NO.65630

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 OCT 26 1999

Returned to applicant for correction

Corrected application filed

Map filed NOV 08 1999 under 65629

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The applicant **PINSON MINING COMPANY**, hereby makes application for permission to change the **POINT OF DIVERSION, PLACE AND MANNER OF USE** of water heretofore appropriated under **PERMIT NO. 52464 (CERTIFICATE NO. 14225)**

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1. The source of water is **UNDERGROUND**

2. The amount of water to be changed **0.47 C.F.S., BUT NOT TO EXCEED 37.435 MILLION GALLONS ANNUALLY**

3. The water to be used for **MINING, MILLING, AND DOMESTIC (DEWATERING)**

4. The water heretofore permitted for **MINING, MILLING AND DOMESTIC**

5. The water is to be diverted at the following point **THE SE1/4 SE1/4 OF SECTION 29, T38N, R42E, M.D.B.&M. OR AT A POINT FROM WHICH THE SE CORNER OF SAID SECTION 29 BEARS S 31^0 13' 58" E, 332.07 FEET**

6. The existing permitted point of diversion is located within **THE NW1/4 SW1/4, SECTION 28, T38N, R42E, M.D.B.&M., OR AT A POINT FROM WHICH THE WEST 1/16 CORNER OF THE SW1/4 OF SAID SECTION 28 BEARS S 44^0 01' 54" W, A DISTANCE OF 1305.1 FEET SITUATED, IN HUMBOLDT COUNTY, STATE OF NEVADA (WELL #11)**

7. Proposed place of use **ALL OF SECTION 27, ALL OF SECTION 28, THE SE1/4 OF SECTION 29, ALL OF SECTION 32, ALL OF SECTION 33, THE N1/2 N1/2 OF SECTION 34 AND THE NW1/4 NW1/4 OF SECTION 35, WITHIN T38N, R42E, M.D.B.&M. AND THE NW1/4 NW1/4 OF SECTION 4 AND THE N1/2 OF SECTION 5, WITHIN T37N, R42E, M.D.B.&M.**

8. Existing place of use **S1/2 OF SECTION 27, THE S1/2 OF SECTION 28, AND ALL OF SECTION 33, T38N, R42E, M.D.B.&M.**

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 **SEE ATTACHMENT**

12. Estimated cost of works **COMPLETED**

13. Estimated time required to construct works **COMPLETED**

14. Estimated time required to complete the application of water to beneficial use **(10) TEN YEARS**

15. Remarks: **SEE ATTACHMENT**

By Suzan L. Allsopp - Agent
s/ Suzan L. Allsopp
5405 Mae Anne Avenue
Reno, NV 89523

Compared gkl/cmf hs/cmf

Protested

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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 permit to change the point of diversion, place of use, and manner of use of the waters of an underground source as heretofore granted under Permit 52464, Certificate 14225 is issued subject to the terms and conditions imposed in said Permit 52464, Certificate 14225 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 permit will allow for the dewatering of the pit area. Any water obtained as a result of the dewatering operation shall be used by the permittee for mining, milling, heap leaching, drilling, road watering and other related mining and milling uses hereinafter referred to as mining and milling uses within the described place of use of this permit.

The State Engineer retains the right to regulate pumping from the dewatering project and/or groundwater withdrawals herein authorized to protect the public interest and existing rights. This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

The total combined duty of water under Permits 43130, Certificate 13070; 48037, Certificate 14221; 51388, Certificate 14222; 51427, Certificate 14224; 57885; 57887; 57891; 65629; 65630; 65631, and 65632 shall not exceed 1,149.0 acre-feet annually.

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 and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

This permit also incorporates the provisions of "Order Adopting Rules for Well Spacing and Modification of Regulations for Water Well and Related Drilling in the Northern Portion of the Designated Kelley Creek Groundwater Basin(4-66)" entered December 30, 1993, Order 1087, on file in the office of the State Engineer.

Measurements of the following shall be kept monthly: (a) the amount of water pumped from each well, (b) the amount of water used for mining and milling purposes, and (c) the measurement of pumping water level (drawdown) from each well. These records will be submitted to the State Engineer within 10 days from the end of each month.

Any well drilled under Permit 52464 shall be plugged in accordance with the Nevada Administrative Code, Chapter 534.420, "Regulations for Water Well and Related Drilling" within 60 days from the issuance of this permit.

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(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 **0.47** cubic feet per second, **but not to exceed 114.884 acre-feet annually.**

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

November 5, 2001

Proof of completion of work shall be filed before:

December 5, 2001

Water must be placed to beneficial use on or before:

November 5, 2002

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

December 5, 2002

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 **19th** day of **May** A.D. **2000**

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____

SERIAL NO. 65630

ATTACHMENT

Pinson Mining Company is currently dewatering their CX Pit to facilitate mineral exploration activities and provide a potential source of water to expedite creation of a post-mining lake in the Mag Pit. These applications to change are being filed to move the CFS from the following existing well sites, 9B, 11, 12, and 13 to the new points of diversion within the CX Pit for dewatering purposes. The existing well locations will be plugged in a manner consistent with the State Engineer's regulations or, with the approval of the State Engineer, used for temporary monitoring of the piezometric surface and hydrochemistry of the bedrock groundwater in the locations of the wells; prior to plugging in a manner consistent with the State Engineer's regulations. Well 13 has already been plugged and abandoned.

The current dewatering needs at the CX Pit need to be increased by approximately 2.0 CFS in the SE1/4 of Section 29 and 3.0 CFS in the SW1/4 of Section 28. These applications will increase the CFS by 1.69 CFS in Section 29 and 2.80 CFS in Section 28. The issuance of these water right permits will allow the continued dewatering of the CX Pit and provide water to meet the approved beneficial uses. These change applications will meet the present demands for Pinson Mining without the appropriation of any additional water rights.

The dewatering water will be utilized for mining, milling, dust abatement, mineral exploration and rewetting of the Mag Pit within the proposed place of use. The proposed works for the distribution of this water will involve pumping the dewatering water from vertical drains through an 8 inch pipeline with a totalizing and instantaneous meter to an existing 175,000 gal. storage tank located above the pit rim and pumping the dewatering water from vertical drains through a 4 inch pipeline with a totalizing and instantaneous meter to the same 175,000 gal. Storage tank located above the pit rim. The water will then be distributed via an 8 inch pipeline to the locations of the approved beneficial uses.