



THE STATE OF NEVADA

APPLICATION TO APPROPRIATE WATER

Name of Permittee: **TIMBERLINE RESOURCES CORPORATION**
Source: **UNDERGROUND**
Basin: **LITTLE SMOKY VALLEY-NORTHERN PART**
Manner of Use: **MINING AND MILLING**
Period of Use: **JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date: **08/14/2013**

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, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 12 day of June, 2014



So, 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>AUG 14 2013</u>
Returned to applicant for correction	_____
Corrected Application filed	_____ Map filed <u>AUG 14 2013</u>

The applicant TIMBERLINE RESOURCES CORPORATION

101 East Lakeside Avenue of Coeur d'Alene
Street Address or P.O. Box City or Town

ID 83814 hereby make(s) application for permission to appropriate the
State and ZIP Code

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 August 15, 2008 in the State of Idaho, United States of America.

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- The source of water is UNDERGROUND
Name of the stream, lake, underground, spring or other sources.
 - The amount of water applied for is 1 CFS, 724 acre-feet per annum,
One second foot equals 448.83 gallons per minute.
 - If stored in a reservoir give the number of acre-feet n/a
 - The water is to be used for Mining and milling with secondary use for Domestic (see notes)
Irrigation, power, mining, commercial, domestic or other use. Must be limited to one major use.
 - If use is for:
 - Irrigation, state number of acres to be irrigated n/a
 - Stockwater, state number and kind of animals n/a
 - Other use (describe fully in No. 12) see No. 12
 - Power:
 - Horsepower developed n/a
 - Point of return of water to stream n/a

*Little Smoky Valley - U.P.
10-155P
E.*

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.)

Improved Monitoring Well No. BHMW-007, which lies Within the SE 1/4 of the NW 1/4 of Section 27, T18N, R53E, MDB&M, or at a point from with the SW Corner of Section 36, T19N, R53E bears N20d10'33", a distance of 24169 feet, more or less. See supporting map filed with this Application. E SCS

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

Within Sections 14, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34, and 35 of Township 18 North, Range 53 East, and Sections 2, 3, 4, 9, 10, and 11 of Township 17 North, Range 53 East, Mount Diablo Baseline and Meridian. See supporting map filed with this Application.

7. Use will begin about January 1st and end about December 31st 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 a pump and motor, etc.)

Installation of ~1.5 hp submersible pump in existing monitoring well (see Sec.13) and two adjacent ~2500 gallon polypropylene tanks for storage; thence pumped to fill water trucks and/or drill equipment.

9. Estimated cost of works: < \$20,000

10. Estimated time required to construct works: 1 year

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 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.)

Water will be used for exploration and development drilling of the Lookout Mountain area mineral deposits and, if economically viable, to provide water for mineral processing, including but not limited to heap leaching. Domestic use may be desirable based on water quality and provision for treatment in the future: in such case, the well would be improved to NAC drinking water standards.

13. Miscellaneous remarks:

Monitoring Well No. BHMW-007 was installed under waiver M/O-1827 and NOI No. 69367, consisting of a 4-1/2" OD steel casing to 500' bgl, with perforations from 200' to 500' bgl. Current construction does not meet asked for flow rate. The well, will be sufficiently widened and reconstructed, to state water well standards, to meet planned flow rates under a positive production decision for mining and milling purposes. Current estimated mine life is 20 to 25 years.

osterberg@timberline-resources.com
E-mail Address

208-664-4895
Phone No. Ext.

APPLICATION MUST BE SIGNED
 BY THE APPLICANT OR AGENT

Steven A. Osterberg

Steven A. Osterberg
Type or print name clearly Signature, applicant or agent

Timberline Resources Corporation
Company Name

101 E. Lakeside Dr.
Street Address or PO Box

Coeur d'Alene, ID 83814
City, State, ZIP Code

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