Permit No. 79857T

TEMPORARY

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant:	**SALMON RIVER CANAL COMPANY**
Source:	**SALMON FALLS CREEK (AKA SALMON RIVER)**
Basin:	**SALMON FALLS CREEK AREA**
Manner of Use:	**OTHER**
Period of Use:	**June 1st to May 31st**
Priority Date:	**05/18/2010**

****

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 temporary permit to change the point of diversion, place of use and manner of use of a portion of the waters of the Salmon Falls Creek (aka Salmon River), as heretofore appropriated under Permit 12888, Certificate 4823 that allowed a change in the point of diversion and place of use from lands located within the State of Nevada to lands located within the State of Idaho. Permit 12888 changed the point of diversion and place of use of Proof V-01413 as appears in the Matter of the Determination of the Relative Rights In and To the Waters of Salmon River and Its Tributaries, In Elko County, Nevada, in the District Court of the Fourth Judicial District of the State of Nevada, in and for the County of Elko. This permit is issued subject to the terms and conditions imposed in said decree and subject to the Salmon River Settlement Agreement, dated May 20, 1952 and with the understanding that no other rights on the source will be affected by the change proposed herein.

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

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

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit at which time all rights herein granted shall revert to the right being changed by this temporary permit.

The approval of this temporary permit reduces the total duty of the base right by 8.0 acre feet for a period of one year.

(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 0.05 cubic feet per second or 8.0 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: **N/A**

Map in support of proof of beneficial use shall be filed on or before: **N/A**

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 23rd day of **June**, A.D. **2010**

P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

TEMPORARY Application No. 79857 T

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 MAY 18 2010

Returned to applicant for correction

Corrected application filed Map filed NOV 10 2008 under 77539T

The applicant Salmon River Canal Company

2700 Hwy 93 (Street Address or PO Box) of Twin Falls (City or Town)

Idaho 83301 (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 rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Water was originally decreed under Claim No. V-01413 of the Salmon River Decree (Nevada) and subject to the provisions of the Salmon River Settlement Agreement dated May 20, 1952. These rights were subsequently moved into Idaho by Application No. 12888, Certificate 4823, filed to change the point of diversion and place of use of the waters of "The Salmon River".

1. The source of water is Salmon Falls Creek (AKA Salmon River)
   Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 0.05 cfs
   Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mineral Exploration
   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.)

   The SW1/4 (SE¼) Section 20, T.45N., R.64E. M.D.B.&M. or at the point from which the SE corner of said Section 20 bears S.70 degrees E. a distance of 2,100 feet.

   9qD PorTel 5/20/2010

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

   The existing point of diversion under the Salmon River Decree is described as the current stream channel where a series of dams was used to spread water over the land. The point of diversion under Permit 12888, Certificate 4823 is described as being within the The SE1/4NE1/4 Section 20,T.45N., R64E. M.D.B.&M. or at the point from which the E1/4 of said Section 20 bears S.34 degrees 53'E. a distance of 986.9 feet.

3-HD
9,L

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

Sections 13, 14, 23 and 24 all located within T.45N., R.63E., M.D.B.&M. and within Sections 17 and 20. T.45N., R.64E., M.D.B.&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.)

See attached description (Certificate 4823) for the Idaho place of use. Water from the Salmon River is stored in the Salmon Falls Creek Reservoir where the water is stored for distribution within the area served by the Salmon River Canal Co., LTD. Therefore, the small amount of water that will be withdrawn will not have any noticeable affect on the irrigated acreage in Idaho with water administered by the Salmon River Canal Co.

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

10. Existing use permitted from As Decreed (Month and Day) to As Decreed (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.)

12. Estimated cost of works No cost. Pumping from stream channel.

13. Estimated time required to construct works N/A Stream channel.
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use Upon issuance of permit.

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.)

Enexco International Inc. proposes to drill exploration core holes in the Contact Mining District. Water use will cease upon completion of the project. Additional permitting for water for mining and milling will be pursued pending the determination of the existence of an economic ore body.

16. Miscellaneous remarks:

Please contact Steve Walmsley, Staff Engineer, Nevada Division of Water Resources, if you have any questions regarding this application and the Salmon River Decree.

RECEIVED
2009 MAY 18 AM 10:47
STATE ENGINEERS OFFICE

srccltd@filertel.com
E-mail Address

208-655-4220
Phone No.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Larrie E. Ragain
Type or print name clearly

Larrie E. Ragain
Signature, applicant or agent

Salmon River Canal Company, LTD
Company Name

2700 HWY 93
Street Address or PO Box

Twin Falls, Idaho 83301
City, State, ZIP Code

Revised 07/09 $150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

#8 Existing Place of Use Permit 12888 C.4823

79857T

Description of land to which water is appurtenant:

35,000 acres, more or less, in Secs. 1 & 12, T. 11 S., R. 15 E., B.M., Secs. 1 thru 29, incl.; Secs. 32 thru 36 incl., all in T. 11 S., R. 16 E., B.M.; Secs. 7, 8, 9, 14 thru 24, incl., 26, 27, 28, 34 and 35 in T. 11 S., R. 17 E., B.M.; Secs. 3, 4, 5, 9, 13, 14, 18, 21 thru 29 incl., 31 thru 36 incl., all in T. 12 S., R. 16 E.; Secs. 16 thru 20 incl. 30, in T. 12 S., R. 17 E., B.M.; Secs. 1 & 12 T. 13 S., R.15 E., B.M.; Secs. 3 thru 10 incl., 15, 16, 17, 18, 20, 21, 22, 27, 28 in T. 13 S., R. 16 E., B.M.; Secs. 11, 12, 14 in T. 14 S., R. 15 E., B.M.; Secs., 3, 4, 8, 9 in T. 14 S., R. 16 E., Hollister T.S. Lots 1-14, Block 85 in the State of Idaho.