TEMPORARY

No. 71396-T

TEMPORARY

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 JUL 02 2004

Returned to applicant for correction

Corrected application filed

Map filed JUL 12 2004 under 71393-T

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The applicant **Florida Canyon Mining, Inc.** hereby make application for permission to change the **Point of Diversion, Place of use of a portion** of water heretofore appropriated under **Permit # 57097, (Production Well – 1 (PW-1))**

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

2. The amount of water to be changed **0.00223 C.F.S. or 0.526 M.G.A.**

3. The water to be used for **Mining, Milling**

4. The water heretofore permitted for **Mining, Milling, and Domestic.**

5. The water is to be diverted at the following point **(MW-16C) SE¼ NW¼ Section 3, T.31N., R.33E., M.D.B.&M. or at a point which the SW corner of said Section 3 bears S.35°22'50" W. a distance of 4937 feet. Refer to place of use map submitted with application 69742-T.**

6. The existing permitted point of diversion is located within **(PW-1) SE¼ NW¼ (Lot 1) Section 3, T.31N., R.33E., M.D.B.&M. or at a point from which the SW corner of said Section 3, bears S. 31° W., a distance of 3810 feet. Map on file (Refer to place of use map submitted with application # 48998 and #57097(PW-1).**

7. Proposed place of use **Sections 3, T.31N. R.33E., M.D.B.&M.**

8. Existing place of use **Sections 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38, and 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 MW-16C Well is located approximately 1217-ft north of PW-1. The water will be pumped from the well into the process circuit where it is metered as it is pumped out for mining, milling, and environmental monitoring and mitigation purposes.**

12. Estimated cost of works **($10,000) Ten Thousand Dollars**

13. Estimated time required to construct works **Completed – Environmental well for ground water monitoring and mitigation.**

14. Estimated time required to complete the application of water to beneficial use **One Year**

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15. Remarks: **526,068 gallons estimated for annual consumptive use, environmental monitoring, and mitigation.**

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

Compared ~~sg/~~ sam ag/sam

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 57097 is issued subject to the terms and conditions imposed in said Permit 57097 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 70023-T; 70024-T; 71356- T; 71393-T; 71394-T; 71395-T; 71396-T; 71397-T; 71398-T and 71399-T shall 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 along with the water level (static or pumping) of each permitted well with the pumping report.

Any pumping of water under this permit may be limited or prohibited to prevent any unreasonable adverse effects on an existing domestic well unless the holder of this permit and the owner of the domestic well have agreed to alternative measures that mitigate adverse effects.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **September 2, 2005** 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 **0.00223** cubic feet per second, **but not to exceed 1.614 acre-feet annually.**

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

Proof of completion of work shall be filed on or 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:

TEMPORARY

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

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this **3rd** day of **September**, A.D. **2004**

State Engineer

EXPIRED
DATE SEP 02 2005