Ground Water Discharge Permit
Permit No. UGW450011

In compliance with the provisions of the Utah Water Quality Act, Title 19, Chapter 5, Utah Code Annotated 1953, as amended, the Act,

Desert Hawk Gold Corporation
8921 N. Indian Trail Road, Suite 288
Spokane, WA 99208

hereafter referred to as the Permittee, is granted a Ground Water Discharge Permit for a cyanide heap leach processing operation for extraction of gold and silver near the Kiewit Mine in Tooele County, Utah. The heap leach processing facility is located at Latitude 40° 06' 42" North, Longitude 113° 48' 29" West on the following tracts of land (Salt Lake Base and Meridian):

- Section 19, Township 8 South, Range 17 West;
- N ½ of Section 30, Township 8 South, Range 17 West;
- N 1/2 of Section 25, Township 8 South, Range 18 West;
- Section 24, Township 8 South, Range 18 West.

This permit is based on representation made by the Permittee and other information contained in the administrative record. It is the responsibility of the Permittee to read and understand all provisions of this permit.

The facility shall be constructed and operated in accordance with conditions set forth in this permit and the Utah Administrative Rules for Ground Water Quality Protection (UAC R317-6).

This permit shall become effective on December 6, 2010.

This permit and authorization to operate shall expire at midnight December 5, 2015.

Signed this 6th day of December, 2010.

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Walter L. Baker, P.E.
Executive Secretary
Utah Water Quality Board
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I. SPECIFIC CONDITIONS

A. Ground Water Classification

Based on water quality data from a ground water sample obtained from a mine shaft located near the leach pad site in Section 30, Township 8 South, Range 17 West, ground water at the site may be classified as Class II Drinking Water Quality.

B. Background Ground Water Quality

Table 1 provides background ground water quality data from a mine shaft located upgradient of the heap leach facility at 40° 6.48’ North, 113° 48.47’ West, Section 30, Township 8 South, Range 17 West, SLBM.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Mine Shaft Water Sample (mg/l)</th>
</tr>
</thead>
<tbody>
<tr>
<td>pH (units)</td>
<td>7.89</td>
</tr>
<tr>
<td>Bicarbonate (HCO₃⁻)</td>
<td>200</td>
</tr>
<tr>
<td>Alkalinity (as CaCO₃)</td>
<td>170</td>
</tr>
<tr>
<td>Chloride</td>
<td>1,200</td>
</tr>
<tr>
<td>Fluoride</td>
<td>&lt;0.5</td>
</tr>
<tr>
<td>Sulfate</td>
<td>230</td>
</tr>
<tr>
<td>Nitrate as N</td>
<td>not analyzed</td>
</tr>
<tr>
<td>Arsenic</td>
<td>0.015</td>
</tr>
<tr>
<td>Calcium</td>
<td>170</td>
</tr>
<tr>
<td>Copper</td>
<td>&lt;0.050</td>
</tr>
<tr>
<td>Magnesium</td>
<td>54</td>
</tr>
<tr>
<td>Manganese</td>
<td>&lt;0.005</td>
</tr>
<tr>
<td>Potassium</td>
<td>4.4</td>
</tr>
<tr>
<td>Sodium</td>
<td>530</td>
</tr>
<tr>
<td>Zinc</td>
<td>0.020</td>
</tr>
<tr>
<td>Total dissolved solids</td>
<td>2,400</td>
</tr>
</tbody>
</table>

C. Ground Water Protection Levels

Depending on the presence of shallow ground water at the site, well-specific ground water protection levels may be established by the accelerated ground water monitoring program under Part I.H.1 of this permit. If ground water is present in the alluvium above the bedrock at the site, at least one sample must be taken from the downgradient monitor well before any leach solutions are handled at the site.
If ground water is not present above the alluvium/bedrock contact, compliance monitoring will be based on the presence or absence of leach solutions in a well screened at the contact between the alluvium and bedrock in accordance with Part I.E, below.

D. **Best Available Technology (BAT) Standard**

1. **Authorized Construction** - the Kiewit cyanide heap leach project will consist of an ore crusher area, a leach pad, a process area, and a process pond. The process area will contain a diesel fuel storage tank, a cyanide holding tank, a lime silo, a milk of lime mix tank, and a perimeter containment berm.

2. **Design and Construction** - the authorized heap leach facilities will be constructed in accordance with the engineering design plans and specifications approved by the Construction Permit issued by the Executive Secretary on October 26, 2010. The process area, process pond, and leach pad will be entirely underlain by a composite liner system consisting of an 80-mil high density polyethylene (HDPE) synthetic liner underlain by a one-foot thick clay liner, sloped at a 1% grade to gravity drain to the process pond. In addition, the process pond will be underlain by a double liner system with leak detection, and leakage will gravity drain to a collection sump, which will be monitored daily.

Approved construction elements include:

a. **Process Area, Process Pond, and Leach Pad**

1) **Subgrade Preparation** – the surface will be prepared by removing top soil and coarse aggregate.

2) **12-inch thick Clay Subliner** - the clay will be placed in to a thickness of at least 12 inches and compacted to 95% Modified Proctor Scale (ASTM 1557). At least ten (10) compaction tests will be conducted during placement of the clay liner.

3) **80-mil HDPE Primary Liner** - an 80-mil HDPE synthetic liner will be installed immediately above the clay subliner across the entire operating area in accordance with the construction quality assurance/quality control (CQA/QC) manual approved by the Construction Permit.

4) **Process Area Protective Fill Layer** - a two-foot layer of one-inch minus crushed granodiorite fill will be placed over the
80-mil HDPE liner of the process area for protection during heap leach operations.

5) Leach Pad Protective Fill Layer - prior to placement of ore, the open HDPE liner of the heap leach pad will be covered by a four-foot layer of one-inch minus crushed granodiorite fill to protect the liner from potential perforation and to provide a percolation base for the solutions draining from the heap.

b. Process Pond Leak Detection System – the process pond will be underlain by a leak detection system consisting of the following layers from bottom to top:

1) Clay Subliner - a clay subliner will be placed in to a thickness of at least 12 inches and compacted to 95% Modified Proctor Scale (ASTM 1557). At least ten (10) compaction tests will be conducted during placement of the clay liner.

2) Secondary HDPE Liner - a 40-mil secondary HDPE liner will be installed on top of the clay subliner in accordance with the CQA/QC manual approved by the Construction Permit.

3) Drainage Layer - a 200-mil Geonet layer installed on top of the 40-mil secondary HDPE liner to promote leakage through the primary HDPE liner to gravity drain to a leak collection sump.

4) Leak Detection Sump - a gravel filled leak detection sump will be constructed beneath the lowest section of the process pond between the primary and secondary HDPE liners. A sump pump and collection pipe will allow samples to be collected at the surface if any leakage is detected in the sump.

5) Primary HDPE Liner – an 80-mil HDPE synthetic liner will be installed on top of the Geonet layer in accordance with the CQA/QC manual approved by the Construction Permit.

c. Leach Pad Leak Detection System – 4-inch ADS piping will be installed at 200-foot intervals beneath the HDPE liner of the leach pad to collect and convey potential leakage to leak detection sumps on the north side of the pad.

d. Perimeter Containment Berm – a three-foot containment berm will be placed around the outer edge of the pad liner, process facilities, and
process pond to provide solution containment.

3. BAT Performance Monitoring - Best available technology monitoring will include minimum vertical freeboard, maximum allowable leakage rate, and maximum allowable head monitoring. These performance standards are based on the precedence of previous ground water discharge permits and *Action Leakage Rates for Leak Detection Systems* (EPA, January 1992).

   a. Minimum Vertical Freeboard – a minimum of two (2) feet of vertical freeboard shall be maintained to ensure total containment of the process pond.

   b. Maximum Allowable Leakage Rate – based on a pond area of one acre, the maximum allowable leakage rate through the primary HDPE liner of the process pond will be 200 gallons per day.

   c. Maximum Allowable Head – the maximum head that will be allowed in the process pond leak detection sump is one (1) foot. Any fluids collected in the leak detection sump will be removed and placed in the process pond.

4. Spill Containment - The Permittee shall design, maintain and construct all pipelines, storage tanks, and mill facilities with a spill containment system that shall:

   a. Prevent any spills or leakage from any contact with the ground surface or ground water.

   b. Convey all spills or leakage to the process pond.

Any spill that does come into contact with the ground surface or ground water that causes pollution or has the potential to cause pollution to waters of the state shall be reported in accordance with Part II I.


E. Compliance Monitoring Requirements

1. Ground Water Monitoring

   a. Ground Water Quality Sampling and Analysis Quality Assurance
Project Plan - All water quality monitoring shall be conducted in accordance with the general requirements, hereunder, and the specific requirements of the Ground Water Sampling and Analysis Quality Assurance Project Plan approved by the Executive Secretary.

b. Compliance Wells – Monitoring wells installed hydraulically downgradient of the process area will serve as ground water compliance monitoring points.

c. Protection of Monitoring Wells - All compliance monitoring wells must be protected from damage due to surface vehicular traffic or contamination due to surface spills. All compliance monitoring wells shall be maintained in full operational condition for the life of this permit. Any compliance monitoring well that becomes damaged beyond repair or is rendered unusable for any reason will be replaced by the Permittee within 90 days or as directed by the Executive Secretary.

2. Quarterly Compliance Monitoring

Depending on site conditions, compliance monitoring shall be done either by ground water sampling or monitoring for the presence of leach solutions at the interface between alluvium and bedrock downgradient from the leach pad.

a. Water Level Measurements – water level measurements shall be made in each monitoring well prior to any well purging or collection of ground water samples, if water is present in the well. These measurements will be made from a surveyed permanent reference point clearly demarcated on the top of the well or surface casing. Water level measurements will be made to the nearest 0.01 foot.

b. Ground Water Quality Samples – grab samples of ground water from compliance monitoring wells will be collected for laboratory analysis on a quarterly basis, or whenever they are found to be present in a normally dry well under the schedule contained in an approved compliance monitoring plan.

1) Analysis by Certified Laboratories - analysis of all ground water samples shall be performed by laboratories certified by the Utah State Health Laboratory.

2) Ground Water Analytical Methods - methods used to analyze ground water samples must comply with the following:
i) Methods cited in UAC R317-6-6.3L, and

ii) Method detection limits are less than Ground Water Protection Levels in Part I.C.

3) Analysis Parameters - the following analyses will be conducted on all ground water samples collected:

i) Field Parameters - pH, temperature, and specific conductance.

ii) Laboratory Parameters – including:
   • Total dissolved solids (TDS)
   • Major ions (bicarbonate, carbonate, calcium, chloride, magnesium, potassium, sodium, sulfate)
   • Metals (antimony, barium, beryllium, cadmium, chromium, copper, lead, mercury, selenium, silver, thallium, zinc)
   • Total cyanide
   • Nitrate + nitrite as N.

c. Source Monitoring- beginning with the start of leach operations and quarterly thereafter, the Permittee shall sample the leach solution and analyze it for the parameters listed in Part I.E.2.b.3), above.

3. Leak Detection Monitoring

a. Fluid Measurement – the leak detection sump will be monitored daily for the presence of fluids.

b. Sampling if Fluids Present - if fluids are detected in the leak detection sump, the Permittee will collect samples for laboratory analysis of the parameters in Part I.E.2.b.3), above.

F. Non-Compliance Status

1. Probable Out-of-Compliance Status - Depending on the approved ground water monitoring plan, the Permittee shall evaluate results of each ground water sampling event to determine any exceedence of the Ground Water Protection Levels found in Part I.C above, or determine if liquids taken from any normally-dry well are leach solutions. Upon determination that a Ground
Water Protection Level has been exceeded at any downgradient compliance monitoring well, or leach fluids are present in a normally-dry well, the Permittee shall:

a. Immediately re-sample the monitoring well(s) found to be in probable out-of-compliance status for laboratory analysis of the exceeded protection level parameter(s), or the parameters listed in Part I.E.2.b.3), above for a normally-dry well. Submit the analytical results thereof, and notify the Executive Secretary of the probable out-of-compliance status within 30 days of the initial detection.

b. Upon exceedence of any one parameter listed in Part I.C for two consecutive sampling events, or detection of leach fluids in a normally-dry well, the Permittee shall immediately implement an accelerated schedule of monthly sampling analysis, consistent with the requirements of this permit. This monthly sampling will continue for at least two months or until the compliance status can be determined by the Executive Secretary. Reports of the results of this sampling will be submitted to the Executive Secretary as soon as they are available, but not later than 30 days from each date of sampling.

2. Out-of-Compliance Status Based on Confirmed Exceedance of Permit Ground Water Protection Levels

a. Out of Compliance Status shall be defined as follows:

1) For parameters that have been defined as detectable in the background and for which protection levels have been established, out-of-compliance shall be defined as two consecutive samples exceeding the protection level and the mean background concentration by two standard deviations, or two samples from a normally dry well that contain detectable levels of Total Cyanide and pH greater than 8.5.

2) For parameters that have background data sets between 50-85% non-detectable analyses, out-of-compliance shall be defined as two consecutive samples from a compliance monitoring point exceeding the established protection level.

3) For parameters that have been non-detectable in the background and for which protection levels have been determined based on 0.25 times the ground water quality standard, out-of-compliance shall be defined as two consecutive samples from a compliance monitoring point exceeding the established protection level.
b. Notification and Accelerated Monitoring - upon determination by the Permittee or the Executive Secretary, in accordance with UAC R317-6-6.17, that an out-of-compliance status exists, the Permittee shall:

1) Verbally notify the Executive Secretary of the out-of-compliance status or acknowledge Executive Secretary notice that such a status exists within 24 hours of receipt of data, and

2) Provide written notice within 5 days of the determination, and

3) Continue an accelerated schedule of monthly ground water monitoring for at least two months and continue monthly monitoring until the facility is brought into compliance as determined by the Executive Secretary.

c. Source and Contamination Assessment Study Plan - within 30 days after the written notice to the Executive Secretary required in Part I.F. 2.b.2), above, the Permittee shall submit an assessment study plan and compliance schedule for:

1) Assessment of the source or cause of the contamination, and determination of steps necessary to correct the source.

2) Assessment of the extent of the ground water contamination and any potential dispersion.

3) Evaluation of potential remedial actions to restore and maintain ground water quality, and ensure that the ground water standards will not be exceeded at the compliance monitoring wells.

3. Out-of-Compliance Status Based Upon Failure To Maintain Best Available Technology - In the event that BAT monitoring indicates a violation of any of the construction or performance standards outlined in Part I.D of this permit, the Permittee shall submit to the Executive Secretary a notification and description of the violation in accordance with Part II.I of this permit.

G. Reporting Requirements

1. Quarterly Ground Water Monitoring - monitoring required in Part I.E.2 above shall be reported according to the schedule in Table 3 below, unless modified by the Executive Secretary:
### Table 3: Quarterly Compliance Monitoring Report Schedule

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Report Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st (January, February, March)</td>
<td>April 30th</td>
</tr>
<tr>
<td>2nd (April, May, June)</td>
<td>July 31st</td>
</tr>
<tr>
<td>3rd (July, August, September)</td>
<td>October 31st</td>
</tr>
<tr>
<td>4th (October, November, December)</td>
<td>January 31st</td>
</tr>
</tbody>
</table>

2. Water Level Measurements - water level measurements from ground water monitoring wells will be reported as measured depth to ground water from the surveyed casing measuring point, and ground water elevations as converted by casing measuring point elevations.

3. Ground Water Quality Sampling - reporting will include:

   a. Field Data Sheets - or copies thereof, including the field measurements, required in Part I.E.2.b.3) above, and other pertinent field data, such as: well name/number, date and time, names of sampling crew, type of sampling pump or bail, volume of water purged before sampling.

   b. Laboratory Analytical Results - including date sampled, date received; and the results of analysis for each parameter, including: value or concentration, units of measurement, reporting limit (minimum detection limit for the analysis), analytical method, and the date of the analysis.

   c. If the approved ground water monitoring plan involves checking for the presence of leach solutions in a normally-dry well, the Permittee shall check the well for the presence of fluids at least weekly. If fluids are present in large enough quantities to sample, the Permittee shall obtain a sample from the well.

4. Daily Leak Detection Monitoring - reporting will include:

   a. Presence or absence of fluid in the leak detection sump.

   b. Volume of fluid in the leak detection sump, if present.

   c. Results of sampling and analysis of collected fluid. The report of these results will meet the same requirements for ground water samples in Part I.G.3 above.
d. The disposition of any fluids in the leak detection sump.

5. Electronic Filing Requirements - In addition to submittal of the hard copy data, above, the Permittee will electronically submit the required ground water monitoring data in the electronic format specified by the Executive Secretary. The data may be submitted by e-mail, compact disc, or other approved transmittal mechanism.

6. Monitoring Well As-Built Report - For each well constructed the Permittee shall submit diagrams and descriptions of the final completion of the monitoring wells. The report is due within 60 days of the date of well completion. The report shall include:

   a. Casing: depth, diameter, and type of material.
   b. Screen: length, depth interval, diameter, material type, slot size.
   c. Sand Pack: depth interval, material type and grain size.
   d. Annular Seals: depth interval, material type.
   e. Surface Casing and Cap: depth, diameter, material type, protection measures constructed.
   f. Elevation and Location: ground surface elevation, elevation of water level measuring point, latitude and longitude in hours, minutes and seconds.
   g. Well construction description, well completion description, results of well pump tests or slug tests.

H. Compliance Schedule

1. Ground Water Monitoring Plan

   Within six months of the issuance of this permit, the Permittee shall submit a plan to monitor potential leakage from the leach pad. The plan shall involve monitoring the uppermost ground water by a monitor well at a location as close as practicable to the downgradient toe of the leach pad, or if ground water is not encountered above the alluvium/bedrock contact, monitor the contact for evidence of seepage from the leach pad.

   If ground water is encountered above the alluvium/bedrock contact, the Permittee shall also drill a monitor well at a location upgradient of the leach pad to provide comparison of ground water quality with the downgradient well. Monitor well placement and construction should follow the guidance contained in the August 11, 2010 letter from the Division of Water Quality. The monitoring plan must include quarterly sampling and analysis of ground water at the upgradient and downgradient
monitor wells. Monitoring parameters for ground water and water encountered in a normally-dry well should be as listed in Part I.C. If ground water is not encountered above the bedrock, the Permittee shall check the normally-dry well for presence of fluids at least weekly.

A ground water monitoring plan must be approved by the Executive Secretary, and monitor wells must be in place before any process solutions are handled at the site. If ground water is encountered above the bedrock, at least one sample must be taken from a downgradient monitor well before process solutions are handled at the site.

2. Ground Water Sampling, Analysis and Quality Assurance Plan

Ground water sampling must be done according to a Sampling, Analysis and Quality Assurance Plan approved by the Executive Secretary. The plan should be developed following the guidance contained in the August 11, 2010 letter from the Division of Water Quality. Upon Executive Secretary approval, the Plan will become an enforceable appendix to this permit.

3. Accelerated Background Monitoring Program – Depending on the presence of shallow ground water at the site, the Permittee shall conduct an accelerated ground water monitoring program to establish ground water protection levels for compliance monitoring wells. Ground water quality samples will be collected and analyzed for upgradient and downgradient monitoring wells in accordance with the following requirements:

   a. Independent grab samples will be collected every other month from each well according to the requirements of Part I.E.2 above and the Sampling and Analysis Quality Assurance Project Plan, until a total of eight (8) samples events have been completed.

   b. After eight (8) sample events have been completed, the Permittee will submit an Accelerated Background Monitoring Report with all field data sheets, laboratory analytical reports, and all monitoring data for each parameter in each well presented in spreadsheet format.

   After review and approval of the Accelerated Background Monitoring Report, the Executive Secretary will establish well-specific ground water protection parameters for each parameter in accordance with R317-6-4 of the Ground Water Quality Protection Rules.

   c. After the Executive Secretary has re-opened the permit and
established well-specific ground water protection levels, sampling will be relaxed to the quarterly compliance monitoring frequency in Part I.E.2 above.

4. BAT Performance Monitoring Plan - The Permittee shall submit a BAT monitoring plan to the Executive Secretary and secure approval of the plan prior to the start of leaching operations. The plan will include all procedures and methods sufficient to ensure compliance with the BAT performance standards of Part I.D.3 of the permit, including minimum vertical freeboard and maximum allowable leakage rate for the process pond, and maximum allowable head for the leak detection system of the process pond. The approved plan will become an enforceable Appendix B to this permit.

5. Final Conceptual Closure Plan and Duty to Reapply. The Permittee shall submit a final conceptual closure plan at least 180 days prior to the expiration date of this permit. Also to be submitted at this time will be a reapplication for the ground water discharge permit which will include an updated operational plan describing the proposed operational and closure activities to occur in the next five-year term of the permit. The Permittee shall resubmit the plan with 60 days of receipt of notice from the Executive Secretary and correct any deficiencies noted in the agency review.

6. Final Closure Plan. In the event that the Permittee decides to discontinue its operations at the facility the Permittee shall notify the Executive Secretary of such a decision and submit a Final Closure Plan within 180 days. The Final Closure Plan shall be submitted no later than 180 days prior to the closure of the facility. The Permittee shall resubmit Final Closure Plans within 60 days of receipt of written notice of deficiencies therein. Any material changes made to this plan after it receives Executive Secretary approval shall require approval of the Executive Secretary.
II. MONITORING, RECORDING AND REPORTING REQUIREMENTS

A. Representative Sampling
Samples taken in compliance with the monitoring requirements established under Part I shall be representative of the monitored activity.

B. Analytical Procedures
Water sample analysis must be conducted according to test procedures specified under UAC R317-6-6.3.L, unless other test procedures have been specified in this permit.

C. Penalties for Tampering
The Act provides that any person who falsifies, tampers with, or knowingly renders inaccurate, any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than six months per violation, or by both.

D. Reporting of Monitoring Results
Monitoring results obtained during each reporting period specified in the permit, shall be submitted to the Executive Secretary, Utah Division of Water Quality at the following address no later than the 15th day of the month following the completed reporting period:

State of Utah
Division of Water Quality
P.O. Box 144870
Salt Lake City, Utah 84114-4870
Attention: Ground Water Protection Section

E. Compliance Schedules
Reports of compliance or noncompliance with, or any progress reports on interim and final requirements contained in any Compliance Schedule of this permit shall be submitted no later than 14 days following each schedule date.

F. Additional Monitoring by the Permittee
If the Permittee monitors any pollutant more frequently than required by this permit, using approved test procedures as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted. Such increased frequency shall also be indicated.
G. **Records Contents**
Records of monitoring information shall include:

1. The date, exact place, and time of sampling or measurements;
2. The individual(s) who performed the sampling or measurements;
3. The date(s) and time(s) analyses were performed;
4. The individual(s) who performed the analyses;
5. The analytical techniques or methods used; and,
6. The results of such analyses.

H. **Retention of Records**
The Permittee shall retain records of all monitoring information, including all calibration and maintenance records and copies of all reports required by this permit, and records of all data used to complete the application for this permit, for a period of at least three years from the date of the sample, measurement, report or application. This period may be extended by request of the Executive Secretary at any time.

I. **Twenty-four Hour Notice of Noncompliance Reporting**
1. The Permittee shall verbally report any noncompliance which may endanger public health or the environment as soon as possible, but no later than 24 hours from the time the Permittee first became aware of the circumstances. The report shall be made to the Utah Department of Environmental Quality 24 hour number, (801) 536-4123, or to the Division of Water Quality, Ground Water Protection Section at (801) 536-4300, during normal business hours (Monday through Thursday 7:00 am - 6:00 pm Mountain Time).

2. A written submission shall also be provided to the Executive Secretary within five days of the time that the Permittee becomes aware of the circumstances. The written submission shall contain:
   a. A description of the noncompliance and its cause;
   b. The period of noncompliance, including exact dates and times;
   c. The estimated time noncompliance is expected to continue if it has not been corrected; and,
   d. Steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

3. Reports shall be submitted to the addresses in Part II.D, Reporting of Monitoring Results.
J. **Other Noncompliance Reporting**
Instances of noncompliance not required to be reported within 24 hours, shall be reported at the time that monitoring reports for Part II.D are submitted.

K. **Inspection and Entry**
The Permittee shall allow the Executive Secretary, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

1. Enter upon the Permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of the permit;

2. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;

3. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and,

4. Sample or monitor at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by the Act, any substances or parameters at any location.
III. COMPLIANCE RESPONSIBILITIES

A. Duty to Comply
The Permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or for denial of a permit renewal application. The Permittee shall give advance notice to the Executive Secretary of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

B. Penalties for Violations of Permit Conditions
The Act provides that any person who violates a permit condition implementing provisions of the Act is subject to a civil penalty not to exceed $10,000 per day of such violation. Any person who willfully or negligently violates permit conditions is subject to a fine not exceeding $25,000 per day of violation. Any person convicted under Section 19-5-115(2) of the Act a second time shall be punished by a fine not exceeding $50,000 per day. Nothing in this permit shall be construed to relieve the Permittee of the civil or criminal penalties for noncompliance.

C. Need to Halt or Reduce Activity not a Defense
It shall not be a defense for a Permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

D. Duty to Mitigate
The Permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit which has a reasonable likelihood of adversely affecting human health or the environment.

E. Proper Operation and Maintenance
The Permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls and quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems which are installed by a Permittee only when the operation is necessary to achieve compliance with the conditions of the permit.
IV. GENERAL REQUIREMENTS

A. Planned Changes
The Permittee shall give notice to the Executive Secretary as soon as possible of any planned physical alterations or additions to the permitted facility. Notice is required when the alteration or addition could significantly change the nature of the facility or increase the quantity of pollutants discharged.

B. Anticipated Noncompliance
The Permittee shall give advance notice of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

C. Permit Actions
This permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the Permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

D. Duty to Reapply
If the Permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the Permittee must apply for and obtain a permit renewal or extension. The application should be submitted at least 180 days before the expiration date of this permit.

E. Duty to Provide Information
The Permittee shall furnish to the Executive Secretary, within a reasonable time, any information which the Executive Secretary may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The Permittee shall also furnish to the Executive Secretary, upon request, copies of records required to be kept by this permit.

F. Other Information
When the Permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or any report to the Executive Secretary, it shall promptly submit such facts or information.

G. Signatory Requirements
All applications, reports or information submitted to the Executive Secretary shall be signed and certified.

1. All permit applications shall be signed as follows:

   a. For a corporation: by a responsible corporate officer;
b. For a partnership or sole proprietorship: by a general partner or the proprietor, respectively.

c. For a municipality, State, Federal, or other public agency: by either a principal executive officer or ranking elected official.

2. All reports required by the permit and other information requested by the Executive Secretary shall be signed by a person described above or by a duly authorized representative of that person. A person is a duly authorized representative only if:

a. The authorization is made in writing by a person described above and submitted to the Executive Secretary, and,

b. The authorization specified either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, operator of a well or a well field, superintendent, position of equivalent responsibility, or an individual or position having overall responsibility for environmental matters for the company. (A duly authorized representative may thus be either a named individual or any individual occupying a named position.)

3. Changes to Authorization. If an authorization under Part IV.G.2 is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, a new authorization satisfying the requirements of Part IV.G.2 must be submitted to the Executive Secretary prior to or together with any reports, information, or applications to be signed by an authorized representative.

4. Certification. Any person signing a document under this section shall make the following certification:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."
H. **Penalties for Falsification of Reports**
The Act provides that any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than six months per violation, or by both.

I. **Availability of Reports**
Except for data determined to be confidential by the Permittee, all reports prepared in accordance with the terms of this permit shall be available for public inspection at the offices of the Executive Secretary. As required by the Act, permit applications, permits, effluent data, and ground water quality data shall not be considered confidential.

J. **Property Rights**
The issuance of this permit does not convey any property rights of any sort, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of federal, state or local laws or regulations.

K. **Severability**
The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

L. **Transfers**
This permit may be automatically transferred to a new Permittee if:

1. The current Permittee notifies the Executive Secretary at least 30 days in advance of the proposed transfer date;

2. The notice includes a written agreement between the existing and new Permittee containing a specific date for transfer of permit responsibility, coverage, and liability between them; and,

3. The Executive Secretary does not notify the existing Permittee and the proposed new Permittee of his or her intent to modify, or revoke and reissue the permit. If this notice is not received, the transfer is effective on the date specified in the agreement mentioned in paragraph 2 above.
M. **State Laws**
Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the Permittee from any responsibilities, liabilities, penalties established pursuant to any applicable state law or regulation under authority preserved by Section 19-5-117 of the Act.

N. **Reopener Provision**
This permit may be reopened and modified (following proper administrative procedures) to include the appropriate limitations and compliance schedule, if necessary, if one or more of the following events occurs:

1. If new ground water standards are adopted by the Board, the permit may be reopened and modified to extend the terms of the permit or to include pollutants covered by new standards. The Permittee may apply for a variance under the conditions outlined in R317-6-6.4.D.

2. If alternative compliance mechanisms are required.

3. If subsequent ground water monitoring data reveals the background water quality values in Part I Table 1 are not accurate.