



File Cover
**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

May 12, 2011

Ron Waterland, Environmental Manager
Wharf Resources (USA), Inc.
10928 Wharf Road
Lead, South Dakota 57754-9710

Re: Preliminary Technical Review Comments of the Ground Water Discharge Plan Application
for Wharf Resources (USA), Inc., American Eagle Spent Ore and Waste Rock Depository,
Lawrence County, South Dakota

Dear Mr. Waterland:

As South Dakota Department of Environment and Natural Resources staff reviewed your Ground Water Discharge Plan application for completeness, we also conducted a limited technical evaluation and have identified the following preliminary list of technical items that need to be addressed:

1. The updated Water Sampling Schedule that was received on April 27, 2011 shows MW-59 in bold indicating that this well is to be used as a compliance point. While the Department is not opposed to utilizing a monitoring well in this area, MW-59 may not be useful due to the well being dry. Further technical review of the application will determine if an additional monitoring well will be required in this area. The Water Sampling Schedule table should be changed if MW-59 is not a compliance point well.
2. The February 2011 Wharf Expansion Project Mine Permit Application submitted to the department identified rock that has the potential to become acid generating in areas yet to be mined. As some of this rock may be disposed in the American Eagle area, a discussion should be included in the ground water discharge permit application

should not be placed into the sample collection bottle. If these instruments need to be placed into a bottle in order to take a reading, a separate bottle should be used.

5. A few discrepancies between Figure 1 (in the application), Figure 6-1 and Figure 7-1 (in ERM report) in regard to the boundary of the proposed spent ore and barren/waste rock disposal areas were identified. Please clarify the area where spent ore, barren/waste rock, or combinations of the two are proposed to be placed.

The Department will continue with the technical evaluation of the application and will follow-up with additional comments. If you have any questions regarding this letter, please feel free to contact me at 605-773-5337 or 605-773-3296.

Sincerely,



Matt Hicks, Senior Hydrologist
Ground Water Quality Program

c: Mike Cepak, Minerals and Mining Program, Pierre, SD