

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office MAR 5 1985

Returned to applicant for correction MAR 27 1985

Corrected application filed

Map filed MAR 11 1985 under 48707

The applicant Silver State Mining Corporation
1600 Hudson's Bay Centre
1600 Stout Street, of Denver, Colorado

80202-3133, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) Incorporated in Colorado on July 29, 1979.

- 1. The source of the proposed appropriation is underground
2. The amount of water applied for is 1.0 second-foot
3. The water to be used for mining, milling and domestic
4. If use is for: (a) Irrigation, state number of acres to be irrigated... (b) Stockwater, state number and kinds of animals to be watered... (c) Other use... (d) Power: (1) Horsepower developed... (2) Point of return of water to stream...
5. The water is to be diverted from its source at the following point Within the NW 1/4 SW 1/4 Section 34, T 24 N, R 49 E, MDB&M, at a point from which the NE corner of Section 3, T 23-1/2 N, R 49 E, MDB&M, bears S 21°39' W, a distance of 1910 feet.
6. Place of use Within the S 1/2 Section 31, Section 32, Section 33, Section 34, T 24 N, R 49 E, MDB&M; within Sections 2, 3, 4, 5, and E 1/2 Section 6, T 23-1/2 N, R 49 E; within Sections 2, 3, and the N 1/2 Section 4, T 23 N, R 49 E.
7. Use will begin about January 1 and end about December 31, of each year.
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution system, and reclamation cycle.
9. Estimated cost of works \$50,000.00

10. Estimated time required to construct works 2 years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water will be used for heap leaching purposes. The annual use from all sources will not exceed 500 acre feet per year from all sources.

By s/Ross E. de Lipkau  
Ross E. de Lipkau  
P.O. Box 2790  
Reno, Nevada 89505

Compared mc/ jf js/bc

Protested.....

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 89.1 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 27, 1987

Proof of completion of work shall be filed on or before September 27, 1987

Application of water to beneficial use shall be made on or before August 27, 1989

Proof of the application of water to beneficial use shall be filed on or before September 27, 1989

Map in support of proof of beneficial use shall be filed on or before.....

Completion of work filed..... IN TESTIMONY WHEREOF, I PETER G. MORROS

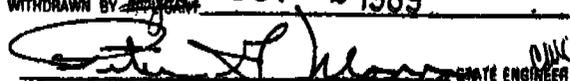
Proof of beneficial use filed..... State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 27th day of August,

Cultural map filed.....

Certificate No..... Issued.....

A.D. 19 85  
  
State Engineer

218 (Rev.)

WITHDRAWN BY PROG OCT 2 1989  
  
STATE ENGINEER

(PERMIT TERMS CONTINUED)

No perforations shall be put in the production casing from ground level to 100 feet.

The total combined duty of water under Permits 48707, 48708, 48709, 48893, 48894 and 48895 shall not exceed 89.1 million gallons annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

