



TEMPORARY
THE STATE OF NEVADA
PERMIT TO CHANGE POINT OF DIVERSION,
MANNER OF USE AND PLACE OF USE OF THE
PUBLIC WATERS OF THE STATE OF NEVADA
HERETOFORE APPROPRIATED

Name of applicant: CLAUDE EDWARD MORRIS
Source: UNDERGROUND
Basin: CONTINENTAL LAKE VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 04/19/1977

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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 temporary permit to change the point of diversion, place and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 31347, is issued subject to the terms and conditions imposed in said Permit 31347 and with the understanding that no other rights on the source will be affected by the change proposed herein.

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.

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 manner of use of water under this temporary 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.

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

The point of diversion and place of use is as described under items 5 & 7 respectively on the submitted application to support this permit.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.0277 cubic feet per second, but not to exceed 20.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: N/A
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: N/A
Map in support of proof of beneficial use shall be filed on or before: N/A

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 14th day of June, A.D. 2007

Tracy Taylor, P.E.
State Engineer

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office..... **JAN 11 2007** .....

Returned to applicant for correction.....

Corrected application filed..... Map filed **OCT 27 2009** under 73317-T

The applicant..... **Claude Edward Morris** .....

..... **P.O. Box 207** ..... of ..... **Denio,** .....

Street and No. Or P.O. Box No. City or Town

..... **Nevada 89404** ....., hereby makes... application for permission to change the

State and Zip Code No.

... **Point of Diversion, Place of Use, and Manner of Use** .....

of water heretofore appropriated under..... **a portion of Permit 31347** .....

Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

.....

and identify right in Decree.

.....

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1. The source of water is..... **underground** .....
  - Name of stream, lake, underground, spring or other sources.
  2. The amount of water to be changed..... **0.0277 second feet, 20 acre-feet annually** .....
  - Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
  3. The water to be used for..... **milling** .....
  - Irrigation, power, mining, commercial, etc. If for stock state number and kind of animals. Must limit to one major use.
  4. The water heretofore used for..... **irrigation and domestic** .....
  - If for stock state number and kind of animals.
  5. The water is to be diverted at the following point. **NW¼ NW¼, Section 23, T45N, R28E, MDM**
  - Describe as being within a 40-acre subdivision of public survey and by course and
  - .... **at a point from which the NW corner of said Section 23, bears N 61° W, a distance of 1,408 feet. ..**
  - distance to a section corner. If on unsurveyed land, it should be stated.
  - ..... (See map filed for expiring permit 73317-T).....
  6. The existing point of diversion is located within.... **SE ¼ NE ¼ Section 22, T45N, R28E, MDM** or at a
  - point from which the E ¼ Corner of Section 22 bears S84° 30' 45" E a distance of 474.31 feet.**
  - If point of diversion is not changed, do not answer.
- .....
- .....
- .....
- .....

002-44

7. Proposed place of use...within NW 1/4 NW 1/4, Section 23, T45N, R28E, MDM  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.

8. Existing place of use.. E 1/2 SE 1/4, Section 15; W 1/2 SW 1/4, Section 14; E 1/2 NE 1/4, Section 22; W 1/2, NW 1/4, Section 23, all in T45 N, R28E, MDM.  
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner

.....320 irrigated acres, 5 acres to be removed from irrigation .....  
of use of irrigation permit, describe acreage to be removed from irrigation.

9. Use will be from.....January 1.....to.....December 31.....of each year.  
Month and Day Month and Day

10. Use permitted from.....January 1.....to.....December 31 .....of each year.  
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)...Drilled well, 30 gpm pump, water piped to tailings pond and then into flotation mill.  
State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.

12. Estimated cost of works.....Total Project Cost as of September 2006 = \$6,000,000 + (including mill construction & mine rehabilitation).....

13. Estimated time required to construct works.. Well is completed. NDWR Log 101443, TD = 160', 6" casing, mill slot from 100' to 160'. Construction of the mill has been completed and it has produced a small amount of marketable concentrates. The mill is undergoing additional testing and adjustments to improve product quality and recovery rates.  
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use ..1 year, mill has not yet operated at designed capacity for extended period of time to determine actual water consumption.

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

This application replaces expiring permit 73317-T. Golden Phoenix Minerals, Inc. has hired a Water Rights Surveyor to file for water rights for the mill. The survey has reportedly been completed and completion of the application is pending. The application will be submitted as soon as it is completed.

Estimated consumption: 17,855 gallons/day for a 100 ton/day flotation mill = 20 acre-feet./year.....

.....775-853-4919  
Phone No.

By.....Edward L. Falk.....  
Print or type name clearly

*Edward L. Falk* AGENT  
Signature, applicant or agent

.....1675 E. Prater Way, Suite 102.....  
Street and No., or P.O. Box No.

.....Sparks, NV 89434.....  
City, State, Zip Code

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

\$100 FILING FEE MUST ACCOMPANY APPLICATION

RECEIVED

2007 JAN 11 PM 2:13

STATE ENGINEERS