



THE STATE OF NEVADA
APPLICATION TO APPROPRIATE WATER

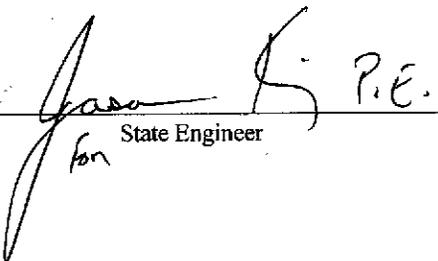
Name of applicant: SPIRIT MINERALS, LP
Source: UNDERGROUND
Basin: MARYS RIVER AREA
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/12/2008

DENIAL OF STATE ENGINEER

This application is hereby denied on the grounds that the Applicant has not submitted the information requested by the State Engineer's Office, and that without this information granting of the application would threaten to prove detrimental to the public interest.

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 2nd day of June, A.D. 2008



for State Engineer

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY	
Date of filing in State Engineer's Office	<u>FEB 12 2008</u>
Returned to applicant for correction	_____
Corrected application filed	_____ Map filed <u>FEB 12 2008</u>

The applicant Spirit Minerals, LP

PO Box 900 of Wells

Street Address or P.O. Box

City or Town

Nevada 89835

State and Zip Code

_____ hereby make(s) application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)
a wholly owned subsidiary of Spirit Minerals Management, LLC incorporated April 27, 2006, in Texas.

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water applied for is 0.1 (40 acre-feet/year) second feet.
One second foot equals 448.83 gallons per minute.
(a) If stored in reservoir give number of acre-feet _____
3. The water to be used for mining, milling, dewatering and domestic
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated _____
 - (b) Stockwater, state number and kind of animals _____
 - (c) Other use (describe fully in No. 12) _____
 - (d) Power:
 - (1) Horsepower developed _____
 - (2) Point of return of water to stream _____

42-EL

5. The water is to be diverted from its source 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 so stated.)
within the NW¼SW¼, Sec. 26, T.42N., R.61E., M.D.M. from which the SW corner of said Sec. 26 bears S.25°32'W., 1,815 feet distant.
6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)
S½ Sec. 26, SE¼ Sec. 27, NE¼ Sec. 34, and N¼ Sec. 35, in T.42N., R.61E., M.D.M. (Big Ledge mine site) also S½ Sec. 9, NW¼ Sec. 15, and NE¼ Sec. 16, in T.42N., R.62E., M.D.M. (Dry Creek mill site) and approximately 28 miles of haul road through portions of Secs. 13 & 24 in T.42N., R.60E., and portions of T.42N., R.61E., R.62E., & R.63E., and portions of Secs. 25, 26, 34 & 35 in T.43N., R.63E., all M.D.M., as more particularly shown on accompanying map. and portions of Sections 18-21 and 23-28, T42N R61E, and portions Sections 9-12, 15, 16, 19-21, 29 and 30, T42N R62E, and portions Sections 3-7, T42N R63E M.D.M. as shown on accompanying map.
7. Use will begin about January 1 and end about December 31 of each year.
Month and Day Month and Day
8. Description of proposed works. (Under the provisions 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 and flumes, drilled well with pump and motor, etc.)
drilled well, pump, pipeline to storage tanks, then to active mining and milling areas including haul road. Dewatering element will be piped to infiltration basins.
9. Estimated cost of works: \$250,000.00
10. Estimated time required to construct works: three years
(If well completed, describe works.)
11. Estimated time required to complete the application of water to beneficial use: five years
12. 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.)
This application is filed in order to handle water that may be encountered in pit excavation.
13. Miscellaneous remarks:
Please send copies of notices and correspondence to the undersigned agent. Correspondence to company should be directed to Mr. Terral Young.

REL
 P
 FAX

wnisbet@chilton-inc.com
E-mail Address

(775) 738-2121
Phone No.

William A. Nisbet, Agent
Type or print name clearly

By William A. Nisbet
Signature, applicant or agent

Chilton Engineering & Surveying, Ltd.
Company Name

421 Court Street
Street Address or P.O. Box

Elko, NV 89801
City, State, Zip Code

APPLICATION MUST BE SIGNED
 BY THE APPLICANT OR AGENT

\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION