

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

Date of filing in State Engineer's Office SEP 08 1998

Returned to applicant for correction _____

Corrected application filed _____

Map filed OCT 01 1998

The applicant PINSON MINING COMPANY, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is GRANITE CREEK
2. The amount of water applied for is 1.40 CFS (630 gpm) second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for MINING AND MILLING
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") SEE 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 THE SW $\frac{1}{4}$ SE $\frac{1}{4}$, SECTION 29, T38N, R42E, M.D.M. OR AT A POINT WHICH BEARS N 87° 15' W, A DISTANCE OF 1,920.0 FEET, FROM THE SW CORNER OF SECTION 28, SAME TOWNSHIP AND RANGE. (SUPPORTING MAP FILED UNDER PERMIT NO. 4802 - CERTIFICATE NO. 1621).
6. Place of Use A PORTION OF THE N $\frac{1}{2}$ OF SECTION 5, NW $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 4, T37N, R42E, M.D.M.; ALL OF SECTION 27, ALL OF SECTION 28, THE SE $\frac{1}{4}$ OF SECTION 29, ALL OF SECTION 32, ALL OF SECTION 33, A PORTION OF THE N $\frac{1}{2}$ N $\frac{1}{2}$ OF SECTION 34, AND A PORTION OF THE NW $\frac{1}{4}$ NW $\frac{1}{4}$ OF SECTION 35, T38N, R42E, M.D.M.
7. Use will begin about January 1 and end about December 31 of each year.
8. Description of proposed works SEE ATTACHED LETTER
9. Estimated cost of works \$300,000
10. Estimated time required to construct works TWO (2) YEARS
11. Estimated time required to complete the application of water to beneficial use FIVE (5) YEARS
12. Remarks: SEE ATTACHMENT

By s/Michael D. Buschelman
5405 MAE ANNE AVENUE
RENO NV 89523

Compared my/ bk dl/cmf

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 is issued subject to all existing rights on the source. It is understood that the 1.4 c.f.s., 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 a beneficial use. A suitable measuring device must be installed and accurate measurements of the water placed to a beneficial use must be included in the proof of such use when filed. 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 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 diverted from this source and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The quarterly report shall include: (A) the monthly measurements of water diverted for mining and milling purposes and; (B) the monthly measurements of water diverted for irrigation and domestic purposes.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.4 cubic feet per second, but not to exceed 508.0 acre-feet annually.

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

September 28, 2001

Proof of completion of work shall be filed before:

October 28, 2001

Water must be placed to beneficial use on or before:

September 28, 2004

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

October 28, 2004

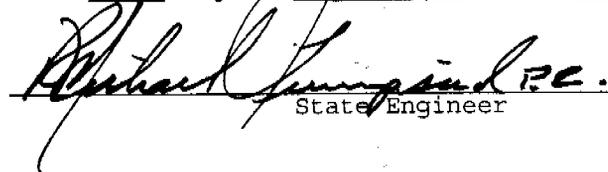
Map in support of proof of beneficial use shall be filed on or before:

N/A

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 28th day of September, A.D. 1999


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Abrogated By 68183 1.4

ATTACHMENT

APPLICANT: PINSON MINING COMPANY

ITEM #12: REMARKS

Estimated Consumptive Use

The current flow requirements for the Pinson Mine operation is at 1500 gallons per minute (gpm).

Based on future water needs the following are projected flows required for each general water use area of the mining project:

| | |
|--|----------------|
| Mining (Including dust control for roads and drilling) | 500 gpm |
| Crusher (Dust Control) | 130 gpm |
| Lab | 100 gpm |
| Heap Leach Circuit | 1000 gpm |
| Other Non-Domestic Use | <u>400 gpm</u> |

Projected Maximum Flow **2130 gpm**

With the current 1500 gpm being satisfied by the existing permits an additional 630 gpm is being requested under this Appropriation.

This estimated consumptive use is projected to be 1.4 CFS (630 gpm) for 12 hours per day for 365 days per year totaling 508.0 acre feet annually. This projected 508.0 acre feet annually will be in addition to the current total combined duty of 1149.0 acre feet annually for a grand total combined duty of 1657.0 acre feet annually.