



January 22, 2010

Mr. Michael Daigneault
Regional Supervisor, Habitat Division
Alaska Department of Fish and Game
333 Raspberry Road
Anchorage, Alaska 99518

Re: Pebble Limited Partnership Water Withdrawals

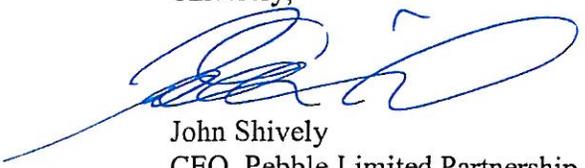
Dear Mr. Daigneault,

I am writing in reply to your letter of January 15, 2010 regarding the five water withdrawals in 2009 to support our exploration drilling operations that you state were not reviewed for permit requirements by the Habitat Division of the Alaska Department of Fish and Game. When it came to my attention last October that some of the water sources our drilling operations were using may not have been properly permitted by the Department of Natural Resources or the Department of Fish and Game we conducted an audit of our drilling operations from 2007 through 2009, and reported our findings to the Department of Natural Resources.

Additionally, the Pebble Limited Partnership implemented a more rigorous approach to permitting for exploration drilling to ensure all exploration activities consistently follow the stipulations found in both the Temporary Water Use permits issued by DNR and the Fish Habitat permits issued by your agency. We have recently hired a new Environmental Site Coordinator who will work with site personnel to ensure strict protocols are followed which will be presented in the plan required by both your agency and DNR. This plan is currently being drafted and should be available for your review and that of DNR staff very soon.

Let me assure you that despite any administrative errors PLP may have made, all of our water withdrawals have consistently followed the requirements on our existing Fish Habitat permits to ensure we protect the fisheries resources of the project area. In fact, PLP has installed water intake screens and other mitigation measures consistent with Alaska fish habitat permit requirements, for *all* water bodies used for water withdrawal, whether or not fish are present and whether or not a permit is required under applicable law.

Sincerely,



John Shively
CEO, Pebble Limited Partnership