

IN THE OFFICE OF THE STATE ENGINEER
AND
DIVISION OF ENVIRONMENTAL PROTECTION

812

O R D E R

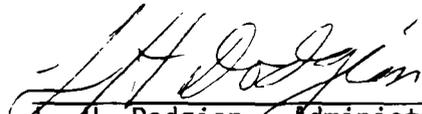
Timothy Collins, President
United Mining Company
P. O. Box 370
Virginia City, Nevada 89440

Houston International Minerals
Corporation
1802 N. Carson Street, Suite 226
Carson City, Nevada 89701
Attn: Dan Martin

Personnel of the Division of Water Resources and Division of Environmental Protection of the Department of Conservation and Natural Resources have made field inspections of the dam constructed under Dam Permit J-155 in the Silver City area of Storey County. The results of the field inspections disclose that present conditions at the dam site potentially constitutes a hazard to life and property. You are therefore, ordered, under the respective authorities granted under NRS 535 and 445, to immediately perform the following, which is essential to safeguard life and property and protect the public interest and welfare:

1. You are ordered to lower the water level in the reservoir at the dam a minimum to provide at least 3.0 feet of freeboard at the lowest portion of the top of the dam.
2. You will maintain the freeboard described under condition one until such time as a proper alteration or modification has been accomplished as approved by the State Engineer under the provisions of NRS 535.
3. You will immediately reduce the free cyanide concentration in the American Flat tailings pond to a concentration of 0.2 mg/l. Begin twice daily sampling of the contents of the pond for free cyanide concentration until a level of 0.2 mg/l is achieved. At that time the sampling frequency can be reduced to weekly.

No additional cyanide shall be added to the pond without the approval of the Division of Environmental Protection.


L.H. Dodgion, Administrator
Division of Environmental Protection


Peter G. Morros
State Engineer

Dated at Carson City, Nevada
this 4th day of February, 1983.