



**DEPARTMENT of ENVIRONMENT
and NATURAL RESOURCES**

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

July 13, 2011

Ron Waterland
Environmental Manager
Wharf Resources (USA), Inc.
10928 Wharf Road
Lead, SD 57754

Dear Mr. Waterland:

We have completed our review of your July 12, 2011 letter in which Wharf Resources requested a reduced baseline water quality data collection period for Well PW-2. ARSD 74:29:02:07 allows a mine permit applicant to request a reduction in the one year period of monthly baseline water quality data collection if it can demonstrate to the satisfaction of the department that a shorter period for specific locations is hydrologically justifiable.

The department reviewed the hydrologic data provided by Wharf in the letter. Since seven months of water quality data has been collected and there are no parameters that exceed water quality standards and are no significant fluctuations, the department has determined Wharf submitted adequate hydrologic information reasons to justify reduce the baseline sampling period. This satisfies the permit application completeness requirement for ARSD 74:29:02:07.

Although the baseline data collection period for Well PW-2 has been reduced, the department requests that Wharf continue collecting monthly samples at the well until December or the hearing on the permit application by the Board of Minerals and Environment. If you have any questions, please feel free to contact me.

Sincerely,

\s/

Eric Holm
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