TEMPORARY

Serial No. 61340 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 JUN 23 1995

Returned to applicant for correction SEP 27 1995

Corrected application filed 6-23-95 under 61335-T Map filed existing 6-17-91 under 55908

The applicant Magma Nevada Mining Company

P. O. Box 382 (Street and No. or P.O. Box No.) of Ruth (City or Town)

Nevada 89319 (State and Zip Code No.) hereby make S application for permission to change the

point of diversion of a portion and manner of use (Point of diversion, manner of use, and/or place of use)

of water heretofore appropriated under Permit No. 55911 (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 sources (LDW-10) (Name of stream, lake, underground spring or other source.)
2. The amount of water to be changed 0.446 second feet (Second feet, acre feet. One second foot equals 448.83 gallons per minute.)
3. The water to be used for mining, milling, domestic and dewatering (Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.)
4. The water heretofore permitted for mining, milling and 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 in the NE¼ NE¼, Section 17, T.16N., R62E., M.D.B. &M. (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.)
6. The existing permitted point of diversion is located within the NE¼ SW¼, Section 9, T.16N., R.62E., M.D.B. &M., at a point from which the northeast corner of Section 3, T.16N., R.62E., M.D.B.&M. bears N. 45°17'08" E., 11,951.23 feet distant. (If point of diversion is not changed, do not answer.)
7. Proposed place of use Sections 12, 13, 23, 24, 25 and 26, T.16N., R.61E., Sections 2 through 22, 29 and 30, T.16N., R.62E., Sections 7, 17, 18, 19 and 20, T.16N., R.63E. and Section 33, T.17N., R.62E., M.D.B.&M. (Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.)
8. Existing place of use same (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 (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.) drill well, install pump and dewater a portion of the Liberty Pit. (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 $25,000.00
13. Estimated time required to construct works 1 Year

14. Estimated time required to complete the application of water to beneficial use 1 Year

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

This application is for a temporary permit. The well will be used for dewatering purposes. Water will be pumped from the dewatering well, out of the Liberty Pit and into the mining and milling water supply system.

Magma Nevada Mining Company
By s/Richard H. Johnson
P.O. Box 382
Ruth, NV 89319

Compared cl/cmg cl/bk

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 manner of use of a portion of the waters of an underground source as heretofore granted under Permit 55911 is issued subject to the terms and conditions imposed in said Permit 55911 and with the understanding that no other rights on the source will be affected by the change proposed herein. 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. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

This temporary 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 temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

(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 0.446 cubic feet per second, but not to exceed 323.0 acre-feet 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

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Completion of work filed

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

TEMPORARY

EXPIRED

DATE NOV 22 1996

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 22nd day of November, A.D. 19 95

State Engineer

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

(PERMIT TERMS CONTINUED)

The total combined duty of Permits 43378, 43379, 43380, 43381, 55906, 55908, 55910, 55911, 55912, 55913, 55915, 57935, 58245, 58793, 60416-T, 60417-T, 60418-T, 60419-T, 61335-T, 61336-T, 61337-T, 61338-T, 61340-T, 61341-T, 61342-T, 61343-T, and 61344-T will not exceed 13,204.0 AFA (acre-feet annually).

The permittee will comply with the monitoring plan approved by the State Engineer which will be subject to revision upon review of the data generated.

The data and analysis of the data will be submitted to the State Engineer on a monthly basis, subject to any revision of the frequency of the data collected.

This temporary permit is issued subject to the conditions set forth in the withdrawal of the City of Ely's protest dated October 28, 1991, under Permit 55906.

A monthly report shall be submitted to the State Engineer within 15 days after the end of each calendar quarter which shall include: (A) The volume of water pumped from each well, (B) The measurement of pumping water level (drawdown) from each production, dewatering and monitoring well, (C) The volume of water consumptively used for mining and milling uses projectwide, and (D) The volume of water used for dust control purposes projectwide.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on November 21, 1996 at which time all rights herein granted shall revert to the right being changed by this temporary permit.