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Pegasus Gold Corporation / LAC Minerals (USA) Inc. Pegasus Gold Corporation — Operator

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STATE ENGINEER OFFICE
SANTA FE NEW MEXICO

June 29, 1992

VIA CERTIFIED MAIL

David N. Stone
State Engineer Office
Bataan Memorial Building
Santa Fe, New Mexico 87403

Re: RG-32970 (T) et al.

Dear Mr. Stone:

Enclosed please find a copy of the Application for Permit to Divert the Underground Waters of the State of New Mexico for Pollution Plume Control and Recovery and Enlarge the Area of Use which was hand delivered to your Albuquerque office on June 5, 1992. This renewal permit is for remediation of groundwater at the Cunningham Hill Mine site in Santa Fe County under a New Mexico Environment Department (NMED), Ground Water Bureau Discharge Plan (DP-55). The SEO permit expires August 15, 1992.

Pegasus Gold Corporation respectfully requests emergency authorization to continue to divert under RG-32970 (T) et. al. so that remediation of groundwater at the site can continue without interruption. There are several reasons for this request for emergency authorization: 1)Pegasus is required by DP-55 to pump and land apply cyanide and nitrate contaminated groundwater down gradient from the spent ore pile; 2)Under the renewal of DP-55, Pegasus proposes to catch and treat surface and shallow groundwater affected by acid rock drainage discharging form the toe of a waste rock pile; 3)Both of these groundwater remedial actions are in the best interests of the public welfare; and 4)The SEO permit renewal process may take several months.

Thank you for your timely consideration of this matter.

Sincerely,

J.R. Phillips
Environmental Manager

cc: T. Bauer
M. Barraco
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