

**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:** FLORIDA CANYON MINING, INC.  
**Source:** UNDERGROUND  
**Basin:** IMLAY AREA  
**Manner of Use:** MINING AND MILLING  
**Period of Use:** January 1st to December 31st  
**Priority Date:** 06/18/1986

**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 the waters of an underground source as heretofore granted under Permit 53342, Certificate 13245, is issued subject to the terms and conditions imposed in said Permit 53342, Certificate 13245 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 permit is issued under the preferred use provisions of NRS Chapter 534. 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 ground water basin.

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

The total combined duty of water under Permit 48997, Certificate 13237; Permit 48998, Certificate 13238; Permit 50061, Certificate 13953; Permit 50248, Certificate 14448; Permits 57096, 57097, 57098, 61203, 61643, 61644, 61707, 75770, 75771, 75772, 75873, 75874, 75875, 75876, 75877, 75878 and 75879 shall not exceed 2415.22 acre-feet annually.

The total combined duty of water under Permits 75771, 75772 and any permit approved under application 76621, for use at the Standard Mine Operation, shall not exceed 416.88 acre feet annually.

The total combined duty of water under Permits 75771 and 75772 from Well WS-2 shall not exceed 89.22 acre feet annually.

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 following and reported within 15 days after the end of each quarter:

- A. The total volume of water pumped from each diversion in acre-feet.
- B. The maximum flow rate from each diversion in cubic feet per second.
- C. The pumping water level from each well in feet above mean sea level.
- D. The volume of water consumptively used for mining and milling in acre-feet.
- E. The amount of water diverted to the infiltration or injection sites in acre-feet.
- F. The amount of water diverted to other consumptive uses, including reclamation, if any, in acre-feet.
- G. The amount of water lost through evaporation or other system losses project wide.

The point of diversion and place of use are as described on the submitted application to support this permit.

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.3 cubic feet per second or 44.61 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

April 4, 2009

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

April 4, 2010

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 4th day of April, A.D. 2008

Tracy Taylor, P.E.  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

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75772

Serial No.

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 IS FOR OFFICE USE ONLY
Date of filing in State Engineer's Office MAY 23 2007
Return to applicant for correction
Corrected application filed Map filed MAY 31 2007 under 75771

The applicant Florida Canyon Mining, Inc.
P.O. Box 330 of Inlay
Nevada 89418 hereby makes application for permission to change the
Point of Diversion and Place of Use
of water heretofore appropriated under Permit 53342, Certificate 13245

- 1. The source of water is Underground (WS-2 Well)
2. The amount of water to be changed 0.30 c.f.s., not to exceed 14.535 m.g.a. annually
3. The water to be used for Mining, milling and domestic
4. The water heretofore used for Mining, milling and domestic
5. The water is to be diverted at the following point NW 1/4, NE 1/4, Section 35, T. 31N., R. 33E., M.D.B. & M., or at a point from which the NW corner of Section 35 bears N. 83° 43' 54" W., a distance of 2737.70 feet. Refer to map filed under this application.
6. The existing point of diversion is located within SW 1/4 NW 1/4 (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. 18° W., a distance of 3420 feet. Please refer to map filed under Permit 49931.

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- 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. 33 E., M.D.B.&M. Please refer to supporting map filed under this application.**
- 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. Please refer to map filed under Permit 48996.**
- 9. Use will be from **January 1** to **December 31** of each year.
- 10. Use permitted from **January 1** to **December 31** of each year.
- 11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications or your diversion of storage works.) **Drilled and cased well, equipped with a motor, pump, meter and distribution system.**
- 12. Estimated cost of works **\$75,000.00**
- 13. Estimated time required to construct works **Two (2) years**
- 14. Estimated time required to complete the application of water to beneficial use **Ten (10) Years**
- 15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

**Please refer to Attachment "A"**

(775) 352-7800  
Phone number

BY Chris S. Sarman  
Print or type name clearly

Signature, applicant or agent

9480 Double Diamond Parkway, Suite 200  
Street and No., or PO Box No

Reno, NV 89521  
City, State, Zip Code No.

STATE ENGINEER OFFICE

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT 6 11:56 AM '07

\$150 FILING FEE MUST ACCOMPANY APPLICATION.

Attachment "A"  
Application to Change Permit 53342, Certificate 13245

The water which will serve the Standard Mine operation is being changed from existing rights located at the Florida Canyon Mine. Florida Canyon Mining, Inc. has taken over operations at the Standard Mine. The Standard Mine is located south of the Florida Canyon Mine. Florida Canyon Mining, Inc. is working to improve and expand operations at the Standard Mine. Permitted water use will be needed in order to make these improvements and for planning purposes.

Total water demand hasn't been determined. However, the amount of water that will actually be needed is an estimate based on historical records and future projections. Projections for the operation have been estimated between 120 mga and 140 mga.

The total combined duty of this application and application to change Permit 48999, Certificate 13239 shall not exceed 29.07 million gallons annually. The total combined duty of this application and applications to change Permit 57098 and Permit 48999, Certificate 13239 shall not exceed 135.84 million gallons annually.