TEMPORARY

ASSIGNED

Serial No. 56153 T

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office APR 5 - 1991

Returned to applicant for correction

Corrected application filed Map filed MAY 2 - 1991 under 56152-T

The applicant Independence Mining Company, Inc.

Mountain City Star Route (Street and No. or P.O. Box No.) of Elko (City or Town)

Nevada 89801 (State and Zip Code No.) hereby make^{s} application for permission to change the point of diversion and place of use of a portion (Point of diversion, manner of use, and/or place of use)

of water heretofore appropriated under permit #53002 (Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

1. The source of water is underground (DW#4) (Name of stream, lake, underground spring or other source.)
2. The amount of water to be changed 0.1 c.f.s. (Second feet, acre feet. One second foot equals 448.83 gallons per minute.)
3. The water to be used for mining & milling (de-watering of mine zone-non-consumptive) (Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.)
4. The water heretofore permitted for mining & milling, dust suppression & domestic (Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.)
5. The water is to be diverted at the following point within the SW¼ NE¼ Sec.2, T.42N.,R53E., (Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.) M.D.M., from which the SE corner of Sec.31, T.43N.,R.54E., bears N.79°03'E., 13,112 ft.dist.
6. The existing permitted point of diversion is located within the SW¼ NE¼ Sec.2, T.42N.,R.53E., (If point of diversion is not changed, do not answer.) from which the SE corner of Sec.31, T.43N.,R.54E., bears N.79°04'E., 13,363 ft.dist.
7. Proposed place of use Section 2 and 3, T.42N.,R.53E., M.D (Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.)
8. Existing place of use portions of T.42N. and T.43N., R.53E. and R.54 E., M.D.M. (Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.) (See attached)
9. Use will be from January 1 (Month and Day) to December 31 (Month and Day) of each year.
10. Use was permitted from January 1 (Month and Day) to December 31 (Month and Day) of each year.
11. 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.) Small diameter drilled well to a depth below design of ultimate mine pit depth; casing, submersible electric pump and motor (State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes, or drilled well, etc.)
12. Estimated cost of works $20,000.00
13. Estimated time required to construct works one year

14. Estimated time required to complete the application of water to beneficial use 10 years

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

A total of eight small wells will combined pump an estimated 1,000 gallons per minute to a central collection pond and as required, to be treated to remove any harmful components before discharge into the North Fork of the Humboldt River, in compliance with a discharge permit issued by the Division of Environmental Protection. The pumps will be operated for this purpose for the life of the mining development. No other beneficial use of this water is contemplated by the applicant.

By s/ William A. Nisbet
421 Court Street
Elko, Nevada 89801

Compared am/ se am/se

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 temporary permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 53002 is issued subject to the terms and conditions imposed in said Permit 53002 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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 the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 51163, 51292, 52452, 53002, 53003, 53271, 53272, 53273, 56152-T, 56153-T, 56154-T, 56155-T, 56156-T, 56157-T, 56158-T and 56159-T shall not exceed 377 million gallons annually.

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1 cubic feet per second, but not to exceed 15.2 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before

Proof of completion of work shall be filed before

Application of water to beneficial use shall be made on or before

Proof of the application of water to beneficial use shall be filed on or before

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

TEMPORARY

Completion of work filed

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

TEMPORARY

EXPIRED

DATE JUN 24 1992

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E. State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 25th day of June, A.D. 19 91

State Engineer

(O)-1108 (Rev. 6-81)

(PERMIT TERMS CONTINUED)

The total combined duty of water under Permits 53002, 53003, 56152-T, 56153-T, 56154-T, 56155-T, 56156-T, 56157-T, 56158-T and 56159-T shall not exceed 132.36 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 and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

This permit will allow for the dewatering of the pit area. Any water obtained as a result of this dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, dust control, road watering and other related mining and milling uses within the described place of use on this permit.

The State Engineer retains the right to regulate the pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights.

Prior to any commencement of dewatering the permittee or its representatives shall meet to discuss the method of disposal of the water and any alternative methods of disposal.

The permittee shall discharge water in a manner and in allocation calculated to conserve water. All disposal sites shall be first approved by the State Engineer.

The permittee or its representatives shall submit a monitoring plan to the State Engineer within three months after the issuance of this permit. This plan must address all potential impacts resulting from the dewatering of the pit area. The State Engineer retains the right to require the permittee to cooperate in the funding of a hydrology study to be conducted by an independent third party.

A monthly report shall be submitted to the State Engineer within 10 days from the end of each month which shall include the amount of water pumped from each well and the amount of water used for mining and milling purposes.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on June 24, 1992 at which time all rights herein granted shall revert to the right being changed by this temporary permit.

8. Existing place of use Portions of: T.42N., R.53E. Sec. 1: Lots 1,2,3,4,S½NW¼,SW¼; Sec.2: All; Sec.11: All; Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or Sec.12: W½,W½E½. T.43N.,R.53E: Sec.35:S½SE¼, Sec.36:SE¼NE¼,SE¼,E½SW¼, SW¼SW¼. manner of use of irrigation permit, describe acreage to be removed from irrigation. T.42N.,R54E.: Sec.3: Lots 3,4,; Sec.4: Lots 1,2,3,4; Sec.5: Lots 5,6; T.43N., R.54E.: Sec.31:S½N½,S½; Sec.32:S½NW¼,S½; Sec.33:S½S½,NE¼SE¼; Sec.34:SW¼