

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

Date of filing in State Engineer's Office AUG 18 2003

Returned to applicant for correction _____

Corrected application filed _____

Map filed MAY 27 1981 under 43357

The applicant **Borealis Mining Company** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.) **Incorporated on June 5, 2003, State of Nevada**

1. The source of the proposed appropriation is an **underground source**
2. The amount of water applied for is **2.0 cfs not to exceed 300 acre feet annually second feet.**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **mining, milling and domestic**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kind of animals to be watered
 - (c) Other use (describe fully under No. 12. "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 **within the NW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 16, T5N, R29E, M.D.B.&M., at a point from which the NW corner of Section 21, T6N, R29E, M.D.B.&M. bears N 0° 47' 17" E a distance of 26,667 feet**
6. Place of Use **within Sections 8, 9, 16, and 17, T6N, R29E, M.D.B.&M.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **drilled encased well, submersible pump and motor, pipeline to storage reservoir and distribution system**
9. Estimated cost of works **\$50,000**
10. Estimated time required to construct works **5 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**
12. Remarks: **Water to be utilized for mining, milling and domestic purposes. This Application is a top filing on withdrawn Permit 43359. Total combined duty of this**

application, and applications filed August 18, 2003 not to exceed 98.3 m³/day. Estimated life of mine, and therefore use of water, approximately 10 years. Use map on file under withdrawn Permit 43359

By **s/Ross E. de Lipkau**
P.O. Box 2790
Reno, NV 89505

Compared sg/sam ag/sam _____

Protected _____

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 existing rights. It is understood that the amount of water 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 beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins or before the Proof of Completion of Work is filed.

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

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 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 pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

(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 2.0 cubic feet per second, but not to exceed 300 acre-feet annually.

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

November 4, 2005

Proof of completion of work shall be filed on or before:

December 4, 2005

Water must be placed to beneficial use on or before:

November 4, 2007

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

December 4, 2007

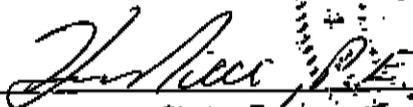
Map in support of proof of beneficial use shall be filed on or before:

N/A

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

State Engineer of Nevada, have hereunto set
my hand and the seal of my Office,

this 4th day of November, A.D. 2004



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A _____

Certificate No. _____ Issued _____

