TEMPORARY

NO. 63124T

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 16 1997

Returned to applicant for correction _____

Corrected application filed _____

Map filed MAY 23 1997 in 63121T

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The applicant **Hospah Coal Company**, hereby makes application for permission to change the **manner of use and point of diversion of a portion** of water heretofore appropriated under **Permit 61737**

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1. The source of water is **underground (North Pit)**

2. The amount of water to be changed **0.6 cfs**

3. The water to be used for **mining, milling, dewatering, and domestic purposes**

4. The water heretofore permitted for **mining, milling, and domestic purposes**

5. The water is to be diverted at the following point **within the SW¼ SW¼ of Section 33, T.32N., R.47E., MDB&M or at a point from which the SW corner of Section 4, T.31N., R.47E., MDB&M bears S 8° 58' W 6,495.0 feet.**

6. The existing permitted point of diversion is located within **the SE¼ NW¼ of Section 4, T.31N., R.47E., MDB&M or at a point from which the SW corner of said Section 4 bears S 20° 57' 33" W a distance of 4,223.0 feet.**

7. Proposed place of use **unchanged**

8. Existing place of use **See Exhibit "A"**

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 **drilled well and water distribution system**

12. Estimated cost of works **in excess of $10,000**

13. Estimated time required to construct works **60 days**

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

15. Remarks:

By **Desert Mountain Surveying as agent**
John H. Milton III, PLS, SWRS
s/John H. Milton III
146 West Second Street
Winnemucca, NV 89445

Compared **my/cms** cl/cms

Protested _____

63124T

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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 61737 is issued subject to the terms and conditions imposed in said Permit 61737 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.

The total combined duty of water under Permits 61312, 61313, 61314, 61315, 61737, 63121-T, 63122-T, 63123-T and 63124-T shall not exceed 2,172.0 acre-feet annually.

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 groundwater 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.

Monthly measurements shall be kept and submitted to the State Engineer within 10 days after the end of each month which shall include: the volume of water pumped from each site, the rater of diversion pumped from each site, the measurement of pumping water level (drawdown) from each site and the volume of water consumptively used for mining and milling purposes.

The permittee will revise the current monitoring plan to include the new points of diversion granted by this permit. As previously required, the monitoring plan must specify: (1) which sources are to be measured, (2) the background information already gathered, (3) the method of measurement, and (4) the projected frequency of measurements. The monitoring plan must show what, if any, impacts the pumping of water for this project has on existing rights.

The State Engineer will retain the right to require additional monitoring of water levels in observation and monitor wells, and of flow rates of surface sources. The permittee, on a schedule acceptable to the State Engineer, will prepare and present an update on the activities of the mine and the monitoring on a periodic basis, but not less than two times per year.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on September 3, 1998, at which time all rights herein granted shall revert to the right being changed by this temporary permit.

(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.6 cubic feet per second, **but not to exceed 1.5 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 filed 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

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 4th day of September, A.D. 1997

R. Michael Turnipseed P.E.
State Engineer

EXPIRED
DATE SEP 04 1998

Hospah Coal Co.
Temporary Application to Change Permit 61737
Exhibit "A"

Sections	Township	Range
27, 28, 33, and 34	T.32N.	R.46E.
3, 10, 11, 13, 14, and 24	T.31N.	R.46E.
8, 17, 20, 28-34, 36, and the E½ and E½ W½ of Section 18	T.32N.	R.47E.
1-23 and 26-30	T.31N.	R.47E.
36	T.32N.	R.48E.
1-12, 17, and 18	T.31N.	R.48E.
31	T.32N.	R.49E.
5-8	T.31N.	R.49E.