gulch Tailings Dam, a large size high hazard Category 1 dam. The plans and specifications as submitted are approved subject to 1) receipt of a Breach Analysis, and 2) receipt of an Emergency Preparedness Plan (EPP). We have also been advised by the Attorney General's Office that Homestake Mining Company will need to apply for a Water permit for this dam pursuant to SDCL 46-5-8. Enclosed are the necessary application forms. We will need to have a completed application prior to July 31 to comply with the publication deadlines (Chapter 46-2A) for the September 9 and 10 Water Management Board meeting. The next Board meeting is December 2 and 3.

Our review was to determine compliance with the Water Management Board Rules Chapter 74:02:08 Safety of Dams. Approval applies only to the portion of the plans and specifications involving the PMF and holding capacity. Approval of these plans and specifications does not release Homestake Mining Company as owner from the responsibility for operating and maintaining the dam in good repair to assure the safety of the dam.

If you have any questions, please contact us. The documents which Mr. Richardson requested we return will be forwarded to Mr. Richardson within a few days.

Very truly yours,

A handwritten signature in dark ink, appearing to read "John Hatch". The signature is fluid and cursive, with a large initial "J" and a stylized "H".

JOHN HATCH, Chief Engineer
Water Rights Division
605 773-3352

enclosures

cc: Harry Richardson, Banner-Woodward Clyde

Report on Application No. 1398-1
Homestake Mining Company
August 4, 1987

Application No. 1398-1, Homestake Mining Company, is to raise the Grizzly Gulch Tailings Dam 50 feet from elevation 5400 feet msl. to elevation 5450 feet msl. The dam located in the SE 1/4 Section 3, T4N, R3E will impound tailings and surface runoff on portions of sections 2, 3, 10 and 11, T4N, R3E BHM. Runoff from storm events in excess of a 10-year 24 hour return interval will be held in Grizzly Gulch tailings dam, pumped to Homestake Mining Company's water treatment plant, treated and discharged into Gold Run Creek.

Project Description

Grizzly Gulch tailings dam project consists of raising an existing tailings dam, seepage collection trench and seepage water return, and a diversion canal around the perimeter of the area.

The existing dam was completed in 1977 to a crest elevation of 5350 msl. The first 50 foot raise to elevation 5400 msl was completed in 1982. The second 50 foot raise to elevation 5450 msl will be completed in 1989.

The issue of the requirement for a water permit for this project surfaced when plans and specifications were submitted in accordance to Safety of Dams rules to the Chief Engineer of the Water Rights Division. Approval of the submitted plans and specifications has been granted conditioned upon applying for and receiving a Water Permit from the Water Management Board. The dam is a category I dam under the Safety of Dams rules.

Hydrology

The Mine Safety and Health Administration (MSHA) of the US Dept. of Labor and Homestake Mining Company have an agreement that required Homestake to maintain a flood storage volume equal to the Probably Maximum Flood (PMF) plus a 100 year 24 hr storm. In addition the original National Pollutant Discharge Elimination System (NPDES) permit requires that the runoff from a 10 year 24 hour precipitation event will not enter the tailings disposal area.

Homestake must also comply with Safety of Dams rules Chapter 74:02:08 which require the dam as a category I structure to hold the Probable Maximum Flood without overtopping.

The consultants for Homestake used several methods for calculating the PMF. The methods are:

1. US Bureau of Reclamation "Design of Small Dams" 1973 revised 1974.
2. USGS Water Resources Inv. 80-80 "Techniques for Estimating Flood Peaks, Volumes, and Hydrographs on Small Streams in South Dakota", September 1980.
3. US Water Resources Council, "Guidelines for Determining Flood Flow Frequency", June, 1977.

Using these methods Homestake complies with NPDES & MSHA requirements.

The Safety of Dams rules Chapter 74:02:08 requires that the PMF be calculated using National Weather Service Hydrometeorological Report No. 55 "Probably Maximum Precipitation Estimates, United States Between the Continental Divide and the 103rd Meridian". A review of the PMF calculations using report No. 55 indicates that Homestake complies with the Safety of Dams rules.

Existing Water Rights

Existing water rights should not be affected by this application. Any water less than the 10 year 24 hour precipitation event is bypassed. Any water above the 10 year 24 hour event is captured, treated and then released downstream. The system is essentially a non-consumptive control structure.

Conclusions

1. Application No. 1398-1, Homestake Mining Co, is for construction to increase the storage capacity of Grizzly Gulch by raising the dam 50 feet.
2. Safety of Dams rules have been complied with.
3. The application will not adversely affect existing water permits.
4. There will be no new appropriation of water involved with this permit.



GALE N SELKEN, P.E.
Hydrologist III

RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1398-1

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Division, Department of Water and Natural Resources concerning Water Permit Application No. 1398-1, Homestake Mining Co., Box 875, Lead SD.

The Chief Engineer is recommending APPROVAL of Application No. 1398-1 because 1) the proposed project can be developed without unlawful impairment of existing rights, and 2) the project is in the public interest.

See the attached report for additional information.

A handwritten signature in cursive script, appearing to read "John Hatch", is written in dark ink.

JOHN HATCH, Chief Engineer
August 5, 1987



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

Water Rights Division
(605) 773-3352

August 6, 1987

NOTE:

TO BE SURE OF PUBLICATION ON
THE CORRECT DATES, CONTACT THE
NEWSPAPER RIGHT AWAY.

Homestake Mining Company
Box 875
Lead, South Dakota 57754

Dear Sir:

Your Application No. 1398-1 for a permit to appropriate water for

industrial use, has been examined and found to
comply with the South Dakota Water Laws and applicable rules. A notice of
your intent to appropriate water has been sent to the Publisher of the

Lead Daily Call printed at Lead

South Dakota. For your information, a copy of this notice, the recommendation
of the Chief Engineer and a report on the application are enclosed. Please
review this notice prior to publication and notify this office, if you have
any corrections or questions.

BE SURE TO CONTACT THE ABOVE NEWSPAPER IMMEDIATELY TO AUTHORIZE PUBLICATION
OF YOUR NOTICE OF INTENT TO APPROPRIATE WATER AND TO ARRANGE FOR PAYMENT.
Early contact with the paper can eliminate delays. The publisher has been
instructed to publish your notice once each week for two consecutive weeks
with the last publication to occur at least twenty days before the board
meeting. We must receive Proof of Publication before the application can be
considered by the Water Management Board.

Sincerely,

RON DUVALL
Natural Resources Engineer

enclosures



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501-3181

WATER RIGHTS DIVISION
(605) 773-3352

August 6, 1987
Lead Daily Call
P.O. Box 876
Lead, South Dakota 57754

Dear Sir:

Enclosed is a Notice of Hearing to Application No. 1398-1. Please publish this notice once each week for two consecutive weeks in your paper. The first publication should be on or before August 13, 1987.

The APPLICANT MUST VERIFY TO YOU THAT THE NOTICE IS TO BE PUBLISHED, before you make the first publication. Please BILL the APPLICANT for the cost of publication. The APPLICANT is Homestake Mining Company, Box 875, Lead, South Dakota 57754.

A copy of BOTH publications must be SENT to the WATER RIGHTS DIVISION. IMMEDIATELY return the FIRST publication with the FIRST Transmittal form on the bottom of this page. The first copy is needed to check the publication for errors so any corrections can be made before in the second publication. Publication errors can invalidate the public notice and cause the applicant costly delays.

Please be sure the SECOND publication is returned IMMEDIATELY with the enclosed Proof of Publication form. DO NOT WAIT until the end of the month or the billing cycle. The permit application cannot be considered by the Water Management Board until proof of publication has been received.

Sincerely,

Ron Duvall
Natural Resources Engineer
605 773-3352

enclosures

-----CUT HERE-----

FIRST TRANSMITTAL NOTICE
No. _____

TO: Water Rights Division
Joe Foss Building
Pierre SD 57501-3181

Date _____

We are in receipt of your letter of _____ enclosing Notice of Hearing to Appropriate Water by Application No. _____ which was first published in our issue of _____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

Name

Newspaper

Instruction to Newspaper - Publish first publication of the following Notice on or before August 13, 1987 with 2nd publication 1 week later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 1398-1
to Increase Storage of a Tailings Dam

Notice is hereby given that Homestake Mining Company whose mailing address is Box 875, Lead, South Dakota has filed an application for a permit to increase the storage capacity of the Grizzly Gulch Tailings Dam by raising the dam 50 feet from elevation 5400 feet mean sea level (ft. msl.) to elevation 5450 ft. msl. The maximum storage capacity will be increased from approximately 11,750 acre-feet to 20,200 acre-feet. The tailings dam is located in the SE 1/4 Section 3, T4N, R3E and is used to store tailings from mining operations. Portions of the SE 1/4 Section 3; SW 1/4 SW 1/4 Section 2; NW 1/4, NE 1/4 SW 1/4 Section 11; E 1/2 NE 1/4, NE 1/4 SE 1/4 Section 10; all in T4N, R3E are or will be flooded due to the proposed raising of the dam. This application does not authorize any water appropriation in addition to existing Homestake Mining Company water rights.

Pursuant to SDCL 46-2A-2 the Chief Engineer of the Water Rights Division recommends APPROVAL of Application No. 1398-1 because 1) will be no unlawful impairment of existing rights, and 2) it is in the public interest.

The application will be considered by the Water Management Board in Room 216, Joe Foss Bldg, Pierre SD, September 9, 1987 at 10:00 am.

The recommendation of the Chief Engineer is not final or binding upon the Board and the Board is authorized to 1) approve, 2) approve the with qualifications, 3) defer, or 4) deny the application after it reaches a conclusion based upon facts presented at the public hearing. Any interested person who may be affected by a Board decision and who intends to participate in the hearing before the Board and present evidence or cross-examine witnesses according to SDCL 1-26, must file a written petition with BOTH the applicant and the Chief Engineer by August 28, 1987. The petition may be informal, but it must include a statement describing the petitioner's interest in the application, the reasons for the petitioner's opposition to or support of the application, and the signature and mailing address of the petitioner or his legal counsel if legal counsel is obtained. The applicant need not file a petition.

This application is made pursuant to the provisions of SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-15; 46-2-3.1, 46-2-9, 46-2-11, 46-2-13, 46-2-17; 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15, 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24, 46-5-25, 46-5-30.2, 46-5-30.4, 46-5-31; 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14 and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

This hearing is an adversary proceeding. The applicant or any person, after filing a petition, has the right to be present or to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law.

Any person wishing a copy of the Chief Engineer's recommendation, further information on this application or to assure access to the hearing by the handicapped can contact the Water Rights Division, Joe Foss Bldg, Pierre SD (605 773-3352) for assistance prior to the hearing date. The time of the hearing will be automatically extended for at least twenty days upon written request of the applicant or person who has filed a petition to oppose or support the application. The request for extension must be filed with the Chief Engineer by August 28, 1987.

AFFIDAVIT OF PUBLICATION

STATE OF SOUTH DAKOTA, } ss.
COUNTY OF LAWRENCE

Jimmie R. Stephenson, of said county and state, being
duly sworn, on his oath says: That the Lead Daily Call Deadwood Pioneer

is a legal newspaper of general circulation, printed and published in Lead,
in said county and state, by the Seaton Publishing Company, and has been
such a newspaper during the times hereinafter mentioned; and that I,
Jimmie R. Stephenson, the undersigned, am the
Business Manager of the said newspaper, in charge of the advertising
department thereof, and have personal knowledge of all the facts in this
affidavit, and that the advertisement headed NOTICE OF HEARING
ON APPLICATION NO. 1398-1 TO INCREASE STORAGE
OF A TAILINGS DAM

a printed copy of which is hereto attached, was printed in said newspaper
for two successive and consecutive weeks, the respective publi-
cations thereof being made on August 13th, 1987
and on August 20th, 1987

and the last publication thereof on August 20th, 1987
and that the full amount of fees charged for publishing the same, to-wit:
the sum of \$ 48.92, inures solely to the benefit of aforesaid
publisher and that no arrangement or understanding for a division thereof
has been made with any person other than the publisher, and that no part
thereof has been agreed to be paid to any other person whomsoever.

Subscribed and sworn to before me this 20th
day of August, 1987

Dina Kolb
Notary Public, Lawrence County, S. Dak.
My Commission Expires April 2, 1995, 1987

NOTICE OF HEARING ON APPLICATION NO. 1398-1 TO INCREASE STORAGE OF A TAILINGS DAM

Notice is hereby given that Homestake Mining Company whose mailing address is Box 875, Lead, South Dakota has filed an application for a permit to increase the storage capacity of the Grizzly Gulch Tailings Dam by raising the dam 50 feet from elevation 5400 feet mean sea level (ft. msl.) to elevation 5450 ft. msl. The maximum storage capacity will be increased from approximately 11,750 acre-feet to 20,200 acre-feet. The tailings dam is located in the SE 1/4 Section 3, T4N, R3E and is used to store tailings from mining operations. Portions of the SE 1/4 Section 3; SW 1/4 SW 1/4 Section 2; NW 1/4, NE 1/4 SW 1/4 Section 11; E 1/2 NE 1/4, NE 1/4 SE 1/4 Section 10; all in T4N, R3E are or will be flooded due to the proposed raising of the dam. This application does not authorize any water appropriation in addition to existing Homestake Mining Company water rights.

Pursuant to SDCL 46-2A-2 the Chief Engineer of the Water Rights Division recommends APPROVAL of Application No. 1398-1 because 1) will be no unlawful impairment of existing rights, and 2) it is in the public interest.

The application will be considered by the Water Management Board in Room 216, Joe Foss Bldg, Pierre SD, September 9, 1987 at 10:00 am.

The recommendation of the Chief Engineer is not final or binding upon the Board and the Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny the application after it reaches a conclusion based upon facts presented at the public hearing. Any interested person who may be affected by a Board decision and who intends to participate in the hearing before the Board and present evidence or cross-examine witnesses according to SDCL 1-26, must file a written petition with BOTH the applicant and the Chief Engineer by August 28, 1987. The petition may be informal, but it must include a statement describing the petitioner's interest in the application, the reasons for the petitioner's opposition to or support of the application, and the signature and mailing address of the petitioner or his legal counsel if legal counsel is obtained. The applicant need not file a petition.

This application is made pursuant to the provisions of SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-15; 46-2-3, 46-2-9, 46-2-11, 46-2-13, 46-2-17; 46-2A-1 thru 46-2A-10, 46-2A-12, 46-2A-14, 46-2A-15, 46-5-1 thru 46-5-11, 46-5-13 thru 46-5-15, 46-5-24,

46-5-25, 46-5-30.2, 46-5-30.4, 46-5-31, 46-6-3, 46-6-3.1, 46-6-6.1, 46-6-10, 46-6-13, 46-6-14 and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

This hearing is an adversary proceeding. The applicant or any person, after filing a petition, has the right to be present or to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised.

Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law.

Any person wishing a copy of the Chief Engineer's recommendation, further information on this application or to assure access to the hearing by the handicapped can contact the Water Rights Division, Joe Foss Bldg, Pierre SD (605 773-3352) for assistance prior to the hearing date. The time of the hearing will be automatically extended at least twenty days upon written request of the applicant or person who has filed a petition to oppose or support the application. The request for extension must be filed with the Chief Engineer by August 28, 1987.

Aug 13, 20



Department of Water & Natural Resources

Joe Foss Building
523 East Capitol
Pierre, South Dakota 57501

Water Rights Division
605 773-3352

DEC 22 1987

Homestake Mining Company
Box 875
Lead, South Dakota 57754

Dear Sir:

Enclosed herewith is your Water Permit No. 1398-1 as approved by the Water Management Board authorizing you to construct your water diversion system and the water to beneficial use, not exceeding the limits as specified in said Water Permit No. 1398-1.

Also enclosed is Form 10, Notice of Completion of Works and Application of Water to Beneficial Use, which you are to complete and submit to the Chief Engineer when you have completed the system and/or have put the water to beneficial use. An inspection can then be scheduled so that your Water License may be issued to you, thus completing your acquisition of a Water Right.

Very truly yours,

JOHN HATCH, Chief Engineer
Water Rights Division

JH:ms

enclosure

PLEASE NOTE: Certain changes can be made in your permit within the five year construction period, usually without affecting the priority date provided an application to amend your permit is made within the five year period-i.e. changes in location or number of diversion points (wells) or location of land to be irrigated. Well locations for wells into the same aquifer can be moved up to 660 feet without application.

Applications to amend a permit after the five year construction period will be assigned a new priority date. Applications to change water sources, to add lands or increase original diversion rates, if approved will usually receive the date of the new application as a priority date regardless of the five year construction period.



NOTICE OF COMPLETION OF WORKS AND
APPLICATION OF WATER TO BENEFICIAL USE

Date April 25, 1990

TO: Water Rights Division, DWNR
Joe Foss Building
Pierre SD 57501-3181

FROM: Homestake Mining Co. Box 875 Lead, SD 57754
name address city

I have completed the construction of the water diversion system and I have put the water to beneficial use to the maximum extent it is going to be used. I have not exceeded the amounts specified in Water Permit No. 1398-1.

Water Permit No. 1398-1 states that the diversion system is to be constructed by September 9, 1992, and that the water it put to beneficial use by NA.

The diversion system was completed on December 31, 1989.
Applying the water to beneficial use was completed on NA.

You may schedule an inspection so that the Water License may be issued.

Donald J. Matthesen
signature Donald J. Matthesen



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

May 29, 1992

Phil Barnes
Homestake Mining Co.
P.O. Box 875
Lead, SD 57754

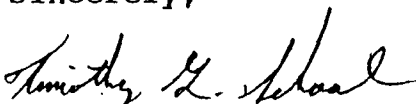
Dear Mr. Barnes:

I am writing to thank you again for your assistance in providing the tour of the Homestake Mining Company Grizzly Gulch Tailings Dam as part of our ASDSO Western Regional Conference. It appeared that everyone enjoyed the tour and was impressed with the condition of the structure.

Also, we will need to stay in touch on the progress of the Emergency Preparedness Plan (EPP) for the Tailings Dam. We will be preparing a short report on our May 4, 1992, inspection of the Tailings Dam, and will send you a copy. During the inspection, Ron and/or Don mentioned sending us copies of reports from past inspections performed by the Homestake Mining Company. Also, we will need an aerial photo or map showing the location of the Tailings Dam referenced to a section corner for the Water Right Inspection Report.

Thanks again, and if you have further questions, please feel free to contact me.

Sincerely,


Timothy G. Schaal, P.E.
Natural Resources Engineer
Water Rights Division
(605) 773-3352



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

August 11, 1992

1398-1

Donald J. Matthesen
Homestake Mining Co.
Box 875
Lead, SD 57754

Dear Mr. Matthesen:

The inspection of your water use system and the inspection of the extent of application of water to beneficial use, as developed under Water Permit No. 1398-1, has been completed. Your final water right document, the Water License, can now be issued.

Statutes require that we charge a \$50.00 fee for the inspection and issuance of the Water License. Along with the \$50.00, an Emergency Preparedness Plan (EPP) is still required for the Tailings Dam. Tim Schaal contacted you in May, 1992 concerning submission of the EPP, but to date, we have not received it. Upon receipt of the EPP and the \$50.00 fee from you, we will begin processing your Water License.

South Dakota Water Law 46-5-30.1 requires that a permit holder may not divert water until the \$50.00 license fee has been paid. Please contact us if you have any questions.

Sincerely,

Cheryl F. Frost
Secretary
Water Rights Division
(605) 773-3352

NOTE: On check or money order, please specify your permit number.
This will insure proper handling of the fee.



HOMESTAKE MINING COMPANY
P.O. BOX 875
LEAD, SOUTH DAKOTA 57754
(605) 584-4653



September 9, 1992

Ms. Cheryl F. Frost, Secretary
Water Rights Division
Department of Environment and Natural Resources
Joe Foss Building
Pierre, SD 57501

Dear Cheryl,

Enclosed please find a check in the amount of \$50.00 as payment for inspection and issuance of the Water License for Permit No. 1398-1, as requested in your letter of August 11, 1992.

Sincerely,

Phil Barnes
Environmental Director



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE SOUTH DAKOTA 57501-3181

September 22, 1992

Phil Barnes, Environmental Director
Homestake Mining Company
P.O. Box 875
Lead, SD 57754

Dear Mr. Barnes:

I am writing in reference to the required Emergency Preparedness Plan (EPP) for the Grizzly Gulch Tailings Dam.

We have received the \$50.00 licensing fee associated with the final inspection of Water Permit No. 1398-1; however, we can not proceed with the processing of your Water Licence until we receive the EPP for the Tailings Dam.

Please contact Tim Schaal, or myself, concerning the current status of the EPP, and let us know if we can do anything to help speed up the process.

Sincerely,

Gale N. Selken, P.E.
Natural Resources Engineer IV
for John Hatch, Chief Engineer
Water Rights Division
605 773-3352

RECEIPT

413414

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pierre, _____ September 11 _____, 19 92

RECEIVED OF Phil Barnes, Homestake Mining Company, PO Box 875, Lead, SD 57754

the following amount in fees for services rendered as provided for by law:

Fee for Application for Permit No. _____ to Appropriate Water, to construct and to put water to beneficial use _____		
Fee for Application for Permit No. _____ to Appropriate Water, for Future Use _____		
Fee to retain Future Use Permit No. _____ after period of seven years.		
Fee for Inspecting Constructed Works, confirming beneficial use and issuing Water License No. <u>1398-1</u>	50	00
Fee for Filing Transfer Form _____		
Fee for Filing Extension Request _____		
Fee for _____		

(Any Other Work Provided by Law)	Total	50 00

By *John Hatch/GMD*
Chief Engineer

Permit No. 1398-1Belle Fourche River Water District**Report Of Examination Of Works And/Or Application Of Water To Beneficial Use**

TO: Chief Engineer, Division of Water Rights, DWRN, Foss Bldg., Pierre, SD 57501

I have this day made a thorough examination of the water use system constructed by Homestake Mining Co.
_____ of Box 875 Lead, SD 57754 holder of
Permit No. 1398-1, bearing the priority of July 30 1987 authorizing
the diversion of _____ cu. ft. per second of the waters of Surface Runoff & Mine Tailings
for Industrial purposes, in Lawrence County.

I have to report on the conditions of the same as follows:

A. Works used to divert the water:

Grizzley Gulch Tailings Dam

B. Works used to transport water to place of use:

Runoff & Two 8 inch slurry pipelines

C. Works used to apply water to beneficial use:

The system is in the following condition GoodThe point of diversion is located 1750 ft. West & 1320 ft. North of the SE
corner of Section 3-T4N-R3E (W/4 SE/4)

The works are capable of diverting and conveying to the place of use _____

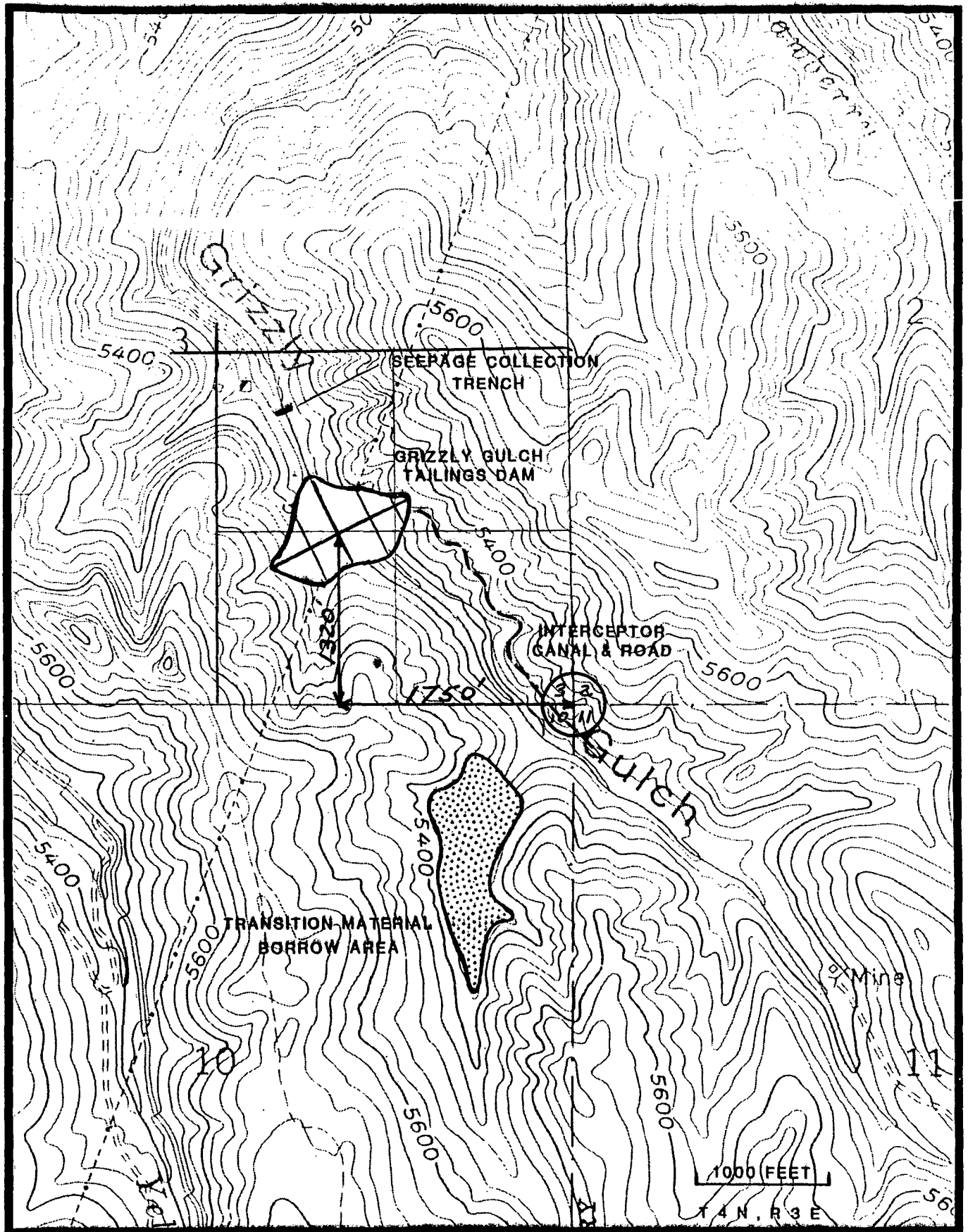
cu. ft. per second of water which is to be used for _____

Water has been put to beneficial use to the maximum extent as follows: _____

comprising a total of _____ acres of land and the license should be issued for _____ cfs

Applicable permit qualifications have been complied with _____ Yes X NoExceptions to compliance are: Need Emergency Preparedness Plan (EPP) Date June 16, 1992

Timothy G. Schaal
(signature)



Timothy L. Schaal
June 16, 1992



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

February 14, 1997

Phil Barnes, Environmental Director
Homestake Mining Company
630 E. Summit Street
Lead, SD 57754-1700

Dear Mr. Barnes:

We have received and reviewed the Grizzly Gulch Tailings Dam Emergency Preparedness Plan (EPP), which was adopted by the Lawrence County Commission on February 5, 1997. The EPP as submitted is approved.

Approval of the EPP was one of the qualifications on Water Permit No. 1398A-2, the other was approval of the final plans and specifications for Raise No. 3 of Grizzly Gulch Tailing Dam. Water Permit No. 1398A-2 will become effective when a complete set of the plans and specifications are received and approved.

We appreciate Homestake Mining Company's effort in preparing the EPP and receiving county approval.

Very truly yours,

John Hatch, Chief Engineer
Water Rights Program
(605) 773-3352

c: John Scheetz and Don Matthesen, Homestake Mining Company

STATE OF SOUTH DAKOTA

WATER LICENSE NO. 1398-1

(1) Homestake Mining Company, 630 E Summit Street, Lead SD 57754-1700 made Application No. 1398-1, July 30, 1987 to increase the storage capacity of the Grizzly Gulch Tailings Dam, Lawrence County, South Dakota for industrial use purposes. Permit No. 1398-1, with a priority date of July 30, 1987 was approved September 9, 1987 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before September 9, 1992.

Grizzly Gulch Tailings Dam is utilized by Homestake Mining Company for storage of process water and tailings from their mining operations.

Water Permit No. 1398-1 increased the dam embankment elevation by 50 feet from elevation 5,400 feet mean sea level to elevation 5,450 feet mean sea level. The maximum storage capacity was increased from approximately 11,750 acre-feet to 20,200 acre-feet.

(2) It is certified that the applicant has complied with the provisions of South Dakota State Law relating to completion of the construction of the tailings dam and is entitled to store 20,200 acre-feet of process water and tailings. The location of the tailings dam (spillway) is 1,750 feet west and 1,320 feet north of the southeast corner of Section 3-T4N-R3E (W 1/2 SE 1/4).

(3) The applicant has complied with the provisions of South Dakota State Law relating to the application of water to beneficial use.

(4) Pursuant to South Dakota Water Law 46-5-30.1 Homestake Mining Company, 630 E Summit Street, Lead SD 57754-1700 the holder and/or owner of Water Permit No. 1398-1 is issued a license to store 20,200 acre-feet of process water and tailings in the Grizzly Gulch Tailings Dam with a priority date of July 30, 1987 from the location specified in (2) of this license for the purpose of industrial use. This license is subject to any limitations or qualifications listed in Water Permit No. 1398-1 and subject to South Dakota State Law.



JOHN HATCH, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

JAN 09 1998

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181

JAN 09 1998

Phil Barnes, Environmental Director
Homestake Mining Company
630 E Summit Street
Lead SD 57754-1700

Dear Mr. Barnes:

Enclosed is Water License No. 1398-1 and receipt for \$50.00 which was assessed for the investigation and issuance of the license. Water License No. 1398-1 is for Grizzly Gulch Tailings Dam which is utilized for storage of process water and tailings from Homestake Mining Company operations.

Very truly yours,

A handwritten signature in black ink, appearing to read "John Hatch".

JOHN HATCH, Chief Engineer
Water Rights Program
605 773-3352

ks

enclosures

HOMESTAKE MINING COMPANY
630 E. Summit Street
Lead, South Dakota 57754-1700
605-584-GOLD (4653)

August 22, 2007

Mr. Steven M. Pirner, P.E.
Secretary
SD Dept. of Environment and Natural Resources
523 East Capitol / Joe Foss Building
Pierre, SD 57501-3181

**Re: Homestake Mining Company and LAC Minerals (USA) LLC
Notification of Change of Address**

Dear Mr. Pirner:

Homestake Mining Company and LAC Minerals are hereby submitting this notification of a change of address. Homestake and LAC will be moving to the Blacktail Offices adjacent to the Blacktail Water Treatment Plant in Central City effective September 1, 2007. The new address is:

Homestake Mining Co.	LAC Minerals
11457 Bobtail Gulch Street	or 11457 Bobtail Gulch Street
Central City, SD 57754	Central City, SD 57754

Please send all correspondence for the Homestake Mining Company or LAC Minerals to the new address beginning September 1st.

Sincerely,



Todd A. Duex
Closure Manager

cc: Mr. Garland Erbele, P.E.
Ms. Jeanne Goodman, P.E.
Ms. Vonni Kallemeyn
Mr. Bill Markley
Mr. Tim Tollefsrud
Mr. Bob Townsend, P.G.