

WATER PERMIT NO. 1398A-1

Name of Applicant: Homestake Mining Company

Address: 630 East Summit, Lead SD 57754

Phone: 605 584-4781

Amount of Water Claimed: no additional

Total Acres: NA

Source of Water Supply: runoff and tailings from mining operation

Water to be used for: industrial use

County: Lawrence

Type of Waste Disposal System:

Location:

PRIORITY

Date Received: 9-11-96

Fee: \$50

Corrected Application Received:

Period of Annual Use: January 1- December 31

Remarks: Dam embankment elevation will be increased by 50 feet from elevation 5,450 fmsl to 5,500 fmsl

Diversion Point: SE 1/4 Sec 3-T4N-R3E

Area of Impoundment: Sec 2, 3, 10 and 11;
all in T4N-R3E

Depth of Well: NA

Well Driller: NA

Remarks:

Type of Map: topo

Prepared by: Donald J Matthesen, PE

Reviewed and the Number Assigned on: 9-11-96

By: Karen Schlaak

Notice of Hearing - date to intervene: _____

FORM 2: Application for uses other than irrigation
(type or print)

Mail to: Water Rights Program Joe Foss Building 523 E. Capitol Pierre, SD 57501-3181 (605) 773-3352	(office use only)
	No. <u>1398A-1</u> Hydrologic Unit <u>10120202</u>
	Basin <u>Belle Fourche River</u>
	Newspaper <u>Black Hills Pioneer, Spearfish, SD</u>



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

Check use(s) of water:

☐ Municipal ☐ Suburban Housing ☐ Recreational ☐ Institutional
☐ Rural Water System ☐ Commercial ☐ Fish & Wildlife ☐ Geothermal Heat
☐ Domestic (over 18 gpm) ☒ Industrial ☒ Other Runoff from storm events in excess of 10-year return period.

Type of Application: ☐ New ☐ Vested Right (Use predates Mar 2, 1955) ☐ Future Use Reservation
(check one) ☐ Place to Beneficial Use Water Reserved by Future Use Permit No. _____
☒ Amendment/Correction to Permit No. 1398-1

Description of amendment/correction: (i.e. change diversion point(s), add diversion point(s), change use, etc.)

The dam embankment elevation will be increased by another 50 feet from elevation 5450 feet mean sea level (msl) to 5500 feet msl.

- Name of Applicant Homestake Mining Company Phone 605-584-4781
(check one) ☒ Owner ☐ Tenant/lessee
Mailing Address 630 East Summit, Lead State SD 57754
(Street, RR. or Box) (Zip Code)
- Amount of water claimed _____ *CFS or _____ **GPM 20,200 ***AF
(*Cubic Feet per Second) (**Gallons per Minute) (***)Acre Feet - storage capacity of dam/dugout or annual use if applicable)
- Source of water supply Surface runoff and tailings from mining operations.
- Location of point of diversion (example - 3 wells in SW1/4 NE1/4 section 12-T104N-R53W) Portions of
Sections 2, 3, 10 and 11, T4N, R3E, BHM (area of impoundment)
Dam- SE 1/4 Sec. 3-T4N-R3E County Lawrence
- County or counties where water will be used Lawrence
- Annual period during which water is to be used Storm event with greater than 10-year return period.
- Give a description of the 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)
Material on file with the Chief Engineer, SD DENR for "Application for Construction Approval; Raise No. 3, Grizzly Gulch Tailings Dam."

Attachments: Attach Form 2A if diversion is from a well or dugout, or if storage of water is proposed. Attach map and any other technical information. (see instructions)

STATE OF SOUTH DAKOTA)

County of Lawrence)
SS

I, Ronald A. Waterland, 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

Ronald A. Waterland

Subscribed and sworn to before me this 28th day of September 19 96

Karen D. Everett
Notary Public

SOUTH DAKOTA
WATER PERMIT NO. 1398A-1

Date of first receipt of application September 11, 1996.

The Water Management Board approved Water Permit Application No. 1398A-1 on December 4, 1996 for Homestake Mining Company, 630 East Summit, Lead SD 57754 authorizing the construction of the water use system and the placing of water to beneficial use subject to the following limitations, conditions and qualifications:

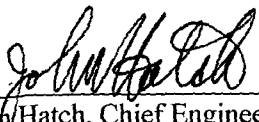
1. Water Permit No. 1398A-1 increases the elevation level of the Grizzly Gulch Tailings Dam authorized by Water Permit No. 1398-1. Water Permit No. 1398-1 authorizes a maximum water storage capacity of 20,200 acre-feet in the Grizzly Gulch Tailings Dam located in the SE 1/4 Section 3-T4N-R3E. The dam is used to store tailings from mining operations. This permit authorizes raising the dam 50 feet from elevation 5,450 feet mean sea level (fmsl) to elevation 5,500 fmsl. Portions of the SE 1/4 Section 3; S 1/2 SW 1/4 Section 2; NW 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4 Section 11; 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 permit does not authorize any appropriation of water in addition to the existing Homestake Mining Company water rights.
2. The water appropriated shall be used for the purpose of increasing the storage capacity of the Grizzly Gulch Tailings Dam and may not exceed the amount of water needed for beneficial use for industrial use.
3. The water is to be used during the following described annual period: January 1 - December 31.
4. The date from which applicant may claim right is September 11, 1996.
5. One-fifth of the construction is to be completed on or before June 4, 1999.
6. All construction is to be completed on or before December 4, 2001.
7. Water is to be put to beneficial use on or before December 4, 2005.
8. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

Water Permit No. 1398A-1 is subject to receipt and approval of :

- 1) an Emergency Preparedness Plan (EPP) pursuant to Water Management Board Rules 74:02:08.09(9) and 74:02:08:10 no later than February 1st, 1997; and
- 2) the plans and specifications for the remaining stages of construction for Raise No. 3 of the Grizzly Gulch Tailings Dam.

WATER MANAGEMENT BOARD

By: 
John Hatch, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

DEC 18 1996

date



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. Wastewater Disposal System Information

- a) Type of System (i.e. septic tank, drain field) _____
- b) System Capacity (gallons) _____ c) Year Constructed _____
- d) Connected to the City of _____ Sanitary System.

3. Dugout Information

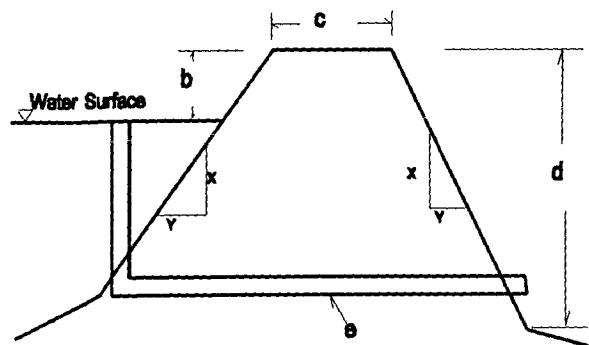
- a) Surface Dimensions _____ Depth _____
- b) Depth to water (ground surface to water level) _____



4. Water Storage Dams

If the proposed water use system contains one or more storage dams, please furnish the information requested below for each dam. The locations of the dams need to 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:



- b) Freeboard 7.4' (2188 Acre Feet)
- c) Crest Width 30'
Crest Length 1900'
- d) Height 400'
- e) Primary Outlet Capacity 2500 GPM
If pipe, diameter 12" pumpline to water treatment plant
- f) Secondary Spillway Capacity _____
Spillway Width _____
- g) X & Y Slope
Upstream 2:1 and 2.25:1
Downstream 2:1 and 2.25:1
- h) Surface Area of Impoundment 304
- i) Storage 20,200 Acre Feet
- j) Drainage Area Above Dam 1130 Acres

RECEIPT

Division of Water Rights

415089

South Dakota Department of Environment and Natural Resources

Pierre, _____ September 11, 19 96

RECEIVED OF Homestake Mining Company, 630 East Summit St., Lead, SD 57754-1700

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

Fee for Application for Permit No. <u>1398A-1</u> to Appropriate Water, to construct 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 _____		

(Any Other Work Provided by Law)	Total	50 00

By

Chief Engineer

John Hatch



HOMESTAKE MINING COMPANY
630 EAST SUMMIT
LEAD, SOUTH DAKOTA 57754
(605) 584-4653



September 6, 1996

Eric Gronlund
Water Rights Program
Department of Environment and Natural Resources
523 East Capitol
Pierre, South Dakota 57501-3181

Re: Water Permit 1398-1.

Dear Eric:

Please find enclosed the application to amend Water Permit No. 1398-1 for the Grizzly Gulch Tailings Dam. The permit will need to be amended by changing the elevation of the embankment from 5450 feet mean sea level (msl) to 5500 feet msl. There will be no additional water impounded with the construction of Raise No. 3. The calculated amount of water that can be stored from the elevation of the existing tailings to the elevation of the proposed lift is 20,200 acre feet. The existing permit provides for storage of up to 20,200 acre feet. I have enclosed two copies of the application, a completed certificate of applicant form, and a check for \$50 to cover the fee. As per our discussion, I did not enclose a map as it is included in the "Application for construction approval; Raise No. 3, Grizzly Gulch Tailing Dam" on file with your office.

If you have any questions about this application please give me a call at 584-4781.

Sincerely,

Ron Waterland
Environmental Resource Engineer

Department of Environment and Natural Resources
Minerals and Mining Program
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181
Telephone: (605) 773-4201



STATE OF SOUTH DAKOTA

BEFORE THE SECRETARY OF

THE DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

IN THE MATTER OF THE

APPLICATION OF Homestake Mining Company)

Application to Amend Grizzly Gulch Water Permit #1398-1)

**CERTIFICATION OF
APPLICANT**

STATE OF South Dakota)

COUNTY OF Lawrence)

)SS

I, Ronald A. Waterland, the applicant in the above matter after being duly sworn upon oath hereby certify the following information in regard to this application:

South Dakota Codified Laws Section 1-40-27 provides:

"The secretary [of environment and natural resources] may reject an application for any permit filed pursuant to Titles 34A or 45, upon making a specific finding that:

(1) The applicant is unsuited or unqualified to perform the obligations of a permit holder based upon a finding that the applicant, any officer, director, partner, or resident manager of the facility for which application has been made:

- (a) Has intentionally misrepresented a material fact in applying for a permit;*
- (b) Has been convicted of a felony or other crime of moral turpitude;*
- (c) Has habitually and intentionally violated environmental laws of any state or the United States which have caused significant and material environmental damage;*
- (d) Has had any permit revoked under the environmental laws of any state or the United States;*
- (e) Has otherwise demonstrated through clear and convincing evidence of previous actions that the applicant lacks the necessary good character and competency to reliably carry out the obligations imposed by law upon the permit holder; or*

(2) The application substantially duplicates an application by the same applicant denied by the board within the past five years which denial has not been reversed by a court of competent jurisdiction. Nothing in this subdivision may be construed to prohibit an applicant from submitting a new application for a permit previously denied if the new application represents a good faith attempt by the applicant to correct the deficiencies that served as the basis for the board's denial in the original application.

All applications filed pursuant to Titles 34A and 45 shall include a certification, sworn to under oath and signed by the applicant, that he is not disqualified by reason of this section from obtaining a permit. In the absence of evidence to the contrary, that certification shall constitute a prima facie showing of the suitability and qualification of the applicant. If at any point in the application review, recommendation, or hearing process, the secretary finds the applicant has made any material misrepresentation of fact in regard to this certification, consideration of the application may be suspended and the application may be rejected as provided for under this section.

Applications rejected pursuant to this section constitute final agency action upon that application and may be appealed to circuit court as provided for under chapter 1-26."

Pursuant to SDCL 1-40-27, I certify that I have read the forgoing provision of state law, and that I am not disqualified by reason of that provision from obtaining the permit for which application has been made.

Dated this 6th day of September, 1996

Ronald A. Waterman
Applicant

Subscribed and sworn before me this 10th day of September, 1996.

Karen D. Everett
Notary Public

My commission expires: September 15, 1996

(SEAL)

**PLEASE ATTACH SHEET DISCLOSING ALL FACTS PERTAINING TO
SDCL 1-40-27 (1) (a) THROUGH (e).
ALL VIOLATIONS MUST BE DISCLOSED, BUT WILL NOT
AUTOMATICALLY RESULT IN THE REJECTION OF AN APPLICATION.**

REPORT ON
WATER PERMIT APPLICATION NO. 1398A-1
HOMESTAKE MINING COMPANY
September 30, 1996

Water Permit Application No. 1398A-1 has been filed by Homestake Mining Company to increase the elevation of the Grizzly Gulch Tailings Dam authorized by Water Permit No. 1398-1. The tailings dam is located in the SE 1/4 of Section 3-T4N-R3E and is designed to store tailings from their mining operation. The elevation of the embankment crest will be increased 50 feet from the current elevation of 5450 feet mean sea level (fmsl) to elevation 5500 fmsl. This application does not authorize an increase in the maximum storage capacity of 20,200 acre-feet authorized by Water Permit No. 1398-1.

Discussion:

The Grizzly Gulch Tailings Dam is located in the SE 1/4 of Section 3-T4N-R3E about 1.5 miles southeast the Homestake Mine in Lawrence County. The dam has been constructed in three stages. The original dam was constructed, at a maximum height of 235 feet, in 1976 and 1977 to a crest elevation of 5350 fmsl. The first 50 foot raise was constructed in 1982 and 1983, to a crest elevation of 5400 fmsl. The second 50 foot raise was constructed in 1988 and 1989 to the present crest elevation of 5450 fmsl.

Water Permit No. 1398-1 was approved on September 9, 1987 authorizing the increase in crest elevation, associated with Raise No. 2, and the maximum storage capacity of 20, 200 acre-feet.

The Grizzly Gulch Tailings Dam is designed and constructed without spillways. It is required by the Mine Safety and Health Administration (MSHA) and our Safety of Dams Rules, Chapter 74:02:08, to maintain a storage capacity capable of storing the mine tailings and decant pond plus the runoff produced by a Probable Maximum Flood (PMF) and a 100 year-24 hour event. Water Permit Application No. 1398A-1 and the third embankment raise are necessary since the present tailings and decant pond elevations are nearing the flood storage capacity freeboard elevation.

The Grizzly Gulch Tailings Dam is also required by the original national Pollutant Discharge Elimination System (NPDES) permit to by-pass smaller runoff events up to a 10 year-24 hour event. There is a lined interceptor canal located around the perimeter of the reservoir area to handle this requirement. The 50 foot raise to elevation 5500 fmsl will not affect this canal.

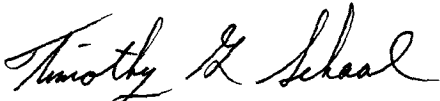
The 50 foot increase in the embankment crest elevation to 5500 fmsl should provide the required storage capacity to sometime between the years 2008 and 2035, depending upon different Homestake Mining Company production scenarios.

The plans and specifications for the first stage construction on Raise No. 3 have been prepared by Woodward-Clyde Consultants of Denver, Colorado. The first stage plans and specification have been reviewed and will be approved.

Water Permit Application No. 1398A-1 does not authorize any additional appropriation of water; therefore, no existing Water Rights/Permits located on Grizzly Gulch or Whitewood Creek will be affected by the approval of this application.

Conclusions:

1. Water Permit Application No. 1398A-1 should be approved since there are no existing Water Rights/Permits affected by this application.
2. Approval of Water Permit Application No. 1398A-1 should be contingent upon receipt and approval of the required Emergency Preparedness Plan (EPP) and the plans and specifications for the remaining stages of construction for Raise No. 3.



Timothy G. Schaal, P.E.
Natural Resources Engineer III

Approved by:



Gale N. Selken, P.E.
Natural Resources Engineer IV

References:

Water Rights, 1996, Water Right/Permit Files, SD DENR, Division of Environmental Services, Water Rights Program, Pierre, SD, 57501

Woodward-Clyde, May 1996, Conceptual Alternatives for Grizzly Gulch Dam Raise, No. 3, Woodward-Clyde Consultants, 4582 S. Ulster Street Parkway, Suite 1000, Denver, CO, 80237

**RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1398A-1, Homestake Mining Company**

Pursuant to SDCL 46-2A-2, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Permit Application No. 1398A-1, Homestake Mining Company, %Ron Waterland, 640 East Summit, Lead, SD 57754.

The Chief Engineer is recommending APPROVAL of Application No. 1398A-1 because 1) the proposed project can be developed without unlawful impairment of existing rights, 2) the proposed use is a beneficial use and 3) in the public interest with the following qualification:

Water Permit No. 1398A-1 is subject to receipt and approval of 1) an Emergency Preparedness Plan (EPP) pursuant to Water Management Board rules 74:02:08.09(9) and 74:02:08.10, and 2) the plans and specifications for the remaining stages of construction for Raise No. 3 of the Grizzly Gulch Tailings Dam.

See report on application for additional information.

A handwritten signature in dark ink, appearing to read "John Hatch", is written over the printed name.

JOHN HATCH, Chief Engineer
October 11, 1996



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

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

October 16, 1996

Homestake Mining Company
%Ron Waterland
630 East Summit
Lead, SD 57754

Dear Mr. Waterland:

Water Permit Application No. 1398A-1 for industrial use has been examined and found to comply with the South Dakota Water Laws and applicable rules. A notice of hearing has been sent to the Publisher of the Black Hills Pioneer printed at Spearfish, SD (Ph # (605) 642-2761). For your information, a copy of the notice, the recommendation of the Chief Engineer and a report on the application are enclosed. Please review the notice prior to publication and notify this office, if you have any corrections or questions.

Be sure to contact the above newspaper to authorize publication of your Notice of Hearing 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 twenty days before the board meeting. The newspaper has been instructed to send us the Proof of Publication. We must receive Proof of Publication before action can be taken on the application.

Sincerely,

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

NOTE: If you plan to contest any part of the Chief Engineer's recommendation, you must file a petition pursuant to the procedures outlined in the attached notice of hearing. The Water Management Board will then consider your concerns during a hearing on the application.



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

October 16, 1996

Black Hills Pioneer
P.O. Box 7
Spearfish, SD 57783-0007

ATTENTION: Legal Department

Enclosed is a Notice of Hearing on Application No. 1398A-1 to be published twice. Please publish the first notice on October 24, 1996, with the second publication 7 days later.

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, %Ron Waterland, 630 East Summit, Lead, SD 57754 (Ph # (605) 584-4781).

A copy of BOTH publications must be SENT to the WATER RIGHTS PROGRAM. 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 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. No action may be taken on the permit application until proof of publication has been received.

Sincerely,

Eric Gronlund
Natural Resources Engineer
605 773-3352

enclosures

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

FIRST TRANSMITTAL NOTICE

TO: Eric Gronlund
Water Rights Program
Joe Foss Building
Pierre SD 57501-3181

No. 1398A-1

Date _____

We are in receipt of your letter of _____ enclosing Notice of Hearing to Appropriate Water by Application No. 1398A-1 which was first published in our issue of _____. ENCLOSED IS A COPY OF THIS FIRST PUBLICATION.

Name

Newspaper

Instruction to Newspaper - Publish first Notice on October 24, 1996, with the second publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARING on Application No. 1398A-1 to Appropriate Water
and to Amend Water Permit No. 1398-1

Notice is given that Homestake Mining Company, 630 East Summit, Lead, SD 57754 has filed an application for a water permit to increase the elevation level of the Grizzly Gulch Tailings Dam authorized by Water Permit No. 1398-1. Water Permit No. 1398-1 authorizes a maximum water storage capacity of 20,200 acre-feet in the Grizzly Gulch Tailings Dam located in the SE 1/4 Section 3-T4N-R3E. The dam is used to store tailings from mining operations. This application proposes to raise the dam 50 feet from elevation 5,450 feet mean sea level (fmsl) to elevation 5,500 fmsl. Portions of the SE 1/4 Section 3; S 1/2 SW 1/4 Section 2; NW 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4 Section 11; 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 appropriation in addition to the existing Homestake Mining Company water rights.

Pursuant to SDCL 46-2A-2, the Chief Engineer recommends APPROVAL of Application No. 1398A-1 because 1) existing rights will not be unlawfully impaired, 2) it is a beneficial use of water, and 3) it is in the public interest.

Any person interested in opposing or supporting this application must file a written petition with BOTH the applicant and Chief Engineer. The applicant must also file a petition if opposed to the Chief Engineer's recommendation. The Chief Engineer's address is "Water Rights Program, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)" and the applicant's mailing address is given above. A petition filed by either an interested person or the applicant must be filed by November 22, 1996. The petition may be informal, but must include a statement describing the petitioner's interest in the application, the petitioner's reasons for opposing or supporting the application, and the signature and mailing address of the petitioner or the petitioner's legal counsel, if legal counsel is obtained.

The Water Management Board will consider this application at 1:30 p.m., December 4, 1996, Floyd Matthew Training Center, 523 East Capitol, Pierre, SD. The Chief Engineer's recommendation is not final or binding upon the Board. The Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application based on the facts presented at the public hearing. The December 4, 1996, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by November 22, 1996.

Any hearing will be an adversary proceeding. Any person filing a petition and/or the applicant have the right to be represented by a lawyer and may present evidence or cross-examine witnesses according to SDCL 1-26. These and other due process rights will be forfeited if not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law. Contact Eric Gronlund by November 22, 1996, at the above Water Rights Program address to request copies of information pertaining to this application, to assure access to the hearing by the handicapped or to obtain an interpreter for the hearing impaired.

This application is made pursuant to SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-16; 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, 46-2A-20, 46-2A-21; 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; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15. Nettie H. Myers, Secretary, Department of Environment and Natural Resources.

Form 8



PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA)
County of Lawrence) SS

I, Shirley Rehm

certify that the attached printed Notice was

taken from the Black Hills
Pioneer

printed and published in Spearfish

County of Lawrence and State of

South Dakota. The notice was published in
the newspaper on the following two dates

October 24, 1996

October 31, 1996

Cost of Printing \$62.17

Shirley Rehm
(Signature)

(Title)

10/31/96

(Date Signed)

NOTICE OF HEARING on Application No. 1398A-1 to Appropriate Water and to Amend Water Permit No. 1398-1

NOTICE IS GIVEN that Homestake Mining Company, 630 East Summit, Lead, SD 57754 has filed an application for a water permit to increase the elevation level of the Grizzly Gulch Tailings Dam authorized by Water Permit No. 1398-1. Water Permit No. 1398-1 authorizes a maximum water storage capacity of 20,200 acre-feet in the Grizzly Gulch Tailings Dam located in the SE 1/4 Section 3-T4N-R3E. The dam is used to store tailings from mining operations. This application proposes to raise the dam 50 feet from elevation 5,450 feet mean sea level (fmsl) to elevation 5,500 fmsl. Portions of the SE 1/4 Section 3; S 1/2 SW 1/4 Section 2; NW 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4 Section 11; 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 appropriation in addition to the existing Homestake Mining Company water rights.

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The Water Management Board will consider this application at 1:30 p.m., December 4, 1996, Floyd Matthew Training Center, 523 East Capitol, Pierre, SD. The Chief Engineer's recommendation is not final or binding upon the Board. The Board is authorized to 1) approve, 2) approve with qualifications, 3) defer, or 4) deny this application based on the facts presented at the public hearing. The December 4, 1996, hearing date will be automatically delayed for at least 20 days upon written request to the Chief Engineer from the applicant or any interested person opposing the application. The request for an automatic delay must be filed by November 22, 1996.

Any hearing will be an adversary proceeding. Any person filing a petition and/or the applicant have the right to be represented by a lawyer and may present evidence or cross-examine witnesses according to SDCL 1-26. These and other due process rights will be forfeited if not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law. Contact Eric Gronlund by November 22, 1996, at the above Water Rights Program address to request copies of information pertaining to this application, to assure access to the hearing by the handicapped or to obtain an interpreter for the hearing impaired.

This application is made pursuant to SDCL 46-1-1 thru 46-1-9, 46-1-12 thru 46-1-16; 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, 46-2A-20, 46-2A-21; 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; and Board Rules ARSD 74:02:01:01 thru 74:02:01:15.

Nettie H. Myers,
Secretary, Department of
Environment
and Natural Resources

#214
Oct. 24, 31



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

October 21, 1996

Terrence E. Arnold, P.E.
Woodward-Clyde Consultants
Stanford Place 3, Suite 1000
4582 South Ulster Street
Denver, CO 80237-2637

Dear Mr. Arnold:

We have reviewed the First State of Construction plans and specifications for the Homestake Mining Company Grizzly Gulch Dam Raise No. 3. The plans and specifications as submitted are approved. Approval of this stage of the plans and specifications does not authorize final construction of the dam. Final construction may not begin until Water Permit Application No. 1398A-1 and the required Emergency Preparedness Plan (EPP) are approved.

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

The Grizzly Gulch Tailings Dam is classified as a large size Category I, High Hazard dam with a current dam height of 335 feet and a maximum storage capacity of 20,200 acre-feet.

If you have any questions, please feel free to contact us.

Sincerely,

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

c: Don Matthesen, HMC
Mike Cepak, DENR



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

DEC 18 1996

Phil Barnes
Homestake Mining Company
530 East Summitt
Lead, SD 57754

Dear Mr. Barnes:

Enclosed is Water Permit No. 1398A-1 authorizing the elevation raise to the Grizzly Gulch Tailings Dam, not exceeding the limits as specified in the Water Permit.

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 Homestake Mining Company completes the project authorized by Permit No. 1398A-1. An inspection can then be scheduled so that the Water License may be issued, thus completing the acquisition of a Water Right.

Very truly yours,

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

enclosures

PLEASE NOTE: The Water Management Board conditioned the water permit subject to submittal and approval of the Emergency Preparedness Plan no later than February 1, 1997; and that the plans and specifications for the Raise No. 3 stage of construction shall be submitted and receive approval prior to construction of this stage.



**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^{1A}~~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

March 31, 1997

Water Rights Program, DENR
Joe Foss Building
523 E. Capitol
Pierre, SD 57501-3181



Attention: Mr. John Hatch

Subject: Construction Plans and Specifications, Grizzly Gulch Tailing Dam Raise No.3,
Homestake Mine, near Lead South Dakota
Project No. 24153-20141

Gentlemen :

We are submitting construction plans for Raise No. 3 to the Grizzly Gulch dam at the Homestake Mine. Enclosed is the following information:

1. Two copies of the Construction Plans for Grizzly Gulch Dam Raise No. 3 and two copies of the technical specifications. We did not include the bidding and contract portion of the contractor bid package, however we would be happy to do so if you desire.
2. Two revised copies of the Construction Plans for the Grizzly Gulch Dam Raise No. 3, Seepage Collection System Relocation (the current set of Drawings incorporate several changes to the design drawings and the previous package of drawing's that were submitted to the State should be discarded).

The design basis report is being finalized and will be submitted under separate cover later this week. If you have any questions, please call.

Sincerely,



Terrence E. Arnold, PE
Project Manager

(1 copy sent)

Enclosures

1cc without Attachments: Mr. Don Matthesen, Homestake Mining Company
Mr. Ron Waterland, Homestake Mining Company



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

April 18, 1997

Terrence E. Arnold, P.E.
Woodward-Clyde Consultants
Stanford Place 3, Suite 1000
4582 South Ulster Street
Denver, Colorado 80237-2637

Dear Mr. Arnold:

We have reviewed the final plans and specifications for the Homestake Mining Company Grizzly Gulch Dam Raise No. 3 and the Seepage Collection System Relocation. The plans and specifications as submitted are approved. Approval of this stage of the plans and specifications, along with previous approval of the Emergency Preparedness Plan (EPP), authorizes final construction of Water Permit Application No. 1398A-1.

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

If you have any questions, please feel free to contact us.

Very truly yours,

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

c: Don Mattheson, Homestake Mining Company
Mike Cepak, DENR



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

June 1, 1998

Steve Mitchell
Projects Superintendent
Homestake Mining Company
630 East Summit
Lead, SD 57754

Dear Mr. Mitchell:

We have reviewed the final plans and specifications for the Homestake Mining Company Grizzly Gulch Dam Raise No. 3A. The plans and specifications as submitted are approved. Approval of this stage of the plans and specifications authorizes construction of Grizzly Gulch Tailings Dam to elevation 5470 msl.

Our review was to determine compliance with the requirements of the Water Management Board Safety of Dams Rules, Chapter 74.02:08. Approval of these plans and specifications does not release the Homestake Mining Company, as owner of the dam, from the responsibility for operating and maintaining the dam in good repair to ensure the safety of the dam.

On December 4, 1996, the Water Management Board approved Water Permit No. 1398A-1, which allowed for the 50 foot Raise No. 3 from elevation 5450 to elevation 5500 msl. SDCL 46-5-26 allows for a permit to be amended by extending the time of construction, for a reasonable time, but only on account of delays due to physical or engineering difficulties which could not have been reasonably anticipated, due to operation of law beyond the power of the applicant, or due to other exigent circumstances identified by the Water Management Board. If the Homestake Mining Company wants to pursue the 5500 elevation, you should apply for an amendment to extend the time of construction for Water Permit No. 1398A-1 before December 4, 2001.

If you have any questions, please feel free to contact us.

Very truly yours,

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

c James R. Obermeyer, Woodward-Clyde
Mike Cepak, DENR



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3181
www.state.sd.us/denr

March 11, 1999

John Scheetz
Environmental Manager
Homestake Mining Company
630 East Summit
Lead, SD 57754

Dear Mr. Scheetz:

We have reviewed the final plans and specifications for the Homestake Mining Company Modification to Grizzly Gulch Dam Raise No. 3A. The plans and specifications as submitted are approved. Approval of this modification to the plans and specifications authorizes the following proposed changes to Dam Raise No. 3A.

1. Raising the clay core three feet to elevation 5469
2. Raising the filter drain three feet to elevation 5467
3. Raising the random fill elevation three feet to elevation 5473
4. Buttressing the 1H : 1V slope to elevation 5480
5. Providing additional monitoring instrumentation

Our review was to determine compliance with the requirements of the Water Management Board Safety of Dams Rules, Chapter 74:02:08. Approval of these plans and specifications does not release the Homestake Mining Company, as owner of Grizzly Gulch Dam, from the responsibility for operating and maintaining the dam in good repair to ensure the safety of the dam.

If you have any questions, please feel free to contact us.

Very truly yours,

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

c: James R. Obermeyer, URS Greiner Woodward Clyde
Mike Cepak, DENR



DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

April 13, 2005

1398A-1

Mark Tieszen, Environmental Engineer
Homestake Mining Company
630 E Summit St
Lead SD 57754-1700

Dear Mr. Tieszen:

On September 16, 2004, an investigation of Grizzly Gulch Tailings Dam, as developed under Water Permit No. 1398A-1, was completed by Tim Schaal, a staff engineer with our program. Your final water right document, the water license, can now be issued.

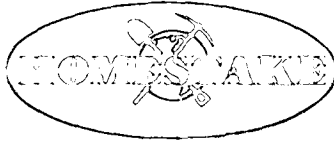
State law requires that we charge a \$50.00 fee for the investigation and issuance of the water license. Upon receipt of the \$50.00 fee from you, we will complete processing your water license. The check or money order for the fee should be made payable to the "Water Rights Program".

Your licensed water right will be similar to a property right that can not be lost as long as the water use continues and you abide by the permit requirements.

If you have any questions regarding the water permit, the investigation or payment of the fee, please contact me.

Sincerely,


Genny McMath
Environmental Scientist
Water Rights Program
(605) 773-3352



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

May 3, 2005

Ms. Genny McMath
Water Rights Program
SD Dept. of Environment and Natural Resources
523 East Capitol / Joe Foss Building
Pierre, SD 57501-3181

RECEIVED
MAY - 5 2005
WATER RIGHTS
PROGRAM

Re: **Homestake Mine**
Grizzly Gulch Tailings Dam Water License
Water Permit No. 1398A-1

Dear Ms. McMath:

Pursuant to your letter of April 13, 2005, enclosed is the \$50.00 fee for the investigation and issuance of the water license for the Grizzly Gulch Dam.

Please contact me at (605) 722-4680 if you have any questions.

Sincerely,

Mark Tieszen
Environmental Manager

RECEIPT

WATER RIGHTS PROGRAM

South Dakota Department of Environment and Natural Resources

Date May 5, 20 05

RECEIVED OF Homestake Mining Co of Calif., 150 E South Temple Suite 1300, Salt Lake City UT

84111

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	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. <u>1398A-1</u>		
Fee for Filing Transfer Form _____		
Fee for _____		
Fee for Issuing New Well Driller's License No. _____ for C.Y. _____		
Fee for Renewal of Well Driller's License No. _____ for C.Y. _____		
Fee for Issuing Well Pump Installer's License No. _____ for C.Y. _____		
Fee for Renewal of Well Pump Installer's License No. _____ for C.Y. _____		
(Any Other Work Provided by Law)	TOTAL	50.00

No.

001876

By

Darla E. Erbe
Chief Engineer
gmr

Permit No. 1398A-1
Belle Fourche River - Water District

Report Of Examination Of Works And/Or Application of Water To Beneficial Use

TO: Chief Engineer, Water Rights Program, DENR, Foss Bldg., Pierre, SD 57501

I have this day, September 16, 2004, made a thorough examination of the water use system constructed by Homestake Mining Company of 630 E. Summit Street, Lead, SD 57754-1700 holder of Permit No. 1398A-1, bearing the priority of September 11, 1996 authorizing the increase in elevation of the Grizzly Gulch Tailings Dam authorized by Water Right No. 1398-1 (no add'l water) for industrial use purposes, in Lawrence County.

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

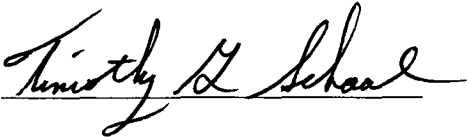
- A. Works used to divert the water:
Grizzly Gulch Tailings Dam
- B. Works used to transport water to place of use:
Runoff & slurry lines
- C. Works used to apply water to beneficial use:
Grizzly Gulch Tailings Dam

The system is in the following condition good. The point of diversion is located 1600 ft. north & 1750 ft. west of the SE corner of Sec. 3-T4N-R3E (SE ¼) (Lat. 44.3333, Long. -103.7400). The works are capable of storing maximum of 20,200 acre-feet of water which is to be used for industrial use. Water has been put to beneficial use to the maximum extent as follows:

Raising Grizzly Gulch Tailings Dam to a crest elevation of 5485 ft. msl

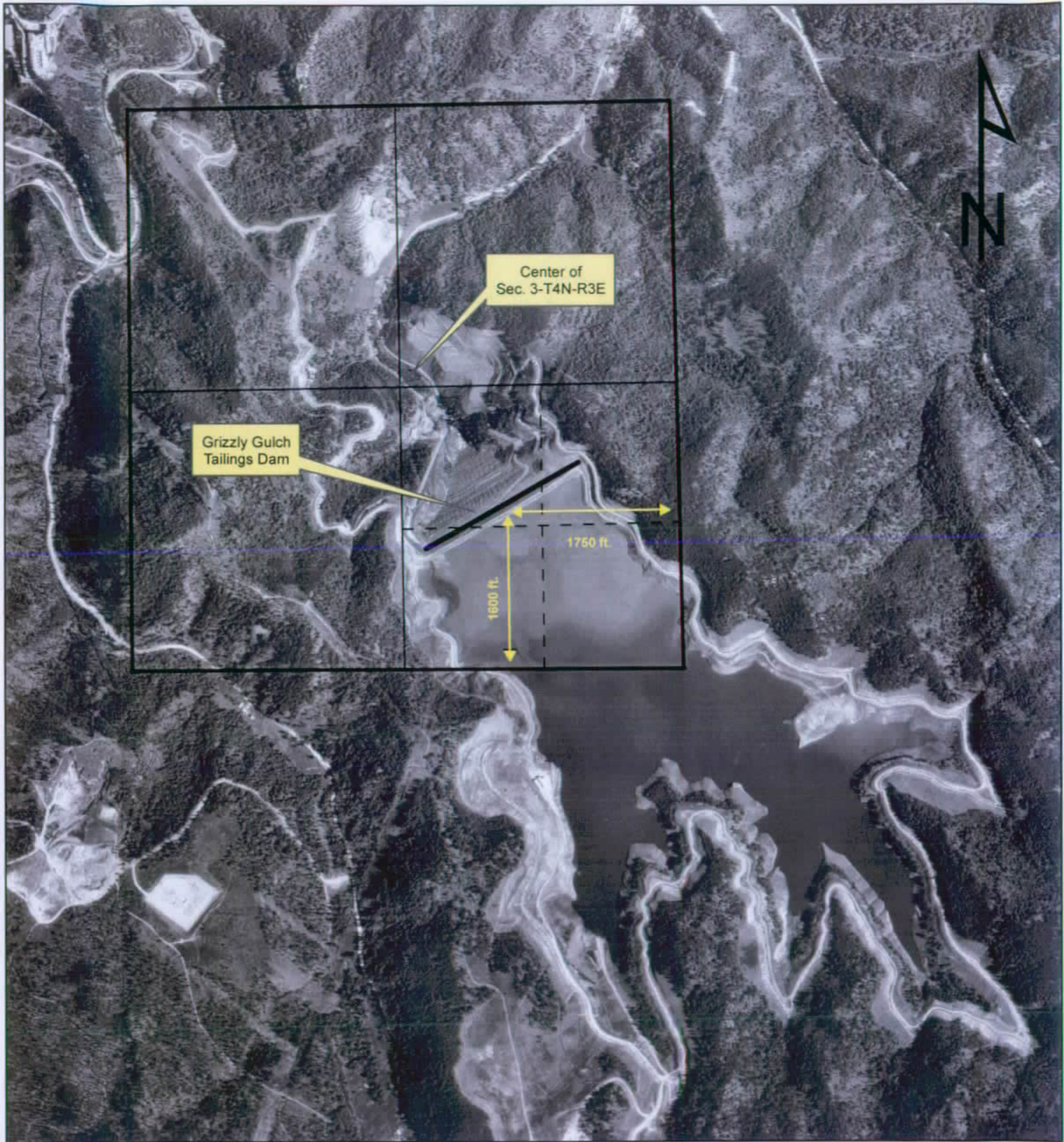
Applicable permit qualifications have been complied with: Yes X

Exceptions to compliance are: none Date Report Completed: April 6, 2005

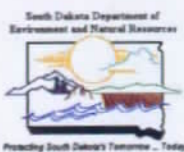


Timothy G. Schaal, P.E.
Natural Resources Engineer Specialist
DENR, Water Rights Program

Water Permit Application No. 1398A-1



0 0.25 0.5 1 Miles



Timothy G. Schaal
Timothy G. Schaal, P.E.
Natural Resources Engineer Specialist
DENR, Water Rights Program

4/6/05

STATE OF SOUTH DAKOTA
WATER LICENSE NO. 1398A-1

(1) Homestake Mining Company, 630 E Summit, Lead SD 57754 made Application No. 1398A-1, September 11, 1996 for a water permit to increase the elevation level of the Grizzly Gulch Tailings Dam authorized by Water Permit No. 1398-1 from elevation 5,450 feet mean sea level (fmsl) to elevation 5,500 fmsl. No. 1398A-1 did not authorize any appropriation of water in addition to the existing Homestake Mining Company water rights. Grizzly Gulch Tailings Dam, in Lawrence County South Dakota is utilized for storage of process water and tailings from mining operations. Permit No. 1398A-1, with a priority date of September 11, 1996 was approved December 4, 1996 and issued to the applicant for diversion of water with construction of the described water supply system to be completed on or before December 4, 2001 and for the application to beneficial use of water on or before December 4, 2005.

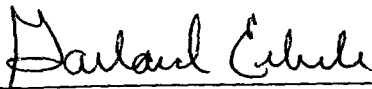
Water Right No. 1398-1, with a priority date of July 30, 1987, authorized the increase in crest elevation associated with Raise No. 2 and included a maximum storage capacity of 20,200 acre feet.

(2) The water supply system has been completed and water applied to beneficial use in accordance with South Dakota State Law. Pursuant to South Dakota Codified Law 46-5-30.1, Homestake Mining Company the holder and/or owner of Water Right No. 1398A-1 is issued a license, bearing a priority date of September 11, 1996 for the increase in elevation of the Grizzly Gulch Tailings Dam from 5,450 feet mean sea level to elevation 5,485 fmsl. The dam stores a maximum of 20,200 acre feet of water (see 1398-1).

The dam (spillway) is located 1,600 feet north and 1,750 feet west of the SE corner of Section 3, T4N, R3E (SE ¼).

(3) This license is subject to South Dakota Water Law, any limitations or conditions listed in Water Permit No. 1398A-1 including the following qualifications (*both items below have been received*):

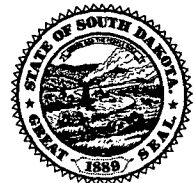
- an Emergency Preparedness Plan (EPP) pursuant to Water Management Board Rules 74:02:08:09(9) and 74:02:08:10 no later than February 1, 1997; and
- the plans and specifications for the remaining stages of construction for Raise No. 3 of the Grizzly Gulch Tailings Dam.



Garland Erbele, Chief Engineer
Water Rights Program
Department of Environment and Natural Resources

JUL 11 2005

date





**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

JUL 11 2005

1398A-1

Mark Tieszen, Environmental Mgr
Homestake Mining Company
630 E Summit St
Lead SD 57754-1700

Dear Mr. Tieszen:

Enclosed is Water License No. 1398A-1, Receipt No. 001856 for \$50.00 which was assessed for an investigation and issuance of the license, and a map prepared by the staff engineer who conducted the investigation. Water License No. 1398A-1 is the final document which completes the process of obtaining a water right.

As long as you use the water beneficially, as stated in the Water License, State Water Laws provide that you have a continuing right to use the water.

Sincerely,

Garland Erbele, Chief Engineer
Water Rights Program
(605) 773-3352

enclosures

1398A-1

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.



HOMESTAKE MINING COMPANY
11457 Bobtail Gulch Street
Central City, SD 57754

RECEIVED

SEP 21 2011

WATER RIGHTS
PROGRAM

September 20, 2011

Mr. Mike Cepak, P.E.
SD Dept. of Environment and Natural Resources
Minerals and Mining Program
523 East Capitol / Joe Foss Building
Pierre, SD 57501-3181

Re: Request to Discontinue Monitoring at the Coffield Residential Well in Pluma

Dear Mr. Cepak:

Homestake Mining Company is hereby requesting that the Coffield residential well be eliminated from the Grizzly Gulch groundwater monitoring network. Homestake is required to monitor groundwater downstream of the Grizzly Gulch Tailings Impoundment as a condition of the July 8, 1982 approval of plans and specifications for Phase II of Raise No. 1 of the Grizzly Gulch Tailings Dam. Homestake submits the results of the Grizzly Gulch downstream groundwater monitoring network annually to the DENR, Minerals and Mining Program.

The Coffield well is a shallow, alluvial well located near the mouth of Grizzly Gulch in Pluma. The well was previously used for domestic services until city water was piped into the neighborhood. It is Homestake's understanding that the well has since been strictly used for outside purposes such as lawn irrigation. The pump also recently malfunctioned and was removed from the well by the well owner, precluding, at least temporarily, Homestake's ability to pump and sample the well.

Homestake will continue to monitor Wells GG-11, 12, 13, 14, 15 and 16. Well GG-14 is nearest to the residential area in lower Grizzly Gulch and serves as Homestake's compliance point.

Please contact me at (605) 722-4680 if you have any questions.

Sincerely,

Mark Tieszen
Environmental Manager

cc: Janile Lewis, Ground Water Quality Program
Tim Schaal, DENR, Water Rights Program



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

PMB 2020
JOE FOSS BUILDING
523 EAST CAPITOL
PIERRE, SOUTH DAKOTA 57501-3182
www.state.sd.us/denr

September 22, 2011

Mr. Mark Tieszen
Environmental Manager
Homestake Mining Company
11457 Bobtail Gulch Street
Central City, South Dakota 57754

Re: Request to Discontinue Monitoring the Coffield Well in Pluma

Dear Mark:

The department has reviewed your request dated September 20, 2011, that the Coffield residence well be eliminated from the Grizzly Gulch groundwater monitoring network. Homestake is required to monitor groundwater downstream of the Grizzly Gulch tailing impoundment as a condition of the July 8, 1982 approval of plans and specifications for Phase II of Raise No. 1 of the Grizzly Gulch Tailings Dam.

Based on the department review of this matter, the Coffield well can be eliminated from the Grizzly Gulch monitoring network. The department considered that the Coffield well has historically had good water quality, and it is about 400 yards downgradient of the compliance well GG-14. GG-14 is also a shallow, alluvial well with good water quality. We also considered that the Coffield well is not currently being used for domestic purposes and the pump had been removed by the well owner.

It is our understanding that Homestake will continue to monitor the other wells in Grizzly Gulch ground water network.

If you have any questions, please contact me at (605) 773-5418.

Sincerely,

Michael D. Cepak
Engineering Manager I
Minerals and Mining Program
Telephone: (605) 773-5418

Cc: Tom Brandner, Ground Water Quality Program
Tim Schaal, Water Rights Program ✓