

TEMPORARY

No. 70023-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 MAY 14 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 11 2003

The applicant **Florida Canyon Mining, Inc.**, hereby make application for permission to change the **Point of Diversion, Place of Use** of water heretofore appropriated under **Permit #49931; Certificate #13240; (Production Well - 4 (PW-4))**

1. The source of water is **Underground**
2. The amount of water to be changed **0.80 C.F.S., but not to exceed 0.751 M.G.A.**
3. The water to be used for **Mining, Milling and Domestic**
4. The water heretofore permitted for **Mining, Milling, and Domestic**
5. The water is to be diverted at the following point **(WS-1) NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 35, T.31N., R.33E., M.D.B.&M. or at a point which the SW corner of said Section 35 bears S. 51°28'27" W., a distance of 3,465 feet. Refer to enclosed place of use map.**
6. The existing permitted point of diversion is located within **(PW-4) (Old Well 3) NW $\frac{1}{4}$ NW $\frac{1}{4}$ Section 11, T.31N., R.33E., M.D.B.&M. or at a point which the NW corner of said Section 11 bears N. 80°32' W., a distance of 584.6 feet. Map on file (Refer to place of use map submitted with permit #49931, certificate #13240)**
7. Proposed place of use **Sections 25, 26, 34, 35, 36 T.31N., R.33E., M.D.B.&M. and Section 1, T.30N; R.33E., M.D.B.&M.**
8. Existing place of use **Sections 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38, 39, T.31N., R.33E., 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 **The proposed WS-1 Well is to be located approximately 23,841-ft directly south of PW-4, will be an 14-inch diameter hole, cased and gravel packed, and approximately 400 feet deep. Water would be pumped to a storage tank for use in dust suppression and other mining activities (mining, milling, and domestic purposes). Water will be metered before use. The WS-1 well would be initially used to determine the quality and quantity of water in the area of proposed mining.**
12. Estimated cost of works **(\$250,000) Two Hundred and Fifty Thousand Dollars**
13. Estimated time required to construct works **One Month**
14. Estimated time required to complete the application of water to beneficial use **Five Years**

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15: Remarks: 0.80 c.f.s., but not to exceed 0.751 million gallons estimated for annual consumptive use. This well (WS-1) will provide a more uniform distribution of allocated water and supply water for mining milling and domestic purposes.

By Todd H. Welty
s/Todd H. Welty (Agent)
P.O. Box 330
Inlay, Nevada 89418

Compared cmf/cac lb/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 temporary permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 49931, Certificate 13240 is issued subject to the terms and conditions imposed in said Permit 49931, Certificate 13240 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

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

The total combined duty of water under Permits 48997, Certificate 13237; 48998, Certificate 13238; 48999, Certificate 13239; 49931, Certificate 13240; 50061, Certificate 13953; 50248, Certificate 14448; 53342, Certificate 13245; 57096; 57097; 57098; 61203; 61643; 61644; 61707; and Temporary Permits 69174-T; 69304-T; 69740-T through 69745-T, inclusive: Temporary Permits 70023-T and 70024-T will not exceed 787 million gallons annually.

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 records will be kept of the following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling purposes projectwide and the amount of water used for reclamation purposes. These records will be submitted within 15 days after the end of each month. Please also submit the water level (static or pumping) of each permitted well with the pumping report.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **October 1, 2004** at which time all rights herein granted shall revert to the right being changed by this temporary permit.

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The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.80 cubic feet per second, but not to exceed 2.3 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:

Water must be placed to beneficial use 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:

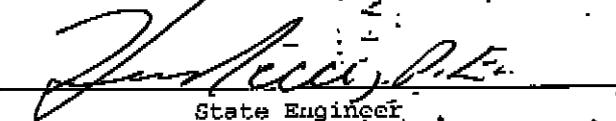
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IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set:

my hand and the seal of my office;

this 2nd day of October, A.D. 2003


State Engineer

EXPIRED
DATE OCT 01 2004

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