



THE STATE OF NEVADA

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

Name of Permittee: COMSTOCK MINING, INC
Source: TUNNEL SPRINGS (OTHER GROUND WATER)
Basin: DAYTON VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 07/16/1934

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 9775, Certificate 2203, is issued subject to the terms and conditions imposed in said Permit 9775, Certificate 2203 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 issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The approval of Application 81582 will totally abrogate Permit 9775, Certificate 2203.

Monthly records shall be kept of the amount of water pumped from this well and all other permitted wells and/or groundwater sources associated with Plum Mining Company, LLC, Comstock Mining, Inc. and/or The Billy the Kid Project and the records submitted to the State Engineer on a yearly 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 0.02173 cubic feet per second or 15.73 acre-feet annually.**

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

June 28 2013

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

June 28 2016

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 28th day of June, 2012

J. King State Engineer P.E.

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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 FEB 14 2012

Returned to applicant for correction _____

Corrected application filed _____ Map filed FEB 14 2012

The applicant Comstock Mining, Inc.
1200 American Flat Road, PO Box 1118 of Virginia City
Street Address or PO 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

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.)

Permit 9775, Certificate 2203

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1. The source of water is other groundwater (Tunnel Spring)
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.02173 CFS, 15.73 AFA
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.)
Within the NE 1/4 SW 1/4 of Section 6, T. 16 N., R. 21 E., M.D.M., or at a point from which the south west one-quarter corner of said Section 6 bears S 55° W, a distance of 2834 feet.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
Within the SE 1/4 NE 1/4 of Section 7, T. 16 N., R. 21 E., M.D.M., or at a point from which the north west one-quarter corner of said Section 7 bears N 53°53' W, a distance of 2826 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 the attached sheet for proposed place of use.

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.)

A portion of the SW 1/4 SW 1/4 of Section 9, T. 16 N., R. 21 E., M.D.M.

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

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

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.)

The proposed point of diversion is from drilled well "WS-3". Water will be pumped to the proposed places of use via pipeline. Please see the attached map for locations of the proposed point of diversion, proposed places of use, and pipeline.

12. Estimated cost of works \$250,000

13. Estimated time required to construct works 2 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

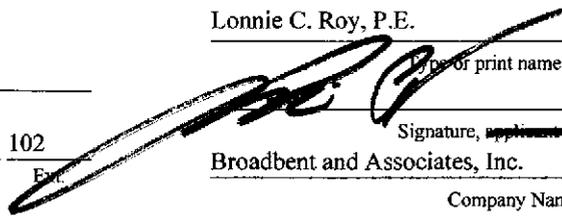
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

The proposed point of diversion is from drilled well "WS-3" within the NE 1/4 SW 1/4 of Section 6, T.16 N., R. 20 E., MDM. Water will be pumped to the proposed places of use via pipeline located within portions of Section 4, 5, 6, 7, and 8 of T. 16 N., R. 20 E., MDM. Please see the attached map for locations of the proposed point of diversion, proposed places of use, and pipeline. Well Log is filed under NOI 66613.

16. Miscellaneous remarks:

lroy@broadbentinc.com
E-mail Address
(702) 563-0600 102
Phone No. Fax

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT



Lonnie C. Roy, P.E.
Type or print name clearly
Broadbent and Associates, Inc.
Signature, applicant or agent Company Name
8 W. Pacific Avenue
Street Address or PO Box
Henderson, Nevada, 89015
City, State, ZIP Code

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ATTACHMENT TO THE 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

Proposed Place of Use

Portions of

The NW 1/4 SW 1/4, NE 1/4 SW 1/4, SE 1/4 SW 1/4, SW 1/4 SW 1/4, NE 1/4 NE 1/4, SW 1/4 NE 1/4, SE 1/4 NE 1/4, NE 1/4 SE 1/4, SE 1/4 SE 1/4 of Section 6. The SW 1/4 NW 1/4, SW 1/4 SW 1/4, NW 1/4 SW 1/4, SE 1/4 SW 1/4, NE 1/4 SE 1/4, SE 1/4 SE 1/4, SW 1/4 SE 1/4 of Section 5. The NW 1/4 SW 1/4 AND SW 1/4 SW 1/4 of Section 4. The NE 1/4 NW 1/4, SE 1/4 NW 1/4, NW 1/4 NE 1/4, NE 1/4 NE 1/4, SW 1/4 NE 1/4, SE 1/4 NE 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4, NE 1/4 SE 1/4 of Section 8, all within T. 16 N. R. 21 E. M.D.M.

The pipeline crosses portions of the SW 1/4 SE 1/4, SE 1/4 SE 1/4, NE 1/4 SE 1/4, SE 1/4 NE 1/4 of Section 6. The NW 1/4 NW 1/4, SW 1/4 NW 1/4, NW 1/4 SW 1/4, AND SW 1/4 SW 1/4 of Section 7, all within T. 16 N., R. 21 E., M.D.M.

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