M/045/0078
cc: Leslie

State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF WATER QUALITY
Walter L. Baker, P.E.
Director

November 30, 2011

Mr. Rick Havenstrite
Desert Hawk Gold Corporation
1290 Holcomb Avenue
Reno, Nevada 89502

Dear Mr. Havenstrite:

Subject: Expiration of **Construction Permits** for Cactus Mill and Kiewit Project

On August 24, 2011, personnel from the Division of Water Quality (DWQ) inspected the sites for the proposed Cactus Mill and the Kiewit Project. At that time, activities at the Cactus Mill site did not appear to be directly related to the project as submitted, nor did there appear to be any work completed at the Kiewit site. We are not aware if any work has been done at either site since our inspection.

DWQ issued a Construction Permit for the Cactus Mill Pilot Project on January 28, 2010. Subsequently, some design changes were made and an amendment request was approved on June 28, 2010. On October 26, 2010, a Construction Permit was issued for the Kiewit Project. Both of these Construction Permits contain the following condition:

> "*This Construction Permit will expire one year from the date of its issuance, as evidenced by the date of this letter, unless substantial progress is made in constructing the approved facilities or the plans and specifications have been resubmitted and the construction permit reissued.*"

Unless you can demonstrate that substantial progress has been made in constructing the approved facilities for each Construction Permit, you will need to resubmit plans and specifications for both projects so Construction Permits can be reissued. Also, please advise us of any changes to your plans that may affect the Ground Water Discharge Permits that have been issued for the Cactus Mill and the Kiewit Project.

If you have any questions regarding Construction Permit issues please contact Woodrow Campbell at (801) 536-4353 or wwcampbell@utah.gov; for questions regarding Ground Water Discharge Permits, please contact Mark Novak at (801) 536-4358 or mnovak@utah.gov.

Sincerely,

Robert for Herbert

Rob Herbert, P.G., Manager
Ground Water Protection Section

MN/RH/fb

cc: Tooele County Health Department
Tom Munson, DOGM

DWQ-2011-008772