



# Region

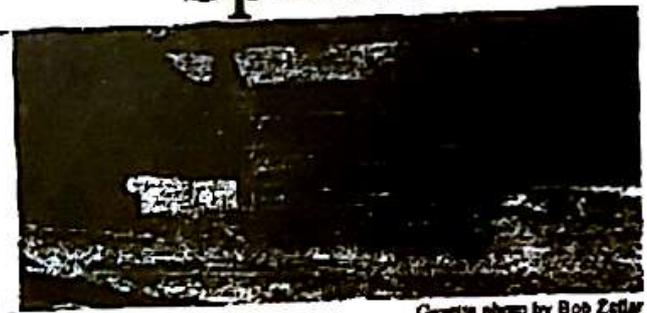
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## Sploosh



Gazette photo by Bob Zeller

A chevy truck splashes through the slush on Indian Trail near Alkali Creek in Billings Heights Thursday. Unseasonably cold weather had left streets snow covered and slick until Thursday's thaw. Forecasters predict more thawing through the weekend.

### Wyoming Legislature

State BuRec has good news for irrigators

Anaconda Private prison group searching for alternative site

EPA Smokestack height in dispute

## Pegasus abandons project

By JAN FALSTAD  
Of The Gazette Staff  
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Pegasus Gold Inc. has taken the Zortman-Landusky mine's gold reserves off its company's books, saying the extension project is no longer feasible at today's gold prices.

In a statement, the Canadian firm announced, "The company feels that the Zortman Extension Project is uneconomic at this time and will not proceed, therefore, a write-down will be recorded in the fourth quarter of 1997."

▶ **Bozeman**

Ads will seek more public support for Yellowstone bison solution

The company, which has filed for bankruptcy protection in the United States and for "voluntary administration" in Australia, said that at current gold prices it could not invest another \$30 million to \$40 million in the Zortman area mines.

▶ **MPC**

MPC corrects points in Gazette story

Although the price of gold Thursday closed at just under \$294 an ounce on the London exchange, in its financial statement Pegasus was calculating its ore reserves at \$150 per ounce and finding them uneconomic at that price.

▶ **Rock Springs**

Attorneys argue federal agencies misuse environmental act

Pegasus spokesman John Pearson could not be reached for comment.

▶ **City**

Mugger's companion stays in jail

Bob Winegar, of the Department of Environmental Quality's Environmental Management Bureau, said the announcement was expected and that state monitoring is adequate.

▶ **Manderson, Wyo.**

OSHA releases report on Manderson oilfield fatality

"We've got a monitoring program in place that is more than sufficient," said Winegar, saying the Zortman monitoring was beefed up in anticipation of the expansion, which now won't take place.

▶ **City**

31 city middle-schoolers honored for SAT scores

DEQ inspectors were at the mine on an inspection visit Wednesday. Pegasus has posted \$63.5 million in reclamation surety bonds with DEQ to cover reclamation costs at its five Montana gold mining operations. Three of the five mines still are operating.

▶ **Laramie**

Professors create company from research project

The company declared Chapter 11 bankruptcy on Jan. 16 and is trying to reorganize its finances. In the latest press release, the firm said a final reorganization plan won't be completed for another nine to 15 months.

▶ **Kalispell**

Tourism conference will tackle variety of subjects

After its bankruptcy announcement, the American Stock Exchange dropped the stock from its listings.

▶ **Riverton**

Closed doors violate open meetings law

In the meantime, Pegasus also announced that production at its Montana Tunnels and Diamond Hill mines will be approximately 115,000 ounces this year, down from an estimated 120,000 ounces predicted in January.

▶ **Beg Your**

**Pardon**

Pegasus also said it is planning a \$4.3 million