

Considered: _____

WATER PERMIT NO. 1440-1

HAP No. same 584-2010

Name of Applicant Golden Reward Mining Company

Post Office Address PO Box 888, Lead SD 57754

Amount of Water Claimed 0.28 cfs Total Acres NA

Source of Water Supply precipitation and runoff and groundwater

Water to be used for industrial use County Lawrence

About 1 1/2 miles SW of Lead.

PROOF OF PUBLICATION: Received _____ Not Received _____

APPLICATION: Approved _____ Subject to _____

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

PRIORITY _____ Date Received Apr. 11, 1988 Fee \$225.00 Remarks _____

Corrected Application Received Apr 22, 1988 Period of Annual Use Jan 1 - Dec 31

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

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

Diversion Point primary water pit storage area:

NW 1/4 NE 1/4, NE 1/4 NW 1/4 section 7 - T4N - R3E

Land to be Irrigated NA

Well Log: Driller NA Licensed YES _____ NO _____

Depth of Well _____ REMARKS _____

Type of Map plat PREPARED BY John M. Appleth Reviewed and the Number

assigned on April 25, 1988 By Ron D. Small

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

No. 1440-1 Hydrologic Unit 10120202
Map No. same Basin Belle Fourche R.
Newspaper Lead Daily Call, Box 876

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 ☐

Type of Application: Check one or more of the following

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 Golden Reward Mining Company Phone No. 605-584-2010

Post Office Address PO Box 888 Lead State SD 57754
(Street, RR or Box) (City) (Zip Code)

2. Amount of water claimed (c.f.s.) 0.28

3. Source of water supply Precipitation and Run off onto Mine Operation & pit dewatering
(Primary Pit Storage Area)

4. Location of point of diversion NW 1/4 NE 1/4 Sect. 7 T4N, R3E BHM 2505 ft. S 88 deg. 27' 49"
W of NE corner of Sect. 7 T4N, R3E BHM and NE 1/4 NW 1/4 Section 7; SE 1/4 SW 1/4 Section 6;
all in T4N-R3E County Lawrence

5. Counties where water will be used Lawrence

6. Annual period during which water is to be used January 1 - December 31

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)

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 _____)^{ss}

I, Peter Erickson, General Manager

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 by [Signature] Golden Reward Mining Company
General Manager

Subscribed and sworn to before me this 11th day of April 1988

[Signature] Commissioner 08.24.95
Notary Public

110,000 E

115,000 E

120,000 E

127,000 N

127,000 N

122,000 N

122,000 N

117,000 N

117,000 N

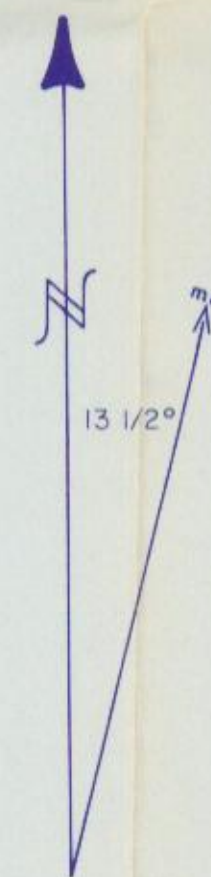
112,000 N

112,000 N

EXPLANATION

△ DOMESTIC WELL WITHIN 200 FEET
OF PERMIT BOUNDARY
+ WATER LINE
▤ PROJECT FACILITIES
▬ ROAD
— CONDITIONAL USE PERMIT
BOUNDARY

△ DESIGN POINT
--- SUBWATERSHED AREAS CONTRIBUTING
DESIGN POINTS
— WATERSHED BOUNDARY
+ POWER LINE
+ TELEPHONE LINE
+ POWER & TELEPHONE LINE
+ PROPOSED POWER LINE
+ PROPOSED TELEPHONE LINE



THE GOLDEN REWARD MINING CO.

EXHIBIT 5-3

DELINEATION OF DRAINAGE BASINS

Golden Reward Property
Lawrence County, S. D.

500 0 500 1000
feet

Scale: 1 inch = 500 feet

Drafted by: N. T. Martin

Prepared by: John M. Martin

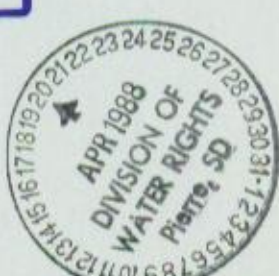
Date: 11-13-87

FIGURE

Revision dates: 3/1/88

REFERENCE SDCL 45-6B-7

SDCL 45-6B-41



Appl. No. 1440-1

110,000 E

115,000 E

120,000 E

127,000 N

127,000 N

122,000 N

122,000 N

117,000 N

117,000 N

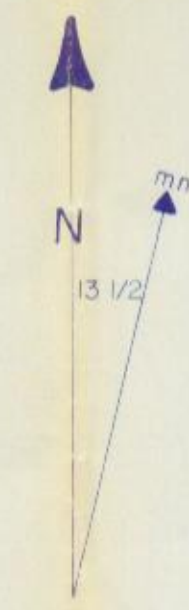
112,000 N

EXPLANATION

- Power Line
- Telephone Line
- Power and Telephone Line
- Proposed Power Line
- Proposed Telephone Line
- Water Line
- Domestic Well Within 200 Feet of Permit Boundary
- Project Facilities
- Road
- Conditional Use Permit Boundary

- pH (Units)
- AVG. FLOW RATE (gpm)
- EL. CONDUCTIVITY (umhos/cm)
- FIELD SITE
- PICTURE SITE
- STANDING / SLIGHTLY MOVING WATER
- FLOWING WATER
- CULVERTS, BRIDGES
- STUDY AREA BOUNDARY
- NOTE: For More Information See Appendix A

- DRY GULLIES
- SPRINGS
- SEEPS / BOGGY AREAS
- DAMS, SMALL CATCHMENT AREAS
- EXISTING WELL
- SPRING MONITORING SITE
- SURFACE WATER MONITORING SITE
- SECTIONS OF DRY STREAM BED
- G SERIES MONITOR LOCATION SITE (Preliminary Monitor Sites)



THE GOLDEN REWARD MINING COMPANY

APPENDIX G FIGURE -2
SURFACE WATER INVENTORY

GOLDEN REWARD PROPERTY
LAWRENCE COUNTY, S. D.

500 0 500 1000
feet

SCALE: 1 INCH = 500 FEET
Drafted by: N.Tilus Prepared by: J.C. for V.S.
Date: 10-9-87 FIGURE
Revision dates: 11-12-87 REFERENCE SDCL 45-6B-41



Appl. Nos. 1440-1 and 1441-1

**SOUTH DAKOTA
WATER PERMIT**

Date of first receipt of application April 11, 1988

Date of return to applicant for correction, amendments or changes required April 13, 1988

Date of receipt of corrected application April 22, 1988

The Water Management Board approved Water Permit Application No. 1440-1

on July 27, 1988 for Golden Reward Mining Company
(Applicant)

PO Box 888 Lead South Dakota 57754
(Street, RR or Box) (City) (State) (Zip Code)

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. 1440-1 appropriates 0.28 cubic feet of water per second of impounded ground water from dewatering mine pits and impounded runoff water from precipitation falling on the proposed mine site. Runoff water from areas disturbed by mining operations is to be impounded by sediment control traps (each capable of impounding a 10 year, 24 hour precipitation event) and by the primary pit water storage area in (see Attachment 1).
2. The water appropriated shall be used for the purpose of supplying a heap leach ore - processing facility and for dust control
and may not exceed the amount of water needed for beneficial use for industrial uses.
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 the right is April 11, 1988.
5. One-fifth of the construction is to be completed on or before January 27, 1991.
6. All construction is to be completed on or before July 27, 1993.
7. Water is to be put to beneficial use on or before July 27, 1997.
8. Water rights obtained in compliance with the laws of the State of South Dakota may not be unlawfully impaired by this appropriation.

QUALIFICATIONS

SEE ATTACHED SHEET

WATER MANAGEMENT BOARD

By: 
Chief Engineer

Division of Water Rights
Dept. of Water and Natural Resources

NOV 23 1988

QUALIFICATIONS FOR WATER PERMIT APPLICATION NO. 1440-1

1. Although the Board believes there is reasonable probability that there is unappropriated water available for the proposed use, since only limited flow data are available for Stewart Gulch and the impacts of proposed groundwater withdrawals on spring flows and stream flows under Permit Nos. 1438-1, 1439-1, and 1440-1 are uncertain, the Water Management Board is retaining jurisdiction of these Permits, which will be exercised prior to licensing. The Board may quantify and/or determine if minimum amounts of water must be present in Stewart Gulch, Whitetail Creek and Whitewood Creek to protect these streams as cold water permanent fish life propagation waters and to determine any impacts of Golden Reward Mining Company withdrawals on these streams.

This retained jurisdiction will be exercised pursuant to the public trust duties of the State and the Water Management Board as the Board vested with the authority of the State, to supervise the appropriation and distribution of water resources of the State.

2. That Golden Reward Mining Company install and operate a continuous recording flow gaging station on Stewart Gulch at a site below the Bertha Mine Workings outflow and above the confluence with Whitetail Creek.
3. Approval of Permit No. 1440-1 is subject to compliance with the following then existing and applicable Water Management Board rules:
 - a. Chapter 74:03:15 Ground Water Quality Standards,
 - b. Chapter 74:03:16 Ground Water Discharge Permit,
 - c. Chapter 74:03:02 Surface Water Quality Standards,
 - d. Chapter 74:03:04 Uses Assigned to Streams,
 - e. Chapter 74:03:17 Surface Water Discharge Permit - General Provisions,
 - f. Chapter 74:03:18 Surface Water Discharge Permit Application Requirements,
 - g. Chapter 74:03:19 Surface Water Discharge Permit Conditions,
 - h. Chapter 74:03:20 Transfer Modification, Revocation and Reissuance and Termination of Surface Water Discharge Permits,
 - i. Chapter 74:03:21 Procedure For Permit Processing,
 - j. Chapter 74:03:22 Secondary Treatment Standards,
 - k. Chapter 74:03:23 Criteria and Standards for Surface Water Discharge Permit,
 - l. Chapter 74:03:24 Toxic Pollutant Effluent Standards for Surface Water Discharge Permits,
 - m. Chapter 74:03:25 Effluent Guidelines and Standards for Surface Water Discharge Permits, and
 - n. Chapter 74:03:26 Pretreatment Regulations for Surface Water Discharge Permits.

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 280x350 Depth 40
- b) Depth to water (ground surface to water level) 1 ft.

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

b) Freeboard _____

c) Crest Width _____

Crest Length _____

d) Height _____

e) Primary Outlet Capacity _____
If Pipe, diameter _____

f) Secondary Spillway Capacity _____
Spillway width _____

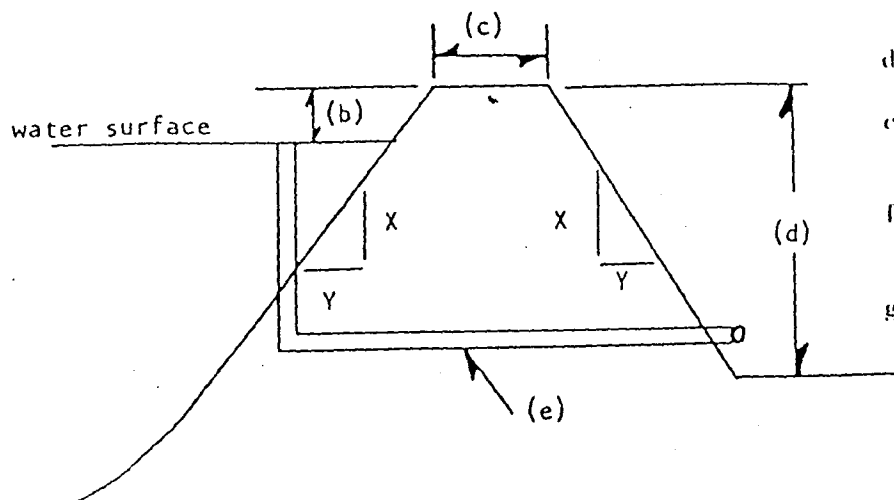
g) X & Y Slope
Upstream _____

Downstream _____

Surface Area of Impoundment _____

Storage _____ acre feet

Drainage area above dam _____



Signature of Applicant _____

ATTACHMENT 1

The NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 7; SE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 6; all in T4N-R3E. Ground water seepage into mine pits is also to be diverted to the primary pit storage area. The primary pit storage area is to consist of 4 pits including Isadorah 1 (18.9 acre-feet storage capacity), Isadorah 2 (9.4 acre-feet storage capacity), Isadorah 3 (19.6 acre-feet storage capacity) and Sundance (12.4 acre-feet storage capacity) for a total storage capacity of 60.3 acre-feet.

Runoff water from areas undisturbed by mining operations is to be diverted via ditch to avoid areas disturbed by mining operations. Runoff water from an undisturbed area on the North Fork of Stewart Gulch is to be diverted via ditch to the South Fork of Stewart Gulch at a point in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 12-T4N-R2E. A portion of the Fantail Creek drainage area that is undisturbed by mining is also to be diverted via ditch between two mining pits in the SE $\frac{1}{4}$ Section 1-T4N-R2E. The ditch is to follow the existing creek channel and water will then flow in the natural Fantail Creek channel below the pit sites.

RECEIPT

Division of Water Rights

South Dakota Department of Water and Natural Resources

411212

Pierre, April 22, 1988

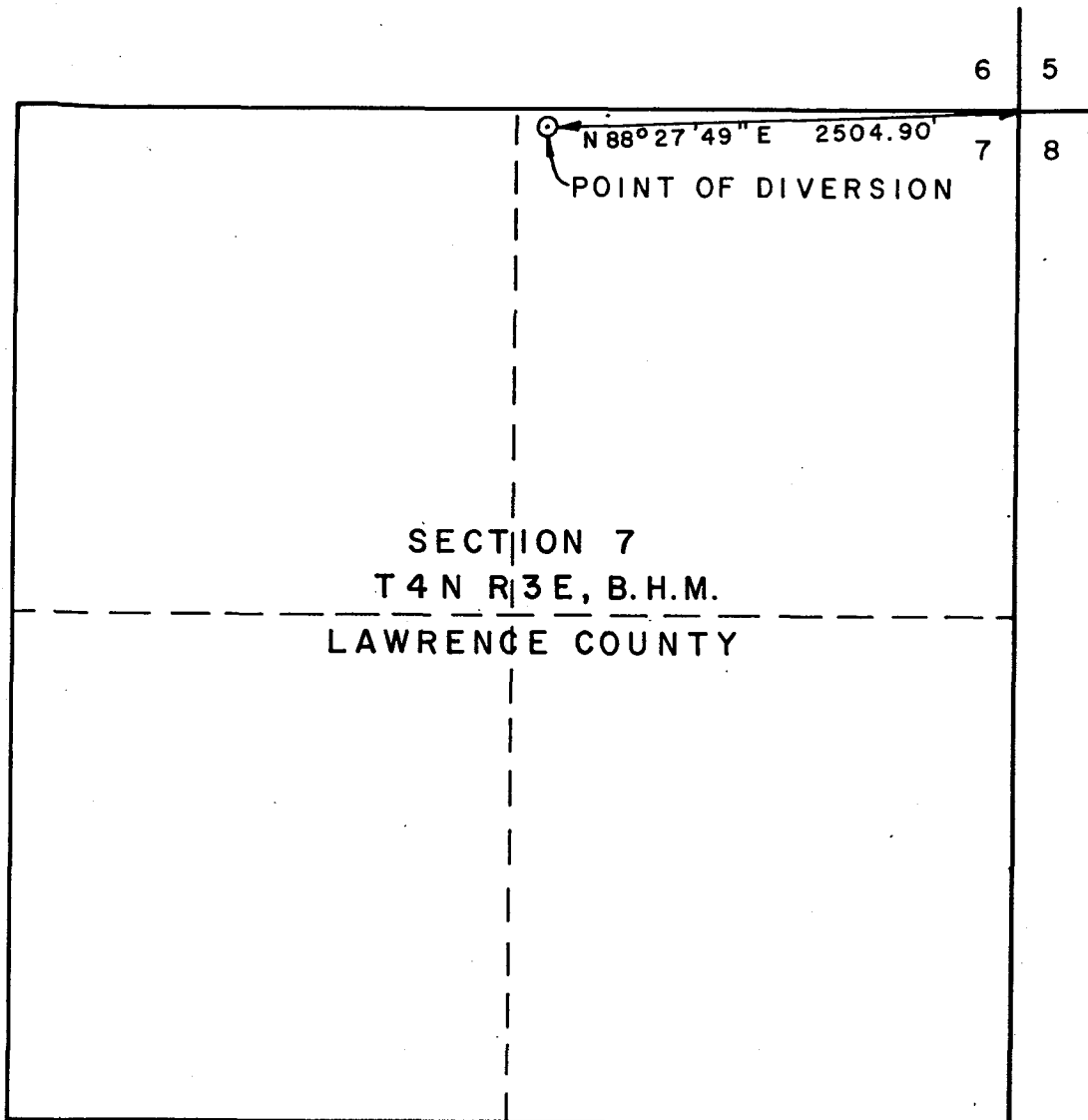
RECEIVED OF Golden Reward Mining Co., PO Box 888, Lead, SD 57754

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

Fee for Application for Permit No. <u>1440-1</u> to Appropriate Water, to construct works and to put water to beneficial use _____	225	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	225 00

By John Hatch

DIVERSION PIT LOCATION MAP



SCALE: 1" = 1000'

I, JOHN M. ARLETH, P.O. BOX 39, DEADWOOD, S.D.; BEING A
REGISTERED LAND SURVEYOR, IN THE STATE OF SOUTH DAKOTA,
DO HEREBY CERTIFY THAT THE WELL SHOWN ABOVE WAS SUR-
VEYED UNDER MY DIRECT SUPERVISION.

DATE

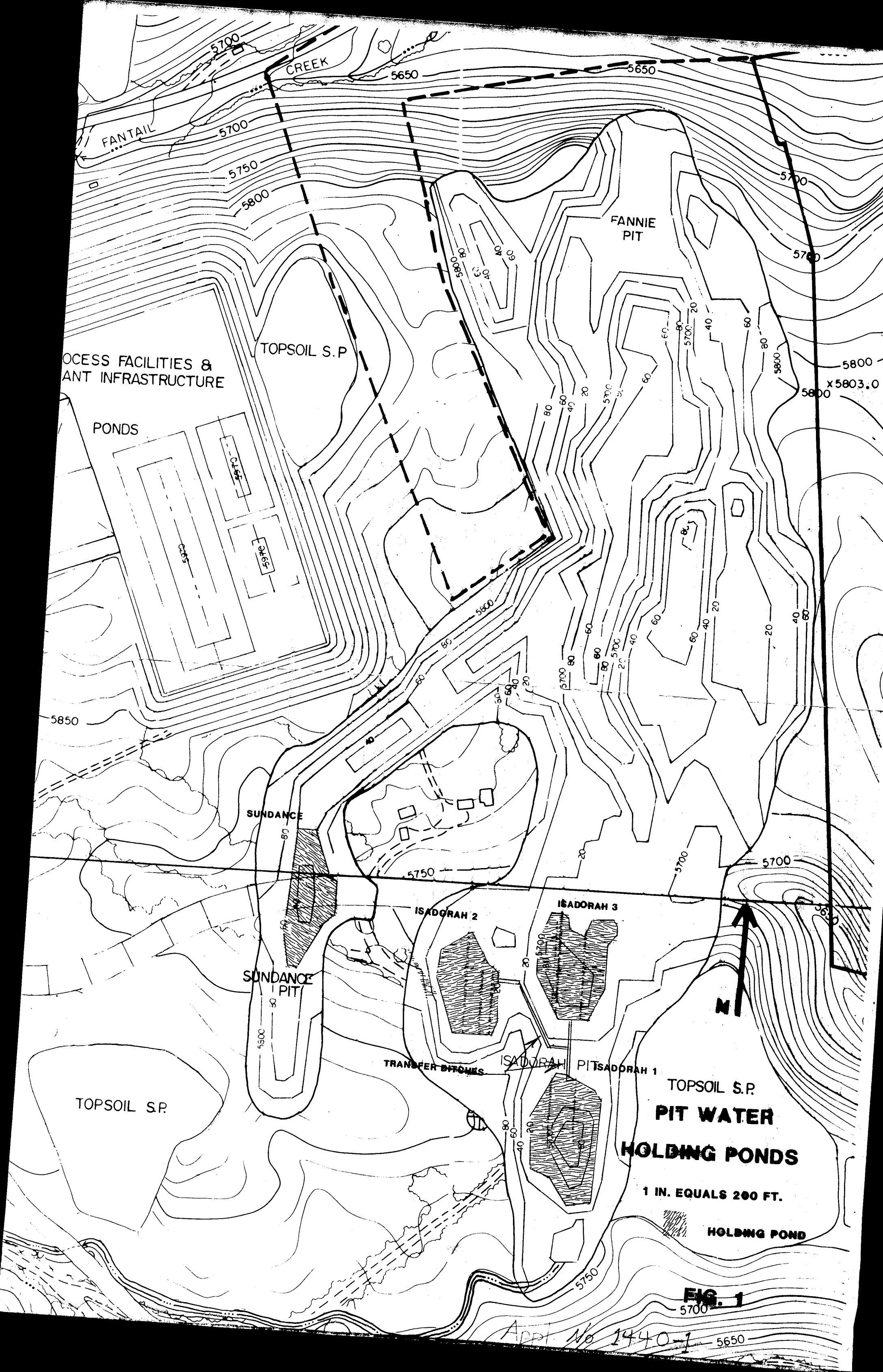
7/8/00



[Handwritten signature]

JOHN M. ARLETH, R.L.S. #3977

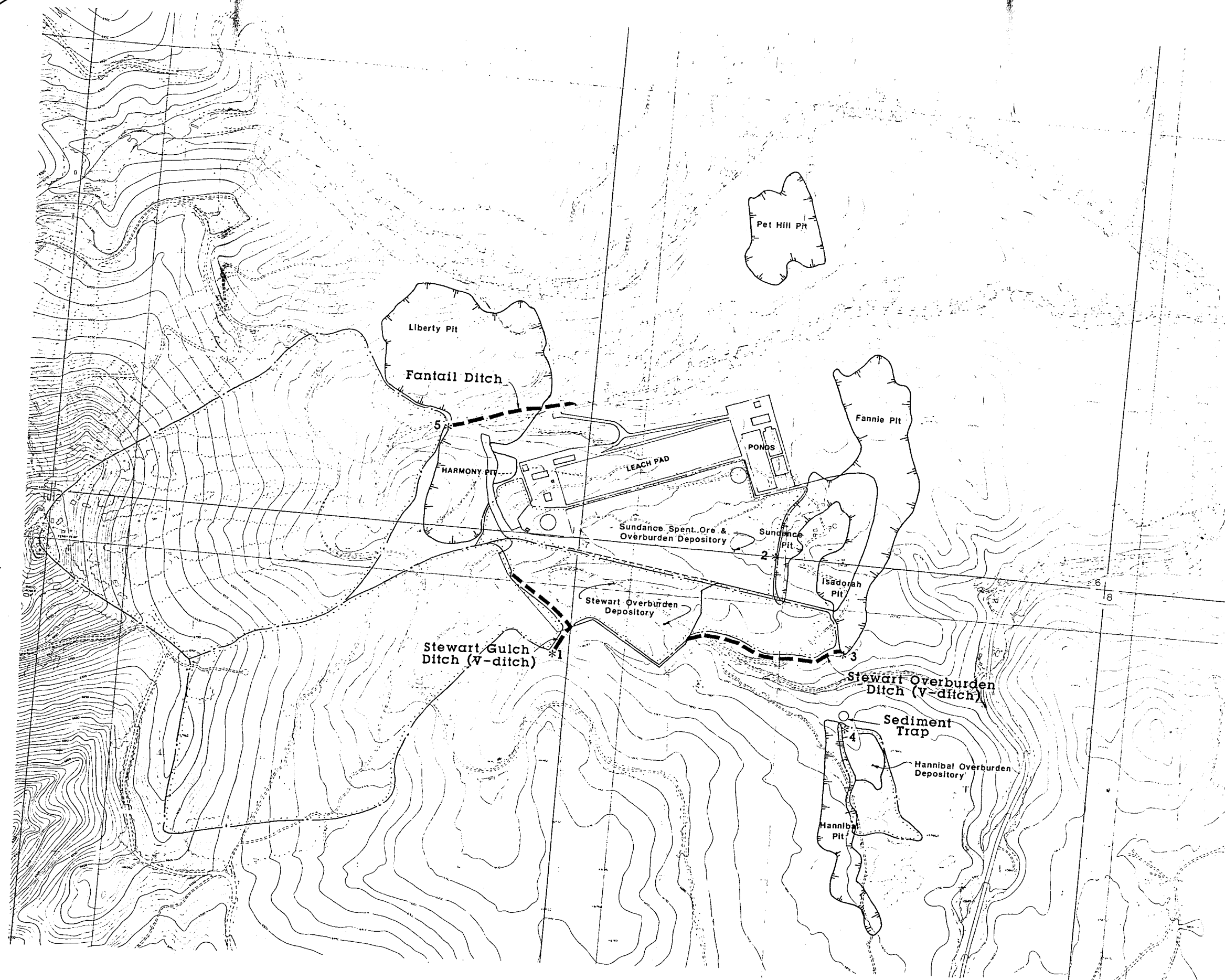
App'l No 1440-1



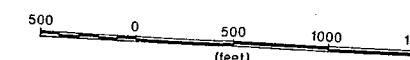


LEGEND

-  Drainage Ditch - (see text for typical details)
- *1 Design Points
-  Sediment Trap
-  Drainage Basin Boundary



SCALE



Golden Reward Mining Co.

Drawn: DLS	EXHIBIT 5-4	Sheet No.
Checked: JG	SITE DRAINAGE PLAN	
Approved: MKB	REFERENCE SDCL 45-6B-41	
Date: 11/24/87		
REVISED 3/1/88		

Hydrometrics, Inc.
Consulting Scientists and Engineers
Helena, Montana

PREPARED BY: EK



THE
GOLDEN REWARD
MINING COMPANY

April 11, 1988

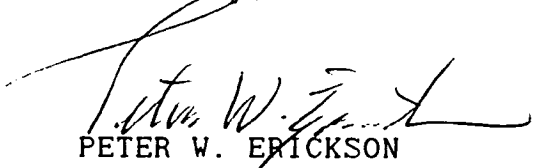
Mr. Ron Duvall
Water Rights Division
Joe Foss Building
Pierre, SD 57501

Dear Mr. Duvall:

Please find enclosed four Applications to Appropriate Water within the State of South Dakota, along with the appropriate application fees.

I trust that the information included with the applications is complete, but if you should have further questions or need more information, please contact our engineer, Mr. John Gould.

Sincerely,


PETER W. ERICKSON
General Manager

PWE:co
Enc.

GOLDEN REWARD WATER REQUIREMENTS

Golden Reward will be requiring 90 gpm of make up water during the non-operating months (winter months) and 495 gpm during the operating months for an annual average usage of 402 gpm (Table 1).

Although water needs are estimated at 402 gpm, the aggregate appropriation is for 675 gpm for several reasons. If we should have periods of dry weather, our water needs will be above average. If precipitation is low, the water wells will have to make up more, so the wells themselves are permitted such as to provide the total requirements. An extended operating season could increase the needs over and above the average, also.

Golden Reward proposes using the runoff from the depositories, precipitation collected within the pits and wells to supply this water.

Golden Reward proposes using three wells to partially supply this water. The first primary water well source is Well PW-5. This well is located at the southern end of the property and draws water from the historic Astoria underground mine some 300 feet below the surface. This well is being permitted for 300 gpm with an annual usage of 252 gpm.

The second primary well source is Well PW-1 located some 1,400 feet north of PW-5 and east of the Golden Reward Hannibal pit. This well is being permitted for 150 gpm, and average annual usage is anticipated to be 96 gpm.

The secondary well source is PW-4 which is located in the lower end of Stewart Gulch and draws water from the historic Bertha underground workings. PW-4 will supplement PW-1 and PW-5, supplying short term water needs over and above average requirements and will provide a short term back-up should there be a pump failure in PW-1 or PW-5. This well would be able to supply extra water if it were needed for fire fighting. This well is being permitted for 100 gpm, and average annual usage is anticipated at 54 gpm.

Since the drainage from the Bertha mine is a major contributor to the stream flow in Lower Stewart Gulch, Golden Reward proposes to limit its usage such that when the flow is equal to or less than 150% of the previously recorded minimum flows, Golden Reward will not utilize PW-4. The low flow rates in Stewart Gulch occur during Golden Reward's non-

operating period when Golden Reward's water requirements are low.

The minimum recorded flow rate in Stewart Gulch is 37 gpm, and 150% of that is 56 gpm. The average flow in Stewart Gulch during the non-operating season is 186.5 gpm, so even if Golden Reward pumped the proposed appropriation, the average winter flow would be 86 gpm, some 30 gpm above Golden Reward's proposed minimum flow.

In addition to the wells, GRMC will be utilizing two other water sources. These sources are an integral part of the site drainage and stream sedimentation control plan.

Golden Reward plans to retain runoff from the waste depositories and the pits, store the water in a completed pit and use this water for processing and road dust control.

The first collection area on the north fork of Stewart Gulch is normally a dry draw. Runoff from the depository located in the draw will be transferred via a channel to a pit in the Eastern Mining Area.

The second collection area is the runoff from the Sundance depository which will be stored in the same pit in the Eastern depository.

The third collection area is precipitation waters collected within the pits and stored at the pit at the Eastern Mine Area. The aggregate of the surface waters is expected to average 125 gpm and is being permitted for 125 gpm.

The normal priority of water usage would be:

1. Pit and Depository Runoff
2. PW-5
3. PW-1
4. PW-4

This water management scheme is designed to provide adequate water for GRMC's operation while conserving and using efficiently this resource.

Table 1

Golden Reward Water Requirements

	<u>Operating Season</u>	<u>Non-Operating Season</u>	<u>Annual Average</u>
Time (Weeks)	40	12	52
Process Water (gpm)	330	-	254
Pit (gpm)	150	75	133
<u>Miscellaneous (gpm)</u>	<u>15</u>	<u>15</u>	<u>15</u>
Total	495	90	402

Golden Reward Average Water Supply Sources

Pit Sumps	varies	varies	125
PW-1 (gpm)	125	-	96
PW-4 (gpm)	70	-	54
<u>PW-5 (gpm)</u>	<u>300</u>	<u>90</u>	<u>252</u>
	495	90	527

Golden Reward Average Available Water Supply (Permitted)

Pit Sumps	varies	varies	125
PW-1 (gpm)	150	150	150
PW-4 (gpm)	100	100	100
<u>PW-5 (gpm)</u>	<u>300</u>	<u>300</u>	<u>300</u>
	550	550	675



Department of Water & Natural Resources

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

April 13, 1988

John Gould
Golden Reward Mining Co.
PO Box 888
Lead SD 57754

Dear Mr. Gould:

This letter is in response to the four water permit applications for Golden Reward submitted on April 11, 1988.

A separate application does not need to be submitted for each proposed diversion point. I can combine the information to make one application if Golden Reward is willing to proceed with one application instead of four applications. The application fee for one application with the combined diversion rates of 1.50 cfs is \$400.00 instead of the \$1050.00 (correct amount should be \$975.00) submitted for the four applications. Therefore, I will combine the applications with your written permission and enclosed are the checks totaling \$1050.00. Please remit a check for \$400.00 if you wish to combine the applications or return checks for \$225.00 (0.28 cfs), \$300.00 (0.67 cfs), \$225.00 (0.33 cfs) and \$225.00 (0.22 cfs) for the four applications totalling \$975.00.

The following additional information is also needed for review of the permit application:

- 1) The proposed operating capacity and maximum capacity of the solution ponds (including the PMP pond). Plans and specifications showing the proposed construction and size of the ponds.
- 2) The same information as requested in No.1 is also needed for the sediment control traps plus the location of the traps (also see No. 4).
- 3) A copy of Exhibits 2-1, 2-3, 5-1, 5-3, 5-4; Appendix G, Figure 7, Figure 1,5, and Figure 2.
- 4) The written description accompanying the applications made reference to runoff being collected from the waste depositories and from the pits. The references to the Sundance Depository, Eastern Depository, pits and so on are difficult to visualize without a map. The map submitted with this application locates the point of diversion as being in the NW 1/4 NE 1/4 section 7-T4N-R3E; however, no reference is made as to what this point locates. Please locate and name all the pits from which runoff is to be pumped and the proposed pumping locations from the waste depositories. Then locate the pit to which this water is to be pumped and specify the size of the pit. Enclosed is a copy of the map submitted with the application and a copy of the written description with the material in question highlighted in red.

April 13, 1988

John Gould

Page 2

The permit application can not be processed for consideration by the Water Management Board until the application is complete. The above information is needed for completion of the report and recommendation. Completion of the report may also require obtaining additional information at a later date.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ron Duvall".

Ron Duvall
Natural Resources Engineer
605 773-3352

enc.

THE
GOLDEN REWARD
MINING COMPANY



April 19, 1988

Mr. Ron Duvall
Water Rights Division
Joe Foss Building
Pierre, SD 57501

Dear Mr. Duvall:

Thank you for your timely response to our water permit application.

After due consideration, we prefer to have separate applications and appropriations for each of the diversions. I have enclosed the appropriate checks.

We would expect to handle all of the appropriations at a single hearing, which we are requesting as soon as possible but no later than July, 1988.

The enclosed attachment should provide the supplemental information you have requested. At this time, much of the information is conceptual. When the construction plans and specifications are available, we can provide your office with copies of them.

If you need further information, do not hesitate to call us.

Sincerely,

JOHN C. GOULD
Chief Engineer

JCG:co
Enc.

Golden Reward Mining Company
Application to Appropriate Water
Supplemental Information

RE: Mr. Ron Duvall's letter dated April 18, 1988

Q "1) The proposed operating capacity and maximum capacity of the solution ponds (including the PMP pond). Plans and specifications showing the proposed construction and size of the ponds."

A The pertinent information for the operating ponds is shown on Table 1.

TABLE 1 PRELIMINARY POND STATISTICS

	<u>Surge</u>	<u>Detox</u>	<u>PMP</u>
Length (ft.)	260	180	600
Width (ft.)	130	130	190
Depth (ft.)	25	25	25
Max. Water Surface* (acres)	0.8	0.5	2.6
Operating Freeboard	20	12	20

Pond Capacity (millions of gallons)	<u>Cont.</u>	<u>Avail.</u>	<u>Cont.</u>	<u>Avail.</u>	<u>Cont.</u>	<u>Avail.</u>
Freeboard-0 ft.	3.6	0	2.4	0	14.9	0
Freeboard-1 ft.	3.3	0.3	2.2	0.2	14.0	0.9
Freeboard-3 ft.	2.8	0.8	1.8	0.6	12.3	2.6
Normal Oper.	0.3	3.3	0.6	1.8	1.9	13.0

* Surface Area with 0 ft. of Freeboard

The proposed lining for the ponds is as follows from the top down:

60 Mill HDPE
GeoNet
60 Mill HDPE
Gravel Drain Layer
Compacted Clay

The gravel drain layer and clay layers will run up the 2:1 (H:V) pond slopes as high as can be practically placed and compacted.

Q "2) The same information as requested in No. 1 is also needed for the sediment control traps plus the location of the traps (also see No. 4)."

A The sediment control traps locations are shown on Exhibit 5-4. The traps will be designed for the 10 year, 24 hour precipitation event. The Hannibal trap will be 75 feet by 100 feet by 2 feet deep.

Q "3) A copy of Exhibits 2-1, 2-3, 5-1, 5-3, 5-4; Appendix G, Figure 7, Figure 1, 5, and Figure 2."

The following are attached:

- Exhibit 2-1
- Exhibit 2-3
- Exhibit 5-1
- Exhibit 5-4
- Appendix G Figure 7
- Appendix G Figure 2

Appendix G, Figure 1, 5 is a duplicate of Exhibit 2-3, and I did not include it.

Q "4) The written description accompanying the applications made reference to runoff being collected from the waste depositories and from the pits. The references to the Sundance Depository, Eastern Depository, pits and so on are difficult to visualize without a map. The map submitted with this application locates the point of diversion as being in the NW 1/4 NE 1/4 section 7-T4N-R3E; however, no reference is made as to what this point locates. Please locate and name all the pits from which runoff is to be pumped and the proposed pumping locations from the waste depositories. Then locate the pit to which this water is to be pumped and specify the size of the pit. Enclosed is a copy of the map submitted with the application and a copy of the written description with the material in question highlighted in red."

The map enclosed with the permit applications depicted the location of the primary pit water storage area.

The attached pit map (Exhibit 2-6), along with Exhibits 2-1 and 3-4 should clarify the nomenclature. The overall site drainage plan follows.

Site Drainage Plan - General Description

During the operational phase of the Golden Reward project, surface water drainage will be controlled to minimize impacts

of erosion and sedimentation. The drainage and diversion plan to control runoff is designed so that it can easily be integrated into the final mine reclamation plan. Areas of primary concern are the Sundance, Stewart and Hannibal overburden depositories; four topsoil stockpiles; and haul roads.

Elements of the drainage and diversion plan are as follows:

1. Diversion of runoff waters from undisturbed areas away from or around the permit area.
2. A complete drainage and diversion system downstream of disturbed areas to contain runoff and prevent offsite sedimentation.

The general plan for surface water drainage and diversion is shown on Exhibit 5-4. A description of specific design criteria and engineering characteristics of each component of the site drainage plan follows the general drainage description.

Waters from undisturbed drainages will be transported around or away from the permit area. As shown on Exhibit 5-4, the Stewart Gulch diversion ditch will divert natural runoff water from the offsite undisturbed drainage above the Stewart overburden depository from the North Fork of Stewart Gulch to the South Fork of Stewart Gulch. Runoff from the offsite undisturbed drainage above the Liberty/Harmony pit will flow between these two pits along Fantail Ditch. This ditch will follow the existing stream channel. After leaving the pit area, runoff will continue to flow in the natural Fantail Stream Channel.

Runoff water from disturbed areas will be diverted to open mine pits or to sediment control traps. Drainage from the Hannibal overburden depository will be diverted into a small sediment control trap.

Drainage from the Stewart overburden depository will be diverted by ditch into the Isadorah pit. Runoff from the Sundance spent ore and overburden depository will flow naturally into the Sundance pit.

Runoff from the plant and main office area will either drain through the Sundance spent ore and overburden depository into Sundance pit, or through the Stewart Overburden Depository into Isadorah pit via the Stewart Overburden Diversion Ditch.

Sediment derived from topsoil stockpile runoff will be controlled by diversion ditches around the stockpiles which will direct runoff into drainage stabilization structures.

Typical structures include stormwater dispersion terraces, silt fences, Gabion sediment traps, grass filter waterways or sediment strawbale barriers. These structures will be maintained by periodically removing accumulated sediment deposits. Erosion from topsoil stockpiles will be minimized by seeding the soil soon after stockpiling.

Project roads will be designed and constructed to provide for proper drainage. Culverts for the access road, haul roads, and project service roads will be placed according to road grades and length of grades, road swales, watershed area draining to road surface, and road curves. Where culverts are installed to provide drainage for an existing channel, the culvert alignment and slope will maintain the existing characteristics of the channel.

Diversions will not be needed in the open-pit or the leach pad areas. Drainage into the mine pit areas will be allowed to flow directly into the pits. Since the majority of the pits are unsaturated, it is anticipated that this water will then percolate through the fractured rock of the mine pit. Runoff from the leach pad will be contained within the process water system by berms. Runoff control facilities will be constructed as required during the mining operation. The ditches and traps will be maintained throughout the life of the mine and will be modified as necessary as the mine expands. All drainage and diversion structures will be constructed to avoid the accumulation of stagnant water.

Engineering Designs

Peak runoff in the area results from snowmelt or intense spring or early summer rainfall events. Peak discharge events in both disturbed and undisturbed drainages were estimated using the U.S. Soil Conservation Service method (SCS, 1977) as summarized in Table 2. Locations of the design points and their associated drainage basins are on Exhibit 5-4. Runoff control structures are designed to transport the 25-year, 24-hour runoff event.

TABLE 2 PEAK FLOW CALCULATIONS
FOR SITE DRAINAGE PLAN

Design Point	Area of Drainage (acres)	Discharge (cfs)				Runoff Control
		Recurrence Interval				
		10-yr	25-yr	50-yr	100-yr	
1	138	22.2	40.1	59.4	81.4	Stewart Gulch Diversion Ditch.
2	48.5	48.2	64.1	78.8	93.8	Sundance pit
3	48.9	19.0	28.6	38.0	48.2	(1) Stewart Overburden Ditch (2) Isadorah pit
4	11.3	6.3	9.2	12.2	15.3	Sediment trap for Hannibal Overburden Depository.
5	192	42	75	112	151	(1) Berm along SW edge of Liberty pit. (2) Fantail Ditch

Source: U.S. Soil Conservation Service (1977) method.

The Mannings equation for calculating open channel flow was used to determine engineering characteristics of the three sediment control ditches (Table 3). All ditches were sized using a Mannings "n" equal to 0.035. Stewart Gulch Diversion Ditch and Stewart Overburden Ditch will be V-ditches with maximum channel slopes of 1.0%, side slopes of 2.5(h):1(v), and depths of 2 1/2 feet. Fantail Ditch will be a trapezoidal ditch with a maximum slope of 7.77% (present topographic slope), side slopes of 2.5(h):1(v), bottom width of eight feet, and depth of 2 1/2 feet. Fantail Ditch will be rip-rapped with 18 inch d_{50} rip-rap (EPA, 1976, Figures I-18 and I-19) to prevent erosion.

TABLE 3 SEDIMENT CONTROL DITCH CHARACTERISTICS

<u>Ditch Name</u>	<u>Type of Ditch</u>	<u>Length (feet)</u>	<u>Depth of Flow¹ (ft)</u>	<u>Top Width of Flow (ft)</u>	<u>Maximum Channel Slope</u>	<u>Velo-city (ft/s)</u>	<u>Dis-charge² (cfs)</u>	<u>Flow Type</u>
Stewart Gulch Diversion	V	950	1.99	9.97	.01	4	40.1	Sub-critical
Stewart Overburden	V	1950	1.76	8.78	.01	3.7	28.6	Sub-critical
Fantail	Trap ³	1350	0.83	12.14	.077	9	75	Super-critical

- NOTES:
- 1 Channel will be constructed with minimum of .5 feet of freeboard.
 - 2 Design discharge is the 25-year, 24-hour event (SCS, 1977).
 - 3 Trapezoidal ditch bottom width is 8 feet wide.

The capacities of pit storage ponds are shown on Table 4 and are illustrated in Figure 1.

TABLE 4 PIT WATER STORAGE

Site	Depth Ft.	CF 1,000's	Volume Gal. Millions	Acre Ft.	Surf. Area Acre
Isadorah 1	40	824	6.2	18.9	1.0
Isadorah 2	15	408	3.1	9.4	0.6
Isadorah 3	30	852	6.4	19.6	0.9
Sundance	<u>30</u>	<u>540</u>	<u>4.0</u>	<u>12.4</u>	<u>0.7</u>
Total		2,624	19.7	60.3	3.2

THE
GOLDEN REWARD
MINING COMPANY

Mr. Ron Duvall
Water Rights Division
Joe Foss Building
Pierre, SD 57501



Dear Mr. Duvall:

Enclosed are the checks and Exhibit 2-1 which I omitted in the supplemental package which I mailed to you earlier in the week.

I apologize for any inconvenience which this omission may have caused you.

Sincerely,

JOHN C. GOULD
Chief Engineer

JCG:co
Enc.

Conversation or File Documentation

NAME OF PERSON OR FILE: Golden Reward Mining Co.ADDRESS: PO Box 888, Lead SD 57754 COUNTY LawrenceDATE: June 7, 1988 TELEPHONE 584-2010RE: Status of Application No. 1440-1 and Water Right Filing No. 0425-1

COMMENTS:

Spoke to John Gould, Chief Engineer

I contacted John Gould via phone to determine if Golden Reward wanted to include a potential ground water appropriation from the mine pits on Application No. 1440-1. Mr. Gould stated that two of the pits may need to be de-watered and that water would be pumped to the primary pit water storage area. Mr. Gould indicated I could make the needed additions to the permit application.

I also spoke to Mr. Gould about the status of Water Right Filing No. 0425-1, Golden Reward Mining (different company). I told Mr. Gould that according to our information no use of the water has been made since approximately 1918. Therefore, notice of cancellation consideration is to be given due to forfeiture and/or abandonment. I told Mr. Gould that the cancellation can be protested.

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: Ron Swall

RECOMMENDATION OF CHIEF ENGINEER FOR WATER PERMIT
APPLICATION NO. 1440-1, Golden Reward Mining Company

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. 1440-1, Golden Reward Mining Company, PO Box 888, Lead SD.

The Chief Engineer is recommending APPROVAL of Application No. 1440-1 because 1) there is reasonable probability that there is unappropriated water available for the applicant's proposed use, 2) the proposed diversion can be developed without unlawful impairment of existing rights, 3) the proposed use is a beneficial use and 4) in the public interest with the following qualifications:

1. Although the Board believes there is reasonable probability that there is unappropriated water available for the proposed use, since only limited flow data are available for Stewart Gulch and the impacts of proposed groundwater withdrawals on spring flows and stream flows under Permit Nos. 1438-1, 1439-1, 1440-1 and ~~1441-1~~ are uncertain, the Water Management Board is retaining jurisdiction of these Permits, which will be exercised prior to licensing. The Board may quantify and/or determine if minimum amounts of water must be present in Stewart Gulch, Whitetail Creek and Whitewood Creek to protect these streams as cold water permanent fish life propagation waters and to determine any impacts of Golden Reward Mining Company withdrawals on these streams.

*1441-1 denied
by Board
7-27-88*

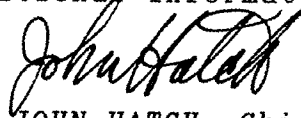
This retained jurisdiction will be exercised pursuant to the public trust duties of the State and the Water Management Board as the Board vested with the authority of the State, to supervise the appropriation and distribution of water resources of the State.

2. That Golden Reward Mining Company install and operate a continuous recording flow gaging station on Stewart Gulch at a site below the Bertha Mine Workings outflow and above the confluence with Whitetail Creek.
3. Approval of Permit No. 1440-1 is subject to compliance with the following then existing and applicable Water Management Board rules:
 - a. Chapter 74:03:15 Ground Water Quality Standards,
 - b. Chapter 74:03:16 Ground Water Discharge Permit,
 - c. Chapter 74:03:30 Heap Leach Design and Construction,
 - d. Chapter 74:03:02 Surface Water Quality Standards,
 - e. Chapter 74:03:04 Uses Assigned to Streams,
 - f. Chapter 74:03:17 Surface Water Discharge Permit - General Provisions,

*not enacted
by Board*

- g. Chapter 74:03:18 Surface Water Discharge Permit Application Requirements,
- h. Chapter 74:03:19 Surface Water Discharge Permit Conditions,
- i. Chapter 74:03:20 Transfer Modification, Revocation and Reissuance and Termination of Surface Water Discharge Permits,
- j. Chapter 74:03:21 Procedure For Permit Processing,
- k. Chapter 74:03:22 Secondary Treatment Standards,
- l. Chapter 74:03:23 Criteria and Standards for Surface Water Discharge Permit,
- m. Chapter 74:03:24 Toxic Pollutant Effluent Standards for Surface Water Discharge Permits,
- n. Chapter 74:03:25 Effluent Guidelines and Standards for Surface Water Discharge Permits, and
- o. Chapter 74:03:26 Pretreatment Regulations for Surface Water Discharge Permits.

See the attached report for additional information.



JOHN HATCH, Chief Engineer
June 7, 1988

REPORT ON APPLICATION NO. 1440-1
Golden Reward Mining Co.
May 31, 1988

Water Permit Application No. 1440-1 requests 0.28 cubic feet of groundwater and surface water per second (125 gpm) to be diverted from storage pits constructed in the NW1/4 of the NE1/4, NE1/4 of the NW1/4 of Section 7 and the SE1/4 of the SW1/4 of Section 6 all in T4N - R3E, Lawrence County. These pits will collect the precipitation runoff from the mine site. Groundwater seeping into the mine pits will also be diverted to the primary pit storage area. The water will be used for industrial purposes, including dust control, in a heap leach ore-processing facility.

DISCUSSION

Golden Reward Mining Co. is proposing to develop a heap leach ore-processing facility approximately two miles southwest of Lead in Lawrence County. The planned operation will require an annual average water use of 402 gallons per minute (gpm). The source of this water will be runoff within the mining operation and three wells. Golden Reward proposes to use runoff water and groundwater collected in the primary pit storage area first then use water from three developed wells.

Runoff from undisturbed areas above the mine site will be diverted away from or around the site. Stewart Gulch Ditch will divert natural runoff from an area above the Stewart Overburden Depository. The ditch will divert flow in the North Fork of Stewart Gulch immediately upstream from the depository to the South Fork of Stewart Gulch. The confluence of the North Fork and the South Fork of Stewart Gulch is directly downstream from the mine site. Fantail Ditch will divert runoff from the undisturbed area above Liberty/Harmony pit. This ditch will follow the natural stream channel between Liberty and Harmony pits and after leaving the mine site the runoff will continue in the natural Fantail Creek channel. These ditches are designed to transport the 25-year, 24-hour runoff event. Exhibit 5-4 of the application shows the general plan for surface drainage.

Runoff from within the mine site will be collected in the primary pit storage area or sediment control traps. The primary pit storage area consists of four pits including Isadorah 1 (18.9 acre feet), Isadorah 2 (9.4 acre feet), Isadorah 3 (19.6 acre feet), and Sundance (12.4 acre feet). Sediment control traps are to be located within the mine site as needed to control sedimentation. This drainage scheme will prevent any downstream offsite sedimentation and also provide a source of water for the mining process.

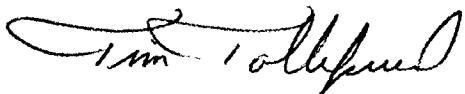
During the operation of the mine, groundwater will be expected to seep into the mining pits. According to Golden Reward Mining Co., two of the mining pits may need to be dewatered at times. Any groundwater seeping into these pits will be pumped to the primary pit storage area to be used in the mining operation.

The streams which flow through the mine site are tributaries of Whitetail Creek which is a tributary of Whitewood Creek. There are no water rights on Whitetail Creek but several on Whitewood Creek which are for irrigation and commercial purposes.

The total drainage area for the primary pit storage area is approximately 109 acres. Runoff from approximately 330 acres of undisturbed drainage area above the mine site will be diverted around the mine site and will continue to flow in the natural stream channels. Due to the small acreage which will be eliminated from Whitewood Creek's drainage, the water rights on this creek should not be adversely affected.

CONCLUSIONS

1. Water Rights on Whitewood Creek should not be impaired due to the limited drainage area of the primary pit storage area.
2. The proposed drainage scheme will prevent any downstream sedimentation and provide a source of water for this operation.
3. It is recommended that Water Permit Application No. 1440-1 be approved.



Tim Tollefsrud
Natural Resources Engineer

 **Department of
Water & Natural Resources**

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

June 23, 1988

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

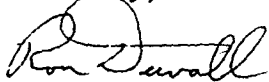
Peter Erickson, General Manager
Golden Reward Mining Company
PO Box 888
Lead SD 57754

Dear Mr. Erickson:

Your Application Nos. 1438-1 1439-1, 1440-1 and 1441-1 for permits to appropriate water for industrial and domestic use have been examined and found to comply with the South Dakota Water Laws and applicable rules. Notice of your intent to appropriate water has been sent to the Publisher of the Lead Daily Call printed at Lead SD. For your information, a copy of the notice is enclosed. Copies of the recommendation of the Chief Engineer and a report on the applications will be sent later. 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 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 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
605 773-3352

enclosures





Department of Water & Natural Resources

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

June 23, 1988

Lead Daily Call
Box 876
Lead SD 57754

Dear Sir:

Enclosed is a Notice of Hearing on Application Nos. 1438-1, 1439-1, 1440-1 and 1441-1 to be published twice. Please publish the first notice on or before June 30, 1988 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 Golden Reward Mining Company, PO Box 888, Lead SD 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 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

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

No. _____

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 Notice on or before June 30, 1988 with 2nd publication 7 days later. The applicant is responsible for payment.

NOTICE OF HEARINGS on Application Nos. 1438-1, 1439-1, 1440-1 and 1441-1
to Appropriate Water

Notice is given that Golden Reward Mining Company, PO Box 888, Lead SD 57754 has filed Application No. 1438-1 for a water permit to appropriate 0.67 cubic feet of water per second from one well 355 feet deep to be located in the SW 1/4 SE 1/4 Section 7-T4N-R3E. The well is to be completed into the old flooded underground workings of the Astoria Mine. Water is to be used for industrial and domestic purposes in a heap leach ore-processing facility operated by Golden Reward Mining Company in portions of Sections 6, 7-T4N-R3E; Sections 1, 12-T4N-R2E.

Application No. 1439-1 is to appropriate 0.33 cubic feet of water per second from one well 300 feet deep to be located in the NW 1/4 SE 1/4 Section 7-T4N-R3E. Water is to be used for industrial and domestic purposes in a heap leach ore-processing facility operated by Golden Reward Mining Company in portions of Section 6, 7-T4N-R3E; Sections 1, 12-T4N-R2E.

Application No. 1440-1 is to appropriate 0.28 cubic feet of water per second of impounded ground water from the dewatering of mine pits and impounded runoff water from precipitation falling on a proposed mine site in sections 6, 7-T4N-R3E; sections 1, 12-T4N-R2E. Runoff water from areas disturbed by mining operations is to be impounded by sediment control traps (each capable of impounding a 10 year, 24 hour precipitation event) and by the primary pit water storage area in the NW 1/4 NE 1/4, NE 1/4 NW 1/4 section 7; SE 1/4 SW 1/4 section 6; all in T4N-R3E. Sediment control traps are to be located within the proposed mine site as needed to control sedimentation. Ground water seeping into mine pits located within the proposed mine site is also to be diverted to the primary pit storage area. The primary pit storage area is to consist of 4 pits including Isadorah 1 (18.9 acre-feet storage capacity), Isadorah 2 (9.4 acre-feet storage capacity), Isadorah 3 (19.6 acre-feet storage capacity) and Sundance (12.4 acre-feet storage capacity) for a total storage capacity of 60.3 acre-feet. The impounded surface and ground water is to be used for industrial purposes, including dust control, in a heap leach ore-processing facility operated by Golden Reward Mining Company.

Runoff water from areas undisturbed by mining operations is to be diverted via ditch to avoid areas disturbed by mining operations. Runoff water from an undisturbed area on the North Fork of Stewart Gulch is to be diverted via ditch to the South Fork of Stewart Gulch at a point in the NE 1/4 NE 1/4 section 12-T4N-R2E. A portion of the Fantail Creek drainage area that is undisturbed by mining is also to be diverted via ditch between two mining pits in the SE 1/4 section 1-T4N-R2E. The ditch is to follow the existing creek channel and water will then flow in the natural Fantail Creek channel below the pit sites.

Application No. 1441-1 is to appropriate 0.22 cubic feet of water per second from one well approximately 100 feet deep to be located in the NW 1/4 NE 1/4 Section 7-T4N-R3E. The well is to be completed into the old Bertha mine workings which contribute to the water flow in Stewart Gulch. The application proposes that no water will be diverted from the well when the flow in Stewart Gulch is equal to or less than 150% of the previously recorded minimum flow. The previously recorded minimum flow is 37 gallons per minute (gpm); therefore, the flow in Stewart Gulch would be greater than 56 gpm before the well would be operated. The well is to supplement the wells specified on Application Nos. 1438-1 and 1439-1 to meet short term water demands that exceed average requirements and will be a back-up well in event of pump failure in the other two wells. Water is to be used for industrial and domestic purposes in a heap leach ore-processing facility operated by Golden Reward Mining Company in portions of Sections 6, 7-T4N-R3E; Sections 1, 12-T4N-R2E.

The total water appropriation requested by Application Nos. 1438-1, 1439-1, 1440-1 and 1441-1 is 1.50 cubic feet of water per second. The normal priority for water use from the sources specified on the four applications is: 1) Application No. 1440-1, 2) Application No. 1438-1, 3) Application No. 1439-1 and 4) Application No. 1441-1. Water is also to be used for fire protection purposes in addition to industrial and domestic uses.

Pursuant to SDCL 46-2A-2, the Chief Engineer of the Water Rights Division recommends APPROVAL of Application Nos. 1438-1, 1439-1, 1440-1, and 1441-1 with qualifications because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water and 4) it is in the public interest. These applications will be considered by the Water Management Board in Room 216, Joe Foss Building, 523 E Capitol, Pierre SD on July 27, 1988 at 10:00 am. 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 these applications based on the facts presented at the public hearing.

Any interested person that intends to participate in the hearings before the Board by presenting evidence or cross-examining witnesses according to SDCL 1-26, must file a written petition with BOTH the applicant and Chief Engineer by July 15, 1988. The Chief Engineer's address is "Water Rights Division, Foss Building, 523 E Capitol, Pierre SD 57501 (605 773-3352)". The petition may be informal, but must include a statement describing the petitioner's interest in an application, the petitioner's reasons for opposing or supporting an application and the signature and mailing address of the petitioner or legal counsel if legal counsel is obtained. The applicant need not file a petition. Contact the Water Rights Division to request information on these applications or to assure access to the hearing by the handicapped.

These hearings are adversary proceedings. Any person filing a petition and/or the applicant have the right to be represented by a lawyer. 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. The time of the hearings will also be automatically delayed for at least twenty days upon written request to the Chief Engineer from the applicant or a petitioner. The request for a delay must be received by July 15, 1988.

These applications are made pursuant to 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.

Affidavit of Publication

STATE OF SOUTH DAKOTA }
COUNTY OF LAWRENCE } SS.

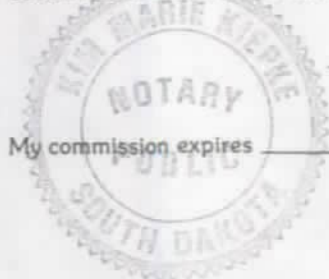


Bill T. Masterson, Jr. of said County and State being first duly sworn, on his oath says: That The QUEEN CITY MAIL is a legal daily newspaper of general circulation, printed and published in the City of Spearfish, in said County and State by Bill Kunerth, and has been such a newspaper during the times hereinafter mentioned; and that said newspaper has a bonafide circulation of at least 200 copies weekly, and has been published within said County in the English language for at least one year prior to the first publication of the notice herein mentioned, and is printed in whole or in part in an office maintained at the place of publication; and That I Bill T. Masterson, Jr., the undersigned, am the Publisher of said newspaper and have personal knowledge of all the facts stated in this affidavit; and that the advertisement headed:

Notice of Hearings

a printed copy of which is hereto attached, was printed and published in said newspaper for Two (2) successive and consecutive weeks, the first publication being made on the 30th day of June, 1988, and the last publication on the 7th day of July, 1988, that the full amount of fees charged for publishing same, to-wit: The sum of \$ 93.67, inures solely to the benefit of the publisher of the QUEEN CITY MAIL, that no agreement or understanding for a division thereof has been made with any person and that no part thereof has been agreed to be paid to any other person whomsoever.

Subscribed and sworn to before me this 7th day of July, 19 88



Kim Marie Kiepe
NOTARY PUBLIC, LAWRENCE COUNTY, SOUTH DAKOTA
My Commission
Expires 3-24-96

My commission expires _____

NOTICE OF HEARINGS on Application Nos. 1438-1, 1439-1, 1440-1 and 1441-1 to Appropriate Water

Notice is given that Golden Reward Mining Company, PO Box 888, Lead SD 57754 has filed Application No. 1438-1 for a water permit to appropriate 0.67 cubic feet of water per second from one well 355 feet deep to be located in the SW 1/4 SE 1/4 Section 7-T4N-R3E. The well is to be completed into the old flooded underground workings of the Astoria Mine. Water is to be used for industrial and domestic purposes in a heap leach ore-processing facility operated by Golden Reward Mining Company in portions of Sections 6, 7-T4N-R3E; Sections 1, 12-T4N-R2E.

Application No. 1439-1 is to appropriate 0.33 cubic feet of water per second from one well 300 feet deep to be located in the NW 1/4 SE 1/4 Section 7-T4N-R3E. Water is to be used for industrial and domestic purposes in a heap leach ore-processing facility operated by Golden Reward Mining Company in portions of Section 6, 7-T4N-R3E; Sections 1, 12-T4N-R2E.

Application No. 1440-1 is to appropriate 0.28 cubic feet of water per second of impounded ground water from the dewatering of mine pits and impounded runoff water from precipitation falling on a proposed mine site in sections 6, 7-T4N-R3E; sections 1, 12-T4N-R2E. Runoff water from areas disturbed by mining operations is to be impounded by sediment control traps (each capable of impounding a 10 year, 24 hour precipitation event) and by the primary pit water storage area in the NW1/4 NE1/4, NE1/4 NW1/4 section 7; SE1/4 SW1/4 section 6; all in T4N-R3E. Sediment control traps are to be located within the proposed mine site as needed to control sedimentation. Ground water seeping into mine pits located within the proposed mine site is also to be diverted to the primary pit storage area. The primary pit storage area is to consist of 4 pits including Isadorah 1 (18.9 acre-feet storage capacity), Isadorah 2 (9.4 acre-feet storage capacity), Isadorah 3 (19.6 acre-feet storage capacity) and Sundance (12.4 acre-feet storage capacity) for a total storage capacity of 60.3 acre-feet. The impounded

surface and ground water is to be used for industrial purposes, including dust control, in a heap leach ore-processing facility operated by Golden Reward Mining Company.

Runoff water from areas undisturbed by mining operations is to be diverted via ditch to avoid areas disturbed by mining operations. Runoff water from an undisturbed area on the North Fork of Stewart Gulch is to be diverted via ditch to the South Fork of Stewart Gulch at a point in the NE1/4 NE1/4 section 12-T4N-R2E. A portion of the Fantail Creek drainage area that is undisturbed by mining is also to be diverted via ditch between two mining pits in the SE1/4 section 1-T4N-R2E. The ditch is to follow the existing creek channel and water will then flow in the natural Fantail Creek channel below the pit sites.

Application No. 1441-1 is to appropriate 0.22 cubic feet of water per second from one well approximately 100 feet deep to be located in the NW 1/4 NE 1/4 Section 7-T4N-R3E. The well is to be completed into the old Bertha mine workings which contribute to the water flow in Stewart Gulch. The application proposes that no water will be diverted from the well when the flow in Stewart Gulch is equal to or less than 150 of the previously recorded minimum flow. The previously recorded minimum flow is 37 gallons per minute (gpm); therefore, the flow in Stewart Gulch would be greater than 56 gpm before the well would be operated. The well is to supplement the wells specified on Application Nos. 1438-1 and 1439-1 to meet short term water demands that exceed average requirements and will be a back-up well in event of pump failure in the other two wells. Water is to be used for industrial and

domestic purposes in a heap leach ore-processing facility operated by Golden Reward Mining Company in portions of Sections 6, 7-T4N-R3E; Sections 1, 12-T4N-R2E.

The total water appropriation requested by Application Nos. 1438-1, 1439-1, 1440-1 and 1441-1 is 1.50 cubic feet of water per second. The normal priority for water use from the sources specified on the four applications is: 1) Application No. 1440-1, 2) Application No. 1438-1, 3) Application No. 1439-1 and 4) Application No. 1441-1. Water is also to be used for fire protection purposes in addition to industrial and domestic uses.

Pursuant to SDCL 46-2A-2, the Chief Engineer of the Water Rights Division recommends APPROVAL of Application Nos. 1438-1, 1439-1, 1440-1, and 1441-1 with qualifications because 1) unappropriated water is available, 2) existing rights will not be unlawfully impaired, 3) it is a beneficial use of water and 4) it is in the public interest. These applications will be considered by the Water Management Board in Room 216, Joe Foss Building, 523 E Capitol, Pierre SD on July 27, 1988 at 10:00 am. 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 these applications based on the facts presented at the public hearing.

Any interested person that intends to participate in the hearings before the Board by presenting evidence or cross-examining witnesses according to SDCL 1-28, must file a written petition with BOTH the applicant and Chief Engineer by July 15, 1988. The Chief Engineer's address is "Water Rights Division, Foss Building, 523 E

Capitol, Pierre SD 57501 (605 773-3352)". The petition may be informal, but must include a statement describing the petitioner's interest in an application, the petitioner's reasons for opposing or supporting an application and the signature and mailing address of the petitioner or legal counsel if legal counsel is obtained. The applicant need not file a petition. Contact the Water Rights Division to request information on these applications or to assure access to the hearing by the handicapped.

These hearings are adversary proceedings. Any person filing a petition and/or the applicant have the right to be represented by a lawyer. 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. The time of the hearings will also be automatically delayed for at least twenty days upon written request to the Chief Engineer from the applicant or a petitioner. The request for a delay must be received by July 15, 1988.

These applications are made pursuant to 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.

B-142

June 30

July 7

July 19, 1988
(date)

page 1

Parties of Record before Water Management Board regarding Water Permit
Application No. 1440-1, Golden Reward Mining Company

For:

Peter Erickson, Manager
Golden Reward Mining Company
PO Box 888
Lead SD 57754
represented by:
Max Main, attorney
618 State Street
Belle Fourche SD 57717

Interested:

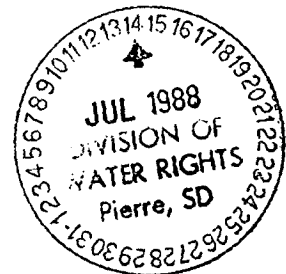
Richard Beringson, Secretary
SD Dept. of Game, Fish & Parks
445 East Capitol
Anderson Building
Pierre SD 57501

South Dakota
Department of
Game, Fish and Parks

Office of the Secretary
Sigurd Anderson Building
445 East Capitol
Pierre, South Dakota 57501
(605) 773-3387

July 14, 1988

Mr. John Hatch, Chief Engineer
Division of Water Rights
S.D. Department of Water & Natural Resources
Joe Foss Building
Pierre, SD 57501



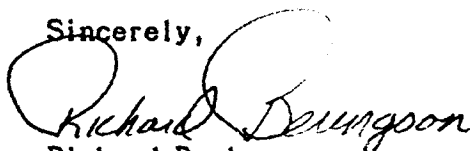
Dear Mr. Hatch:

Pursuant to the notice provided by the Chief Engineer, the South Dakota Department of Game, Fish and Parks intends to be a party to water right claims 1438-1, 1439-1, 1440-1, and 1441-1, Golden Reward Mining Co.

GF&P is an interested and potentially affected party by virtue of statutory authority to manage fish and wildlife resources of the state (SDCL Chapter 41). The pending water right claim could affect the quantity of water available for natural resource management.

Thank you for the opportunity to comment on this pending water right application.

Sincerely,


Richard Beringson
Secretary

RB/RK/ld

cc: Golden Reward Mining Co.

SOUTH DAKOTA
Department of
Water & Natural Resources

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

NOV 23 1988

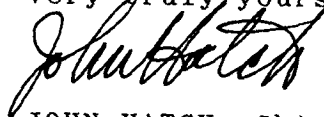
Golden Reward Mining Co.
PO Box 888
Lead, South Dakota 57754

Dear Sir:

Enclosed is Water Permit No. 1440-1 as approved by the Water Management Board authorizing you to construct your water diversion system and put the water to beneficial use, not exceeding the limits as specified in Water Permit No. 1440-1.

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 the Water License may be issued, thus completing your acquisition of a Water Right.

Very truly yours,



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

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.

THE
GOLDEN REWARD
MINING COMPANY



May 3, 1989

Mr. Ron Duvall
Natural Resources Engineer
DWNR - Water Rights Division
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181

RE: Water Permit #1440-1

Dear Ron:

Thank you for confirming to the Mining Program that dewatering of and storage of water from the Eastern Mine Area, as described in the application for the technical revision granted May 2, 1989, is covered by water permit #1440-1.

We understand that the conditions and limitations described in the water permit apply to the expansion area.

Thank you again for your assistance.

Sincerely,

CAROL KOERNER
Public Affairs Manager

cc: Max Main

BENNETT & MAIN
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

DONN BENNETT
MAX MAIN
JOHN R. FREDERICKSON



618 STATE STREET
BELLE FOURCHE, SOUTH DAKOTA 57717-1489
TELEPHONE (605) 892-2011
FAX (605) 892-4084

July 28, 1992

Chief Engineer
Water Rights Division, DENR
523 East Capitol
Pierre, SD 57501-3181

RE: Water Permits 1438-1, 1439-1, 1440-1, and 1447-1.

Dear Chief Engineer:

Enclosed are NOTICES OF TRANSFER OF OWNERSHIP for each of the above-referenced Water Permits. Also enclosed is a check in the amount of \$10 as payment of the \$2.50 filing fee for each of the four notices.

The Water Permits are being transferred from The Golden Reward Mining Company to The Golden Reward Mining Company, L.P. However, please note, as stated in the Exhibit A attached to each Notice, that the transfer shall only be effective upon completion of Closing of the purchase and sale transaction between MinVen Gold Corporation/Matrix Financial Inc. and Wharf Resources Ltd. You will receive joint written confirmation of that Closing.

Should you have any questions, please do not hesitate to contact me.

Sincerely yours,

BENNETT & MAIN, P.C.

Max Main
Max Main

MM/ra

Encs.

pc w/encs.: Carol Koerner
Richard F. Mauro, Esq.
James S. Nelson, Esq.
John A. Lawson

RECEIPT

413355

Division of Water Rights

South Dakota Department of Environment and Natural Resources

Pay to the order of _____

July 29 1992

RECEIVED OF The Golden Reward Mining Company, PO Box 888, Lead, SD 577540888

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. _____

Fee for Filing Transfer Form Permit No. 1439-1

Fee for Filing Extension Request _____

Fee for _____

(Any Other Work Provided by Law)

Total

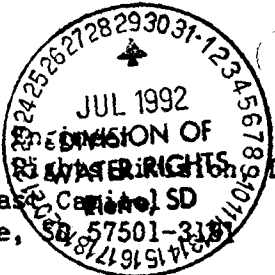
2 50

By

Chief Engineer

JOHN HATCH

gm



NOTICE OF TRANSFER OF OWNERSHIP

No. _____

To: Chief of Division of
Water Rights, DWR
523 East Capitol SD
Pierre, SD 57501-3187

Date: July 13, 1992

I, We request that Water Permit/Right No. 1440-1

formerly owned by: The Golden Reward Mining Company

be transferred to: (name & address) The Golden Reward Mining Company, L.P.

P.O. Box 888, Lead, South Dakota 57754 (telephone No.) (605) 584-2010

Title to the following described land(s)/property has been transferred as described above:

SEE ATTACHED EXHIBIT A: Transferor's property located in NW 1/4 NE 1/4 Section 7

and NE 1/4 Section 7 and SE 1/4 SW 1/4 Section 6, all in T4N, R3E, BHM

I/We understand that the validity of Water Permit/Right No. 1440-1 has not been determined by this transfer action. If I/We have any questions on validity, I/We understand that only the Water Management Board has the authority to determine if a water permit/right is valid (see note).

You are requested to file this "Notice of Transfer" in the appropriate file at the Division of Water Rights, as evidence of the change of ownership.

A fee of Two Dollars and Fifty Cents (\$2.50) is attached to cover the filing fees as required under SDCL 46-2-13.

CANADA)
Province of Ontario)
Judicial District of York) ss.
City of Toronto)

I/We Rolando Francisco being first duly sworn on my oath depose and say that my relation to the above described undertaking is that of Owner, that I have read the above foregoing statement, and that I know of my own personal knowledge that the information herein stated is true.

[Signature]
(Signed)

Subscribed and sworn to before me this 21st day of July, 19 92.

[Signature]
(Notary Public)

In and for the Province of Ontario
My Commission does not expire

NOTE: Water permits may be cancelled for nonconstruction within the five year construction period. Once a water permit is developed and the water used, the permit becomes a water right. A water right may be lost for three reasons:

1. Abandonment - no intent to use water and use is abandoned.
2. Forfeiture - no use of water for three year period without legal excuse.
3. For a third violation of a condition of a water permit/right.



EXHIBIT A

This transfer is to be effective upon the completion of closing of the purchase and sale transaction between MinVen Gold Corporation/Matrix Financial Incorporated and Wharf Resources Limited, at which time, the new owner will be The Golden Reward Mining Company, L.P., P.O. Box 888, Lead, South Dakota 57754. Upon the completion of said closing, the parties shall provide joint written confirmation of the closing.

BENNETT & MAIN
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

DONN BENNETT
MAX MAIN
JOHN R. FREDERICKSON



618 STATE STREET
BELLE FOURCHE, SOUTH DAKOTA 57717-1489
TELEPHONE (605) 892-2011
FAX (605) 892-4084

September 11, 1992

Chief Engineer
Water Rights Division
Department of Environment and Natural Resources
Joe Foss Bldg., 523 East Capitol
Pierre, SD 57501-3181

RE: Transfer of Water Permits 1438-1, 1439-1, 1440-1,
and 1447-1; Our Schedule 2, Items 8 and 9; The
Golden Reward Mining Company to Golden Reward Mining
Company Limited Partnership; Our File 2011.128092.

Dear Sir:

In the July 13, 1992 notice of transfer that was
forwarded to you with my cover letter dated July 28, 1992, we
indicated that the transfer to the Golden Reward Mining Company
Limited Partnership would become effective only upon completion of
the Closing of the purchase and sale transaction between MinVen
Gold Corporation/Matrix Financial Inc. and Wharf Resources, Ltd.

This letter serves as an update that the Closing is now
scheduled to be completed in October. As part of our final
preparations for the Closing, would you please confirm to me in
writing that you did receive my July 28 cover letter with enclosed
July 13 notice of transfer, and that everything is in order for the
transfer to occur upon completion of the Closing?

As previously advised, we will provide joint written
confirmation of the Closing, at which time we will request your
written acknowledgment of receipt of the confirmation and your
further acknowledgment that the above permits have then been
transferred to Golden Reward Mining Company Limited Partnership.

Thank you for your cooperation in this matter.

Sincerely yours,

BENNETT & MAIN, P.C.

Max Main
Max Main

MM/ea
pc: Carol Koerner
James S. Nelson, Esq.

John A. Lawson
Roxanne Giedd



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

September 15, 1992

Max Main
BENNETT & MAIN, P.C.
Attorneys At Law
618 State Street
Belle Fourche, SD 57717-1489

RE: Transfer of Ownership on Water Permit Nos. 1438-1, 1439-1,
1440-1 and 1447-1

Dear Mr. Main:

The transfer of ownership forms for the above named permits were received July 29, 1992.

The transfer of ownership forms were completed properly and the permits can now be transferred. As your letter stated, the transfers will not be finalized until closing of the purchase and sale transaction between MinVen Gold Corporation/Matrix Financial Inc. and Wharf Resources, Ltd. Upon joint written confirmation, the transfers will be processed.

If you have any questions, please contact me.

Sincerely,

Genny McMath
Natural Resources Analyst
(605) 773-3352

BENNETT & MAIN
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

DONN BENNETT
MAX MAIN
JOHN R. FREDERICKSON



618 STATE STREET
BELLE FOURCHE, SOUTH DAKOTA 57717-1489
TELEPHONE (605) 892-2011
FAX (605) 892-4084

October 8, 1992

Genny McMath, Natural Resources Analyst
c/o Office of the Chief Engineer
Water Rights Division
Department of Environment and Natural Resources
Joe Foss Bldg., 523 East Capitol
Pierre, SD 57501-3181

RE: Notice of Closing; Our File 2011.128092.

Dear Ms. McMath:

Please be advised that the Closing of the purchase and sale transaction between MinVen Gold Corporation/Matrix Financial Inc. and Wharf Resources Ltd. was completed October 8, 1992.

Pursuant to our prior communications, would you please acknowledge receipt of this notice and advise that Water Permits 1438-1, 1439-1, 1440-1, and 1447-1 are now transferred from **GOLDEN REWARD MINING COMPANY** to **GOLDEN REWARD MINING COMPANY LIMITED PARTNERSHIP** on the appropriate records of your Department.

In order to expedite matters, we are sending a duplicate copy of this letter to you for your acknowledgment, and we ask you to date and sign it and return to the undersigned in the enclosed self-addressed stamped envelope.

Sincerely yours,

BENNETT & MAIN, P.C.
Attorneys for Golden Reward Mining Company

Max Main

Max Main

GUNDERSON, PALMER, GOODSELL & NELSON
Attorneys for Golden Reward Mining Company
Limited Partnership

James S. Nelson
James S. Nelson

RECEIPT

Receipt of the above Notice of Closing is hereby acknowledged, and Water Permits 1438-1, 1439-1, 1440-1, and 1447-1 are now transferred from **GOLDEN REWARD MINING COMPANY** to **GOLDEN REWARD MINING COMPANY LIMITED PARTNERSHIP** on the appropriate records of the Department of Environment and Natural Resources.

Dated this 9th day of October, 1992.

MM
MM
Encs. (2)

Genny McMath
GENNY McMATH, Natural Resources Analyst

cc: Carol Koerner

John A. Lawson

James S. Nelson

Roxanne Giedd

THE
GOLDEN REWARD
MINING COMPANY



July 7, 1993

Mr. John Hatch
DENR - Water Rights Division
Joe Foss Building
523 East Capitol
Pierre, SD 57501-3181

RE: Water Permit No. 1440-1

Dear John:

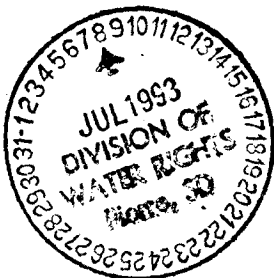
Enclosed is the completed Form 10, Notice of Completion of Works and Application of Water to Beneficial Use, for Water Permit No. 1440-1. Please call me at your convenience to schedule an inspection so that a Water License may be issued to complete GRMC's acquisition of a Water Right.

Sincerely,

Carol Koerner
Permitting Coordinator

Enc.

cc: John Lawson
Mike Irish
Dan Dorfschmidt



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

Date July 7, 1993

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

FROM: The Golden Reward Mining Co., L.P. P.O. Box 888 Lead, SD
name address city 57754

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. 1440-1 *.

Water Permit No. 1440-1 states that the diversion system is to be constructed by July 27, 1993, and that the water it put to beneficial use by July 27, 1997.

The diversion system was completed on May 1993.
Applying the water to beneficial use was completed on June 1993.

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

C. Koerner
signature Carol Koerner
Permitting Coordinator

* The water has been put to beneficial use, but not to the maximum extent it is going to be used.

Water Rights Division - DENR
Conversation File Documentation

NAME OF PERSON OR FILE: Golden Reward Mining Company - WP No. 1440-1

ADDRESS: COUNTY: Lawrence County

DATE: 12/9/94 TELEPHONE: 584-2010

RE: Call and return call to Theresa

COMMENTS:

Theresa called regarding Water Permit No. 1440-1. Golden Reward wants to back fill the current pit that diversion are made from under No. 1440-1. Water is currently used for dust suppression on haul roads. They are planning that during backfilling that a pipe be installed that would in effect be a well so that diversion can still be made. Golden Reward wanted to know if they would need to amend their existing water permit. I stated that since No. 1440-1 originally stated water to be diverted would be groundwater and it was advertised as groundwater, that I did not believe any amendment would be necessary as long as they we not appropriating additional water.

I discussed this with the Chief Engineer and he was in agreed with my assessment.

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:

Eric Hurland



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

SEP 23 1998

1666-1

Golden Reward Mining Company, L.P.
%Tim Thomure
HC 37, Box 1020
Lead, SD 57754

Dear Mr. Thomure:

Enclosed is Water License No. 1666-1. This is the final water right document completing your process of obtaining a Water Right. Enclosed is Receipt No. 415861 in the amount of \$50.00 which you paid for the investigation and issuance of the Water License.

For your information SDCL 46-6-27 requires that if the owner of an existing well, such as the well authorized by Water Right No. 1666-1, constructs a replacement well and does not plan to use the old well, the old well is considered abandoned and must be plugged. Also, any well that is being used or is not considered abandoned must be valved and controlled, if flowing, or sealed and capped so that no leaking occurs either underground or at the surface.

As long as you use the water beneficially, as stated in the Water License, the State Water Laws provide that you have a continuing right to use the water. If you have any questions, please contact our office.

Very truly yours,

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

ks
enclosures

NOTE: The applicable portions of No. 1440-1, 1439-1 and 1438-1 have been incorporated into this Water License No. 1666-1.