



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: SPRINGER MINING COMPANY
Source: UNDERGROUND
Basin: IMLAY AREA
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/17/1979

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 place of use of the waters of an underground source as heretofore granted under Permit 39074, Certificate 11179, is issued subject to the terms and conditions imposed in said Permit 39074, Certificate 11179 and with the understanding that no other rights on the source will be affected by the change proposed herein. 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. 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.

Monthly records shall be kept of the amount of water pumped from this shaft and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

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 12726, Certificate 3255; Permit 12727, Certificate 3256; Permits 42466, 76078, 76446 and 76447 shall not exceed 850 acre feet per year.

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.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is contingent upon the terms and conditions set forth under the Agreement to Amend Stipulation signed November 8, 2005 and the Stipulation and Order issued by the Sixth Judicial District Court of Nevada, in and for the County of Pershing on November 8, 2000. The due date for proof of beneficial use established in the Agreement to Amend Stipulation remains unchanged at November 8, 2009.

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 0.89 cubic feet per second or 116.0 acre-feet annually.**

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

May 16, 2009

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

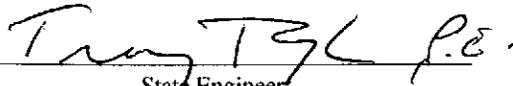
November 08, 2009

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 16th day of May, A.D. 2008


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

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... JUL 19 2007
Returned to applicant for correction... JUL 26 2007
Corrected application filed... JUL 25 2007 Map filed... JUL 26 2007

The applicant.....Springer Mining Company.....

.....P. O. Box 325..... of.....Imlay.....
Street and No. Or P.O. Box No. City or Town
.....Nevada, 89418....., hereby makes... application for permission to change the
State and Zip Code No.

Place of Use

of water heretofore appropriated under.....Permit 39074 (Certificate 11179).....
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
and identify right in Decree.

- 1. The source of water is.....underground.....
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed.....116.00 acre feet per year at 0.89 cubic feet per second.....
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for.....Mining, Milling and Domestic.....
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.....Mining, Milling and Domestic.....
If for stock state number and kind of animals.
5. The water is to be diverted at the following point within the Northwest Quarter of the Northwest Quarter of.....
Describe as being within a 40-acre subdivision of public survey and by course and
Sec. 35, T. 34 N., R. 34 E. M.D.B.&M., Pershing County, Nevada, or at a point from which the SE corner of said..
distance to a section corner. If on unsurveyed land, it should be stated.
Section 35 bears S. 43° 40' E. a distance of 6230.0 feet.....

- 6. The existing point of diversion is located within the NW 1/4 NW 1/4 Sec. 35, T. 34 N., R. 34 E., M.D.B.& M.,
If point of diversion is not changed, do not answer.
or at a point from which the SE corner of said Section 35 bears S. 43° 40' E., a distance of 6230.0 feet.....

7. Proposed place of use. As shown on the accompanying map. Specifically, within T. 34 N., R. 34 E., M.D.B. & M: the S. 1/2 of Sec. 26, the SE 1/4 of Sec. 27, the E. 1/2 of Sec. 34, all of Sec. 35, all of Sec. 36; within T. 34 N., R. 35 E., M.D.B.&M.: the S 1/2 of the NW 1/4 of Sec. 31; and within T. 33 N., R. 34 E., M.D.B.&M.: the W. 1/2 of Sec. 1, the N 1/2 of the NE 1/4 and a portion of the NE 1/4 of the NW 1/4 and portion of the SE 1/4 of the NE 1/4 and a portion of the NE 1/4 of the SE 1/4 of Sec. 2, all of Sec. 37, and the NE 1/4 of the NE 1/4 and a portion of the NW 1/4 of the NE 1/4 and a portion of the SE 1/4 of the NE 1/4 and a portion of the SW 1/4 of the NE 1/4 of Sec. 38.

8. Existing place of use..... within Section 35, T. 34 N., R. 34 E., M.D.B. & M. Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

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

10. Use permitted from.....January 1st.....to.....December 31st.....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.)..Water will be pumped from the exposed water table in an existing mine shaft. A submersible pump will be installed together with suitable piping to convey water to a 550,000 gallon storage tank and thence to the place of use.

12. Estimated cost of works...\$500,000.00.....

13. Estimated time required to construct works.....One year..... If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use.....5 years.....

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use. The existing Point of Diversion is the exposed water table in the Sutton #3 mine shaft. Pumping from the shaft will facilitate deeper mining by dewatering existing and future mine workings, as well as providing a water source for operation of the mill, dust control, soil compaction, reclamation, and related operations. There are no domestic wells within 2,500 feet of the proposed Point of Diversion.

.....(775) 787-1300..... Phone No.

By.....Mark D. Stock for Global Hydrologic Services Inc. Print or type name clearly Signature, applicant or agent

.....561 Keystone, #200..... Street and No., or P.O. Box No. Reno, Nevada 89503..... City, State, Zip Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION