



SECONDARY

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: PIONEER GYPSUM MINING, INC
Source: EFFLUENT
Basin: BLACK MOUNTAINS AREA
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 03/27/2008

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 secondary permit is issued subject to the terms and conditions under Permit 76861. The granting of this secondary permit is not intended in any way to waive or affect authority or requirements of water quality control agencies or regulations. This permit is further issued subject to the provisions of NRS 533.440 and the State retains the right to regulate the use of the water herein granted at any and all times.

This secondary permit is issued subject to existing rights.

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

The issuance of this secondary 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 amount of water pumped for 76861S01 and the records submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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 0.075 cubic feet per second or 54 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:

September 8, 2012

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 23rd day of December, A.D. 2009

K.P. Hill P.E.
for State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

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 JUN 30 2009

Returned to applicant for correction _____

Corrected application filed _____ Map filed MAR 27 2008 under 76861

The applicant PIONEER GYPSUM MINING, INC.

4880 DONOVAN WAY of NORTH LAS VEGAS
Street Address or P.O. Box City or Town

NEVADA 89031 hereby make(s) application for permission to appropriate
State and Zip Code

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.)

INCORPORATED IN THE STATE OF NEVADA, OCTOBER 1, 2003

1. The source of water is EFFLUENT (PERMIT 76861)
Name of stream, lake, underground, spring or other sources.
2. The amount of water applied for is 0.075 SECOND FEET (0.048 MGD) 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 DUST SUPPRESSION AT MINING OPERATION
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 _____

215-cl

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.)

NO CHANGE FROM PRIMARY PERMIT. MAP FILED UNDER PERMIT NO. 76861

NE 1/4 SW 1/4 Section 7 T.20S. R.64E. or at a point from which the NW corner of said Section 7 bears N 26° 31' 42" W a distance of 3011.53 feet

REL

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)

The NW1/4 SW1/4, SW1/4 SW1/4, and the SE1/4 SW1/4 of SEC. 19, the SW1/4 SW1/4, NE1/4 SW1/4 and the SE1/4 SW 1/4 of SEC. 20. The NE1/4 NW1/4, NW1/4 NW1/4, and the N1/2 SW1/4 NW1/4 of SEC. 29. The NE1/4, NE1/4 NW1/4, and the SE1/4 NW1/4 of SEC. 30, all within T.20S. R.64E. M.D.M. ACCESS ROAD CROSSES PORTIONS OF THE SE1/4 NE1/4 OF SEC. 14, SW1/4 NW1/4, NW1/4 SW1/4, SW1/4 SW1/4, AND THE SE1/4 SW1/4 OF SEC. 13. THE NW1/4, NW1/4 SW1/4, SW1/4 SW1/4 OF SEC. 24. (CONTINUED IN ITEM 13.)

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.)

EXISTING COGENERATION PLANT AND OUTFALL PIPELINE TO EVAPORATION POND

9. Estimated cost of works: \$0

10. Estimated time required to construct works: Immediate startup
(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.)

The primary permit water is effluent withdrawn from the waste stream prior to discharge into the evaporation pond for the Nevada Cogeneration Associates #2, Black Mountain cogeneration plant, Clark County. The secondary use is for dust suppression on the access road and disturbed areas within the mining operation place of use. Application of the effluent water shall be by use of water trucks. Attached is a license agreement between Nevada Cogeneration #2 and Pioneer Gypsum Mining, Inc.

13. Miscellaneous remarks:

Pioneer Gypsum Mining Inc. is operating under approved and active BLM Plan of Operations N-66589. The Nevada Division of Environmental Protection has approved of the use of effluent under NEV 90050. Outfall 002. POU CONTINUATION: THE NW1/4 NW1/4, SW1/4 NW1/4, SE1/4 NW1/4, NW1/4 SW1/4, NE1/4 SW1/4, NW1/4 SE1/4, AND NE1/4 SE1/4 OF SEC. 25 ALL WITHIN T.20S. R.63E. M.D. M. AND PORTIONS OF THE NW1/4 SW1/4, NE1/4 SW1/4, AND NW1/4 SE1/4 OF SEC. 30 T.20S. R.64E. M.D.M.

lbeckert@broadbentinc.com
E-mail Address

702-563-0600
Phone No.

**APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT**

Lance E Beckert

Type or print name clearly

By

[Signature]
Signature, applicant or agent

Broadbent & Associates, Inc.
Company Name

8 W Pacific Ave.
Street Address or P.O. Box

Henderson, NV 89015
City, State, Zip Code

2009 JAN 30 PM 3:42

\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION