

RECEIVED

DEC 27 2013

WATER RESOURCES
WESTERN REGION

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT
To appropriate the public waters of the State of Idaho

Ident. No. 55-13919
~~63-33891~~

1. Name of applicant(s) Thunder Mountain Resources, Inc. Phone 208-658-1037
 Name connector (check one): and or and/or
- Mailing address: 11770 W. President Dr. Ste. F City Boise
 State ID Zip 83713 Email: jim@thundermountaingold.com
2. Source of water supply Ground Water which is a tributary of _____
3. Location of point(s) of diversion:
SEE ATTACHMENT A

4. Water will be used for the following purposes:
SEE ATTACHMENT A
 (Describing Industrial, Domestic, Div. to Storage, Industrial Storage, Fire Protection Storage, and Domestic Storage uses)

5. Total quantity to be appropriated is (a) 0.25 cubic feet per second (cfs) and/or (b) 0.31 acre-feet per year (af).

6. Proposed diverting works:

- a. Describe type and size of devices used to divert water from the source. Up to two new wells
- b. Height of storage dam _____ feet; active reservoir capacity _____ acre-feet; total reservoir capacity _____ acre-feet. If the reservoir will be filled more than once each year, describe the refill plan in item 11.
 For dams 10 feet or more in height OR reservoirs with a total storage capacity of 50 acre-feet or more, submit a separate Application for Construction or Enlargement of a New or Existing Dam. Application required? Yes No
- c. Proposed well diameter is _____ inches; proposed depth of well is 600 feet.
- d. Is ground water with a temperature of greater than 85°F being sought? Yes No
- e. If well is already drilled, when? _____; drilling firm _____;
 Well was drilled for (well owner) _____; Drilling Permit No. _____.

7. Description of proposed uses (if irrigation only, go to item 8):

- a. Hydropower; show total feet of head and proposed capacity in kW. _____
- b. Stockwatering; list number and kind of livestock. _____
- c. Municipal; show name of municipality or the applicant's qualifications as a municipal provider. _____
- d. Domestic; show number of households _____
- e. Other; describe fully. Industrial, domestic, and fire protection purposes (including storage) related to the South Mountain Mine Project's proposed milling operation. See Attachment A for further details.

8. Description of place of use:

- a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
- b. If water is used for other purposes, place a symbol of the use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RGE	SEC	NE				NW				SW				SE				TOTALS	
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
7S	5W	14			X											X	X	X	X	
7S	5W	23	X	X	X	X														

X = Industrial, Domestic, Div. to Storage, Industrial Storage, Fire Protection Storage, and Domestic Storage

Total number of acres to be irrigated: n/a

9. Describe any other water rights used for the same purposes as described above. Include water delivered by a municipality, canal company, or irrigation district. If this application is for domestic purposes, do you intend to use this water, water from another source, or both, to irrigate your lawn, garden, and/or landscaping? No other rights are used for the same purposes. Applicant's water permit nos. 55-13884 and 55-13885 for the South Mountain Mine are located approximately 7 miles away from the place of use and points of diversion proposed in this Application.

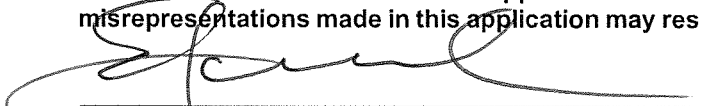
10. a. Who owns the property at the point of diversion? Owyhee Gold Trust, LLC ("OGT")
 b. Who owns the land to be irrigated or place of use? OGT
 c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing: Applicant is a Member of OGT, which has authorized Applicant to file this application

11. Describe your proposal in narrative form, and provide additional explanation for any of the items above. Attach additional pages if necessary. SEE ATTACHMENT A

12. Time required for completion of works and application of water to proposed beneficial use is 5 years (minimum 1 year).

13. **MAP OF PROPOSED PROJECT REQUIRED** - Attach an 8½" x 11" map clearly identifying the proposed point of diversion, place of use, section #, township & range. A photocopy of a USGS 7.5 minute topographic quadrangle map is preferred. **SEE ATTACHMENT B (MAP)**

The information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.



 Signature of Applicant
 Jim Collora, Chief Operating Officer

 Print Name (and title, if applicable)

 Signature of Applicant

 Print Name (and title, if applicable)

For Department Use:

Received by JA Date 12-27-13 Time 4:46 Preliminary check by SC
 Fee \$ 250.00 Received by JA Receipt No. W041734 Date 12-27-13

**Amended¹ Attachment A to Thunder Mountain Resource, Inc.'s
Application for Permit No. 55-13919—South Mountain Project Millsite**

This Attachment A provides information describing the proposed appropriation requested in the Application for Permit (the "Application") filed with the Idaho Department of Water Resources ("IDWR" or "Department") on December 27, 2013, by Thunder Mountain Resources, Inc. (the "Applicant"), which the assigned no. 55-13919.

INTRODUCTION

The Application seeks a new appropriation from ground water for industrial, fire protection, domestic, and related storage purposes at a proposed ore milling operation ("Millsite") associated with the South Mountain Mine Project in Owyhee County, Idaho.

The Applicant is a member of Owyhee Gold Trust, LLC ("OGT"), the owner of the land upon which the Millsite is proposed to be developed. OGT has obtained Conditional Use Permits from Owyhee County for the Millsite and the associated South Mountain Mine. OGT has authorized the Applicant to file the Application to obtain the necessary water rights for the Millsite.

INFORMATION REQUIRED BY APPLICATION

Application Item 3 (Location of Points of Diversion):

The Applicant proposes up to two new wells as points of diversion in any of the following locations in Township 7 South, Range 5 West:

Section	Q-Qs
14	SWNE; NESE; NWSE; SWSE; SESE
23	NENE; NWNE; SWNE; SENE

The same locations are identified as the proposed place of use in the Application's Item 8. A map depicting the proposed place of use and point of diversion locations is included with the Application as Attachment B.

Application Item 4 (Purposes of Use):

The Applicant proposes appropriating water for the following purposes in the amounts indicated:

Amount	Purpose of Use	Season of Use (both dates inclusive)
0.25 cfs	Industrial	1/1 to 12/31
0.25 cfs	Domestic	1/1 to 12/31
0.25 cfs	Diversions to Storage	1/1 to 12/31
0.31 AF	Industrial Storage	1/1 to 12/31
0.31 AF	Fire Protection Storage	1/1 to 12/31
0.31 AF	Domestic Storage	1/1 to 12/31

The total instantaneous diversion rate to be appropriated is 0.25 cfs, and the total storage capacity is 0.31 AF.

The Industrial Storage, Fire Protection Storage, and Domestic Storage uses listed above will use the same 0.31 AF of storage facilities (i.e. storage tanks with total capacity up to 100,000 gallons), which may be filled multiple times each year. In other words, the 0.31 AF quantity represents the total volume of storage capacity, not the total volume of water diverted to storage each year.

Application Items 7.e and 11 (Description of Proposed Uses and Narrative):

The Millsite will be located near South Mountain, Idaho, approximately 17 miles southeast of Jordan Valley, Oregon. The Millsite property consists of approximately 360 acres in Sections 14 and 23, Township 7 South, Range 5 West.

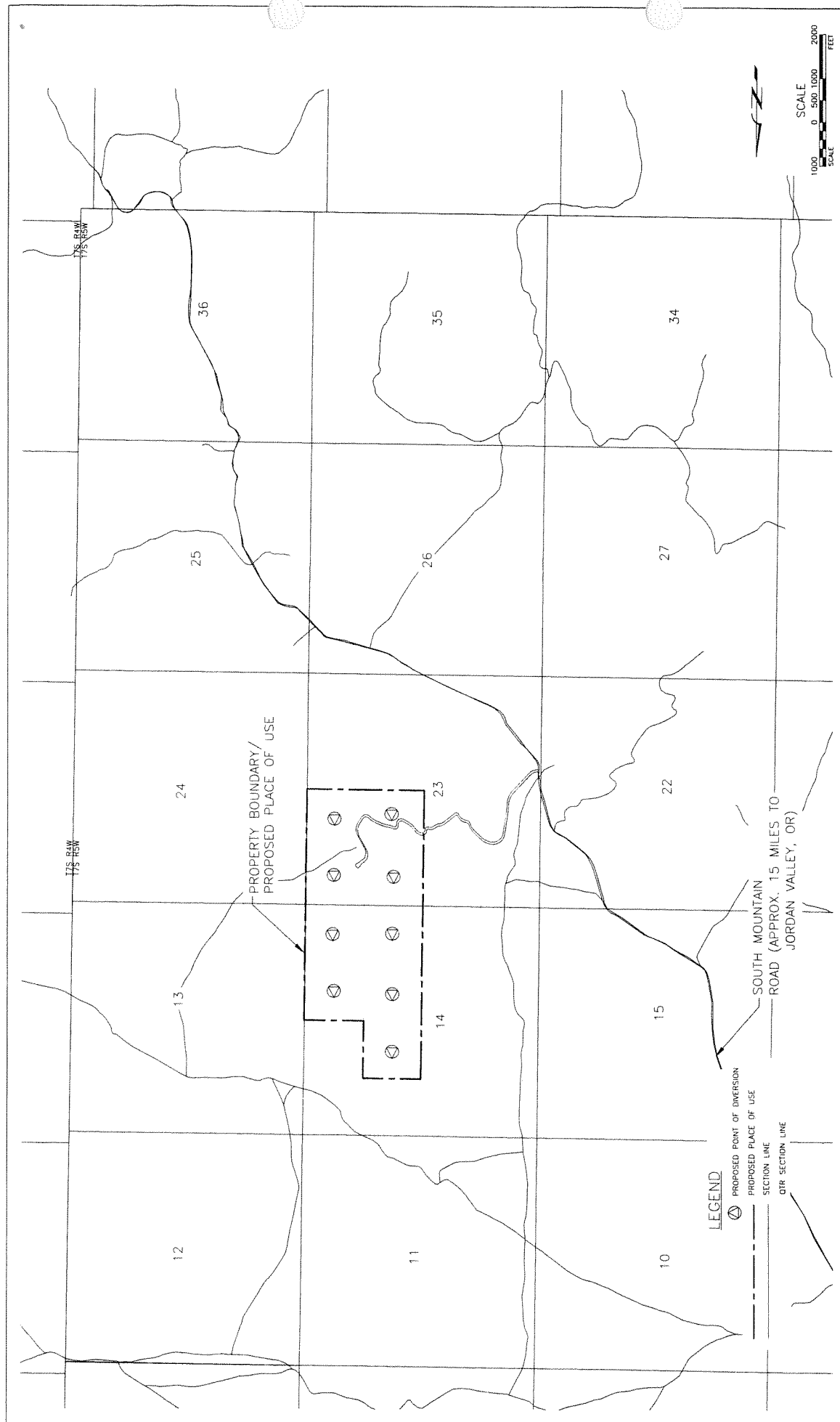
The Millsite will consist of a laboratory, crushing and ore storage facilities, ore processing flotation mill, truck wash, truck shop, mill tailings and process water decanting facilities, up to 100,000 gallons of water storage tanks, non-municipal construction and demolition waste landfill, wastewater treatment facilities, and a maximum of 20 additional buildings/structures.

At full production, up to 400 tons of mined ore per day will be trucked approximately seven miles from South Mountain Mine to the Millsite for processing. Following processing, an anticipated average of seven or eight truckloads per day of ore concentrate will be trucked to the final destination at a smelter or shipping port. The portion of the ore that does not contain economic value will be stored in the mill tailings facilities located onsite.

The Application proposes pumping ground water into storage and directly for use in ore processing. Water used for ore processing will be recycled and reused in the milling operation and will not be discharged from the Millsite.

The Application also proposes pumping ground water into storage and directly for other industrial uses (such as dust abatement), fire protection, and domestic uses associated with the Millsite. It is anticipated that the Mine and Millsite together will employ 120 to 150 workers at full production. However, Bottled water will be provided for drinking water use as it is anticipated that less than 25 individuals will be at the Millsite at any given time.

¹ This Amended Attachment A is submitted by the Applicant at the Department's request for the purpose of correcting a clerical error in Application Item 3 (Location of Points of Diversion)—it now correctly reads Township 7 South (instead of North).



SOUTH MOUNTAIN MINE MILL SITE ATTACHMENT B TO APPLICATION FOR PERMIT THUNDER MOUNTAIN RESOURCES, INC.		SOUTH MOUNTAIN MINE MILL SITE ATT. B X OF X	
THUNDER MOUNTAIN RESOURCES, INC. SOUTH MOUNTAIN MINE 10750 PRESIDENT DRIVE BOISE, IDAHO 83702 (208) 319-9744 (208) 319-9744		PERMIT SUBMITTAL	
WATER, CIVIL AND ENVIRONMENTAL INC. 1000 WEST 5TH STREET BOISE, IDAHO 83702 (208) 319-9744		SOUTH MOUNTAIN MINE MILL SITE ATT. B X OF X	
SHEET NO. 1 DATE: 12/11/2013 10:08:59 AM REIDRIDGE	DESIGNED BY: [] CHECKED BY: [] PROJECT COMPLETED BY: [] MAP CORRECTED BY: [] DATE: []	DESIGNED BY: [] CHECKED BY: [] PROJECT COMPLETED BY: [] MAP CORRECTED BY: [] DATE: []	SHEET NO. 1 DATE: []

55-13919
 63-3389

Sommer, Rachel

From: Sommer, Rachel
Sent: Thursday, May 01, 2014 10:21 AM
To: 'JENNIFER@OWYHEEAVALANCHE.COM'
Subject: Owyhee Legal Ad
Attachments: Owyhee Cover Letter.docx; Owyhee Legal Ad.docx

Good Morning Jennifer Stutheit,

Please see the attached ad for publication on 5/7/2014 & 5/14/2014.

Please confirm these are okay to publish as shown.

Thank you very much,

Rachel Sommer

Administrative Assistant
Dept. of Water Resources
Western Regional Office
2735 Airport Way, Boise ID 83705
Phone 208-334-2190 | Fax 208-334-2348
Email: rachel.sommer@idwr.idaho.gov

May 1, 2014

LEGAL NOTICE DEPARTMENT
OWYHEE AVALANCHE
PO BOX 97
HOMEDALE, ID 83628

RE: Application For Permit No's: 55-13918, 55-13919, 55-13920, 55-13921

Dear Legal Notice Department:

Please publish the enclosed legal notice on the dates indicated (once a week for two consecutive weekly issues). If you cannot publish the notice on the proposed dates, please contact us immediately.

An affidavit of publication must be submitted to the Department along with the publication bill. Please send the affidavit and bill to this office before 5/27/2014. Your cooperation is appreciated.

Sincerely,

Rachel Sommer
Administrative Assistant

Enclosures

The following applications have been filed to appropriate the public waters of the State of Idaho:

55-13918

US DEPT OF INTERIOR
BUREAU OF LAND MANAGEMENT
1387 S VINNELL WAY
BOISE, ID 83709-1657
Point of Diversion SENW S3 T12S R03W OWYHEE County Source LONG MEADOW CREEK Tributary CASTLE CREEK
Use: STOCKWATER STORAGE, WILDLIFE STORAGE 01/01 to 12/31 5.2 AF
Total Diversion: 5.2 AF
Date Filed: 1/24/2014
Place of Use: STOCKWATER STORAGE, WILDLIFE STORAGE
T12S R03W S3 SENW

55-13919

THUNDER MOUNTAIN RESOURCES INC
11770 W PRESIDENT DR STE F
BOISE, ID 83713
Points of Diversion SWNE NESE NWSE SWSE SESE S14 T07S R05W OWYHEE County Source GROUND WATER
Points of Diversion NENE NWNE SWNE SENE S23 T07S R05W OWYHEE County Source GROUND WATER
Use: DIVERSION TO STORAGE, DOMESTIC, INDUSTRIAL 01/01 to 12/31 0.25 CFS
Use: INDUSTRIAL STORAGE, DOMESTIC STORAGE, FIRE PROTECTION STORAGE 01/01 to 12/31 0.3 AF
Total Diversion: 0.25 CFS
Date Filed: 12/27/2013
Place of Use: DOMESTIC, INDUSTRIAL, FIRE PROTECTION STORAGE, DOMESTIC STORAGE, INDUSTRIAL STORAGE
T07S R05W S14 SWNE SE(ALL)
T07S R05W S23 NE(ALL)

55-13920

US DEPT OF INTERIOR
BUREAU OF LAND MANAGEMENT
1387 S VINNELL WAY
BOISE, ID 83709-1657
Point of Diversion NWNE S30 T06S R02W OWYHEE County Source BRIDGE CREEK Tributary MEADOW CREEK
Use: STOCKWATER STORAGE, WILDLIFE STORAGE 01/01 to 12/31 3.3 AF
Total Diversion: 3.3 AF
Date Filed: 2/6/2014
Place of Use: STOCKWATER STORAGE, WILDLIFE STORAGE
T06S R02W S30 NWNE SWNE

55-13921

US DEPT OF INTERIOR
BUREAU OF LAND MANAGEMENT
1387 S VINNELL WAY
BOISE, ID 83709-1657
Point of Diversion SENE S30 T06S R02W OWYHEE County Source BRIDGE CREEK Tributary MEADOW CREEK
Use: STOCKWATER STORAGE, WILDLIFE STORAGE 01/01 to 12/31 7.7 AF
Total Diversion: 7.7 AF
Date Filed: 2/6/2014
Place of Use: STOCKWATER STORAGE, WILDLIFE STORAGE
T06S R02W S30 SWNE SENE

Permits will be subject to all prior water rights. For additional information concerning the property location, contact Western Region office at (208) 334-2190; or for a full description of the right(s), please see www.idwr.idaho.gov/apps/ExtSearch/WRFiling.asp. Protests may be submitted based on the criteria of Idaho Code § 42-203A. Any protest against the approval of this application must be filed with the Director, Dept. of Water Resources, Western Region, 2735 Airport Way, Boise ID 83705 together with a protest fee of \$25.00 for each application on or before 5/27/2014. The protestant must also send a copy of the protest to the applicant.

GARY SPACKMAN, Director

Published on 5/7/2014 and 5/14/2014

GIVENS PURSLEY_{LLP}

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APR 02 2014

WATER RESOURCES
WESTERN REGION

LAW OFFICES

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Michael C. Creamer
Amber N. Dina
Elizabeth M. Donick
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Neal A. Koskella
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Kimberly D. Maloney
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Deborah E. Nelson
W. Hugh O'Riordan, LL.M.
Angela M. Reed
Matt G. Smith
P. Mark Thompson
Jeffrey A. Warr
Robert B. White

*Licensed in Virginia

Retired:
Kenneth L. Pursley
James A. McClure (1924-2011)
Raymond D. Givens (1917-2008)

April 1, 2014

Via US Mail

Sharla Curtis
Idaho Department of Water Resources
Western Regional Office
2735 Airport Way
Boise, ID 83705-5082

Re: Application for Permit No. 55-13919 in the name of Thunder Mountain Resources, Inc.

Dear Sharla:

This letter follows up on your request that Thunder Mountain Resources, Inc. ("Thunder Mountain"), the applicant in the above-referenced application ("Application"), submit a revised Attachment A of the Application for the purpose of correcting a clerical error in Application Item 3 (Location of Points of Diversion). Enclosed is an Amended Attachment A that reflects the correction, stating Township 7 South (instead of North).

You also suggested that Thunder Mountain remove the diversion to storage and storage uses from the Application because such uses are authorized under the Department's 24-hour fill allowance policy ("24-hour Rule"). Thunder Mountain recognizes that its requested storage uses fall within the parameters of this policy because the total volume of storage sought in the Application (0.31 acre-feet) is less than could be filled in 24 hours under the requested diversion rate of 0.25 cfs. *See Administrator's Memorandum—Application Processing No. 73* ("24-hour Guidance"), p. 2. Thunder Mountain also recognizes that the 24-hour Guidance states that water tanks "are generally not considered storage and are not required to be covered under a specific storage water right." 24-hour Guidance, p. 5.

Nevertheless, Thunder Mountain wishes to proceed with the storage uses requested in the Application. Having storage uses expressly authorized on the face of its water right will ensure

Sharla Curtis
Idaho Department of Water Resources
April 1, 2014
Page 2

that Thunder Mountain's storage uses will remain authorized in the event that the Department changes its 24-hour Rule. Nothing in the 24-hour Guidance—or to our knowledge in any statute, rule, or other policy—prohibits an applicant from acquiring a storage right that otherwise would fall within the 24-hour Rule. And no statute, rule, or policy that we are aware of precludes application of the 24-hour Rule to the extent that it would allow more storage than expressly authorized on the face of a right. In other words, there does not appear to be any downside to including storage uses in the Application.

If the Department disagrees with our understanding about how the 24-hour Rule and storage authorizations work, please let me know right away so Thunder Mountain can reassess its decision to retain storage uses in the Application. Otherwise, please continue processing the Application right away.

Thank you for your attention to this matter. If you have any questions, please contact me immediately to discuss.

Sincerely,

A handwritten signature in black ink, appearing to read "MPL", with a long horizontal flourish extending to the right.

Michael P. Lawrence

MPL
Enclosure
2042643_1

cc: Jim Collord (w/enc.)

Curtis, Sharla

From: Curtis, Sharla
Sent: Wednesday, March 19, 2014 9:25 AM
To: 'MPL@givenspursley.com'
Subject: Thunder Mtn Resources (55-13919)

Mr. Lawrence,

I haven't received the re-printed page I talked to you about on the phone a couple of weeks ago. The legal description of the point of diversion needed to be changed from Township 7 North to 7 South. We had also talked about possibly removing the storage uses since they are not required for the storage tanks Thunder Mtn intends to use.

Please send the re-printed page to me as soon as possible. If you have decided to keep the storage uses as proposed, please also include a written statement describing the reason(s) for doing so.

If you have any questions, please call me.

Thanks.

Sharla Curtis
Sr. Water Resource Agent

flow because the water right quantity would be described as a flow rate, and consistent with Idaho Code Title 42, Chapter 15, Minimum Stream Flow, only the Idaho Water Resource Board (IWRB) can file an application and hold a minimum stream flow water right.

OTHER CONSIDERATIONS

Water Tanks

Many water users incorporate tanks or cisterns in their distribution system. Such features are generally not considered storage and are not required to be covered under a specific storage water right. Some circumstances, especially where a tank or cistern is added to an established non-municipal water right, may raise injury and/or enlargement concerns and may require a storage component.

Timing of Fill

The diversion of water to a pond where impoundment is only allowed by implementation of the 24-hour fill allowance, and where no storage component is identified on the water right, can only occur during the season of use described on the water right. As an example, if an irrigation water right includes a pond with a volume established by the 24-hour fill allowance, diversion of water to fill that pond can occur no earlier than the first day of the irrigation season of use. It would be an illegal diversion of water if the pond were filled when the water right is out of season, to take advantage of water availability (i.e. early season runoff).

Drainage of Pond

Once diverted, water impounded to facilitate diversion or operation is considered beneficially used and water users are not expected to drain the pond or return the water to the source at the end of the season or when the water is off due to a priority cut. However, significant amounts of water routinely held at the end of the period of use may raise questions regarding the intent of the pond or impoundment and may result in the need for a water right for an alternate use such as aesthetics or recreation storage.

100,000 gal tank

$$.25 \text{ cfs} \times 1440 \text{ min/day} = 161,568 \text{ gal}$$

storage component not needed

GIVENS PURSLEY LLP

RECEIVED

DEC 27 2013

WATER RESOURCES
WESTERN REGION

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Of Counsel
Kimberly D. Maloney

*Licensed in Virginia

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December 27, 2013

Via Hand Delivery

Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705-5082

Re: *Thunder Mountain Resources, Inc., Application for Permit*
Our File No. 5898-4

Dear Department:

Enclosed please find an Application for Permit I am filing on behalf of Thunder Mountain Resources, Inc., together with a check for the \$250 filing fee. Please file the original and return a conformed copy with our runner.

If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,



Michael P. Lawrence

Enclosures

cc: Jim Collord (w/enc.)
1963475_1