

STARTING

LEFT

SIDE OF

FILE

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 17-07140

Priority: May 10, 1992

Maximum Diversion Rate: 0.29 CFS
Maximum Diversion Volume: 209.7 AF

This is to certify, that BLACK PINE MINING INC
PO BOX 578

BURLEY ID 83318-0578 has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated April 6, 1992; and has submitted Proof of Beneficial Use on December 5, 1995. 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	0.29 CFS	209.7 AF

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	NESW	NWSW	SWSW
	SESW		
27	NESW	NWSW	SWSW
	SESW	NESE	NWSE
	SWSE	SESE	
34	NENE	NWNE	SWNE
	SENE	NENW	NENE
	SESE		
35	NENE	NWNE	SWNE
	SENE	NENW	NWNW
	SWNW	SENW	NESW
	NWSW	NESE	NWSE
36	NENE	NWNE	SWNE
	SENE	NESW	NWSW
	SWSW	SESW	SWSE
	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.

MICROFILMED

APR 8 1997

State of Idaho
Department of Water Resources

WATER RIGHT LICENSE

WATER RIGHT NO. 17-07140

CONDITIONS OF APPROVAL AND REMARKS

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 shall be non-consumptive.
6. 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 31ST day of MARCH, 19 97.


KARL J. DREHER, Director

MICROFILMED

APR 8 1997

RECEIVED
MAR 24 1997
Department of Water Resources

State of Idaho
Department of Water Resources

APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 17-07140

Date of Priority: May 10, 1992 Maximum Diversion Rate: 0.29 CFS
Maximum Diversion Volume: 209.7 AF

Comes now BLACK PINE MINING INC
PO BOX 578
BURLEY ID 83318-0578 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. 17-07140, 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	0.29 CFS	209.7 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		NESW	NWSW	SWSW
			SESW		
	27		NESW	NWSW	SWSW
			SESW	NESE	NWSE
			SWSE	SESE	
	34		NENE	NWNE	SWNE
			SENE	NENW	NESE
			SESE		
	35		NENE	NWNE	SWNE
			SENE	NENW	NWNW
			SWNW	SENW	NESW
			NWSW	NESE	NWSE
	36		NENE	NWNE	SWNE
			SENE	NESW	NWSW
			SWSW	SESW	NESE
			NWSE	SWSE	SESE

RECORDED
MAR 28 1997

State of Idaho
Department of Water Resources

APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 17-07140

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 Black Pine Mine, this 18 day of March, 1997.

C. Collins Scott
(Signature)

RECEIVED
MAR 03 1997

State of Idaho
Department of Water Resources

APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 17-07140

FOR DEPARTMENT USE ONLY

Preliminary check by Ket Fee = \$5000 Received by Ket # 0088388 Date 3-24-97

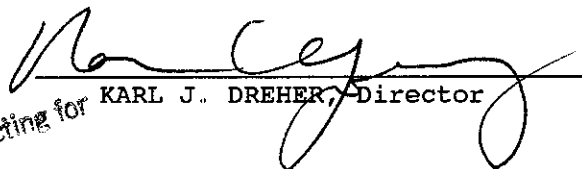
ACTION OF THE DEPARTMENT OF WATER RESOURCES

I, Karl J. Dreher, of the Department of Water Resources hereby approve the
above Application for Amendment for Permit No. 17-07140 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 shall be non-consumptive.
6. Mining use is for ore processing, dust suppression and support facilities.

Witness my hand this 31st day of MARCH, 1997.


Acting for KARL J. DREHER, Director

MICROFILMED

APR 08 1997

IN THE MATTER OF PERMIT NO. 17-07140)
)
IN THE NAME OF BLACK PINE MINING INC.) **ORDER OF**
) **REINSTATEMENT**
)

DEC 07 1995

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

DEC 05 1995

PROOF OF BENEFICIAL USE

The Idaho Department of Water Resources considers this form a statement that the permit holder(s) has/have 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, when necessary, or be accompanied by a completed field examination report prepared by a certified water right examiner who has been appointed by the department.

1. Permit No. 17-07140 Telephone No. (208) 645-2612
2. Name(s) of Permit Holder(s): Black Pine Mining, Inc.
3. Mailing Address: P.O. Box 578 Burley, ID 83318
4. Source of Water: Groundwater If GROUNDWATER (well), Date Drilled: mo. 12 / yr. 89
- a. Well Driller: Elsing Drilling Drilling Permit Number: - - -
- b. **OPTIONAL:**
Pump Horsepower: Pressure (psi): Dynamic pumping level (ft):

5. Use(s) (as authorized by the water right permit):

Domestic (No. of households): Stockwater (No. and type of stock):

Irrigation (No. of acres): Other: Mining

6. Total rate of diversion and/or volume for which proof is submitted: 0.29 cfs OR acre feet

7. Measuring Device Requirement: (refer to the approval conditions on your permit and respond accordingly)
(This question is **not optional**. Please check either yes or no. Proofs returned not checked accordingly, will be considered incomplete)

Measuring Device: Is a measuring device required?
Has the measuring device been installed?

Yes or No X
Yes X or No

Flow Measurement Port: Is a flow measurement port required?
Has the measurement port been installed?

Yes or No X
Yes X or No

8. Fee Enclosed: \$ 100.00 (See Fee Schedule on back of the instructions for filing proof of beneficial use)

9. Person to contact to accompany the Department representative during field examination of the water system.

Name: Burl Ackerman Telephone Number: (208) 645-2612

Address: P.O. Box 578 Burley, ID 83318

10. The information given on this form 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.

Signature of permit holder: Burl Ackerman Environmental Eng. Date: 11/30/95
(include your title, if on behalf of company or organization)

DEC 07 1995

AMENDED

State of Idaho
Department of Water Resources

Permit To Appropriate Water

AMENDED

NO. 17-07140

Proposed Priority: April 6, 1992

Maximum Diversion Rate:

0.29 CFS

This is to certify, that **BLACK PINE MINING INC**

PO BOX 578

BURLEY ID 83318-0578

has applied for a permit to appropriate water from: **GROUNDWATER**and a permit is **APPROVED** for development of water as follows:BENEFICIAL USEPERIOD OF USERATE OF DIVERSION

MINING

01/01 to 12/31

0.29 CFS

LOCATION OF POINT(S) OF DIVERSION:SWSENE , Sec. 36, Township 15S, Range 29E
CASSIA CountyPLACE OF USE: MININGTWN RGE SEC

15S 29E 25	NESW	NWSW	SWSW
	SESW	NWSE	SWSE
26	NESW	NWSW	SWSW
	SESW		
27	NESW	NWSW	SWSW
	SESW	NESE	NWSE
	SWSE	SESE	
34	NENE	NWNE	SWNE
	SENE	NENW	NWNW
	NESE	SESE	
35	NENE	NWNE	SWNE
	SENE	NENW	NWNW
	SWNW	SENW	NESW
	NWSW	NESE	NWSE
36	NENE	NWNE	SWNE
	SENE	NESW	NWSW
	SWSW	SESW	NESE
	NWSE	SWSE	SESE

CONDITIONS/REMARKS:

1. Proof of construction of works and application of water to beneficial use shall be submitted on or before **November 1, 1995**.
2. Subject to all prior water rights.
3. Prior to diversion and use of water under this right, the right holder shall comply with all bonding requirements of appropriate governmental entities.
4. Water used under this right if discharged into a natural channel or subsurface system shall meet Idaho Water Quality Standards.
5. The issuance of this right in no way grants any right-of-way or easement across the land of another.
6. Mining use shall be non-consumptive.

DEC 19 1994

State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 17-07140

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code.
Witness the signature of the Director, affixed at Boise, this

12 th day of December, 1994.

R. Keith Higginson
for R. Keith Higginson, Director

RECEIVED
DEC 19 1994

State of Idaho
Department of Water Resources
Permit To Appropriate Water

NO. 17-07140

Proposed Priority: April 6, 1992

Maximum Diversion Rate:

0.21 CFS

This is to certify, that **BLACK PINE MINING INC**

PO BOX 578

BURLEY ID 83318-0578

has applied for a permit to appropriate water from: **GROUNDWATER**

and a permit is **APPROVED** for development of water as follows:

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

MINING

01/01 to 12/31

0.21 CFS

LOCATION OF POINT(S) OF DIVERSION:

SWSENE , 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	NESW	NWSW	SWSW
	SESW		
27	NESW	NWSW	SWSW
	SESW	NESE	NWSE
	SWSE	SESE	
34	NENE	NWNE	SWNE
	SENE	NENW	NWNW
	NESE	SESE	
35	NENE	NWNE	SWNE
	SENE	NENW	NWNW
	SWNW	SENW	NESW
	NWSW	NESE	NWSE
36	NENE	NWNE	SWNE
	SENE	NESW	NWSW
	SWSW	SESW	NESE
	NWSE	SWSE	SESE

CONDITIONS/REMARKS:

1. Proof of construction of works and application of water to beneficial use shall be submitted on or before **November 1, 1995**.
2. Subject to all prior water rights.
3. Prior to diversion and use of water under this right, the right holder shall comply with all bonding requirements of appropriate governmental entities.
4. Water used under this right if discharged into a natural channel or subsurface system shall meet Idaho Water Quality Standards.
5. The issuance of this right in no way grants any right-of-way or easement across the land of another.
6. Mining use shall be non-consumptive.

DEC 19 1994

State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 17-07140

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code.
Witness the signature of the Director, affixed at Boise, this

28th day of October, 1994.

for *R. Keith Higginson*
R. Keith Higginson, Director

RECEIVED
NOV 1 1994

DEC 19 1994

RECEIVED

APR 06 1992

Form 202
6/85

Department of Water Resources
Eastern District Office

Ident No. 17-7140

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

1. Name of applicant Black Pine Mining, Inc. Phone 645-2612
Post office address P.O. Box 578, Burley, ID 83318
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 15S Range 29E B.M. Cassia County; additional
points of diversion if any: _____
4. Water will be used for the following purposes:
* 0.29
Amount 1.2 cfs for Mining purposes from January 1 to Dec. 1 (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) 1.2 cfs and/or (b) _____
cubic feet per second acre feet per annum
6. Proposed diverting works:
 - a. Description of ditches, flumes, pumps, headgates, etc. (1) Model 3316 Goulds pump rated
at 400 + GPM. Pump is used to transfer well water to (2) 20,000
gallon storage tanks.
 - 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 10 3/4 inches; proposed depth of well is 388 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 years (minimum 1 year).

DEC 19 1994

* per applicant, see letter of 8/19/94, etc.

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	X	X					
15S	29E	27									X	X	X	X	X	X	X	X	
15S	29E	34	X	X	X	X	X	X							X			X	
15S	29E	35	X	X	X	X	X	X	X	X	X	X			X	X			
15S	29E	36	X	X	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 Permit No. 17-07132

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 US 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 US Forest and BLM have granted Black Pine a Plan of Operations.

12 Remarks: This application is a request for additional water rights from the existing well. Permit No. 17-07132

4019 1994

SEE ATTACHED MAP

U.S.G.S. QUAD BLACK PINE PEAK, IDAHO

DEC 19 1971

(Applicant)

Received by DM Date 4-6-92 Time 11:04 Preliminary check by Jennie Dunn
Fee \$ 65⁰⁰ Receipted by DM # 8017116 Date 4-6-92
Publication prepared by LB Date 4-16-92 Published in S. Idaho Press
Publication approved LB Date 5-15-92

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. _____, and said application is hereby _____.

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 _____, 19 ____.

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:



DEC 19 1994

**NOW
STARTING
RIGHT
SIDE OF
FILE**

JUL 19 1964



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

April 1, 1997

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 833180578

RE: WATER RIGHT NO. 17-07140

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

APR 1 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.

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APR 08 1997

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 typed name.

Shelley W. Keen
Water Rights Supervisor

SK:ph

Enclosure

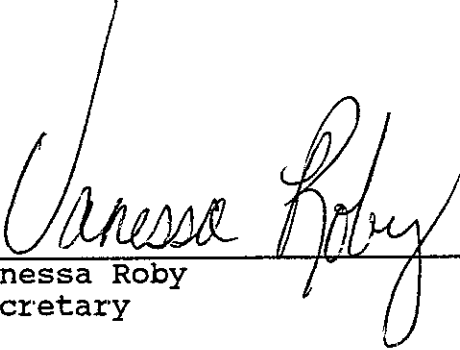
MICROFILMED
APR 08 1997

CERTIFICATE OF MAILING

I hereby certify that on the 1st day of April, 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. 17-07140

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 833180578



Vanessa Roby
Secretary

MICROFILMED

APR 08 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. BATTI
GOVERNOR

KARL J. DREHER
DIRECTOR

March 12, 1997

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 833180578

RE: WATER RIGHT NO. 17-07140

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

ENCLOSURE

APR 08 1997

LICENSE REVIEW CHECKLIST

PERMIT NO. 17-07140

DATE 2/11/97

REVIEWER: SHARLA

NAME	Change <u>—</u>	OK <u>✓</u>	Address Change <u>NO</u>
SOURCE	Change <u>—</u>	OK <u>✓</u>	Is change clarification of originally intended source? <u>—</u>
POINT OF DIV	Change <u>✓</u>	OK <u>—</u>	If not, prepare Notice of Intent to Void <u>—</u>
PLACE OF USE	Change <u>✓</u>	OK <u>—</u>	Amendment required <u>yes</u>
			Amendment required <u>yes</u>
Does map agree with written description? <u>✓</u> yes <u>—</u> no			

OVERLAPS — P/D — P/U

RATE OF DIV

Permitted Rate .29 cfs
 Fee limit 1.0 cfs \$10000
 Measured — cfs
 Theoretical 1.28-1.76 cfs

Recommended Total Div Rate .29 cfs

ANNUAL VOLUME/
NATURE OF USES —

Use ✓

<u>Mining</u>	Volume Calculation
<u>104.9</u>	<u>104.9</u> af
<u>—</u>	<u>—</u> af
<u>—</u>	<u>—</u> af
<u>—</u>	<u>—</u> af
SUBTOTAL	<u>104.9</u> af

130 gpm X 12 hrs/day X 365 days/yr
325,850 = 104.9 af

Flow rate .29 cfs X 365 days X 1.98 = 209.7 af
 Total volume recommended 104.9 af
(SUBTOTAL or Flow Rate, whichever is less)

REMARKS

More processing dust
suppression & support
facilities.

CONDITIONS — Watermaster Control WD# —

— GW Measurement/Measuring Device

— Overlap

— Use-specific conditions

Advancement of Priority Date Required — yes ✓ no

SRBA Claim Filed N/A

Adjustment Memo Volume

1st Amend Letter P39, P38

2nd Amend Letter P47

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
BENEFICIAL USE FIELD REPORT

RECEIVED

MAP 8 - 1995

Department of Water Resources

A. GENERAL INFORMATION

Permit No. 17-07140

1. Owner: BLACK PINE MINING INC. Phone No. (208) 645-2612

Current Address: P.O. BOX 578, BURLEY, ID. 83318

2. Accompanied by: C. BRELLIN SCOTT EXAM DATE: 5/9/95

Address: SAME AS ABOVE Phone No. (208) 645-2612

Relationship to Permit Holder: SENIOR ENVIRONMENTAL ENGINEER

3. Source: GROUNDWATER tributary to N/A

B. OVERLAP REVIEW

1. Other water rights with the same place of use: 17-07132 OVERLAP

2. Other water rights with the same point of diversion: 17-07132

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
		SW	SE						

2. Place(s) of Use:

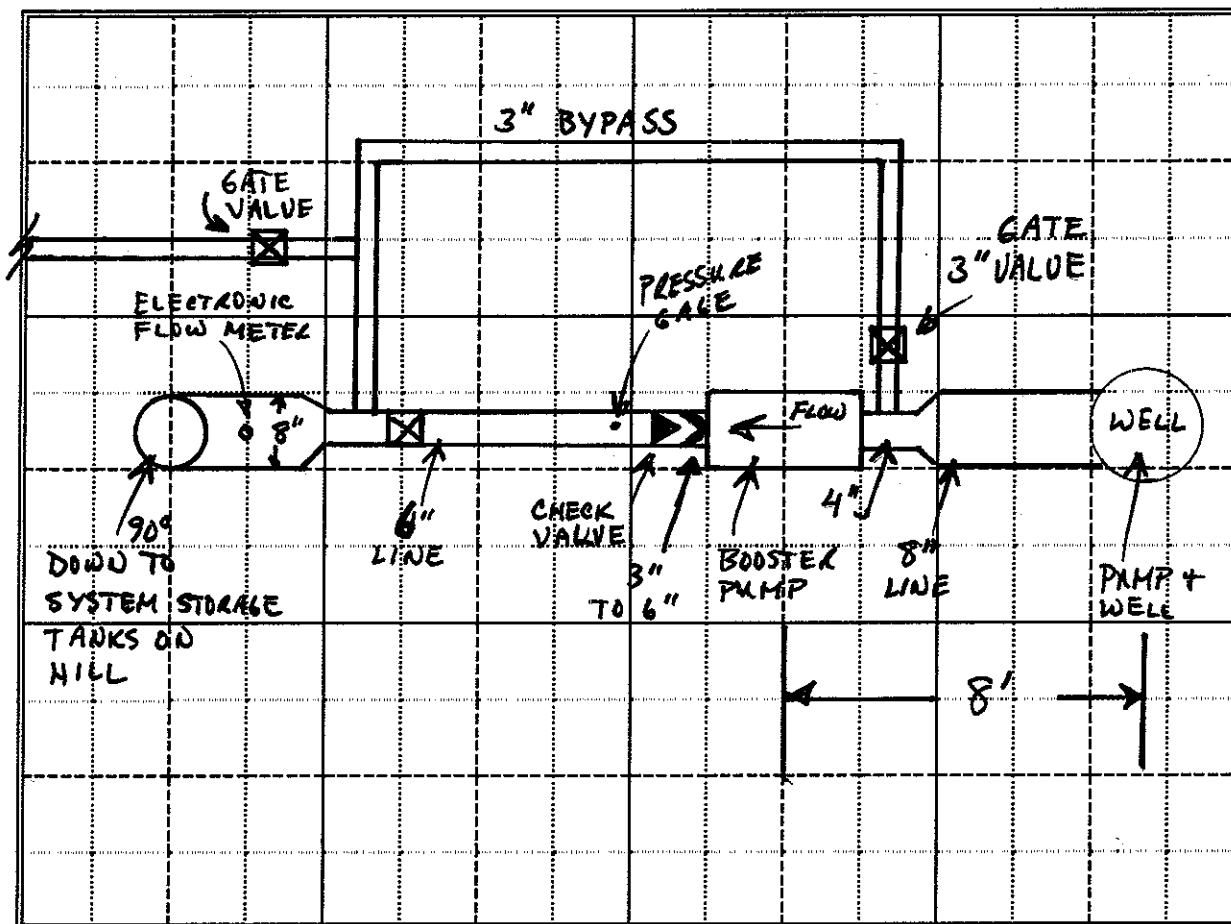
Indicate Method of Determination ON SITE INSP.

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	

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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**



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. MOTOR	40	6229/T07T052R 607R-20		8"
PUMP BOOSTER	GOULD	150	92707551		3"

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

D. FLOW MEASUREMENTS

1.

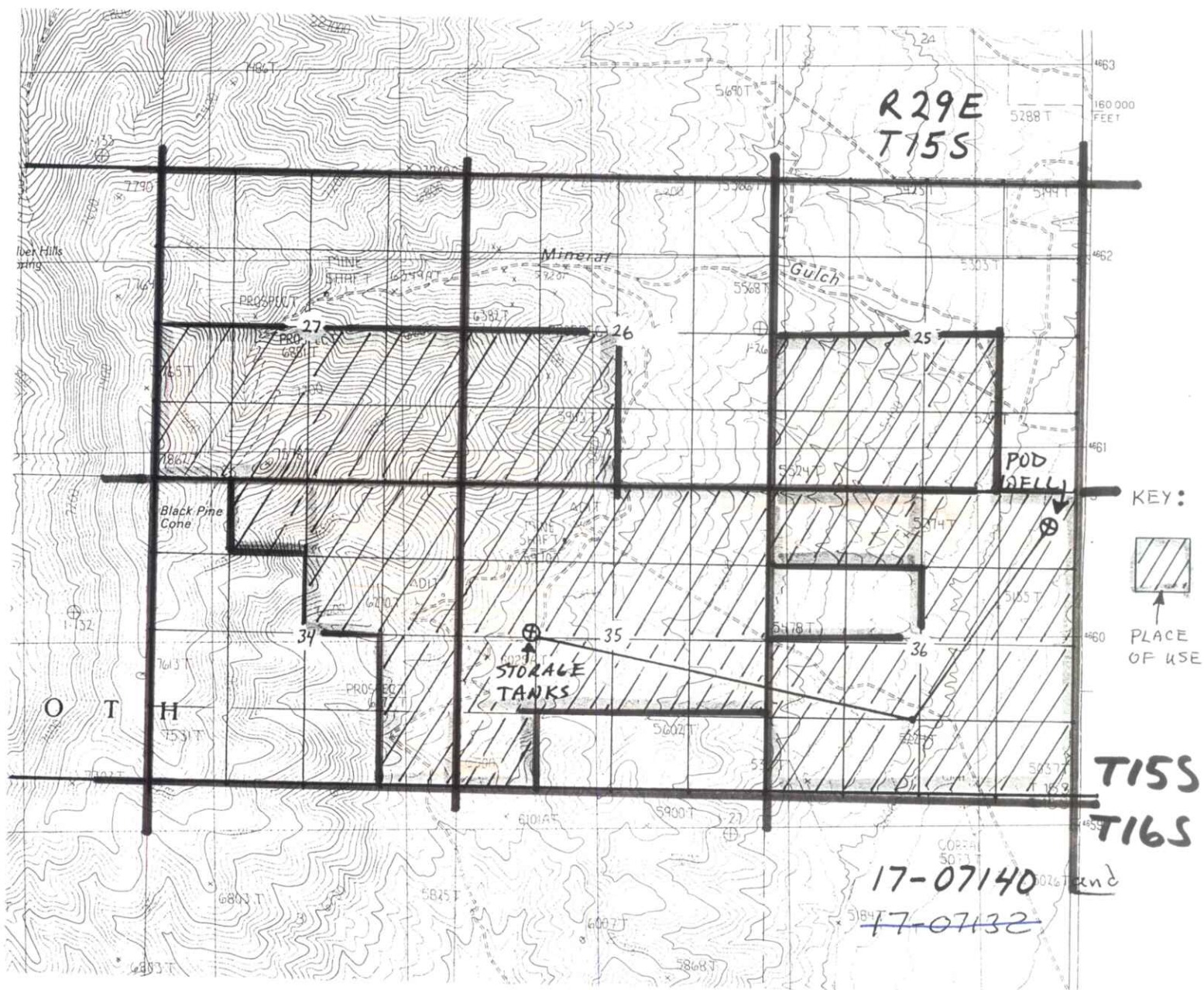
Measurement Equipment	Type	Make	Model No.	Serial No.	Size	Calib. Date
SIGNET FLOW METER						2355316 GALLONS TO DATE

2. Measurements: NONE POSSIBLE DUE TO SYSTEM DESIGN

SYSTEM PSI GAGE - WIKA GAGE - 380 PSI

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APR 08 1957

BLACK PINE MINING

1 of 3

VIEW OF
MINING
OPERATIONS



WELL
HOUSE



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APR 08 1997

17-07132

17-07140

BLACK PINE MINING

373

VIEW OF
STORAGE
TANKS ON
MINING SITE



APR 00 2007

17-07132

17-07140

BLACK PINE MINING

2 1/2

INTERIOR
OF PUMP/
WELL
HOUSE

GRAY PUMP
GREEN BOOSTER



INTERIOR
OF WELL/
PUMP HOUSE

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APR 08 1997

17-07132

17-07140



E. NARRATIVE/REMARKS/COMMENTS

ON 5/3/95 AT APPROXIMATELY 1300 HRS A FIELD EXAM WAS
CONDUCTED FOR PERMIT #17-07140.

THE WATER SPECIFIED IN THIS PERMIT IS USED FOR
MINE ORE PROCESSING, DUST SUPPRESSION AND DOMESTIC
USE.

WATER IS PUMPED VIA A 40 HP ~~SUBMERGIBLE~~ SM PUMP
150 FOOT TO THE SURFACE WELL HOUSE WHERE IT IS
BOOSTED BY A 150 HP TURBINE PUMP 825 FEET UP
HILL TO ^{TWO} STORAGE TANKS; FROM THE STORAGE TANKS
THE WATER IS DISTRIBUTED AS NEEDED.

WELL: DEPTH 400'
STATIC WATER 150'

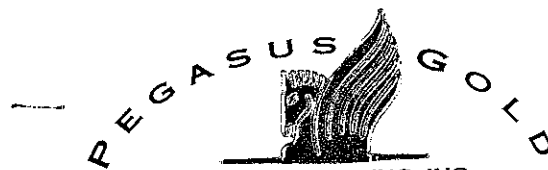
PUMPS: DEEP PUMP IS A 40 HP WITH 8" OUTPUT
BOOSTER TURBINE PUMP IS A 150 HP WITH A 3" OUTPUT

SYSTEM PRESSURE WITH PUMPS OFF IS 380 PSI.

ELEVATIONS: WATER TANKS 5950'
WELL HOUSE 5125' } = 825' LIFT

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

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APR 08 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
HOME (208) 436-9732

A WHOLLY OWNED SUBSIDIARY OF PEGASUS GOLD CORPORATION

MICROFILMED
APR 08 1997

**ANALYSIS SHEET
FOR
PROOF OF BENEFICIAL USE**

Permit No. 17-07140 Reviewed by [Signature] Date 12-6-95

GENERAL CONSIDERATIONS

TYPES OF USE

yes Name same as permit?

mining

yes Address same as permit?

no Proof timely received?

Correct Uses? yes

If not, complete calculation below.

SOURCE OF WATER

 Surface water source

✓ Ground water source

yes Drilling permit required?

no Copy in the file? Drilling Permit No. 17-89-C-0001-000

100.00 Amount paid for permit yes Correct?

no Well log in the file?

LICENSE EXAMINATION FEE

MEASURING DEVICE

yes Required?

no Required?

100.00 Amount Submitted

yes Installed?

yes Correct?

 Waiver requested?

PRIORITY CALCULATION

Date proof received 12-5-95 339

Date proof due 11-1-95 - 305

No. of days late = 34

Priority Date 4-6-92 + 96

New Priority Date 5-10-92 130

5-10-92

DEFICIENCIES OR ACTION ITEMS

Rein state & advance priority to May 10, 1992
Proof acceptable

DATA ENTRY

New Address X Proof Made 12-5-95



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

December 6, 1995

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 83318-0578

PROOF ACKNOWLEDGEMENT LETTER

RE: PERMIT NO. 17-07140

Dear Permit Holder:

The department acknowledges receipt of the proof of beneficial use form submitted for the above referenced permit.

Enclosed is an order reinstating your permit since proof of beneficial use was received after the proof due date. Please note that the priority date has been advanced to May 10, 1992.

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 the field examination, please feel free to contact the EASTERN Regional Office in Idaho Falls at (208) 525-7161.

Sincerely,

JULIE L. YARBROUGH
Senior Secretary

Enclosure

c: IDWR - Region

RECEIVED

DEC 07 1995



RECEIVED

DEC 05 1995

Department of Water Resources

December 1, 1995

Julie L. Yarbrough
Senior Secretary
State of Idaho Department of Water Resources
1301 North Orchard Street
Statehouse Mail
Boise, ID 83720-9000

RE: PERMIT NO. 17-07140, Proof of Beneficial Use

Dear Ms Yarbrough:

Enclosed is Black Pine Mining, Inc. Proof of Beneficial Use for Permit No. 17-07140 If you have any questions please give me a call at (208) 645-2612

Sincerely

Crellin Scott RA

Crellin Scott
Senior Environmental Engineer

c: file

MICROFILMED

DEC 07 1995

November 8, 1995

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 833180578

LAPSE NOTICE

RE: PERMIT NO. 17-07140

Dear Permit Holder:

You are hereby notified that under the provisions of Section 42-218A, Idaho Code, the above referenced permit has lapsed and is of no further force nor effect. The department provided the proper forms to you in our proof due notice dated August 31, 1995. No further construction or additional development is authorized under this permit unless it is reinstated.

The permit can only be reinstated if you submit an acceptable proof of beneficial use or an acceptable request for extension of time to the department within sixty (60) days of the mailing of this lapse notice. An acceptable proof of beneficial use submittal must include the examination fee or a completed field examination report. A request for extension of time must be accompanied by a fifty dollar (\$50.00) fee.

Enclosed again for your use are a proof of beneficial use form and a request for extension of time form. Please note that only one extension of time can be granted unless the project has not been completed because of lack of a necessary approval by a government agency or by litigation which may bring title to the water in question.

L. GLEN SAXTON
Chief, Water Allocation Bureau

Enclosures

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DEC 07 1995

CERTIFICATION OF MAILING

I hereby certify that on 11-9-95
a copy/an original of this document was
deposited in the United States mail,
postage prepaid addressed to the
individual(s) named above.

[Signature]

August 31, 1995

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 833180578

PROOF DUE NOTICE

RE: PERMIT NO. 17-07140

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 November 1, 1995. (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.

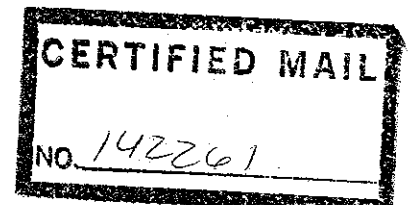
SINCERELY,

JULIE L. YARBROUGH
Senior Secretary

Enclosures

MICROFILMED

DEC 07 1995





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

December 14, 1994

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 83318-0578

PERMIT APPROVAL NOTICE

RE: PERMIT NO. 17-07140

Dear Permit Holder(s):

Enclosed is a copy of your Amended Permit to Appropriate Water. This amended permit supercedes the permit signed on October 28, 1994.

If you have any questions, please contact this office at telephone number (208) 327-7947.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Jim Johnson', written over the typed name.

JIM JOHNSON, Manager
Water Right Permits Section

JJ:dc

Enclosure

A faint, rectangular stamp, possibly a date or processing stamp, located in the bottom right area of the page.

DEC 19 1994

MEMORANDUM

DATE: December 6, 1994
TO: File No. 17-07140
FROM: Cindy Zimmerman
SUBJECT: Amended permit

=====

A typographical error was found on the diversion rate on the original permit. The original permit identified 0.21 cfs whereas the correct diversion rate should be 0.29 cfs. An amended permit has been issued to supercede the original permit.

RECEIVED
DEC 19 1994



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

November 2, 1994

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 83318-0578

PERMIT APPROVAL NOTICE

RE: PERMIT NO. 17-07140

Dear Permit Holder(s):

Enclosed is a copy of your approved application for permit. Please be sure to thoroughly review the "CONDITIONS/REMARKS:" listing on the permit.

Enclosed is 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 enclosed is a form entitled "Proof of Beneficial Use". If your project is already completed you should complete and submit this form immediately.

Please be advised that water quality is subject to regulations of the Idaho Department of Health and Welfare. We suggest that you check with them before starting construction.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Johnson', written over the typed name.

JIM JOHNSON, Manager
Water Right Permits Section

JJ:dc

Enclosures

DEC 19 1994

APPLICATION FOR PERMIT
STATE OFFICE REVIEW
by Cindy Zimmerman

No.: 17-7140 Name: Black Pine Mining Inc Date: 10/20/94 ^{\$10/27/94} Correct Fee? ☒

AREA OF CONCERN? - No/Yes B.R. Mor GWMA Trust/Non-trust
SYSTEM COMPLETED:

No - 26A-P17
Complete in 1 year - P16

Yes

Proof not submitted - P16
Proof submitted - NA

GROUNDWATER:

+ 0.2 cfs <FLO-CH> - T17 (new), 01K (existing), No MD
- 0.2 cfs - No MD <FLOW CHART>

Drilling Permit:

Included w/permit - Permit No. , P99
Existing well - NA (pre 7/1/87)
No WD permit? - 046-46A(Irr)-46B-P23 (post 7/1/87)

SURFACE WATER: not in WD - T17 (+.2 w/pump), No MD <FLOW CHART>

LOCATION:

Water District(~~dem~~) - WD No.
*Surface water - 005 (req) 01J-P08 <FLOW CHART>
(doesn't sink) or 01H-P01 <FLOW CHART>; No MD
Groundwater - P05 (new irrigation well)
In stream channel - 030 (stream channel alteration)
Irr Dist/Canal Co. - 023 (Twin Falls area)
Drainage Districts - 024
Flood Control Dist. - 063
Boise Front (63) - 058 (-85° GW temp only)
Swan Falls Flag - <SEE CONDITION CODE CHART>
Trust - 051-052-053-P74 (Consumptive Uses), NA
Non Trust <1> - 048-049 (Consumptive Uses), NA

RIVER BASINS (*Surface water):

Boise R(63) - 05A (if WD), 11E (non-domestic use), NA
Payette R(65) - 064(consump. use), 047-P04(Payette Lake), NA
Snake R(01/02/03) - 11A-P04 (01), 061-P07 (02/03 No WD Cond.), NA

USE:

Fish Propagation - 07A-042 (req) & 010/06A/09E(WQ)-P10
044 (N 1000 Spr)
Irrigation - 03A/057, 803(if GW use SW 1st)(+5A PU comp), NA
Power - 08A-17K-025-027(req); 01F(MD)-P19; 09E(WQ)-P10;
+25 cfs-P18; 17G(FERC) or 17M(FERC); 18B-P09
Mining - 054 (req) & 06A/010/09E-P10
Storage(✓ 3 compo.) - 18A(multi MD in WD), 18B-P09 (+10' dam), NA
Domestic (surface) - 021(Boise R + L Peak), 064(Payette R), NA

OWNERSHIP:

Non land owner

PROTESTED:

OTHER CONDITIONS:

REMARKS:

004 (PD/PU) BLM & USFS; plan of operations permit
020(Prehearing agreement)/W19(See Order)

① Mining use shall be non-consumptive.

BENEFICIAL USE DUE:

COMMENTS:

11-1-1995

needs corp. off. list requested 10/20/94 recd 10/25/94

OFFICERS AND DIRECTORS BLACK PINE MINING, INC.		
Warner G. Nennecker	President/Director	601 West First Avenue Suite 1500 Spokane, WA 99204
Phillips S. Baker, Jr.	Vice President, Finance/Director	601 West First Avenue Suite 1500 Spokane, WA 99204
Steven W. Banning	Vice President, Operations	601 West First Avenue Suite 1500 Spokane, WA 99204
F. Alan Fletcher	Vice President/ Secretary/Director	601 West First Avenue Suite 1500 Spokane, WA 99204
Eric E. Kinneberg	Treasurer	601 West First Avenue Suite 1500 Spokane, WA 99204
Craig A. Gardiner	Assistant Secretary	601 West First Avenue, Suite 1500 Spokane, WA 99204

December 20, 1994

Post-It™ brand fax transmittal memo 7871		# of pages = 1
To C. Scott	From D. Miller	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

12170_1
LEG 20

DEC 19 1994



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

October 20, 1994

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

C CRELLIN SCOTT
BLACK PINE MINING INC
PO BOX 578
BURLEY ID 83318-0578

RE: Application for Permit No. 17-07140

Dear Mr. Scott:

I received the above application for permit for mining use for final review. I can see in the file that you have already provided alot of additional information. However, the file does not contain a list of the names, titles, and addresses of all the officers and/or partners of Black Pine Mining Inc. I will need this listing in order to complete the processing of this application.

I will hold further action on this application for 15 days pending your response. Please submit this information as quickly as possible within the 15-day period to prevent any further undue delay in processing your application.

If you have any questions, please feel free to contact me at (208) 327-7944.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Zimmerman".

Cindy Zimmerman
Water Resource Agent

A faint, circular stamp, likely an official seal or mark, located in the bottom right corner of the page.

DEC 19 1994

MEMORANDUM

Date: October 4, 1994
From: Jim Johnson
To: Norm Young File
Subject: Review of Applicant's Response for Additional Information

=====

Per conversations between myself, Norm Young, and Cellin Scott, addition information was solicited from the application to assist in determining whether this application should be approved.

The application is located within the Bear River Moratorium Area. Applications for non-consumptive use of water are exempt from the Moratorium, therefore, the purpose of the review of the additional information was to determine if the new appropriation would be non-consumptive.

The need for additional diversion rate and volume comes from increasing processing three million ton of ore per year to eight million tons of ore per year. The process for beneficiation of gold is illustrated by the schematic received by the applicant.

Groundwater diverted under this application will use the same well as used by existing water right 17-07132. The rate of diversion, however, will increase by 0.21 cfs. The well water will be diverted into a "Barren Pond" as show on the schematic. Water diverted from the pond is used to increase the moisture levels of ore prior to processing the gold. The saturated ore is stacked on the leach pad rather than spreading it over an enlarged area, therefore, the surface area of the heap piles stay constant, resulting in no increase of evaporation. Residual water from the piles is captured and recycled to the Barren Pond as shown on the schematic.

There is no indication that the additional water under this application will be used for other purposes than described above. The applicant has shown the while the rate of diversion and annual volume will increase under this application, no increase in consumptive use will occur. The application for permit can be approved.

DEC 19 1994



RECEIVED
AUG 23 1994
Department of Water Resources

August 19, 1994

Mr. Norm Young
Idaho Department of Water Resources
1301 North Orchard Street
Statehouse Mail
Boise, Idaho 83720-9000

RE: Requested Information Regarding Water Right Application

Dear Mr. Young:

Thank you for responding to our water right application request. As per Jim Johnson's memo dated August 3, 1994, we have provided the additional information requested. We hope this new information answers your questions and explains the extraction process so you understand our water usage.

Attached is a list of the comments noted in Mr. Johnson's memo and our response to help clarify our terminology and processing. In addition, we have provided you with a flow diagram of the Black Pine Mine.

Granted, understanding the solution balance of our heap leach pad can be very challenging and because of that we have explained the process in more detail to help clarify your understanding. We believe if you have further questions, they would best be answered on site so we can explain the answers as well as show you the actual water course through the plant and heap leach pad. The hands-on observation of the process will crystallize your understanding of water usage.

We presently operate under a water right allowing groundwater diversion at a rate of 0.91 cfs. We could continue to operate under this rate if it was considered an average rate rather than a maximum rate of pumping at any give time.

Your review and approval of our request is critical to present operation therefore allowing efficient and economical metal extraction of gold. We sincerely appreciate your time and careful consideration of this request.

Sincerely,

C. Crellin Scott
Sr. Environmental Engineer

Encl.

c: Pete Petrowsky Jim Anderson
Jim Johnson IDWR

DEC 19 1994

**BLACK PINE MINE
RESPONSES TO IDWR'S COMMENTS IN
(MEMORANDUM DATED AUGUST 3, 1994)**

COMMENT:

"The rate of flow on the application needs a downward adjustment to read 0.21 cfs instead of 1.2 cfs per explanation in Mr. Scott's letter."

RESPONSE:

The additional water right request is for 0.21 cfs.

COMMENTS:

Black Pine Mine needs to demonstrate how the diversion of an additional 0.21 cfs will not be consumed by the "extraction, beneficiation, and processing of ore."

RESPONSE:

The definition of the term "nonconsumptive" will affect your interpretation of our use of water. In any system involving water exposed to the atmosphere, the balance between water gained from precipitation and water lost through evaporation plays a most significant part. The area in which the Black Pine Mine is situated experiences a net negative water balance, with 14.8 inches of rain and 42.5 inches of evaporation per average year. The leach pad now consists of 104 acres of plastic-lined area which receives 41.875 million gallons of rainwater and loses 120.25 million gallons of water through evaporation annually. This is a net average loss of 150 gallons per minute. During the winter months there can be a net water gain and the major loss, of course, occurs in the summer. In order to continue processing of ore, this water must be replaced with fresh water from the well.

The process employed by the Black Pine Mine involves heap leaching with carbon adsorption as the recovery method. Originally, the mine was scheduled to process three million tons of ore per year, but this has now been expanded to nearly eight million tons annually. The ore contains moisture at about 3% when it is stacked on the heap. In order to extract the gold with cyanide solution, the moisture content must be increased to about 10.5%, the point of saturation. When leaching has been completed, the moisture drains down to about 8.25%, or a net increase of 5.25% over the original content. At any given time approximately 40% of the ore contained in the heap is under leach, at saturation, with most of the remainder at the draindown moisture content. Eventually, after detoxification and closure of the heap, the heap will be breached to allow for a free draining system. Residual moisture will drain to underlying geologic strata.

Unless evaporation is included in your definition of "nonconsumptive," the

DEC 19 1994

water collected and stored in the leach pad will eventually be treated (detoxified) and released to the substrata. Mine life now will carry through 1996. Therefore, Black Pine Mine does not believe there will be any consumptive use, only evaporation losses, that are minimized through drip line application, rather than sprinklers.

COMMENTS:

"If, in fact, water is recycled in a closed system, then why is additional water needed?"

RESPONSE:

The answer is that the system is not static, as explained below, with additional ore treated as it is mined. All of the water required to saturate ore is not immediately returned for reuse when the ore has been treated, resulting in the requirement for additional water. The water that drains from saturated ore, and from ore that has been allowed to drain following leaching, is recycled. It is important to note that new ore is placed on top of ore that has been treated, and the entire mass must be brought back to saturation.

COMMENTS:

"What is "make-up"water? How is it applied? What is the rate and hours of application?"

RESPONSES:

Make-up water is water added to the system due to two types of losses. The primary water lost is due to ore (rock and soil containing gold) absorbing the moisture and secondary loss of water is due to evaporation. Although the water still remains in the system, it is suspended in the ore soil matrix; we call this a draindown (equilibrium between gravity draining and soil retention of moisture) condition.

Make-up water is applied a couple of ways. It is either added to the system by direct pumping to our "barren pond" (none bearing gold solution), which is pumped directly to the leach pad for leaching use, or it is directly pumped to the leach pad and discharged into the pond storage area of the heap. Both systems have a direct increase in the solution balance.

The rate and hours of application are dependent on several factors. Generally, we add make-up water sparingly from October to May. This allows us to minimize the volume of solution on the pad to accommodate spring snowmelt and rains. In the summer and fall months the amount and rate of make-up water added to the leach pad depends on how much new ore is added to the pad and if it rains or not. The rate of pumping is highly variable, ranging from 0 gpm to 408 gpm the maximum allowed by our water right. We are not like an agricultural-based operation where pumping is continuous at the same rate. The pumping rate varies from not pumping at all to continuous pumping for several days.

COMMENTS:

"I suggest requesting detailed schematics showing water systems of the beneficiation plant..."

RESPONSE:

Water loss does not occur in the plant. It is tied into the entire closed system. We are providing you with a flow diagram to help illustrate how our mine processing works.

RECEIVED
DEC 19 1994

PIT AREA

LIME ADDITION

LEACH PAD AREA

DRIP EMITTERS

ORE

IMPERVIOUS LAYER

RISER PIPE WITH PUMP

RETENTION EMBANKMENT

BARREN SOLUTION

PRECIPITANT SOLUTION

BARREN SOLUTION

BARREN SOLUTION

PUMP

BARREN POND

SOLUTION

CARBON COLUMNS

CARBON

CARBON

ELECTROWINNING CELLS

BOILER

STRIP VESSEL

CATHODES

RETORT

MERCURY

MELT

DORE

VAULT

PLANT

BLACK PINE MINE FLOW SHEET

DEC 19 1994

MEMORANDUM

Date: August 3, 1994
From: Jim Johnson *J*
To: Norm
Subject: Review of Application and request from Crellin Scott

=====

Per your request I have reviewed Mr. Scott's letter and the application for permit. Following are my comments and suggestions.

The rate of flow on the application needs a downward adjustment to read 0.21 cfs instead of 1.2 cfs per explanation in Mr. Scott's letter.

Mr. Scott needs to demonstrate how the diversion of an additional 0.21 cfs will not be consumed by the "extraction, beneficiation, and processing of ore". If in fact water is recycled in a closed system, then why is additional water needed?

What is "make-up" water? How is it applied? What is the rate and hours of application?

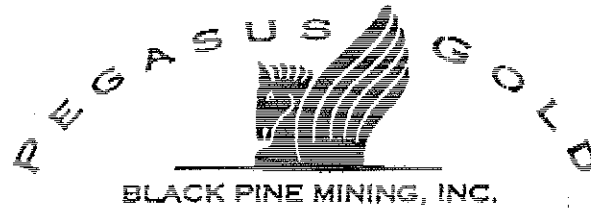
I suggest requesting detailed schematics showing the water systems of the beneficiation plant and request further clarification of make-up water and how it is used for wetting new ore.

If Mr. Scott fails to provide convincing information on the non-consumptive use of water then the only option left is for the Director to consider the appropriation under the provisions of paragraph 8.

This application is not located within the Curlew Valley Critical Groundwater Area.

[Handwritten signature]

DEC 19 1994



FAX SHEET

DATE: 8/3/94

OF PAGES (INCLUDING COVER SHEET) 3

TO: <i>Norman Young</i>	FROM: <i>Crellin Scott</i>
COMPANY NAME: <i>IDWR</i>	BLACK PINE MINING, INC.
PHONE NUMBER:	PHONE NUMBER: 208-645-2612
FAX NUMBER: <i>327-7866</i>	FAX NUMBER: 208-645-2632

☒ HIGH PRIORITY (DELIVER IMMEDIATELY)

☐ CONFIDENTIAL (EYES ONLY ADDRESSEE)

MESSAGE

Norman,
Here is a copy of the letter that
was sent to Keith, requesting increased
water rights. I would like to discuss this
with you at your earliest convenience.
Thank you
Crellin

DEC 19 1994



June 23, 1994

71
12
1.12

Keith Higginson
Director of Water Resources
Idaho Department of Water Resources
1301 North Orchard St.
Boise, ID 83706

RE: Request Review and Approval of Water Right No. 17-07140, for Nonconsumptive use at the Black Pine Mine, Cassia County

Dear Mr. Higginson:

Black Pine Mine is a gold mining company located in the southeast corner of Cassia County. We presently hold the approved water right (No. 17-07132) with the right to divert water at the rate of 0.91 cfs for mining activities. In April of 1992 we filed for an additional 0.21 cfs for a total of 1.2 cfs water diversion. In 1992 we anticipated increased water needs for future mine expansion. Now, we have approved mine expansion permits from the U.S. Forest Service and will require the additional water rights to conduct the extraction, beneficiation, and processing of ore in an efficient manner. Therefore, we respectfully request your review of our water right request (No. 17-07140) under the Amended Moratorium Order for approval of nonconsumptive use.

Following the Amended Moratorium Order, page 4, item #6, it states "The moratorium does not apply to any application proposing a nonconsumptive use of water" Black Pine's use of water meets the nonconsumptive use definition as noted in Section 42-605A, Idaho Code. We use this water for beneficiation of ore through heap leach processing. This processing method uses a closed system that recycles the processing solutions for mineral extraction, thereby reusing the water already in solution. Make-up water is only added for wetting new ore on the pad and evaporation loss.

We understand the Director has the authority to review applications on a case-by-case basis if the application will have no effect on prior water rights because of location, and there is an insignificant consumption of water (see Order, page 5, item 8b). We believe Black Pine's well location and insignificant increase in use, 0.21 cfs, meet with the criteria allowing you to approve our application for additional water use and not have any detrimental effect on existing water resources.

We acknowledge the moratorium order (April 1993) and understand the need for responsible control of water rights through moratorium orders to protect Idaho's water resources. We

RECEIVED
JUN 29 1994

Mr. Keith Higginson
IDWR
Water Right 17-07140

Page 2

July 11, 1994

believe this request meets the objectives of the present moratorium and will have no significant impact to existing water rights in this area. We would sincerely appreciate your review of our request in order to continue an economical operation of beneficiation of ore processing.

Thank you for your help.

Sincerely,

C. Crellin Scott
Sr. Environmental Engineer

keo
Encl.

c: Pete Petrowsky
Joel Brown
Jim Anderson
file

INTER-DEPARTMENT MEMO

TO: File

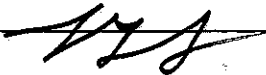
SUBJECT: _____

FROM: Mr. SaptorDATE: 6-30-92

- Crellin Scott called today about the status of the app.
- His intended use really is $1.2 \text{ cfs} - 0.91 \text{ cfs} (17-7132) \approx 0.29 \text{ cfs}$.
- He plans to write the Director & request consideration for approval in view of the on-going moratorium.

☐ For your information☐ Response required

DEC 19 1994


signature

20-Apr-1992

DAN KOTANSKY
BLM
940 LINCOLN RD
IDAHO FALLS ID 83401

RE: Application No. 17-7140

Dear Water Right Applicant:

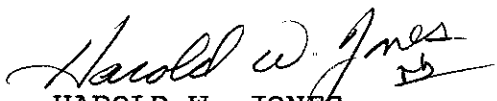
The Department of Water Resources acknowledges receipt of your water right permit. This office is currently in the process of advertising the application in the South Idaho Press on 4-16 & 23-92. The advertisement will be published for two consecutive weeks, and a period of ten days following the second 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



DEC 19 1994

20-Apr-1992

SAWTOOTH NATIONAL FOREST
2647 KIMBERLY RD EAST
TWIN FALLS ID 83301-7976

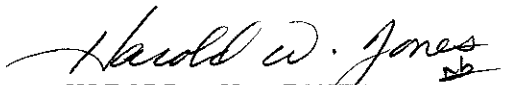
RE: Application NO. 17-7140

Dear Sir:

We are enclosing a copy of the application(s) that may be of interest to your department. Please review the application(s) and submit any comments you may have to our Department as soon as possible. The last date of protest is 5-4-92, and we are required to take final action shortly thereafter.

If we may be of further assistance, please feel free to contact us.

Respectfully submitted,


HAROLD W. JONES
Water Rights Supervisor

HWJ/rb
enc.

DEC 19 1994

20-Apr-1992

DAN KOTANSKY
BLM
940 LINCOLN RD
IDAHO FALLS ID 83401

RE: Application NO. 17-7140

Dear Sir:

We are enclosing a copy of the application(s) that may be of interest to your department. Please review the application(s) and submit any comments you may have to our Department as soon as possible. The last date of protest is 5-4-92, and we are required to take final action shortly thereafter.

If we may be of further assistance, please feel free to contact us.

Respectfully submitted,

A handwritten signature in cursive script that reads "Harold W. Jones". The signature is written in dark ink and includes a small flourish at the end.

HAROLD W. JONES
Water Rights Supervisor

HWJ/rb
enc.

MAILED 100

DEC 19 1994

20-Apr-1992

DEQ IDHW
224 S ARTHUR
POCATELLO ID 83204

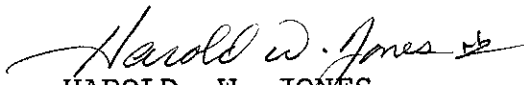
RE: Application NO. 29-04239 & 17-7140

Dear Sir:

We are enclosing a copy of the application(s) that may be of interest to your department. Please review the application(s) and submit any comments you may have to our Department as soon as possible. The last date of protest is 5-4-92, and we are required to take final action shortly thereafter.

If we may be of further assistance, please feel free to contact us.

Respectfully submitted,


HAROLD W. JONES
Water Rights Supervisor

HWJ/rb
enc.

DEC 19 1994

10-Apr-1992

BLACK PINE MINING INC
PO BOX 578
BURLEY ID 83318

RE: Application No. 17-7140

Dear Water Right Applicant:

The Department of Water Resources acknowledges receipt of your water right permit. This office is currently in the process of advertising the application in the South Idaho Press on 4-16 & 23-92. 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



DEC 19 1994

**NOTICE OF APPLICATION
FOR WATER RIGHT**

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

17-07140
BLACK PINE MINING INC.

PO BOX 678

BURLEY, ID 83318

Source: GROUNDWATER

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

in CASSIA County,

Use: MINING (1,200 CFS)

Total Diversion: (1,200 CFS)

Date Filed: 4/8/1992

In: CASSIA County

T15SR29E25N25W15N25W15S25W

NWSE SWSE

S26 N2SW N2SW S2SW S2SW

S27 N2SW N2SW S2SW S2SW

N2SE NWSE SWSE S2SE

S34 N2NE NWNE SWNE SENE

N2NW NWNE N2SE SENE

S36 N2NE NWNE SWNE SENE

N2NW NWNE N2SE SENE

N2SW N2SW N2SE NWSE

S36 N2NE NWNE SWNE SENE

N2NW NWNE N2SE SENE

N2SE NWSE SWSE S2SE

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 MAY 4, 1992.

/s/ R. Keith Higginson, Director
Published in the South Idaho Press on April 10, 1992.

SOUTH IDAHO PRESS

BURLEY, IDAHO

AFFIDAVIT OF PUBLICATION

County of Cassia, }
STATE OF IDAHO } ss.

Margaret Jones being first
duly sworn, deposes and says that She
is the owner of the South
Idaho Press, a daily newspaper published
at Burley, Idaho, in the county aforesaid
and that the paper is of general circulation
therein. Deponent further states that the
printed notice attached hereto was duly
published according to law in the regular
editions of The South Idaho Press for 400
consecutive weeks, commencing with the
issue dated April 18 19 92 and
ending with the issue dated April 22,
19 92. Margaret Jones

STATE OF IDAHO }
COUNTY OF CASSIA }

On this 6 day of May in the year of 1992, before me,
a Notary Public, personally appeared Margaret Jones,
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.

M. W. Johnson
Notary Public for Idaho
Residing at Burley, Idaho
My commission expires May 23, 1992

Cost of Publication: 37.80
Notary Fee: 30
Total Cost: 38.30

DEC 19 1994

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

Idaho Falls, Idaho 83402
(208) 525-7161

APRIL 8, 1992

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 MAY 4, 1992.

Yours truly,

Rita Bodell
Secretary

Encl.

RECEIVED
DEC 19 1994

NOTICE OF APPLICATION FOR WATER RIGHT

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

RECEIVED
DEC 19 1994

17-07140

BLACK PINE MINING INC
PO BOX 578
BURLEY, ID 83318

Source: GROUNDWATER

Diversion Pt: SWSENE Sec 36 T 15S R 29E in CASSIA County.

Use: MINING (1.200 CFS)
Total Diversion: (1.200 CFS)

Date Filed: 4/ 6/1992

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

DEC 19 1994

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 MAY 4, 1992.

R. KEITH HIGGINSON, Director

Published: 4/15/1992 & 4/22/1992

DEC 19 1994

PASUS GOLD CORPORATION

BLACK PINE MINE

April 2, 1992

RECEIVED

APR 06 1992

Department of Water Resources
Eastern District Office

Mr. Paul Meyer
Idaho Department of Water Resources
150 Shoup Ave., Suite 15
Idaho Falls, Idaho 83401

Re: Application for Permit for Black Pine Mine To Extend Water Rights on Permit No. 17-07132

Dear Paul:

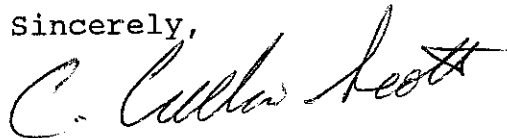
Enclosed is an application for a permit for water rights on our existing well. As we discussed, Black Pine Mine would like to extend its water rights from 0.91 cfs to 1.2 cfs for the existing permit no. 17-07132.

Enclosed is the application for the flow rate of 1.2 cfs, map of the well location and diversion, and application fee of \$65.00.

From our conversation I understand that there is a 30-day publication period with a 10-day period following publication that the general public may appeal our application. I also understand that it normally takes eight to ten weeks to process this type of application. The Black Pine Mine is in need of this application by mid-May of this year; therefore, if there is anything we can do to expedite the approval process please let me know. We would be happy to help out in any way possible. Your help and assistance in accelerating the approval process would be greatly appreciated.

If you have any questions or need any other information, please contact me. Our phone number is (208) 645-2612. Thank you for your help.

Sincerely,



C. Crellin Scott
Environmental Coordinator

keo
Enclosure
c: P. Petrowsky
file

DEC 19 1991