Permit No. 77739

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:	**07/08/1974**

****

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, place and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 45455, Certificate 11124, is issued subject to the terms and conditions imposed in said Permit 45455, Certificate 11124 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 does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of Permits 12726, 12727, 42466, 76078, 76446, 76447, 77521, 77738 and 77739 shall not exceed 1,245 acre-feet annually.

The total combined duty of water under Permits 77521, 77738 and 77739 shall not exceed 395 acre-feet annually.

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.

(Continued on Page 2)

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

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.25 cubic feet per second or 121.51 acre-feet annually**.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**September 9, 2010**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**September 9, 2013**
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 9th day of **September**, A.D. **2009**

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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Application No. 77739

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 0 5 2009

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUL 2 6 2007 under 7 6 0 7 8

The applicant Springer Mining Company

P. O. Box 325 (Street Address or P.O. Box) of Imlay (City or Town)

Nevada, 89418 (State and Zip Code), hereby make(s) application for permission to change the

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

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.)
Permit 45455, Certificate11124

1. The source of water is underground (Name of stream, lake, underground, spring or other sources.)
2. The amount of water to be changed 0.250 second feet, not to exceed 121.51 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,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 Irrigation (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.)
within the Northwest Quarter of the Northwest Quarter of Section 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 Section 35 bears S. 43 degrees 40' 00" E. a distance of 6230.0 feet, as shown on the map accompanying Permit 76078.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
the NE 1/4 SE 1/4 of Section 35, T.34 N., R. 35 E., M.D.B.&M., or at a point from which the NE corner of said Section 35 bears N. 24 degrees 01' 41" E., a distance of 2,971.06 feet.

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7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See Attachment A (as shown on the map accompanying Permit 76446).

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.)

See Attachment B (full existing Place of Use) and Attachment C (acreage to be removed from Irrigation)

9. Proposed use will be from January 1 (Month and Day) to December 31 (Month and Day) of each year.

10. Existing use permitted from March 1 (Month and Day) to November 1 (Month and Day) 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.)
Water will be pumped from the existing Sutton # 3 mine shaft with a pump, through piping which conveys water to a 550,000-gallon storage tank and thence to the Place of Use.

12. Estimated cost of works $500,000

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

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

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.)
Water is to be used for a tungsten mine and mill (including mine dewatering, office uses, dust suppression, construction, soil compaction, reclamation, land rehabilitation,). This water will be required in addition to water already permitted under permits 12726, 12727, 42466, 76446, 76447, etc. Plans are to re-open a mine on the site, and to renovate and re-open an existing mill on the site. The first phase of the project is expected to process approximately 1,200 tons per day of ore. The ore will originate from the on-site mine, and may also be brought in to the mill from off site.

16. Miscellaneous remarks:
At the final close of mining and reclamation, the intention is to file an application to return the water to irrigation use. There are no domestic wells within 2,500 feet of the proposed Point of Diversion.

(775) 787-1300
Phone No.

globalhydrologic@sbcglobal.n
E-mail

By Mark D. Stock
Print or type name clearly

Mark D. Stock
Signature, applicant or agent

Global Hydrologic Services Inc.
Company Name

561 Keystone, #200
Street Address or P.O. Box

Reno, Nevada 89503
City, State, Zip Code

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APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

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Item 7: Exhibit A: Proposed Place of Use

As shown on the map accompanying Permit 76446. Specifically, within T. 34 N., R. 34 E., M.D.B. & M: the S. ½ of Sec. 26, the SE ¼ of Sec. 27, the E. ½ of Sec. 34, all of Sec. 35, all of Sec. 36; within T. 34 N., R. 35 E., M.D.B.&M.: the S ½ of the NW ¼ of Sec. 31; and within T. 33 N., R. 34 E., M.D.B.&M.: the W. ½ of Sec. 1, the N ½ of the NE ¼ and a portion of the NE ¼ of the NW ¼ and a portion of the SE ¼ of the NE ¼ and a portion of the NE ¼ of the SE ¼ of Sec. 2, all of Sec. 37, and NE ¼ of the NE ¼ and a portion of the NW ¼ of the NE ¼ and a portion of the SE ¼ of the NE ¼ and a portion of the SW ¼ of the NE ¼ of Sec. 38.

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Item 8: Exhibit B: Full Existing Place of Use 77739

0.5	Acres	in the	SE¼	NE¼	of	Section	26,	T.34N.,	R.35E.,	M.D.B.&M.
15.1	"	"	"	SW¼	NE¼	"	"	"	"	"	"
36.0	"	"	"	SW¼	SE¼	"	"	"	"	"	"
5.2	"	"	"	SE¼	NW¼	"	"	"	"	"	"
14.3	"	"	"	SE¼	SW¼	"	"	"	"	"	"
20.0	"	"	"	NW¼	SW¼	"	"	"	"	"	"
13.7	"	"	"	NE¼	SW¼	"	"	"	"	"	"
26.7	"	"	"	NE¼	SW¼	"	"	"	"	"	"
10.9	"	"	"	SE¼	SW¼	"	"	"	"	"	"
15.4	"	"	"	SE¼	SW¼	"	"	"	"	"	"
28.3	"	"	"	SW¼	SW¼	"	"	"	"	"	"
40.0	"	"	"	NW¼	SE¼	"	"	"	"	"	"
10.0	"	"	"	NE¼	SE¼	"	"	"	"	"	"
5.4	"	"	"	SE¼	SE¼	"	"	"	"	"	"
5.1	"	"	"	NE¼	NW¼	"	"	35	"	"	"
33.9	"	"	"	NW¼	NW¼	"	"	"	"	"	"
12.9	"	"	"	NE¼	NW¼	"	"	"	"	"	"
21.5	"	"	"	NE¼	NW¼	"	"	"	"	"	"
25.8	"	"	"	SE¼	NW¼	"	"	"	"	"	"
1.7	"	"	"	SE¼	NW¼	"	"	"	"	"	"
1.8	"	"	"	SW¼	NW¼	"	"	"	"	"	"
4.1	"	"	"	SW¼	NW¼	"	"	"	"	"	"
40.0	"	"	"	NW¼	NE¼	"	"	"	"	"	"
27.9	"	"	"	NE¼	NE¼	"	"	"	"	"	"
14.5	"	"	"	SE¼	NE¼	"	"	"	"	"	"
37.8	"	"	"	SW¼	NE¼	"	"	"	"	"	"
21.8	"	"	"	NW¼	SW¼	"	"	"	"	"	"
40.0	"	"	"	NE¼	SW¼	"	"	"	"	"	"
39.6	"	"	"	SE¼	SW¼	"	"	"	"	"	"
14.4	"	"	"	SW¼	SW¼	"	"	"	"	"	"
30.4	"	"	"	NW¼	SE¼	"	"	"	"	"	"
22.1	"	"	"	SW¼	SE¼	"	"	"	"	"	"

636.8 Acres Total

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Item 8: Exhibit C: Acreage to be Removed from Irrigation

As shown on the map accompanying Application 77521. Specifically:

20.0 Acres in the NW ¼ SW ¼ of Section 26, T.34N., R. 35E., M.D.B.&M.

13.7 Acres in the NE ¼ SW ¼ of Section 26, T.34N., R. 35E., M.D.B.&M.

11.97 Acres in the SE ¼ SW ¼ of Section 26, T.34N., R. 35E., M.D.B.&M.
(The immediately preceding parcel was formerly part of a 15.4-acre parcel)

28.3 Acres in the SW ¼ SW ¼ of Section 26, T.34N., R. 35E., M.D.B.&M.

18.0 Acres in the NE ¼ NW ¼ of Section 35, T.34N., R. 35E., M.D.B.&M.
(In the original description of the Place of Use this 18.0-acre parcel was split into 5.1 and 12.9 acre parcels.)

33.9 Acres in the NW ¼ NW ¼ of Section 35, T.34N., R. 35E., M.D.B.&M.

1.7 Acres in the SE ¼ NW ¼ of Section 35, T.34N., R. 35E., M.D.B.&M.

4.1 Acres in the SW ¼ NW ¼ of Section 35, T.34N., R. 35E., M.D.B.&M.

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