

**STARTING
LEFT
SIDE OF
FILE**

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 17-07132

Priority: October 6, 1988

Maximum Diversion Rate:

0.91 CFS

Maximum Diversion Volume:

658.1 AF

This is to certify, that PEGASUS GOLD CORP
N 9 POST ST #400
SPOKANE WA 99201

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated October 6, 1988; and has submitted Proof of Beneficial Use on February 6, 1992. An examination indicates that the works have a diversion capacity of 1.200 cfs of water from a GROUNDWATER source, and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
-----------------------	----------------------	--------------------------	----------------------

MINING	01/01 to 12/31	0.91 CFS	658.1 AF
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LOCATION OF POINT(S) OF DIVERSION:

NENE, Sec. 36, Township 15S, Range 29E
CASSIA County

PLACE OF USE: MINING

TWN RGE SEC

15S 29E 25

NESW

NWSW

SWSW

SESW

NWSE

SWSE

26

NWSW

SWSW

27

NESW

NWSW

SWSW

SESW

NWSE

NWSE

SWSE

SESE

34

NENE

NENE

SENE

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NESE

SESE

35

NENE

NENE

SENE

NWNW

SNW

SENW

NESW

NWSE

SWSW

NESE

NWSE

36

NENE

NWNE

SWNE

SENE

NENW

NWNW

NESE

NWSE

SWSE

SESE

CONDITIONS OF APPROVAL AND REMARKS

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount which can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.

MICROFILMED

MAY 19 1987

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 17-07132

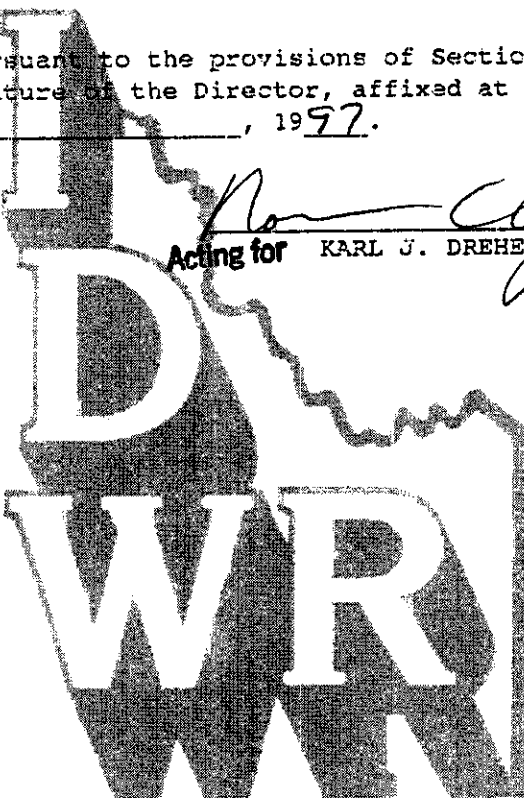
CONDITIONS OF APPROVAL AND REMARKS

3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
5. Mining use is for ore processing, dust suppression and support facilities.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. Witness the seal and signature of the Director, affixed at Boise, this 30th day of APRIL, 1997.

Acting for

KARL J. DREHER, Director



MICROFILMED

MAY 19 1997

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APR 07 1997

State of Idaho
Department of Water Resources

Department of Water Resources

APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 17-07132

Date of Priority: October 6, 1988

Maximum Diversion Rate: 0.91 CFS
Maximum Diversion Volume: 658.1 AF

Comes now PEGASUS GOLD CORP
N 9 POST ST #400
SPOKANE WA 99201

and represents to the Director of the

Idaho Department of Water Resources:

That he is the owner and holder of Permit to Appropriate the Public Waters of the State of Idaho No. 17-07132, and requests that the permit be changed as follows:

Source: GROUNDWATER

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>	<u>ANNUAL VOLUME</u>
MINING	01/01 to 12/31	0.91 CFS	658.1 AF

LOCATION OF POINT(S) OF DIVERSION: NENE , Sec. 36, Township 15S, Range 29E
CASSIA County

PLACE OF USE: MINING

<u>TWN</u>	<u>RGE</u>	<u>SEC</u>			
15S	29E	25	NESW	NWSW	SWSW
			SESW	NWSE	SWSE
	26		NWSW	SWSW	
	27		NESW	NWSW	SWSW
			SESW	NESE	NWSE
			SWSE	SESE	
	34		NENE	NWNE	SENE
			NENW	NESE	SESE
	35		NENE	SWNE	SENE
			NWNW	SWNW	SENW
			NESW	NWSW	SWSW
			NESE	NWSE	
	36		NENE	NWNE	SWNE
			SENE	NENW	NWNW
			NESE	NWSE	SWSE
			SESE		

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MAY 19 1997

State of Idaho
Department of Water Resources

APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 17-07132

Permit holder asserts that no one will be injured by such change and that such change will be made at permit holder's own risk.

Signed at C. Cullen Scott this 31 day of March, 1997.

C. Cullen Scott
(Signature)

MICROFILMED
MAY 19 1997

State of Idaho
Department of Water Resources

APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 17-07132

FOR DEPARTMENT USE ONLY

Preliminary check by Ret Fee = \$50.00 Receipted by Ret # C038528 Date 4-7-97

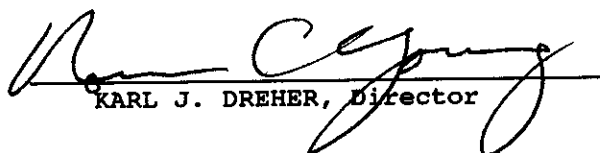
ACTION OF THE DEPARTMENT OF WATER RESOURCES

I, Karl J. Dreher, of the Department of Water Resources hereby approve the
above Application for Amendment for Permit No. 17-07132 with the following;

CONDITIONS OF APPROVAL AND REMARKS

1. The maximum diversion volume is defined as the maximum allowable volume of water that may be diverted annually from the source under this right. The use of water confirmed by this right is limited to the amount which can actually be beneficially used. The maximum diversion volume may be adjusted to more accurately describe the beneficial use or to implement accepted standards of diversion and use efficiency.
2. This water right is appurtenant to the described place of use.
3. This right is subject to all prior water rights and may be forfeited by five years of non-use.
4. Modifications to or variance from this license must be made within the limits of Section 42-222, Idaho Code, or the applicable Idaho law.
5. Mining use is for ore processing, dust suppression and support facilities.

Witness my hand this 21st day of April, 1997.


KARL J. DREHER, Director

MAILED
MAY 19 1997

B

PINE MINING INC. 10-90

03481

OUR REF. NUMBER	YOUR INVOICE NUMBER	INVOICE DATE	INVOICE AMOUNT	AMOUNT PAID	DISCOUNT TAKEN	NET CHECK AMOUNT
DWR331	IDWR033197	03/31/97	50.00	50.00	0.00	50.00

RECEIVED

APR 07 1997

Department of Water Resources

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MAY 19 1997

WATER RIGHT SUMMARY

ACTION	RIGHT NO.	NAME	AMOUNT CFS
Original Permit	17-7132	Noranda, Inc.	0.91
Full Assignment	17-7132	Pegasus Gold Corp.	0.91

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AUG 31 1990

RECEIVED
FEB 13 1992

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
PROOF OF BENEFICIAL USE

RECEIVED

FEB 06 1992

Department of Water Resources

The Idaho Department of Water Resources will consider this form as a statement that the permit holder(s) has/water Resources completed all development that will occur under this permit and that water has been applied according to the provisions of the permit for the beneficial use(s) described below. This form must be accompanied by a license examination fee or a completed field examination report prepared by a certified water right examiner who has been appointed by the department.

Permit No. 17-07132 Telephone No. (208) 645-2612

Name(s) of Permit Holder(s): Pegasus Gold Corporation

Post Office Address: North 9 Post Street, Suite 400, Spokane, WA 99201

Source of Water: Groundwater

If ground water, well driller's name: Elsing Drilling Date drilled: 12-23-89

Extent of Use:
Domestic _____ (No. of households) Irrigation _____ (No. of acres)
Stockwater _____ (No. and type of stock) Other Processing Solution/Mining

Total rate and/or volume for which proof is submitted .91 cfs _____ acre/feet

Show date water was first diverted and beneficially used under this permit: February 25, 1991

One of the following may be a condition of approval of your permit:

Measuring device: Required? Yes ☒ No Installed? ☒ Yes ☐ No

OR

Flow Measurement Port: Required? ☒ Yes ☐ No Installed? ☒ Yes ☐ No

Fee Enclosed: \$ 100.00 (See License Examination Fee Schedule)

Person to contact to accompany the Department representative during the field examination:

(208) 645-2612

Name C. Crellin Scott

Telephone No.

P.O. Box 578, Burley, ID 83318

Address

MICROFILMED

The above information is my true statement of the extent to which the above numbered permit has been developed and I relinquish any undeveloped portion of the permit to the state of Idaho.

APR 06 1992

2/3/92
Date

C. Crellin Scott, Environmental Coordinator
Signature (and title if on behalf of a company or organization)

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

ASSIGNMENT OF PERMIT

duplicate

The undersigned, NORANDA INC., hereby assigns to PEGASUS GOLD CORPORATION, North 9 Post Street, Suite 400, Spokane, Washington 99201, all its right, title and interest in and to Permit No. 17-7132, dated March 2, 1989.

Made this 18 day of June, 1990.

NORANDA INC.

by: *[Signature]*

Province of Ontario
STATE OF Ontario)
Country of Canada) ss.
Country of Canada)

On this 18th day of June, in the year 1990, before me Joseph J. Baylis, personally appeared J. B. Henry known or identified to me to be the Vice President, of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]
Notary Public
Residing at: _____

My Commission expires:

Does not

MICROFILMED

AUG 31 1990

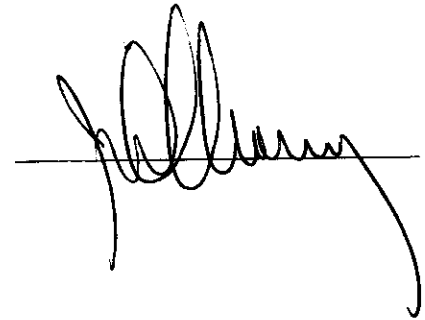
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

ASSIGNMENT OF PERMIT

The undersigned, NORANDA INC., hereby assigns to PEGASUS GOLD CORPORATION, North 9 Post Street, Suite 400, Spokane, Washington 99201, all its right, title and interest in and to Permit No. 17-7132, dated March 2, 1989.

Made this 18 day of June, 1990.

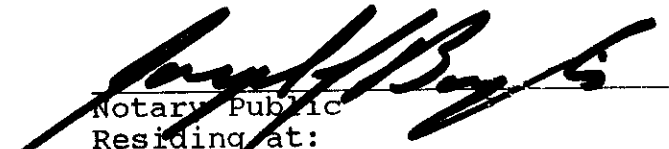
NORANDA INC.

by: 

Province of Ontario)
STATE OF Ontario)
Country of Canada) ss.

On this 18th day of June, in the year 1990, before me Joseph T Baylis, personally appeared J. D. Harvey known or identified to me to be the Vice President of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.


Notary Public
Residing at: _____

My Commission expires:

Does not

MICROFILMED

AUG 31 1990

Form 204
4/86

RECEIVED
MAR 05 1990

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

For Office Use Only *C. Wong*
\$15 FEE Received by 15.00
Date 3/6/90
Receipt # 0015332

REQUEST FOR EXTENSION OF TIME

Department of Water Resources To provide additional time in which to submit proof
of beneficial use for a water right permit

The Idaho Department of Water Resources will consider this form as a request that the permit holder(s) be granted an additional period of time in which to complete development of a water right under the provisions of Section 42-204, Idaho Code.

Permit No. 17-07132

Name(s) of Permit Holder: Noranda Inc.

Post Office Address: 2501 Catlin, Suite 201, Missoula, Montana 59801

Telephone No. 406/721-8419

Date Proof is Due: April 1, 1990

Describe what work has been completed toward the development of this water right: Well has
(This must be filled out! If no work has been completed, show "none".)

been drilled, cased and pump tested and capped pending Project
construction.

Costing \$ App. 75,000

The permit holder(s) has been unable to complete the remainder of the work for the following reasons:

Project construction will not begin before summer of 1990 depending
on economic analysis.

Permit holder(s) request an extension to April 1, 1992.
(1 yr. minimum)

Daniel D. McLaughlin
Daniel D. (Signature) McLaughlin
*IF OTHER THAN PERMIT HOLDER,
POWER OF ATTORNEY MUST BE FILED

FEE: \$15.00

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ACTION OF THE DEPARTMENT OF WATER RESOURCES

MAY 16 1990

IT IS HEREBY ORDERED that the above request for extension of time be APPROVED and the time within which to submit proof of beneficial use is extended to April 1, 1992.

Signed this 30th day of April, 1990.

A. Glen Saylor
Chief, Water Allocation Bureau

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT

1777132
Ident. No. _____

To appropriate the public waters of the State of Idaho

1. Name of applicant Noranda, Inc. Phone (702) 786-8801
Post office address 65 North Edison Way, #4 Reno, Nevada 89510

2. Source of water supply Groundwater which is a tributary of N/A

3. Location of point of diversion is SW $\frac{1}{4}$ of SE $\frac{1}{4}$ of NE $\frac{1}{4}$, Govt. Lot _____
Sec. 36 Township 15 S Range 29 E B.M. Cassia County; additional
points of diversion if any: _____

4. Water will be used for the following purposes:

Amount .91 for Mining purposes from January 1 to December 31 (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

5. Total quantity to be appropriated is (a) .91 and/or (b) _____
cubic feet per second acre feet per annum

6. Proposed diverting works:

a. Description of ditches, flumes, pumps, headgates, etc. To be determined upon pump testing the
well.

b. Height of storage dam _____ feet; active reservoir capacity _____ acre-feet; total
reservoir capacity _____ acre-feet; period of year when water will be diverted to storage:
_____ to _____ inclusive.

c. Proposed well diameter is 8 inches; proposed depth of well is 600 feet.

d. Is ground water with a temperature of greater than 90°F being sought? No

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

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MAR 30 1989

8. Description of proposed uses (if irrigation only, go to item 9):

- 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. _____
- d. Domestic; show number of households. _____
- e. Other; describe fully. Mining - Water to be used for heap leach pads, processing facilities, dust control, and ancillary support facilities necessary for mining and processing of precious metal ores.

9. 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	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
15S	29E	25									X	X	X	X		X	X		
15S	29E	26										X	X						
15S	29E	27									X	X	X	X	X	X	X	X	
15S	29E	34	X	X		X	X								X			X	
15S	29E	35	X		X	X		X	X	X	X	X	X		X	X			
15S	29E	36	X	X	X	X	X	X							X	X	X	X	

Total number of acres to be irrigated _____

10. Describe any other water rights used for the same purposes as described above. _____

11. a. Who owns the property at the point of diversion? Bureau of Land Management (BLM)
- b. Who owns the land to be irrigated or place of use? BLM and U.S. Forest Service
- c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing. Operational Land Use Permit

12. Remarks: _____

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MAR 30 1989

Proposed Priority 10/06/88

Received by OW Date 10-06-88 Time 2:15p Preliminary check by HWT

Fee \$ 45⁰⁰ Received by OW # E003675 Date 11-01-88

Publication prepared by RB Date 11-9-88 Published in South Idaho Press 11-12 / 11-24-88

Publication approved _____ Date _____

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No. 17-7132, and said application is hereby APPROVED.

1. Approval of said application is subject to the following limitations and conditions:

a. SUBJECT TO ALL PRIOR WATER RIGHTS.

b. Proof of construction of works and application of water to beneficial use shall be submitted on or before April 1, 19 90.

c. The rate of diversion, if water is to be used for irrigation under this permit, when combined with all other water rights for the same land shall not exceed 0.02 cubic feet per second for each acre of land.

d. The water right acquired under this permit if for hydropower purposes shall be junior and subordinate to all rights to the use of water, other than hydropower, within the State of Idaho that are initiated later in time than the priority of this permit and shall not give rise to any right or claim against any future rights to the use of water, other than hydropower, within the State of Idaho initiated later in time than the priority of this permit.

e. Other: Permit holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.

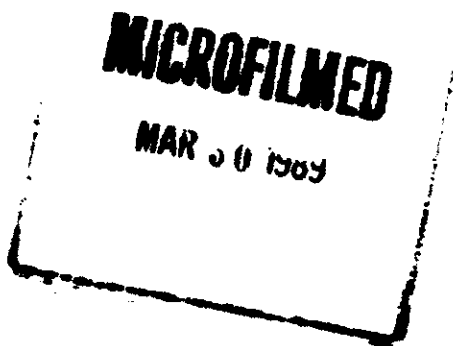
The issuance of this permit in no way grants any right-of-way or easement across the land of another.

Prior to the diversion of water under this permit a flow measurement port or other device as specified by the Department shall be installed to provide for the installation of measuring equipment and the determination of the rate of diversion by the Department.

Return flow if discharged to a subsurface system must be authorized by a separate injection well permit, and return flow if discharged to a surface water system shall meet Idaho Water Quality Standards.

Witness my hand this 2nd day of March, 1989.

J. Glen Saxton
Chief, Water Allocation Bureau



Drilling Permit No. _____
Water Permit No. _____
Injection Permit No. _____

State of Idaho
Department of Water Resources

DRILLING PERMIT

(Authorizing Construction of a Well)*

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OCT 6

Department of Water Resources
Eastern District Office

1. Applicant Noranda, Inc.

2. Address 65 North Edison Way #4

Reno, Nevada 98510 Telephone (702) 786-8801

(☒) Well Owner () Well Operator () Other, specify _____

3. Proposed well location SE 1/4 NE 1/4, or Gov't lot No. _____,

Sec. 36, Twp. 15 S, Rge. 29 E, County Cassia,

Lot, block and subdivision _____

4. Proposed use of well: (Check all that apply)

() Domestic () Stockwater () Monitoring

() Irrigation () Industrial () Municipal

() Injection (☒) Other, Specify Mining

5. Well construction information:

(☒) New well () Deepen () Replace

Proposed surface diameter 14" Maximum depth 600'

Anticipated bottom hole temperature: _____

(☒) 85°F or less (Cold water well)

() 85°F to 212°F (Low temp. geothermal well)

() 212°F or more (Geothermal well)

6. Anticipated construction start date November, 1988

7. Well Driller (if known) Unknown

Address _____

8. Applicant's signature [Signature]

Title Project Manager - Black Pine

Date 10/4/88

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MAR 30 1989

* After other pre-requisite approvals have been obtained.

* Fee is \$10 for single family domestic. Other uses may be \$100, \$50 or \$10.

ACTION OF IDWR

() Approved () Denied

The approval of this permit authorizes the construction of a well as described on this application subject to the conditions on this permit.

GENERAL CONDITIONS:

1. The well must be constructed in compliance with the applicable statutes, specific conditions of approval shown on the water right permit, injection well permit, transfer or amendment and the rules and regulations of the Department for water appropriation, injection wells and well construction standards.
2. This drilling permit is valid for two (2) months from its date of issuance for the start of construction and is valid for one (1) year from the date of issuance for completion of the well unless an extension has been granted.
3. This permit does not constitute the approval of the District Health Department or the Idaho Department of Health and Welfare which may be required before construction of this well.
4. The well shall be constructed by a driller currently licensed in the State of Idaho who must maintain a copy of the drilling permit at the drilling site.
5. Issuance of this drilling permit does not authorize trespass on the land of another party.
6. This permit does not constitute other local, county, state or federal approvals which may be required for construction of a well.
7. This drilling permit does not represent a right to divert and use the water of the State of Idaho.

SPECIFIC CONDITIONS:

8. This permit does not constitute the approval of the District Health Department or the Idaho Department of Health and Welfare which may be required before construction of this well.

Dated this _____ day of _____, 19____.

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Signed _____

MAR 30 1989

Title _____

Received by AW Fee 100⁰⁰ Date 11-01-88

Receipt No. ED03625 Construction start extension to _____

Extension approved by _____

FOREST SERVICE
BOUNDARY AND FENCE

MINERAL
3600

GULCH 25

PLANT
FENCE

HEAP LEACH PADS
MODULE I-V

MODULE V
MODULE IV
MODULE III
MODULE II
MODULE I

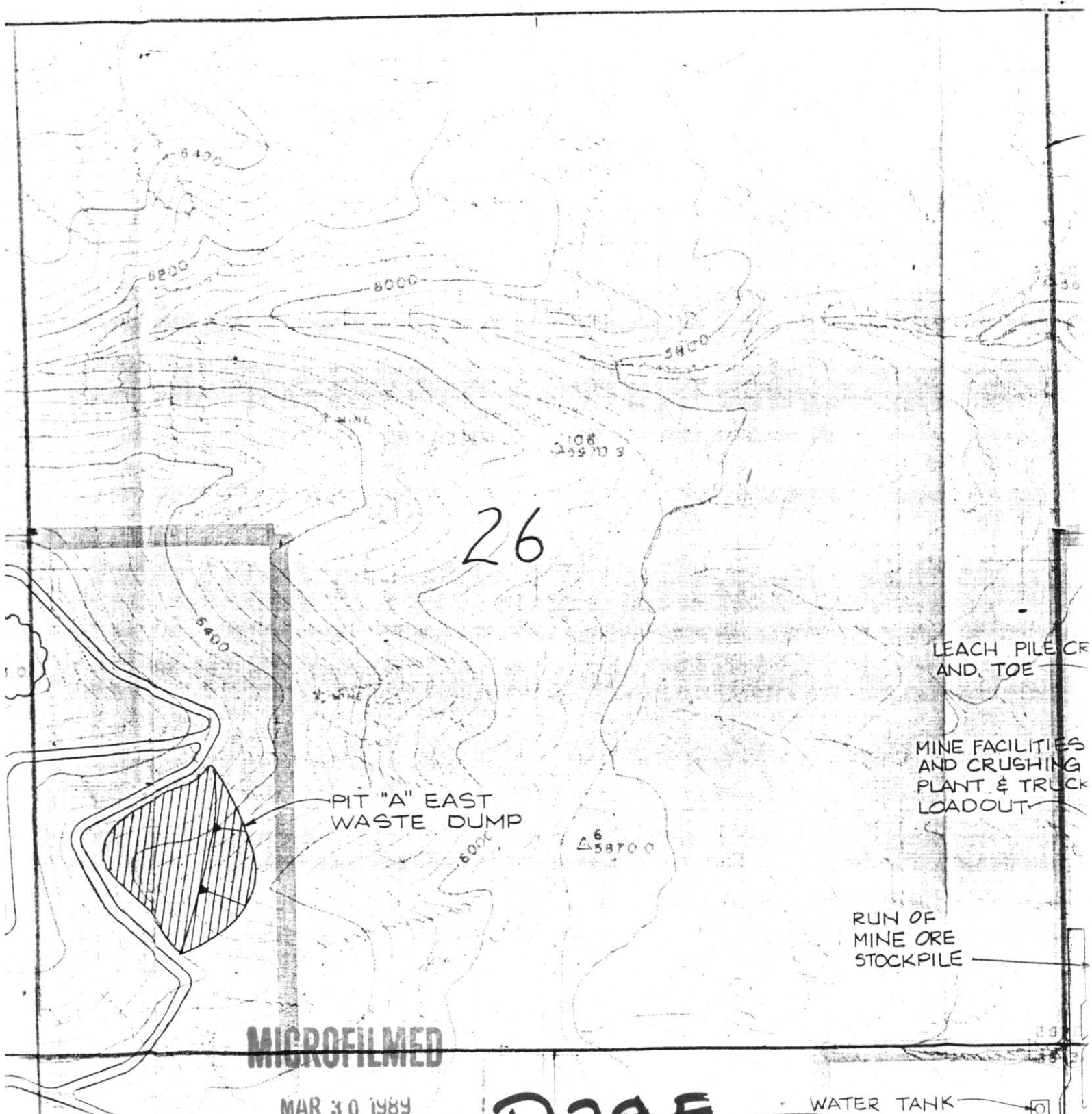
PROCESS/
ANCILLARY
FACILITIES
AREA

SEDIMENT
POND

MAR 20 1989

R29E T
15 S

SUNTY
COUNTY

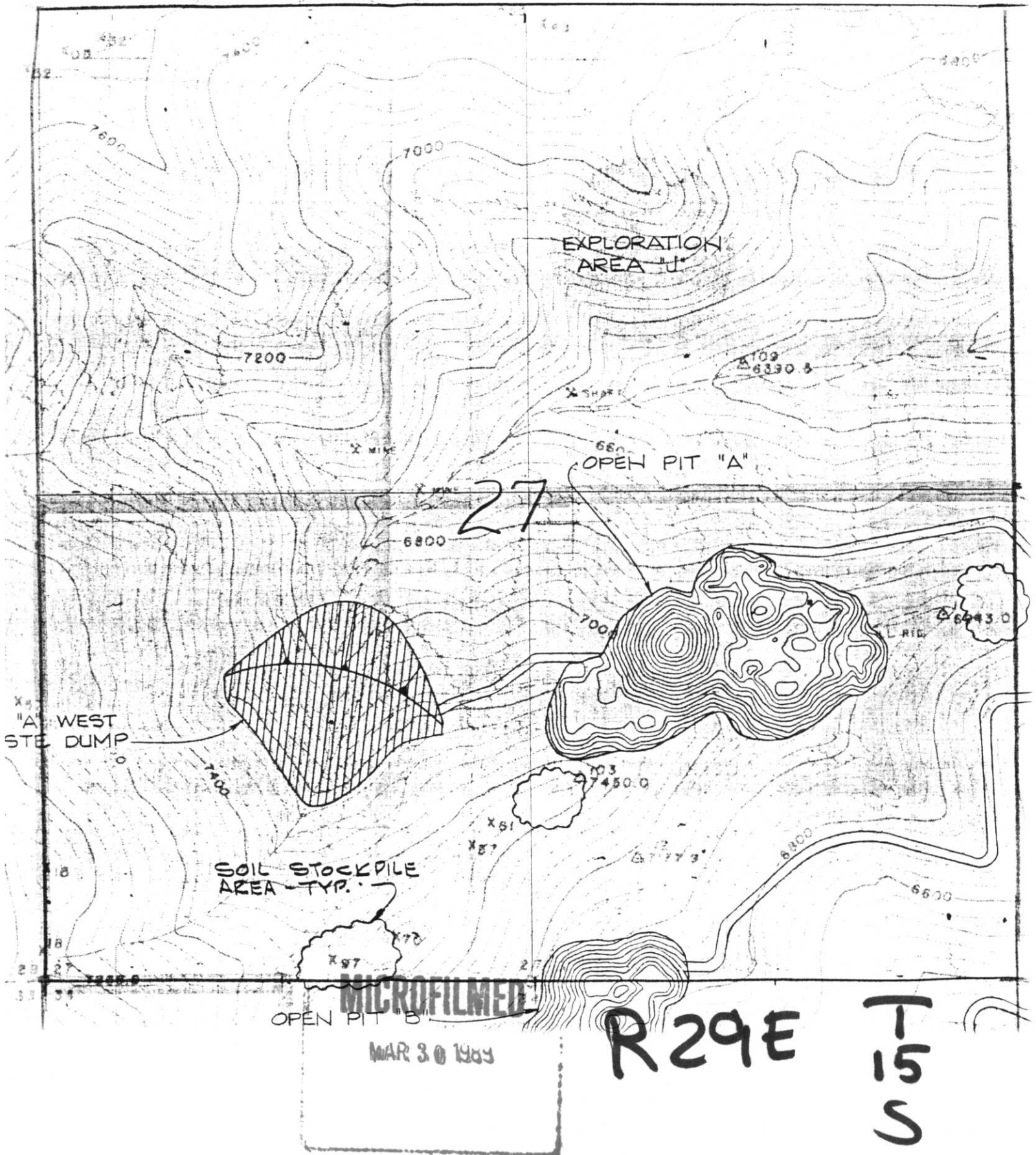


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MAR 30 1989

R29E

T15S



SOIL AREA - TYP.

OPEN PIT "B"

Δ 7825.5

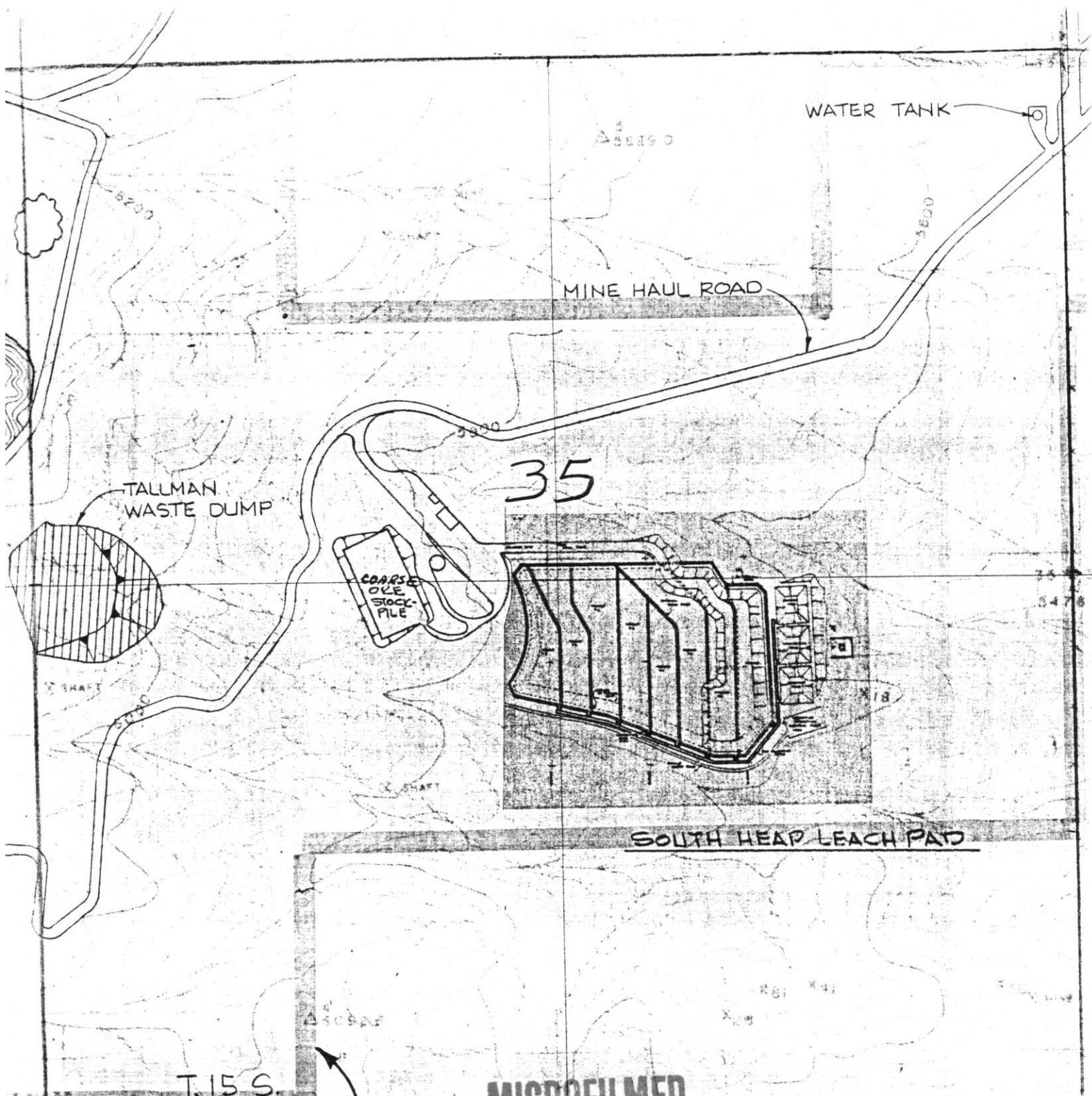
TALLMAN OPEN PIT
& WASTE DUMP FOR
PIT "B" MATERIAL

EXPLORATION
AREA "D"

MICROFILMED

MAR 30 1989

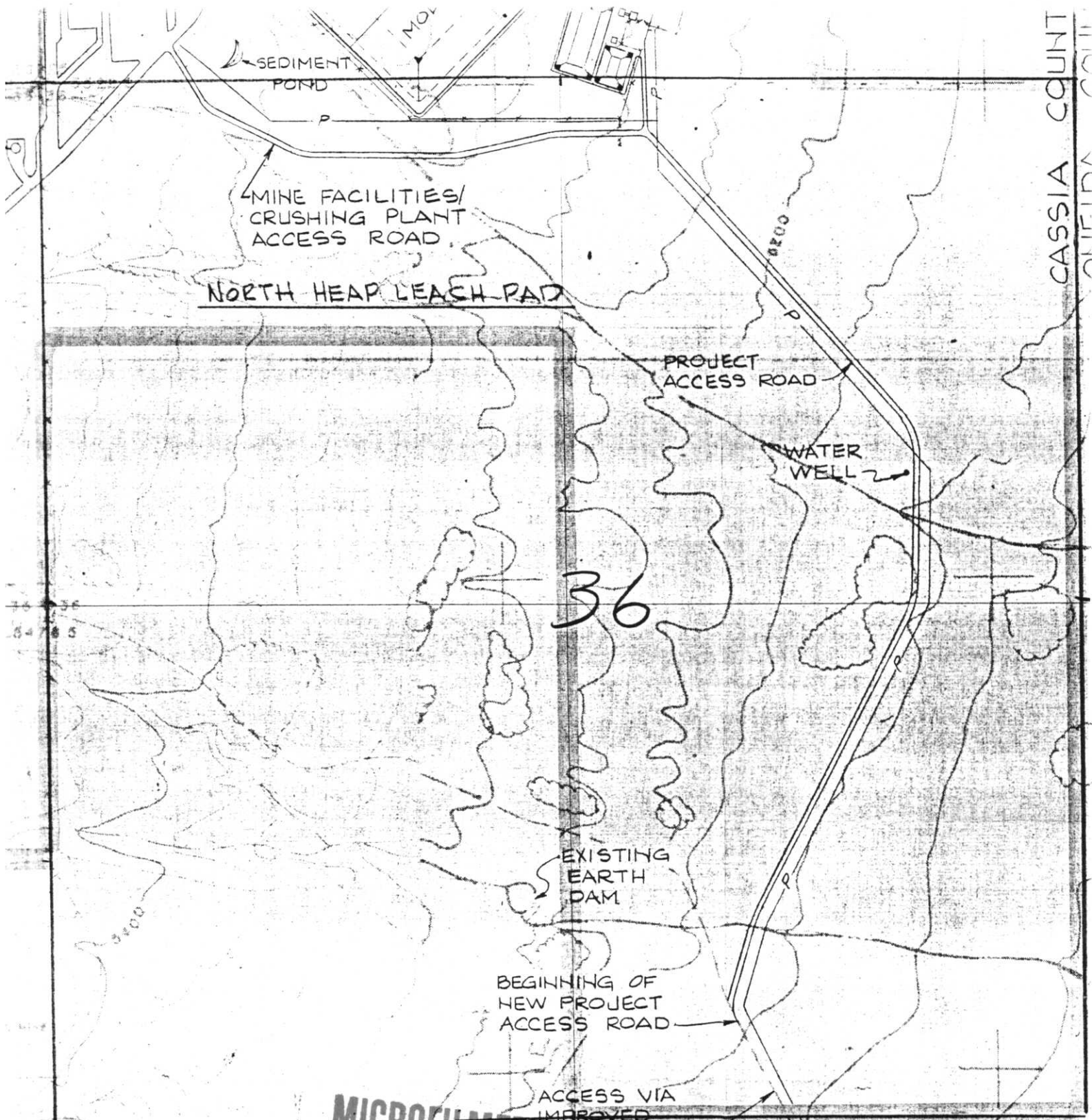
R29E T
15 S



MICROFILMED

MAR 30 1989

R29E T
15
S



CASSIA COUNT

MICROFILMED

MAR 30 1989

R29E T15S
OVERHEAD POWER LINE

SOUTH IDAHO PRESS

BURLEY, IDAHO

AFFIDAVIT OF PUBLICATION

County of Cassia,)
) ss.
 STATE OF IDAHO)
 Gaylyn Telleria, being first

duly sworn, deposes and says that he is the
 Clerk of the South Idaho
 Press, a daily newspaper published at Bur-
 ley, Idaho, in the county aforesaid and that
 the paper is of general circulation therein.
 Deponent further states that the printed no-
 tice attached hereto was duly published
 according to law in the regular editions of

The South Idaho Press for two (2)
 consecutive weeks, commencing with the issue
 dated Nov 16, 1988, and ending
 with the issue dated Nov 23, 1988

Gaylyn Telleria

STATE OF IDAHO

COUNTY OF

On this 5th day of Dec. in the year of 1988, before me,
 a Notary Public, personally appeared Gaylyn Telleria,
 known or identified to me to be the person whose name subscribed to the within instrument,
 and being by me first duly sworn, declared that the statements therein are true, and
 acknowledged to me that he executed the same.

Marge Barendse
 Notary Public for Idaho
 Residing at Burley
 My commission expires: 2-1-94

Cost of Publication 69.75
 Notary Fee .50
 Total Cost 70.25

MICROFILMED

MAR 30 1989

88-588

NOTICE OF APPLICATION FOR WATER RIGHT

The Following application(s) have been filed to appropriate the public waters of the State of
 Idaho:

17-07132

NORANDA INC.

65 N. EDISON WAY #4

RENO, NV 89510

Source: GROUNDWATER

Diversion Pt: SWSENE Sec 36 T 15S R 29E

Use: MINING (.910 CFS)

Date Filed: 10/06/1988

In:

T15S R29E S25

NESW

NWSW

SWSW

SESW

NWSE

NWSW

SWSW

SWSW

SESE

S26

S27

NESW

NESE

NWSW

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SWNW

SWSW

SWNE

SENE

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SWNE

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SENE

NWSE

The permit(s) will be subject to all prior water rights. Protests must be filed with the Director,
 Dept. of Water Resources, Eastern Region, 150 Shoup Avenue, Suite 15, Idaho Falls, Idaho 83402
 on or before DECEMBER 5, 1988.

R. KEITH HIGGINSON,

Published in the South Idaho Press on November 16 and 23, 1988.

RECEIVED

DEC 3 1988

Department of Water Resources
 Eastern District Office

**STARTING
RIGHT
SIDE OF
FILE**

WELL DRILLER'S REPORT

State law requires that this report be filed with the Director, Department of Water Resources within 30 days after the completion or abandonment of the well.

1. WELL OWNER

Name Noranda, Inc.
65 North Edison Way, #4
Address Reno, Nevada 89510
Owner's Permit No. 17-07132 17-89C-001-00

7. WATER LEVEL

Static water level 150 feet below land surface.
Flowing? ☐ Yes ☒ No G.P.M. flow _____
Artesian closed-in pressure _____ p.s.i.
Controlled by: ☐ Valve ☐ Cap ☐ Plug
Temperature _____ °F. Quality _____
Describe artesian or temperature zones below.

2. NATURE OF WORK

☒ New well ☐ Deepened ☐ Replacement

☐ Well diameter increase

☐ Abandoned (describe abandonment procedures such as materials, plug depths, etc. in lithologic log)

8. WELL TEST DATA

☐ Pump ☐ Bailer ☐ Air ☐ Other _____[illegible]

3. PROPOSED USE

☐ Domestic ☐ Irrigation ☐ Test ☐ Municipal
☒ Industrial ☐ Stock ☐ Waste Disposal or Injection
☐ Other _____ (specify type)

9. LITHOLOGIC LOG

Bore Diam.	Depth		Material	Water	
	From	To		Yes	No
10	0	5	Sand		x
10	5	8	Gravel		x
10	8	14	Sand & Clay		x
10	14	190	Sand & Clay & Gravel	x	
10	190	255	Gravel & sand	x	
10	255	320	Sand & Gravel	x	
10	320	410	Gravel & Rock	x	

4. METHOD DRILLED

☒ Rotary ☒ Air ☐ Hydraulic ☐ Reverse rotary
☐ Cable ☐ Dug ☐ Other _____

5. WELL CONSTRUCTION

Casing schedule: ☒ Steel ☐ Concrete ☐ Other _____

Thickness	Diameter	From	To
.250 inches	10 3/4 inches	+ 1 1/2 feet	388 feet
_____ inches	_____ inches	_____ feet	_____ feet
_____ inches	_____ inches	_____ feet	_____ feet
_____ inches	_____ inches	_____ feet	_____ feet

Was casing drive shoe used? ☒ Yes ☐ No

Was a packer or seal used? ☒ Yes ☐ No

Perforated? ☒ Yes ☐ No

How perforated? ☐ Factory ☒ Knife ☐ Torch ☐ Gun

Size of perforation 3/16 inches by 2 inches

Number	From	To
<u>258</u> perforations	<u>300</u> feet	<u>380</u> feet
_____ perforations	_____ feet	_____ feet
_____ perforations	_____ feet	_____ feet

Well screen installed? ☐ Yes ☒ No

Manufacturer's name _____

Type _____ Model No. _____

Diameter _____ Slot size _____ Set from _____ feet to _____ feet

Diameter _____ Slot size _____ Set from _____ feet to _____ feet

Gravel packed? ☐ Yes ☐ No ☐ Size of gravel _____

Placed from _____ feet to _____ feet

Surface seal depth 50 Material used in seal: ☐ Cement grout

☒ Bentonite ☐ Puddling clay ☐ _____

Sealing procedure used: ☐ Slurry pit ☐ Temp. surface casing

☐ Overbore to seal depth

Method of joining casing: ☐ Threaded ☒ Welded ☐ Solvent

Weld

☐ Cemented between strata

Describe access port 1 1/2 pipe cap

RECEIVED

~~SEP 22 1993~~

Department of Water Resources

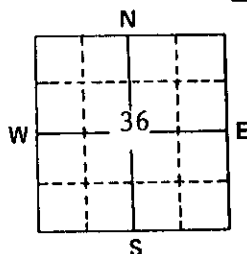
RECEIVED

JAN 17 1990

Department of Water Resources
Eastern District Office

6. LOCATION OF WELL

Sketch map location must agree with written location.



Subdivision Name _____

Lot No MICROFILM Block No _____

JUL 27 1999

County Cassia JUL 27 1999

SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 36 T. 15 N ☐ E ☒
S ☒ R. 29 W ☐

11. DRILLERS CERTIFICATION

1/We certify that all minimum well construction standards were complied with at the time the rig was removed.

Firm Name Elsing Drilling Firm No. 31

P.O. Box 919

Address Twin Falls, ID 83303 Date 11-6-90

Signed by (Firm Official) Michael E. King

and

(Operator) Bill McFarquhar

WR0749NP
No. L17-07132

IDAHO DEPARTMENT OF WATER RESOURCES
WATER RIGHT PROFILE REPORT

DATE: 05/02/97
PAGE: 1

OWNER CODE	NAME & ADDRESS	PRIORITY DATE	WATER USE	USE PERIOD FROM TO	DIVERSION RATE	DIVERSION VOLUME
C	PEGASUS GOLD CORP [REDACTED] [REDACTED]	10/06/1988	MINING	01/01 12/31	0.910 CFS	658.10 AFA
TOTAL DIVERSION:					0.910 CFS	658.10 AFA

Water Source: GROUNDWATER

Tributary to:

Stage: LICENSE

Point(s) of Diversion Capacity: 1.200 CFS

Point(s) of Diversion: T15S R29E S36

NENE

CASSIA County

Place of use Legal Description for: MINING

				NE				NW				SW				SE															
				NENE	NWNE	SWNE	SENE					NENW	NWNW	SWNW	SENW					NESW	NWSW	SWSW	SESW					NESE	NWSE	SWSE	SESE
T	R	S	:	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac	Lt	Ac
15S	29E	25	:																												
15S	29E	26	:																												
15S	29E	27	:																												
15S	29E	34	:	M		M				M																					
15S	29E	35	:	M				M		M				M		M				M		M									
15S	29E	36	:	M		M		M		M																					

Pou County: CASSIA

Other Rights: NONE

Remarks: Mining use is for ore processing, dust suppression and support facilities.

Dates:	App. Received:	10/06/1988	Priority Date:	10/06/1988
	Proof Due Date:	04/01/1992	Proof Made Date:	02/06/1992
	Exam Made Date:	05/03/1995	Exam Sent to S.O.:	03/07/1996
	Licensed Date:			

Misc: Water District Number: Field Exam Fee: R (Received)



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

May 2, 1997

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

PEGASUS GOLD CORP
N 9 POST ST #400
SPOKANE WA 99201

RE: WATER RIGHT NO. 17-07132

Dear Water Right Holder(s):

The Department of Water Resources (the Department) has issued the enclosed license confirming that a water right has been established in accordance with the permit referenced above. The license is a preliminary order issued by the Department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action of the Department unless a party petitions for reconsideration or files an exception and/or brief as further described below:

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the Department within fourteen (14) days of the service date of this order. The Department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See section 67-5243(3), Idaho Code.

EXCEPTIONS AND BRIEFS

Within twenty-one (21) days after (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding. Otherwise, this preliminary order will become a final order of the Department.

If any party appeals or takes exceptions to this preliminary order, opposing parties shall have twenty-one (21) days to respond to any party's appeal. Written briefs in support of or taking exceptions to the preliminary order shall be filed with the Department. The Department retains the right to review the preliminary order on its own motion.

RECORDED
MAY 19 1997

ORAL ARGUMENT

If the Department grants a petition to review the preliminary order, the Department shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Department will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Department orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Department in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with Rules of Procedure 302 and 303.

FINAL ORDER

The Department will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Department may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The Department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its issuance if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) the petition for reconsideration is disposed of; or
- (b) the petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

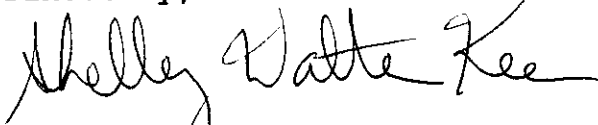
Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

For your records I have also enclosed a copy of your Application for Amendment of Permit, which was approved.

Sincerely,

A handwritten signature in cursive script that reads "Shelley W. Keen". The signature is written in dark ink and is positioned above the printed name and title.

Shelley W. Keen
Water Rights Supervisor

SK:ph

Enclosure

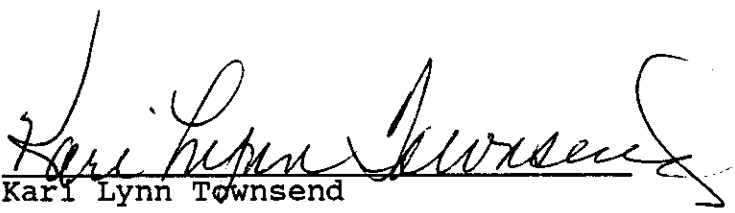
RECORDED
MAY 19 1967

CERTIFICATE OF MAILING

I hereby certify that on the 2nd day of May, 1997, I mailed
a true and correct copy, postage prepaid, of the foregoing
PRELIMINARY ORDER (Approved License) to the person(s) listed below:

Water Right No. 17-07132

PEGASUS GOLD CORP
N 9 POST ST #400
SPOKANE WA 99201

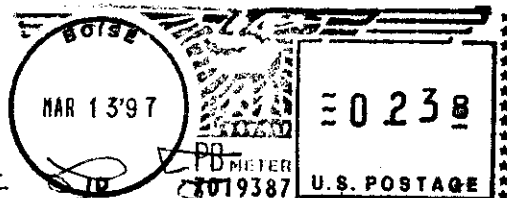

Karl Lynn Townsend
Secretary

RECORDED
MAY 19 1997

TE OF IDAHO
ARTMENT OF WATER RESOURCES
1301 North Orchard Street
Boise, Idaho 83706-2237

RECEIVED
MAR 19 1997
Department of Water Resources

PRESORTED
FIRST CLASS



*Resent copy fine
to
B. J. [unclear]
March 19, 1997*



NOT DELIVERABLE
AS ADDRESSED —
UNABLE TO FORWARD

MICROFILMED
MAY 19 1997

83706-2237 94





State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

**PHILIP E. BATT
GOVERNOR**

**KARL J. DREHER
DIRECTOR**

March 12, 1997

PEGASUS GOLD CORP
N 9 POST ST #400
SPOKANE WA 99201

RE: WATER RIGHT NO. 17-07132

Dear Water Right Holder(s):

The above referenced water right is in the process of being licensed. However, before a license can be issued, your permit must be amended to depict your water right as it has actually been developed.

The enclosed Application for Amendment contains information that will be included on the license when it is issued. The amendment reflects a change in the location of the point(s) of diversion and the place(s) of use description. Please review carefully and if you concur, sign the amendment and return it with the \$50.00 filing fee within 14 days.

The last page of the Application for Amendment form contains a list of Conditions of Approval and Remarks proposed for the license when it is issued. These conditions of approval and remarks may be modified upon further administrative review.

If you do not concur, or if you have any questions about this information, please contact me as soon as possible. My telephone number is (208) 327-7946.

Sincerely,

Shelley W. Keen
Water Rights Supervisor

SK:ph

Enclosure

RECEIVED

MAY 19 1997



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

March 12, 1997

PEGASUS GOLD CORP
N 9 POST ST #400
SPOKANE WA 99201

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Sincerely,

Shelley W. Keen
Water Rights Supervisor

SK:ph

Enclosure

MONOFILED

MAY 19 1997

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
BENEFICIAL USE FIELD REPORT

RECEIVED
MAR 3 1996
Department of Water Resources

A. GENERAL INFORMATION PEGASUS GOLD Permit No. 17-07132
1. Owner: BLACK PINE MINING INC Phone No. (208) 645-2612
Current Address: P.O. BOX 578, BURLEY, IDAHO 83318
2. Accompanied by: C. CRELLIN SCOTT EXAM DATE: 5/3/95
Address: SAME AS ABOVE Phone No. (208) 645-2612
Relationship to Permit Holder: SENIOR ENVIRONMENTAL ENGINEER
3. Source: GROUND WATER tributary to N/A

B. OVERLAP REVIEW

1. Other water rights with the same place of use: 17-07140 OVERLAP
2. Other water rights with the same point of diversion: 17-07140

C. DIVERSION AND DELIVERY SYSTEM

1. Point(s) of Diversion:

Ident No.	Gov't Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Method of Determination/Remarks
		NE	NE	NE	36	15S	29E	CASSIA	U. S. G. S. TOPO MAP

2. Place(s) of Use:

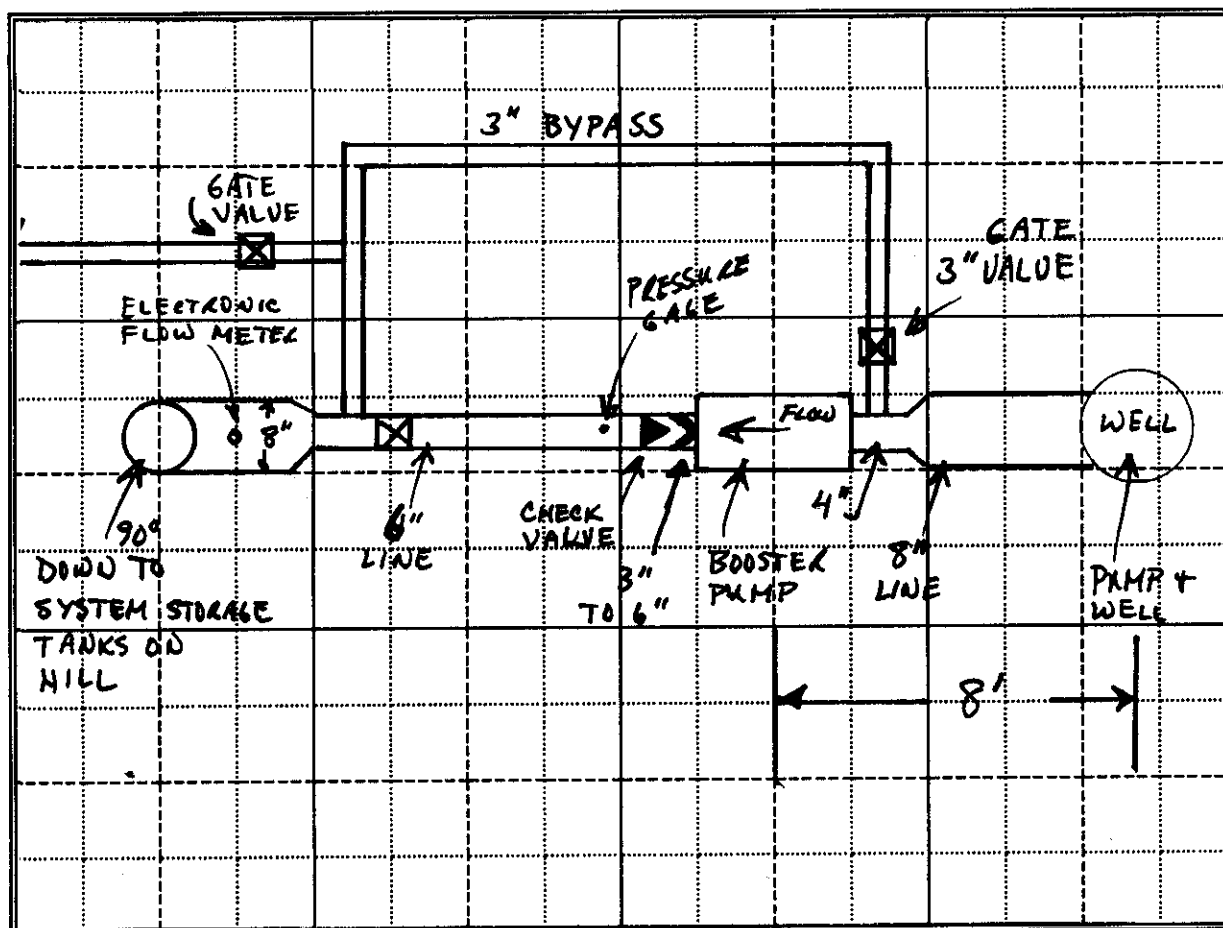
Indicate Method of Determination ON SITE INSPECTION

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
15S	29E	25									X	X	X	X		X	X		
		26									X	X	X	X					
		27									X	X	X	X	X	X	X	X	
		34	X	X	X	X	X								X			X	
		35	X	X	X	X	X	X	X	X	X	X	X		X	X			
		36	X	X	X	X	X	X			X	X	X	X	X	X	X	X	

MICROFILMED

MAY 19 1997

3. **Delivery System Diagram:** Indicate all major components and distances between components. Indicate weir size/ditch size/pipe i.d. as applicable. *PUMP + WELL HOUSE INTERIOR VIEW*



Scale: 1" = _____

____ Copy of USGS Quadrangle Attached Showing location(s) of point(s) of diversion and place(s) of use (required).

____ Aerial Photo Attached (required for irrigation of 10+ acres)

____ Photo of Diversion and System Attached

4.

Well or Diversion Identification No.*	Motor Make	Hp	Motor Serial No.	Pump Make	Pump Serial No. or Discharge Size
1989 WELL	U.S. MOTOL	40	6229/T07T 052R 007R-20		8"
BOOSTER PUMP	GOULD	150	92707551		3"

*Code to correspond with No. on map and aerial photo

D. FLOW MEASUREMENTS

1.

Measurement Equipment	Type	Make	Model No.	Serial No.	Size	Calib. Date
PRESSURE GAGE			WIKA GAGE		D-600	380 PSI

2. Measurements: *- SYSTEM -*
SIGNET FLOW METER 2,355,316 GALLONS TO DATE

RECORDED

MAY 19 1957

E. NARRATIVE/REMARKS/COMMENTS

ON 5/3/95 AT APPROXIMATELY 1300HRS A BENEFICIAL USE
FIELD EXAM WAS CONDUCTED FOR PERMIT #17-07132.

THE WATER APPROPRIATED FOR THIS PERMIT WILL BE
USED FOR MINE ORE PROCESSING, DUST SUPPRESSION
AND DOMESTIC USE.

WATER IS PUMPED 170 FEET TO THE SURFACE BY
A 40 HP PUMP. AT THE SURFACE THE WATER IS BOOSTED
BY A 150 HP BOOSTER PUMP 825' UP HILL TO TWO
STORAGE TANKS WHERE IT IS REDISTRIBUTED FOR MINE
USE.

WELL: 10" DIAMETER

DEPTH 410'

STATIC WATER 150'

PUMPS: 40 HP DEEP WELL 8" DISCHARGE

150 HP BOOSTER PUMP 3" DISCHARGE

SYSTEM PRESSURE AT PUMPS (PUMPS OFF) 380 PSI

ELEVATIONS: WATER TANKS $\left. \begin{array}{l} 5950' \\ 5125' \end{array} \right\} = 825' \text{ LIFT}$
WELL HOUSE

Have conditions of permit approval been met? ☒ yes ☐ no

MICROFILMED

MAY 19 1997

F. FLOW CALCULATIONS

Measured Method:

☒ Additional Computation Sheets Attached

$$Q = 1.19 \text{ cfs}$$

$$\text{Theoretical for } 40 \text{ hp} \times 8.814 \times 0.8 = 1.76 \text{ cfs at surface}$$

$$160' \text{ 1 ft } (2.308 \times 0.8 \text{ pressure})$$

* Limited by permit to 0.91 cfs

$$\text{Theoretical for Booster } 150 \text{ hp} \times 8.814 \times 0.8 = 1.28 \text{ cfs into storage tank}$$

$$825' \text{ 1 ft } (2.308 \times 0)$$

G. VOLUME CALCULATIONS

1. Volume Calculations for Irrigation:

$$V_{I.R.} = (\text{Acres Irrigated}) \times (\text{Irrigation Requirement}) =$$

$$V_{D.R.} = [\text{Diversion Rate (cfs)}] \times (\text{Days in Irrigation Season}) \times 1.9835 =$$

$$V = \text{Smaller of } V_{I.R.} \text{ and } V_{D.R.} =$$

2. Volume Calculations for Other Uses: DATA PROVIDED BY PLANT ENGINEER

$$200 \text{ GPM} \times 60 \text{ MIN/Hr} \times 24 \text{ HRS/DAY} \times 365 \text{ DAYS/YR} = 1.0512 \times 10^8$$

$$325,850 \text{ ft}^3/\text{Acre-ft.}$$

$$\frac{0.91 \text{ cfs}}{1.2 \text{ cfs}} = 0.7583 \times 322.6 = 244.62 \text{ AFA}$$

$$= 322.6 \text{ AFA}$$

COMBINED BOTH PERMITS 17-07132
12-07140

H. RECOMMENDATIONS

$$408 \text{ gpm} \times 60 \text{ min/hr} \times 24 \text{ hr/d} \times 365 \text{ d/yr} = 658.1 \text{ acf}$$

1. Recommended Amounts

Beneficial Use	Period of Use		Rate of Diversion Q (cfs)	Annual Volume V (afa)
	From	To		
MINING	1/1	12/31	0.91	244.62 658.1 acf
Totals:			0.91 cfs	244.62 AFA 658.1 acf

2. Recommended Amendments

☒ Change P.D. as reflected above ☐ Add P.D. as reflected above ☐ None
☐ Change P.U. as reflected above ☒ Add P.U. as reflected above ☐ Other

I. AUTHENTICATION

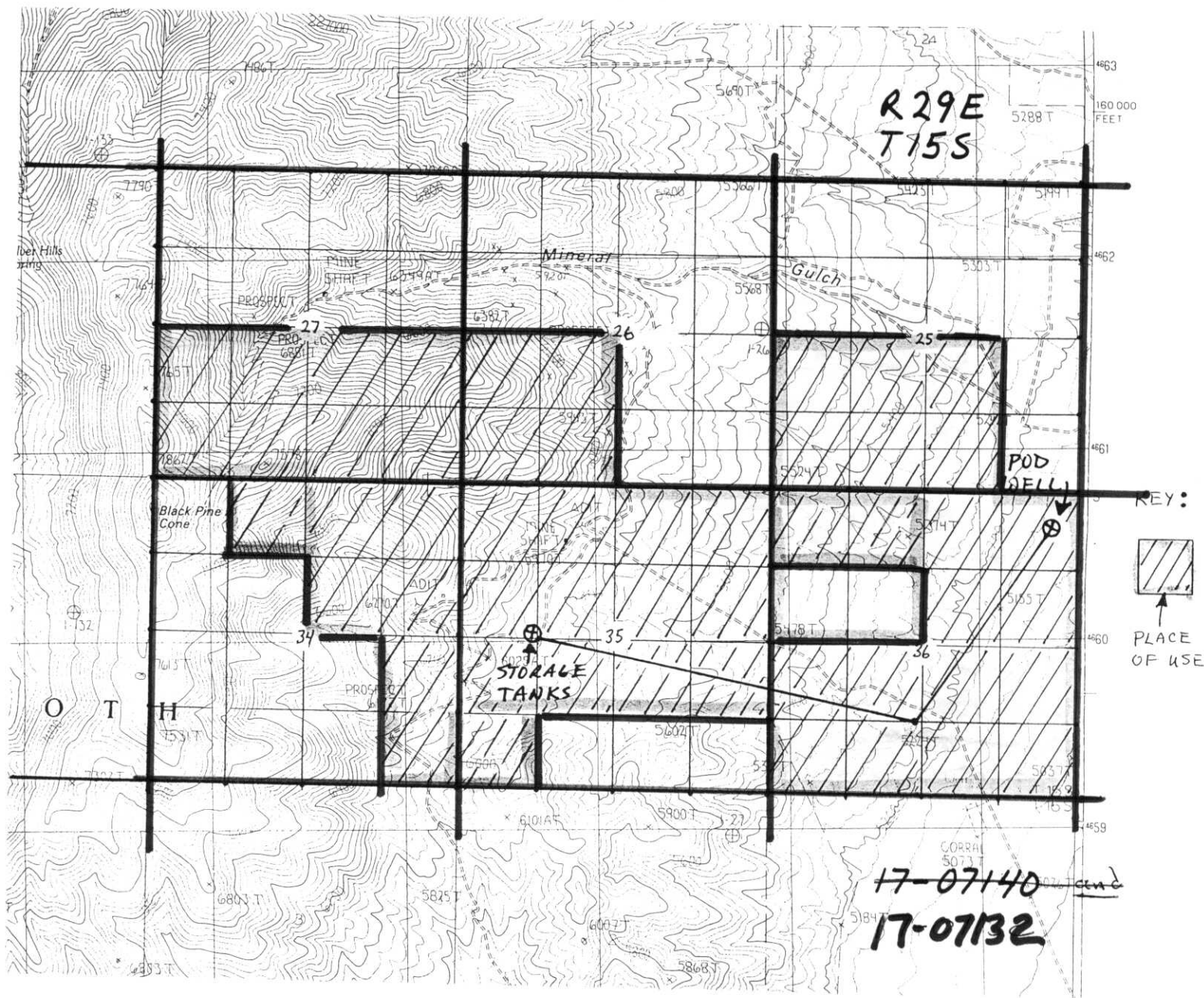
Field Examiner's Name DON SIMPKINS Date 12/12/95

Reviewer H.W. Jones Date 1-19-96

SEAL

MICROFILMED

MAY 19 1997



R29E
T15S

KEY:



PLACE
OF USE

17-07140 and
17-07132

MICROFILMED
MAY 19 1997



BLACK PINE MINING, INC.

C. CRELLIN SCOTT

SENIOR ENVIRONMENTAL ENGINEER

P.O. BOX 578 BURLEY, IDAHO 83318

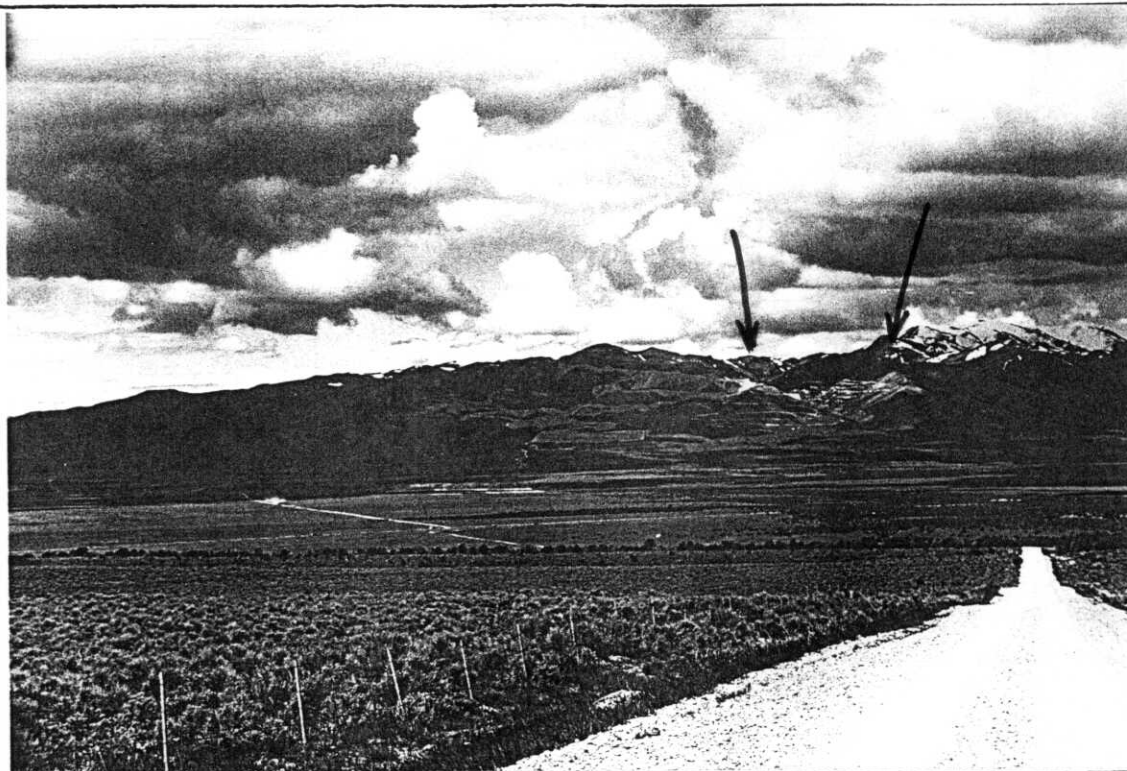
(208) 645-2612 FAX (208) 645-2632

HOMER (208) 436-9732

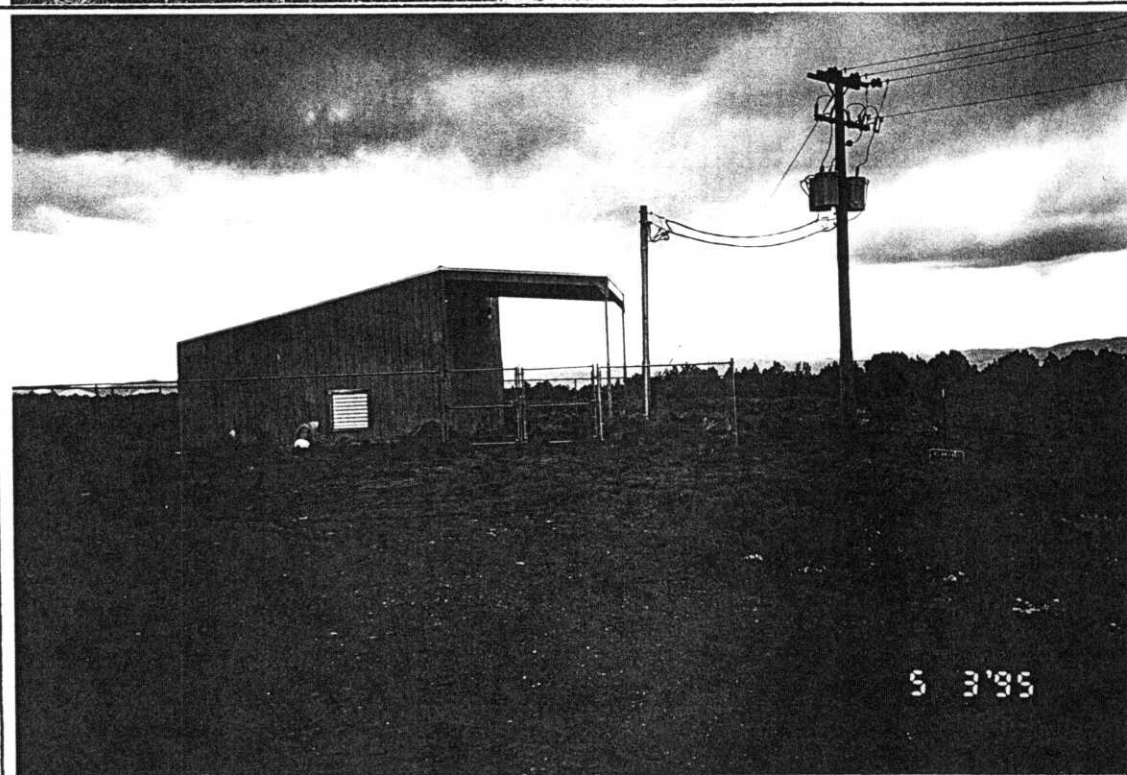
A WHOLLY OWNED SUBSIDIARY OF PEGASUS GOLD CORPORATION

MICROFILMED
MAY 19 1987

143



VIEW OF
MINING
OPERATIONS



WELL
HOUSE

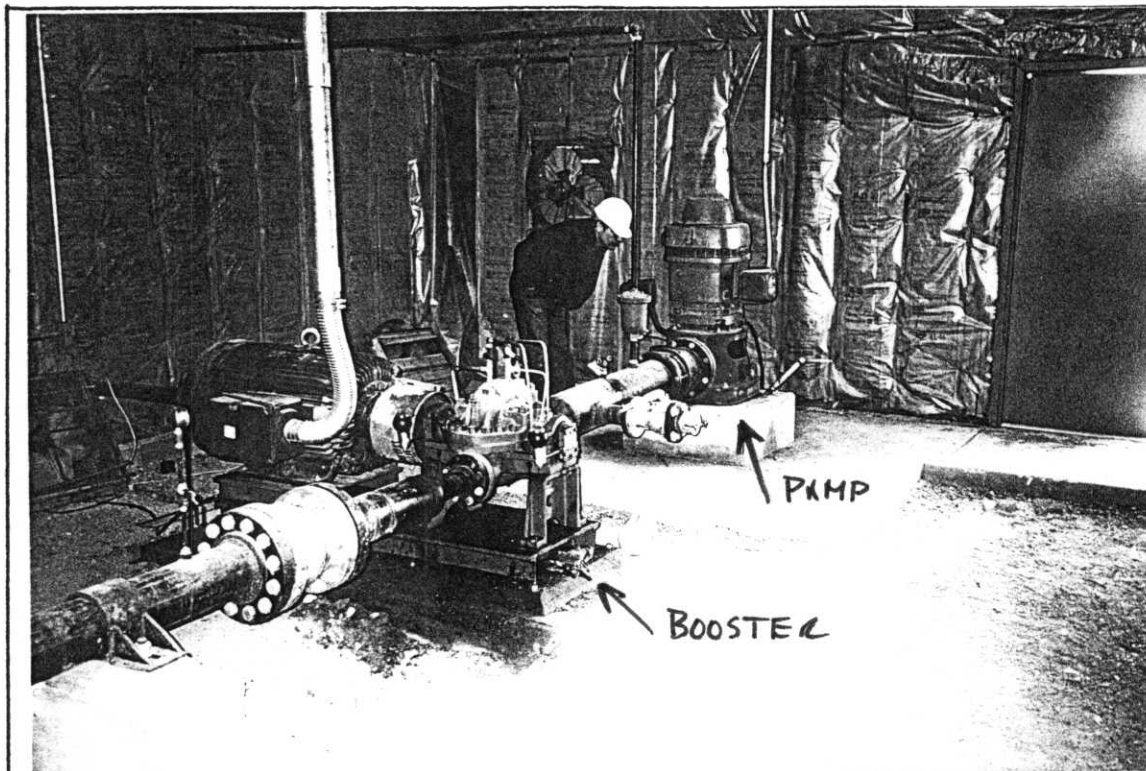
5 3'95

MICROFILMED
MAY 19 1997

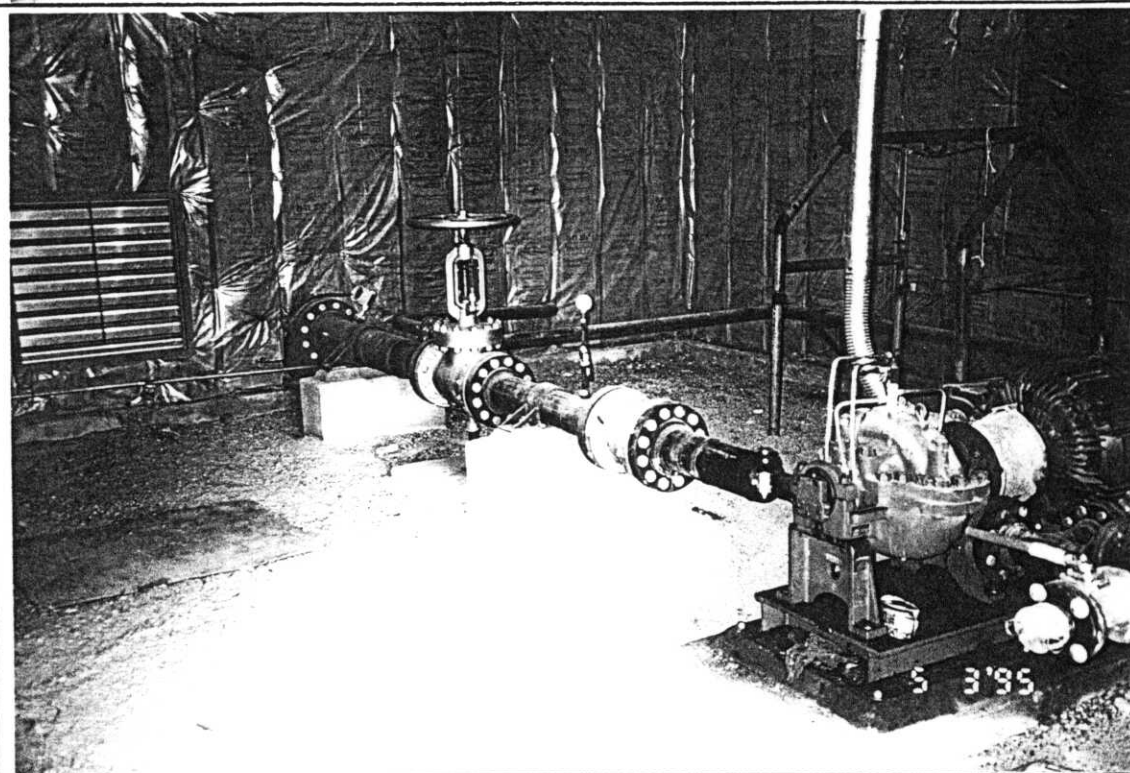
17-07132

213

INTERIOR
OF WELL
HOUSE
NORTH VIEW



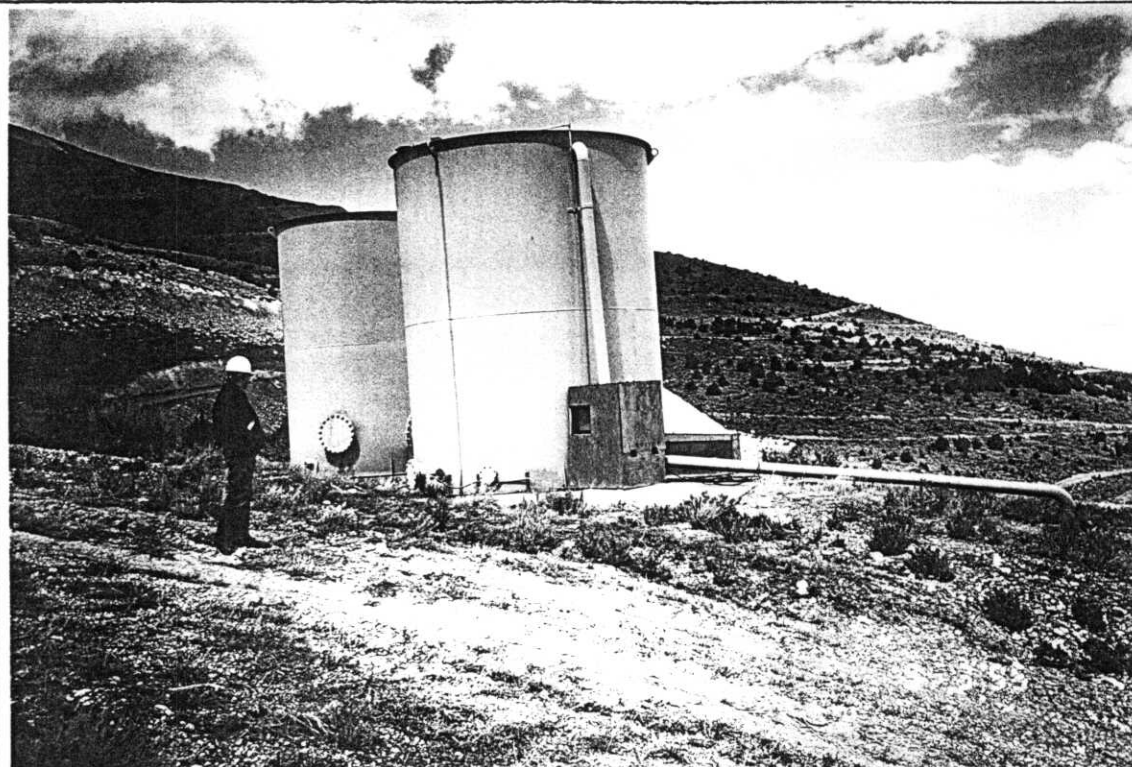
INTERIOR
OF WELL
HOUSE
SOUTH VIEW



MICROFILMED
MAY 19 1997

17-07132

313



VIEW OF
STORAGE
TANKS ON
HILL ABOVE
MINING

MICROFILMED
MAY 19 1997

17-07132

March 6, 1992

PEGASUS GOLD CORP.
N. 9 POST ST. #400
SPOKANE WA 99201

PROOF ACKNOWLEDGMENT LETTER

RE: PERMIT NO. 17-07132

Dear Permit Holder:

The department acknowledges receipt of the proof of beneficial use form submitted for the above referenced permit. The next step in the process of developing a water right is for the department to conduct a field examination to determine and confirm the use being made of the water.

If you have questions concerning this matter, please feel free to contact the EASTERN Regional Office in Idaho Falls at (208)525-7161.

Sincerely,

Karen L. Gustafson
Secretary/Records Manager

c: IDWR - Region

MICROFILMED

APR 06 1992

PEGASUS GOLD CORPORATION

RECEIVED
MAR 4 1992

Department of Water Resources

BLACK PINE MINE

March 2, 1992

Ms. Karen L. Gustafson
Idaho Department of Water Resources
1301 North Orchard Street
Statehouse Mail
Boise, Idaho 83720-9000

Re: Driller's Log for Black Pine's Proof of Beneficial Use, Permit
No. 17-07132

Dear Ms. Gustafson:

As per your request dated February 13, 1992, for the driller's log on our well drilled in Section 36, T.15S., R.29E., B.M., please find enclosed a copy of the driller's log for your records. Elsing Drilling has noted the date this log was sent to your Idaho Falls office in the upper right hand corner (1-15-90) which explains why you were unable to locate this log in your Boise office.

Also note that the log is under Noranda, Inc. as the well owner. This property along with several others were transferred to Pegasus Gold Corporation in late 1990.

If you need any other information or have any questions regarding this matter, please contact me at your convenience.

Sincerely,



C. Crellin Scott
Environmental Coordinator

keo
Enclosure
cc: file

MICROFILMED

APR 06 1992

76TH60
MAR 2 1992

WELL DRILLER'S REPORT

State law requires that this report be filed with the Director, Department of Water Resources
within 30 days after the completion or abandonment of the well.Sent to State
(Idaho Falls.)
1-15-90

1. WELL OWNER

Name Noranda, Inc.
65 North Edison Way, #4
Address Reno, Nevada 89510
Owner's Permit No. 17-07132

7. WATER LEVEL

Static water level 150 feet below land surface.
Flowing? ☐ Yes ☒ No G.P.M. flow _____
Artesian closed-in pressure _____ p.s.i.
Controlled by: ☐ Valve ☐ Cap ☐ Plug
Temperature _____ °F. Quality _____
Describe artesian or temperature zones below.

2. NATURE OF WORK

- ☒
- New well
- ☐
- Deepened
- ☐
- Replacement
-
- ☐
- Well diameter increase
-
- ☐
- Abandoned (describe abandonment procedures such as
-
- materials, plug depths, etc. in lithologic log)

8. WELL TEST DATA

☐ Pump ☐ Bailer ☐ Air ☐ Other _____

Discharge G.P.M. Pumping Level Hours Pumped

3. PROPOSED USE

- ☐
- Domestic
- ☐
- Irrigation
- ☐
- Test
- ☐
- Municipal
-
- ☒
- Industrial
- ☐
- Stock
- ☐
- Waste Disposal or Injection
-
- ☐
- Other _____ (specify type)

4. METHOD DRILLED

- ☒
- Rotary
- ☒
- Air
- ☐
- Hydraulic
- ☐
- Reverse rotary
-
- ☐
- Cable
- ☐
- Dug
- ☐
- Other _____

5. WELL CONSTRUCTION

Casing schedule: ☒ Steel ☐ Concrete ☐ Other _____

Thickness	Diameter	From	To
<u>.250</u> inches	<u>10 3/4</u> inches	<u>11</u> feet	<u>388</u> feet
_____ inches	_____ inches	_____ feet	_____ feet
_____ inches	_____ inches	_____ feet	_____ feet
_____ inches	_____ inches	_____ feet	_____ feet

Was casing drive shoe used? ☒ Yes ☐ No
Was a packer or seal used? ☒ Yes ☐ No
Perforated? ☒ Yes ☐ No
How perforated? ☐ Factory ☒ Knife ☐ Torch ☐ Gun
Size of perforation 3/16 inches by 2 inches

Number	From	To
<u>258</u> perforations	<u>300</u> feet	<u>380</u> feet
_____ perforations	_____ feet	_____ feet
_____ perforations	_____ feet	_____ feet

Well screen installed? ☐ Yes ☒ NoManufacturer's name _____
Type _____ Model No. _____

Diameter _____ Slot size _____ Set from _____ feet to _____ feet

Diameter _____ Slot size _____ Set from _____ feet to _____ feet

Gravel packed? ☐ Yes ☐ No ☐ Size of gravel _____

Placed from _____ feet to _____ feet

Surface seal depth 50 Material used in seal: ☐ Cement grout☒ Bentonite ☐ Puddling clay ☐ _____Sealing procedure used: ☐ Slurry pit ☐ Temp. surface casing☐ Overbore to seal depthMethod of joining casing: ☐ Threaded ☒ Welded ☐ Solvent

Weld

☐ Cemented between strataDescribe access port 1 1/2 pipe cap

9. LITHOLOGIC LOG

Bore Diam.	Depth		Material	Water	
	From	To		Yes	No
10	0	5	Sand		x
10	5	8	Gravel		x
10	8	14	Sand & Clay		x
10	14	190	Sand & Clay & Gravel	x	
10	190	255	Gravel & sand	x	
10	255	320	Sand & Gravel	x	
10	320	410	Gravel & Rock	x	

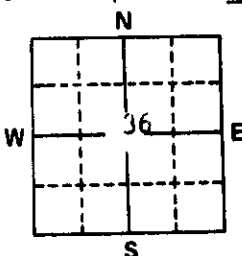
RECEIVED
MAR 4 1992

Department of Water Resources

10.

Work started 9-20-89 finished 12-23-89

6. LOCATION OF WELL

Sketch map location must agree with written location.

Subdivision Name

MICROFILMED

APR 06 1992

Lot No. _____ Block No. _____

County CassiaSW 1/4 SE 1/4 Sec. 36, T. 15 N ☐ S ☒ R. 29 E ☒ W ☐

11. DRILLERS CERTIFICATION

I/We certify that all minimum well construction standards were
complied with at the time the rig was removed.Firm Name Elsing Drilling Firm No. 31

P.O. Box 919

Address Twin Falls, ID 83303 Date 11-6-90Signed by (Firm Official) Arnold Elsing

and

(Operator) Bill McHargan



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

February 13, 1992

Pegasus Gold Corporation
North 9 Post Street
Suite 400
Spokane, WA 99201

Re: Permit No. 17-07132

Dear Permit Holder:

In the department's review of the proof of beneficial use submitted in connection with the above referenced permit, the department was not able to locate a well log which should have been submitted by your well driller 30 days after completion of the construction of your well. I have located several wells drilled in Section 35 in October of 1991. However, I was unable to locate a well drilled Elsing Drilling in Section 36 in December of 1989.

If you have a copy of the well log, please provide this office with a copy. If you do not, please contact your driller and ask that he submit a copy. In your return letter, please be sure to show the above referenced permit number on any documents. Also, please address any correspondence directly to me. Your response should be received within 30 days of the date of this mailing.

This information is needed before the department can proceed further with the examination of your system and the eventual issuance of a license of water right.

If you have any questions or if I can be of any further assistance, please feel free to contact me.

Sincerely,

Karen L. Gustafson
Karen L. Gustafson
Secretary/Records Manager

REPROFILMED

APR 06 1992

January 31, 1992

PEGASUS GOLD CORP.
N. 9 POST ST. #400
SPOKANE WA 99201

PROOF DUE NOTICE

RE: PERMIT NO. 17-07132

Dear Permit Holder:

One of the conditions of approval of the above referenced water permit was that proof of the extent of your beneficial use must be submitted to this office on or before April 1, 1992. (See last page of your approved permit or your last approved extension request.) Enclosed is a form which when accompanied by the license examination fee or a complete field examination report prepared by a certified water right examiner may be used to submit the required proof.

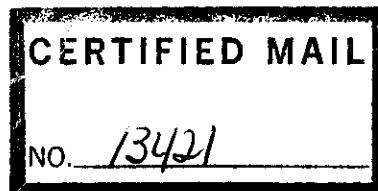
If you have not fully completed your project, and you or a previous owner of this permit have not received a prior extension of time, you may request an extension of time if the delay is for reasonable cause as provided in Section 42-204, Idaho Code. If you have been prevented from proceeding by a governmental agency or by litigation which might bring title to the water in question, more than one extension of time can be granted. An extension of time request form is enclosed for your convenience.

Either an acceptable proof of beneficial use submittal or an acceptable request for an extension of time must be received by this department on or before the above described proof due date. If neither is received, the department will send you a lapse notice. Within sixty (60) days of the mailing of the lapse notice, the permit will no longer be of any force nor effect.

SINCERELY,

Karen L. Gustafson
Secretary/Records Manager

Enclosures



MICROFILMED

APR 06 1992



State of Idaho
DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720 - (208) 327-7900

CECIL D. ANDRUS

GOVERNOR

R. KEITH HIGGINSON

DIRECTOR

August 22, 1990

Pegasus Gold Corp.
ATTN: Steve Banning
N 9 Post Street, Suite 400
Spokane, WA 99201

RE: Water Right No. 17-7132

Dear Water Right Holder(s):

We acknowledge receipt of the correspondence transferring ownership of the above referenced water right to you. We have modified our computer records to reflect this change in ownership.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Sharla Curtis".

SHARLA CURTIS
Technical Records Specialist

SC:js

MICROFILMED

AUG 31 1990

LAW OFFICES
PRUITT, GUSHEE & FLETCHER

SUITE 1850 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111

(801) 531-8446

TELECOPIER (801) 531-8466

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.
F. ALAN FLETCHER
THOMAS W. BACHTELL
A. JOHN DAVIS, III
FREDERICK M. MACDONALD
STEVEN PAUL ROWE

OF COUNSEL
BRENT A. BOHMAN

July 5, 1990

RECEIVED
JUL 9 1990

VIA CERTIFIED - RETURN RECEIPT REQUESTED

Dave Hollingshead
Department of Water Resources
State of Idaho
1301 North Orchard Street
Statehouse Mail
Boise, ID 83720

Department of Water Resources

RE: Noranda/Pegasus Transaction
Black Pine Project
Cassia County, Idaho

Recapping our telephone conversation today covering the Black Pine Project, Cassia County, Idaho, by Agreement of Sale dated June 6, 1990, Noranda Exploration Inc., owner of the Black Pine Project and Properties, Cassia County, Idaho, agreed to transfer all of its right, title and interest in and to the project properties to our client, Pegasus Gold Corporation, a Nevada corporation. The Agreement was closed and documents of transfer executed by Noranda to Pegasus on June 6, 1990. As a consequence of that transaction, Pegasus Gold Corporation has also acquired all of the Black Pine Project permits relating to proposed operations.

Enclosed for your further handling are the following assignments, in duplicate, relating to permits, etc. administered by the Department of Water Resources:

1. Assignment of Permit dated June 18, 1990 for Drilling Permit No. 17-89-2-001 dated May 3, 1981 from Noranda Exploration, Inc. to Pegasus Gold Corporation, together with a copy of the Drilling Permit.
2. Assignment of Permit dated June 18, 1990 from Noranda Inc. to Pegasus Gold Corporation of Permit No. 17-7132, dated March 2, 1989, together with copies of Application for Permit, Request for Extension of time and other pertinent documents and correspondence.

MICROFILMED

AUG 31 1990

State of Idaho
July 3, 1990
Page 2

3. Assignment of Permit dated June 18, 1990 from Noranda Inc. to Pegasus Gold Corporation of Permit Application for Construction or Alteration - Black Pine North Impoundment Dam, dated November 14, 1988, approved July 8, 1989, together with copy of Application for Construction or Alteration.
4. Assignment of Permit dated June 18, 1990 from Noranda Inc. to Pegasus Gold Corporation of Permit Application for Construction or Alteration - Black Pine South Impoundment Dam, dated November 14, 1988, approved July 8, 1989, together with copy of the Application.

On behalf of Pegasus Gold Corporation, it is requested that the assignments of the Permits to Pegasus be acknowledged and approved as soon as possible. In the event there are additional requirements and/or transfer fees imposed for such approval, please let me know.

For your information, the following Pegasus official is knowledgeable concerning proposed operations and is available to discuss any questions:

Steve Banning
Manager of Engineering
Pegasus Gold Corporation
N. 9 Post Street, Suite 400
Spokane, Washington 99201
Telephone (509) 624-4653

Your cooperation is appreciated.

Very truly yours,


O. W. Gushee, Jr.

OWG:mg
0917.13

Enclosures

cc: Steve Banning w/copies of enclosures
Stan Bennett w/o copies of enclosures
Eldon Dickson w/o copies of enclosures

MICROFILMED

AUG 31 1990

May 1, 1990

Noranda Inc.
2501 Catlin, Suite 201
Missoula, Montana 59801

Gentlemen:

Re: Permit No. 17-7132

Enclosed is a copy of the approved request for extension of time. The time within which to submit proof of beneficial use is extended to April 1, 1992.

Note that the department has granted this extension based on due diligence. It is important that you work diligently toward the completion of this project during the construction period allowed. The department may not be able to grant additional requests.

Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enc.

MICROFILMED

MAY 16 1990

138051
January 31, 1990

NORANDA INC.
65 N. EDISON WAY #4
RENO, NV 89510

PROOF DUE NOTICE

RE: PERMIT NO. 17-07132

Dear Permit Holder:

One of the conditions of approval of the above referenced water permit was that proof of the extent of your beneficial use must be submitted to this office on or before April 1, 1990. (See last page of your approved permit or your last approved extension request.) Enclosed is a form which when accompanied by the license examination fee or a complete field examination report prepared by a certified water right examiner may be used to submit the required proof.

If you have not fully completed your project, and you or a previous owner of this permit have not received a prior extension of time, you may request an extension of time if the delay is for reasonable cause as provided in Section 42-204, Idaho Code. If you have been prevented from proceeding by a governmental agency or by litigation which might bring title to the water in question, more than one extension of time can be granted. An extension of time request form is enclosed for your convenience.

Either an acceptable proof of beneficial use submittal or an acceptable request for an extension of time must be received by this department on or before the above described proof due date. If neither is received, the department will send you a lapse notice. Within sixty (60) days of the mailing of the lapse notice, the permit will no longer be of any force nor effect.

SINCERELY,

Rita Fleck
Secretary/Records Manager

Enclosures

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MAY 16 1990



State of Idaho

DEPARTMENT OF WATER RESOURCES

(208) 327-7900

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720

CECIL D. ANDRUS

GOVERNOR

R. KEITH HIGGINSON

DIRECTOR

May 3, 1989

Noranda Exploration Inc.
2501 Catlin Inc.
Missoula, MT 59801

RE: Drilling Permit No. 17-89-Z-001

Gentlemen:

Enclosed are 2 copies of your approved drilling permit for the proposed industrial well in Sec. 36, T15S, R29E, Cassia County, Idaho. Please give one copy to your driller who is required to have a copy of the permit on site.

Please note special condition No. 9 which requires you to identify the driller before well drilling starts.

Sincerely,

L. GLEN SAXTON, Chief
Water Allocation Bureau

LGS:ldt

Enclosures - 2 permit copies
Dept. Receipt #C006559

MICROFILMED

MAY 16 1990

3/89

Drilling Permit No. 17-89-2-001Water Permit No. 17-07132

Injection Permit No. _____

State of Idaho
Department of Water Resources

DRILLING PERMIT

RECEIVED

MAY 01 1989

Department of Water Resources

1. Applicant NORRDA EXPLORATION, INC.2. Address 2501 CATLIN ST.MISSOULA, MONT. 59801 Telephone (406) 421-8419

(X) Well Owner () Well Operator () Other, specify _____

3. Proposed well location S.E. 1/4 N.E. 1/4, or Gov't lot No. _____,Sec. 36, Twp. 15S, Rge. 29E, County CASSIA,

Lot, block and subdivision _____

4. Proposed use of well: (Check all that apply)

() Domestic () Stockwater () Monitoring
No. of households _____ No. of livestock _____

() Irrigation (X) Industrial () Municipal

() Injection () Other, Specify MINING OPERATION

5. Well construction information:

(X) New well () Deepen () Replace

Proposed surface diameter 8" Maximum depth 600'

Anticipated bottom hole temperature:

(X) 85°F or less (Cold water well)
() 85°F to 212°F (Low temp. geothermal well)
() 212°F or more (Geothermal well)6. Anticipated construction start date JUNE 1, 19897. Well Driller (if known) NOT KNOWN

Address _____

8. Applicant's signature Daniel R. M. LongTitle PROJECT MANAGERDate 4-28-89**MICROFILMED**

MAY 16 1990

ACTION OF DEPARTMENT OF WATER RESOURCES

This Permit is APPROVED.

If approved, this permit authorizes the construction of a well subject to the following conditions:

GENERAL CONDITIONS

1. The well must be constructed in compliance with the applicable statutes, specific conditions of approval shown on the water right permit, injection well permit, transfer or amendment and the rules and regulations of the Department for water appropriation, injection wells and well construction standards.
2. This drilling permit is valid for two (2) months from its date of issuance for the start of construction and is valid for one (1) year from the date of issuance for completion of the well unless an extension has been granted.
3. This permit does not constitute the approval of the District Health Department or the Idaho Department of Health and Welfare which may be required before construction of this well.
4. The well shall be constructed by a driller currently licensed in the State of Idaho who must maintain a copy of the drilling permit at the drilling site.
5. Issuance of this drilling permit does not authorize trespass on the land of another party.
6. This permit does not constitute other local, county, state or federal approvals which may be required for construction of a well.
7. This drilling permit does not represent a right to divert and use the water of the State of Idaho.
8. If a bottom hole temperature of 85°F or greater is encountered, well construction shall cease and the well driller and the well owner shall contact the Department immediately.

SPECIFIC CONDITIONS

9. The owner shall contact the Department to identify the driller before well drilling starts.

Dated this 3rd day of May, 1989.

Signed

Title

J. Glen Sator
Chief, Water Alloc Bur

Receipt No. COO659 Received by K. Young Fee 100.00 Date 5/2/89

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EXTENSION OF DRILLING PERMIT

MAY 16 1990

Approval Date 8/22/89 Extension approved by [Signature]

This extension is good for 60 days beyond the above extension approval date.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Statehouse
Boise, Idaho 83720
(208) 334-7900
March 14, 1989

NORANDA INC.
65 N. EDISON WAY #4
RENO, NV 89510

PERMIT APPROVAL NOTICE

RE: PERMIT NO. 17-07132

Dear Permit Holder:

Enclosed is a copy of your approved application for permit. We direct your attention to the conditions of approval on the final page.

Section 42-235, Idaho Code, requires that a "drilling permit" must be obtained from the department for all wells constructed after July 1, 1987. A drilling permit is a separate permit that must be issued in addition to your permit to appropriate water. Commencement of well construction or diversion of water under your permit to appropriate water is prohibited unless a drilling permit is obtained.

Be sure to note the special condition requiring you to install a measuring device, or a flow measurement port to provide for the installation of measuring equipment by the Department. Enclosed please find a list of measuring device options, and specifications for the installation of the flow measurement port.

We have enclosed a form entitled "Instructions for Proof of Beneficial Use". Please read the instructions carefully since you must take further action to develop this permit. Also

MICROFILMED

MAR-30 1989

enclosed for your convenience is a form entitled "Proof of Beneficial Use" that must be submitted to the Department when your project is completed.

Sincerely,

GARY SPACKMAN, Supervisor
Water Right Permits Section

GS: SC
Enclosures

MICROFILMED

MAR 30 1989

November 16, 1988

Department of Health & Welfare
Division of Environment
150 N. 3RD
Pocatello, Idaho 83201

RE: Application for Permit No. 17-7132

Dear Sir:

This office is currently in the process of publishing notice that the above application was filed with the Department of Water Resources. Since the application may be of interest to you, a copy is enclosed for your examination. Comments concerning the application should be addressed to the applicant with a copy forwarded to this office. Protests objecting to granting a permit should be directed to this Department and received by DECEMBER 5, 1988. Final action will be taken by this office shortly after this date, provided there are no protests lodged against the applications.

Respectfully submitted,

Harold W. Jones
Water Rights Supervisor

HWJ/rb
Enclosure

MICROFILMED

MAR 30 1989

November 16, 1988

U.S. Forest Service
324 25th Street
Ogden, UT 84401

RE: Application for Permit No. 17-7132

Dear Sir:

This office is currently in the process of publishing notice that the above application was filed with the Department of Water Resources. Since the application may be of interest to you, a copy is enclosed for your examination. Comments concerning the application should be addressed to the applicant with a copy forwarded to this office. Protests objecting to granting a permit should be directed to this Department and received by DECEMBER 5, 1988. Final action will be taken by this office shortly after this date, provided there are no protests lodged against the applications.

Respectfully submitted,

Harold W. Jones
Water Rights Supervisor

HWJ/rb
Enclosure

MICROFILMED
MAR 30 1989

November 16, 1988

Bureau of Land Management
940 Lincoln Road
Idaho Falls, ID 83401

RE: Application for Permit No. 17-7132

Dear Sir:

This office is currently in the process of publishing notice that the above application was filed with the Department of Water Resources. Since the application may be of interest to you, a copy is enclosed for your examination. Comments concerning the application should be addressed to the applicant with a copy forwarded to this office. Protests objecting to granting a permit should be directed to this Department and received by DECEMBER 5, 1988. Final action will be taken by this office shortly after this date, provided there are no protests lodged against the applications.

Respectfully submitted,

Harold W. Jones
Water Rights Supervisor

HWJ/rb
Enclosure

RECEIVED

MAR 30 1989

October 14, 1988

Noranda, Inc.
65 N. Edison Way, #4
Reno, Nevada 89510

RE: Application for Permit No. 17-07132

Dear Water Right Applicant:

The Department of Water Resources acknowledges receipt of your water right application for permit. The application has been assigned identification No. 17-07132. Please refer to this number in all further correspondence.

This office is currently in the process of advertising the application in SOUTH IDAHO PRESS. The advertisement will be published for two consecutive weeks, and a period of ten days following the second publication will be allowed for the submittal of protests.

If the application is protested, you will be sent a copy of the protest. The protest must be resolved before the application is approved or denied. If the protest is not resolved voluntarily, this Department will conduct a conference and/or hearing on the matter.

If the application is not protested, it will be forwarded to our state office in about five weeks. State office personnel will conduct a complete review prior to final processing of the application and will notify you of the outcome of this review. When a permit is issued, you will be sent a copy. A typical processing time for an unprotested application is about eight weeks.

Please feel free to contact this office if you have any questions regarding this procedure.

Sincerely,

HAROLD W. JONES
Water Rights Supervisor

HWJ/rb

MICROFILMED

MAR 30 1989

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
Eastern Region
150 Shoup Ave., Suite 15

Idaho Falls, Idaho 83402
(208) 525-7161

NOVEMBER 8, 1988

SOUTH IDAHO PRESS
BOX 190
BURLEY, ID 83318

Gentlemen:

Enclosed you will find a legal notice which we wish to have published on the dates indicated (once a week for two consecutive weekly issues) in your newspaper. 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. Your cooperation is appreciated.

Please send the affidavit of publication and publication billing to this office before DECEMBER 5, 1988.

Yours truly,

Rita Bodell
Secretary

Encl.

MICROFILMED

MAR 30 1989

NOTICE OF APPLICATION FOR WATER RIGHT

The Following application(s) have been filed to appropriate the public waters of the State of Idaho:

MICROFILMED

MAR 30 1989

17-07132

NORANDA INC.
65 N. EDISON WAY #4
RENO, NV 89510

Source: GROUNDWATER

Diversion Pt: SWSENE Sec 36 T 15S R 29E

Use: MINING (.910 CFS)

Date Filed: 10/06/1988

In: T15S R29E S25	NESW	NWSW	SWSW	SESW
	NWSE	SWSE		
S26	NWSW	SWSW		SESW
S27	NESW	NWSW	SWSW	SESE
	NESE	NWSE	SWSE	NENW
S34	NENE	NWNE	SENE	
	NESE	SESE		
S35	NENE	SWNE	SENE	NWNW
	SWNW	SENW	NESW	NWSW
	SWSW	NESE	NWSE	
S36	NENE	NWNE	SWNE	SENE
	NENW	NWNW	NESE	NWSE
	SWSE	SESE		

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MAR 30 1989

The permit(s) will be subject to all prior water rights. Protests must be filed with the Director, Dept. of Water Resources, Eastern Region, 150 Shoup Avenue, Suite 15, Idaho Falls, Idaho 83402 on or before DECEMBER 5, 1988.

R. KEITH HIGGINSON, Director

Published 11/16/1988 & 11/23/1988

MICROFILMED

MAR 30 1989

State of Idaho

License and Certificate of Water Right

Water License No. 21749 17-2024

Amount 0.133 second foot

Water District No.

Priority October 17, 1950

THIS IS TO CERTIFY that THE DUVALL COMPANY

of Ogden, Utah, made application for a permit to appropriate the public waters of the State of Idaho, dated October 17, 1950; that Permit No. 21749 was issued under said application; that Certificate of Completion of works, with a carrying capacity of one second foot, was issued thereunder on July 10, 1951, showing that said works were completed on the 6th day of July, 1951; and that on the 9th day of November, 1951,

THE DUVALL COMPANY

of Ogden, State of Utah, made proof to the satisfaction of the State Reclamation Engineer of Idaho, of the right to use the waters of a well

~~subterranean~~ (subterranean flow) for the purpose of mining, milling & culinary use, under Use Permit No. 21749 of the Department of Reclamation and that said right to the use of said waters has been perfected in accordance with the laws of Idaho, and is hereby confirmed by the State Reclamation Engineer of Idaho and entered of record in Volume 8 of Licenses at page 4969, on the 14th day of August, 1952;

The right hereby confirmed dates from October 17, 1950;

The Point of Diversion is located

in the SW 1/4 SE 1/4, Sec. 36, Tp. 15 S., R. 29 E., B.M. Cassia County

That the amount of water to which such right is entitled and hereby confirmed, for the purposes aforesaid, is limited to an amount actually needed and beneficially used for said purposes, and shall not exceed 0.133 cubic feet per second.

Description and location of use:

Twp.	Range	Sec.	Forty-acre Tract	No. Acres Described in Permit	No. Acres Actually Irrigated
			East Half Section 34; and West Half Section 35; Township 15 South, Range 29 East, B.M.		

The right to the use of the water aforesaid hereby confirmed is restricted to the lands or of use herein described, as provided by the laws of Idaho.

WITNESS the seal and signature of the State Reclamation Engineer, affixed at Boise, Idaho, this

14th day of August, 1952.

MARK R. KULP

State Reclamation Engineer

(SEAL)

MICROFILMED

MAR 30 1989

17-2024