

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office NOV 19 1992

Returned to applicant for correction

Corrected application filed

Map filed NOV 19 1992

The applicant INDEPENDENCE MINING COMPANY, INC.

HC 31 Box 78, of Elko Nevada 89801

hereby make 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 January 26, 1978 in Delaware

1. The source of the proposed appropriation is underground (Sheep Ridge Well)

2. The amount of water applied for is 0.2 c.f.s. second-feet

(a) If stored in reservoir give number of acre-feet

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 (describe fully under No. 12. "Remarks")

(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 NE 1/4 NE 1/4 Section 13,

T.40N., R.53E., MDM, from which the NE corner of said section bears N. 2° 38'

E. 1359 ft. dist.

6. Place of use Sections 10,11,12,13,14,15,22,23,24, T.40N., R.53E., MDM.

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 well, casing, submersible pump,

storage tank, pipelines, valves

9. Estimated cost of works..... \$80,000.00

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:

Uses include supply to exploration drill rigs, dust control on haul roads, sample preparation and incidental human uses.

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

Compared..... bc/bc ab/se

Protested..... 2/24/93 by; Pershing County Water Conservation District of Nevada:
Pro. wdr. 7-6-93

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..... 0.2 cubic feet per second, but not to exceed 12.43 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... August 30, 1995

Proof of completion of work shall be filed before..... September 30, 1995

Application of water to beneficial use shall be filed on or before..... August 30, 1998

Proof of the application of water to beneficial use shall be filed on or before..... September 30, 1998

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

Completion of work filed..... JUL 20 1995

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..... 30th day of..... August

A.D. 1993

[Signature]
State Engineer

(PERMIT TERMS CONTINUED)

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

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 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.