

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: THE PLUM MINING CO., LLC
Source: UNDERGROUND
Basin: DAYTON VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/28/1978

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 46828, Certificate 11946 is issued subject to the terms and conditions imposed in said Permit 46828, Certificate 11946 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 separate totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion under each permit approved from this point of diversion and accurate measurements must be kept of water placed to beneficial use under each permit. 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.

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

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.

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

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 0.026 cubic feet per second or 14.33 acre-feet annually.**

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

November 12, 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 12, 2011

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 12th day of November, 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 JAN 22 2008

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUN 24 2004 under 71246-T

The applicant The Plum Mining Co., LLC

P.O. Box 1118 of Virginia City
Street Address or P.O. Box City or Town

Nevada 89440, hereby make(s) application for permission to change the
State and Zip Code

Point of diversion Place of use Manner of use of a portion SNC

of water heretofore appropriated under (Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)
P46828 C.11946.

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.026 cfs, not to exceed 14.33 acre feet per year.
Second feet, acre-feet One second foot equals 448.83 gallons per minute.

3. The water to be used for mining and 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 mining and milling.
If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)
from the SW1/4 SE1/4 Section 6, T16N, R21 E MDB&M or a point from which the SE corner of said Section 6 bears S57° 57' 30" E a distance of 1,798.5 feet. SNC

6. The existing point of diversion is located within (if point of diversion is not changed, do not answer.)
SE1/4 NE1/4 Section 12, T16N, R20E MDB&M, or at a point from which the SE corner of said Section 12 bears S16° 56' E a distance of 2,721.0 feet.

103-57

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)
within SE1/4 SW1/4 of Section 6, T16N, R21E MDB&M, Storey County, Nevada, APN#64-331-15, and SW 1/4 SE 1/4, E 1/2 of SE 1/4 Sec. 6, W 1/2 of SW 1/4, the SE 1/4 of the SW 1/4 of Sec. S T16N R21E E 1/2 of the NW 1/4 and W 1/2 of the NE 1/4 of Sec. 8 T16N R21E MDB&M.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)
within the SE1/4 NW1/4 SE1/4 Section 18 and S1/2 NE1/4 NW1/4 SE1/4 Section 18, T16N, R21E MDB&M as shown on the map filed June 24, 2004 under 71246T.
MAY 31, 1983 46828

Dmt
1/22/08

SNC

9. Proposed use will be from January 1 to December 31 of each year.

10. Existing use permitted from January 1 to December 31 of each year.

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.) (State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)
Well drilled under Permit 54503 and well log #24627 into the Wells Haulase Tunnel.

12. Estimated cost of works ~~completed~~ \$15,000 -

SNC
SEE
E-MAIL
1/26/2008

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

14. Estimated time required to complete the application of water to beneficial use ~~Work is completed~~ 5 YEARS SNC

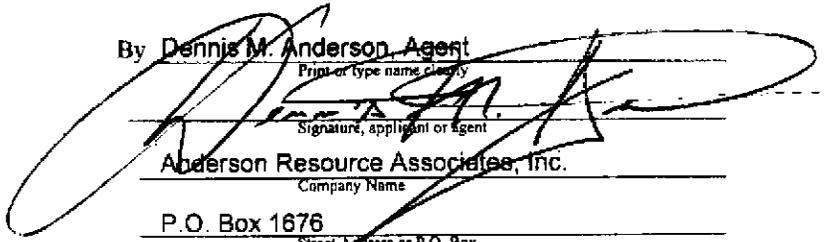
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):
(Failure to provide a detailed description may cause a delay in processing.)
The water use will be for mining, milling and metals processing.

2008 JAN 22 PM 2:25

16. Miscellaneous remarks:
Map filed is dated June 24, 2004 under 71246T.

775-883-1518
Phone No

arai01@sbcglobal.net
E-mail

By Dennis M. Anderson, Agent
Print or type name clearly

Signature, applicant or agent
Anderson Resource Associates, Inc.
Company Name
P.O. Box 1676
Street Address or P.O. Box
Carson City, Nevada 89702
City, State, Zip Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: February 6, 2008, by Frank W. and Coral E. Pedlar - Pro w/d 4/14/08