STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF LAND AND WATER MANAGEMENT

PERMIT
TO
APPROPRIATE WATER
LAS 11808

The State of Alaska, pursuant to Alaska Statute 46.15, The Alaska Water Use Act, and the administrative regulations adopted under it, grants to:

Greens Creek Mining Company 3000 Vintage Blvd., Suite 200 Juneau, Alaska 99802

The right to develop the following use of water:

10 gallons per minute (gpm) from a series of five dewatering wells, year-round for use in the milling of ore with a priority date of March 10, 1988.

The location of the source to which this water right appertains is:

A series of five dewatering wells to be drilled within the Greens Creek millsite complex, located within the S1/2 SW1/4 protracted section 4, Township 44 South, Range 66 East, Copper River Meridian and comprising approximately 54.66 acres as described in the amended U.S. Forest Service Lease document dated August 25th, 1987. The water shall be used in and the rights shall be appurtenant to that certain tract of real property described above.

Changes in the natural state of water are to be made in the manner and only for the purposes stated in this permit. Non-compliance with the conditions of use shall constitute evidence of intent to abandon and forfeit the rights granted in this permit and may result in the revocation of these rights per AS 46.15.100 and AS 46.15.175.

This permit is subject to the pertinent statutory provisions in AS 46.15, administrative regulations in 11 AAC 93, and the following conditions:

1. Pursuant to 11 AAC 93.140 and statutory basis referenced therein, the permittee shall submit a drillers well log for each drilled, jetted, or augered well constructed. The water well contractor shall prepare and the permittee shall file a report within 45 days after completion. The report must contain the following information:

The location of the well.

An accurate log of the soil and rock formations encountered and the depths at which the formations occur.

The depth of the casing and the depth of any grouting or screens.

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The total depth of the well, the static water level, the well yield and the results of any pump test that may have been conducted.

If the well contractor installs a pump at the time of construction, the report must also include the depth of the pump intake and the rated pump capacity at that depth.

- The permittee shall follow acceptable engineering standards in 2. exercising the privilege granted by this permit and shall respond to any request for additional information during the duration of this permit. Per AS 46.15.100 and AS 46.15.175, failure to respond in a timely manner may result in the termination of this permit.
- shall; comply with all applicable laws, permittee 3. regulations and conditions; and shall defend and indemnify the state against and hold it harmless from any and all claims, demands, legal actions, loss liability and expense for injury to or death of persons and damages to or loss of property arising out of or connected with the exercise of the privilege granted by this permit.
- The permittee shall notify the Department of any change of address of the grantee or transfer of any real property identified in this document.

All notifications or submittals referenced in this document shall go to the following: Southeast Regional Manager, Division of Land and Water Management, 400 Willoughby Ave., Suite 400, Juneau, Alaska 99801.

March 10, 1998 This permit expires on:

This permit to appropriate water is issued by authority of

AS 46.15.080 and 11 AAC 93.120 on October

Approved: And will

Division of Land and Water Management