

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 MAY 04 1992

Returned to applicant for correction.

Corrected application filed. Map filed JUN 08 1992

The applicant Tahoe Milling Inc. PO Box 5963 of Incline Village Nevada 89450

hereby make application for permission to change the Point of Diversion

of water heretofore appropriated under Permit #48507 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 Name of stream, lake, underground spring or other source.

2. The amount of water to be changed 2.0 c.f.s. Second feet, acre feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for mining 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 SW 1/4 SW 1/4 of Sec 16, T33N, R36E, MDB&M or at a point from which the SW corner of said Section 16, bears S 23° W 1100

6. The existing permitted point of diversion is located within within the SE 1/4 NW 1/4 of Sec 16, T33N, R36E, MDB&M or at a point from which the NE corner of said Section 16, bears N 63° 05' E 3010'

7. Proposed place of use NW 1/4 SW 1/4 of Sec 16, T33N, R36E, MDB&M Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.

8. Existing place of use NW 1/4 SW 1/4 of Sec 16, T33N, R36E, MDB&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.

9. Use will be from January 1 to December 31 of each year.

10. Use was permitted from January 1 to December 31 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.) Drilled well and pipeline to place of use. 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 \$10,000

13. Estimated time required to construct works 30-60 days

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

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

Water is to be used for mining & milling.....Annual consumptive use will be approximately 19 million gallons or more as required by the plant.....

By...s./James Garst.....
PO Box 5963
Incline Village, NV 89450

Compared.....bc/bc.....ap/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 permit to change the point of diversion of the waters of an underground source as heretofore granted under Permit 48507 is issued subject to the terms and conditions imposed in said Permit 48507 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 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 17562, Certificate 5395; 48508, and 57586 shall not exceed 55 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.....2.0.....cubic feet per second, but not to exceed 55 million gallons annually.....

Work must be prosecuted with reasonable diligence and be completed on or before.....February 7, 1993.....

Proof of completion of work shall be filed before.....March 7, 1993.....

Application of water to beneficial use shall be made on or before.....February 7, 1994.....

Proof of the application of water to beneficial use shall be filed on or before.....March 7, 1994.....

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

Completion of work filed.....
Proof of beneficial use filed.....
Cultural map filed.....
Certificate No.....Issued.....

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 9th day of September

A.D. 19 92

[Signature]
State Engineer

CANCELLED MAY 05 1995 BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT
[Signature] P.E.
STATE ENGINEER

(PERMIT TERMS CONTINUED)

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.

Monthly records shall be kept of the amount of water pumped and the water level measurement from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The existing well under Permit 48507 shall be plugged as required by NAC 534.420 within 30 days from the issuance of Permit 57586.

Your request for a waiver to use a 50 foot seal rather than a 100 foot seal is denied and the well drilled under this permit must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.