

CERTIFICATE OF RECORD

STATE OF NEVADA        )  
                                  ) ss  
CARSON CITY            )

I, Kristen Geddes, Chief Hearing Officer of the Division of Water Resources, State of Nevada, duly appointed and qualified, having full charge of the records and files of the Office of the State Engineer, do hereby certify that any copies of originals provided herein are true copies as appear in the records and files of the Office of the State Engineer of Nevada.



\_\_\_\_\_  
Kristen Geddes  
Chief, Hearings Section

1/24/18  
\_\_\_\_\_  
Date

SUBSCRIBED AND SWORN to before me  
by Kristen Geddes this

24 day of January, 2018.



\_\_\_\_\_  
Notary Public



Record on Review  
In the matter of the Nevada State Engineer's Granting Extensions of Time Regarding Permits  
52918, 52919, 52920 and 52921

No: **52918** Date Filed **FEB 09 1989**

Indexed under

Well Log *1106-016*

Name of applicant



Map

Basin **CLAYTON VALLEY**

Stream

**10-143**

Township **1S** Range **40E**

County **ESMERALDA**

Point of diversion **NW 1/4 SE 1/4 Section 19**

Applicant **FOOTE MINERAL COMPANY**

**ASSIGNED**

Source of Water **UNDERGROUND**

Returned for correction

Abrogated by **8U029T 1.0 port.**

Corrected application received

Map filed **12/8/81 UNDER 44251 (POD ON SHEET #3 OF 5)**

Sent for publication **MAR 1 1989**

Proof of publication filed **APR 10 1989**

Investigated on ground by

Protested

Ready for action **MAY 6 1989**

Approved **Aug. 30, 1993** **5.0cfs** **mining, domestic**

Denied

	PROOF OF COMMENCEMENT	PROOF OF COMPLETION	PROOF OF BENEFICIAL USE	CULTURAL MAP
Date due		<b>SEP 30 1995</b>	<b>SEP 30 1998</b>	
1st extension			<i>[Handwritten notes]</i>	
2nd extension			<i>[Handwritten notes]</i>	
		<b>NO FURTHER EXTENSION</b>	<b>NO FURTHER EXTENSION</b>	
Date filed		<b>MAY 21 1998</b>		

Filed under map

CERTIFICATE NO.	ISSUED	AMOUNT

Use

COMPUTER CHECK	File Entry	Publication	Permit	Certificate
		<i>[Handwritten mark]</i>	<i>[Handwritten mark]</i>	

ADDRESS: **entered 3/10/08**

1-28-92  
 COPIES OF ALL NOTICES  
 & CORRES. TO:  
 Ross de Lipkau  
 P.O. Box 2790  
 Reno, NV 89505

SEE APPLICATION 86029T TO CHANGE P.U.U. OF A PORTION

Date Filed

Application to appropriate		Application to change	POD	POU	MOU	Port.	of
----------------------------	--	-----------------------	-----	-----	-----	-------	----

Basin **10 - 143** **CLAYTON VALLEY** County **ESMERALDA**

POD **1/4** **1/4** Section Township Range

Applicant **FOOTE MINERAL COMPANY**

Source of Water **UNDERGROUND**

Return for Correction Corrected Application Received

Maps Filed	Prop. POD	Under	Exist. POD	Under
	Prop. POU	Under	Exist. POU	Under

Sent for Publication Ready for Action

Protested

Approved / Denied

Due Dates	Date Filed	Well Logs
Proof of Completion		
Proof of Beneficial Use		Certificate No.
		Issued
		Amount
PBU Map Required	Filed	Under
		Use

Other Dates

Change Applications	To Change				Abrogation Amount or Action on Application to Change
	POD	POU	MOU	Port.	

SEE FILE #1 FOR MORE INFORMATION

DIVISION OF WATER RESOURCES

CARSON CITY, NEVADA

TRANSMITTAL OF COPIES

Date FEB 24 1988

The following xerox copies were forwarded to the Las Vegas Branch Office, Division of Water Resources, this date:

NO. 52918

Application

FEB 24 1988 *kh*

Amended Application

Map

3-1-89 JSF

Publication

MAR 1 1989 *O*

Ready for Action Card

2-14-89 *JSF*

Permit

8-31-93 AB

Final Notice

10-2-97 KQ

Final Notice

Proof of Completion

9/28/98 AB

Extension of Time

10-9-98 oms 5-19-98 AB

Proof of Beneficial Use

Cultural Map

Extension of Time

1-15-02 DR 10310339 **NOV 12 2004 LT**  
11/16/98 DS 10/24/00 DS *9/30/09*

Cultural Map

Certificate

Assignment Sheet

1-28-92 Ct

Cancellation

Signed *George Howard*

THIS SHEET TO BE KEPT AT THE TOP OF THIS FILE FOR EASY REFERENCE

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office. FEB 09 1989
Returned to applicant for correction.
Corrected application filed. Map filed. DEC 08, 1981 under 44251

The applicant. FOOTE MINERAL COMPANY

of Silver Peak
Street and No. or P.O. Box No. City or Town

Nevada 89047
State and Zip Code No.

hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

Incorporated in the State of Pennsylvania on September 30, 1964.

Is applicant a U.S. citizen? Yes [X] No [ ]

Is applicant 21 years of age or older? Yes [X] No [ ]

NRS 533.325 requires that applicants be a citizen of the United States or have legally declared their intention to become a citizen, and that they be 21 years of age or older.

1. The source of the proposed appropriation is. underground.
Name of stream, lake, spring, underground or other source.

2. The amount of water applied for is. 5.0 cfs. second feet.
One second foot equals 448.83 gallons per minute.

(a) If stored in reservoir give number of acre-feet.

3. The water to be used for. Mining and domestic purposes.
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated:

(b) Stockwater, state number and kind of animals:

(c) Other use (describe fully under "No. 12. Remarks"):

(d) Power:

(1) Horsepower developed:

(2) Point of return of water to stream:

5. The water is to be diverted from its source at the following point within the NW<sup>1</sup>/<sub>4</sub> SE<sup>1</sup>/<sub>4</sub> Section 19,  
Describe as being within a 40-acre subdivision of public  
Township 1 South, Range 40 East, MDB&M, at a point from which the southwest  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South  
34°30'39" West a distance of 41,163 feet.

6. Place of use Refer to Exhibit "A" attached hereto.  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day

8. Description of proposed works (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution system,  
State manner in which water is to be diverted, i.e. diversion structure,  
delivery to evaporation ponds.  
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$30,000

10. Estimated time required to construct works Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium.

The area which includes the point of diversion and place of use is appurtenant

is located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22,

et seq. The brine solution is pumped to evaporation ponds, where the

lithium is recovered from the dehydrated solution. This water right will be

utilized in conjunction with others held by the applicant. Use map on file  
under Permit 44264. STATE ENGINEERS OF NEVADA

By Ross E. de Lipkau  
Signature, applicant or agent

Ross E. de Lipkau  
P. O. Box 2790

Street and No., or P.O. Box No.

Reno, Nv 89505

City, State, Zip Code No.

89 FEB-9 A9:34

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

2888 (Rev. 4-82)

\$100 FILING FEE MUST ACCOMPANY APPLICATION

**SE ROA 6**

EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, Both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 23 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1933, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1933 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.

EE APPLICATIONS <sup>86947T</sup> 86948T TO CHANGE P.O.D, P.O.U, OF A PORTION

86949T

86950T

86951T

86952T

87456T, 87458T, 87461T APPLICATION TO CHANGE THE P.O.D., P.O.U., M.O.U., POR.



1 OF 2



APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office FEB 09 1989

Returned to applicant for correction

Corrected application filed

Map filed DEC 08, 1981 under 44251

The applicant FOOTE MINERAL COMPANY

of Silver Peak Nevada 89047

hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

Incorporated in the State of Pennsylvania on September 30, 1964.

1. The source of the proposed appropriation is underground.

2. The amount of water applied for is 5.0 cfs second-feet

3. The water to be used for Mining and domestic purposes.

4. If use is for: (a) Irrigation, state number of acres to be irrigated. (b) Stockwater, state number and kinds of animals to be watered. (c) Other use (describe fully under "No. 12. Remarks"). (d) Power: (1) Horsepower developed. (2) Point of return of water to stream.

5. The water is to be diverted from its source at the following point within the NW 1/4 SE 1/4 Section 19, Township 1 South, Range 40 East, MDB&M, at a point from which the southwest corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South 34°30'39" West a distance of 41,163 feet.

6. Place of use Refer to Exhibit "A" attached hereto.

7. Use will begin about January 1 and end about December 31, of each year.

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution system, delivery to evaporation ponds.

9. Estimated cost of works \$30,000

10. Estimated time required to construct works..... Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The area which includes the point of diversion and place of use is appurtenant is located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22, et seq. The brine solution is pumped to evaporation ponds, where the lithium is recovered from the dehydrated solution. This water right will be utilized in conjunction with others held by the applicant. Use map on file under Permit 44264.

By..... /s/ Ross E. de Lipkau  
Ross E. de Lipkau  
P.O. Box 2790  
Reno, Nv 89505

Compared..... kh/ ps ab/se

Protested.....

APPROVAL.....OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 44251, Certificate 12770; 44252, Certificate 12771; 44253, Certificate 12772; 44255, Certificate 12773; 44256, Certificate 12774; 44257, Certificate 12775; 44258, Certificate 12776; 44260, (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 5.0 .....cubic feet per second....., but not to exceed 3619.85  
.....acre-feet annually.....

Work must be prosecuted with reasonable diligence and be completed on or before..... August 30, 1995

Proof of completion of work shall be filed on or before..... September 30, 1995

Application of water to beneficial use shall be made on or before..... August 30, 1998

Proof of the application of water to beneficial use shall be filed on or before..... September 30, 1998

Map in support of proof of beneficial use shall be filed on or before..... N/A

Completion of work filed.....

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P. E., State Engineer of Nevada, have hereunto set my hand and the seal of my office, this..... 30th .....day of..... August

A. D. 19... 93

*[Signature]*  
State Engineer

(PERMIT TERMS CONTINUED)

Certificate 12777; 44261, Certificate 12778; 44267, Certificate 12779; 44268, Certificate 12780; 44269, Certificate 12781; 44270, Certificate 12782, 49988, 52918, 52919, 52920 and 52921 shall not exceed 17.86 million gallons per day or 20,000 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.



## EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 23 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1983, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1983 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.

**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

March 6, 1989

RE: 52918 through 52921

Foote Mineral Company  
Silver Peak, Nevada 89047

Ladies and Gentlemen:

The above referenced applications to appropriate water for mining, and domestic purposes have been reviewed by this office. Before further consideration can be given towards the issuance of any permit should the applications become ready-for-action, it will be necessary for you to submit additional justification data and information concerning the annual consumptive use of water for mining and milling purposes under your applications. Therefore, the following information is hereby requested (please answer all applicable items):

1. The number of hours per day and days per year of plant operation that water will be consumed.
2. The number of tons of ore to be processed on a daily basis.
3. The amount of water in gallons per ton of ore required by your plant operation.
4. Accurate description of all plant operation components utilizing water along with the hourly/daily volume of water (i.e. gallons per hour) required for each component.
5. Minimum total volume of water required for plant operations on a daily basis.
6. Total annual volume of water calculated to be recycled or the % Recycle Factor of Item (5) above, and description of recycling method(s).
7. Projected total annual consumptive use, including plant losses, dust control and domestic use.

Page 2  
RE: 52918 through 52921  
March 6, 1989

Your earliest response would be greatly appreciated. Should you have any questions regarding this matter, please contact this office.

Sincerely,



Diana Jean Lefler  
Hydraulic Engineer II

DJL/kh  
Certified Mail No. P 965 007 659  
cc: Ross E. de Lipkau, Certified Mail No. P 965 007 660

SE ROA 14



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

RE: 44249 et al

May 4, 1989

Lee T. Gaskins  
Cyprus Minerals Company  
Property Management Department  
P.O. Box 3299  
Englewood, CO 80155

Subject: Copies of Foote Mineral Company's water right files.

Dear Mr. Gaskins:

Enclosed are the remaining copies you requested of Foote Mineral Company's water right files; numbers 44249, 44252, 44253, 44255 thru 44269, 49993 and 52917 thru 52921.

Permit 44250 was unavailable at the time of copying and will be forwarded to you in the near future. We are charging you the copying fees for 44250 at this time.

The fees for the copies of the above referenced permits and applications are broken down as follows:

There are a total of 525 copies representing 25 files. The charge for the first ten pages of each file is \$5.50, equaling \$137.50 for 25 files. The charge for the remaining 275 pages is \$0.06 each, equaling \$16.50. The total amount due is \$154.00. The billing statement is enclosed.

If you have any questions please contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Kris A. B. Stenz".

Kris A. B. Stenz  
Engineering Technician IV

KABS/pas

Enclosure

SE ROA 15

BOB MILLER  
Acting Governor

STATE OF NEVADA

ROLAND D. WESTERGARD  
Director

PETER G. MORROS  
State Engineer



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

June 26, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Gentlemen:

The referenced ready for action applications have once again been reviewed and to date this office has not received the required information requested in our last letter of March 6, 1989, a copy of which is enclosed. Justification of consumptive use is imperative before further consideration can be given to the issuance of any permit.

Further action will be withheld on these applications for a period of thirty (30) days from the date of this letter. At that time, we will assume you are no longer interested in pursuing these applications and appropriate actions will be considered for their denial.

Should you so desire, NRS 533.370, Subsection 2.(a) provides "Action can be postponed by the state engineer upon written authorization to do so by the applicant..." This office would require a written authorization from the applicant to the State Engineer requesting postponement of further action for a period of up to one year.

Should you have any questions regarding this matter, please contact this office.

Sincerely,

  
Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm  
Certified Mail No. P 179 142 879  
Enclosure  
cc: Ross E. deLipkau  
Certified Mail No. P 179 142 880

SE ROA 16



# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971967

**Sherman & Howard**  
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
633 SEVENTEENTH STREET  
DENVER, COLORADO 80202  
TELEPHONE 303 297-2900  
TELECOPIER 303 298-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET  
DENVER, COLORADO 80237  
TELEPHONE 303 779-9484  
TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903  
TELEPHONE 719 475-2440  
TELECOPIER 719 635-4876

July 17, 1989

ROSS E. DELIPKAU

Ms. Diana Jean Lefler  
Hydraulic Engineer II  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Applications 52918-52921, Inclusive

Dear Ms. Lefler:

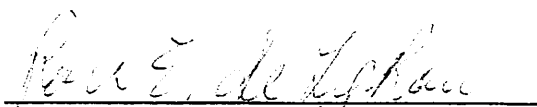
This is to acknowledge receipt of your letter dated June 26, 1989. Pursuant to NRS 533.370(2)(a), request is hereby made that you postpone action on the above referred to applications for a period of one year.

Should you wish to discuss the matter, please contact me.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By

  
Ross E. de Lipkau

REd/lbe  
33593.003

SE ROA 17



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

August 8, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Ladies & Gentlemen:

As requested on your behalf by agent Ross E. deLipkau, and pursuant to NRS 533.370, 2(a), a one-year postponement of further action from the date of this certified letter is hereby granted for Application No.'s 52918 through 52921, inclusive.

Sincerely,

A handwritten signature in cursive script that reads "Diana Jean Lefler".

Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm  
Certified Mail No. P 965 008 306  
cc: Ross E. deLipkau  
Certified Mail No. P 965 008 307

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1801  
TELECOPIER: 702 348-7250  
TELEX: 6971987

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WITH OFFICES IN:

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**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
633 SEVENTEENTH STREET  
DENVER, COLORADO 80202

TELEPHONE 303 297-2900  
TELECOPIER 303 299-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET PARKWAY  
DENVER, COLORADO 80237

TELEPHONE 303 779-8494  
TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903

TELEPHONE 719 475-2440  
TELECOPIER 719 635-4576

August 24, 1989

ROSS E. DELIPKAU

Honorable Peter Morros  
Nevada State Engineer  
201 South Fall Street  
Carson City, Nevada 89710

Re: Foote Mineral Company; Application Nos. 52917-52921

Dear Mr. Morros:

This is to confirm our conversation of August 23, 1989. Under Item 12, entitled "Remarks", I wish to make it quite clear that the four above-entitled applications seek to appropriate new water, and are not to be included within the annual limitation of 16,800 acre feet annually as permitted in Permit Nos. 44251-44270, inclusive, and Permit Nos. 49988-49996, inclusive.

Should you, or other members of your staff have any questions, please call.

Very truly yours,

HILL CASSAS de LIPKAU AND ERWIN

By *Ross E. de Lipkau*  
Ross E. de Lipkau

RED/kb

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
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TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 300, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903

TELEPHONE 719 475-2440  
TELECOPIER 719 635-4376

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971967

September 14, 1989

ROSS E. DELIPKAU

Ms. Marilyn Meyer  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Clayton Valley Groundwater Basin (10-143)  
Applications 52918-52921, Inclusive

Dear Marilyn:

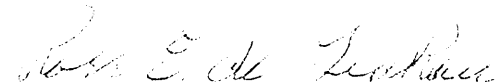
Enclosed herewith is our check in the amount of \$4.00 to cover the groundwater abstract. I note that Applications 52918-52921, inclusive, do not contain an annual duty set forth under that column. It is the intention of the applicant, as affirmed by my letter of August 24, 1989, that the applications seek to appropriate "new water" as contrasted to being supplemental to the other permits held by permittee. Accordingly, would you kindly change your records to reflect a duty of 3618.97 acre-feet annually for each application.

If you have any questions, please advise.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By



Ross E. de Lipkau

REd/lbe  
Enclosure  
33593.003

SE ROA 20



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

**DIVISION OF WATER RESOURCES**

**Capitol Complex**

**201 S. Fall Street**

**Carson City, Nevada 89710**

**(702) 885-4380**

**February 13, 1990**

52918, 52919,  
52920, 52921

Ross E. deLipkau  
Hill, Cassas, deLipkau & Erwin  
P.O. Box 2790  
Reno, NV 89505

Dear Mr. deLipkau:

In a letter dated September 14, 1989 you advised this office that applications 52918, 52919 52920 and 52921 in the name of Foote Mineral Company were filed to appropriate additional water than previously appropriated by the applicant. This office has incorporated that information into the record on the above referenced applications and will review the applications as requests for additional appropriation at the described locations.

If you have any questions on this matter, feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Thiel".

Christine Thiel, P.E.  
Chief, Office Engineering Section

CT/bc

cc: Foote Mineral Company

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

OFFICE MEMORANDUM

To: 52918-22

Date: 5 MAR 90

From: HUGH RICCI

Subject: Action on above applications

A court case is on going between Foute and the U.S. Government in regard to some of the mining claims in which the place of use of the above applications cover.

A letter date 8 AUG 89 allowed for a one year post ponement for taking action.

*Hugh Ricci*



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
(702) 687-4380

October 10, 1991

RE: Foote Mineral Company

Ross deLipkau  
Hill Cassas deLipkau & Irwin  
P.O. Box 2790  
Reno, NV 89505

Dear Mr. deLipkau:

This will acknowledge receipt of the 2 certified copies of Certificate of Amendments changing the name of Foote Mineral Co. to Cyprus Foote Mineral Company.

Before an assignment of water rights can be completed we require statutory filing fees in the amount of \$410.00 be submitted to this office.

All documents and fees that have been submitted will be held for 30 days awaiting a response from you.

If you have any questions please contact this office at (702) 687-4381.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rich Robinson".

Rich Robinson  
Engineering Technician III

RR/js

cc: Cyprus Foote Mineral Co.  
Silver Peak Operations



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
(702) 687-4380

December 20, 1991

RE: Water Rights Assignment

Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047  
Attn: C.B. Loundagin

Dear Mr. Loundagin:

Please be advised that the attached list of water rights have been assigned to show Cyprus Foote Mineral Co. as current owner of record.

This assignment reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rich Robinson".

Rich Robinson  
Engineering Technician III

RR/js  
cc: Ross De Lipkau



# STATUS REPORT

PERMIT      OWNER OF RECORD      STATUS      C.F.S.      DUTY      A.C.

PERMIT	OWNER OF RECORD	STATUS	C.F.S.	DUTY	A.C.
10036	Cyprus Foote Mineral Company	Cert #2627	0.334	---	MM
15847	Cyprus Foote Mineral Company	Cert #4838	0.530	---	MM
24382	Cyprus Foote Mineral Company	Cert #7234	1.0	235.9 MGA	MM
44248	Cyprus Foote Mineral Company	Permit	1.0	6.57 MGA	QM
44249	Cyprus Foote Mineral Company	Abr. By 49805	1.0	6.57 MGA	QM
44250	Cyprus Foote Mineral Company	Cert #11268	0.003	100 Cattle	Stk
44251	Cyprus Foote Mineral Company	Cert #12770	1.0	723.97	MM
44252	Cyprus Foote Mineral Company	Cert #12771	0.430	311.3 AFA	MM
44253	Cyprus Foote Mineral Company	Cert #12772	0.84	608.13 AFA	MM
44254	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
44255	Cyprus Foote Mineral Company	Cert #12773	0.39	282.35 AFA	MM
44256	Cyprus Foote Mineral Company	Cert #12774	0.22	159.27 AFA	MM
44257	Cyprus Foote Mineral Company	Cert #12775	0.35	253.39 AFA	MM
44258	Cyprus Foote Mineral Company	Cert #12776	0.27	195.47 AFA	MM
44259	Cyprus Foote Mineral Company	Abr. By 49990	1.5	1086.0 AFA	MM
44260	Cyprus Foote Mineral Company	Cert #12777	0.20	144.79 AFA	MM
4261	Cyprus Foote Mineral Company	Cert #12778	0.22	159.27 AFA	MM
4262	Cyprus Foote Mineral Company	Abr. By 49995 Abr. By 49996	1.5	1086.0 AFA	MM
4263	Cyprus Foote Mineral Company	Abr. By 49992 Abr. By 49993	1.5	1086.0 AFA	MM
4264	Cyprus Foote Mineral Company	Abr. By 49989	1.5	1086.0 AFA	MM
4265	Cyprus Foote Mineral Company	Abr. By 49994	1.5	1086.0 AFA	MM
4266	Cyprus Foote Mineral Company	Abr. By 49991	1.5	1086.0 AFA	MM
4267	Cyprus Foote Mineral Company	Cert #12779	0.44	318.5 AFA	MM
4268	Cyprus Foote Mineral Company	Cert #12780	0.462	334.47 AFA	MM
		<b>TOTALS</b>			
				SE ROA 25	





Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

May 7, 1992

Mr. Hugh Ricci, P.E.  
Deputy State Engineer  
123 W. Nye Lane, Room 246  
Carson City, Nevada 89710

Dear Mr. Ricci,

I would first like to thank you and Ms. Thiel for taking the time to help us with our unique situation in Silver Peak.

Pertaining to our meeting on April 15, 1992, in Carson City, a draft agreement and attachments has been prepared by Bart Loundagin and Ross deLipkau which provides our interpretation for a resolution of our water permitting and certification process. You should receive Ross' report in the next few days.

I look forward to your response on this matter and Bart and I are available at your convenience for any subsequent meetings that may arise. I would also like to reiterate my invitation to you or any of the staff associated with this project to schedule a tour of our facilities.

Again, thank you for your time and consideration and should you have any questions or concerns please contact me or Ross.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. J. Christophersen', with a long horizontal line extending to the right.

E. J. Christophersen  
Operations Manager

EJC/dr

cc: C. B. Loundagin  
Ross deLipkau  
Kathleen Gormley, M/C 125S, Englewood



SE ROA 27

**CYPRUS FOOTE MINERALS**

SOURCE	PERMIT	CERT.	DIV (CFS)	DUTY (AFA)	TCD (AFA)	MOU
UG	44248	PERMIT	1.000	20.16	20.16	QM
UG	49805	PERMIT	1.000	20.16		QM
UG	44250	11268	0.003			STK
UG	52917	RFA	2.000	1448.00		QM
SPRING	10036	2627	0.334			
SPRING	15847	4838	0.530			
UG	24382	7234	1.000	723.97		MM
UG	44251	12770	1.000	723.97		MM
UG	44252	12771	0.430	311.30		
UG	44253	12772	0.840	608.13		
UG	44255	12773	0.390	282.35		
UG	44256	12774	0.220	159.27		
UG	44257	12775	0.350	253.39		
UG	44258	12776	0.270	195.47	16800	
UG	44260	12777	0.200	144.79		
UG	44261	12778	0.220	159.27		
UG	44267	12779	0.440	318.50		
UG	44268	12780	0.462	334.47		
UG	44269	12731	0.230	183.23		
UG	44270	12782	1.000	723.97		
						4403.11
UG	49988	PERMIT	2.000	1448.00		
						1448.00
UG	52918	RFA	5.000	3619.85		
UG	52919	RFA	5.000	3619.85		
UG	52920	RFA	5.000	3619.85	20000	
UG	52921	RFA	5.000	3619.85		
						14479.40
						20330.51



PERMIT PLAT KEY

CHANGE	APPL.	STATUS	OWNER OF RECORD	SOURCE	DUTY	UNITS	USE	CFS	COM.DUTY
	13027	C 3595	SHIRLY, CHIATOVICH & HUMPHREYS	SPRING		425 COWS	STK	0.013	
	29235	C 9658	I.C.CATTLE CO.	UG		500 COWS	STK	0.00446	
	29728	C 9894	ESMERALDA COUNTY	UG	36.50 MGA		MUN	0.300	
	30399	C 9902	TOWN OF SILVERPEAK	UG	13.70 MGA		QM	1.000	
	57761	RFA	CARL W. VARNER	UG	500.00 AFA		MM&D	1.350	
	44248	PERMIT	CYPRUS FOOTE MINERALS	UG	20.16 AFA		QM	1.000	20.16 AFA
	49805	PERMIT	CYPRUS FOOTE MINERALS	UG	20.16 AFA		QM	1.000	
	44250	C 11268	CYPRUS FOOTE MINERALS	UG			STK	0.003	
	52917	RFA	CYPRUS FOOTE MINERALS	UG	1448.00 AFA		QM	2.000	
	10036	C 2627	CYPRUS FOOTE MINERALS	SPRING			MM	0.334	
	15847	C 4838	CYPRUS FOOTE MINERALS	SPRING			MM	0.530	
	24382	C 7234	CYPRUS FOOTE MINERALS	UG	723.97 AFA		MM	1.000	
	44251	C 12770	CYPRUS FOOTE MINERALS	UG	723.97 AFA		MM	1.000	
	44252	C 12771	CYPRUS FOOTE MINERALS	UG	311.30 AFA		MM	0.430	
	44253	C 12772	CYPRUS FOOTE MINERALS	UG	608.13 AFA		MM	0.840	
	44255	C 12773	CYPRUS FOOTE MINERALS	UG	282.35 AFA		MM	0.390	
	44256	C 12774	CYPRUS FOOTE MINERALS	UG	159.27 AFA		MM	0.220	
	44257	C 12775	CYPRUS FOOTE MINERALS	UG	253.39 AFA		MM	0.350	
	44258	C 12776	CYPRUS FOOTE MINERALS	UG	195.47 AFA		MM	0.270	
	44260	C 12777	CYPRUS FOOTE MINERALS	UG	144.79 AFA		MM	0.200	
	44261	C 12778	CYPRUS FOOTE MINERALS	UG	159.27 AFA		MM	0.220	
	44267	C 12779	CYPRUS FOOTE MINERALS	UG	318.50 AFA		MM	0.440	
	44268	C 12780	CYPRUS FOOTE MINERALS	UG	334.47 AFA		MM	0.462	
	44269	C 12781	CYPRUS FOOTE MINERALS	UG	188.23 AFA		MM	0.260	
	44270	C 12782	CYPRUS FOOTE MINERALS	UG	723.97 AFA		MM	1.000	
	49988	PERMIT	CYPRUS FOOTE MINERALS	UG	1448.00 AFA		MM	2.000	
	52918	RFA	CYPRUS FOOTE MINERALS	UG	3619.85		MM	5.000	
	52919	RFA	CYPRUS FOOTE MINERALS	UG	3619.85		MM	5.000	
	52920	RFA	CYPRUS FOOTE MINERALS	UG	3619.85		MM	5.000	
	52921	RFA	CYPRUS FOOTE MINERALS	UG	3619.85		MM	5.000	
POB 60025	63613	A.P.P.	MINERAL RIDGE RESOURCES INCORP	UG	537.1 AFA		MM&D	1.0	SAME WELL AS 29728
POB 60035	63648	TEMP	"	UG	537.1 AFA		MM&D	1.0	"

HILL CASSAS & de LIPKAU  
LAWYERS

EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
MARGARET M. CROWLEY  
ROBERT E. MCCARTHY  
OF COUNSEL

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1801  
—  
FACSIMILE  
(702) 348-7250

September 29, 1992

Hugh Ricci, P.E.  
Deputy State Engineer  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote Water Rights

Dear Mr. Ricci:

Enclosed is a copy of my letter to you dated May 8, 1992, together with a copy of the draft Agreement. We have heard nothing from either you or Christine Thiel. Cyprus Foote Mineral Company is most anxious to conclude its entire water rights program as previously discussed. At your earliest convenience, would you kindly advise as to the method whereby both the State Engineer's office and Cyprus Foote may achieve their desired results.

Your prompt attention would be appreciated.

Very truly yours,

HILL CASSAS & de LIPKAU

  
Ross E. de Lipkau

REd/lbe  
Enclosure  
pc w/enc:  
33593.003

Bart Loundagin  
Kathleen Gormley

SE ROA 31

HILL CASSAS & de LIPKAU

LAWYERS

EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
MARGARET M. CROWLEY  
ROBERT E. MCCARTHY  
OF COUNSEL

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1801  
—  
FACSIMILE  
(702) 348-7250

February 25, 1993

Hugh Ricci, P.E.  
Deputy State Engineer  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote / Clayton Valley Water Rights

Dear Mr. Ricci:

On May 8, 1992 I sent you a letter and draft Agreement. Cyprus Foote, the permittee, is desirous of concluding and perfecting its water rights at the earliest possible time. Accordingly, it would be appreciated if you would review the matter and advise accordingly. In the event a meeting is requested or desirable, please advise.

Very truly yours,

HILL CASSAS & de LIPKAU

  
Ross E. de Lipkau

REd/lbe  
pc: Bart Loundagin  
Kathleen Gormley  
33593.003

SE ROA 32



HILL CASSAS & de LIPKAU

LAWYERS

EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
MARGARET M. CROWLEY  
ROBERT E. MCCARTHY  
OF COUNSEL

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1601  
—  
FACSIMILE  
(702) 348-7250

July 2, 1993

Hugh Ricci, P.E.  
Deputy State Engineer  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote Water Rights

Dear Mr. Ricci:

This is to confirm the results of our recent meeting with you, Steve Brown, Bart Loundigan, E. J. Christophersen and me. It is the request of Cyprus Foote Mineral Company (hereinafter "Cyprus") that the State Engineer's office take the following action:

1. Applicatoins 52918 - 52921, inclusive, be granted, in due course, with permit language basically as follows:

Cyprus Foote Mineral Company shall be authorized to develop a daily volume of lithium brine, not to exceed 18 million gallons from all sources pursuant to all permits. The total volume developed by Cyprus Foote Mineral Company from all sources pursuant to all permits will not exceed 20,000 acre-feet annually.

There is no current urgency for approval of these applicatoins. Pursuant to NRS 533.380(1), request is hereby that you issue the above permits with as long a period of time for filing the Proofs of Completion of Work and Proofs of Beneficial Use as authorized by statute.

2. Cyprus desires to retain Permit 49988, granted with a rate of diversion of 2.0 cfs, and with an annual duty of 14.48 acre-feet.

3. Cyprus desires to withdraw Permits 44254 and 49989 - 49996, inclusive.

*15 Jul 93  
Original  
given to  
Tracy  
with approval  
of this*

SE ROA 33

July 2, 1993  
Page 2

This request is based on the following:

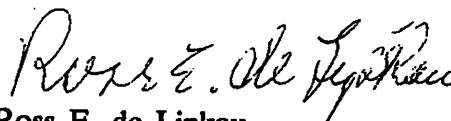
- a. Existing certificated rights for brine production held by Cyprus total 4403 acre-feet annually.
- b. Applications 52918 - 52921, inclusive, when granted, will equal 14,476 acre-feet annually.
- c. Permit 49988 is granted for an annual diversion of 1448 acre-feet annually.

The total, therefore, is slightly more than 20,000 acre-feet annually, rounded to 20,000 acre-feet.

Should you or Steve Brown wish to discuss the contents herein, please advise.

Very truly yours,

HILL CASSAS & de LIPKAU



Ross E. de Lipkau

REd/lbe

pc: Bart Loundagin  
E. J. Christophersen  
Kathleen Gormley  
33593.003

SE ROA 34

HILL CASSAS & de LIPKAU  
LAWYERS

EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
MARGARET M. CROWLEY  
ROBERT E. MCCARTHY  
OF COUNSEL

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1801  
—  
FACSIMILE  
(702) 348-7250

July 12, 1993

Hugh Ricci, P.E.  
Deputy State Engineer  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote Water Rights

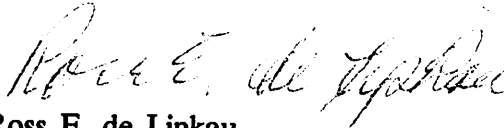
Dear Hugh:

My letter to you dated July 2, 1993 contains an error (item #2, page 1). The figure of 14.48 is incorrect; the figure should be 1,448. Enclosed is a reprint of the same letter and contains the correct information.

It would be appreciated if you would discard the July 2 letter.

Very truly yours,

HILL CASSAS & de LIPKAU

  
Ross E. de Lipkau

REd/lbe

pc: Bart Loundagin  
E. J. Christophersen  
Kathleen Gormley  
33593.003

SE ROA 35

HILL CASSAS & de LIPKAU  
LAWYERS

EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
MARGARET M. CROWLEY  
ROBERT E. MCCARTHY  
OF COUNSEL

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1601  
—  
FACSIMILE  
(702) 348-7250

July 12, 1993

Hugh Ricci, P.E.  
Deputy State Engineer  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote Water Rights

Dear Mr. Ricci:

This is to confirm the results of our recent meeting with you, Steve Brown, Bart Loundigan, E. J. Christophersen and me. It is the request of Cyprus Foote Mineral Company (hereinafter "Cyprus") that the State Engineer's office take the following action:

1. Applications 52918 - 52921, inclusive, be granted, in due course, with permit language basically as follows:

Cyprus Foote Mineral Company shall be authorized to develop a daily volume of lithium brine, not to exceed 18 million gallons from all sources pursuant to all permits. The total volume developed by Cyprus Foote Mineral Company from all sources pursuant to all permits will not exceed 20,000 acre-feet annually.

There is no current urgency for approval of these applications. Pursuant to NRS 533.380(1), request is hereby that you issue the above permits with as long a period of time for filing the Proofs of Completion of Work and Proofs of Beneficial Use as authorized by statute.

2. Cyprus desires to retain Permit 49988, granted with a rate of diversion of 2.0 cfs, and with an annual duty of 1,448 acre-feet.

3. Cyprus desires to withdraw Permits 44254 and 49989 - 49996, inclusive.

July 12, 1993

Page 2

This request is based on the following:

- a. Existing certificated rights for brine production held by Cyprus total 4403 acre-feet annually.
- b. Applications 52918 - 52921, inclusive, when granted, will equal 14,476 acre-feet annually.
- c. Permit 49988 is granted for an annual diversion of 1448 acre-feet annually.

The total, therefore, is slightly more than 20,000 acre-feet annually, rounded to 20,000 acre-feet.

Should you or Steve Brown wish to discuss the contents herein, please advise.

Very truly yours,

HILL CASSAS & de LIPKAU

  
Ross E. de Lipkau

REd/lbe

pc: Bart Loundagin  
E. J. Christophersen  
Kathleen Gormley

33593.003

SE ROA 37

PERMIT TERMS SHEET

a. APPLICATION NO. 52718  
 b. Ready for Action May 6, 1983  
 c. Source Underground  
 d. Amount 5.0 cfs  
 e. No. of Units, Cattle, Acres, etc. \_\_\_\_\_  
 f. Manner of Use Mining and Domestic  
 g. Period of Use Jan - Dec 31  
 h. Fees 7390

i. Status of Basin: Desig. Non-Desig.  
 j. Basin Name Clayton Jaffee  
 k. Basin Number 10-143  
 l. Reviewed: Office Engineer  
7-30-93 By T. J. [Signature]  
 Reviewed: Groundwater Engineer  
30 Jun 93 By HA  
 Reviewed: Surface Water Engineer  
 By \_\_\_\_\_

Office Notes: 100 (283617.85) = 27390

See attached sheet for how much  
is a new appropriation

Permit Plat Filed None Supplemental to: \_\_\_\_\_

\*\*\*\*\*

Permit terms: AGC

500

17.86 million gallons per day

or 2

5 (m)g

5 (m)

Per	Cer
44251	12770
44252	12771
44253	12772
44255	12773
44256	12774
44257	12775
44258	12776
44260	12777
44261	12778
44267	12779
44268	12780
44269	12731
44270	12752
49988	PERMIT
52918	RFA
52919	RFA
52920	RFA
52921	RFA

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed \_\_\_\_\_

5.0 cubic feet per second, and

and 2 million gallons per day

and 5 (m)g

and 5 (m)

Completion 2 yrs

PBU 3 yrs

Cultural Map N/A

Date: 7-29-93

By: \_\_\_\_\_

*Part of Permit  
Teams*

CYPRUS FOOTE MINERALS

SOURCE	PERMIT	CERT.	DIV (CFS)	DUTY (AFA)	TCD (AFA)	MOU
UG	44248	PERMIT	1.000	20.16	20.16	QM
UG	49805	PERMIT	1.000	20.16		QM
UG	44250	11268	0.003			STK
UG	52917	RFA	2.000	1448.00		QM
<hr/>						
SPRING	10036	2627	0.334			
SPRING	15847	4838	0.530			
UG	24382	7234	1.000	723.97		MM
<hr/>						
UG	44251	12770	1.000	723.97		MM
UG	44252	12771	0.430	311.30		
UG	44253	12772	0.840	608.13		
UG	44255	12773	0.390	282.35		
UG	44256	12774	0.220	159.27		
UG	44257	12775	0.350	253.39		
UG	44258	12776	0.270	195.47	16800	
UG	44260	12777	0.200	144.79		
UG	44261	12778	0.220	159.27		
UG	44267	12779	0.440	318.50		
UG	44268	12780	0.462	334.47		
UG	44269	12781	0.260	188.23		
UG	44270	12782	1.000	723.97		
						4403.11
UG	49988	PERMIT	2.000	1448.00		
						1448.00
UG	52918	RFA	5.000	3619.85		
UG	52919	RFA	5.000	3619.85		
UG	52920	RFA	5.000	3619.85	20000	
UG	52921	RFA	5.000	3619.85		
						14479.40

*SLC*

20330.51

*These permits with*

- 44254 -
- 49989 -
- 49990
- 49991
- 49992
- 49993
- 49994
- 49995

*The new appropriate  
is 20000  
- 16800  
3200 AF*

SE ROA 39



Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

Certified P 001 093 200  
Return Receipt Requested

August 19, 1993

Department of Conservation and Natural Resources  
Division of Water Resources  
Capitol Complex  
123 West Nye Lane  
Carson City, Nevada 89710

RE: Permit Numbers 52918, 52919, 52920, 52921

Please find enclosed the application for permits 52918, 52919, 52920, and 52921 per agreement dated July 12, 1993 (Mr. Ross deLipkau to Mr. Hugh Ricci).

If your office requires further information, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. B. Loundagin'.

C. B. Loundagin  
Wellfield Superintendent  
Cyprus Foote Mineral Company

CBL/dr

Attachment

pc: E. J. Christophersen  
Ross deLipkau

cbl\memo0893.01



SE ROA 40



BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710

Re: 52918 through 52921 (702) 687-4380

August 31, 1993

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89407

Dear Gentlemen:

Enclosed herewith you will find Permits Nos. 52918 through 52921 for the waters of an underground source.

You are advised that if the various proofs thereunder, together with any map which may be required, are not filed in this office prior to the dates set for such filings, the permits will be subject to cancellation. For your assistance a sheet is enclosed which will advise you of the requirements to fulfill the terms of your permits.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Michael Turnipseed, P.E.", written in dark ink.

R. Michael Turnipseed, P.E.  
State Engineer

RMT/ab

Enclosures

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 41



Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

September 13, 1995

Department of Conservation and Natural Resources  
Division of Water Resources  
Capitol Complex  
123 West Nye Lane  
Carson City, Nevada 89710

RE: Permit Numbers 52918, 52919, 52920, and 52921.

Enclosed are applications for Extension of Time for Completion of Work pertaining to permits 52918, 52919, 52920, and 52921.

If your office requires any further information, please do not hesitate to call me.

Very truly yours,

M. W. Hardy  
Geologist  
Cyprus Foote Mineral Company

MWH/cg  
Attachments

Certified Mail # P 001 093 283  
Return Receipt

cc: Ross de Lipkau

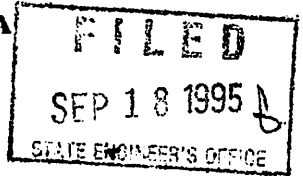
RECEIVED  
SEP 18 11:45  
DIVISION OF WATER RESOURCES  
STATE OF NEVADA



SE ROA 42

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company

3. How much time is needed to finish this project? 1 year Completion of Work

4. To date, what is the total expenditure on this project? \$170,000

5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,400,000

6. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year) with the provisions for filing the Proof of Completion of Work  
(Proof of completion of work and/or proof of beneficial use)

7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See Attachment "A"

Signed [Signature]  
Permittee or Agent

Address P. O. Box 98, Silver Peak, NV 89047  
Street No. or P.O. Box No.

City, State, Zip Code No. 702-937-2222, ext. 226  
Phone

Subscribed and sworn to before me this 12th day of

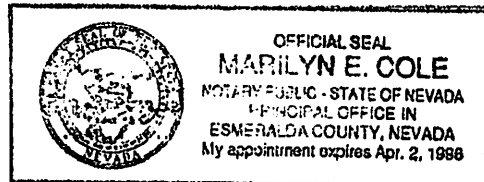
September, 1995

Michael Hardy

Notary Public in and for the County of Humboldt,

State of Nevada

My commission expires April 1, 1996, 1996





Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

## ATTACHMENT "A"

1. Permittee is actively constructing an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant is scheduled for the second quarter of 1996. Due to the large capital expenditure incurred for this plant expansion, the \$1,400,000 production drilling program has tentatively been rescheduled to begin the second quarter of 1996. To date, \$170,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work of aforementioned permits.

PETER G. MORROS, Director  
L.H. DODGION, Administrator

(702) 687-4670  
TDD 687-4678

Administration  
Mining Regulation and Reclamation  
Water Pollution Control  
Facsimile 687-5856

Address Reply to:  
Capitol Complex  
Carson City, NV 89710

STATE OF NEVADA  
BOB MILLER  
Governor



Waste Management  
Corrective Actions  
Federal Facilities  
Facsimile 885-0868

Air Quality  
Water Quality Planning  
Facsimile 687-6396

Located at:  
333 W. Nye Lane  
Carson City, NV 89710

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF ENVIRONMENTAL PROTECTION

Capitol Complex  
Carson City, Nevada 89710

11 October, 1995

Attn: Mr. David Outsen  
Mine Superintendent  
Cyprus Foote Mineral Company  
P.O. Box 98, Hwy. 295  
Silver Peak, Nevada 89047

N33-91-003Y

RE: Silver Peak Operations - Reclamation Permit

Dear Mr. Outsen:

The Reclamation Branch has completed review of the Plan of Operations for Cyprus Foote Mineral Company Silver Peak Operations dated March, 1993 Reclamation Permit Application submitted by Cyprus Foote Mineral Company. Enclosed is the form entitled "CHECKLIST TO EVALUATE RECLAMATION PERMIT APPLICATIONS FOR MINING OPERATIONS" which outlines regulatory requirements and contains our review. This review determined that additional information is required to complete the application.

To facilitate Cyprus Foote Mineral Company's submittal of the additional information the areas of concern have been highlighted on the enclosed checklist. We request that Cyprus Foote Mineral Company provide our office with this requested information no later than 1 January, 1996. If the required additional information is not provided within this time frame, a reclamation permit will be issued with the required additional information contained within a schedule of compliance. This reclamation permit will be public noticed.

If you should have any questions and/or comments regarding this matter, please contact me at (702) 687-4670, ext. 3136.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt F. Kolbe".

Kurt F. Kolbe  
Environmental Management Specialist  
Bureau of Mining Regulation  
and Reclamation

KFK/tms  
G:\..\CYPRUSFT\REVIEW.LTR

cc: Gordon Pine, BLM  
Chairperson, Esmeralda Co. Board of Commissioners w/o  
Glenn Miller, Sierra Club w/o  
Terri Berntson, NDOW w/o  
Carlos H. Mendoza, U.S. Fish and Wildlife w/o  
Russ Fields, DOM w/o

SE ROA 45

(0)-1991

Applicant: CYPRUS FOOTE MINERAL COMPANY  
Project: SILVER PEAK OPERATIONS  
Document Reviewed: PLAN OF OPERATIONS FOR CYPRUS FOOTE  
MINERAL COMPANY SILVER PEAK  
OPERATIONS SILVER PEAK, NEVADA  
MARCH 1993  
Date Evaluated by NDEP: 11 OCTOBER, 1995 - KURT F. KOLBE

**CHECKLIST TO EVALUATE RECLAMATION PERMIT  
APPLICATIONS FOR MINING OPERATIONS**

The following information represents the Nevada Division of Environmental Protection's comments regarding the application received by our office. Please note that the comments entitled, "Requirements" are items which are mandated by the Reclamation Regulations.

1. Applicant Information;

- A. Claim/Claimant Information;
- B. Individual Completing Application;
- C. Business Address of Individual Completing Application;
- D. Telephone Number of Individual Completing Application;
- E. Corporation Information, if Applicable;
- F. Partnership Information, if Applicable;
- G. Registered Resident Agent Information;
- H. Authorized Field Representative Information;

Requirements as per NAC 519A.140: NONE

2. Operating Plan;

- A. Provide a Topographic Map(s) depicting;
  - a. Boundaries of Project Area;
  - b. Surface Ownership Within Project Area;
    - aa. Private;
    - bb. BLM;
    - cc. USFS;
    - dd. State;
  - c. Areas and Description to Be Disturbed Showing Location and Layout of the Area of Operation. Include Names and Locations of any Streams, Creeks, and Springs. Describe and Explain on the Map the Type of Operation, Method or Techniques you Propose (Example: Drilling, Open Pit Mining, Dredging, Milling, Include Location, Capacity, Size and Amounts). Show on the Map and Describe the Size and Kind of all Surface Disturbances, such as Trenches, Pits, Settling Ponds, Stream Channel and Runoff Diversions, Waste Dumps, Drill Pads, Tailing Impoundments, Leach Pads, Buildings and Facilities;
  - d. Areas Previously Disturbed by Previous Operator and Inactive. Provide a map showing the Claim or Project Boundaries and All Access Needs, on and off the Claim or Project. Specify what Existing Roads will be Used, Where Maintenance or Reconstruction is Proposed and where any new Construction is Necessary. For new Construction, Include Construction Specifications such as Widths, Grades, and Lengths. Show Location and Size of Culverts. Describe Maintenance Plans. Describe the Type and Size of Vehicles and Equipment that will be Traveling the Access Routes;
  - e. Areas Disturbed by Current Operator Prior to January 1, 1981 and Inactive;

- f. Areas Disturbed by Current Operator Prior to January 1, 1981 and Still Active;
- g. Disturbed by Current Operator After January 1, 1981, But Prior to October 1, 1990 and Inactive;
- h. Disturbed by Current Operator After January 1, 1981, But Prior to October 1, 1990 and Active;
- i. Areas Which Are Active on or After October 1, 1990;
- j. Location of Access Roads Existing Prior to January 1, 1981;
- k. Location of Any Surface Water Bodies Within One-half Mile Down Gradient of the Disturbance;

**Requirements per NAC 519A.270:**

UNDER 2.A.a. ABOVE: SEVERAL MAPS WERE PROVIDED WITH THE APPLICATION BUT IT WOULD APPEAR THAT NONE OF THEM CONTAIN THE PROJECT BOUNDARY. THE APPLICATION REFERENCES EXHIBIT B, CYPRUS FOOTE MINERAL COMPANY, SILVER PEAK PLAYA OPERATIONS, BUT A PROJECT BOUNDARY IS NOT CONTAINED WITHIN THIS MAP. THE PROJECT BOUNDARY SHOULD CONTAIN ALL EXISTING AND PLANNED FUTURE COMPONENTS (OFFICE BUILDINGS, POWER SUBSTATIONS, ROADS, PROCESS COMPONENTS, PONDS, PIPELINES, POWERLINES, SALT STORAGE AREAS, ALL WELLS, ETC). PLEASE RESUBMIT A MAP CONTAINING THE PROJECT BOUNDARY. PLEASE INCLUDE A BREAKOUT OF ALL PROJECT ACREAGE AND OWNERSHIP CURRENTLY DISTURBED, AND ANY PROPOSED DISTURBANCES WITHIN THE PROJECT BOUNDARY.

UNDER 2.A.c. ABOVE: ALL MINE COMPONENTS NEED TO BE BROKEN OUT AND THE AMOUNT OF DISTURBED ACREAGE ASSOCIATED WITH EACH COMPONENT LISTED. PLEASE PROVIDE A TABLE LISTING COMPONENTS WITH THEIR EXISTING AND PROPOSED FUTURE ACREAGE DISTURBANCES. PLEASE INDICATE WHETHER THE COMPONENT IS ON PUBLIC OR PATENTED LANDS.

UNDER 2.A.d. ABOVE: DEPENDING ON THE BOUNDARY MAP SUBMITTAL MENTIONED ABOVE, AREAS DISTURBED BY PREVIOUS OPERATORS (NOT NECESSARILY LITHIUM PRODUCERS) MAY NEED UPDATING.

UNDER 2.A.e. ABOVE: WHAT ARE AREAS R1, R2, AND R3 ? WHAT ARE THE SIZE AND NUMBER OF FACILITY BUILDINGS ASSOCIATED WITH THE LIME SLAKING PLANT ? HOW MANY AND OF WHAT CONSTRUCTION ARE STRUCTURES ASSOCIATED WITH THE MAINTENANCE BUILDINGS ? WHAT IS THE STATUS OF THE FRESH WATER WELL WEST OF THE SITE ? (FIGURE 3.2 OF EXHIBIT C) IS WATER FROM THIS WELL USED IN ANY MINING PROCESS ? WHERE ARE THE MAIN OFFICE BUILDINGS FOR THE SITE ?

- B. Provide an Estimate of the Acreage of the Proposed Disturbance(s);
 

Public Land;	630 ACRES
Private Land and/or State Land;	4901 ACRES

Requirements per NAC 519A.270-#4.: NONE

3. Reclamation Plan;

- A. Provide a Written Description of the Measures to be Taken to Prevent Unnecessary or Undue Degradation and the Proposed Activities for Reclamation to be Undertaken During and After Completion of the Mining Operation. The Items in the Attached Mine Plan of Operations - Reclamation Bond Checklist must be completed, as Applicable.

Requirements per NAC 519A.270: NONE

- B. Provide a Description of Other Reclamation Activities to be performed, such as Reclamation of Historic Disturbances (Not part of Cost Estimate Calculation) if Applicable;
 

Public Land;
Private Land and/or State Land;

**Requirements: NONE**

- C. Provide a Proposed Schedule of the Time for Initiation and Completion of Activities for Reclamation and Initiation of Surface Disturbance Activities;

**Requirements per NAC 519A.270-#6.:**

NAC 519A.270 REQUIRES A RECLAMATION SCHEDULE THAT DEMONSTRATES WHEN AN AREA WILL BE DISTURBED AS WELL AS WHEN THE RECLAMATION IS ANTICIPATED AND PROPOSED TO BE COMPLETED. THIS SCHEDULE SHOULD INCLUDE ALL MAJOR COMPONENTS ASSOCIATED WITH THIS APPLICATION. THE SCHEDULE SHOULD DEMONSTRATE DISCRETE RECLAMATION ACTIVITIES BY YEAR FOR EACH MAJOR COMPONENT. A BAR CHART OR SIMILAR IS USUALLY SUFFICIENT. NDEP REALIZES THAT MINING IS DYNAMIC IN NATURE HOWEVER A "BEST ESTIMATE" SHOULD BE PROVIDED. THE SCHEDULE CAN BE AMENDED (CHANGED THROUGH NAC 519A.050, MINOR MODIFICATION PROCESS) AS IS NECESSARY WITH NDEP CONCURRENCE.

THE BUREAU ACKNOWLEDGES THAT RECLAMATION MAY BE SUBJECT TO VARIOUS FACTORS NOT TOTALLY WITHIN THE CONTROL OF THE OPERATOR. THE UNPREDICTABILITY OF NATURAL PHENOMENA IS AN INHERENT RISK IN THE MINING BUSINESS. HOWEVER, OUR STATE REGULATIONS DO REQUIRE CONSIDERATION OF THE SEED MIX, TOPSOIL SALVAGE, FERTILIZATION, SLOPE STABILITY, EROSION AND OTHER "CONTROLLABLE" FACTORS IN ORDER TO FACILITATE SUCCESSFUL RECLAMATION. WE ARE NOT OBLIGED TO ACCEPT CYPRUS FOOTE'S DISCLAIMER AND IT WILL NOT BE INCLUDED AS PART OF THE APPROVED RECLAMATION PLAN OR PERMIT. OPERATORS WHO FEEL THAT "UNCONTROLLABLE" CIRCUMSTANCES PREVENT COMPLETE RECLAMATION IN ACCORDANCE WITH THE APPROVED PLAN MAY SEEK REDRESS UNDER NAC 519A.275.3.

- D. Provide a Description of the Proposed Productive Post-mining Land Use;

**Requirements per NAC 519A.270-#5.: NONE**

- E. Provide a Contour map of the Post-mining Topography (at a scale which provides sufficient detail);

**Requirements per NAC 519A.270-#7.:**

THE MAP PROVIDED, SILVER PEAK OPERATIONS LOCATION MAP, DOES NOT PROVIDE DETAIL. PLEASE RESUBMIT A MAP(S) AT A SCALE (1":500' RECOMMENDED) THAT PROVIDES FOR DETAIL. PLEASE INCLUDE THE ENTIRE PROJECT AREA. PLEASE INDICATE CLEARLY ON THIS MAP ANY ROADS, POWER LINES, BUILDINGS, ETC, THAT WILL REMAIN AS PART OF THE POST-MINING LAND USE. PLEASE INCLUDE TOWNSHIP, RANGE, AND SECTION.

- F. Provide the Technical Criteria Used to Determine the Final Gradient and Stability of Slopes Created or Affected by the Mining Operation;

**Requirements per NAC 519A.270-#8.:**

THE APPLICATION MENTIONS THAT "DIKE CONSTRUCTION DESIGNS ARE CURRENTLY UNDER REVIEW" (PAGE 20). DOES OR HAS THIS REVIEW NECESSITATE A REVIEW OF RECLAMATION PLANS OR COSTS ?

BASED ON THE POST-MINING LAND USE, COMPLETE RECLAMATION OF THE DIKES AND ROADS, WITHIN THE PLAYA AREA ONLY, WILL NOT BE REQUIRED. THE PLAN STATES THAT CYPRUS FOOTE WILL BREACH DIKES AS NECESSARY, BREACH ROADS AS NECESSARY, AND OTHERWISE PROVIDE FOR PUBLIC SAFETY.



- G. Provide the Proposed Methods to be Used in Reclaiming Any Impoundments Used During the Operation;
- a. Regrading to Promote Runoff and Reduce Infiltration;
  - b. Covering with Waste Rock, Topsoil or Growth Medium;
  - c. Revegetation;
  - d. Diverting Run-on;

Requirements per Nac 519A.270-#9.: NONE

- H. Provide the Proposed Methods to be Used in Reclaiming Any Waste and Development Rock Piles;
- a. Regrading to Round Off Sharp Edges, Enhance the Stability, Reduce Susceptibility to Erosion and Facilitate Efforts for Revegetation;
  - b. Revegetation;
  - c. Diverting Run-on;

Requirements per NAC 519A.345-#3:

IT IS THE BUREAU'S UNDERSTANDING THAT THE GRAVEL OPERATION LOCATED ON THE SOUTH END OF GOAT ISLAND IS TO PROVIDE MATERIAL FOR DIKE/MINE CONSTRUCTION. IF THIS IS THE CASE, THEN THIS GRAVEL OPERATION IS PART OF THE OVERALL MINE OPERATION AND FALLS WITHIN THE STATE'S CHAPTER 519A AUTHORITY. THERE IS A BLM GRAVEL SALE PERMIT FOR THIS SITE AND A PERFORMANCE BOND OF \$760.00 POSTED. UPON THE RECALCULATION OF THE OVERALL MINING SURETY AMOUNT, PLEASE INCLUDE THIS AREA. PLEASE PROVIDE A DESCRIPTION OF PLANNED RECLAMATION (THE POSTED \$760.00 SHOULD BE ANNOTATED AND MAY BE DEDUCTED FROM THE EARTHWORK PORTION OF THE SURETY AMOUNT). PLEASE INCLUDE A BREAKOUT OF OWNERSHIP AND ACREAGE AND INCLUDE AS PER 2.A.c. ABOVE.

- I. Provide the Proposed Methods to be Used in Reclaiming any Dams for Tailings Ponds by;
- a. Covering with Waste Rock, Topsoil or Growth Medium;
  - b. Revegetation;
  - c. Rendering the Dam Incapable of Storing any Mobile Fluid in a Quantity Which Could Pose a Threat to the Stability of the Dam or to Public Safety;
  - d. If Applicable, Water Treatment Plants and Overflow Basins (Applicable Water Quality Permit May be Referenced);

Requirements per NAC 519A.345-#4.: N/A

- J. Provide the Proposed Methods to be Used in Reclaiming any Heaps From Leaching by;
- a. Regrading to Enhance Structural Stability, Promote Run-off, Reduce Infiltration and Control Erosion;
  - b. Covering with Waste Rock, Topsoil, or Growth Medium;
  - c. Revegetation;
  - d. Soil Stabilization;
  - e. Diverting Run-on;
  - f. Cyanide Stabilization/Neutralization (Applicable Water Quality Permit May be Referenced);
  - g. Treatments of Outflows, Residual Chemicals or Fluids in the Heaps (Applicable Water Quality Permit May be Referenced);

Requirements per NAC 519A.345-#6.: N/A

- K. Provide the Proposed Methods to be Used in Reclaiming any Solution Ponds, Settling Ponds and Other Non-Tailing impoundments by;
- a. Backfilling and Regrading in Accordance with the Designated Post-Mining Land Use;
  - b. Restoring the Pre-disturbance Surface Water in Accordance with the Designated Post-Mining Land Use;
  - c. Cyanide Stabilization/Neutralization;

**Requirements per NAC 519A.345-#7.:**

THE BUREAU IS CONCERNED ABOUT THE LIME SOLIDS POND. HOW LONG WILL THIS POND PROVIDE A HAZARD TO PUBLIC SAFETY ? CAN THE POND BE CAPPED ? IN GENERAL, THE BUREAU RECOMMENDS CAPS AND BERMING AS OPPOSED TO FENCING AS CAPS AND BERMS REQUIRE LITTLE MAINTENANCE. THE SURETY DETERMINED IN THE APPLICATION IS FOR CONSTRUCTION OF THE FENCE IN 1993 DOLLARS. THIS APPROACH IS CORRECT AS THE LIFE OF OPERATION IS RELATIVELY LONG. AT THE TIME OF OPERATIONS CLOSURE, AND IF CYPRUS FOOTE DETERMINES THAT THE POND WILL NOT SOLIDIFY, AND THAT LONG TERM FENCING IS THE ONLY ALTERNATIVE, 519A.360.4.e REQUIRES THAT CYPRUS FOOTE PROVIDE A SURETY THAT PROVIDES FOR FENCE MAINTENANCE FOR HOWEVER LONG A FENCE IS REQUIRED. THIS WILL PROBABLY ENTAIL POSTING OF A PRINCIPAL WITH THE INTEREST USED FOR MAINTENANCE, MISCELLANEOUS COSTS, AND FENCE REMOVAL.

- L. Provide A Written Statement of any Constraints on the Estimated Time to Complete Reclamation Caused by the Residual Moisture Content or Physical or Chemical Qualities of Impoundments;

**Requirements per NAC 519A.270-#10: NONE**

- M. Provide a Written Description of the Proposed Reclamation Techniques and Locations of the Following Road Features, if Applicable;
- a. Recontouring or Regrading to Round Off, Cut and Fill Slopes to the Original Contour or to Approximate the Form of the Land before Disturbance;
  - b. Removing Culverts;
  - c. Ripping/Scarifying;
  - d. Waterbars;
  - e. Revegetation;
  - f. Restoring or Stabilizing Drainage Areas or Streambeds;
  - g. Other Road Reclamation Activities;

**Requirements per NAC 519A.345-#1.:**

THE APPLICATION STATES ALL ROADS IN THE WELLFIELDS WILL BE RECLAIMED. ARE THERE ANY ROADS WITHIN THE PROJECT BOUNDARY THAT WILL NOT BE RECLAIMED ?

- N. Provide a Description of the Measures Used to Minimize Loading of Sediment to Surface Waters During Operation, if Applicable;

**Requirements per NAC 519A.270-#12.: N/A**

- O. Provide a Description of the Proposed Disposition of Buildings, Equipment, Piping, Scrap, Underground Storage Tanks, Reagents and Other Materials, if Applicable;
- a. Demolishing to the Level of the Foundation and Burying the Demolished Items on the Site in Conformance with Applicable Solid Waste Disposal Requirements;
  - b. Salvaging and Sale;
  - c. Disposal Off of the Site in Conformance with Applicable Solid Waste Disposal Requirements;
  - d. Continuing Use in a Manner Consistent With the Post-mining Use of the Land;

**Requirements per NAC 519A.345-#8.:**

PLEASE PROVIDE A BREAKOUT OF ALL BUILDINGS, ELECTRICAL DISTRIBUTION EQUIPMENT, LOCATION AND TYPES OF PIPELINES (TO INCLUDE ALL RECENT CONSTRUCTION ACTIVITIES). AS MENTIONED ABOVE, ALL COMPONENTS MUST BE BONDED FOR DEMOLITION AND/OR SITE REMOVAL UNTIL AN ACCEPTABLE POST-MINING USE IS DETERMINED. ANY COMPONENTS

LOCATED ON PUBLIC LANDS PROPOSED TO BE LEFT FOLLOWING MINING WILL NEED THE LAND OWNERS (BLM) CONCURRENCE FOR ANY POST-MINING USES.

- P. Provide a Description of Any Surface Facilities Such as Buildings or Roads Which will Not Be Subject to Reclamation to Achieve the Proposed Post-mining Use, if Applicable;

Requirements per NAC 519A.270-#15.:

UNLESS THERE IS A DEFINITE USE FOR EACH MINE COMPONENT (ROADS, BUILDINGS, ELECTRICAL FACILITIES, ETC) FOLLOWING ACTIVE MINING, THEN EACH COMPONENT WILL NEED TO BE BONDED FOR DEMOLITION AND DISPOSAL. AS AN ACCEPTABLE POST-MINING USE IS DETERMINED FOR EACH COMPONENT, SURETY MONIES WILL THEN BE RETURNED FOR THAT COMPONENT.

WHO WILL MAINTAIN THE SILVER PEAK TO GOLDFIELD ROAD FOLLOWING CESSATION OF MINING ACTIVITIES ?

- Q. Provide a Description of the Methods to be Used in Reclaiming Any Open Pit Mines by;
- Performing Activities that Will Provide for Public Safety;
  - Stabilizing Pit Walls or Rock Faces Where Required for Public Safety;
  - Constructing and Maintaining Berms, Fences or Other Means of Restricting Access;
  - Creating a Lake for Recreational, Wildlife or Other Use;
  - Revegetation;

Requirements per NAC 519A.345-#9.: N/A

- R. Provide a Description of the Methods to be Used in Reclaiming Underground Mines by;
- Sealing Shafts, Adits, Portals and Tunnels to Prevent Access;
  - Constructing and Maintaining Berms, Fences or Other Means of Restricting Access;

Requirements per NAC 519A.345-#10.: N/A

- S. Provide a Description of Any Necessary Monitoring and Maintenance of Fences, Signs, and Other Structures to be Performed by the Operator on the Reclaimed Land, if Applicable;

Requirements per NAC 519A.270-#16.:

SEE 3.K. ABOVE.

- T. Provide a Description of any Reclamation which is Necessary Because of Instream Mining;

Requirements per NAC 519A.270-#17.: N/A

- U. Provide a Written Statement of the Effect that the Proposed Reclamation will Have on Future Mining in the Area;

Requirements per NAC 519A.270-#18.: N/A

- V. Provide a Description of Drill Hole Plugging Procedures in accordance with NRS 534.425 through 534.428, if Applicable;

Requirements per NAC 519A.345-#2.:

THE MAJOR RECLAMATION COST PROVIDED WITHIN THE APPLICATION WAS FOR PLUGGING ABANDONED WELLS. WHAT IS THE STATUS OF WELL PLUGGING ?

- W. Provide a Description of Concurrent Reclamation, if Applicable;

**Requirements per NAC 519A.285-#1.: NONE**

- X. Provide a Description of Measures to be Taken During Extended Periods of Nonoperation to Maintain the Area in a Safe and Clean Manner and to Reclaim the Land to Avoid Erosion and Other Adverse Impacts. If not Filed at the Time of Plan Submittal, this Information Shall be Filled whenever the Operator Anticipates a Period of Nonoperation, if Applicable;

**Requirements per NAC 519A.320: NONE**

4. Provide a Statement That the Applicant Agrees to Assume Responsibility for the Reclamation of any Surface Area Affected by the Mining Operation;

**Requirements per NAC 519A.140-#2e.: NONE**

5. Provide an Estimate of the Reclamation Cost per NAC 519A.360;  
A. The Cost of Equipment Rental, Operation and Labor Appropriate for the Geographic Area, or;

**Requirements per NAC 519A.360-#3.a.:**

- B. The Estimate of Cost from an Outside Contractor, or;

**Requirements per NAC 519A.360-#3.b.:**

- C. Any Other Method which is Acceptable to the Administrator, the Bureau of Land Management, the United States Forest Service or Another Federal Land Management Agency, if Appropriate;

**Requirements per NAC 519A.360-#3.c.:**

**ON A RECENT VISIT TO THE SITE, CONSTRUCTION WAS OBSERVED NEAR THE MAIN OFFICE AND PROCESS BUILDINGS. PLEASE PROVIDE A DISCUSSION OF ALL CONSTRUCTION EITHER COMPLETED, IN PROGRESS, OR PLANNED SINCE THIS APPLICATION WAS SUBMITTED.**

**PLEASE UPDATE THE SURETY CALCULATION TO INCLUDE: DEMOLITION AND TRANSPORTATION COSTS FOR ALL CONSTRUCTION COMPLETED OR IN PROGRESS; THE COSTS OF REVEGETATION ON THOSE APPLICABLE SITES; RECLAMATION COSTS ASSOCIATED WITH THE GRAVEL OPERATION.**

- D. Provide a Narrative Description of the Following Proposed Reclamation Activities, per NAC 519A.360-#4, if Applicable;  
a. Earthwork;  
b. Revegetation;  
c. Removal/Disposal/Salvage of Structures and Equipment;  
d. Post Reclamation Maintenance;  
e. Equipment Mobilization/Demobilization;  
f. Cyanide Stabilization/Neutralization Measures, or Provide Reference to the Permit Issued Pursuant to NAC 445.242 through 445.24388;  
g. Agency Administrative/Management Costs;

**Requirements per NAC 519A.360-#4.:**

**UNDER 5.b. ABOVE: NO DISCUSSION NOR BOND COSTS WERE PROVIDED FOR REVEGETATION OF NON-PLAYA DISTURBANCE. WHILE REVEGETATION IS NOT NECESSARY FOR DISTURBANCES ON THE PLAYA, OTHER AREAS CONTAIN ESTABLISHED VEGETATION COMMUNITIES AND CAN BE REVEGETATED (OFFICE SITE, BORROW PIT AREAS, ETC). PLEASE PROVIDE A DISCUSSION AND BOND COSTS FOR REVEGETATION OF NON-PLAYA DISTURBANCES. (SEE ATTACHMENT B PROVIDED). THE BUREAU, BASED ON THE LIFE OF THIS MINING OPERATION, FEELS THAT THERE ARE TWO APPROACHES TO**

REVEGETATION ON THIS SITE. THE FIRST IS TO PROVIDE A DISCUSSION AND BOND AS MENTIONED ABOVE. THE SECOND IS TO PROVIDE A DISCUSSION OF REVEGETATION AND A STATEMENT TO AGREE IN PRINCIPAL TO REVEGETATION AND TO PROVIDE A STATEMENT TO THE EFFECT THAT IF NATURAL REVEGETATION DOES NOT 'TAKE', CYPRUS FOOTE WILL 'ACT' TO PROVIDE FOR REVEGETATION.

CYPRUS FOOTE MINERALS, IN A LETTER WITH A MAP DATED 20 JUNE, 1994, DISCUSSED SEVEN ACRES OF EARTHWORK RECLAMATION WORK DONE ON A BORROW PIT. AFTER A SITE VISIT ON 13 SEPT., 1995 BY THE BUREAU TOGETHER WITH THE BLM, THE BUREAU AND THE BLM AGREE THAT THE MAJORITY OF EARTHWORK DONE IS SATISFACTORY. MINOR REGRADING IS STILL REQUIRED ON SOME OF THE FLATTER AREAS. PLEASE COORDINATE THIS WORK WITH THE BLM.

CYPRUS FOOTE'S RECLAMATION ANNUAL REPORT DATED 4-15-1991 LISTED 5,741 ACRES OF PRIVATE LAND AS AFFECTED. THE RECLAMATION ANNUAL REPORT DATED 3-30-92 LISTED 4,901 ACRES AS AFFECTED AND 840 ACRES OF PRIVATE LAND AS RECLAIMED. THE BUREAU HAS NO PAPERWORK NOR MAP(S) REGARDING THIS RECLAIMED AREA. PLEASE PROVIDE THE BUREAU COPIES OF DOCUMENTS REGARDING RECLAMATION ON THIS 840 ACRES. (PROVIDED IS ATTACHMENT A - DOCUMENTATION OF RECLAMATION ACTIVITIES FOR SURETY RELEASE AND ANNUAL FEE REPORTING, WHICH PROVIDES THE BUREAU REQUIREMENTS REGARDING RECLAMATION DOCUMENTATION)

E. Provide an Reclamation Cost Estimate Submitted on NDEP Form or Equal;

Requirements per NAC 519A.365:

6. Provide an Attached Application Permit Fee;

Provide the Following Applicant Fee Calculation for Affected and Unreclaimed Land included in the Plan for Reclamation.

<u>630</u> Acres of Public Land X \$1.50	=	<u>\$945.00</u>
<u>4901</u> Acres of Private Land X \$2.50	=	<u>\$12,252.50</u>
TOTAL FEE	=	<u>\$13,197.50</u>

Note: A check or money order representing the total amount of this calculated fee must be enclosed with the Permit Application which is submitted to NDEP. Make the Check or Money Order Payable to the State of Nevada, Division of Environmental Protection.

Requirements per NAC 519A.225.:

\$13,197.50 CHECK FOR RECLAMATION APPLICATION WAS DATED 3/30/93.

7. Provide A Written Statement Setting Forth the Effect that the Proposed Reclamation Will Have on Public Safety. (NAC Chapter 513 may be obtained from Nevada Department of Minerals which provides safety requirements for abandonment of mines.)

Requirements per NAC 519A.270-#19.: NONE

8. Acknowledgement:

Requirements: NONE

ATTACHMENT A

Documentation of Reclamation Activities for Surety Release  
and Annual Fee Reporting

An operator may request surety release in accordance with NAC 519A.385. The following documentation must be submitted to NDEP:

1. Map(s) clearly identifying the area, noting specific treatments and sampling locations (as applicable).
2. Description of the following activities:
  - A. Earthwork:
    - 1) The number of acres regraded.
    - 2) Final slope angles left after regrading.
    - 3) Methodology used to check final slope angles (e.g., clinometer, transit, etc.).
    - 4) The number of acres that received topsoil/growth medium.
    - 5) Depth of topsoil/growth medium and application method.
    - 6) Dates of completion of activities.
  - B. Revegetation Activities:
    - 1) The number of acres that were seeded and/or planted.
    - 2) Seed bed preparation methods utilized.
    - 3) Seeding/planting methods used (e.g., broadcast seeding, etc.).
    - 4) Seed mix and seeding rate (PLS).
    - 5) The number of acres that received fertilization, mulch or amendments.
    - 6) Fertilizer (N-P-K, type, application rate, application method).
    - 7) Mulches and soil amendments (type, application rate, and application method).
    - 8) Date of completion of activities.
  - C. Final Revegetation Sampling:
    - 1) Adjacent undisturbed vegetation type or range site description (baseline data).
    - 2) Sampling method (e.g., line intercept).
    - 3) Number of samples taken (disturbed and adjacent undisturbed sites).
    - 4) Statement of methodology demonstrating sample size adequacy and how the location of representative sites were determined.
    - 5) Results of sampling (copy of sampling worksheet) for disturbed and undisturbed areas. Indicate all perennial species located.
    - 6) Dates of sampling.
  - D. Other reclamation activities such as; structure removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.
3. A. Prior to release, a field inspection may be required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.
- B. Areas requiring revegetation are not reclaimed nor released from annual fees until the Nevada Interim Standards for Successful Revegetation have been met and accepted by NDEP. Areas not requiring revegetation are not considered reclaimed nor released from annual fees until all reclamation plan and/or permit requirements for the area have been met and accepted by NDEP. All required documentation as described above must be submitted to NDEP for review and approval.

ATTACHMENT B

NEVADA  
INTERIM STANDARDS FOR SUCCESSFUL REVEGETATION

**I. MINING PLANS-OF-OPERATIONS**

**A. Reclaimed Desired Plant Communities for Mining Operation Disturbances**

Reclamation goals for mining disturbances are 1) stabilize the site, and 2) establish a productive vegetative community based on the applicable land use plan and designated postmining land uses. To meet these goals, a Reclaimed Desired Plant Community (RDPC) should be selected for use on the disturbed mine sites. A RDPC is defined as:

"A perennial plant community established on a disturbed site which provides stability through management and land treatment, and which produces the type and amount of vegetation necessary to meet or exceed both the land use and activity plan objective established for the site".

Several RDPC's may be selected based on site-specific revegetation goals and variable site characteristics of the mining disturbances. When selecting RDPC's, major alterations in reconstructed soils and the subsequent effect of this on the site's capability to establish and sustain the desired vegetation must be considered. A RDPC must have a reasonable chance for success when making the selection.

The plant mix for the RDPC should be diverse, and when appropriate for the site, should include grasses, forbs, shrubs or trees. The RDPC should be comprised of species native to the area, or introduced species where desirable and necessary to achieve the approved postmining land use. Plants within the RDPC must meet the requirements of applicable State and Federal seed, poisonous and noxious plant, and introduced species laws or regulations. All RDPC's must be approved by the agencies. Plant mixes for RDPC's may be selected using the following methods.

1. Select existing vegetation types around the mine site to represent the varied RDPC's.
2. Use test-plots, demonstration areas, or areas concurrently reclaimed within the mine site or within similar representative areas from adjacent mines to serve as the RDPC's as long as they meet the reclamation goal.
3. For areas where existing vegetative types adjacent to the mine area are severely disturbed or where test-plots or demonstration areas are not reasonable alternatives, RDPC's may be selected using ecological or range site descriptions.

**B. Standards for Successful Revegetation**

The revegetation release criteria for reclaimed mine sites will be to achieve as close to 100 percent of the perennial plant cover of selected vegetation communities or reference areas as possible. The vegetation communities or reference areas will be selected from representative, undisturbed plant communities adjacent to the mine site, or, as appropriate, representative ecological or range site descriptions. The selected plant communities or reference areas must have a reasonable chance for success on the mine site. Each plan-of-operations should identify the release criteria in the reclamation plan or permit. For plant communities which are unique or are critical to the ecology of sensitive animal species, the agency may also require specific release

standards for individual plant species or vegetative types (grasses, forbs, shrubs, trees). Unless extreme site conditions exist at the mine site, the release criteria should not normally be lower than 50 percent and would normally be expected to be 100 percent of the perennial plant cover for the selected vegetation communities.

Cover would be estimated using foliar and basal cover measured by the line intercept method as described in the BLM Rangeland and Monitoring Technical Reference 4400-4, page 42. Other applicable methods may be substituted for the line intercept method by the agencies. The sampling scheme for the location and number of samples needed on mine disturbances or RDPC's should be specified within the reclamation plan.

The determination of successful revegetation of mining disturbances will require an evaluation of the data by the agencies on a site-specific basis. When making this evaluation, the following guidelines shall also be considered:

1. Have desirable species been successfully established?
2. Is there evidence of vegetative reproduction processes (e.g. rhizomes or seed production)?
3. Is there evidence of overall site stability?
4. Has the revegetation goal in the reclamation plan been met?

**C. Timeframes**

The agencies will evaluate the success of the vegetative growth of a reclaimed mine site after three full growing seasons have elapsed since earthwork and planting have been completed. Final bond release may be considered at that time. Interim progress of reclamation will be monitored as appropriate by the agency and operator. Where it has been determined that revegetation success has not been met, the agencies and the operator will meet to decide on the best course of actions necessary to meet the reclamation goal.

**D. Surety Release**

Partial release of the bond may be granted prior to completion of a mining project. Sixty percent of the calculated bond amount may be released upon completion of earthwork. An additional twenty-five percent may be released after revegetation requirements have been satisfied. When all requirements of the reclamation plan have been satisfied, the entire reclamation bond may be released if no other activities (fencing, removal of fencing, signing, etc.) are proposed for the area. Portions of the reclamation bond may also be released for discrete parts of the mining operation (waste pile, heap leach pad, tailings impoundment, etc.) if the reclamation requirements for these discrete parts have been met.

**II. EXPLORATION PLANS-OF-OPERATIONS**

The same guidelines for bond release as described above can be used to evaluate the success of the RDPC's for Plan level exploration disturbances. The agencies may also decide depending on the size and scope of the project, to evaluate revegetation and reclamation success based on general ground reconnaissance and professional judgement.

Extenuating circumstances such as multiple use impacts (grazing) and/or deficient precipitation shall be considered when evaluating the success of the revegetation effort. If the regulatory agencies determine that remedial seeding is required



on a site, the operator and agencies will meet to determine the procedure and seed mix for the seeding. Upon completion of the remedial reseeding, the operator may request that the entire surety be released if no other reclamation activities are proposed for the area and there is evidence of overall site stability.

### III. NOTICE LEVEL ACTIVITIES

A notice may be closed when reclamation is completed to the satisfaction of the responsible agency.

For operators who continue to do work annually under the same notice the following applies. If earthwork and seeding have been completed on a project area to the satisfaction of the agencies, this acreage will not count in the total surface disturbance. This will be called monitored reclamation. The monitored reclamation will not be released until overall site stability and acceptable revegetation have been met. The operator may create additional disturbance as long as the active unreclaimed disturbance does not exceed five acres and the total monitored reclamation does not exceed ten acres.

September 1, 1993  
G:\FORMS\ATTACHME.B

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710

In reply refer to  
No. 52918

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

November 30, 1995

FOOTE MINERAL COMPANY  
SILVER PEAK OPERATIONS, HWY 265  
SILVER PEAK NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....  
.....  
.....

has been granted to..... SEPTEMBER 30....., 19.....06

with the provision that no further extensions will be granted

for filing of the..... PROOF OF COMPLETION OF WORK.....  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/gkl  
cc: SNBO  
Ross de Lipkau



PETER G. MORROS, Director

L.H. DODGION, Administrator

(702) 687-4670  
TDD 687-4678

Administration  
Mining Regulation and Reclamation  
Water Pollution Control  
Facsimile 687-5856

Address Reply to:  
Capitol Complex  
Carson City, NV 89710

STATE OF NEVADA  
BOB MILLER  
Governor



Waste Management  
Corrective Actions  
Federal Facilities  
Facsimile 885-0868

Air Quality  
Water Quality Planning  
Facsimile 687-6396

Located at:  
333 W. Nye Lane  
Carson City, NV 89710

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF ENVIRONMENTAL PROTECTION**

Capitol Complex  
Carson City, Nevada 89710

16 January, 1996

Notice of Proposed Action

by the

State of Nevada

The Administrator of the Division of Environmental Protection gives notice that an application for a Mining Reclamation Permit has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Permit #0092 is:

**CYPRUS FOOTE MINERAL COMPANY**  
**P.O. BOX 98**  
**SILVER PEAK, NV 89047**

This project, known as the **SILVER PEAK OPERATION**, is located in **Esmeralda County, Nevada** and is in portions of:

TOWNSHIP 1 SOUTH, RANGE 39 EAST, SECTIONS 35 & 36  
TOWNSHIP 1 SOUTH, RANGE 40 EAST, SECTIONS 20-36  
TOWNSHIP 2 SOUTH, RANGE 39 EAST, SECTIONS 1-3, 10-15,  
22-28, & 34-36  
TOWNSHIP 2 SOUTH, RANGE 40 EAST, SECTIONS 1-12, 15-21, & 29-32  
TOWNSHIP 3 SOUTH, RANGE 39 EAST, SECTIONS 1-3, 10-12  
TOWNSHIP 3 SOUTH, RANGE 40 EAST, SECTION 6

The Administrator is constrained to issue a permit for the mining project or to deny the application. The Administrator has made the tentative determination to issue the reclamation permit.

Persons wishing to comment upon the proposed permit, or who request a public hearing pursuant to the Nevada Administrative Code, NAC Chapter 519A, must submit their comments, objections, or

SE ROA 59

requests in writing no later than 30 calendar days following the date of publication of this notice in the "Tonopah Times-Bonanza", Tonopah, Nevada to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Capitol Complex  
333 W. Nye Lane  
Carson City, Nevada 89710

All comments or objections received during the 30-day period, reserved for public participation will be considered in the final determination regarding this application. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 519A.200.

The application and all documents subsequent thereto are on file and are available for public inspection and copying pursuant to NRS Chapter 239.010. Please submit all questions and inquires regarding these documents, in writing to the above address or call Kurt Kolbe at (702) 687-4670, ext. 3136 or toll free in Nevada (800) 992-0900, ext. 4670.

Please bring this notice of proposed action to the attention of any person whom you believe would be interested in this matter.

**MAILING LIST**  
**Reclamation Permit**

**CYPRUS FOOTE - SILVER PEAK**  
**(Permit and Public Notice)**

Attn: Mr. David Outsen  
Cyprus Foote Mineral Company  
P.O.Box 98  
Silver Peak, NV 89047

Tracy Taylor  
Division of Water Resources  
**INTERDEPARTMENTAL MAIL**

Nevada Mining Association  
5250 S. Virginia St., Suite 220  
Corporate Pointe  
Reno, NV 89502

Attn: Habitat Section  
Nevada Division of Wildlife  
P.O. Box 10678  
Reno, NV 89510  
**INTERDEPARTMENTAL MAIL**

Attn: Deputy State Dir.  
Bureau of Land Management  
Mineral Resources NV-920  
P.O. Box 12000  
Reno, NV 89520-0006

Attn: Ms. Terri Berntson  
Field Mine Biologist  
Nevada Division of Wildlife

Mary Beth Marks  
U.S. Forest Service  
Humboldt National Forest  
2035 Last Chance Road  
Elko, NV 89801

Attn: Mr. Gordon Pine  
Bureau of Land Management  
Tonopah Resource Area  
Bldg. 102, Old Radar Base  
P.O.Box 911  
Tonopah, NV 89445

Carlos H. Mendoza  
State Supervisor  
U.S. Fish & Wildlife Service  
4600 Kietzke Lane, Bldg. C-125  
Reno, NV 89502-5093

U.S. Forest Service  
Toiyabe National Forest  
1200 Franklin Way  
Sparks, NV 89431

Linda Wells  
Division of Minerals  
**INTERDEPARTMENTAL MAIL**

(Public Notice)

Citizen Alert  
P.O. Box 5339  
Reno, Nevada 89513-5339

Sierra Club  
P.O. Box 8096  
Reno, Nevada 89507

Attn: Chairperson  
Esmeralda County Commissioner

Nevada Indian Commission  
Bldg. B, Suite 116  
4600 Kietzke Lane  
Reno, NV 89502

James Holtkamp  
Stoel, Rives, Boley, Jones  
and Grey  
201 S. Main, Suite 1100  
Salt Lake City, UT 84111

Keith Dangelo  
Nelson International  
P.O. Box 815  
Fernley, NV 89408

Jerry Millett, Chairman  
Duckwater Reservation  
P.O. Box 68  
Duckwater, NV 89314

Alvin Moyle, Tribal Chairman  
Fallon Reservation  
8955 Mission Road  
Fallon, NV 89406

Edmund Steele, Chairman  
Goshute Reservation  
P.O. Box 6104  
Ibapah, UT 84034

Alfred Happy, Chairman  
Lovelock Colony  
P.O. Box 878  
Lovelock, NV 89419

Joseph Ely, Chairman  
Pyramid Lake Reservation  
P.O. Box 256  
Nixon, NV 89424

Consumer Health Prot. Service  
500 East King Street  
Carson City, NV 89710  
INTERDEPARTMENTAL MAIL

Hugh Ingle  
Nevada Miners and  
Prospectors Association  
P.O. Box 4179  
Carson City, NV 89702

Welsh Engineering, Inc.  
5250 Neil Road, Suite 300  
Reno, NV 89502

James Paiva, Chairman  
Duck Valley Reservation  
P.O. Box 219  
Owyhee, Nevada 89832

Bennie Reilley, Chairman  
Ely Colony  
16 Shoshone Circle  
Ely, Nevada 89301

Arnold Sam, Chairman  
Ft. McDermitt Reservation  
P.O. Box 457  
McDermitt, NV 89421

Margaret Henry, Chairman  
Las Vegas Colony  
1 Paiute Drive  
Las Vegas, NV 89102

Wallace Kay, Chairman  
Moapa River Reservation  
P.O. Box 340  
Moapa, NV 89025

Robert Shaw, Chairman  
Reno/Sparks Colony  
98 Colony Road  
Reno, NV 89502

Summit Lake Reservation  
655 Anderson Street  
Winnemucca, NV 89445-3657

Delores Conklin, Chairman  
Battle Mountain Band  
35 Mountain View Dr., #138-13  
Battle Mountain, NV 89820

Gordon Healy, Chairman  
South Fork Bank  
P.O. Box B-13  
Lee, NV 89829

Anita Collins, Chairman  
Walker River Reservation  
P.O. Box 220  
Schurz, NV 89427

Jim Bender, Chairman  
Carson Community  
2900 S. Curry Street  
Carson City, NV 89703-6216

M. Kevin Jones, Chairman  
Woodsfords Community  
95 Dutch Valley Drive  
Markleeville, CA 96120

Linda Howard, Chairman  
Yerington Colony  
171 Campbell Lane  
Yerington, NV 89447

Nevada Urban Indians  
2100 Capurro Way, Suite C  
Sparks, NV 89431-1036

Inter-Tribal Council  
of Nevada, Inc.  
P.O. Box 7440  
Reno, NV 89510

Joe Milbourne  
Partraco  
P.O. Box 55002  
Hayward, CA 94545

Anthony Tom, Chairman  
Te-Moak Tribes  
535 Sunset Street  
Elko, NV 89801

Davis Gonzales, Chairman  
Elko Bank  
P.O. Box 748  
Elko, NV 89801

Gracie Begay, Chairman  
Wells Bank  
P.O. Box 809  
Wells, NV 89835

Vernon Wyatt, Chairman  
Washoe Tribes  
919 Highway 395 South  
Gardnerville, NV 89410

Attn: Chairman  
Dresslerville Community  
1535 Watasheamu Road  
Gardnerville, NV 89410

Glenn Wasson, Chairman  
Winnemucca Colony  
c/o 1745 Auburn Way  
Reno, NV 89502

Levi Hooper, Chairman  
Yomba Reservation  
Route 1, Box 24-A  
Austin, NV 89310

Las Vegas Indian Center, Inc.  
2300 W. Bonanza Road  
Las Vegas, NV 89106

Nancy Scott  
Nevada League of Women Voters  
241 Heidi Circle  
Carson City, NV 89701

Mrs. Annette Mills, President  
Nevada League of Women Voters  
4413 Mark Avenue  
Las Vegas, NV 89108

Carl D. Savely  
Lionel, Sawyer and Collins  
1700 Valley Bank Plaza  
300 South Fourth Street  
Las Vegas, NV 89101

Connie Stathes  
P.O. Box 21238  
Reno, NV 89515

Peter Kraatz  
SRK, Inc.  
1755 E. Plumb Lane, #241  
Reno, NV 89502

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25 W. 4th Street  
Winnemucca, NV 89445

Jennifer Larson  
Scarpello & Alling  
600 E. Williams, Suite 300  
Carson City, NV 89701

Jim & Mary Casey  
P.O. Box 596  
Silver Springs, NV 89429

Mark & Peggy Thomas  
P.O. Box 696  
Dayton, NV 89403

Daryl Jozwik  
Eastgate Mine  
American Colloid Company  
HCR 69, Box 135  
Belle Fourche, SD 57717

Mahmood Azad P.E.  
JBR Environmental Consultants  
5365 Mae Anne Avenue, Suite B-2  
Reno, NV 89523

David Cowperthwaite  
Environmental Commission



STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF ENVIRONMENTAL PROTECTION  
BUREAU OF MINING REGULATION AND RECLAMATION

RECLAMATION PERMIT

\*\*\*\*\*

PERMITTEE: **CYPRUS FOOTE MINERAL COMPANY**  
**P.O. BOX 98**  
**SILVER PEAK, NV 89047**

PROJECT LOCATION: **T1S, R39E, SECTIONS 35 & 36**  
**T1S, R40E, SECTIONS 20-36**  
**T2S, R39E, SECTIONS 1-3, 10-15,**  
**22-28, & 34-36**  
**T2S, R40E, SECTIONS 1-12, 15-21, & 29-32**  
**T3S, R39E, SECTIONS 1-3, 10-12**  
**T3S, R40E, SECTION 6**  
**ALL IN ESMERALDA COUNTY**

PERMIT NUMBER: **0092** BLM CASE NUMBER: **N33-91-003Y**

PROJECT TYPE: Mining Operation AMENDMENTS: **None**

Pursuant to Nevada Revised Statutes (NRS) 519A.010 to 519A.280, inclusive, and regulations promulgated thereunder by the State Environmental Commission as Nevada Administrative Code (NAC) 519A.010 to 519A.415, inclusive, and implemented by the Division of Environmental Protection (hereinafter the Division), this permit authorizes **CYPRUS FOOTE MINERAL COMPANY** to reclaim the **SILVER PEAK OPERATION** consistent with the conditions of this permit and the reclamation plan dated **MARCH, 1993**, entitled, "**PLAN OF OPERATIONS FOR CYPRUS FOOTE MINERAL COMPANY SILVER PEAK OPERATIONS**".

This permit issued this \_\_\_\_\_ day of \_\_\_\_\_, 1995, shall remain in effect for the life of the project unless it is modified, suspended or revoked by the Division. This permit will not now or in the future serve as a determination of ownership or the validity of any mining claim to which it might relate.

\_\_\_\_\_  
Doug Zimmerman, Chief  
Bureau of Mining Regulation and Reclamation

**RECLAMATION PERMIT**

**NO. 0092**

\*\*\*\*\*

**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

**1. Permitted Disturbances**

<u>A. AREA (ACRES)</u>	<u>PUBLIC</u>	<u>PRIVATE</u>	<u>TOTAL</u>
Haul and Access Roads	10	61	71
Facilities, Shop, etc.	150	25	175
Lime Solids Pond	0	174	174
Ponds	0	1200	1200
Landfill Pits	0	10	10
Borrow Pits	5	30	35
<b><u>TOTALS</u></b>	<b>165</b>	<b>1500</b>	<b>1665</b>

**THE ABOVE INFORMATION IS ONLY AN APPROXIMATION. THE EXACT INFORMATION WAS NOT PROVIDED IN THE APPLICATION AND WILL BE REQUESTED AS A SCHEDULE OF COMPLIANCE ITEM.**

B. Drill holes will be plugged in accordance with the provisions specified in Chapter 534 of the Nevada Revised Statutes. No more than \_\_\_\_\_ drill holes will remain unplugged at any one time.

**THE ABOVE INFORMATION WAS NOT PROVIDED IN THE APPLICATION AND WILL NOW BECOME A SCHEDULE OF COMPLIANCE ITEM.**

**2. Departure from Approved Plan for Reclamation**

A. Except in the case of an emergency, the operator may not depart from the approved plan for reclamation without a modification approved by the Division.

B. When an operator submits an amended plan of operation to the federal agency, a copy shall also be filed with the Division.

**RECLAMATION PERMIT**

**NO. 0092**

\*\*\*\*\*

**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

**3. Fees**

A. On or before April 15 of each year submit the fees as required by NAC 519A.235.

B. On or before April 15 of each year submit the fees as required by NRS 519A.260.

**4. Reports**

A. On or before April 15 of each year, the operator shall submit a report (NRS 519A.260), in a format specified by the Division, relating to the status and production of the operation and identifying each acre of land affected and land reclaimed by the operation.

**5. Project Completion, Abandonment or Suspension of Work**

A. The Division shall be notified in writing within 90 days after an operation is complete or abandoned. The notice must state the date on which the activities for reclamation will begin as specified in NAC 519A.320.

B. The Division shall be notified in writing within 90 days after work is suspended at the operation for more than 120 days. The notice must state the nature and reason for the suspension; the anticipated duration of the suspension; and any event which would reasonably be expected to result in either the resumption of activities or the abandonment of the operation. The Operator is not required to notify the Division of a temporary closure caused by weather conditions.

**6. Surety**

A. The operator shall file and maintain an acceptable surety as specified in NAC 519A.350 to ensure that reclamation will be completed. If the surety is a Corporate Guarantee, the financial warrantor shall submit to the Division on a yearly basis, a certified financial statement for the financial warrantor's most recent fiscal year and a verification by a Certified Public Accountant (CPA) that the Corporation meets the requirements for Corporate Guarantee.

**RECLAMATION PERMIT**

**NO. 0092**

\*\*\*\*\*

**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

B. Within 3 years after the effective date of this permit and at least every 3 years thereafter, the operator shall review the surety amount to determine whether it is still adequate to execute the approved reclamation plan. Inflation must be considered.

C. The operator shall notify the Division and the appropriate Federal Land Management Agency(s) of the results of the surety review, and within 120 days of its completion, verify that the current surety is adequate, increase the surety, or request a decrease in the surety.

D. The operator must provide documentation on reclamation work completed, before any portion of the surety may be released. (See Attachment A).

**7. Inspection of Exploration Project and/or Mining Operation**

A. The operator shall allow authorized representatives of the Division, and the appropriate federal land management agency(s) to inspect the operation, during normal business hours, to determine compliance with the terms and conditions of this permit and the status of reclamation activities.

**8. General Requirements**

A. The operator shall maintain a copy of this permit and all modifications at the permitted project or operation at all times.

B. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances and the remainder of this permit, shall not be affected.

C. Any noncompliance with this permit shall be reported orally to the Division within 48 hours of the time the operator has knowledge of the circumstances. A written summary shall be provided within 10 days after the oral report is made.

D. Any changes in the Operator's name or address shall be reported within 30 days to the Division in writing, and must indicate the permit number and appropriate changes.

**RECLAMATION PERMIT**

**NO. 0092**

\*\*\*\*\*

**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

E. Any changes in Corporation/Partnership/Proprietorship name, officers, or address shall be reported within 30 days to the Division in writing, and must indicate the permit number and appropriate changes.

F. The operator shall meet the revegetation standards as set forth in Attachment B.

G. An operator who initiates reclamation activities prior to meeting chemical stabilization (closure) requirements will be responsible to provide a surety for and to repair any reclaimed areas which may be re-affected by closure activities.

**9. Schedule of Compliance**

The permittee shall achieve compliance in accordance with the following schedule:

- 1. CYPRUS FOOTE MINERAL COMPANY TO PROVIDE THE REQUESTED INFORMATION OUTLINED IN THE NDEP DOCUMENT DATED 11 OCTOBER, 1995, NO LATER THAN 1 MAY, 1996. (ATTACHED)**
- 2. CYPRUS FOOTE MINERAL COMPANY TO POST SURETY NO LATER THAN 1 JUNE, 1996.**

## ATTACHMENT A

### Documentation of Reclamation Activities for Surety Release and Annual Fee Reporting

An operator may request surety release in accordance with NAC 519A.385. The following documentation must be submitted to NDEP:

1. **Map(s)** clearly identifying the area, noting specific treatments and sampling locations (as applicable).
2. **Description of the following activities:**
  - A. **Earthwork:**
    - 1) The number of acres regraded.
    - 2) Final slope angles left after regrading.
    - 3) Methodology used to check final slope angles (e.g., clinometer, transit, etc.).
    - 4) The number of acres that received topsoil/growth medium.
    - 5) Depth of topsoil/growth medium and application method.
    - 6) Dates of completion of activities.
  - B. **Revegetation Activities:**
    - 1) The number of acres that were seeded and/or planted.
    - 2) Seed bed preparation methods utilized.
    - 3) Seeding/planting methods used (e.g., broadcast seeding, etc.).
    - 4) Seed mix and seeding rate (PLS).
    - 5) The number of acres that received fertilization, mulch or amendments.
    - 6) Fertilizer (N-P-K, type, application rate, application method).
    - 7) Mulches and soil amendments (type, application rate, and application method).
    - 8) Date of completion of activities.
  - C. **Final Revegetation Sampling:**
    - 1) Adjacent undisturbed vegetation type or range site description (baseline data).
    - 2) Sampling method (e.g., line intercept).
    - 3) Number of samples taken (disturbed and adjacent undisturbed sites).
    - 4) Statement of methodology demonstrating sample size adequacy and how the location of representative sites were determined.
    - 5) Results of sampling (copy of sampling worksheet) for disturbed and undisturbed areas. Indicate all perennial species located.
    - 6) Dates of sampling.
  - D. **Other reclamation activities** such as; structure removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.
3.
  - A. Prior to release, a field inspection may be required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.
  - B. Areas requiring revegetation are not reclaimed nor released from annual fees until the Nevada Interim Standards for Successful Revegetation have been met and accepted by NDEP. Areas not requiring revegetation are not considered reclaimed nor released from annual fees until all reclamation plan and/or permit requirements for the area have been met and accepted by NDEP. All required documentation as described above must be submitted to NDEP for review and approval.

ATTACHMENT B

NEVADA  
INTERIM STANDARDS FOR SUCCESSFUL REVEGETATION

**I. MINING PLANS-OF-OPERATIONS**

**A. Reclaimed Desired Plant Communities for Mining Operation Disturbances**

Reclamation goals for mining disturbances are 1) stabilize the site, and 2) establish a productive vegetative community based on the applicable land use plan and designated postmining land uses. To meet these goals, a Reclaimed Desired Plant Community (RDPC) should be selected for use on the disturbed mine sites. A RDPC is defined as:

"A perennial plant community established on a disturbed site which provides stability through management and land treatment, and which produces the type and amount of vegetation necessary to meet or exceed both the land use and activity plan objective established for the site".

Several RDPC's may be selected based on site-specific revegetation goals and variable site characteristics of the mining disturbances. When selecting RDPC's, major alterations in reconstructed soils and the subsequent effect of this on the site's capability to establish and sustain the desired vegetation must be considered. A RDPC must have a reasonable chance for success when making the selection.

The plant mix for the RDPC should be diverse, and when appropriate for the site, should include grasses, forbs, shrubs or trees. The RDPC should be comprised of species native to the area, or introduced species where desirable and necessary to achieve the approved postmining land use. Plants within the RDPC must meet the requirements of applicable State and Federal seed, poisonous and noxious plant, and introduced species laws or regulations. All RDPC's must be approved by the agencies. Plant mixes for RDPC's may be selected using the following methods.

1. Select existing vegetation types around the mine site to represent the varied RDPC's.
2. Use test-plots, demonstration areas, or areas concurrently reclaimed within the mine site or within similar representative areas from adjacent mines to serve as the RDPC's as long as they meet the reclamation goal.
3. For areas where existing vegetative types adjacent to the mine area are severely disturbed or where test-plots or demonstration areas are not reasonable alternatives, RDPC's may be selected using ecological or range site descriptions.

**B. Standards for Successful Revegetation**

The revegetation release criteria for reclaimed mine sites will be to achieve as close to 100 percent of the perennial plant cover of selected vegetation communities or reference areas as possible. The vegetation communities or reference areas will be selected from representative, undisturbed plant communities adjacent to the mine site, or, as appropriate, representative ecological or range site descriptions. The selected plant communities or reference areas must have a reasonable chance for success on the mine site. Each plan-of-operations should identify the release criteria in the reclamation plan or permit. For plant communities which are unique or are critical to the ecology of sensitive animal species, the agency may also require specific release

standards for individual plant species or vegetative types (grasses, forbs, shrubs, trees). Unless extreme site conditions exist at the mine site, the release criteria should not normally be lower than 50 percent and would normally be expected to be 100 percent of the perennial plant cover for the selected vegetation communities.

Cover would be estimated using foliar and basal cover measured by the line intercept method as described in the BLM Rangeland and Monitoring Technical Reference 4400-4, page 42. Other applicable methods may be substituted for the line intercept method by the agencies. The sampling scheme for the location and number of samples needed on mine disturbances or RDPC's should be specified within the reclamation plan.

The determination of successful revegetation of mining disturbances will require an evaluation of the data by the agencies on a site-specific basis. When making this evaluation, the following guidelines shall also be considered:

1. Have desirable species been successfully established?
2. Is there evidence of vegetative reproduction processes (e.g. rhizomes or seed production)?
3. Is there evidence of overall site stability?
4. Has the revegetation goal in the reclamation plan been met?

**C. Timeframes**

The agencies will evaluate the success of the vegetative growth of a reclaimed mine site after three full growing seasons have elapsed since earthwork and planting have been completed. Final bond release will be considered at that time. Interim progress of reclamation will be monitored as appropriate by the agency and operator. Where it has been determined that revegetation success has not been met, the agencies and the operator will meet to decide on the best course of actions necessary to meet the reclamation goal.

**D. Surety Release**

Partial release of the bond may be granted prior to completion of a mining project. Sixty percent of the calculated bond amount may be released upon completion of earthwork. An additional twenty-five percent may be released after revegetation requirements have been satisfied. When all requirements of the reclamation plan have been satisfied, the entire reclamation bond may be released if no other activities (fencing, removal of fencing, signing, etc.) are proposed for the area. Portions of the reclamation bond may also be released for discrete parts of the mining operation (waste pile, heap leach pad, tailings impoundment, etc.) if the reclamation requirements for these discrete parts have been met.

**II. EXPLORATION PLANS-OF-OPERATIONS**

The same guidelines for bond release as described above can be used to evaluate the success of the RDPC's for Plan level exploration disturbances. The agencies may also decide depending on the size and scope of the project, to evaluate revegetation and reclamation success based on general ground reconnaissance and professional judgement.

Extenuating circumstances such as multiple use impacts (grazing) and/or deficient precipitation shall be considered when evaluating the success of the revegetation effort. If the regulatory agencies determine that remedial seeding is required



on a site, the operator and agencies will meet to determine the procedure and seed mix for the seeding. Upon completion of the remedial reseeding, the operator may request that the entire surety be released if no other reclamation activities are proposed for the area and there is evidence of overall site stability.

### III. NOTICE LEVEL ACTIVITIES

A notice may be closed when reclamation is completed to the satisfaction of the responsible agency.

For operators who continue to do work annually under the same notice the following applies. If earthwork and seeding have been completed on a project area to the satisfaction of the agencies, this acreage will not count in the total surface disturbance. This will be called monitored reclamation. The monitored reclamation will not be released until overall site stability and acceptable revegetation have been met. The operator may create additional disturbance as long as the active unreclaimed disturbance does not exceed five acres and the total monitored reclamation does not exceed ten acres.

September 1, 1993  
G:\FORMS\ATTACHME.B

PETER G. MORROS, Director  
L.H. DODGION, Administrator

(702) 687-4670  
TDD 687-4678

Administration  
Mining Regulation and Reclamation  
Water Pollution Control  
Facsimile 687-5856

Address Reply to:  
Capitol Complex  
Carson City, NV 89710

STATE OF NEVADA  
BOB MILLER  
Governor



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF ENVIRONMENTAL PROTECTION**  
Capitol Complex  
Carson City, Nevada 89710

Waste Management  
Corrective Actions  
Federal Facilities  
Facsimile 885-0868

Air Quality  
Water Quality Planning  
Facsimile 687-6396

Located at:  
333 W. Nye Lane  
Carson City, NV 89710

26 FEBRUARY, 1996

**NOTICE OF DECISION**

**RECLAMATION PERMIT NO. 0092**

**CYPRUS FOOTE MINERAL COMPANY**

**SILVER PEAK OPERATION**

The Nevada Division of Environmental Protection (NDEP) has decided to issue Reclamation Permit No.0092 for a Mining Project to CYPRUS FOOTE MINERAL COMPANY.

This permit authorizes CYPRUS FOOTE MINERAL COMPANY to reclaim the SILVER PEAK OPERATION. This Project is located in Esmeralda County. The Division has been provided with an application, in accordance with Nevada Revised Statute (NRS) and Nevada Administrative Code (NAC) 519A to assure the Division that CYPRUS FOOTE MINERAL COMPANY will leave the project site safe, stable, and capable of providing for a productive post-mining land use.

This permit will become effective 13 March, 1996. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to NAC 519A.415. The appeal must be requested within ten (10) days of notification of this decision and in accordance with Administrative rules of the Environmental Commission.

No comments were received during the public comment period.

**THE STATE OF NEVADA**

**CERTIFICATE OF APPROPRIATION OF WATER**

~ ~ ~ ~ ~

WHEREAS, Michael W. Hardy, Agent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source through drilled wells, pumps and a distribution system for Mining purposes. The point of diversion of water from the source is as follows:

SE $\frac{1}{4}$  SW $\frac{1}{4}$  Section 34, T.1S., R.40E., M.D.B.&M., or at a point from which the SW corner of Section 22, T.2S., R.39E., M.D.B.&M., bears S.60°12'09"W., a distance of 44,209.0 feet situated in Esmeralda County, State of Nevada.

NOW KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator:	Cyprus Foote Mineral Company
Source:	Underground
Manner of Use:	Mining
Amount of appropriation:	*2.00 c.f.s., but not to exceed 1,448.0 acre-feet annually
Period of use:	January 1st to December 31st of each year
Date of priority of appropriation:	July 15, 1986

Description of the works of diversion, manner and place of use:

Water is developed by means of several drilled wells in the surrounding area, well depths and casing size vary, via pumps through 11,000 feet of 24 inch Drisco pipe collector line to several evaporative ponds, thence to a mill where lithium is extracted from the brine; the spent brine is returned to the evaporative ponds. The place of use is the following:

The S $\frac{1}{4}$  of Section 35 and all of Section 36, both in T.1S., R.39E., M.D.B.&M., and the E $\frac{1}{4}$  of Section 10, the E $\frac{1}{2}$  of Section 15, the SE $\frac{1}{4}$  of Section 21, the E $\frac{1}{2}$  of Section 28 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35 and 36 all in T.2S., R.39E., M.D.B.&M., the SE $\frac{1}{4}$  of Section 19, the S $\frac{1}{2}$  of Section 20, the E $\frac{1}{2}$  and Lots 23 and 24, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T.1S., R.40E., M.D.B.&M., the NW $\frac{1}{4}$  of Section 11, the N $\frac{1}{2}$  and the SW $\frac{1}{4}$  of Section 10, the NW $\frac{1}{4}$  of Section 15, the N $\frac{1}{2}$  and the SW $\frac{1}{4}$  of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T.2S., R.40E., M.D.B.&M., Clayton Valley, Esmeralda County, Nevada.

The total combined duty under this certificate and Permit 44251 Certificate 12770, Permit 44252 Certificate 12771, Permit 44253 Certificate 12772, Permit 44255 Certificate 12733, Permit 44256 Certificate 12774, Permit 44257 Certificate 12775, Permit 44258 Certificate 12776, Permit 44260 Certificate 12777, Permit 44261 Certificate 12778, Permit 44267 Certificate 12779, Permit 44268 Certificate 12780, Permit 44269 Certificate 12781 and Permit 44270 Certificate 12782 shall not exceed 5851.11 acre-feet annually.

continued.....

\*The total combined duty under this certificate and Permit 44251 Certificate 12770, Permit 44252 Certificate 12771, Permit 44253 Certificate 12772, Permit 44255 Certificate 12773, Permit 44256 Certificate 12774, Permit 44257 Certificate 12775, Permit 44258 Certificate 12776, Permit 44260 Certificate 12777, Permit 44261 Certificate 12778, Permit 44267 Certificate 12779, Permit 44268 Certificate 12780, Permit 44269 Certificate 12781, Permit 44270 Certificate 12782 and any certificates issued under Permits 52918, 52919, 52920 and 52921 shall not exceed 17.86 million gallons per day or 20,000 acre-feet annually.

This certificate is issued subject to the terms of the permit.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.



IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 7th day of MARCH, A.D. 19 96.

*R. Michael Turnipseed*  
State Engineer

mg/sb



STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF ENVIRONMENTAL PROTECTION  
BUREAU OF MINING REGULATION AND RECLAMATION

**RECLAMATION PERMIT**

\*\*\*\*\*

**PERMITTEE:**                   **CYPRUS FOOTE MINERAL COMPANY**  
                                  **P.O.BOX 98**  
                                  **SILVER PEAK, NV 89047**

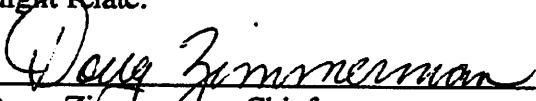
**PROJECT LOCATION:**   **T1S, R39E, SECTIONS 35 & 36**  
                                  **T1S, R40E, SECTIONS 20-36**  
                                  **T2S, R39E, SECTIONS 1-3, 10-15,**  
                                  **22-28, & 34-36**  
                                  **T2S, R40E, SECTIONS 1-12, 15-21, & 29-32**  
                                  **T3S, R39E, SECTIONS 1-3, 10-12**  
                                  **T3S, R40E, SECTION 6**  
                                  **ALL IN ESMERALDA COUNTY**

**PERMIT NUMBER:**       **0092**                           **BLM CASE NUMBER: N33-91-003Y**

**PROJECT TYPE:**           **Mining Operation**           **AMENDMENTS: None**

Pursuant to Nevada Revised Statutes (NRS) 519A.010 to 519A.280, inclusive, and regulations promulgated thereunder by the State Environmental Commission as Nevada Administrative Code (NAC) 519A.010 to 519A.415, inclusive, and implemented by the Division of Environmental Protection (hereinafter the Division), this permit authorizes **CYPRUS FOOTE MINERAL COMPANY** to reclaim the **SILVER PEAK OPERATION** consistent with the conditions of this permit and the reclamation plan dated **MARCH, 1993**, entitled, "**PLAN OF OPERATIONS FOR CYPRUS FOOTE MINERAL COMPANY SILVER PEAK OPERATIONS**".

This permit issued this 13th day of March, 1996, shall remain in effect for the life of the project unless it is modified, suspended or revoked by the Division. This permit will not now or in the future serve as a determination of ownership or the validity of any mining claim to which it might relate.

  
\_\_\_\_\_  
Doug Zimmerman, Chief  
Bureau of Mining Regulation and Reclamation

**RECLAMATION PERMIT**

**NO. 0092**

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**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

**1. Permitted Disturbances**

A. <u>AREA (ACRES)</u>	<u>PUBLIC</u>	<u>PRIVATE</u>	<u>TOTAL</u>
Haul and Access Roads	10	61	71
Facilities, Shop, etc.	150	25	175
Lime Solids Pond	0	174	174
Ponds	0	1200	1200
Landfill Pits	0	10	10
Borrow Pits	5	30	35
<b><u>TOTALS</u></b>	<b>165</b>	<b>1500</b>	<b>1665</b>

**THE ABOVE INFORMATION IS ONLY AN APPROXIMATION. THE EXACT INFORMATION WAS NOT PROVIDED IN THE APPLICATION AND WILL BE REQUESTED AS A SCHEDULE OF COMPLIANCE ITEM.**

**B. Drill holes will be plugged in accordance with the provisions specified in Chapter 534 of the Nevada Revised Statutes. No more than \_\_\_\_\_ drill holes will remain unplugged at any one time.**

**THE ABOVE INFORMATION WAS NOT PROVIDED IN THE APPLICATION AND WILL NOW BECOME A SCHEDULE OF COMPLIANCE ITEM.**

**2. Departure from Approved Plan for Reclamation**

**A. Except in the case of an emergency, the operator may not depart from the approved plan for reclamation without a modification approved by the Division.**

**B. When an operator submits an amended plan of operation to the federal agency, a copy shall also be filed with the Division.**

**RECLAMATION PERMIT**

**NO. 0092**

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**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

**3. Fees**

A. On or before April 15 of each year submit the fees as required by NAC 519A.235.

B. On or before April 15 of each year submit the fees as required by NRS 519A.260.

**4. Reports**

A. On or before April 15 of each year, the operator shall submit a report (NRS 519A.260), in a format specified by the Division, relating to the status and production of the operation and identifying each acre of land affected and land reclaimed by the operation.

**5. Project Completion, Abandonment or Suspension of Work**

A. The Division shall be notified in writing within 90 days after an operation is complete or abandoned. The notice must state the date on which the activities for reclamation will begin as specified in NAC 519A.320.

B. The Division shall be notified in writing within 90 days after work is suspended at the operation for more than 120 days. The notice must state the nature and reason for the suspension; the anticipated duration of the suspension; and any event which would reasonably be expected to result in either the resumption of activities or the abandonment of the operation. The Operator is not required to notify the Division of a temporary closure caused by weather conditions.

**6. Surety**

A. The operator shall file and maintain an acceptable surety as specified in NAC 519A.350 to ensure that reclamation will be completed. If the surety is a Corporate Guarantee, the financial warrantor shall submit to the Division on a yearly basis, a certified financial statement for the financial warrantor's most recent fiscal year and a verification by a Certified Public Accountant (CPA) that the Corporation meets the requirements for Corporate Guarantee.

**RECLAMATION PERMIT**

**NO. 0092**

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**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

B. Within 3 years after the effective date of this permit and at least every 3 years thereafter, the operator shall review the surety amount to determine whether it is still adequate to execute the approved reclamation plan. Inflation must be considered.

C. The operator shall notify the Division and the appropriate Federal Land Management Agency(s) of the results of the surety review, and within 120 days of its completion, verify that the current surety is adequate, increase the surety, or request a decrease in the surety.

D. The operator must provide documentation on reclamation work completed, before any portion of the surety may be released. (See Attachment A).

**7. Inspection of Exploration Project and/or Mining Operation**

A. The operator shall allow authorized representatives of the Division, and the appropriate federal land management agency(s) to inspect the operation, during normal business hours, to determine compliance with the terms and conditions of this permit and the status of reclamation activities.

**8. General Requirements**

A. The operator shall maintain a copy of this permit and all modifications at the permitted project or operation at all times.

B. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances and the remainder of this permit, shall not be affected.

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**RECLAMATION PERMIT**

**NO. 0092**

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**PERMIT LIMITATIONS AND REQUIREMENTS: (cont.)**

E. Any changes in Corporation/Partnership/Proprietorship name, officers, or address shall be reported within 30 days to the Division in writing, and must indicate the permit number and appropriate changes.

F. The operator shall meet the revegetation standards as set forth in Attachment B.

G. An operator who initiates reclamation activities prior to meeting chemical stabilization (closure) requirements will be responsible to provide a surety for and to repair any reclaimed areas which may be re-affected by closure activities.

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    - 1) The number of acres that were seeded and/or planted.
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  - C. **Final Revegetation Sampling:**
    - 1) Adjacent undisturbed vegetation type or range site description (baseline data).
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  - D. **Other reclamation activities** such as; structure removal, safety feature installation, erosion control treatment, equipment removal or other permit requirements.
3. A. Prior to release, a field inspection may be required to verify that reclamation has been performed in accordance with the approved reclamation plan and permit.
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**ATTACHMENT B**

**NEVADA  
INTERIM STANDARDS FOR SUCCESSFUL REVEGETATION**

**I. MINING PLANS-OF-OPERATIONS**

**A. Reclaimed Desired Plant Communities for Mining Operation Disturbances**

Reclamation goals for mining disturbances are 1) stabilize the site, and 2) establish a productive vegetative community based on the applicable land use plan and designated postmining land uses. To meet these goals, a Reclaimed Desired Plant Community (RDPC) should be selected for use on the disturbed mine sites. A RDPC is defined as:

"A perennial plant community established on a disturbed site which provides stability through management and land treatment, and which produces the type and amount of vegetation necessary to meet or exceed both the land use and activity plan objective established for the site".

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The plant mix for the RDPC should be diverse, and when appropriate for the site, should include grasses, forbs, shrubs or trees. The RDPC should be comprised of species native to the area, or introduced species where desirable and necessary to achieve the approved postmining land use. Plants within the RDPC must meet the requirements of applicable State and Federal seed, poisonous and noxious plant, and introduced species laws or regulations. All RDPC's must be approved by the agencies. Plant mixes for RDPC's may be selected using the following methods.

1. Select existing vegetation types around the mine site to represent the varied RDPC's.
2. Use test-plots, demonstration areas, or areas concurrently reclaimed within the mine site or within similar representative areas from adjacent mines to serve as the RDPC's as long as they meet the reclamation goal.
3. For areas where existing vegetative types adjacent to the mine area are severely disturbed or where test-plots or demonstration areas are not reasonable alternatives, RDPC's may be selected using ecological or range site descriptions.

**B. Standards for Successful Revegetation**

The revegetation release criteria for reclaimed mine sites will be to achieve as close to 100 percent of the perennial plant cover of selected vegetation communities or reference areas as possible. The vegetation communities or reference areas will be selected from representative, undisturbed plant communities adjacent to the mine site, or, as appropriate, representative ecological or range site descriptions. The selected plant communities or reference areas must have a reasonable chance for success on the mine site. Each plan-of-operations should identify the release criteria in the reclamation plan or permit. For plant communities which are unique or are critical to the ecology of sensitive animal species, the agency may also require specific release

standards for individual plant species or vegetative types (grasses, forbs, shrubs, trees). Unless extreme site conditions exist at the mine site, the release criteria should not normally be lower than 50 percent and would normally be expected to be 100 percent of the perennial plant cover for the selected vegetation communities.

Cover would be estimated using foliar and basal cover measured by the line intercept method as described in the BLM Rangeland and Monitoring Technical Reference 4400-4, page 42. Other applicable methods may be substituted for the line intercept method by the agencies. The sampling scheme for the location and number of samples needed on mine disturbances or RDPC's should be specified within the reclamation plan.

The determination of successful revegetation of mining disturbances will require an evaluation of the data by the agencies on a site-specific basis. When making this evaluation, the following guidelines shall also be considered:

1. Have desirable species been successfully established?
2. Is there evidence of vegetative reproduction processes (e.g. rhizomes or seed production)?
3. Is there evidence of overall site stability?
4. Has the revegetation goal in the reclamation plan been met?

#### C. Timeframes

The agencies will evaluate the success of the vegetative growth of a reclaimed mine site after three full growing seasons have elapsed since earthwork and planting have been completed. Final bond release may be considered at that time. Interim progress of reclamation will be monitored as appropriate by the agency and operator. Where it has been determined that revegetation success has not been met, the agencies and the operator will meet to decide on the best course of actions necessary to meet the reclamation goal.

#### D. Surety Release

Partial release of the bond may be granted prior to completion of a mining project. Sixty percent of the calculated bond amount may be released upon completion of earthwork. An additional twenty-five percent may be released after revegetation requirements have been satisfied. When all requirements of the reclamation plan have been satisfied, the entire reclamation bond may be released if no other activities (fencing, removal of fencing, signing, etc.) are proposed for the area. Portions of the reclamation bond may also be released for discrete parts of the mining operation (waste pile, heap leach pad, tailings impoundment, etc.) if the reclamation requirements for these discrete parts have been met.

## II. EXPLORATION PLANS-OF-OPERATIONS

The same guidelines for bond release as described above can be used to evaluate the success of the RDPC's for Plan level exploration disturbances. The agencies may also decide depending on the size and scope of the project, to evaluate revegetation and reclamation success based on general ground reconnaissance and professional judgement.

Extenuating circumstances such as multiple use impacts (grazing) and/or deficient precipitation shall be considered when evaluating the success of the revegetation effort. If the regulatory agencies determine that remedial seeding is required

on a site, the operator and agencies will meet to determine the procedure and seed mix for the seeding. Upon completion of the remedial reseeding, the operator may request that the entire surety be released if no other reclamation activities are proposed for the area and there is evidence of overall site stability.

### III. NOTICE LEVEL ACTIVITIES

A notice may be closed when reclamation is completed to the satisfaction of the responsible agency.

For operators who continue to do work annually under the same notice the following applies. If earthwork and seeding have been completed on a project area to the satisfaction of the agencies, this acreage will not count in the total surface disturbance. This will be called monitored reclamation. The monitored reclamation will not be released until overall site stability and acceptable revegetation have been met. The operator may create additional disturbance as long as the active unreclaimed disturbance does not exceed five acres and the total monitored reclamation does not exceed ten acres.

September 1, 1993  
G:\FORMS\ATTACHME.B

**MAILING LIST**  
**Reclamation Permit**

**CYPRUS FOOTE - SILVER PEAK**  
**(Permit and Public Notice)**

Attn: Mr. David Outsen  
Cyprus Foote Mineral Company  
P.O.Box 98  
Silver Peak, NV 89047

Tracy Taylor  
Division of Water Resources  
**INTERDEPARTMENTAL MAIL**

Nevada Mining Association  
5250 S. Virginia St., Suite 220  
Corporate Pointe  
Reno, NV 89502

Attn: Habitat Section  
Nevada Division of Wildlife  
P.O. Box 10678  
Reno, NV 89510  
**INTERDEPARTMENTAL MAIL**

Attn: Deputy State Dir.  
Bureau of Land Management  
Mineral Resources NV-920  
P.O. Box 12000  
Reno, NV 89520-0006

Attn: Ms. Terri Berntson  
Field Mine Biologist  
Nevada Division of Wildlife

Mary Beth Marks  
U.S. Forest Service  
Humboldt National Forest  
2035 Last Chance Road  
Elko, NV 89801

Attn: Mr. Gordon Pine  
Bureau of Land Management  
Tonopah Resource Area  
Bldg. 102, Old Radar Base  
P.O.Box 911  
Tonopah, NV 89445

Carlos H. Mendoza  
State Supervisor  
U.S. Fish & Wildlife Service  
4600 Kietzke Lane, Bldg. C-125  
Reno, NV 89502-5093

U.S. Forest Service  
Toiyabe National Forest  
1200 Franklin Way  
Sparks, NV 89431

Linda Wells  
Division of Minerals  
**INTERDEPARTMENTAL MAIL**

(Public Notice)

Citizen Alert  
P.O. Box 5339  
Reno, Nevada 89513-5339

Sierra Club  
P.O. Box 8096  
Reno, Nevada 89507

Attn: Chairperson  
Esmeralda County Commissioner

Nevada Indian Commission  
Bldg. B, Suite 116  
4600 Kietzke Lane  
Reno, NV 89502

James Holtkamp  
Stoel, Rives, Boley, Jones  
and Grey  
201 S. Main, Suite 1100  
Salt Lake City, UT 84111

Keith Dangelo  
Nelson International  
P.O. Box 815  
Fernley, NV 89408

Jerry Millett, Chairman  
Duckwater Reservation  
P.O. Box 68  
Duckwater, NV 89314

Alvin Moyle, Tribal Chairman  
Fallon Reservation  
8955 Mission Road  
Fallon, NV 89406

Edmund Steele, Chairman  
Goshute Reservation  
P.O. Box 6104  
Ibapah, UT 84034

Alfred Happy, Chairman  
Lovelock Colony  
P.O. Box 878  
Lovelock, NV 89419

Joseph Ely, Chairman  
Pyramid Lake Reservation  
P.O. Box 256  
Nixon, NV 89424

Consumer Health Prot. Service  
500 East King Street  
Carson City, NV 89710  
INTERDEPARTMENTAL MAIL

Hugh Ingle  
Nevada Miners and  
Prospectors Association  
P.O. Box 4179  
Carson City, NV 89702

Welsh Engineering, Inc.  
5250 Neil Road, Suite 300  
Reno, NV 89502

James Paiva, Chairman  
Duck Valley Reservation  
P.O. Box 219  
Owyhee, Nevada 89832

Bennie Reilley, Chairman  
Ely Colony  
16 Shoshone Circle  
Ely, Nevada 89301

Arnold Sam, Chairman  
Ft. McDermitt Reservation  
P.O. Box 457  
McDermitt, NV 89421

Margaret Henry, Chairman  
Las Vegas Colony  
1 Paiute Drive  
Las Vegas, NV 89102

Wallace Kay, Chairman  
Moapa River Reservation  
P.O. Box 340  
Moapa, NV 89025

Robert Shaw, Chairman  
Reno/Sparks Colony  
98 Colony Road  
Reno, NV 89502

Summit Lake Reservation  
655 Anderson Street  
Winnemucca, NV 89445-3657

Delores Conklin, Chairman  
Battle Mountain Band  
35 Mountain View Dr., #138-13  
Battle Mountain, NV 89820

Gordon Healy, Chairman  
South Fork Bank  
P.O. Box B-13  
Lee, NV 89829

Anita Collins, Chairman  
Walker River Reservation  
P.O. Box 220  
Schurz, NV 89427

Jim Bender, Chairman  
Carson Community  
2900 S. Curry Street  
Carson City, NV 89703-6216

M. Kevin Jones, Chairman  
Woodsfords Community  
95 Dutch Valley Drive  
Markleeville, CA 96120

Linda Howard, Chairman  
Yerington Colony  
171 Campbell Lane  
Yerington, NV 89447

Nevada Urban Indians  
2100 Capurro Way, Suite C  
Sparks, NV 89431-1036

Inter-Tribal Council  
of Nevada, Inc.  
P.O. Box 7440  
Reno, NV 89510

Joe Milbourne  
Partraco  
P.O. Box 55002  
Hayward, CA 94545

Anthony Tom, Chairman  
Te-Moak Tribes  
535 Sunset Street  
Elko, NV 89801

Davis Gonzales, Chairman  
Elko Bank  
P.O. Box 748  
Elko, NV 89801

Gracie Begay, Chairman  
Wells Bank  
P.O. Box 809  
Wells, NV 89835

Vernon Wyatt, Chairman  
Washoe Tribes  
919 Highway 395 South  
Gardnerville, NV 89410

Attn: Chairman  
Dresslerville Community  
1535 Watasheamu Road  
Gardnerville, NV 89410

Glenn Wasson, Chairman  
Winnemucca Colony  
c/o 1745 Auburn Way  
Reno, NV 89502

Levi Hooper, Chairman  
Yomba Reservation  
Route 1, Box 24-A  
Austin, NV 89310

Las Vegas Indian Center, Inc.  
2300 W. Bonanza Road  
Las Vegas, NV 89106

Nancy Scott  
Nevada League of Women Voters  
241 Heidi Circle  
Carson City, NV 89701

Mrs. Annette Mills, President  
Nevada League of Women Voters  
4413 Mark Avenue  
Las Vegas, NV 89108



Carl D. Savely  
Lionel, Sawyer and Collins  
1700 Valley Bank Plaza  
300 South Fourth Street  
Las Vegas, NV 89101

Connie Stathes  
P.O. Box 21238  
Reno, NV 89515

Peter Kraatz  
SRK, Inc.  
1755 E. Plumb Lane, #241  
Reno, NV 89502

Channel 21 News Dept.  
KAME TV  
4920 Brookside Court  
Reno, NV 89502

Douglas J. Rather, Editor  
Midwest Media Group  
P.O. Box 146  
Wilmette, IL 60091-0146

James Cooper  
2861 Monte Verde  
Sparks, NV 89434

Theresa Schroeder  
Building Dept.  
Humboldt County  
25 W. 4th Street  
Winnemucca, NV 89445

Jennifer Larson  
Scarpello & Alling  
600 E. Williams, Suite 300  
Carson City, NV 89701

Jim & Mary Casey  
P.O. Box 596  
Silver Springs, NV 89429

Mark & Peggy Thomas  
P.O. Box 696  
Dayton, NV 89403

Daryl Jozwik  
Eastgate Mine  
American Colloid Company  
HCR 69, Box 135  
Belle Fourche, SD 57717

Mahmood Azad P.E.  
JBR Environmental Consultants  
5365 Mae Anne Avenue, Suite B-2  
Reno, NV 89523

David Cowperthwaite  
Environmental Commission



**CYPRUS FOOTE  
MINERAL COMPANY**  
A Cyprus Amax Company

Cyprus Foote Mineral Company  
P.O. Box 98  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

September 25, 1996

Department of Conservation and Natural Resources  
Division of Water Resources  
Capitol Complex  
123 West Nye Lane  
Carson City, Nevada 89710

RE: Permit Numbers 52918, 52919, 52920, and 52921.

Enclosed are applications for Extension of Time for Completion of Work and Beneficial Use pertaining to permits 52918, 52919, 52920, and 52921.

If your office requires any further information, please do not hesitate to call me.

Very truly yours,

M. W. Hardy  
Geologist  
Cyprus Foote Mineral Company

MWH/cg  
Attachments

Certified Mail # P 001 093 277  
Return Receipt

cc: Ross de Lipkau

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

Capitol Complex  
Carson City, Nevada 89710

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

October 3, 1996

In reply refer to  
No. 52918 thru 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before September 30, 1996

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/cmm

CERTIFIED MAIL NO. Z 703 059 206

cc: Ross de Lipkau, Cert. Mail #Z 703 059 207  
Michael Hardy, Cert. Mail #Z 703 059 208  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

FN 52918ET Z 703 059 208  
 MICHAEL HARDY  
 PO BOX 98  
 SILVER PEAK NV 89047

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

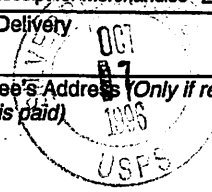
5. Received By: (Print Name)

Lee Griffith

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)



PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

FN 52918ET Z 703 059 207  
 ROSS DE LIPKAU  
 PO BOX 2790  
 RENO NV 89505

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

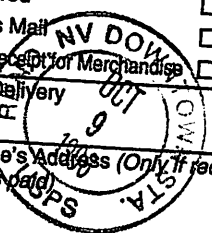
7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)



PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

FN 52918ET Z 703 059 206  
 CYPRUS FOOTE MINERAL CO  
 SILVER PEAK OPERATIONS HWY 265  
 SILVER PEAK NV 89047

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

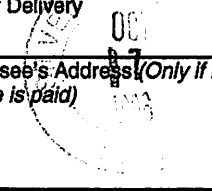
7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X [Signature]

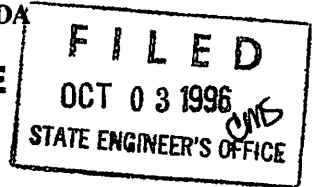
8. Addressee's Address (Only if requested and fee is paid)



PS Form 3811, December 1994

Domestic Return Receipt SE ROA 92

APPLICATION FOR EXTENSION OF TIME



Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
- 3. How much time is needed to finish this project? 1 year completion of work
- 4. To date, what is the total expenditure on this project? \$500,000
- 5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,070,000
- 6. The permittee requests an extension of time for 1 Year within which to comply with the provisions for filing the Proof of completion of work and beneficial use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)
- 7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See Attachment "A"

de  
sures

ppc  
only

Signed [Signature] Permittee or Agent

Subscribed and sworn to before me this 24 day of

September, 1996

Marilyn E. Cole

Notary Public in and for the County of Bonanza

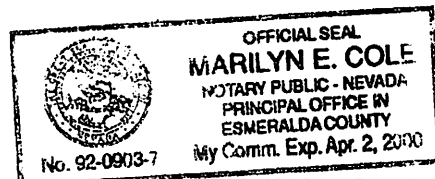
State of Nevada

My commission expires Apr. 22, 1997

Address PO Box 98  
Street No. or P.O. Box No.

Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (702) 937-2222 ext. 226



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

Mr  
Camp  
TW  
10-3-96

## ATTACHMENT "A"

1. Permittee has just recently completed an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant began the second quarter of 1996. The \$1,400,000 production drilling program is currently under way with the first of several water wells completed in mid September. We are scheduled to start test pumping this first well as early as next week. To date, \$500,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work and Beneficial Use of aforementioned permits.

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane

Carson City, Nevada 89710

October 4, 1996

In reply refer to  
No.

52918, 52919,  
52920, 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
P.O. Box 98, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....  
.....  
.....

has been granted to..... **September 30** ....., 19 **97**.....

with the provision that no further extensions will be granted

for filing of the **Proof of Completion of Work**.....  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

**Christine Thiel, P.E.**

*Deputy State Engineer*

CT/cms

cc: Ross de Lipkau  
Michael Hardy  
Southern Nevada Branch Office



Cyprus Foote Mineral Company  
P.O. Box 98  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

October 15, 1996

Department of Conservation and Natural Resources  
Division of Water Resources  
Capitol Complex  
123 West Nye Lane  
Carson City, Nevada 89710

RE: Permit Numbers 52918, 52919, 52920, and 52921.

Enclosed are applications for Extension of Time for Proof of Beneficial Work pertaining to permits 52918, 52919, 52920, and 52921.

If your office requires any further information, please do not hesitate to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read 'M. W. Hardy'.

M. W. Hardy  
Geologist  
Cyprus Foote Mineral Company

MWH/cg  
Attachments

Certified Mail # P 001 093 223  
Return Receipt

cc: Ross de Lipkau



SE ROA 96





Cyprus Foote Mineral Company  
P.O. Box 98  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

---

## ATTACHMENT "A"

Permittee has just recently completed a \$2,000,000 production drilling program in Clayton Valley as of June, 1997. Due to a submersible pumping system problem, many of the new wells have only been operational for a few months. We would like to request that all the new wells operate for a year to determine the optimum pumping rate for the wells. The permits in question are the following: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file the Proof of Beneficial work for aforementioned permits.

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818  
October 2, 1997

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

In reply refer to  
No.

52918 thru 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before **September 30, 1997**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. Z 703 035 689

cc: Ross de Lipkau, Cert. Mail No. Z 703 035 690  
Michael Hardy, Cert. Mail No. Z 703 035 691  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
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- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**FN 52918 et al Z 703 035 691  
MICHAEL HARDY  
P O BOX 98  
SILVER PEAK NV 89047**

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

10-6-94

5. Received By: (Print Name)

Christa Gaddy

6. Signature: (Addressee or Agent)

X Christa Gaddy

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

PS Form 3811, December 1994

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
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I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**FN 52918 et al Z 703 035 689  
CYPRUS FOOTE MINERAL CO  
SILVER PEAK OPERATIONS HWY 265  
SILVER PEAK NV 89047**

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

10-6-94

5. Received By: (Print Name)

Christa Gaddy

6. Signature: (Addressee or Agent)

X Christa Gaddy

8. Addressee's Address (Only if requested and fee is paid)

Domestic Return Receipt

PS Form 3811, December 1994

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**FN 52918 et al Z 703 035 690  
ROSS DE LIPKAU  
P O BOX 2790  
RENO NV 89505**

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

10-6-94

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

X [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

Thank you for using Return Receipt Service.

PROOF OF COMPLETION OF WORK

Permit No. 52918

STATE OF Nevada

COUNTY OF Esmeralda

} ss.

Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52918, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of Drilling a 20" borehole to 1090 feet. Installed 10" nominal casing to 1060 feet with full flo louver screen from 735 to 840 feet and 880 to 1030 feet. Installed a Grundfos 135\$400-22DS pump with a Franklin Ni-Resist 40 Hp motor. The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with a totalizer in gallons.

Serial # 962941-1 FM-360

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June, 1997

Point of diversion located within the NW 1/4 NE 1/4 Sec. 10, T. 2 N. (S.) R. 40 E., M. D. B. & M. WELL DRILLER Lanyne-Western Co., 275 County Road 98, Woodland, CA 95695

WELL LOG FILED Yes [ ] No [X]

Subscribed and sworn to before me this 15th day of

October, 1997 Candy J. Jewett

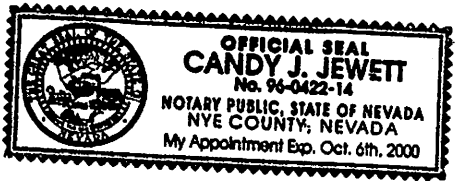
Notary Public in and for the County of Nye

State of Nevada

My commission expires 10/6/2000

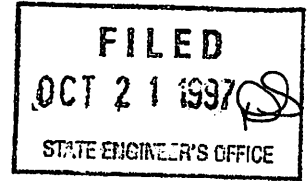
Signed [Signature] Permittee or Agent

Address P O Box 98 Street No. or P.O. Box No. Silver Peak, NV 89047 City, State, Zip Code No.



(Ten dollar filing fee must accompany this proof)

APPLICATION FOR EXTENSION OF TIME



Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Surch

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

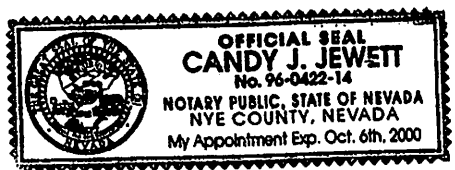
under Permit No. 52918, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
- 3. How much time is needed to finish this project? 1 year
- 4. To date, what is the total expenditure on this project? \$2,000,000
- 5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$500,000
- 6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the proof of beneficial use + Comp  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)
- 7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See attachment "A"

Signed [Signature] Permittee or Agent

Subscribed and sworn to before me this 15<sup>th</sup> day of October, 19 97  
Candy J. Jewett  
Notary Public in and for the County of Nye,  
State of Nevada  
My commission expires 10/06/2000

Address P.O. Box 98 Street No. or P.O. Box No.  
Silver Peak NV 89047 City, State, Zip Code No.  
Phone (702) 937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

*Handwritten notes:* 10/12/98, 5/12/98, (Rev. 7-94)

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246

Carson City, Nevada 89706-0818

(702) 687-4380 • Fax (702) 687-6972

52918 thru 52921

April 30, 1998

Michael Hardy  
P.O. Box 98  
Silver Peak, Nevada 89047

Dear Mr. Hardy:

This office received Proofs of Completions for Permits 52918 thru 52921. These proofs are being returned for the following corrections:

The location given on the proofs does not correspond to the location in the permit. Please clarify which one goes with which permit, etc., and refile the amended documents.

The Proofs of Completion are herewith returned and must be resubmitted within thirty (30) days from the date of this letter. If the corrected proofs or applications for extension of time are not received and filed with the State Engineer within **thirty (30) days of the date of this notice**, your permit may be subject to cancellation.

Very turly yours,

A handwritten signature in cursive script, appearing to read "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer  
TKG/ds  
Enclosures  
cc: NDWR, Las Vegas

SE ROA 102

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

52918 thru 52921

May 19, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....  
.....  
.....

has been granted to..... September 30....., 19..... 98

with the provision that no further extensions will be granted

for filing of the..... ~~Proof of Completion (all Permits)~~.....  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds

cc: NDWR, Las Vegas  
Ross de Lipkau  
Michael Hardy

MARSHALL HILL CASSAS & de LIPKAU  
LAWYERS

ROBERT W. MARSHALL  
EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
JOHN P. FOWLER  
DAVID S. McELROY  
REW E. GOODENOW  
MICHAEL R. KEALY  
A. STANYAN PECK

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1801

FACSIMILE  
(702) 348-7250

May 20, 1998

Thomas K. Gallagher, P.E.  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote / Permits 52918-52921

Dear Tom:

This is to confirm our recent conversation concerning your letter to Mike Hardy dated April 30, 1998. You asked that I supply you with a short history of the water rights appurtenant to and utilized at the lithium plant.

Cyprus Foote, through succession, is the owner/operator of the lithium plant located in Silver Peak, Esmeralda County, Nevada. My knowledge of the project goes back to the early 1970's. At that time, Cyprus Foote was operating under the federal mineral leasing program. It was believed, at least at that time, that lithium was a "leasable" mineral, as contrasted to a "locatable" mineral under the Mining Laws of 1866 and 1877.

In the early 1980's, a dispute arose between the United States and Cyprus Foote regarding royalty payments. The result of that litigation was a finding by the Courts that lithium was a locatable mineral, and not a leasable mineral. During the phase when the parties, including the State Engineer, believed the federal leasing laws were in effect, Cyprus Foote decided and believed that it was not within the jurisdiction of the Nevada State Engineer. A multitude of legal opinions supported that position. However, when lithium was determined to be locatable, we promptly set up a meeting with the then-State Engineer, Roland D. Westergard. It was agreed that Cyprus Foote would file 20 applications to appropriate, basically scattering the wells uniformly or fairly so throughout the thousands of acres included within the mining claims. The annual volume pumped from all wells could not and did not exceed the annual duty. Thereafter, with Peter G. Morros then being State Engineer, certain applications to change were filed



May 20, 1998  
Page 2

based upon an increased area of mineral extraction. Cyprus Foote would drill its own wells, pump them for a period of time, abandon them and drill additional wells. The statutory permitting process did not allow for the rapid change in wells -- a condition similar to the several mine dewatering programs authorized by your office.

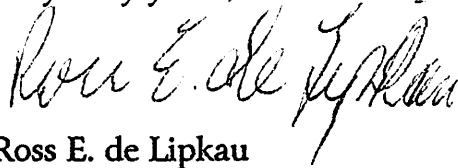
In order to comply with the water law, Cyprus Foote was directed to file Proofs of Completion of Work upon representative wells or wells fairly close to the points of diversion as reflected on the various permits. Over the course of years, Proofs of Beneficial Use were filed, with the above four permits being the only unperfected rights. The amended Proofs of Completion of Work, which are being refiled, are representative of recently drilled wells as previously agreed to between representatives of your office and Cyprus Foote, and regulate the flow and quality of brine. The amended Proofs of Completion of Work, which are representative of the production wells, are enclosed.

Additionally, and as we discussed, generally Cyprus Foote drills its own wells, pumps them for a matter of months or years, and thereupon abandons them, drilling new wells. The multitude of wells is constantly changing to meet the production needs of Cyprus Foote.

For your information, Steve Brown has worked with Cyprus Foote for many years and is aware of the facts. You may wish to discuss this subject with him.

Many thanks for your assistance.

Very truly yours,



Ross E. de Lipkau

REdL/lbe  
Enclosures  
33593.003

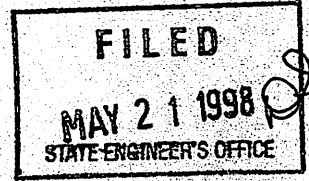
SE ROA 105

Amended **AMENDED**  
**PROOF OF COMPLETION OF WORK**

Permit No. 52918

STATE OF Nevada  
COUNTY OF Esmeralda

} ss.



Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52918, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of Drilling a 20" borehole to 1090 feet. Installed 10" nominal casing to 1060 feet with full flo louver screen from 735 to 840 feet and 880 to 1030 feet. Installed a Grundfos 135S400-22DS pump with a Franklin Ni-Resist 40 Hp motor. The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with a totalizer in gallons.

Serial # 962941-1

FM-360

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June, 1997

Point of diversion located within the NW 1/4 NE 1/4 Sec. 10, T. 2 (S.) R. 40 E., M. D. B. & M.

WELL DRILLER Lanyne-Western Co., 275 County Road 98, Woodland, CA 95695  
Name and Address

WELL LOG FILED Yes   
No

Subscribed and sworn to before me this 15<sup>th</sup> day of

October, 19 97  
Candy J. Jewett

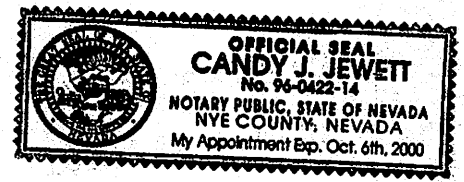
Notary Public in and for the County of Nye,

State of Nevada

My commission expires 10/6/2000

Signed [Signature]  
Permittee or Agent

Address P O Box 98  
Street No. or P.O. Box No.  
Silver Peak, NV 89047  
City, State, Zip Code No.



(Ten dollar filing fee must accompany this proof)

*Handwritten initials*



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(702) 687-4380 • Fax (702) 687-6972

52918 thru 52921

September 22, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

Ladies & Gentlemen:

This is to confirm that the Proofs of Completion required under the above-referenced permits were filed in this office on May 21, 1998. Please advise this office of any address or ownership changes. If you have any questions please call me at (702) 687-3861.

Very truly yours,

A handwritten signature in cursive script, reading "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer

TKG/ds

cc: NDWR, Las Vegas  
Ross de Lipkau

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

October 2, 1998

In reply refer to  
No.

52918 through 52921

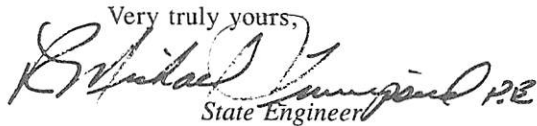
Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before **September 30, 1998**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. Z 559 486 195

cc: Ross de Lipkau, Cert. Mail No. Z 559 486 196  
Michael Hardy, Cert. Mail No. Z 559 486 197  
Southern Nevada Branch Office

Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**FN 52918etal Z 559 486 196  
ROSS DE LIPKAU  
PO BOX 2790  
RENO NV 89505**

4. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

*X M. Nelson*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**FN 52918etal Z 559 486 197  
MICHAEL HARDY  
PO BOX 98  
SILVER PEAK NV 89047**

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

*Peggy Welch*

6. Signature: (Addressee or Agent)

*X Peggy Welch*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

**FN 52918etal Z 559 486 195  
CYPRUS FOOTE MINERAL CO  
SILVER PEAK OPERATIONS HWY 265  
SILVER PEAK NV 89047**

4a. Article Number

4b. Service Type

- Registered  Certified
- Express Mail  Insured
- Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

*Peggy Welch*

6. Signature: (Addressee or Agent)

*X Peggy Welch*

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Chemetall Foote Corporation  
Silver Peak Operations, Hwy. 265  
P.O. Box 98  
Silver Peak, NV 89047

## CHEMETALL FOOTE CORPORATION

(702) 937-2222 Phone  
(702) 937-2250 Fax

---

October 27, 1998

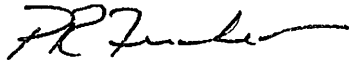
Office of the State Engineer  
Nevada Division of Water Resources  
123 West Nye Lane, Suite 246  
Carson City NV 89706-0818

**Subject: Permit Numbers 52918, 52919, 52920, 52921**

I have enclosed the Extension of Time for Proof of Beneficial Use for permit numbers 52918, 52919, 52920, and 52921.

Please call me at (702) 937-2222 ext. 227, if you have any questions or need additional information.

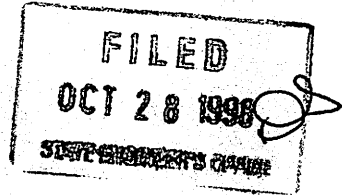
Sincerely,



Patrick R. Fischer  
Mine Superintendent  
Chemetall Foote Corporation

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Patrick R. Fischer, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetall Foote Corporation
- 4. How much time is needed to finish this project? 1 year
- 5. To date, what is the total expenditure on this project? in excess of 50 million dollars
- 6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
- 7. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the Proof of beneficial use  
(Proof of completion of work and/or proof of beneficial use)

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and are planning a \$200,000 expansion in 1999.

Signed PR Fischer  
Permittee or Agent

Address PO Box 98  
Street No. or P.O. Box No.

Silver Peak NV 89047  
City, State, Zip Code No.

Phone 702-937-7222

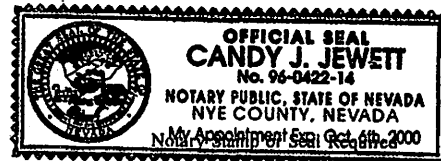
Subscribed and sworn to before me this 27<sup>th</sup> day of

October, 1998  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2000



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

SE ROA 111

(0)-1582

yr  
1/3/98  
11/2/98  
(Rev. 7-97)

# **Chemetall Foote Corporation**

## Supplier Notification:

We are pleased to announce that on October 13, 1998 Chemetall GmbH completed the acquisition of Cyprus Foote Mineral Company. Reflecting this purchase, our name has been changed to Chemetall Foote Corp. Together with the Lithium Division of Chemetall GmbH Europe, we will become a worldwide operating, fully integrated supplier of base and performance lithium products.

Attached is our updated credit account information document. Please do not hesitate to contact writer should you require any additional information.

Sincerely,



Randall S. Weld  
Sourcing Manager

## Please note:

The following address is to be used for shipping and billing for material ordered from the Silver Peak location.

---

Chemetall Foote Corporation • Silver Peak Operations, Hwy 265 • P.O. Box 98 • Silver Peak, NV 89047  
Telephone 702-937-2222 • Fax 702-937-2250



**CREDIT ACCOUNT APPLICATION**

**NAME:** Chemetall Foote Corp.  
348 Holiday Inn Drive  
Kings Mountain, NC 28086

**TELEPHONE:** (704) 739-2501

**OPERATING LOCATIONS:** Silver Peak, Nevada  
Kings Mountain, North Carolina  
New Johnsonville, Tennessee  
Santiago and Antofagasta, Chile

**DUNS NUMBER:** 00-232-9456  
**INCORPORATED:** July 26, 1916  
**STATE OF INCORPORATION:** Pennsylvania  
**IRS IDENTIFICATION NUMBER:** 23-0589510

**TYPE OF BUSINESS:** Owns and Operates Lithium Extraction and Processing Facilities

**PARENT:** Chemetall GmbH  
Frankfurt, Germany  
Duns Number: 31-580-9632

**BANK REFERENCE:** PNC Bank, N. A. Account No. 1008963455  
Two PNC Plaza Officer: Jeffrey Statmore  
Pittsburgh, PA 15265 (908) 220-3078

**TRADE REFERENCES:** Tg Soda Ash, Inc. Phillips Chemical Company  
4300 Six Forks Road, #850 P. O. Box 968  
Raleigh, NC 27619-9248 Borger, TX 29008-0968  
(919) 785-2040 (800) 858-4327

J. L. Clark Inc.  
2300 6th Street  
Rockford, IL 61108  
(815) 962-8861

**OFFICERS:**

President & CEO	Juergen Deberitz
Vice President, CFO & Treasurer	Ronald A. France
Vice President, Human Resources	James E. Sanderson
Vice President, Operations	Paul J. Seaman
Vice President, Sales	Jeffrey S. Watson
Secretary	Arthur G. Taylor

We certify that all of the information on this form is correct. We understand your credit terms and agree to pay within the terms. If further information is required, please contact Sue Hartwyk at (704) 734-2663.

Signed: *R. L. Held*

Date: 11/5/98  
SE ROA 113

<b>10036</b>	<b>15847</b>	<b>22610</b>
<b>24382</b>	<b>24383</b>	<b>24384</b>
<b>24385</b>	<b>25826</b>	<b>44247</b>
<b>44248</b>	<b>44249</b>	<b>44250</b>
<b>44251</b>	<b>44252</b>	<b>44253</b>
<b>44254</b>	<b>44255</b>	<b>44256</b>
<b>44257</b>	<b>44258</b>	<b>44259</b>
<b>44260</b>	<b>44261</b>	<b>44262</b>
<b>44263</b>	<b>44264</b>	<b>44265</b>
<b>44266</b>	<b>44267</b>	<b>44268</b>
<b>44269</b>	<b>44270</b>	<b>49805</b>
<b>49988</b>	<b>49989</b>	<b>49990</b>
<b>49991</b>	<b>49992</b>	<b>49993</b>
<b>49994</b>	<b>49995</b>	<b>49996</b>
<b>52917</b>	<b>52918</b>	<b>52919</b>
<b>52920</b>	<b>52921</b>	

*Previous letter filed  
in the following files:  
DJL/my  
03/03/99*

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918, 52919, 52920,  
52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

November 13, 1998

Cyprus Foote Mineral Co.  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to..... September 30....., 19.. 99

for filing of the..... Proof of Beneficial Use (all Permits)

.....  
.....

has been granted to....., 19.....

with the provision that no further extensions will be granted

for filing of the.....

.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds  
cc: NDWR, Las Vegas  
Ross de Lipkau

# ABSTRACT OF TITLE

NON - DECREED

PERMIT or PROOF No. 52918  
Page 1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AFA/AFS or MGA/MGS	Acres or Units	This column for office use only		Document Description and REMARKS
						Filed Under DATE	Document Number DATE	
1	CYPRUS FOOTE MINERAL CO	CHEMETALL FOOTE CORP	5.0				151573 02/05/99	WATER RIGHTS DEED
2								
3								
4								
5								
6								
7								
8								

Type or print in ink

REPORT OF CONVEYANCE

Department of Conservation and Natural Resources. Division of Water Resources. Office of the State Engineer

1 APPL., PERMIT, PROOF, or CLAIM No: 52918 STATUS: permit USE: MB

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER: CYPRUS FOOTE MINERAL COMPANY

If any item requires additional space, please attach additional 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW HOLDER(S): CHEMETALL FOOTE CORPORATION ADDRESS: Silver Peak Operations, Hwy 265 CITY: Silver Peak STATE: NV ZIP CODE: 89047 PHONE: 775/937-2222

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. Table with columns for Deed(s), Correction Deed(s), Map(s), Aff of ID, Other, and Fees Submitted.

5 ONE \$25 FILING FEE MUST ACCOMPANY THIS REPORT + \$10 PER CONVEYANCE DOCUMENT LISTED ABOVE.

This REPORT requires an ABSTRACT OF TITLE listing the above documents in chronological order, from the current holder(s) of record (ITEM 2) with the Division of Water Resources, Office of the State Engineer, to the proposed, new holder(s) of record (ITEM 3). Document(s) must be recorded in the Office(s) of the respective County Recorder(s). If the legal description on any deed(s) refer(s) to a subdivision lot or parcel or assessor's parcel number, or lists any deviation(s) different than the place of use in a Quarter/Quarter/Section/Township/Range format, a copy of the map referred to in said deed(s) is required. Copies of maps should be 8 1/2" x 11" or 11" x 17". Please refer to instruction sheet for details.

7 LIST SUPPLEMENTAL RIGHTS

8 COUNTY: POINT OF DIVERSION Esmeralda COUNTY: PLACE(S) OF USE Esmeralda

9 PLACE(S) OF USE: QTR QTR SEC TWN RNG APN

10 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS Acre Feet or MG Acres or Units

11 DOES THE CURRENT HOLDER INTEND TO RETAIN ANY PORTION OF THE WATER RIGHT? YES NO XX

12 List any other water rights relating to this Report of Conveyance that has been filed using this same abstract and chain of title.

Remarks: \*Refer to permit for place of use.

14 "I swear, under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

SUBSCRIBED AND SWORN TO BEFORE ME THIS 17th DAY OF Mo. March Yr. 1999 (SS) Notary Signature NOTARY PUBLIC IN AND FOR THE COUNTY OF WASHOE STATE OF NEVADA MY COMMISSION EXPIRES 2/9/02

SIGNATURE: Ross E. de Lipkau PRINT NAME: Ross E. de Lipkau MAILING ADDRESS: P. O. Box 2790 FIRM NAME: Marshall Hill Cassas & de Lipkau CITY: Reno STATE: NV ZIP CODE: 89505 PHONE: 775/323-1601 OWNER?: AGENT?: X



NOTARY STAMP

THIS DOUBLE SIDED FORM CAN BE COPIED ONTO GREEN PAPER ONLY.

FOR OFFICE USE ONLY

ITEM

- 1 Previous reports/submittals pending
- 2 Current holder(s) verified
- 3 New holder(s) information complete
- 4 Inventory verified. Fees correct
- 5 Technical review
- 6 Abstract / Chain of Title
- 7 Supplemental rights recognized
- 8 Counties compared POD/POU
- 9 Place of Use determinable
- 10 Duties determined
- 11 Appurtenancy / portions / percentages
- 12 Related rights by deeds and abstract
- 13 Remarks reviewed
- 14 Notary/SS legible and logical

REVIEW BY / DATE

RHZ	01/22/99

FEE RECORDS

Receipt No.(s) 123699  
 Date of Receipt 3-12-99  
 Receipt No.(s) \_\_\_\_\_  
 Date of Receipt \_\_\_\_\_  
 \$\$ This R.O.C. 10/275  
 Original Receipt(s) Located  
 In File No. 10036  
 Deeds/Docs Filed in  
 File No. 10036

ITEM

DEFICIENCIES REQUIRING RETURN


RETURNED for CORRECTION to:

DATE: BY:

Remarks:

DUE DATE:

CORRECTION RECEIVED:

DATE: BY:

CONFIRMED REPORT:

DATE: BY:

Remarks:

STATE ENGINEERS OFFICE  
 99 MAR 12 PM 12:09  
 RECEIVED



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(775) 687-4380 • (775) 687-6972

July 16, 1999

RE: Permits 10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269, 44270, 49805, 49988, 52917, 52918, 52919, 52920 & 52921

Mr. Ross E. de Lipkau  
Marshall Hill Cassas & de Lipkau  
PO Box 2790  
Reno, NV 89505

Dear Mr. de Lipkau:

The above-listed permits have been assigned to show **Chemetall Foote Corporation** as owner of record. Copies of the *Summaries of Ownership* are enclosed for your information.

These assignments reflect only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions, please contact this office at (775) 687-4381.

Sincerely,

  
Robert H. Zeisloft  
Engineering Technician III

RHZ/ld  
Enclosures  
cc: Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4381

October 6, 1999

In reply refer to  
No.

52918 through 52921

Chemetal Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before **September 30, 1999**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. P 444 470 273

cc: Ross de Lipkau, Cert. Mail No. P 444 470 274

Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources



Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/c. for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

3. Article Addressed to:

**FN 52918etal P 444 470 273**  
**CHEMETAL FOOTE CORPORATION**  
**SILVER PEAK OPERATIONS HWY 265**  
**SILVER PEAK NV 89047**

4a. Article # **P 444 470 273**

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
**10-12-99**

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
**X**

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/c. for 2 additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I wish to receive the following services (for an extra fee):

- Addressee's Address
- Restricted Delivery

3. Article Addressed to:

**FN 52918etal P 444 470 274**  
**ROSS DE LIPKAU**  
**PO BOX 2790**  
**RENO NV 89505**

4a. Article # **P 444 470 274**

4b. Service Type

Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
**X RD**

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 102595-98-B-0229 Domestic Return Receipt

*Chemetal Foote  
Corporation*

October 18, 1999

Office of the State Engineer  
Nevada Division of Water Resources  
123 West Nye Lane, Suite 246  
Carson City NV 89706-0818

Subject: **Permit Numbers 52918, 52919, 52920, 52921**

I have enclosed the Extension of Time for Proof of Beneficial Use for the above referenced permit numbers. I have also enclosed check No. 26228 in amount of \$400 to cover the filing of the Extensions.

Please call me at (702) 937-2222 ext. 227, if you have any questions or need additional information.

Sincerely,

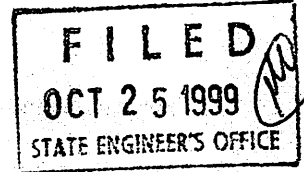


Patrick R. Fischer  
Mine Superintendent

Enclosures

cc. Mr. Ross de Lipkau, Marshall, Hill, Cassas and de Lipkau

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF
Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Partrick R. Fischer, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? 1 year
5. To date, what is the total expenditure on this project? in excess of 50 million dollars
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of beneficial use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): We have not reached maximum capacity, and are planning a \$200,000 expansion in 2000.

Subscribed and sworn to before me this 12th day of October 1999
Candy J. Jewett
Signature of Notary Public Required
Notary Public in and for the County of Nye
State of Nevada
My commission expires October 6, 2000

Signed PR Fischer Permittee or Agent
Address PO Box 98 Street No. or P.O. Box No.
Silver Peak NV 89047 City, State, Zip Code No.
Phone 775-937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

SE ROA 123

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

December 20, 1999

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 887-4380

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to..... September 30 ..... 2000.....

for filing of the..... Proof of Beneficial Use.....

.....

.....

has been granted to..... 2000.....

with the provision that no further extensions will be granted

for filing of the.....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.

Deputy State Engineer

CT/my

cc: Ross deLipkau  
Chemetall Foote Corp./Patricia R. Fischer  
Southern Nevada Branch Office

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 4, 2000

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4381

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

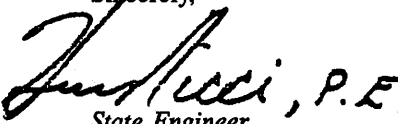
The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before **September 30, 2000**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,

  
State Engineer

HR/kdg

**CERTIFIED MAIL NO. 7000 0520 0023 8631 0900**

cc: Ross de Lipkau, Cert. Mail No. 7000 0520 0023 8631 0917  
Patrick R. Fischer, Cert. Mail No. 7000 0520 0023 8631 0924

Enclosures: Proof of Beneficial Use form(s) and Application for Extension of Time form(s)

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

**Address all communications to the State Engineer, Division of Water Resources**



**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**KG/FN 52918 THROUGH 52921  
CHEMETALL FOOTE CORPORATION  
SILVER PEAK OPERATIONS HWY 265  
SILVER PEAK NV 89047**

2. Article **7000 0520 0023 8631 0900**

PS Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

- A. Received by (Please Print Name) **Peggy Welch** B. Date of Delivery **10-10-00**
- C. Signature **X Peggy Welch**  Agent  Addressee
- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type
- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-99-M-1789

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**KG/FN 52918 THROUGH 52921  
PATRICK R FISCHER  
PO BOX 98  
SILVER PEAK NV 89047**

2. Article **7000 0520 0023 8631 0924**

PS Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

- A. Received by (Please Print Name) **Peggy Welch** B. Date of Delivery **10-10-00**
- C. Signature **X Peggy Welch**  Agent  Addressee
- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type
- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-99-M-1789

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**KG/FN 52918 THROUGH 52921  
ROSS DE LIPKAU  
PO BOX 2790  
RENO NV 89505**

2. Article **7000 0520 0023 8631 0917**

PS Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

- A. Received by (Please Print Name) **M. Nelson** B. Date of Delivery
- C. Signature **X M. Nelson**  Agent  Addressee
- D. Is delivery address different from item 1?  Yes  
If YES, enter delivery address below:  No

3. Service Type
- Certified Mail  Express Mail
- Registered  Return Receipt for Merchandise
- Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-99-M-1789

**SE ROA 126**

*Chemetall Foote  
Corporation*

October 11, 2000

Office of the State Engineer  
Nevada Division of Water Resources  
123 West Nye Lane, Suite 246  
Carson City NV 89706-0818

Subject: **Permit Numbers 52918, 52919, 52920, 52921**

I have enclosed the Application for Extension of Time for the above referenced permit numbers. I have also enclosed a check in the amount of \$400 to cover the filing of the Extensions.

Please call me at (775) 937-2222 ext. 229, if you have any questions or need additional information.

Sincerely,

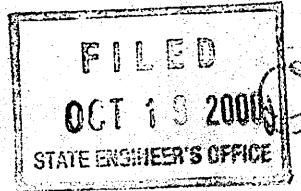


Melissa R. Jennings  
Mine Superintendent

Enclosures

cc. Mr. Ross de Lipkau  
Marshall, Hill, Cassas and de Lipkau

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corp.

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa R. Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  YES  NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp.
- 4. How much time is needed to finish this project? 1 year
- 5. To date, what is the total expenditure on this project? in excess of 50 million dollars
- 6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
- 7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of Beneficial Use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and have an exploration drilling project in progress. Production well drilling program of \$1.1 million planned for 2000-2001.

Signed Melissa R. Jennings Permittee or Agent  
Address P.O. Box 98 Street No. or P.O. Box No.  
Silver Peak, NV 89047 City, State, Zip Code No.  
Phone (775) 937-2222

Subscribed and sworn to before me this 11<sup>th</sup> day of October 2000  
Candy J. Jewett Signature of Notary Public Required  
Notary Public in and for the County of Nye  
State of Nevada  
My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

1 yr. PBU  
TCDS (Rev. 8-99) 10-20-2000



R. MICHAEL TURNIPSEED, P.E.  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4380 or  
1-800-992-0900x4380

In reply refer to:

October 23, 2000

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
PO Box 98  
Silverpeak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2001** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
*Deputy State Engineer*

CT/ds  
cc: Southern Nevada Branch Office  
Ross E. de Lipkau

SE ROA 129

Notice of Proposed Action

by the

State of Nevada

The Administrator of the Division of Environmental Protection gives notice that an application for the renewal of Water Pollution Control Permit for the Silver Peak Lithium Facility, a beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Permit NEV70005 is:

Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

The facility, known as the Silver Peak Lithium Facility, is located in Sections 26-28 of Township 1 South, Range 40 East; Sections 1, 12, 13, 21-25 of Township 2 South, Range 39 East; and, Sections 1-11, 15-20, 29-32 of Township 2 South, Range 40 East in Esmeralda County, Nevada. The project primarily consists of numerous deep wells, solar evaporation ponds, liming facilities, and process plant for the production of lithium carbonate, lithium hydroxide monohydrate and anhydrous lithium hydroxide. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event. The groundwater beneath the playa is the source of lithium and it contains a very high total dissolved solids concentration. However, the groundwater quality from the production well and the town of Silver Peak well meet drinking water standards.

The Administrator is constrained to renew the water pollution control permit or to deny the application. The Administrator has made the tentative determination to renew the permit.

Persons wishing to comment upon the proposed permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to the

Nevada Administrative Code, NAC Chapter 445A, must submit their comments, objections, or requests no later than October 22, 2001 to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Capitol Complex  
333 W. Nye Lane, Room 138  
Carson City, NV 89706-0851

All comments or objections received during the public notice period will be considered in the final determination regarding this permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-4670, extension 3130, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at [www.state.nv.us/ndep/bmrr/bmrr01.htm](http://www.state.nv.us/ndep/bmrr/bmrr01.htm)

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STATE OF NEVADA

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Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Water Pollution Control Permit

Permittee: Chemetall Foote Corporation

Permit Number: NEV70005

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Facility, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

This facility is located in Esmeralda County in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999 as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of XXXXX XX, 2001, and shall remain in effect until XXXXX XX, 2006, unless modified, suspended, or revoked.

Signed this XX day of XXXXX, 2001.

---

David Gaskin, P.E.  
Bureau Chief  
Bureau of Mining Regulation and Reclamation

## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance:

1. By November 1, 2001, submit a proposal to NDEP for the installation of a monitoring well near R-2 pond in accordance with NAC 445A.425.2. This monitoring well shall be installed by January 1, 2002

C. The fluid management system covered by this permit consists of the following process components:

1. Process plant and building including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and,
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components;

D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Fresh Water Well (WS) and well installed adjacent to the R-2 pond (R-2W)	Profile I <sup>1</sup> and, Elevations of static water levels (amsl)	Initially; then Annually
2. R-2 pond solution (R-2S)	Profile II <sup>3</sup> and, Report minimum freeboard	Annually Quarterly
3. Plant waste stream (combined PWS)	Profile II <sup>3</sup>	Annually
4. Brine well* (BW)	Profile II <sup>3</sup> and,	Annually

4.	continued -	Elevations of static water level (amsl)	
5.	Plant influent (PI)	Profile II	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after one year of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

\* A different production (brine) well shall be sampled each year.

Note: Secondary containment sumps must be inspected and evacuated on a more frequent basis than weekly if the fluid level is at the top of the sump or above the invert of any pipe which discharges into the sump, whichever level is lower. Records are required documenting the volume, date and time of extraction to show that sumps are maintained in this condition.

(2) Profile I

Alkalinity (as CaCO<sub>3</sub>)

Bicarbonate

Total

Aluminum

Antimony

Arsenic

Barium

Beryllium

Boron

Cadmium

Calcium

Chloride

Chromium

Copper

Fluoride

Iron

Lead

Magnesium

Manganese

Mercury

Nickel

Nitrate

pH (± 0.1 units)

Potassium

Selenium

Silver

Sodium

Sulfate

Thallium

Total Dissolved Solids

Zinc

(3) Profile II

Alkalinity (as CaCO<sub>3</sub>)

Bicarbonate

Total

Aluminum

Antimony

Arsenic

Barium

Beryllium

Boron

Cadmium

Calcium

Chloride

Chromium	pH ( $\pm 0.1$ units)
Cobalt	Phosphorus
Copper	Potassium
Fluoride	Scandium
Gallium	Selenium
Iron	Silver
Lead	Sodium
Lithium	Strontium
Magnesium	Sulfate
Manganese	Thallium
Mercury	Tin
Molybdenum	Total Dissolved Solids
Nickel	Vanadium
Nitrate	Zinc

- E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.
- F. All sampling and analytical accuracy shall be in accordance with Part II.E.
- G. Permit Limitations
1. A minimum two (2) feet of freeboard shall be maintained in the R-2 pond at all times.
- Exceeding these limitations may be permit violations and shall be reported as specified in Part II.B.3
- H. The facility shall install and maintain a calibrated rain gauge which shall be monitored daily. A record of all daily accumulations of precipitation shall be maintained on site.
- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device;
  3. The presence of liquids in leak detection systems; and
  4. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.

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- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from this Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining a General or Individual Mining Bioremediation Facility Permit from the Division.

## II. General Facility Conditions and Limitations

### A. General Requirements

- 1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance item in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which the Permittee has little or no control) exists for such revision.
- 2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
- 3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

- 1. The Permittee shall submit an annual report by February 28th of each year which contains the following:
  - a. Monitoring results from those locations identified in Parts 1, 2 and 4;
  - b. Analytical results of the solution collected from monitoring locations identified



- in Part I.D.1 through 5;
- c. A record of spills and releases and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore processed during the year, construction and expansion activities and major problems with the fluid management system; and,
  - e. Graphs of pH, total dissolved solids, sulfate, chloride, nitrate (as nitrogen), zinc, and arsenic concentrations (as applicable), versus time for all fluid sampling points. These graphs shall display a five year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
2. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.
- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 p.m. of the first working day after knowledge of the release. An oral report shall be made by telephone to (775) 687-4670, extension 3023, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds 500 gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If the quantity is equal to or greater than 100 gallons, report in the time frame specified in Part II.B.3.a. Smaller spills are reported quarterly on NDEP Form 0390 or equivalent.
3. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-4670, extension 3123, not later than 5 p.m. of the next regular work day from the

time the Permittee has knowledge of the circumstances. This report shall include the following:

- i. Name, address, and telephone number of the owner or operator;
  - ii. Name, address, and telephone number of the facility;
  - iii. Date, time, and type of incident, condition, or circumstance;
  - iv. Name and quantity of materials released; if process solution is released, report total gallons and quantity of contaminant;
  - v. Human and animal mortality or injury;
  - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
  - vii. The estimated quantity of material that will be disposed and the disposal location.
- b. A written summary shall be provided to the Division within 10 days of the time the Permittee makes the oral report. The written summary shall contain a description of the release or discharge and its cause, the periods of the release or discharge (including exact dates and times), whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue, and the steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring, to:
- i. Determine the effect and extent of each release or discharge;
  - ii. Minimize any adverse impact to the waters of the State arising from each release or discharge;
  - iii. Minimize the effect of each release or discharge upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each release or discharge.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than 120 days before this permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any

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relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.

4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities, and analytical results including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action as provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

## E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in this permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416 and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.

3. The Permittee must notify the Division in writing at least thirty days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Renewed 9/01



**FACT SHEET**  
(pursuant to NAC445A.401)

Permittee Name: Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

Permit Number: NEV70005

A. Description of Facility

Location: This project is located in and near the town of Silver Peak, Nevada in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and; Township 2S, Range 40E, Sections 1-11, 15-20, 29-32 in Esmeralda County.

Characteristics: The Silver Peak Lithium Facility primarily consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, the Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. Synopsis

Subsurface brines are pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. The lithium carbonate product is then dried and packaged, processed, or used as head feed for the lithium hydroxide facility. In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced. Evaporation produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

Brine ponds were built directly on top of native clay that has a coefficient of permeability of  $1 \times 10E-6$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability with the exception of one pond (the strongest brine pond) that is lined with 20-mil PVC liner.

The R-2 pond, located on the peripheral edge of the playa, is asphalt lined and receives CaCO<sub>3</sub> solution that is pumped to the playa as needed. Piping changes are being made to facilities.

Storm water runoff and accumulation is within a closed system. All storm water is maintained within the Clayton Valley.

Secondary containment within the post-regulation hydroxide plant meets secondary containment requirements and was constructed to standard engineering principles and practices. The existing pre-regulation plant appears to be provided with adequate secondary containment.

C. Site Hydrology/Hydrogeology and Background Groundwater Quality

The ground water pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids as documented by the long history of lithium production. It would be economically impractical to render the water fit for human consumption due to the very high total dissolved solids concentrations (see data) and it is not reasonably expected to become a drinking water supply. However, the Silver Peak water supply well and the freshwater production well for Chemetall produce high quality water that meet drinking water standards. Hydrogeologically, the location where the groundwater quality exceeds drinking water standards and becomes non-potable is complex. Establishment of a monitoring well adjacent to the R-2 pond will provide groundwater quality and elevation at this location.

D. Procedures for Public Comment

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate, and close subject to the conditions contained within the permit, is being sent to the Tonopah Times-Bonanza in Tonopah for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of the public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator, or any interested agency, person or group of persons.

The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed facility or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC445A.406.

E. Proposed Determination

The Division has made the tentative determination to issue the proposed permit.

F. Proposed Effluent Limitations, Schedule-of-Compliance and Special Conditions

See Part I of the permit.

G. Rationale for Permit Requirements

The facility is located in an area where annual evaporation is greater than annual precipitation. Also, the facility is located in the Clayton Valley where the playa ground water does not serve as a source of drinking water and would probably not serve as an economically viable source of drinking water. The groundwater is the source of lithium, contains very high total dissolved solids concentration and is not reasonably expected to become a drinking water supply. However, potable wells in and near the town of Silver Peak will be protected.

H. Federal Migratory Bird Treaty Act

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50CFR10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with state permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical



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isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of toxic water. Methods which attempt to make uncovered ponds attractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Blvd., Suite 234, Reno, Nevada 89502-7147, for additional information.

Bob Carlson  
September 2001



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R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381


In reply refer to  
No.

October 3, 2001

52918 through 52921

**Chemetall Foote Corporation**  
**Silver Peak Operations, Highway 265**  
**Silver Peak NV 89047**  
**CERTIFIED MAIL: 7000 0520 0023 4553 1162**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use**

 on or before **September 30, 2001**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cmf

  
cc: Ross E. DeLipkau, Certified Mail No. 7000 0520 0023 4553 1179  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use form with instructions

Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 146**

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**FN 52918 ETAL CMF  
 ROSS E DELIPKAU  
 P O BOX 2790  
 RENO NV 89505**

2. 7000 0520 0023 4553 1179 e/)

PS Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

*Delivered*  
C. Signature  Agent  Addressee

*[Signature]*  
D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-00-M-0952

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**FN 52918 ETAL CMF  
 CHEMETALL FOOTE CORP  
 SILVER PEAK OPER HWY 265  
 SILVER PEAK NV 89047**

2. 7000 0520 0023 4553 1162 e/)

PS Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly) B. Date of Delivery

*Candy Jewett* *10/6/01*  
C. Signature  Agent  Addressee

*[Signature]*  
D. Is delivery address different from item 1?  Yes  No  
If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

Domestic Return Receipt

102595-00-M-0952

# **Chemetall Foote Corp.**

October 9, 2001

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
123 W. Nye Lane, Suite 246  
Carson City, NV 89706-0818

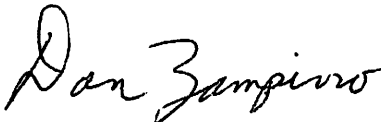
Subject: Permit numbers 52918, 52919, 52920 & 52921

Mr. Hugh Ricci, PE  
State Engineer,

Enclosed please find four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400 to cover the filing of the Extensions.

Please contact our office should you have any questions at 1-775-937-2222.

Sincerely,



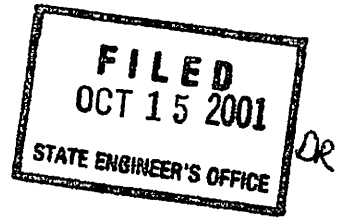
Danny Zampirro, CPG  
Wellfield Supervisor

Certified Mail # 7099 3220 0005 1375 6049

cc Mr. Ross de Lipkau  
Marshall Hill Cassas & de Lipkau

enclosures

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetail Foote Corp.

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent, Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

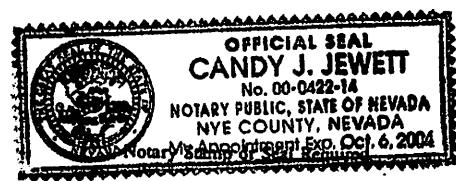
- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetail Foote Corp.
4. How much time is needed to finish this project? 1 year
5. To date, what is the total expenditure on this project? in excess of 51 million dollars
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 1.1 million
7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted: We have not reached maximum capacity, and have a well drilling program proposed for 2001-2002 at a cost of 1.1 million dollars. A deep aquifer system has been identified with plans to test and explore as a resource.

Signed Dan Zampirro, Permittee or Agent
Address P.O. Box 98, Silver Peak, NV 89047
Phone (775) 937-2222

Subscribed and sworn to before me this 10th day of October, 2001
Signature of Notary Public Required

Notary Public in and for the County of Nye, State of Nevada

My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(within Nevada)

In reply refer to:

January 15, 2002

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
Silver Peak Operations; HWY 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2002 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/dr  
cc: Ross De Lipkau  
Dan Zampirro  
Southern Nevada Branch Office

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 887-4381

In reply refer to  
No.

October 1, 2002

52918 through 52921

**Chemetal Foote Corporation**  
**Silver Peak Operations, Hwy 265**  
**Silver Peak, Nevada 89047**  
**CERTIFIED MAIL 7106 7808 0630 0000 5937**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use under all Permits referenced above**

on or before **September 30, 2002**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cac

cc: Danny Zampirro, Certified Mail 7106 7808 0630 0000 5951  
Ross E. de Lipkau, Certified Mail 7106 7808 0630 0000 5944  
Southern Nevada Branch Office


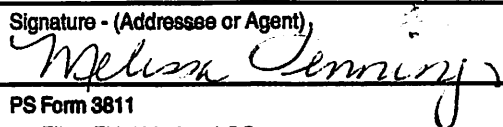
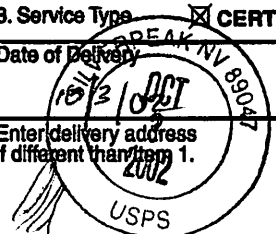
Enclosure(s): Proof of Beneficial Use forms with instructions


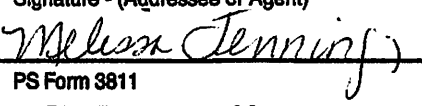
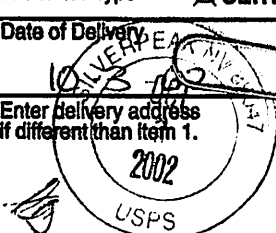
Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100


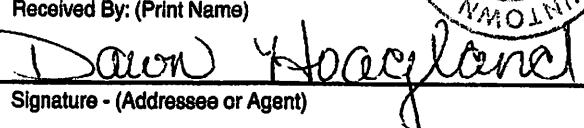
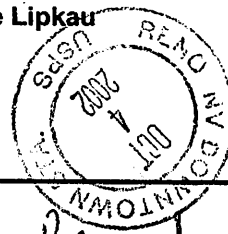
**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 151**

<b>SENDER:</b> • Complete items 1, 2 and 3. • Indicate if restricted delivery is required. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return receipt Fee will provide you the signature of the person delivered to and the date of delivery.		I also wish to receive the following service (for an extra fee): <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
<b>1. Article Addressed to:</b>  <b>Chemetall Foote Corporation</b> <b>Silver Peak Operations, Hwy 265</b> <b>Silver Peak, NV 89047</b>		<b>2. Article Number</b>  7106 7808 0630 0000 5937	
<b>Received By: (Print Name)</b> MELISSA JENNINGS		<b>3. Service Type</b> <input checked="" type="checkbox"/> CERTIFIED <b>Date of Delivery</b>	
<b>Signature - (Addressee or Agent)</b> 		Enter delivery address if different than item 1. 	
PS Form 3811 File: FN 52918etal CC		<b>DOMESTIC RETURN RECEIPT</b>	

<b>SENDER:</b> • Complete items 1, 2 and 3. • Indicate if restricted delivery is required. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return receipt Fee will provide you the signature of the person delivered to and the date of delivery.		I also wish to receive the following service (for an extra fee): <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
<b>1. Article Addressed to:</b>  <b>Danny Zampirro</b> <b>P.O. Box 98</b> <b>Silver Peak, NV 89047</b>		<b>2. Article Number</b>  7106 7808 0630 0000 5951	
<b>Received By: (Print Name)</b> MELISSA JENNINGS		<b>3. Service Type</b> <input checked="" type="checkbox"/> CERTIFIED <b>Date of Delivery</b>	
<b>Signature - (Addressee or Agent)</b> 		Enter delivery address if different than item 1. 	
PS Form 3811 File: FN 52918etal CC		<b>DOMESTIC RETURN RECEIPT</b>	

<b>SENDER:</b> • Complete items 1, 2 and 3. • Indicate if restricted delivery is required. • Print your name and address on the reverse of this form so that we can return this card to you. • Attach this form to the front of the mailpiece, or on the back if space does not permit. • Write "Return Receipt Requested" on the mailpiece below the article number. • The Return receipt Fee will provide you the signature of the person delivered to and the date of delivery.		I also wish to receive the following service (for an extra fee): <input type="checkbox"/> Restricted Delivery Consult postmaster for fee.	
<b>1. Article Addressed to:</b>  <b>Ross de Lipkau</b> <b>Marshall, Hill, Cassas &amp; de Lipkau</b> <b>P.O. Box 2790</b> <b>Reno, NV 89505</b>		<b>2. Article Number</b>  7106 7808 0630 0000 5944	
<b>Received By: (Print Name)</b> Dawn Hoagland		<b>3. Service Type</b> <input checked="" type="checkbox"/> CERTIFIED <b>Date of Delivery</b>	
<b>Signature - (Addressee or Agent)</b> 		Enter delivery address if different than item 1. 	
PS Form 3811 File: FN 52918etal CC		<b>DOMESTIC RETURN RECEIPT</b>	



# **Chemetall Foote Corp.**

October 8, 2002

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
123 W. Nye Lane, Suite 246  
Carson City, NV 89706-0818

Subject: Permit numbers 52918, 52919, 52920 & 52921

Dear Mr. Ricci,

Enclosed please find four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400 to cover the filing of the Extensions.

Please contact our office should you have any questions at 1-775-937-2222.

Sincerely,



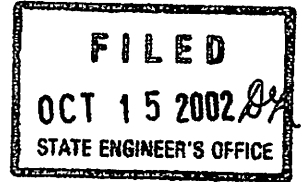
Danny Zampirro, CPG  
Hydrogeologist

Certified Mail # 7099 3220 0006 0137 6210

cc Mr. Ross de Lipkau  
Marshall Hill Cassas & de Lipkau

Enclosures: Quarterly production report

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? one year

5. To date, what is the total expenditure on this project? in excess of \$51,000,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$50,000

7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Maximum water usage has not been achieved. Expansion is planned with resultant increased water usage scheduled this year.

Signed Danny Zampirro, Permittee or Agent

Subscribed and sworn to before me this 9th day of

Address Chemetall Foote Corp. Street No. or P.O. Box No.

P.O. Box 98 Silver Peak, NV 89047 City, State, Zip Code No.

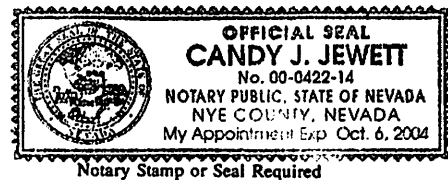
Phone 1-775-937-2222

October 2002 Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

November 21, 2002

52918, 52919, 52920, and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2003** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/dl

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 155

# **Chemetall Foote Corp.**

July 27, 2003

COPY

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
123 W. Nye Lane, Suite 246  
Carson City, NV 89706-0818

Subject: Permit numbers 52918, 52919, 52920 & 52921 and Quarterly Production Data

Dear Mr. Ricci,

Enclosed please find four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400 to cover the filing of the Extensions. We are conducting a drilling program to supplement our aging wellfield to meet product demand. Additionally, please find our quarterly production report for the second quarter, basin 143. A total of 2,174 acre feet were pumped from the basin of which 5.6% was fresh water, the remainder brine for production purposes. Please contact our office should you have any questions. Thank you.

Sincerely,



Danny Zampirro, CPG, RG  
Hydrogeologist

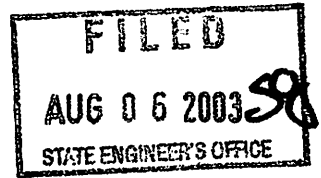
Certified Mail # 7099 3220 0006 0137 6548

cc Mr. Ross de Lipkau  
Marshall, Hill, Cassas & de Lipkau

Enclosures: Quarterly prod. report, Ext. of Time Renewals, check #26799



APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp.
4. How much time is needed to finish this project? two years
5. To date, what is the total expenditure on this project? \$52,300,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$570,000
7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted: Old wells are being supplemented by the construction of new wells in order meet expanding demand for production.

Signed Danny Zampirro
Address Chemetall Foote Corporation
P.O. Box 98 Silver Peak, NV 89047
Phone 1-775-937-2222

Subscribed and sworn to before me this 31st day of July 2003
Signature of Notary Public Required

Notary Public in and for the County of Nye
State of Nevada

My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

BM 10-15-03 per CT

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 23, 2003

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4380

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to.....

for filing of the.....

.....

.....

has been granted to..... **September 30 2004**

with the provision that no further extensions will be granted

for filing of the.....

**PROOF OF BENEFICIAL USE**

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/sg

cc: Chemetall Foote Corp., (additional address)  
Ross de Lipkau  
Southern Nevada Branch Office

# Chemetall Foote Corp.

August 10, 2004

Chemetall Foote Corporation  
Silver Peak Operations  
Post Office Box 98, Hwy 265  
Silver Peak, NV 89047

State of Nevada – Office of the State Engineer  
Department of Conservation and Natural Resources  
Division of Water Resources  
123 W. Nye Lane, No. 246  
Carson City, NV 89706-0818

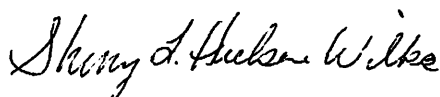
**RE: Application for Extension of Time for Permit No.'s: 52918, 52919, 52920, 52921**

To The State Engineer – Division of Water Resources:

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920 and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions, please feel free to call.

Sincerely,



Sherry L. Huelsen-Wilks  
Hydrogeologist & Wellfield Supervisor

cc: Mr. Ross de Lipkau  
File

Enclosures: Application for Extension of Time, Permit 52918  
Application for Extension of Time, Permit 52919  
Application for Extension of Time, Permit 52920  
Application for Extension of Time, Permit 52921  
Check # 26882

STATE OF NEVADA  
DIVISION OF WATER RESOURCES  
AUG 11 10 55 AM '04

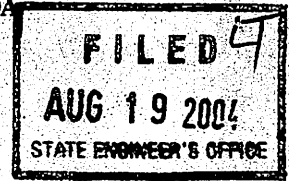
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**Chemetall Foote Corp. • PO Box 98 • State Route 265 • Silver Peak, Nevada 89047**  
**Telephone (775) 937-2222 Ext. 230 • Fax (775) 937-2250**  
**Email address: [sherry.wilks@chemetall.com](mailto:sherry.wilks@chemetall.com)**

SE ROA 160



APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen-Wilks, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If 'YES' on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO
3. If 'NO' on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$52,900,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

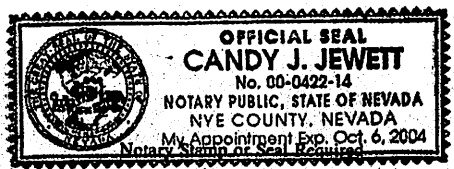
Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

RECEIVED AUG 19 AM 10:56 STATE ENGINEER'S OFFICE

Subscribed and sworn to before me this 17th day of August 2004, Candy J. Jewett, Signature of Notary Public Required

Notary Public in and for the County of Nye, State of Nevada, My commission expires October 6, 2004

Signed Sherry L Huelsen-Wilks, Permittee or Agent, Address: Chemetall Foote Corporation, P.O. Box 98, Silver Peak, NV 89047, Phone: 775-937-2222 ext. 230



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

lyr PBU, MW, 11-10-04 per SK

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

52918, 52919, 52920,  
and 52921

November 12, 2004

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time  
has been granted to September 30, 2005 with the provision that no  
further extensions will be granted for filing of the Proof of  
Beneficial Use except for good cause shown as provided under NRS  
533.390 and 533.410.

Sincerely,

Jason King, P.E.  
Deputy State Engineer

JK/lt  
cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 162

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED  
AUG 29 2005  
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen-Wilks, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? [ ] YES [x] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [x] NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$53,900,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 25th day of

August, 2005  
Candy J Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

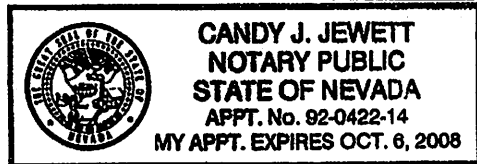
State of Nevada

My commission expires October 6, 2008

Signed Sherry L Huelsen-Wilks  
Permittee or Agent

Address Chemetall Foote Corporation  
Street No. or P.O. Box No.  
P.O. Box 98, Silver Peak, NV 89047  
City, State, Zip Code No.

Phone 775-937-2222 ext. 230



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1 yr PBM

OK per JK 11/1/05

ALLEN BIAGGI  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

In reply refer to:

January 20, 2006

52918, 52919, 52920 and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2006 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,  
*Jason King*  
Jason King, P.E.  
Deputy State Engineer

JK/mc  
cc: Southern Nevada Branch Office  
Sherry L. Huelsen-Wilks

SE ROA 164

# Chemetall Foote Corp.

~~RECEIVED~~

~~2006 AUG 31 AM 11:13~~

~~STATE ENGINEERS OFFICE~~

August 10, 2006

Chemetall Foote Corporation  
Silver Peak Operations  
Post Office Box 98, Hwy 265  
Silver Peak, NV 89047

State of Nevada – Office of the State Engineer  
Department of Conservation and Natural Resources  
Division of Water Resources  
901 S. Stewart St., Ste. 2002  
Carson City, NV 89701-5250

RECEIVED  
2006 SEP -5 PM 1:48  
STATE ENGINEERS OFFICE

**RE: Application for Extension of Time for Permit No.'s: 52918, 52919, 52920, 52921**

To The State Engineer – Division of Water Resources:

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920 and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions, please feel free to call.

Sincerely,



Sherry L. Huelsen  
Hydrogeologist & Wellfield Supervisor

cc: Mr. Ross de Lipkau  
File

Enclosures: Application for Extension of Time, Permit 52918  
Application for Extension of Time, Permit 52919  
Application for Extension of Time, Permit 52920  
Application for Extension of Time, Permit 52921  
Check # 42967

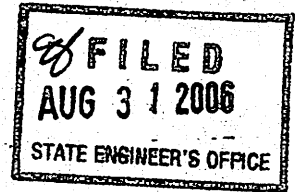
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**Chemetall Foote Corp. • PO Box 98 • State Route 265 • Silver Peak, Nevada 89047**  
**Telephone (775) 937-2222 Ext. 230 • Fax (775) 937-2250**  
**Email address: sherry.wilks@chemetall.com**

SE ROA 165

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen, the Agent Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$54,350,000

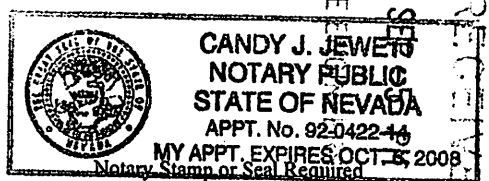
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 14th day of August, 2006. Candy J. Jewell Signature of Notary Public Required. Notary Public in and for the County of Nye State of Nevada My commission expires October 6, 2008.

Signed Sherry L Huelsen Permittee or Agent Address Chemetall Foote Corporation Street No. or P.O. Box No. P.O. Box 98, Silver Peak, NV 89047 City, State, Zip Code, No. Phone 775-937-2222 ext. 230



RECEIVED STATE ENGINEER'S OFFICE 2006 AUG 31 AM 11:45

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

yr PBM

nr rev. JK/AS 9/29/06

SE ROA 166

ALLEN BIAGGI  
Director

TRACY TAYLOR, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

In reply refer to:

October 5, 2006

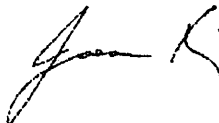
52918 through 52921

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2007 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



Jason King, P.E.  
Deputy State Engineer

KH/ef

cc: Southern Nevada Branch Office

SE ROA 167

**Notice of Proposed Action**

**By the**

**State of Nevada**

2007 JAN 24 AM 9:54

STATE OF NEVADA

The Administrator of the Division of Environmental Protection gives notice that an application for renewal of a Water Pollution Control Permit for the **Silver Peak Lithium Project**, a mining and beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for renewal of Water Pollution Control Permit **NEV0070005** is:

**Chemetal Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047**

The facility is located on public and private land in Esmeralda County, within Sections 26-28, Township 1 South, Range 40 East, Sections 1, 12, 13, 21-25, Township 2 South, Range 39 East, and Sections 1-11, 15-20, 29-32, Township 2 South, Range 40 East, Mount Diablo Baseline and Meridian, near the town of Silver Peak, Nevada.

The project consists of a dewatering and beneficiation facility, designed to extract lithium, with a maximum permitted process rate of 6,000 tons of naturally occurring material per year. The facility is comprised of numerous deep wells, solar evaporation ponds, lime sludge pond, process plants, stockpiled salt dumps, and appurtenances such as the lime slaker. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event.

The Administrator is constrained to either issue the renewed Water Pollution Control Permit or to deny the application. The Administrator has made the tentative decision to issue the renewed permit.

Persons wishing to comment upon the proposed Water Pollution Control Permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to Nevada Administrative Code, NAC Chapter 445A, must submit their written comments, objections, or requests no later than 5:00 PM on the 30<sup>th</sup> day following the date of publication of this notice to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249



All comments or objections received during the public notice period will be considered in the final determination regarding this Water Pollution Control Permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The draft Water Pollution Control Permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-9401 or visit our website at <http://ndep.nv.gov/bmrr/bmrr01.html>

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 JAN 24

**DRAFT**  
AM 9:54

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of February Day, 2007, and shall remain in effect until February Day, 2007, unless modified, suspended, or revoked.

Signed this #### day of February 2007.

\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

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## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance: None Required

C. The fluid management system covered by this permit consists of the following process components:

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

## D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>3</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

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The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

## **Footnotes:**

### (1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	Zinc
Beryllium	Iron	Potassium	

### (2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

### (3) A different production (brine) well shall be sampled each year.

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

#### G. Permit Limitations

1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.

Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.

H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
  1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device; and
  3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

## II. General Facility Conditions and Limitations

### A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, and 3;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of naturally occurring material processed during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.
  - b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
    - i. A description of the incident and its cause;

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- ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
- i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any



injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that

have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 16 February 2005; employee access statement deleted.  
24 May 2005; Bureau Chief title changed to Chief, Bureau of Mining Regulation and Reclamation.  
25 May 2006; modified Part I.L. to include new PCS Management Plan wording.  
January 2007 – Permit renewal process

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**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

A. **Description of Facility**

**Location:** This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

**Characteristics:** The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. **Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

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pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

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The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water ( $\text{CaCO}_3$  solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

**DRAFT**

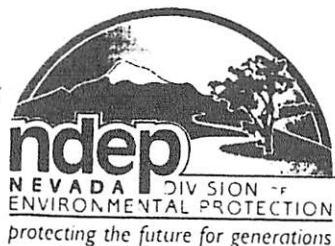
quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal



STATE OF NEVADA  
Department of Conservation & Natural Resources  
DIVISION OF ENVIRONMENTAL PROTECTION

Jim Gibbons, Governor  
Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

March 8, 2007

NOTICE OF DECISION

WATER POLLUTION CONTROL PERMIT  
NUMBER NEV0070005

Chemetall Foote Corporation  
Silver Peak Lithium Project

The Nevada Division of Environmental Protection has decided to renew Water Pollution Control Permit NEV0070005 to Chemetall Foote Corporation. This permit authorizes the construction, operation, and closure of approved mining facilities in Esmeralda County. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through NAC 445A.447, to assure the Division that the groundwater quality will not be degraded by this operation, and that public safety and health will be protected.

The permit will become effective March 23, 2007. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, March 18, 2007, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Bob Carlson at (775) 687-9401 or visit the Division website at [www.ndep.nv.gov/bmrr/bmrr01.htm](http://www.ndep.nv.gov/bmrr/bmrr01.htm).

Comments were not received during the public comment period.

2007 MAR -8 11:19:52





STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 MAR -8 11:10:52

DATE RECEIVED

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

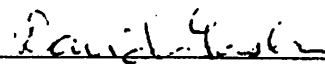
The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of March 23, 2007, and shall remain in effect until March 23, 2012, unless modified, suspended, or revoked.

Signed this 8<sup>th</sup> day of March 2007.

  
\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

**I. Specific Facility Conditions and Limitations**

**A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:**

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

**B. Schedule of Compliance: None Required**

**C. The fluid management system covered by this permit consists of the following process components:**

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

**D. Monitoring Requirements**

<b><u>Identification</u></b>	<b><u>Parameter</u></b>	<b><u>Frequency</u></b>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>3</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

**Footnotes:**

(1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	WAD Cyanide
Beryllium	Iron	Potassium	Zinc

(2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

(3) A different production (brine) well shall be sampled each year.

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

G. Permit Limitations

1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.

Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.

H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
    1. Deterioration, malfunction, or improper operation of control systems;
    2. Sudden changes in the level of the contents of any monitoring device; and
    3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
  - J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
  - K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
  - L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.
- II. General Facility Conditions and Limitations
- A. General Requirements
    1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
    2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
    3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.
  - B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, 3, and 4;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore milled or placed on heaps (as applicable) during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), WAD cyanide, fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved

Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.

- b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
  - i. A description of the incident and its cause;
  - ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
  - i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

#### C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.

7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.



6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

**F. Permit Modification Requirements**

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 01 March 2007 – Permit renewal process

2007 MAR -8 AM 10: 52

STATE ENGINEERING

**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

**A. Description of Facility**

**Location:** This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

**Characteristics:** The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

**B. Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms <sup>early</sup> in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water ( $\text{CaCO}_3$  solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

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Prepared by: Bob Carlson  
Date: January 2007 Renewal

# ***Chemetall Foote Corp.***

August 22, 2007

2007 AUG 22 11:00  
STATE ENGINEER'S OFFICE

Chemetall Foote Corporation  
Silver Peak Operations  
PO Box 98, Hwy 265  
Silver Peak, NV 89047

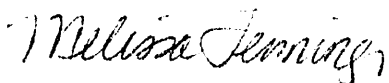
Office of the State Engineer  
Nevada Division of Water Resources  
901 South Street, Suite 2002  
Carson City, NV 89706-0818

**Subject: Permit Numbers 52918, 52919, 52920, 52921**

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920, and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions or need additional information, please feel free to call me at 775-937-2222 ext. 229.

Sincerely,

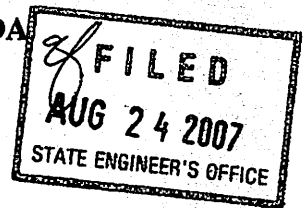


Melissa Jennings  
Mine Superintendent

Cc. Mr. Ross de Lipkau, Marshall, Hill, Cassas and de Lipkau  
File

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetail Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

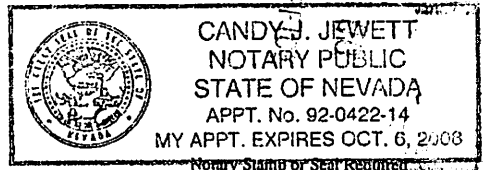
- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
YES • NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetail Foote Corporation
- 4. How much time is needed to finish this project? Two Years
- 5. To date, what is the total expenditure on this project? \$55,900,000.00
- 6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$3,200,000.00
- 7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)  
for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)
- 8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

No  
me  
Ap,  
on  
gle  
AL

Subscribed and sworn to before me this 22nd day of August, 2007  
Candy J. Jewett  
Signature of Notary Public Required  
Notary Public in and for the County of Clark  
State of Nevada  
My commission expires October 6, 2008

Signed Melissa Jennings  
Permittee or Agent  
Address Chemetail Foote Corporation  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.  
Phone (775) 937-2222 ext. 229



**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

Jgr PBM

OK w/ WP Encl 1 str RE: LA = alala

SE ROA 200





DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

RE: Permits 52918, 52919,  
52920 and 52921

September 19, 2007

Melissa Jennings  
Chemetall Foote Corporation  
PO Box 98  
Silver Peak, Nevada 89047

Dear Ms. Jennings:

Please refer to the Application for Extension of Time forms you submitted on August 24, 2007 as Agent for Chemetall Foote Corporation for the above referenced permits.

These Applications for Extension of Time are approved; however, before any further requests for Extension of Time for the filing of the Proof of Beneficial Use are granted, this office requires that you answer the questions on the enclosed Work Progress Information Sheet. This information is needed to update the Permit files and to determine progress made towards establishing Beneficial Use. Please note that on your Applications you state that "old wells are being supplemented by the construction of new wells"; we do not currently have any Applications to Change on file in the name of Chemetall Foote. If you have any questions, please contact Tony Eng at 775-684-2800.

Please submit to this office the requested information before the next Proof Beneficial Use are due. Failure to comply may result in the denial of future requests for Extension of Time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ALE/ef  
Enclosure

cc: Parsons Behle & Latimer, Ross de Lipkau  
Southern Nevada Branch Office

**WORK IN PROGRESS INFORMATION SHEET**  
**WATER RIGHT PERMITS 52918, 52919, 52920 and 52921**

Please furnish information and documents explaining the progress to complete the project to be served under each permit. The explanation should include the following information and any other pertinent information:

1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates (e.g., planning, design, construction, start-up, partial or full operation).
2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of lands within the place of use? If so, detail this authorization.
3. What type of product or mineral is being mined? Who is buying your mineral product and for how long?
4. Submit the record of water measurements (e.g., meter readings) for the last one-year period. Specify the measurement volume units (e.g., gallons, 100 gallons, million gallons, or acre-feet).
5. Describe any work in progress and any facility or feature completed to establish full beneficial use in compliance with permit requirements.
6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.
7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**


901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources


September 20, 2007

Telephone (775) 684-2800 or  
1-800-992-0900 x 2400  
(In Nevada Only)

In reply refer to: **52918, 52919, 52920 and 52921**

 Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2008** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

 Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



Jason King, P.E.  
Deputy State Engineer

JK/ef

cc: Ross de Lipkau  
Southern Nevada Branch Office

***Chemetall Foote Corp.***

RECEIVED

2008 JUN 25 AM 11:40

STATE ENGINEERS OFFICE

June 18, 2008

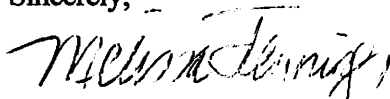
Office of the State Engineer  
Nevada Division of Water Resources  
901 South Street, Suite 2002  
Carson City, NV 89706-0818

Re: Application for Extension of Time

Please see the enclosed applications for Extension of Time for Water Right Permits 52918, 52919, 52920 & 52921 . These rights pertain to the brine production wells supplying the ponds.

If you have any questions concerning the enclosures, please feel free to call me at 775-937-2222 ext. 229, or send an email to [melissa.jennings@chemetall.com](mailto:melissa.jennings@chemetall.com).

Sincerely,



Melissa Jennings  
Mine Operations Engineer

Enclosures: Application for Extension of Time for water rights 52918, 52919, 52920 & 52921

RECEIVED

2008 JUN 26 AM 11:19

June 23, 2008 STATE ENGINEERS OFFICE

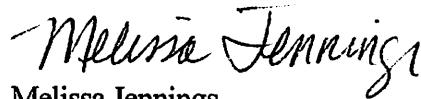
Office of the State Engineer  
Nevada Division of Water Resources  
901 South Street, Suite 2002  
Carson City, NV 89706-0818

Re: Work in Progress Information Sheet

I recently sent you applications for Extension of Time for Water Right Permits 52918, 52919, 52920 & 52921; however, I failed to include the Work in Progress Information Sheets and the 2007 Quarterly Production Sheets. Please attach the enclosed sheets mentioned to the applications.

If you have any questions concerning the enclosures, please feel free to call me at 775-937-2222 ext. 229, or send an email to [melissa.jennings@chemetall.com](mailto:melissa.jennings@chemetall.com).

Sincerely,



Melissa Jennings  
Mine Operations Engineer

Enclosures: Work in Progress Information Sheets for water rights 52918, 52919, 52920 & 52921  
Quarterly Production Report, 2007

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMITS 52918

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**  
Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
None have been submitted or recorded.

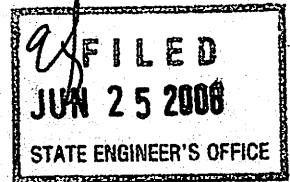
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**  
No known adverse conditions.

RECEIVED  
2000 JUN 26 AM 11:19  
STATE ENGINEERS OFFICE



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES • NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$57,802,000.00
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,700,000.00
7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

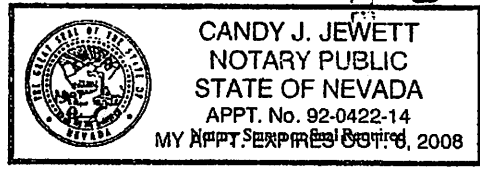
Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production. The 2006 well drilling program added three new wells, and a drilling program slated for the fall of 2008 will add another 5 to 8 wells, which will bring production rates closer to the targeted volume.

No A App filed

Subscribed and sworn to before me this 18th day of June, 2008. Signature of Notary Public Required Candy J. Jewett. Notary Public in and for the County of Nye, State of Nevada. My commission expires October 6, 2008.

Signed Melissa Jennings, Permittee or Agent. Address Chemetall Foote Corporation, PO Box 98, Silver Peak, Nevada 89047. Phone (775) 937-2222 ext. 229.

STATE ENGINEER'S OFFICE 2008 JUN 25 AM 11:40 RECEIVED



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Ign PRM

SE ROA 208

06/18/08





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

October 9, 2008

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2009** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ef

Enclosure: Important Notice: "Future Application for Extension of Time Filings"  
cc: Southern Nevada Branch Office  
Ross de Lipkau, Parsons, Behle & Latimer

***Chemetall Foote Corp.***

August 19, 2009

State of Nevada  
Dept. of Conservation & Natural Resources  
**Division of Water Resources**  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permit # 52918, 52919, 52920, and 52921

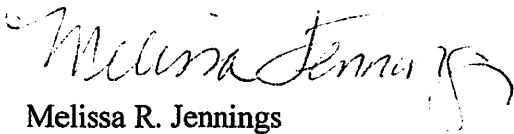
To Whom It May Concern:

Enclosed are four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400.00 to cover the filing of the Extensions.

The Work in Progress information is also attached per NRS 533.380 3(b).

Please contact our office if you have questions or comments regarding the Extensions. Our telephone number is 775-937-2222, ext. 229.

Sincerely,



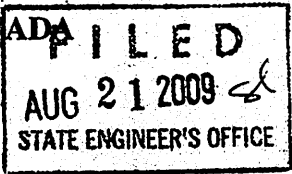
Melissa R. Jennings  
Mine Operations Engineer

Certified Mail # 7003 1680 0001 6420 7096

Cc: Mr. Ross De Lipkau  
Parsons, Behle & Latimer

61:117 1301802

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA



APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO (Check the Appropriate Box)

4. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$57,987,500.00

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,500,000.00

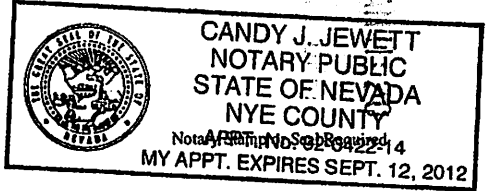
7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

A well rehabilitation program in late 2008-early 2009 targeted older wells with structural failures. This program was used as a marker for future rehabilitation endeavors. Stimulus funds were approved for a drilling program in 2010 and well rehabilitation program that will be used to reinstate several older wells to bring production rates closer to the target 2011.

Subscribed and sworn to before me this 19th day of August 2009. Signature of Notary Public Required: Wandy G. Jewett. Notary Public in and for the County of Nye, State of Nevada. My commission expires September 12, 2012.

Signed: Melissa Jennings, Permittee or Agent. Address: Chemetall Foote Corporation, PO Box 98, Silver Peak, Nevada 89047. Phone: (775) 937-2222 ext. 229.



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER. \$211. Stimulus funds approved for new holes in 2010. IN DB. 8/21/09

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2008-2009 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.

3. **What type of mineral is being mined?**

Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**

10,089 acre-feet was used in 2008.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

In 2008-2009, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2009 and throughout 2010, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

One engineering design change for Chemetall Foote Corp.'s Water Pollution Control Permit was submitted and approved by NDEP in 2009. No other reports or engineering drawings are submitted for review.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products beginning in late-2008, continuing into mid-2009. The result of this was the temporary idling of wells and transfer pumps, employee reduction in force, and budget cuts. Wells normally operated during this time are in recovery from pumping, with occasional pumping needed to exercise the pumping system. 2009 stimulus money, approved in August, is intended to aid this situation, allowing for restarting production wells and new well drilling and/or rehabilitation of older wells.

]





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

September 30, 2009

Chemetall Foote Corporation  
PO Box 98  
Silver Peak, NV 89047

**RE: 52918, 52919, 52920 & 52921**

This is to inform you that Application for Extension of Time has been granted to **September 30, 2010** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If you have any questions regarding this notification, please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in black ink that reads "Gloria K. Lash". The signature is fluid and cursive.

Gloria K. Lash  
Administrative Assistant III

cc: Southern Nevada Branch Office  
Parson Behle & Latimer, Ross E. DeLipkau

August 23, 2010

2010 SEP -2 11:11:30

STATE EX...

State of Nevada  
Dept. of Conservation & Natural Resources  
**Division of Water Resources**  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permit # 52918, 52919, 52920, and 52921

To Whom It May Concern:

Enclosed are four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400.00 to cover the filing of the Extensions.

The Work in Progress information is also attached per NRS 533.380 3(b).

Please contact our office if you have questions or comments regarding the Extensions. Our telephone number is 775-937-2222, ext. 229.

Sincerely,



Melissa R. Jennings  
Mine Operations Engineer

Certified Mail # 7003 1680 0001 6420 6907

Cc: Mr. Ross De Lipkau  
Parsons, Behle & Latimer



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

FILED

SEP 02 2010

STATE ENGINEER'S OFFICE

APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent

Person Signing Application

Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

[ ] YES [X] NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$59,487,500

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,603,750

7. The permittee requests an extension of time for One Year within which to comply with the provisions

(Not to exceed 1 year)

for filing the Proof of Beneficial Use

(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In early 2009, A well rehabilitation program successfully identified an alternative means to overcome structural failures and two well were brought online prior to temporary idling of operations in 2009. Wells were restarted in 2010 and ARRA funding will be used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM.

Signed Melissa Jennings Permittee or Agent

Address Chemetall Foote Corporation Street No. or P.O. Box No.

PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

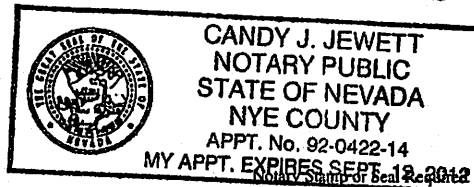
Subscribed and sworn to before me this 23rd day of

August 2010, Candy J. Jewett Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires September 12, 2012



STATE ENGINEER'S OFFICE 200 SEP - 2 11:30

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1 yr PPM D= 3619.85 AFA 152A AF pumped in 2009

SE ROA 217

no time delay

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1.524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

2010 SEP -2 AM 11:30  
STATE



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 10, 2010

Chemetall Foote Corporation  
Silver Peak Operations Hwy 395  
Silver Peak, NV 89047

**RE: PERMIT(S) 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2011**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

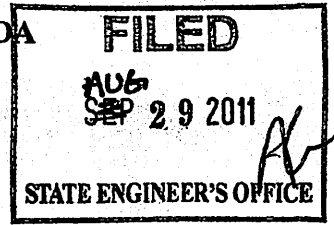
Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Staff I Associate Engineer

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office (via email)



APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$61,704,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,400,000

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Wells were restarted in 2010 and ARRA funding was used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM. Well rehab and production drilling occurred during 2011 and will continue through 2012 to increase pumping capacity to achieve production goals.

Signed [Signature] Permittee or Agent

Address Chemetall Foote Corporation Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

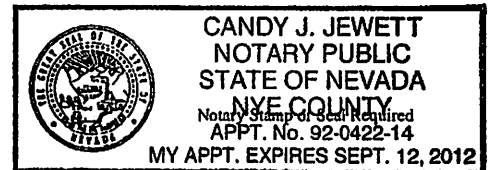
Phone (775) 937-2222 ext. 222

Subscribed and sworn to before me this 27th day of August, 2011 [Signature] Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires September 12, 2012



STATE ENGINEERS OFFICE

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

4 yr PBM

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.

3. **What type of mineral is being mined?**

Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
6,565 acre-feet was used in 2010.

*Total of all wells*

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.

*7 wells  
rehabilitated  
2010-2011*

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

No reports or engineering drawings are submitted for review.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

STATE ENGINEER'S OFFICE  
2011 AUG 29 PM 1:50  
RECEIVED

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEERING BOARD



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 19, 2011

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2012**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist I

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office





# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT 52918

PAGE

DEED NO.	GRANTOR	GRANTEE	CFS	AFA	ACRES	FILED UNDER DATE	DOC # DATE		DOCUMENT DESCRIPTION/ REMARKS
							DOC #	DATE	
1	Chemetall Foote Corporation	Rockwood Lithium Inc.	5	3,619.85			SRV 120341	3/22/12	Certificate of Amendment of Certificate of Incorporation (A.O.F. Permit 10036)
2									
3									
4									
5									
6									
7									
8									

# **Chemetall Foote Corp.**

August 25, 2012

State of Nevada  
Dept. of Conservation & Natural Resources  
**Division of Water Resources**  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permit # 52918, 52919, 52920, and 52921

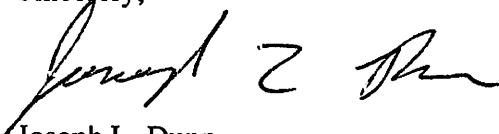
To Whom It May Concern:

Enclosed are four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400.00 to cover the filing of the Extensions.

The Work in Progress information is also attached per NRS 533.380 3(b).

Please contact our office if you have questions or comments regarding the Extensions. Our telephone number is 775-937-2222, ext. 222.

Sincerely,



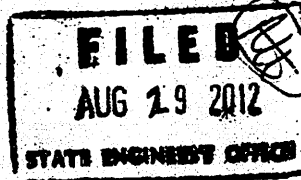
Joseph L. Dunn  
General Manager, Silver Peak Operations

RECEIVED  
2012 AUG 29 11:11:01  
STATE ENGINEERS OFFICE

Certified Mail # 7007 0710 0001 5249 4469

Cc: Mr. Ross De Lipkau  
Parsons, Behle & Latimer

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA



APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$64,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)  
for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

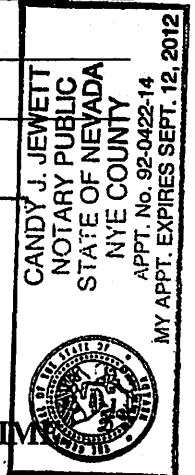
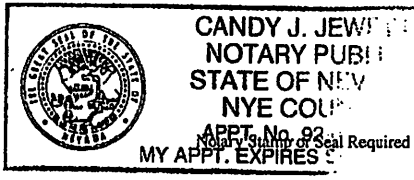
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Funding from ARRA was used during 2012 to increase pumping capacity. During 2013 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2013. The increase in brine capacity will provide product to meet the growing demand.

RECEIVED  
2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

2 Apps filed

Subscribed and sworn to before me this 27<sup>th</sup> day of August, 2012  
Candy J. Jewett  
Signature of Notary Public Required  
Notary Public in and for the County of Nye  
State of Nevada  
My commission expires September 12, 2012

Signed Joseph L. Dunn Permittee or Agent  
Address Chemetall Foote Corporation  
Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.  
Phone (775) 937-2222 ext. 222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1 yr PBM  
Need 2 Apps  
file?  
rec/kib  
8/31/12

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMIT APPLICATIONS

### 52918, 52919, 52920 & 52921

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2011-2012 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,606 acre-feet was used in 2011.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2011-2012, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2012 and throughout 2013, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Turn over of upper management at the end of 2011 resulted in slower than expected results.

RECEIVED

2012 AUG 29 AM 11:01

STATE ENGINEERS OFFICE



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 12, 2012

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: PERMITS 52918 through 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2013 with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

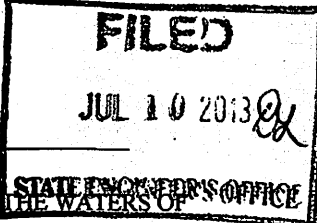
Tony Eng  
Water Resource Specialist 1

ALE/mt

c: Parsons, Behle and Latimer (via email)  
Southern Nevada Branch Office (via email)

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

YES  NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$66,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)

for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Funding from ARRA was used during 2013 to increase pumping capacity. During 2014 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2014. The increase in brine capacity will provide product to meet the growing demand.

Subscribed and sworn to before me this 27<sup>th</sup> day of

June 2013  
Candy J. Jewett  
Signature of Notary Public Required

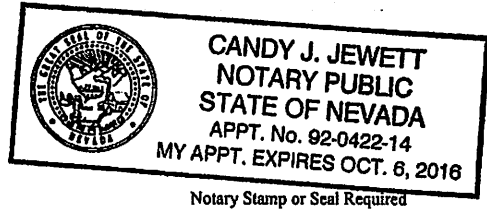
Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2016

Signed Joseph L. Dunn Permittee or Agent  
Address Rockwood Lithium Inc. Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada, 89047 City, State, Zip Code No.  
Phone (775) 937-2222 ext. 222

RECEIVED  
3 JUL 10 AM 10:43  
STATE ENGINEER'S OFFICE



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

for P&M  
AKB, 9/16/13

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMIT APPLICATIONS

### 52918, 52919, 52920 & 52921

- 1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2012-2013 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
- 2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
- 3. What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
- 4. Submit the record of water measurements for the last one-year period.**  
7,670 acre-feet was used in 2012.
- 5. Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2012-2013, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2013 and throughout 2014, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
- 6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
- 7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

2013 JUL 10 AM 10:43  
STATE ENGINEERS OFFICE

RECEIVED



Market conditions are on an upswing. Drill rig repairs started at the end of 2012 and continued through the 1<sup>st</sup> and half of the 2<sup>nd</sup> quarter of 2013. The drill rig has been rebuilt and will continue to drill new production wells during 2013 and 2014.

RECEIVED

2013 JUL 10 AM 10:43

STATE ENGINEERS OFFICE



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 25, 2013

 Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2014**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

 Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

Handwritten signature of Tony Eng in cursive script.

Tony Eng  
Water Resource Specialist I

ALE/dl

cc: Parsons, Behle and Latimer, email  
Joseph L. Dunn, Rockwood Lithium Inc.  
Southern Nevada Branch Office

SE ROA 234

State of Nevada  
REPORT OF CONVEYANCE

of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

ITEM

1 APPLICATION / PERMIT No.: 52918 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER.: Chemetall Foote Corporation

If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Rockwood Lithium Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O.Box 98 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....		CORRECTION DEED(S).....		OTHER:	
DEED(S) OF TRUST.....		RECONVEYANCE at no charge		TOTAL ## OF \$\$ Documents =>	
NOTICE(S) OF PLEDGE.....		MAP(S) at no charge.....		TOTAL # x \$20 each = 1 \$	20.00
DEATH CERTIFICATES.....		AFF OF ID at no charge.....		Report filing fee = \$120.00*	.00
DECREE(S) OF DISTR.....		OTHER: Corporate	X	TOTAL FEES SUBMITTED* \$	20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE. \*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5 CFS 3,619.85 +/- ACRE-FEET ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER:

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title. 10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269, 44270, 49805, 52917, 52918, 52919, 52920, 52921.

13 Additional Space/Remarks: #7 - Continued - 44270, 49988, 52918, 52919, 52920, and 52921

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada

COUNTY OF Washoe

SUBSCRIBED AND SWORN TO BEFORE ME ON 07-01-14

BY: \*\*\* John R. Zimmermann \*\*\*

SIGNATURE: [Signature]

PRINT NAME: John R. Zimmermann

MAILING ADDRESS: 50 W. liberty St., Suite 750

FIRM NAME: Parsons Behle & Latimer

CITY: Reno STATE: NV ZIP: 89501

PHONE: 89501  OWNER?

E-MAIL:  AGENT?

Is a consent to receive email correspondence already on file? YES

If not, please download from our website and include.

[Signature of Notary Public]

Signature of Notary Public Required



Notary Stamp or Seal Required

SLC 7/18/14

FEE RECORDS

Receipt No.(s) 291354

Date of Receipt JUL 08 2014

\$\$ This Permit \$20.00

Original Receipt Located  
in File No 10036

Deeds / Docs Filed in  
File No. 10034



Vertical text, possibly a stamp or signature, located on the left side of the page.



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

July 23, 2014

John R. Zimmerman  
Parsons Behle & Latimer  
50 W. Liberty St., Suite 750  
Reno, NV 89501

**RE: Permits 10036, 15847, 24382, 44248, 44250 – 44253, 44255 – 44258, 44260, 44261, 44267 – 44670, 49805, and 52917 – 52921**

To Whom It May Concern:

Please be advised that your *Reports of Conveyance* received on July 8, 2014, are hereby confirmed to update ownership of the above mentioned permits in the name of **Rockwood Lithium Inc.**, as listed in the table below. Details of the above permit(s), including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	Diversion Rate (cfs)	Duty (AFA/AFS)	Acres/Units
10036/2627	0.334	---	---
15847/4838	0.53	---	---
24382/7234	1.0	723.95	---
44248	1.0	20.16	---
44250/11268	0.003	---	100 head of cattle
44251/12770	1.0	723.97	---
44252/12271	0.43	311.3	---
44253/12772	0.84	608.13	---
44255/12773	0.39	282.35	---
44256/12774	0.22	159.27	---
44257/12775	0.35	253.39	---
44258/12776	0.27	195.47	---
44260/12777	0.20	144.79	---
44261/12278	0.22	159.27	---
44267/12779	0.44	318.50	---
44268/12780	0.46	334.47	---
44269/12781	0.26	188.23	---
44270/12782	1.00	723.97	---
49805/14655	0.13	20.13	---
52917	1.0	21.63	---
52918	5.0	3619.85	---
52919	5.0	3619.85	---
52920	5.0	3619.85	---
52921	5.0	3619.85	---

Zimmerman, John  
Permit 10036+  
July 23, 2014  
Page 2 of 2

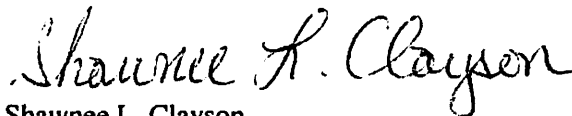
Permits 29728, 44248, 49805, 52917, 69220, 76343 and 77966 have a total combined duty not to exceed 588.67 acre feet annually.

Permits 44251 – 44258, 44260, 44261 , 44267 – 44270, 49988, and 52918 - 52921 have a total combined duty not to exceed 20,000 acre feet annually.

Also be advised that according to NRS 533.386 (2.), this confirmation of your Report of Conveyance does not guarantee that a) the water right is in good standing with the office of the State Engineer; or b) the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and c) this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right.

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, please contact me directly at (775) 684-2830.

Sincerely,



Shawnee L. Clayson  
Engineering Technician III

SLC/sgc  
cc: Rockwood Lithium Inc.  
SNBO

# Rockwood Lithium

September 3, 2014

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permits 52918, 52919, 52920, 52921

To Whom It May Concern:

Enclosed are four Applications for Extension of Time for the above referenced permit numbers and check for fees in the amount of \$480.00 to cover the filing of the Extensions.

Please contact our office if you have questions or comments regarding the Extensions. Our telephone number is 775-937-2222, ext. 229.

Sincerely,



Melissa Jennings  
Geologist/Environmental Engineer

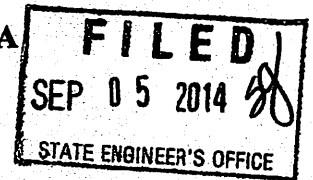
Cc: John Zimmerman  
Parsons, Behle & Latimer

Certified Mail #

RECEIVED  
2014 SEP -5 AM 11:33  
STATE ENGINEERS OFFICE

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$68,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)

for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

STATE ENGINEER'S OFFICE  
2014 SEP -5 AM 11:33  
RECEIVED

Signed Melissa Jennings  
Permittee of Agent

Address Rockwood Lithium Inc.  
Street No. or P.O. Box No.

PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

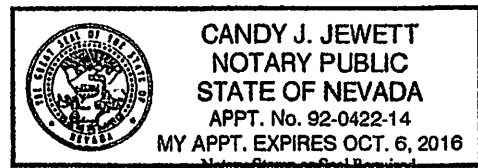
Subscribed and sworn to before me this 28<sup>th</sup> day of

August 2014  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Wye

State of Nevada

My commission expires October 6, 2016



**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

LVR  
PRU  
9/8/14  
CMT

SE ROA 240





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 25, 2014

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit 52918, through 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2015**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2803.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Thorson".

Chris Thorson  
Water Resource Specialist I

CMT/sg

cc: Parsons, Behle & Latimer, e-mail  
Southern Nevada Branch Office

# Rockwood Lithium

August 31, 2015

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permits 52918, 52919, 52920, 52921

To Whom It May Concern:

Enclosed are four Applications for Extension of Time for the above referenced permit numbers and check for fees in the amount of \$480.00 to cover the filing of the Extensions.

Earlier this year Rockwood Lithium Inc. was acquired by the special chemicals company, Albemarle. As of now we have not had an official name change. However, we have had some management changes since then. Moving forward I will be the point of contact for the Silver Peak site.

Please contact me if you have any questions or comments regarding the Extensions. My telephone number is 775-937-2222, ext. 226.

Sincerely,



Scott Thibodeaux  
Environmental Professional

Cc: John Zimmerman  
Parsons, Behle & Latimer

Certified Mail # 7011 2970 0000 0901 7299

RECEIVED  
2015 SEP -4 PM 3:05  
STATE ENGINEERS OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Well rehabilitation/drilling/development in 2014-2015 ultimately resulted in greater capacity. However, some critical well failures resulted in downtime. Plans to minimize the downtime of each well are continuing to improve. These plans include having qualified personnel readily available and an inventory that meets the needs of our wells. Addition development for our water distribution facilities include, continuing to optimize our current wells, rehabilitate older wells and drill new wells. These items will continue throughout each year in order to make progress towards our goal of using the full permitted volumes. Currently the completion date is underdetermined.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.

3. **What type of mineral is being mined?**

Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**

11,720 acre-feet was used in 2014, during the period from August 2014-July 2015 the use was 11,533 acre-feet.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

Several wells were drilled towards the end of 2014. Maintenance and development of all wells continued thereafter with scheduled plans to drill new wells in the remaining months of the year 2015. Similar development activities will take place in late 2015 and into 2016.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

No reports or engineering drawings are submitted for review.

RECEIVED  
2015 SEP -4 PM 3:05  
STATE ENGINEERS

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions are continuing to improve. Our new owner, Albemarle Corp., has shown favorable spending and support for expansion. In late 2014 and early 2015 there were some critical well failures that resulted in a reduction in volume from the previous year. However, with great effort we were able to repair these wells and continue working towards our goal. Funding has been approved to continue well rehabilitation and drilling for the remainder of the year, thus production volumes will continue to fluctuate until enough wells can provide flexibility to manage pumping rates at sustainable levels.

STATE ENGINEERS OFFICE

2015 SEP -4 PM 3:06

RECEIVED

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
SEP 04 2015
STATE ENGINEER'S OFFICE

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent
Person Signing Application Permittee or Agent

Under Permit No. 52918, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$70,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

Signed Scott Thibodeaux Permittee or Agent

Address Rockwood Lithium Inc. Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 226

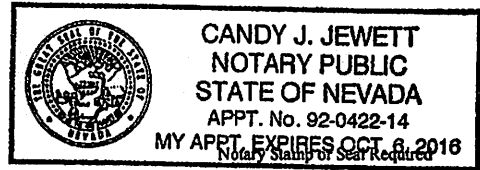
Subscribed and sworn to before me this 31st day of

August 2015 Candy J. Jewett Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2016



STATE ENGINEERS OFFICE 2015 SEP -4 PM 3:05

\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

9/8/15 AB

SE ROA 245



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 10, 2015

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918 through 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2016, with the provision that no further extensions will be granted for filing Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/sg

cc: Parsons, Behle & Latimer  
Southern Nevada Branch Office

# Rockwood Lithium

September 20, 2016

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permit # 52918-52921

To Whom It May Concern:

Enclosed are four Applications for Extension of Time for Permits 52918 through 52921. In addition, you will find a check in the amount of \$480.00 to cover the filing fees of the extensions.

Please contact our office if you have questions or comments regarding the extensions. Our telephone number is 775-937-2222, ext. 226.

Sincerely,



Scott Thibodeaux  
Environmental Professional

cc: file

RECEIVED  
2016 SEP 23 AM 11:26  
STATE ENGINEERS OFFICE

PO Box 98  
Silver Peak  
Nevada 89047  
Phone +1 775 937 2222 Ext.226  
Fax +1 775 937 2250  
Mobile 702 525 1419  
Email: scott.thibodeaux@rockwoodlithium.com

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

**1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Rockwood filed for a Super Permit under application #85746. This application was protested by Esmeralda Minerals LLC. The purpose of this Super Permit is to consolidate all of the existing groundwater permits and certificates for the continued pumping of the multiple groundwater sources owned by Rockwood Lithium and used for the withdrawal of the groundwater Lithium resource. The application was filed on 12/18/2015 and became Ready For Action on 03/05/2016. The Protest was filed by Esmeralda Lithium/Pure Energy on March 7, 2016. Rockwood Lithium continues to pump its existing water rights from wells that are interspersed on the Rockwood claims. The groundwater/brine that is pumped is placed into evaporative ponds that are used to concentrate the groundwater into a lithium concentrate for processing at the adjoining mill.

Well rehabilitation/drilling/development during 2015-2016 has resulted in greater capacity on a year on year basis. Rockwood Lithium has focused on its well efficiency across the playa resulting in an overall increase in well production. This focus has allowed the site to maintain a more consistent pumping rate throughout the year. However, critical well failures have also played a role by creating well downtime and thus negatively impacting pumping rates. Rockwood Lithium has detailed plans to minimize the downtime of each well and is beginning to see long term results. These plans start with maintaining a critical inventory of parts and equipment on site along with a team of qualified personnel immediately available for well repair/rehabilitation activities. Additional development of our water distribution facilities include; continuing to optimize our existing wells, rehabilitate older wells and drill new wells where appropriate.

An overall expansion plan has been implemented to increase our total pumping to a withdrawal of the permitted 20,000 acre feet per annum. One such action was the drilling of a replacement well under permit 86029 which was issued on 04/12/2016. Another action includes the preparation of the required permitting documents for the installation of two new wells during 2016. In addition, Rockwood Lithium is in the process of completing further scientific analysis of the groundwater system (via seismic and hydro stratigraphic modeling) in order to improve on its existing reservoir of knowledge in the Basin aquifer system. In the future, these will allow for more accurate targeting of production zones within the underground source. These items will continue throughout 2017 in order to make progress towards our goal of using the full permitted volumes.

Finally it should be noted that our efforts to expand our use of the permitted resource has been hindered by the proliferation of exploratory drilling in Clayton Valley. These exploration activities are being undertaken in wells immediately contiguous to wells used by Rockwood and thus we have been working to understand the negative impact resulting from these activities.



considerable amount of time has been expended on administratively rejecting intrusion into the mining resource held by Rockwood Lithium and in analyzing what contributing effects that the additional withdrawal of the groundwater might have on the environment and the integrity of the groundwater basin. Concerns have been raised as to the potential impact of planned reinjection from contiguous claims and its dilution/pollution impact on the groundwater/lithium resource. Rockwood Lithium has also brought forward concerns as to inappropriate drilling techniques and perhaps unknown construction issues that may result in further impacts to this resource. All of these issues have substantiated growing concerns as to the physical ability of the groundwater resource to handle the potential over drafting of the groundwater as well as the potential impact to the pumping wells held by Rockwood Lithium.

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED  
SEP 23 2016  
THE WATER DIVISION'S OFFICE

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent  
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)
- 2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 Yes  No (Check the appropriate box)
- 3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

Rockwood Lithium Inc.

4. How much time is needed to construct the works of diversion or place the water to beneficial use? Two Years

5. What is the expenditure on the project under this permit? Last year? \$1,000,000 Total to date? \$71,104,791

6. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the  
(Not to exceed 1 year)

Proof of Beneficial Use

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

In 2016 a high volume well was targeted to increase production needs for the facility; however, the harsh environment, deep aquifer depths, and fluctuating recharge have made maintaining other pumping systems difficult. The facility has also been working with experts to develop a Hydrostratigraphical Model of the basin. This model, and continued research, will allow the facility to determine where the optimal location for a well is, and also the depth at which we should drill. Our goal is to continue increasing our knowledge of the Clayton Valley Basin in order to increase our brine capacity to optimize production needs and meet the growing demand for lithium.

State of Nevada Nye  
County of Nye  
Subscribed and sworn to before me on 09/20/2016  
by Scott J. Thibodeaux

Signed Scott Thibodeaux  
Permittee or Agent  
Address Rockwood Lithium Inc  
Street Address or PO Box  
PO Box 98, Silver Peak, NV 89047  
City, State, ZIP Code  
Phone (775) 937-2222 Ext 226  
E-mail scott.thibodeaux@rockwoodlithium.com

Candy J. Jewett  
Signature of Notary Public Required

CANDY J. JEWETT  
NOTARY PUBLIC  
STATE OF NEVADA  
APPT. No. 92-0422-14  
MY APPT. EXPIRES OCT. 6, 2016

Notary Stamp or Seal Required

\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

PBU  
7-14



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

October 12, 2016

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2017**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Parsons, Behle & Latimer (email)  
Thiel Engineering Associates, Inc. (email)  
Southern Nevada Branch Office

State of Nevada  
**REPORT OF CONVEYANCE**  
of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

Rev 10/16

1 APPLICATION / PERMIT No.: 52918 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER:  
Rockwood Lithium Inc.  
If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Albemarle U.S., Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O. Box 98, State Route 265 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....	<input type="checkbox"/>	CORRECTION DEED(S).....	<input type="checkbox"/>	OTHER:	<input type="checkbox"/>	
DEED(S) OF TRUST.....	<input type="checkbox"/>	RECONVEYANCE at no charge	<input type="checkbox"/>	TOTAL ## OF \$\$ Documents =>		1
NOTICE(S) OF PLEDGE.....	<input type="checkbox"/>	MAP(S) at no charge.....	<input type="checkbox"/>	TOTAL # x \$20 each =	<input type="checkbox"/>	\$ 20.00
DEATH CERTIFICATES.....	<input type="checkbox"/>	AFF OF ID at no charge.....	<input type="checkbox"/>	Report filing fee = \$120.00*		\$ 0.00
DECREE(S) OF DISTR.....	<input type="checkbox"/>	OTHER: <u>Cert. of Amendment</u>	<u>1</u>	TOTAL FEES SUBMITTED*		\$ 20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE. \*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: See attached.

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS 3619.85 ACRE-FEET          ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER:         

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268,  
44269, 44270, 49805, 49988, 52917, 52919, 52920, 52921, 85746, 86951T, 86952T, 87053T


13 Additional Space/Remarks: This Report of Conveyance memorializes only a corporate name change and not an assignment or conveyance of water rights.

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada  
COUNTY OF Washoe  
SUBSCRIBED AND SWORN TO BEFORE ME ON 07-28-17  
BY: Ross E. de Lipkau  
Print name of Permittee or Agent signing form

SIGNATURE: Ross E. de Lipkau  
PRINT NAME: Ross E. de Lipkau  
FIRM NAME: Parsons Behle & Latimer  
MAILING ADDRESS: 50 W. Liberty, Ste. 750  
CITY: Reno STATE: NV ZIP: 89501  
PHONE: 775.323.1601  OWNER?  
E-MAIL: rdelipkau@parsonsbehle.com  AGENT?

Roni L. Shaffer  
Signature of Notary Public Required

  
**RONI L. SHAFFER**  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 99-38517-2 - Expires May 6, 2019

Is a consent to receive email correspondence already on file? YES   
If not, please download from our website and include.

FEE RECORDS  
Receipt No.(s) 33374

Date of Receipt 8/2/17

\$ This Permit 20.<sup>00</sup>

# Original Receipt Located  
in File No. 10036

Deeds / Docs Filed in  
File No. 10036

2017 AUG -2 AM 10:29  
ENGINEERS OFF



Albemarle Corporation  
P.O. Box 98  
Silver Peak, NV 89047

Telephone: 775-937-2222  
www.albemarle.com

September 20, 2017

Attn: Mr. Jason King/ State Engineer  
Department of Conservation & Natural Resources  
Division of Water Resources  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

**RE: Applications for Extensions of Time – Permits – 52918, 52919, 52920 & 52921**

Dear Mr. King:

Enclosed are four Applications for Extension of Time for Permits 52918 through 52921. A check in the amount of \$2,400.00 is also included to cover the five year extension for each permit.

Please contact our office if you have questions or comments regarding the extensions. Our telephone number is 775-937-2222.

Sincerely,

John Mayes  
Plant Manager

cc: file

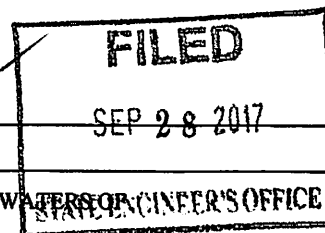
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BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

(See instructions on back)



A. NDWR's Owner(s) of Record Albemarle U.S., Inc. (formerly known as Rockwood Lithium Inc.)

B. IN THE MATTER OF PERMIT NO. 52918 FILED TO APPROPRIATE/CHANGE THE WATERS OF UNDERGROUND SOURCE

Underground Source

(Name of stream, lake, spring, underground or other source)

C. THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now John Mayes, the  Permittee  Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)

2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

Yes  No (Check the appropriate box)

3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

Albemarle U.S., Inc.

4. How much time is needed to construct the works of diversion or place the water to beneficial use? Five Years

5. What is the expenditure on the project under this permit? (a) Last year \$1,000,000 (b) Total to date \$72,104,791

6. The permittee requests an extension of time for Five Years within which to comply with the provisions for filing the (Not to exceed 5 years)

Proof of Completion of Work  Proof of Beneficial Use  Cultural Map (Check all that apply)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is needed. (See instructions on back. Use additional pages if necessary):

Please see Exhibit A - Applications For Extension of Time Permits 52918, 52919, 52920 & 52921

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STATE ENGINEER'S OFFICE

State of Nevada

County of ESMERALDO

Subscribed and sworn to before me on SEPT 20, 2017

by John Mayes  
Print name of Permittee or Agent signing form

Signed [Signature]  
Permittee or Agent

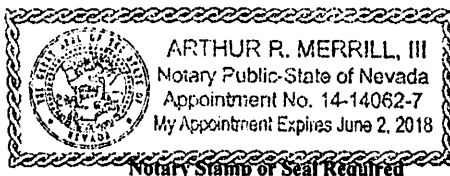
Address PO Box 98  
Street Address or PO Box

Silver Peak, NV 89047  
City, State, ZIP Code

Phone (775) 937-2222 Ext. 222

E-mail john.mayes@albemarle.com

[Signature]  
Signature of Notary Public Required



\$120 FILING FEE PER YEAR FOR EACH YEAR REQUESTED  
MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

Revised 06/17 - ext\_app

10/12/17  
AB JK

SE ROA 255

YR  
DB

**EXHIBIT A**  
**APPLICATIONS FOR EXTENSION OF TIME**  
**PERMITS 52918, 52919, 52920 & 52921**

- 1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Permits 52918 through 52921 in the name of Albemarle U.S., Inc. (hereinafter "Albemarle") have been issued for mining and milling use. A portion of the waters of an underground source for permit 52919 has been granted to the temporary water right 87053T. The total combined duty of water for permits 52918 through 52921, including 87053T, is 14,479.4 acre-feet. The total duty of all lithium brine permits owned by Albemarle is 20,000 acre-feet annually.

Albemarle (formerly Rockwood Lithium, Inc.) filed for a Super Permit under application #85746 on December 18, 2015, and it became ready for action on March 5, 2016. This application has not yet been granted by the State Engineer. The application was protested by Esmeralda Lithium/Pure Energy on March 7, 2016. The purpose of this application is to consolidate all existing groundwater permits and certificates for the continued pumping of the multiple groundwater sources. Since the filing of the Super Permit application, Albemarle has filed temporary applications 86951T (RFP), 86952T (RFP) and 87053T (Permit), but as noted, two of three applications have been protested and remain pending.

The purpose of filing application 85746 was to enable Albemarle to drill production wells within its previously granted place of use, with new well



locations selected at the election of Albemarle's operating personnel to facilitate full plant production capacity. Albemarle's experience demonstrates that production wells often have a finite life and new wells must be drilled in close proximity as existing, older production wells decline or stop production. Thus, the time consuming and expensive effort of filing a multitude of applications to change would thereby be eliminated. This procedure is well known to the State Engineer's office, as such office has previously granted what was then known as "block permits," and later "super permits". A multitude of super permits have been granted to mining companies, are quite common and the concept of issuing one permit to enable drilling several wells over time to pump in a specified area is not new. Additionally, Albemarle and its predecessors in interest have operated under a block permit since approximately 1965. Application 85746 was therefore filed to document approved past, historic practices. Albemarle, over the course of time, will need to move or re-drill production wells as such wells fail. Without approval of the Super Permit, Albemarle will be required to file a multitude of temporary applications to change.

Albemarle continues to pump its existing water rights from wells that are interspersed on the Albemarle claims at locations selected to optimize lithium production, but production wells must be moved periodically in order to maintain production. The groundwater/brine that is pumped is placed into evaporative ponds that are used to concentrate the brine into a lithium concentrate for processing at the adjoining mill.

The Protests to the Temporary Permit and Super Permit Applications that have been filed have hindered both current production rates and placing the water to its maximum beneficial use; however, Albemarle continues to rehabilitate and improve the efficiency of currently operating wells. Albemarle has been resolving those certain issues relating to the administration of the basin, but has also been further delayed by outside entities that continue to impact the groundwater resources within Clayton Valley. Albemarle is awaiting review of those administrative items pending action by the office of the State Engineer. This uncertainty and the speculative interests of others has interfered with and created delays in applying the water to the full beneficial use.

An overall expansion plan has been prepared to increase the total pumping to a withdrawal of the permitted 20,000 acre feet per annum. One such action was the drilling of a replacement well under permit 87053T which was issued on June 27, 2017. Another action includes the preparation of the required permitting documents for the installation of two new production wells during 2017. In addition, Albemarle is in the process of completing further scientific analysis of the groundwater system (via exploration drilling, seismic testing and hydro stratigraphic modeling) in order to improve on its existing knowledge of the Basin aquifer system to optimize production. In the future, this will allow for more accurate targeting of production zones within the underground source. Additionally, Albemarle has submitted a plugging and abandonment plan to the Office of the State Engineer to plug wells that go down and must be replaced under either the Super Permit or the applied-for Temporary Permits, as well as to

begin plugging older wells that have failed. These efforts will continue throughout the years 2017/2018 in order to make progress toward the goal of using the full permitted volumes.

Finally, it should be noted that efforts to expand the use of the permitted resource has been hindered by the proliferation of exploratory drilling in Clayton Valley. These exploration activities are being undertaken in wells immediately contiguous to wells used by Albemarle. Albemarle has protested this activity, noting the negative impact on its water rights and production resulting from these activities. Albemarle is concerned that if this activity continues, it will require Albemarle to drill more new wells at new locations away from its claim boundaries as other contiguous exploration efforts draw-down Albemarle's water.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

Both the patented and unpatented mining claims that are associated with the above listed water rights are owned by Albemarle as approved by the United States Bureau of Land Management.

3. **What type of mineral is being mined?**

Lithium chloride

**Who is buying your mineral product and for how long?**

Albemarle has both domestic and international customers. The facility has been in operation since about 1966.

**4. Submit the record of water measurements for the last one-year period.**

11,493 acre-feet was developed in 2016. During the period from August 2016-July 2017, the production was 9,481 acre-feet. Two existing production wells that were to be replaced or supplemented by temporary permit applications 86951T (RFP) and 86952T (RFP) have gone down during the pendency of the application process. The inability to utilize the Super Permit or even temporary applications to change has resulted in declining use and reduced lithium production. Albemarle is diligently working to increase brine use, but cannot without these permit approvals.

**5. Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

Work includes the continued development and rehabilitation of existing wells and piping infrastructure on an on-going basis and the continued repair and maintenance of containment facilities. The Super Permit application, when approved by the State Engineer, will provide additional flexibility of the mining of the resource. Issuance of the two pending temporary permit applications would enable Albemarle to replace two production wells that have ceased production in the last two months. Albemarle has licensed water well drillers on staff and on "stand-by" and would commence that drilling work immediately upon receipt of necessary approvals. Currently, Albemarle, through its planning and administrative process, is attempting to increase productivity to meet the ever increasing demands for lithium and its multitude of by-products.

Additionally, as previously described there is a drilling campaign for continued geophysical analysis of the groundwater resource and scientific analysis of old and current data to be used for model calibration and impact analysis.

**6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

Several documents are in the process of being developed, engineering and development studies are on-going, and the Albemarle staff has been working with the office of the State Engineer with regard to the format and analysis detail for several ongoing projects. For example, in addition to the Super Permit and two temporary permit applications, approval of Albemarle's plugging and abandonment plan is currently pending before the State Engineer. Albemarle expects those projects will be ongoing through 2017 and into 2018.

**7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

The constraining factors have been the impact created by the failure to approve the application for the Super Permit; this permit will allow Albemarle to utilize the full extent of its water rights without the delay of filing for temporary permits and addressing associated protests for each new production well. The Super

Permit will also give the State Engineer better control of the continued expansion of the pumping resource.

Other factors that have occurred are the continued proliferation of additional withdrawals within the Clayton Valley Groundwater Basin and those contributing basins that provide recharge to the groundwater flow system. A considerable amount of time has been expended on administratively protesting intrusion into the mining resource held by Albemarle and in analyzing what contributing effects the additional withdrawal of the groundwater has on the environment and the integrity of the groundwater basin. Albemarle continues to evaluate the impact of competing exploration wells drilled, in some cases, within 100 feet of Albemarle's property boundaries and within 500 feet of existing Albemarle production wells. Concerns have been raised as to the potential impact of planned reinjection from contiguous claims and its dilution/pollution impact on the groundwater/lithium resource. Albemarle has also brought forward concerns as to inappropriate drilling techniques and perhaps unknown construction issues that may result in further impacts to this resource. All of these issues have substantiated growing concerns as to the physical ability of the groundwater resource to handle the potential over-pumping of the groundwater as well as the potential impact to Albemarle's existing production wells.

The State Engineer is requested to take administrative notice of the multitude of legal actions filed with the Fifth Judicial District Court, which actions involve the Nevada State Engineer, Albemarle and other third party mining companies

drilling in the Clayton Valley Basin. Despite these interfering third-party actions, Albemarle is diligently continuing its long-term plans to place the entire 20,000 acre-feet to a beneficial use. Such plans include the construction of additional production wells, and improvements to the evaporation and pumping systems.

Wherefore, it is respectfully requested the State Engineer grant an extension of time for five years within which to file the Proof of Application of Water to Beneficial Use.



**Division of Water Resources  
Receipt for Payment**



Rockwood Lithium Inc.  
P.O. Box 98  
Silverpeak, NV 89047

Check #: 28751  
Check Date: 9/19/2017  
Date Received: 9/28/2017  
Receipt #: 34544

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2018	\$600.00	52918		- Extensions	COVERS 5 YR EXT NO'S 52918 THROUGH 52921
					CHECK TOTAL \$2,400.00

10/20/17  
\$440.00  
*[Signature]*

**PAID**  
52918  
\$1920  
Date 11/15/2017  
Warrant No. 1017706



PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.nvwaterlaw.com

DAVID H. RIGDON  
TIMOTHY D. O'CONNOR  
EVAN J. CHAMPA  
DAVID A. BAILEY

October 5, 2017

Jason King, P.E.  
State Engineer  
Nevada Division of Water Resources  
901 S. Stewart St., Ste. 2002  
Carson City, NV 89701

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OCT 06 2017

STATE ENGINEER'S OFFICE

Re: Albemarle Extensions of Time

Dear Mr. King:

We are writing on behalf of Pure Energy Minerals, Ltd., and its subsidiary, Esmeralda Minerals, LLC (hereinafter together as "Pure Energy") to formally request that your office deny Albemarle Corporation ("Albemarle")'s recently filed Extension of Time for water rights 52918, 52919, 52920, and 52921. Albemarle filed the extensions of time requests on September 28, 2017. As your office has stated in the past, "[b]ecause of Nevada's arid geography, vital public policy considerations dictate that the State Engineer monitor the beneficial use of water."<sup>1</sup>

This is the 19<sup>th</sup> extension of time request for these specific water rights.<sup>2</sup> To date, these water rights have never been fully put to beneficial use. Companies such as Pure Energy have filed for, and have been denied, access to this water while Albemarle has been permitted to hold the excess water hostage, never placing it to beneficial use. Pure Energy requests that your office take action regarding these unused rights, and deny Albemarle's extension of time.

The law is well settled in Nevada that beneficial use shall be the basis, the measure and the limit of the right to the use of water.<sup>3</sup> When the necessity for the use of water does not exist, the right to divert it ceases.<sup>4</sup> The quantity of water from an underground source . . . shall be limited to such water as shall reasonably be required for the beneficial use to be served.<sup>5</sup> While extensions of time to put the water to beneficial use are permitted to be granted by the State Engineer's office, the applicant must provide proof that they are pursuing application of the water to beneficial use with good faith and diligence.<sup>6</sup> "Because the state has a right to designate

<sup>1</sup> Ruling 6343 at 2.

<sup>2</sup> These rights are chained to rights that were originally filed in the 1980s. Albemarle has not been able to prove up these water rights since the 1980s.

<sup>3</sup> NRS 533.035.

<sup>4</sup> NRS 533.070.

<sup>5</sup> NRS 533.070.

<sup>6</sup> NRS 533.380(3)(b).

the method of appropriation it can also designate how long water may be permitted to run idly and not be beneficially used.”<sup>7</sup>

Albemarle has never been able to, nor are they likely ever going to be able to, put the water permitted to it to beneficial use. In its progress reports, Albemarle consistently cites to economic and structural impedances to its ability to put the water to full use. However, the impediment to the full use of water is a lack of ability to use 20,000 acre feet for its project, not economic or structural issues. Albemarle’s operation simply cannot use 20,000 acre feet of water.

The anti-speculation doctrine reiterates a long-standing premise of western water law: an appropriator must show intent to put the appropriated water to beneficial use in a reasonable amount of time.<sup>8</sup> In Ruling 6343, the State Engineer reviewed Nevada’s anti-speculation doctrine. In doing so, the State Engineer found that a third extension violated the anti-speculation doctrine. Here, the State Engineer is considering Albemarle’s 19<sup>th</sup> extension. The Nevada Supreme Court has stated,

[the anti-speculation] doctrine precludes speculative water right acquisitions without a showing of beneficial use. Precluding applications by persons who would only speculate on need ensures satisfaction of the beneficial use requirement that is so fundamental to our State’s water law jurisprudence.<sup>9</sup>

The Nevada Supreme Court has further stated,

the preeminent public policy concern in Nevada regarding water rights is beneficial use . . . the legislature has recognized that water is a limited resource in Nevada and it belongs to the public; therefore one who does not put it to a beneficial use should not be allowed to hold it hostage.<sup>10</sup>

Lastly, the Nevada Supreme Court has held that,

a mere statement of intent to put water to beneficial use, uncorroborated with any actual evidence, after nearly twenty years of nonuse is insufficient to justify a sixteenth extension to file proof of beneficial use resulting in cancellation of the right.<sup>11</sup>

The State Engineer’s office has explained that the legislative history of Nevada Revised Statutes (“NRS”) 533.370(1)(c)(2) demonstrates that the anti-speculation doctrine applies to permits such as Albemarle’s.<sup>12</sup> “While beneficial use is the cornerstone of Nevada water law,

<sup>7</sup> *In re Manse Springs*, 60 Nev. 280, 287, 108 P.2d 311, 315 (1940).

<sup>8</sup> *Bacher v. State Engineer*, 122 Nev. 1110, 146 P.3d 793 (2006).

<sup>9</sup> *Id.* at 1121, 146 P.3d at 799 (2006).

<sup>10</sup> *Preferred Equities Corporation v. State Engineer*, 119 Nev. 384, 389, 75 P.3d 380, 383 (2003); *see also Bacher*, 122 Nev. at 1118, 146 P.3d at 797; *see also Ruling 6343*.

<sup>11</sup> *Desert Irr. Ltd. v. State*, 113 Nev. 1049, 944 P.2d 835 (1997).

<sup>12</sup> Ruling 6343.

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the concept of diligence also runs deep through the water law.”<sup>13</sup> Allowing Albemarle to “maintain a[n] . . . appropriation without progress frustrates the fundamental policy of promoting the maximum use of the State’s limited water supply.”<sup>14</sup> Albemarle has, for nearly two decades, been granted extensions of time to put their water rights to beneficial use. Yet, Albemarle has never shown an ability to use the full amount of its water rights.

A review of Albemarle’s file shows that decades ago, Albemarle filed permits to ensure that it maintained water rights equal to the perennial yield of the basin.<sup>15</sup> For decades, this water has sat unused by Albemarle. According to the file, Albemarle has never been able to use more than roughly 11,000 acre feet in any given year. On average, Albemarle is able to put less than 10,000 acre feet to beneficial use. Yet, Albemarle has been permitted to hold 20,000 acre feet of water rights without showing an ability to use half of that water. In every recent year, Albemarle has filed progress reports with your office that show it cannot use all of the water it is permitted. Additionally, these reports show that Albemarle continues to drill new wells and rehabilitate existing wells without proper reporting to your office. These progress reports are almost identical year after year, showing no reasonable progress towards using the full extent of their permits. Thus, nearly 10,000 acre feet of water goes unused in Clayton Valley year after year.

That extra water can – and should – be put to beneficial use. Companies such as Pure Energy are forced to sit by and watch this water go unused because the water is being held hostage by Albemarle. Albemarle has manipulated the permitting system to keep competition out of Clayton Valley. Pure Energy holds valid federal mining rights to lithium in Clayton Valley, but seemingly cannot access that lithium without access to water under the current interpretations of Nevada water law. Pure Energy strives to mine Nevada lithium for Nevada companies, using Nevada workers, but cannot because Albemarle has strategically claimed water they will never use. If Albemarle is allowed to continue to hold all of the available water in Clayton Valley in unused permits, Nevada will miss a golden opportunity to become a leader in renewable energy lithium production.

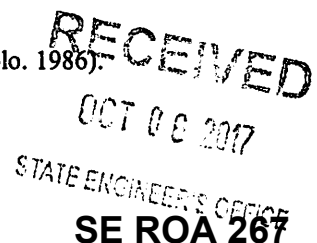
Albemarle’s extension of time to put its water to beneficial use should be denied, in part or in full, because the right to use water in Nevada is limited to what can reasonably be used. Water speculation or hoarding is prohibited in Nevada. A water holder simply cannot hold onto water rights they cannot themselves use within a reasonable amount of time. However, that is exactly what Albemarle has been doing for decades. Albemarle is speculating on their water because Albemarle knows that it cannot use this water. But by tying the water up in a permit stage, Pure Energy will be hampered in accessing its own federal claims to lithium. The water belongs to the public, and should be free to be placed to beneficial use by a willing user.

Pure Energy respectfully requests that your office deny, in whole or in part, Albemarle’s application to extend time to place its water rights to beneficial use. 19 years is beyond a reasonable amount of time to prove up a set of permits. As such, your office should require

<sup>13</sup> Ruling 6343.

<sup>14</sup> *Trans-County Water Inc. v. Central Colo. Water Conservancy Dist.*, 727 P.2d 60, 65 (Colo. 1986).

<sup>15</sup> See Exhibit 1.



Re: Albemarle Extensions of Time

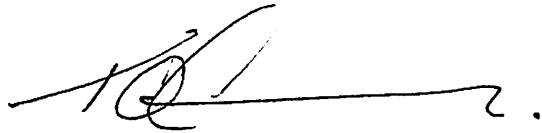
October 5, 2017

Page 4

Albemarle to prove up the used water, allowing the unused water to be beneficially used by those who can use it.

If you have any questions, please contact us at our office.

Sincerely,



Timothy D. O'Connor, Esq.  
TAGGART & TAGGART, LTD.

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OCT 05 2017  
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# EXHIBIT 1

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OCT 06 2017  
STATE ENGINEER'S OFFICE

# EXHIBIT 1

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Rockwood filed for a Super Permit under application #85746. This application was protested by Esmeralda Minerals LLC. The purpose of this Super Permit is to consolidate all of the existing groundwater permits and certificates for the continued pumping of the multiple groundwater sources owned by Rockwood Lithium and used for the withdrawal of the groundwater Lithium resource. The application was filed on 12/18/2015 and became Ready For Action on 03/05/2016. The Protest was filed by Esmeralda Lithium/Pure Energy on March 7, 2016. Rockwood Lithium continues to pump its existing water rights from wells that are interspersed on the Rockwood claims. The groundwater/brine that is pumped is placed into evaporative ponds that are used to concentrate the groundwater into a lithium concentrate for processing at the adjoining mill.

Well rehabilitation/drilling/development during 2015-2016 has resulted in greater capacity on a year on year basis. Rockwood Lithium has focused on its well efficiency across the playa resulting in an overall increase in well production. This focus has allowed the site to maintain a more consistent pumping rate throughout the year. However, critical well failures have also played a role by creating well downtime and thus negatively impacting pumping rates. Rockwood Lithium has detailed plans to minimize the downtime of each well and is beginning to see long term results. These plans start with maintaining a critical inventory of parts and equipment on site along with a team of qualified personnel immediately available for well repair/rehabilitation activities. Additional development of our water distribution facilities include; continuing to optimize our existing wells, rehabilitate older wells and drill new wells where appropriate.

An overall expansion plan has been implemented to increase our total pumping to a withdrawal of the permitted 20,000 acre feet per annum. One such action was the drilling of a replacement well under permit 86029 which was issued on 04/12/2016. Another action includes the preparation of the required permitting documents for the installation of two new wells during 2016. In addition, Rockwood Lithium is in the process of completing further scientific analysis of the groundwater system (via seismic and hydro stratigraphic modeling) in order to improve on its existing reservoir of knowledge in the Basin aquifer system. In the future, these will allow for more accurate targeting of production zones within the underground source. These items will continue throughout 2017 in order to make progress towards our goal of using the full permitted volumes.

Finally it should be noted that our efforts to expand our use of the permitted resource has been hindered by the proliferation of exploratory drilling in Clayton Valley. These exploration activities are being undertaken in wells immediately contiguous to wells used by Rockwood and thus we have been working to understand the negative impact resulting from these activities.

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considerable amount of time has been expended on administratively rejecting intrusion into the mining resource held by Rockwood Lithium and in analyzing what contributing effects that the additional withdrawal of the groundwater might have on the environment and the integrity of the groundwater basin. Concerns have been raised as to the potential impact of planned reinjection from contiguous claims and its dilution/pollution impact on the groundwater/lithium resource. Rockwood Lithium has also brought forward concerns as to inappropriate drilling techniques and perhaps unknown construction issues that may result in further impacts to this resource. All of these issues have substantiated growing concerns as to the physical ability of the groundwater resource to handle the potential over drafting of the groundwater as well as the potential impact to the pumping wells held by Rockwood Lithium.

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**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Well rehabilitation/drilling/development in 2014-2015 ultimately resulted in greater capacity. However, some critical well failures resulted in downtime. Plans to minimize the downtime of each well are continuing to improve. These plans include having qualified personnel readily available and an inventory that meets the needs of our wells. Addition development for our water distribution facilities include, continuing to optimize our current wells, rehabilitate older wells and drill new wells. These items will continue throughout each year in order to make progress towards our goal of using the full permitted volumes. Currently the completion date is underdetermined.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
11,720 acre-feet was used in 2014, during the period from August 2014-July 2015 the use was 11,533 acre-feet.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Several wells were drilled towards the end of 2014. Maintenance and development of all wells continued thereafter with scheduled plans to drill new wells in the remaining months of the year 2015. Similar development activities will take place in late 2015 and into 2016.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.

STATE ENGINEERS OFFICE

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SEP 05 2015

2015 SEP -4 PM 3:05

RECEIVED



7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions are continuing to improve. Our new owner, Albemarle Corp., has shown favorable spending and support for expansion. In late 2014 and early 2015 there were some critical well failures that resulted in a reduction in volume from the previous year. However, with great effort we were able to repair these wells and continue working towards our goal. Funding has been approved to continue well rehabilitation and drilling for the remainder of the year, thus production volumes will continue to fluctuate until enough wells can provide flexibility to manage pumping rates at sustainable levels.

STATE ENGINEERS OFFICE

2015 SEP -4 PM 3:06

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RECEIVED  
OCT 06 2017  
STATE ENGINEERS OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2012-2013 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,670 acre-feet was used in 2012.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2012-2013, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2013 and throughout 2014, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

STATE ENGINEERS

OCT 09 '12

RECEIVED

STATE ENGINEERS OFFICE  
2013 JUL 10 AM 10:43

RECEIVED

Market conditions are on an upswing. Drill rig repairs started at the end of 2012 and continued through the 1<sup>st</sup> and half of the 2<sup>nd</sup> quarter of 2013. The drill rig has been rebuilt and will continue to drill new production wells during 2013 and 2014.

RECEIVED

2013 JUL 10 AM 10:43

STATE ENGINEERS OFFICE

RECEIVED

JUL 08 2013

STATE ENGINEER'S OFFICE

SE ROA 275

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2011-2012 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,606 acre-feet was used in 2011.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2011-2012, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2012 and throughout 2013, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
OCT 06 2017  
STATE ENGINEER'S OFFICE

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Turn over of upper management at the end of 2011 resulted in slower than expected results.

RECEIVED  
2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

RECEIVED  
OCT 16 2012  
STATE ENGINEER'S OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
  
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
  
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
  
4. **Submit the record of water measurements for the last one-year period.**  
6,565 acre-feet was used in 2010. ? Total of  
? all  
? wells?
  
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement. ? 2011  
? 2012  
? 2013
  
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
  
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED

OCT 6 2011

STATE ENGINEER'S OFFICE

STATE ENGINEER'S OFFICE

2011 AUG 29 PM 1:50

RECEIVED

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.



RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEER'S OFFICE  
RECEIVED  
STATE ENGINEER'S OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1.524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED

OCT 08 2009

STATE ENGINEER'S OFFICE

SE ROA 280

2010 SEP 30  
STATE ENGINEER'S OFFICE  
F. M. ...



Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

2010 SEP -2 1:11:30  
STATE P.M.

RECEIVED  
OCT 06 2010  
STATE ENGINEER'S OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2008-2009 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
10,089 acre-feet was used in 2008.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2008-2009, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2009 and throughout 2010, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
One engineering design change for Chemetall Foote Corp.'s Water Pollution Control Permit was submitted and approved by NDEP in 2009. No other reports or engineering drawings are submitted for review.

5  
- 1/16  
3  
2009  
2010

← Permit  
TCD =  
20,000  
2009

7

RECEIVED  
STATE ENGINEER  
SE ROA 282

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products beginning in late-2008, continuing into mid-2009. The result of this was the temporary idling of wells and transfer pumps, employee reduction in force, and budget cuts. Wells normally operated during this time are in recovery from pumping, with occasional pumping needed to exercise the pumping system. 2009 stimulus money, approved in August, is intended to aid this situation, allowing for restarting production wells and new well drilling and/or rehabilitation of older wells.

]

RECEIVED  
STATE ENGINEER

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMITS 52918

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.
3. **What type of mineral is being mined?**

Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**

607 acre-feet was used in 2007.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

None have been submitted or recorded.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:19  
STATE ENGINEERS OFFICE

RECEIVED

JUN 26 2008

STATE ENGINEER'S OFFICE SE ROA 284



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that upon review of the Applications for Extension of Time for Permits 52918, 52919, 52920, and 52921, including attached exhibits, and, considering the grounds raised in the objection by Pure Energy Minerals, Ltd. to the Applications for Extension of Time, the Applications for Extension of Time for filing Proof of Beneficial Use have been granted for **ONE YEAR, until September 30, 2018, not the requested 5 years**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Thiel Engineering Associates, Inc. (email) Southern Nevada Branch Office  
Albemarle U.S., Inc.  
Parsons, Behle & Latimer (email) (Permits 52919, 52920, and 52921 Only)

BRIAN SANDOVAL  
Governor

STATE OF NEVADA

BRADLEY CROWELL  
Director

JASON KING, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**Re: Permits 52918, 52919, 52920 and 52921**

Dear Ladies and Gentlemen:

Applications for Extension of Time submitted by you and received in this office on September 28, 2017, are being approved; however, an extension of time is only being granted for **ONE YEAR** and not the five years that were requested on the application.

The \$1920.00, receipt 34544 in filing fees in excess of a one year extension will be returned to you under separate cover.

Should you have any questions regarding this matter, please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee P.E.  
Water Resource Specialist I

AB/sg  
Enclosure

SE ROA 286

# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT 52918

PAGE 1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AF	Units	FILE UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION REMARKS
info only	Footo Mineral Company	Original Applicants filed 2/9/1989 for mining and domestic purposes Permit Approved 8/30/1993	5	3619.85	---	52918 2/9/1989 8/30/1993	Original Application	Application to appropriate an underground source POD SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 19, T. 1S., R. 40E., M.D.M.
1	Footo Mineral Company	Cyprus Footo Mineral Company	---	---	---	10/9/1989	1/19/1989	Cert. of Amend - Corp. Name Chg. State of PA.
2	Footo Mineral Company	Cyprus Footo Mineral Company	5	3619.85	---	10/9/1989	10/5/1989	Cert. of Amend - Corp. Name Chg. State of NV.
3	Cyprus Footo Mineral Company	Chemetail Footo Corporation	5	3619.85	---	3/12/1999	2/5/1999	G, B & S Deed Water Rights (Corp. Name Chg)
4	Chemetail Footo Corporation	Rockwood Lithium Inc.	5	3619.85	---	7/8/2014	3/22/2012	Cert. of Amended Corporation Name Change State of DE
5	Rockwood Lithium Inc.	Albermarle U.S., Inc.	5	3619.85	---	10036 8/2/2017	202732140 6/19/2017	Certificate of Amended Corporation Name Change, State of Delaware
info only	Albermarle U.S., Inc.	Original Applicant filed Nov 3, 2017 for mining and milling purposes	0.2	145	---	RFA 87458T 11/3/2017	Application to Change	Application to Change the POD, POU & MOU of a portion of Permit 52918
info only	Albermarle U.S., Inc.	Original Applicant filed Nov 3, 2017 for mining and milling purposes	0.25	181	---	RFA 87461T 11/3/2017	Application to Change	Application to Change the POD, POU & MOU of a portion of Permit 52918

**State of Nevada**  
**Division of Water Resources**  
**Request for Correspondence and Change of Address**

Rev. 10/2016

In regard to permit number(s) 52918, 52919, 52920, 52921, 85746 (Check applicable item)

- Please add my name to the mailing list and send copies of all correspondence to the address below:  
(Fill in NEW ADDRESS information only.)
- Please change the address for copies to be sent as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)
- I am the permit holder. Please change my address as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)

**NEW ADDRESS**

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**OLD ADDRESS**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

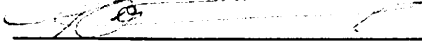
City, State, ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_

I am the:

- Individual named above. (Complete signature below only.)
- Agent (Complete signature, name and address below.)
- Representative (Complete signature, name and address below.)

This form accurately reflects the mailing address for the permit holder or other individual identified above.

Signature: 

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**SE ROA 288**

NOV 15 AM 10:10  
MAIL ROOM



**ADVANTAGE Payment Voucher (PV) Input Form**

Doc Number: **PVE 705 - 0000** *11/17/17*  
 Fiscal Year: **FY 2018**

Date: **11/15/17**  
 Acct. Period\*: **11/15/17**

Vendor Name: **Rockwood Lithium, Inc.**

Misc. 705  
 \*Only use "T" or "D" numbers.

Field must include numbers, or all zeros.

Line #	Fund # (4 sp)	Agency (3 sp)	Org (Div/Sec) (4 sp)	Sub Org (Unit) (2 sp)	Appr. Unit (BA# & Cat) (6 sp)	Object Revenue (GL #) (4 sp)	Job # (Prog/Proj) (8 sp)	Amount	Invoice # (12 sp)	Line Description (27 Spaces)
01	101	705	0000		417210	7650		\$ 480.00	E-52918 ✓	Excess Remit - Ext
02	101	705	0000		417210	7650		\$ 480.00	E-52919 ✓	"
03	101	705	0000		417210	7650		\$ 480.00	E-52920 ✓	"
04	101	705	0000		417210	7650		\$ 480.00	E-52921 ✓	"
05										
06										
07										
08										
09										
10										
11										
12										
<b>TOTAL:</b>								<b>\$ 1,920.00</b>		

Comments/Text Box (F3) (only first 2 lines print on warrant): **Division of Water Resources - Contact Julie Sermeno 775-684-2850**  
 Your Ck #28751, refer to letter dated 10/20/17

Doc. Prepared by: **Julie Sermeno**  
 Date: **11/15/17**

PEND3 approved by: **Julie Sermeno**  
 Date: **11/15/17**

PEND4 approved by:  
 Date:

PROBLEMS / REJECT BY:  
 Date:

Why:

BSR Clear Date:  
 By:

**SE ROA 289**

STATE OF NEVADA  
DIVISION OF WATER RESOURCES

# SUMMARY OF OWNERSHIP

Please retain this sheet on top of file

Page 1 of 1

PERMIT: 52918      USE: MM      CFS: 5      DUTY: 3619.85      AF      AF  
 CERTIFICATE:      ISSUED:      CFS:      DUTY:      AF      AF

REVIEW DATE: 7/18/2014      BY: SLC      SUPPLEMENTAL TO: 44251 thru 44261, 44267 thru 44270, 49988, 52918 thru 52921 TCD  
 LAST UPDATE: 11/16/2017      BY: DZ      = 20,000 AFA

Owner	CFS	DZ	DUTY AF	UNITS	STATUS	CHANGED BY	REFERENCED DOCUMENTS	DESCRIPTION
Albemarle U.S., Inc.	5		3619.85	---				
Albemarle U.S., Inc.	---		---	0		87061T RFA		
Albemarle U.S., Inc.	---		---	0		87058T RFA		
GRAND TOTALS				5				3619.85

GRAND TOTALS      5      3619.85



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 4, 2017

**VIA EMAIL**

Parsons, Behle & Latimer  
Mr. Ross De Lipkau  
50 W Liberty, Suite 750  
Reno, NV 89501

**RE: Water Rights Title**

Mr. De Lipkau:

Please be advised that your *Reports of Conveyance* received on August 2, 2017, are hereby confirmed to update ownership of water rights and applications as listed in the table below. These water rights are now in the name of **ALBEMARLE U.S., INC.** Details of the permits, including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	cfs	Duty (afa)	Acres/Units
10036/2627	0.334		
15847/4838	0.530		
24382/7234	1.000	723.95	
44248	1.000	20.16	
44250/11268	0.003		100 head of cattle
44251/12770	1.000	723.97	
44252/12771	0.430	311.30	
44253/12772	0.840	608.13	
44255/12773	0.390	282.35	
44256/12774	0.220	159.27	
44257/12775	0.350	253.39	
44258/12776	0.270	195.47	
44260/12777	0.200	144.79	
44261/12778	0.220	159.27	
44267/12779	0.440	318.50	
44268/12780	0.462	334.47	
44269/12781	0.260	188.23	
44270/12782	1.000	723.97	
49805/14655	0.130	20.16	
49988/14295	2.000	1448.00	

Parsons Behle & Latimer  
Mr. Ross De Lipkau  
Permit 10036+  
December 4, 2017  
Page 2 of 2

52917	1.000	21.63	
52918	5.000	3619.85	
52919	3.000	2171.91	87053T por. change
52920	5.000	3619.85	
52921	5.000	3619.85	
85746	---	---	
86951T	---	---	
86952T	---	---	
87053T	2.000	1447.94	

Also be advised that the confirmation of your Report of Conveyance does not guarantee that the water right is in good standing with the office of the State Engineer; the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and, this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right. See NRS 533.386(2)(a)-(b).

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, call (775) 684-2829.

Sincerely,

*Dan Zampirro*

Dan Zampirro  
Engineering Technician III

DZ/arp

cc: Albemarle U.S., Inc.

No. **52919**

Date Filed **FEB 09 1989**

Indexed under

Well Log **NO LOGS**

Name of applicant



Map

Basin

**CLAYTON VALLEY**

Stream

**10-143**

Township **2 S. Range 39 E.**

County **ESMERALDA**

Point of diversion **SW 1/4 NE 1/4 Section 13**

Applicant **FOOTE MINERAL COMPANY**

**ASSIGNED**

Source of Water **UNDERGROUND**

Returned for correction

Abrogated by **87053T 2.0 part.**

Corrected application received

Map filed **12/8/81 UNDER 44251 (POD ON SHEET #1 OF 5)**

Sent for publication **MAR 1 1989**

Proof of publication filed **APR 10 1989**

Investigated on ground by

Protested

Ready for action **MAY 6 1989**

Approved **Aug. 30, 1993** **5,0cfs mining, domestic**

Denied

	PROOF OF COMMENCEMENT	PROOF OF COMPLETION	PROOF OF BENEFICIAL USE	CULTURAL MAP
Date due		<b>SEP 30 1998</b>	<b>SEP 30 1998</b>	
1st extension				
2nd extension				
		<b>NO FURTHER EXTENSION</b>	<b>NO FURTHER EXTENSION</b>	
Date filed		<b>MAY 21 1998</b>		

Filed under map

CERTIFICATE NO.

ISSUED

AMOUNT

Use

COMPUTER CHECK

File Entry

Publication

Permit

Certificate

ADI

**entered 3/10/08**

1-28-92

COPIES OF ALL NOTICES

& CORRES. TO:

Ross de Lipkau

P.O. Box 2790

Reno, NV 89505

**SEE BACK COVER**

**87053T APPLICATION TO CHANGE THE P.O.D. N.O.U. OF A PORTION OF A PORTION**

APPLICATION TO CHANGE THE P.O.D., P.O.U., M.O.U OF A PORTION

87459T and  
87460T

52919

DIVISION OF WATER RESOURCES

CARSON CITY, NEVADA

TRANSMITTAL OF COPIES

Date FEB 24 1988

The following xerox copies were forwarded to the Las Vegas Branch Office, Division of Water Resources, this date:

NO. 52919

Application

FEB 24 1988 *ku*

Amended Application

Map

3-1-89 JSF

Publication

MAR 1 1989 *ma*

Ready for Action Card

3-14-89 *ma*

Permit

8-31-93 OB

Final Notice

10-2-97 KG

Final Notice

Proof of Completion

9/28/98 OB

Extension of Time

10-4-96 cms  
11-13-95 cms / 5/19/98 OB

Proof of Beneficial Use

Cultural Map

Extension of Time

1-16-92 DR 10-23-03 SA NOV 12 2004 LT  
11/16/98 OB 10/24/00 OB 9/30/09 SA

Cultural Map

Certificate

Assignment Sheet

1-28-92 CA

Cancellation

Signed

*Tracy Howard*

THIS SHEET TO BE KEPT AT THE TOP OF THIS FILE FOR EASY REFERENCE

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office. FEB. 09 1989

Returned to applicant for correction

Corrected application filed Map filed DEC 08, 1981 under 44251

The applicant FOOTE MINERAL COMPANY

Street and No. or P.O. Box No. of Silver Peak City or Town

Nevada 89047 State and Zip Code No., hereby make application for permission to appropriate

the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

Incorporated in the State of Pennsylvania on September 30, 1964.

Is applicant a U.S. citizen? Yes [X] No [ ]

Is applicant 21 years of age or older? Yes [X] No [ ]

NRS 533.325 requires that applicants be a citizen of the United States or have legally declared their intention to become a citizen, and that they be 21 years of age or older.

1. The source of the proposed appropriation is underground Name of stream, lake, spring, underground or other source.

2. The amount of water applied for is 5.0 cfs second feet. One second foot equals 448.83 gallons per minute.

(a) If stored in reservoir give number of acre-feet

3. The water to be used for mining and domestic purposes Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated:

(b) Stockwater, state number and kind of animals:

(c) Other use (describe fully under "No. 12. Remarks"):

(d) Power:

(1) Horsepower developed

(2) Point of return of water to stream



5. The water is to be diverted from its source at the following point within the SW<sup>1</sup>/<sub>4</sub> NE<sup>1</sup>/<sub>4</sub> Section 13  
Describe as being within a 40-acre subdivision of public  
Township 2 South, Range 39 East, MDB&M, at a point from which the southwest  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
corner of Section 22 Township 2 South, Range 39 East, MDB&M bears South 58°18'54"  
West a distance of 16,265 feet.

6. Place of use Refer to Exhibit "A" attached hereto.  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day

8. Description of proposed works (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution  
State manner in which water is to be diverted, i.e. diversion structure,  
system, delivery to evaporation ponds.  
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$30,000

10. Estimated time required to construct works Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The  
area which includes the point of diversion and place of use is appurtenant is  
located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22, et seq.  
The brine solution is pumped to evaporation ponds, where the lithium is recovered  
from the dehydrated solution. This water right will be utilized in conjunction  
with others held by the applicant. Use map on file under Permit 44253.

By Ross E. de Lipkau  
Signature, applicant or agent

Ross E. de Lipkau  
P. O. Box 2790  
Street and No., or P.O. Box No.  
Reno, Nv 89505

City, State, Zip Code No.

2888 (Rev. 4-82)

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

\$100 FILING FEE MUST ACCOMPANY APPLICATION

**SE ROA 297**

FEB -9 A9:34 89

EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, Both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 23 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1983, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1933 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

FEB 09 1989

Date of filing in State Engineer's Office.....

Returned to applicant for correction.....

Correction application filed.....

Map filed..... DEC 08, 1981 under 44251

The applicant..... FOOTE MINERAL COMPANY

..... of Silver Peak

Street and No. or P.O. Box No.

City or Town

Nevada 89047....., hereby make...s application for permission to appropriate the public

State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorpora-  
tion; if a copartnership or association, give names of members.).....

Incorporated in the State of Pennsylvania on September 30, 1964.

1. The source of the proposed appropriation is..... underground.  
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is..... 5.0 cfs..... second-feet  
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

3. The water to be used for..... Mining and domestic purposes.  
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated:.....

(b) Stockwater, state number and kinds of animals to be watered:.....

(c) Other use (describe fully under "No. 12. Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point: within the SW 1/4 NE 1/4 Section 13,  
Describe as being within a 40-acre subdivision of public  
Township 2 South, Range 39 East, MDB&M, at a point from which the southwest  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South  
58°18'54" West a distance of 16,265 feet.

6. Place of use..... Refer to Exhibit "A" attached hereto.  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will be begin about January 1..... and end about December 31..... of each year.  
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and  
specifications of your diversion or storage works.) Drilled and cased well, distribution, system,  
State manner in which water is to be diverted, i.e. diversion structure, ditches and  
delivery to evaporation ponds.  
flumes, drilled well with pump and motor, etc.

9. Estimated cost of works..... \$30,000

10. Estimated time required to construct works Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The area which includes the point of diversion and place of use is appurtenant to a location pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22, et seq. The brine solution is pumped to evaporation ponds, where the lithium is recovered from the dehydrated solution. This water right will be utilized in conjunction with others held by the applicant. Use map on file under Permit 44253.

/s/ Ross E. de Lipkau  
By Ross E. de Lipkau  
P.O. Box 2790  
Reno, Nv 89505

Compared kh/ ps ab/se

Protested

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 44251, Certificate 12770; 44252, Certificate 12771; 44253, Certificate 12772; 44255, Certificate 12773; 44256, Certificate 12774; 44257, Certificate 12775; 44258, Certificate 12776; 44260, (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second, but not to exceed 3619.85 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 30, 1995

Proof of completion of work shall be filed before September 30, 1995

Application of water to beneficial use shall be filed on or before August 30, 1998

Proof of the application of water to beneficial use shall be filed on or before September 30, 1998

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P. E. State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 30th day of August

A.D. 1993  
*[Signature]*  
State Engineer

(PERMIT TERMS CONTINUED)

Certificate 12777; 44261, Certificate 12778; 44267, Certificate 12779; 44268, Certificate 12780; 44269, Certificate 12781; 44270, Certificate 12782, 49988, 52918, 52919, 52920 and 52921 shall not exceed 17.86 million gallons per day or 20,000 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.



EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 28 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1983, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1933 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

March 6, 1989

RE: 52918 through 52921

Foote Mineral Company  
Silver Peak, Nevada 89047

Ladies and Gentlemen:

The above referenced applications to appropriate water for mining, and domestic purposes have been reviewed by this office. Before further consideration can be given towards the issuance of any permit should the applications become ready-for-action, it will be necessary for you to submit additional justification data and information concerning the annual consumptive use of water for mining and milling purposes under your applications. Therefore, the following information is hereby requested (please answer all applicable items):

1. The number of hours per day and days per year of plant operation that water will be consumed.
2. The number of tons of ore to be processed on a daily basis.
3. The amount of water in gallons per ton of ore required by your plant operation.
4. Accurate description of all plant operation components utilizing water along with the hourly/daily volume of water (i.e. gallons per hour) required for each component.
5. Minimum total volume of water required for plant operations on a daily basis.
6. Total annual volume of water calculated to be recycled or the % Recycle Factor of Item (5) above, and description of recycling method(s).
7. Projected total annual consumptive use, including plant losses, dust control and domestic use.

Page 2  
RE: 52918 through 52921  
March 6, 1989

Your earliest response would be greatly appreciated. Should you have any questions regarding this matter, please contact this office.

Sincerely,



Diana Jean Lefler  
Hydraulic Engineer II

DJL/kh  
Certified Mail No. P 965 007 659  
cc: Ross E. de Lipkau, Certified Mail No. P 965 007 660

SE ROA 304



BOB MILLER  
Acting Governor

STATE OF NEVADA

ROLAND D. WESTERGARD  
Director

PETER G. MORROS  
State Engineer



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

June 26, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Gentlemen:

The referenced ready for action applications have once again been reviewed and to date this office has not received the required information requested in our last letter of March 6, 1989, a copy of which is enclosed. Justification of consumptive use is imperative before further consideration can be given to the issuance of any permit.

Further action will be withheld on these applications for a period of thirty (30) days from the date of this letter. At that time, we will assume you are no longer interested in pursuing these applications and appropriate actions will be considered for their denial.

Should you so desire, NRS 533.370, Subsection 2.(a) provides "Action can be postponed by the state engineer upon written authorization to do so by the applicant..." This office would require a written authorization from the applicant to the State Engineer requesting postponement of further action for a period of up to one year.

Should you have any questions regarding this matter, please contact this office.

Sincerely,

Handwritten signature of Diana Jean Lefler in cursive script.  
Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm

Certified Mail No. P 179 142 879

Enclosure

cc: Ross E. deLipkau

Certified Mail No. P 179 142 880

SE ROA 305

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1801  
TELECOPIER: 702 348-7250  
TELEX: 8971987

**Sherman & Howard**  
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
939 SEVENTEENTH STREET  
DENVER, COLORADO 80202  
TELEPHONE 303 297-2900  
TELECOPIER 303 299-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET  
DENVER, COLORADO 80237  
TELEPHONE 303 779-9494  
TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903  
TELEPHONE 719 475-2440  
TELECOPIER 719 635-4878

July 17, 1989

Ross E. deLIPKAU

Ms. Diana Jean Lefler  
Hydraulic Engineer II  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Applications 52918-52921, Inclusive

Dear Ms. Lefler:

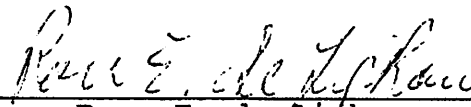
This is to acknowledge receipt of your letter dated June 26, 1989. Pursuant to NRS 533.370(2)(a), request is hereby made that you postpone action on the above referred to applications for a period of one year.

Should you wish to discuss the matter, please contact me.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By

  
\_\_\_\_\_  
Ross E. de Lipkau

REd/lbe  
33593.003

SE ROA 306



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

August 8, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Ladies & Gentlemen:

As requested on your behalf by agent Ross E. deLipkau, and pursuant to NRS 533.370, 2(a), a one-year postponement of further action from the date of this certified letter is hereby granted for Application No.'s 52918 through 52921, inclusive.

Sincerely,

A handwritten signature in cursive script that reads "Diana Jean Lefler".

Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm  
Certified Mail No. P 965 008 306  
cc: Ross E. deLipkau  
Certified Mail No. P 965 008 307

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971967

**Sherman & Howard**  
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TELECOPIER 303 298-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET PARKWAY  
DENVER, COLORADO 80237  
TELEPHONE 303 779-9494  
TELECOPIER 303 779-6400

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903  
TELEPHONE 719 475-2440  
TELECOPIER 719 635-4576

August 24, 1989

ROSS E. DELIPKAU

Honorable Peter Morros  
Nevada State Engineer  
201 South Fall Street  
Carson City, Nevada 89710

Re: Foote Mineral Company; Application Nos. 52917-52921

Dear Mr. Morros:

This is to confirm our conversation of August 23, 1989. Under Item 12, entitled "Remarks", I wish to make it quite clear that the four above-entitled applications seek to appropriate new water, and are not to be included within the annual limitation of 16,800 acre feet annually as permitted in Permit Nos. 44251-44270, inclusive, and Permit Nos. 49988-49996, inclusive.

Should you, or other members of your staff have any questions, please call.

Very truly yours,

HILL CASSAS de LIPKAU AND ERWIN

By *Ross E. de Lipkau*  
Ross E. de Lipkau

RED/kb

SE ROA 308

# Hill Cassas deLipkau and Erwin

A PARTNER IN

**Sherman & Howard**  
A LAW PARTNERSHIP DISCLOSED PROFESSIONAL CORPORATION

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971967

September 14, 1989

ROSS E. DELIPKAU

Ms. Marilyn Meyer  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Clayton Valley Groundwater Basin (10-143)  
Applications 52918-52921, Inclusive

Dear Marilyn:

Enclosed herewith is our check in the amount of \$4.00 to cover the groundwater abstract. I note that Applications 52918-52921, inclusive, do not contain an annual duty set forth under that column. It is the intention of the applicant, as affirmed by my letter of August 24, 1989, that the applications seek to appropriate "new water" as contrasted to being supplemental to the other permits held by permittee. Accordingly, would you kindly change your records to reflect a duty of 3618.97 acre-feet annually for each application.

If you have any questions, please advise.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By *Ross E. de Lipkau*  
Ross E. de Lipkau

REd/lbe  
Enclosure  
33593.003

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
833 SEVENTEENTH STREET  
DENVER, COLORADO 80202  
TELEPHONE 303 297-2900  
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4562 SOUTH ULSTER STREET  
DENVER, COLORADO 80237  
TELEPHONE 303 779-9494  
TELECOPIER 303 779-9480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903  
TELEPHONE 719 475-2440  
TELECOPIER 719 635-4576

SE ROA 309



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

February 13, 1990

52918, 52919,  
52920, 52921

Ross E. deLipkau  
Hill, Cassas, deLipkau & Erwin  
P.O. Box 2790  
Reno, NV 89505

Dear Mr. deLipkau:

In a letter dated September 14, 1989 you advised this office that applications 52918, 52919 52920 and 52921 in the name of Foote Mineral Company were filed to appropriate additional water than previously appropriated by the applicant. This office has incorporated that information into the record on the above referenced applications and will review the applications as requests for additional appropriation at the described locations.

If you have any questions on this matter, feel free to call me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Christine Thiel".

Christine Thiel, P.E.  
Chief, Office Engineering Section

CT/bc

cc: Foote Mineral Company

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

OFFICE MEMORANDUM

To: 52918-22

Date: 5 MAR 90

From: HUGH RICCI

Subject: Action on above applications

A court case is on going between Teate and the U.S. Government in regard to some of the mining claims in which the place of use of the above applications cover.

A letter date 8 AUG 89 allowed for a one year post ponement for taking action.

*Hugh Ricci*

(01-4745)



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
(702) 687-4380

December 20, 1991

RE: Water Rights Assignment

Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047  
Attn: C.B. Loundagin

Dear Mr. Loundagin:

Please be advised that the attached list of water rights have been assigned to show Cyprus Foote Mineral Co. as current owner of record.

This assignment reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rich Robinson".

Rich Robinson  
Engineering Technician III

RR/js  
cc: Ross De Lipkau



# STATUS REPORT

**PERMIT      OWNER OF RECORD      STATUS      C.F.S.      DUTY      A.C.**

PERMIT	OWNER OF RECORD	STATUS	C.F.S.	DUTY	A.C.
10036	Cyprus Foote Mineral Company	Cert #2627	0.334	---	MM
15847	Cyprus Foote Mineral Company	Cert #4838	0.530	---	MM
24382	Cyprus Foote Mineral Company	Cert #7234	1.0	235.9 MGA	MM
44248	Cyprus Foote Mineral Company	Permit	1.0	6.57 MGA	QM
44249	Cyprus Foote Mineral Company	Abr. By 49805	1.0	6.57 MGA	QM
44250	Cyprus Foote Mineral Company	Cert #11268	0.003	100 Cattle	Stk
44251	Cyprus Foote Mineral Company	Cert #12770	1.0	723.97	MM
44252	Cyprus Foote Mineral Company	Cert #12771	0.430	311.3 AFA	MM
44253	Cyprus Foote Mineral Company	Cert #12772	0.84	608.13 AFA	MM
44254	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
44255	Cyprus Foote Mineral Company	Cert #12773	0.39	282.35 AFA	MM
44256	Cyprus Foote Mineral Company	Cert #12774	0.22	159.27 AFA	MM
44257	Cyprus Foote Mineral Company	Cert #12775	0.35	253.39 AFA	MM
44258	Cyprus Foote Mineral Company	Cert #12776	0.27	195.47 AFA	MM
44259	Cyprus Foote Mineral Company	Abr. By 49990	1.5	1086.0 AFA	MM
4260	Cyprus Foote Mineral Company	Cert #12777	0.20	144.79 AFA	MM
4261	Cyprus Foote Mineral Company	Cert #12778	0.22	159.27 AFA	MM
4262	Cyprus Foote Mineral Company	Abr. By 49995 Abr. By 49996	1.5	1086.0 AFA	MM
4263	Cyprus Foote Mineral Company	Abr. By 49992 Abr. By 49993	1.5	1086.0 AFA	MM
4264	Cyprus Foote Mineral Company	Abr. By 49989	1.5	1086.0 AFA	MM
4265	Cyprus Foote Mineral Company	Abr. By 49994	1.5	1086.0 AFA	MM
4266	Cyprus Foote Mineral Company	Abr. By 49991	1.5	1086.0 AFA	MM
4267	Cyprus Foote Mineral Company	Cert #12779	0.44	318.5 AFA	MM
4268	Cyprus Foote Mineral Company	Cert #12780	0.462	334.47 AFA	MM
		<b>TOTALS</b>			
				<b>SE ROA 313</b>	



PERMIT TERMS SHEET

a. APPLICATION NO. 52919  
 b. Ready for Action May 6, 1989  
 c. Source Underground  
 d. Amount 50 cfs  
 e. No. of Units, Cattle, Acres, etc. \_\_\_\_\_  
 f. Manner of Use Mining and Domestic  
 g. Period of Use Jan 1 - Dec 31  
 h. Fees 7390

i. Status of Basin: Desig. Non-Desig.  
 j. Basin Name Clayton Valley  
 k. Basin Number 10-143  
 l. Reviewed: Office Engineer  
7-30-93 By TT  
 Reviewed: Groundwater Engineer  
30 JUL 93 By TT  
 Reviewed: Surface Water Engineer  
 \_\_\_\_\_ By \_\_\_\_\_

Office Notes: \_\_\_\_\_

Permit Plat Filed 52918 Supplemental to: \_\_\_\_\_

Permit terms: AIC)

S(10)

S(11)

17.86 million gallons per day

100,000 gal. per acre-ft

S(10) B

S(11)

Per	con
44251	12770
44252	12771
44253	12772
44255	12773
44256	12774
44257	12775
44258	12776
44260	12777
44261	12778
44267	12779
44268	12780
44269	12731
44270	12762
49988	PERMIT
52918	RFA
52919	RFA
52920	RFA
52921	RFA

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed \_\_\_\_\_

5.0 cubic feet per second, but

not to exceed 3619.75

acc. feat. annually

Completion 2 yr

PBU 3 yr

Cultural Map N/A

Date: 7-28-93

By: S. Brown TT

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

123 W. Nye Lane

Carson City, Nevada 89710

Re: 52918 through 52921 (702) 687-4380

August 31, 1993

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89407

Dear Gentlemen:

Enclosed herewith you will find Permits Nos. 52918 through 52921 for the waters of an underground source.

You are advised that if the various proofs thereunder, together with any map which may be required, are not filed in this office prior to the dates set for such filings, the permits will be subject to cancellation. For your assistance a sheet is enclosed which will advise you of the requirements to fulfill the terms of your permits.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Michael Turnipseed, P.E.", written over a faint circular stamp.

R. Michael Turnipseed, P.E.  
State Engineer

RMT/ab

Enclosures

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 316

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
SEP 18 1995
STATE ENGINEER'S OFFICE

Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF
Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?
YES NO (Check the Appropriate Box)

2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company

3. How much time is needed to finish this project? 1 Year Completion of Work

4. To date, what is the total expenditure on this project? \$170,000

5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,400,000

6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of Completion of Work

7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):
See Attachment "A"

Signed [Signature] Permittee or Agent

Address P. O. Box 98, Silver Peak, NV 89047
Street No. of P.O. Box No.

City, State, Zip Code No.
702-937-2222, ext. 226
Phone

Subscribed and sworn to before me this 12th day of

September, 1995

Notary Public in and for the County of Esmeralda,

State of Nevada

My commission expires [Signature], 1996



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

RD 9-22-95



Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

## ATTACHMENT "A"

1. Permittee is actively constructing an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant is scheduled for the second quarter of 1996. Due to the large capital expenditure incurred for this plant expansion, the \$1,400,000 production drilling program has tentatively been rescheduled to begin the second quarter of 1996. To date, \$170,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work of aforementioned permits.



PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane

Carson City, Nevada 89710  
November 13, 1995

In reply refer to  
No.

52919, 52920,  
52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
Silver Peak Operations Hwy 265  
Silver Peak NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....  
for filing of the.....  
.....  
.....

has been granted to..... September 30, 19..... 96  
with the provision that no further extensions will be granted  
for filing of the..... Proof of Completion of Work  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/cmg

cc: Michael Hardy  
Ross de Lipkau  
Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

Capitol Complex  
Carson City, Nevada 89710

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

October 3, 1996

In reply refer to  
No.

52918 thru 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before September 30, 1996

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/cmm

**CERTIFIED MAIL NO. Z 703 059 206**

cc: Ross de Lipkau, Cert. Mail #Z 703 059 207  
Michael Hardy, Cert. Mail #Z 703 059 208  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

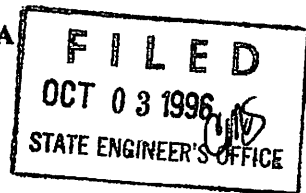
Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources



APPLICATION FOR EXTENSION OF TIME



Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
- 3. How much time is needed to finish this project? 1 year completion of work
- 4. To date, what is the total expenditure on this project? \$500,000
- 5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,070,000
- 6. The permittee requests an extension of time for 1 Year within which to comply with the provisions for filing the Proof of completion of work and beneficial use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)
- 7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See Attachment "A"

Handwritten mark: a circle with a dot inside.

Handwritten note: "P.O. only"

Handwritten mark: a circle with a dot inside.

Signed [Signature] Permittee or Agent

Subscribed and sworn to before me this 24 day of

September, 1996

Marilyn E. Cole

Notary Public in and for the County of Esmeralda,

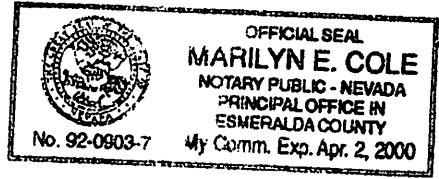
State of Nevada

My commission expires Apr. 02, 1996  
2000

Address PO Box 98  
Street No. or P.O. Box No.

Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (702) 937-2222 ext. 226



Handwritten note: "14r camp TW"

Handwritten date: "10-3-96"

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

photo-copy  
original in file No 52918

## ATTACHMENT "A"

1. Permittee has just recently completed an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant began the second quarter of 1996. The \$1,400,000 production drilling program is currently under way with the first of several water wells completed in mid September. We are scheduled to start test pumping this first well as early as next week. To date, \$500,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work and Beneficial Use of aforementioned permits.

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane

Carson City, Nevada 89710

October 4, 1996

In reply refer to  
No.

52918, 52919,  
52920, 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
P.O. Box 98, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....

.....

.....

has been granted to..... **September 30** ....., 19 **97**

with the provision that no further extensions will be granted

for filing of the **Proof of Completion of Work** .....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

**Christine Thiel, P.E.**

*Deputy State Engineer*

CT/cms

cc: Ross de Lipkau  
Michael Hardy  
Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818  
October 2, 1997

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

In reply refer to  
No.

52918 thru 52921


Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before **September 30, 1997**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer P.E.

RMT/kdg

CERTIFIED MAIL NO. Z 703 035 689

cc: Ross de Lipkau, Cert. Mail No. Z 703 035 690  
Michael Hardy, Cert. Mail No. Z 703 035 691  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 324**

PROOF OF COMPLETION OF WORK

Permit No. 52919

STATE OF Nevada

COUNTY OF Esmeralda

} ss.

Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52919, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of Drilling a 20" borehole to 1146 feet, Installed 10 inch nominal casing to 1090 feet with full flo louver screen from 715 to 1060 feet.

Installed Johnston 8 AC 23st pump assembly with a 75 Hp electric turbine motor.

The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with a totalizer in gallons. Serial # 962942-4

FM-343

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June, 1997

Point of diversion located within the NW 1/4 SW 1/4 Sec. 2, T. 2 N., S. R. 40 E., M. D. B. & M. WELL DRILLER Layne-Western Co., 275 County Rd. 98, Woodland, CA 95695

WELL LOG FILED Yes [ ] No [X]

Subscribed and sworn to before me this 15th day of

October, 1997. Candy J. Jewett

Notary Public in and for the County of Nye, State of Nevada

My commission expires 10/6/2000

Signed [Signature] Permittee or Agent

Address P.O. Box 98, Silver Peak, NV 89047



(Ten dollar filing fee must accompany this proof)

APPLICATION FOR EXTENSION OF TIME

FILED  
OCT 21 1997  
STATE ENGINEER'S OFFICE

Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company

3. How much time is needed to finish this project? 1 year

4. To date, what is the total expenditure on this project? \$2,000,000

5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$500,000

6. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the proof of beneficial use + comp  
(Proof of completion of work and/or proof of beneficial use)

7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See attachment "A"

Subscribed and sworn to before me this 15<sup>th</sup> day of

October

1997

Candy J. Jewett

Notary Public in and for the County of Wye

State of Nevada

My commission expires 10/06 ~~2000~~

Signed [Signature]  
Permittee or Agent

Address PO Box 298  
Street No. or P.O. Box No.

Silver Peak NV 89047  
City, State, Zip Code No.

Phone (702) 937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

My Comp  
5/11/98

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246

Carson City, Nevada 89706-0818

52918 thru 52921 (702) 687-4380 • Fax (702) 687-6972

April 30, 1998

Michael Hardy  
P.O. Box 98  
Silver Peak, Nevada 89047

Dear Mr. Hardy:

This office received Proofs of Completions for Permits 52918 thru 52921. These proofs are being returned for the following corrections:

The location given on the proofs does not correspond to the location in the permit. Please clarify which one goes with which permit, etc., and refile the amended documents.

The Proofs of Completion are herewith returned and must be resubmitted within thirty (30) days from the date of this letter. If the corrected proofs or applications for extension of time are not received and filed with the State Engineer within **thirty (30) days of the date of this notice**, your permit may be subject to cancellation.

Very turly yours,

A handwritten signature in black ink, appearing to read "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer  
TKG/ds  
Enclosures  
cc: NDWR, Las Vegas

SE ROA 327

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 thru 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

May 19, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....

.....

.....

has been granted to..... September 30....., 19..... 98

with the provision that no further extensions will be granted

for filing of the..... Proof of Completion (all Permits).....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds

cc: NDWR, Las Vegas  
Ross de Lipkau  
Michael Hardy



MARSHALL HILL CASSAS & de LIPKAU  
LAWYERS

ROBERT W. MARSHALL  
EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
JOHN P. FOWLER  
DAVID S. McELROY  
REW R. GOODENOW  
MICHAEL R. KEALY  
A. STANYAN PECK

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1801  
—  
FACSIMILE  
(702) 348-7250

May 20, 1998

Thomas K. Gallagher, P.E.  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote / Permits 52918-52921

Dear Tom:

This is to confirm our recent conversation concerning your letter to Mike Hardy dated April 30, 1998. You asked that I supply you with a short history of the water rights appurtenant to and utilized at the lithium plant.

Cyprus Foote, through succession, is the owner/operator of the lithium plant located in Silver Peak, Esmeralda County, Nevada. My knowledge of the project goes back to the early 1970's. At that time, Cyprus Foote was operating under the federal mineral leasing program. It was believed, at least at that time, that lithium was a "leasable" mineral, as contrasted to a "locatable" mineral under the Mining Laws of 1866 and 1877.

In the early 1980's, a dispute arose between the United States and Cyprus Foote regarding royalty payments. The result of that litigation was a finding by the Courts that lithium was a locatable mineral, and not a leasable mineral. During the phase when the parties, including the State Engineer, believed the federal leasing laws were in effect, Cyprus Foote decided and believed that it was not within the jurisdiction of the Nevada State Engineer. A multitude of legal opinions supported that position. However, when lithium was determined to be locatable, we promptly set up a meeting with the then-State Engineer, Roland D. Westergard. It was agreed that Cyprus Foote would file 20 applications to appropriate, basically scattering the wells uniformly or fairly so throughout the thousands of acres included within the mining claims. The annual volume pumped from all wells could not and did not exceed the annual duty. Thereafter, with Peter G. Morros then being State Engineer, certain applications to change were filed

May 20, 1998

Page 2

based upon an increased area of mineral extraction. Cyprus Foote would drill its own wells, pump them for a period of time, abandon them and drill additional wells. The statutory permitting process did not allow for the rapid change in wells -- a condition similar to the several mine dewatering programs authorized by your office.

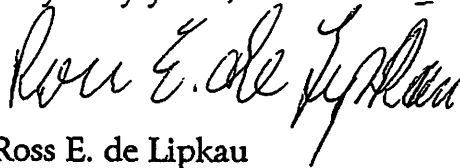
In order to comply with the water law, Cyprus Foote was directed to file Proofs of Completion of Work upon representative wells or wells fairly close to the points of diversion as reflected on the various permits. Over the course of years, Proofs of Beneficial Use were filed, with the above four permits being the only unperfected rights. The amended Proofs of Completion of Work, which are being refiled, are representative of recently drilled wells as previously agreed to between representatives of your office and Cyprus Foote, and regulate the flow and quality of brine. The amended Proofs of Completion of Work, which are representative of the production wells, are enclosed.

Additionally, and as we discussed, generally Cyprus Foote drills its own wells, pumps them for a matter of months or years, and thereupon abandons them, drilling new wells. The multitude of wells is constantly changing to meet the production needs of Cyprus Foote.

For your information, Steve Brown has worked with Cyprus Foote for many years and is aware of the facts. You may wish to discuss this subject with him.

Many thanks for your assistance.

Very truly yours,



Ross E. de Lipkau

REdL/lbe  
Enclosures  
33593.003

SE ROA 330

AMENDED

PROOF OF COMPLETION OF WORK

FILED
MAY 21 1998
STATE ENGINEER'S OFFICE

Permit No. 52919

STATE OF Nevada

COUNTY OF Esmeralda

ss.

Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52919, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of Drilling a 20" borehole to 1146 feet, Installed 10 inch nominal casing to 1090 feet with full flo louver screen from 715 to 1060 feet.

Installed Johnston 8 AC 23st pump assembly with a 75 Hp electric turbine motor.

The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with a totalizer in gallons. Serial # 962942-4 FM-343

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June, 1997

Point of diversion located within the NW 1/4 SW 1/4 Sec 2, T 2 N, S, R. 40 E, M. D. B. & M.

WELL DRILLER Layne-Western Co., 275 County Rd. 98, Woodland, CA 95695
Name and Address

WELL LOG FILED Yes [ ] No [X]

Subscribed and sworn to before me this 15th day of

October 1997
Candy J. Jewett

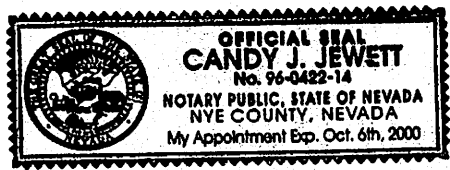
Notary Public in and for the County of Nye

State of Nevada

My commission expires 10/6/1999

Signed [Signature]
Permittee or Agent

Address P.O. Box 910
Street No. or P.O. Box No.
Silver Peak, NV 89047
City, State, Zip Code No.



(Ten dollar filing fee must accompany this proof)

Handwritten initials

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(702) 687-4380 • Fax (702) 687-6972

52918 thru 52921

September 22, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

Ladies & Gentlemen:

This is to confirm that the Proofs of Completion required under the above-referenced permits were filed in this office on May 21, 1998. Please advise this office of any address or ownership changes. If you have any questions please call me at (702) 687-3861.

Very truly yours,

A handwritten signature in cursive script, reading "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer

TKG/ds

cc: NDWR, Las Vegas  
Ross de Lipkau

SE ROA 332

1-8

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

In reply refer to  
No.

October 2, 1998

52918 through 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof **of Beneficial Use**



on or before **September 30, 1998**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg



CERTIFIED MAIL NO. **Z 559 486 195**

cc: Ross de Lipkau, Cert. Mail No. Z 559 486 196  
Michael Hardy, Cert. Mail No. Z 559 486 197  
Southern Nevada Branch Office

Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

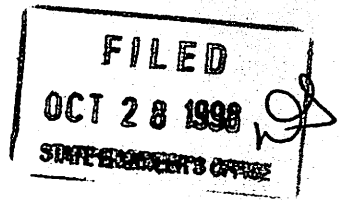
**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Patrick R. Fischer, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If 'YES' on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO
3. If 'NO' on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? 1 year
5. To date, what is the total expenditure on this project? in excess of 50 million dollars
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of beneficial use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): We have not reached maximum capacity, and are planning a \$200,000 expansion in 1999.

Subscribed and sworn to before me this 27th day of October, 1998, Candy J. Jewett, Notary Public in and for the County of Nye, State of Nevada, My commission expires October 6, 2000

Signed Patrick R. Fischer, Permittee or Agent, Address PO Box 98, Silver Peak NV 89087, Phone 702-937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

SE ROA 334

Handwritten notes: JW, BW, 11/2/98, 05, (Rev. 7-97)

# **Chemetall Foote Corporation**

## **Supplier Notification:**

We are pleased to announce that on October 13, 1998 Chemetall GmbH completed the acquisition of Cyprus Foote Mineral Company. Reflecting this purchase, our name has been changed to Chemetall Foote Corp. Together with the Lithium Division of Chemetall GmbH Europe, we will become a worldwide operating, fully integrated supplier of base and performance lithium products.

Attached is our updated credit account information document. Please do not hesitate to contact writer should you require any additional information.

Sincerely,



Randall S. Weld  
Sourcing Manager

## **Please note:**

The following address is to be used for shipping and billing for material ordered from the Silver Peak location.

---

Chemetall Foote Corporation • Silver Peak Operations, Hwy 265 • P.O. Box 98 • Silver Peak, NV 89047  
Telephone 702-937-2222 • Fax 702-937-2250

SE ROA 335

**CREDIT ACCOUNT APPLICATION**

**NAME:** Chemetall Foote Corp.  
348 Holiday Inn Drive  
Kings Mountain, NC 28086

**TELEPHONE:** (704) 739-2501

**OPERATING LOCATIONS:** Silver Peak, Nevada  
Kings Mountain, North Carolina  
New Johnsonville, Tennessee  
Santiago and Antofagasta, Chile

**DUNS NUMBER:** 00-232-9456  
**INCORPORATED:** July 26, 1916  
**STATE OF INCORPORATION:** Pennsylvania  
**IRS IDENTIFICATION NUMBER:** 23-0589510

**TYPE OF BUSINESS:** Owns and Operates Lithium Extraction and Processing Facilities

**PARENT:** Chemetall GmbH  
Frankfurt, Germany  
Duns Number: 31-580-9632

**BANK REFERENCE:** PNC Bank, N. A. Account No. 1008963455  
Two PNC Plaza Officer: Jeffrey Statmore  
Pittsburgh, PA 15265 (908) 220-3078

**TRADE REFERENCES:** Tg Soda Ash, Inc. Phillips Chemical Company  
4300 Six Forks Road, #850 P. O. Box 968  
Raleigh, NC 27619-9248 Borger, TX 29008-0968  
(919) 785-2040 (800) 858-4327

J. L. Clark Inc.  
2300 6th Street  
Rockford, IL 61108  
(815) 962-8861

<b>OFFICERS:</b>	President & CEO	Juergen Deberitz
	Vice President, CFO & Treasurer	Ronald A. France
	Vice President, Human Resources	James E. Sanderson
	Vice President, Operations	Paul J. Seaman
	Vice President, Sales	Jeffrey S. Watson
	Secretary	Arthur G. Taylor

We certify that all of the information on this form is correct. We understand your credit terms and agree to pay within the terms. If further information is required, please contact Sue Hartwyk at (704) 734-2663.

Signed: R. A. Held

Date: 11/5/98  
SE ROA 336



<b>10036</b>	<b>15847</b>	<b>22610</b>
<b>24382</b>	<b>24383</b>	<b>24384</b>
<b>24385</b>	<b>25826</b>	<b>44247</b>
<b>44248</b>	<b>44249</b>	<b>44250</b>
<b>44251</b>	<b>44252</b>	<b>44253</b>
<b>44254</b>	<b>44255</b>	<b>44256</b>
<b>44257</b>	<b>44258</b>	<b>44259</b>
<b>44260</b>	<b>44261</b>	<b>44262</b>
<b>44263</b>	<b>44264</b>	<b>44265</b>
<b>44266</b>	<b>44267</b>	<b>44268</b>
<b>44269</b>	<b>44270</b>	<b>49805</b>
<b>49988</b>	<b>49989</b>	<b>49990</b>
<b>49991</b>	<b>49992</b>	<b>49993</b>
<b>49994</b>	<b>49995</b>	<b>49996</b>
<b>52917</b>	<b>52918</b>	<b>52919</b>
<b>52920</b>	<b>52921</b>	

*Previous letter Filed  
in the following Files:  
DJL/my  
03/03/99*

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

52918, 52919, 52920,  
52921

November 13, 1998

Cyprus Foote Mineral Co.  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to..... September 30 ..... 19 99

for filing of the..... Proof of Beneficial Use (all Permits)

.....  
.....

has been granted to....., 19.....

with the provision that no further extensions will be granted

for filing of the.....

.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds  
cc: NDWR, Las Vegas  
Ross de Lipkau

# ABSTRACT OF TITLE

NON - DECREED

PERMIT or PROOF No. 52919

Page 1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AFA/AFS or MGA/MGS	Acres or Units	This column for office use only		Document Description and REMARKS
						Filed Under DATE	Document Number DATE	
1	CYPRUS FOOTE MINERAL CO	CHEMETALL FOOTE CORP	5.0				151573 02/05/99	WATER RIGHTS DEED
2								
3								
4								
5								
6								
7								
8								

Type or print in ink

REPORT OF CONVEYANCE

Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

1 APPL., PERMIT, PROOF, or CLAIM No: 52919 STATUS: permit USE: MD

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER: CYPRUS FOOTE MINERAL COMPANY

If any item requires additional space, please attach additional 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW HOLDER(S): CHEMETALL FOOTE CORPORATION

ADDRESS: Silver Peak Operations, Hwy 265
CITY: Silver Peak STATE: NV ZIP CODE: 89047 PHONE: 775/937-2222

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE.

Table with 3 columns: Document Category, Number of Documents, and Fees. Includes rows for Deed(s), Correction Deed(s), Notice(s) of Pledge, Death Certificates, Decree(s) of Distr., Reconveyance, Map(s), Aff of ID, and Other. Fees include report filing fee and fees submitted.

5 ONE \$25 FILING FEE MUST ACCOMPANY THIS REPORT + \$10 PER CONVEYANCE DOCUMENT LISTED ABOVE.

This REPORT requires an ABSTRACT OF TITLE listing the above documents in chronological order, from the current holder(s) of record (ITEM 2) with the Division of Water Resources, Office of the State Engineer, to the proposed, new holder(s) of record (ITEM 3). Document(s) must be recorded in the Office(s) of the respective County Recorder(s).

If the legal description on any deed(s) refer(s) to a subdivision lot or parcel or assessor's parcel number, or lists any deviation(s) different than the place of use in a Quarter/Quarter/Section/Township/Range format, a copy of the map referred to in said deed(s) is required. Copies of maps should be 8 1/2" x 11" or 11" x 17". Please refer to instruction sheet for details.

7 LIST SUPPLEMENTAL RIGHTS

8 COUNTY: POINT OF DIVERSION Esmeralda COUNTY: PLACE(S) OF USE Esmeralda

9 PLACE(S) OF USE: \* QTR QTR SEC TWN RNG APN

10 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS Acre Feet or MG Acres or Units

11 DOES THE CURRENT HOLDER INTEND TO RETAIN ANY PORTION OF THE WATER RIGHT? YES NO XX

12 List any other water rights relating to this Report of Conveyance that has been filed using this same abstract and chain of title.

Remarks: \*Refer to permit for place of use.

14 "I swear, under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

SUBSCRIBED AND SWORN TO BEFORE ME THIS 11th DAY OF

Mo. March Yr. 1999

(SS)

Notary Signature

NOTARY PUBLIC IN AND FOR THE

COUNTY OF WASHOE

STATE OF NEVADA

MY COMMISSION EXPIRES 2/9/02

SIGNATURE: Ross E. de Lipkau

PRINT NAME: Ross E. de Lipkau

MAILING ADDRESS: P. O. Box 2790

FIRM NAME: Marshall Hill Cassas & de Lipkau

CITY: Reno STATE: NV ZIP CODE: 89505

PHONE: 775/323-1601



LINDA B. ELLER
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 94-0680-2 - EXPIRES FEB. 9, 2002

OWNER?:

AGENT?: X

NOTARY STAMP

THIS DOUBLE SIDED FORM CAN BE COPIED ONTO GREEN PAPER ONLY.

FOR OFFICE USE ONLY

ITEM

1	Previous reports/submittals pending
2	Current holder(s) verified
3	New holder(s) information complete
4	Inventory verified. Fees correct
5	Technical review
6	Abstract / Chain of Title
7	Supplemental rights recognized
8	Counties compared POD/POU
9	Place of Use determinable
10	Duties determined
11	Appurtenancy / portions / percentages
12	Related rights by deeds and abstract
13	Remarks reviewed
14	Notary/SS legible and logical

REVIEW BY/DATE

RWS - 4/27/99	

FEE RECORDS

Receipt No.(s) 123699  
Date of Receipt 3-12-99  
Receipt No.(s) \_\_\_\_\_  
Date of Receipt \_\_\_\_\_  
\$\$ This R.O.C. 10/275  
Original Receipt(s) Located  
In File No. 10036  
Deeds/Docs Filed in  
File No. 10036

DEFICIENCIES REQUIRING RETURN

ITEM



**RETURNED for CORRECTION to:**

DATE: \_\_\_\_\_ BY: \_\_\_\_\_  
DUE DATE: \_\_\_\_\_

Remarks:

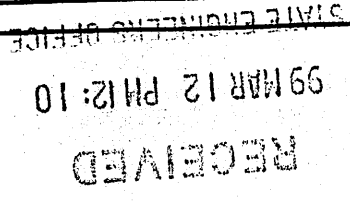

**CORRECTION RECEIVED:**

DATE: \_\_\_\_\_ BY: \_\_\_\_\_

**CONFIRMED REPORT:**

DATE: \_\_\_\_\_ BY: \_\_\_\_\_

Remarks:



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(775) 687-4380 • (775) 687-6972

July 16, 1999

RE: Permits 10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269, 44270, 49805, 49988, 52917, 52918, 52919, 52920 & 52921

Mr. Ross E. de Lipkau  
Marshall Hill Cassas & de Lipkau  
PO Box 2790  
Reno, NV 89505

Dear Mr. de Lipkau:

The above-listed permits have been assigned to show **Chemetall Foote Corporation** as owner of record. Copies of the *Summaries of Ownership* are enclosed for your information.

These assignments reflect only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions, please contact this office at (775) 687-4381.

Sincerely,

  
Robert H. Zeisloft  
Engineering Technician III

RHZ/ld  
Enclosures  
cc: Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4381

October 6, 1999

In reply refer to  
No.

52918 through 52921

Chemetal Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047


The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof **of Beneficial Use**



on or before **September 30, 1999**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg



CERTIFIED MAIL NO. **P 444 470 273**

cc: Ross de Lipkau, Cert. Mail No. P 444 470 274

**Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms**

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

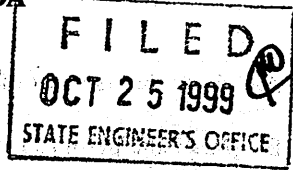
**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 343**

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF  
Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Partick R. Fischer, the Agent  
Person Signing Application Permittee or Agent

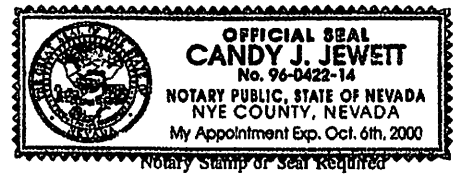
under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetall Foote Corporation
- 4. How much time is needed to finish this project? 1 year
- 5. To date, what is the total expenditure on this project? in excess of 50 million dollars
- 6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
- 7. The permittee requests an extension of time for 1 year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of beneficial use (Proof of completion of work and/or proof of beneficial use)

3. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and are planning a \$200,000 expansion in 2000.

Subscribed and sworn to before me this 12<sup>th</sup> day of October, 1999  
Candy J. Jewett  
Signature of Notary Public Required  
Notary Public in and for the County of Nye  
State of Nevada  
My commission expires October 6, 2000

Signed PRF Permittee or Agent  
Address PO Box 98 Street No. or P.O. Box No.  
Silver Peak NV 89047 City, State, Zip Code No.  
Phone 775-937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT SEE ROA 344



STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

December 20, 1999

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4360

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to \_\_\_\_\_ September 30 \_\_\_\_\_ 2000 \_\_\_\_\_

for filing of the \_\_\_\_\_ Proof of Beneficial Use \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

has been granted to \_\_\_\_\_ 2000 \_\_\_\_\_

with the provision that no further extensions will be granted

for filing of the \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.

Deputy State Engineer

CT/my

cc: Ross deLipkau  
Chemetall Foote Corp./Patricia R. Fischer  
Southern Nevada Branch Office

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 4, 2000

Address All Communications to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before **September 30, 2000**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,

  
State Engineer

HR/kdg

**CERTIFIED MAIL NO. 7000 0520 0023 8631 0900**

cc: Ross de Lipkau, Cert. Mail No. 7000 0520 0023 8631 0917  
Patrick R. Fischer, Cert. Mail No. 7000 0520 0023 8631 0924

Enclosures: Proof of Beneficial Use form(s) and Application for Extension of Time form(s)

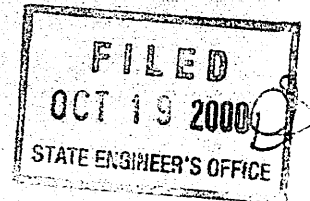
Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

**Address all communications to the State Engineer, Division of Water Resources**

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetail Foote Corp.

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa R. Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetail Foote Corp.

4. How much time is needed to finish this project? 1 year

5. To date, what is the total expenditure on this project? in excess of 50 million dollars

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million

7. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year)

with the provisions for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and have an exploration drilling project in progress. Production well drilling program of \$1.1 million planned for 2000-2001.

Signed Melissa R. Jennings  
Permittee or Agent

Address P.O. Box 98  
Street No. or P.O. Box No.

Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (775) 937-2222

Subscribed and sworn to before me this 11th day of

October 2000  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2004



1 yr. PBU \$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

SE ROA 347

10-20-2000

1 yr. PBU  
TAPJ  
(Rev. 8-99)

R. MICHAEL TURNIPSEED, P.E.  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4380 or  
1-800-992-0900x4380

In reply refer to:

October 23, 2000

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
PO Box 98  
Silverpeak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2001** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
*Deputy State Engineer*

CT/ds

cc: Southern Nevada Branch Office  
Ross E. de Lipkau

SE ROA 348

Notice of Proposed Action

by the

State of Nevada

The Administrator of the Division of Environmental Protection gives notice that an application for the renewal of Water Pollution Control Permit for the Silver Peak Lithium Facility, a beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Permit NEV70005 is:

Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

The facility, known as the Silver Peak Lithium Facility, is located in Sections 26-28 of Township 1 South, Range 40 East; Sections 1, 12, 13, 21-25 of Township 2 South, Range 39 East; and, Sections 1-11, 15-20, 29-32 of Township 2 South, Range 40 East in Esmeralda County, Nevada. The project primarily consists of numerous deep wells, solar evaporation ponds, liming facilities, and process plant for the production of lithium carbonate, lithium hydroxide monohydrate and anhydrous lithium hydroxide. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event. The groundwater beneath the playa is the source of lithium and it contains a very high total dissolved solids concentration. However, the groundwater quality from the production well and the town of Silver Peak well meet drinking water standards.

The Administrator is constrained to renew the water pollution control permit or to deny the application. The Administrator has made the tentative determination to renew the permit.

Persons wishing to comment upon the proposed permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to the

Nevada Administrative Code, NAC Chapter 445A, must submit their comments, objections, or requests no later than October 22, 2001 to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Capitol Complex  
333 W. Nye Lane, Room 138  
Carson City, NV 89706-0851

All comments or objections received during the public notice period will be considered in the final determination regarding this permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-4670, extension 3130, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at [www.state.nv.us/ndep/bmrr/bmrr01.htm](http://www.state.nv.us/ndep/bmrr/bmrr01.htm)

FOR INFORMATION ONLY

DO NOT REPLY TO THIS

15

STATE OF NEVADA

**DRAFT**

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Water Pollution Control Permit

Permittee: Chemetall Foote Corporation

Permit Number: NEV70005

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Facility, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

This facility is located in Esmeralda County in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999 as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of XXXX XX, 2001, and shall remain in effect until XXXX XX, 2006, unless modified, suspended, or revoked.

Signed this XX day of XXXX, 2001.

---

David Gaskin, P.E.  
Bureau Chief  
Bureau of Mining Regulation and Reclamation

## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance:

1. By November 1, 2001, submit a proposal to NDEP for the installation of a monitoring well near R-2 pond in accordance with NAC 445A.425.2. This monitoring well shall be installed by January 1, 2002

C. The fluid management system covered by this permit consists of the following process components:

1. Process plant and building including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and,
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components;

D. Monitoring Requirements

Identification		Parameter	Frequency
1.	Fresh Water Well (WS) and well installed adjacent to the R-2 pond (R-2W)	Profile I <sup>2</sup> and, Elevations of static water levels (amsl)	Initially; then Annually
2.	R-2 pond solution (R-2S)	Profile II <sup>3</sup> and, Report minimum freeboard	Annually Quarterly
3.	Plant waste stream (combined PWS)	Profile II <sup>3</sup>	Annually
4.	Brine well* (BW)	Profile II <sup>3</sup> and,	Annually



4.	continued -	Elevations of static water level (amsl)	
5.	Plant influent (PI)	Profile II	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after one year of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

\* A different production (brine) well shall be sampled each year.

Note: Secondary containment sumps must be inspected and evacuated on a more frequent basis than weekly if the fluid level is at the top of the sump or above the invert of any pipe which discharges into the sump, whichever level is lower. Records are required documenting the volume, date and time of extraction to show that sumps are maintained in this condition.

(2) Profile I

Alkalinity (as CaCO<sub>3</sub>)

Bicarbonate

Total

Aluminum

Antimony

Arsenic

Barium

Beryllium

Boron

Cadmium

Calcium

Chloride

Chromium

Copper

Fluoride

Iron

Lead

Magnesium

Manganese

Mercury

Nickel

Nitrate

pH ( $\pm$  0.1 units)

Potassium

Selenium

Silver

Sodium

Sulfate

Thallium

Total Dissolved Solids

Zinc

(3) Profile II

Alkalinity (as CaCO<sub>3</sub>)

Bicarbonate

Total

Aluminum

Antimony

Arsenic

Barium

Beryllium

Boron

Cadmium

Calcium

Chloride

Chromium	pH ( $\pm 0.1$ units)
Cobalt	Phosphorus
Copper	Potassium
Fluoride	Scandium
Gallium	Selenium
Iron	Silver
Lead	Sodium
Lithium	Strontium
Magnesium	Sulfate
Manganese	Thallium
Mercury	Tin
Molybdenum	Total Dissolved Solids
Nickel	Vanadium
Nitrate	Zinc

- E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.
- F. All sampling and analytical accuracy shall be in accordance with Part II.E.
- G. Permit Limitations
1. A minimum two (2) feet of freeboard shall be maintained in the R-2 pond at all times.
- Exceeding these limitations may be permit violations and shall be reported as specified in Part II.B.3
- H. The facility shall install and maintain a calibrated rain gauge which shall be monitored daily. A record of all daily accumulations of precipitation shall be maintained on site.
- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device;
  3. The presence of liquids in leak detection systems; and
  4. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.

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- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from this Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining a General or Individual Mining Bioremediation Facility Permit from the Division.

## II. General Facility Conditions and Limitations

### A. General Requirements

- 1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance item in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which the Permittee has little or no control) exists for such revision.
- 2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
- 3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

- 1. The Permittee shall submit an annual report by February 28th of each year which contains the following:
  - a. Monitoring results from those locations identified in Parts 1, 2 and 4;
  - b. Analytical results of the solution collected from monitoring locations identified

- in Part I.D.1 through 5;
- c. A record of spills and releases and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore processed during the year, construction and expansion activities and major problems with the fluid management system; and,
  - e. Graphs of pH, total dissolved solids, sulfate, chloride, nitrate (as nitrogen), zinc, and arsenic concentrations (as applicable), versus time for all fluid sampling points. These graphs shall display a five year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
2. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.
- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 p.m. of the first working day after knowledge of the release. An oral report shall be made by telephone to (775) 687-4670, extension 3023, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds 500 gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If the quantity is equal to or greater than 100 gallons, report in the time frame specified in Part II.B.3.a. Smaller spills are reported quarterly on NDEP Form 0390 or equivalent.
3. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-4670, extension 3123, not later than 5 p.m. of the next regular work day from the

time the Permittee has knowledge of the circumstances. This report shall include the following:

- i. Name, address, and telephone number of the owner or operator;
  - ii. Name, address, and telephone number of the facility;
  - iii. Date, time, and type of incident, condition, or circumstance;
  - iv. Name and quantity of materials released; if process solution is released, report total gallons and quantity of contaminant;
  - v. Human and animal mortality or injury;
  - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
  - vii. The estimated quantity of material that will be disposed and the disposal location.
- b. A written summary shall be provided to the Division within 10 days of the time the Permittee makes the oral report. The written summary shall contain a description of the release or discharge and its cause, the periods of the release or discharge (including exact dates and times), whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue, and the steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring, to:
- i. Determine the effect and extent of each release or discharge;
  - ii. Minimize any adverse impact to the waters of the State arising from each release or discharge;
  - iii. Minimize the effect of each release or discharge upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each release or discharge.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than 120 days before this permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any

# DRAFT

relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.

4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities, and analytical results including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action as provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

## E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in this permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416 and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.

3. The Permittee must notify the Division in writing at least thirty days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Renewed 9/01





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**FACT SHEET**  
(pursuant to NAC445A.401)

Permittee Name: Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

Permit Number: NEV70005

A. Description of Facility

Location: This project is located in and near the town of Silver Peak, Nevada in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32 in Esmeralda County.

Characteristics: The Silver Peak Lithium Facility primarily consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, the Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. Synopsis

Subsurface brines are pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. The lithium carbonate product is then dried and packaged, processed, or used as head feed for the lithium hydroxide facility. In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced. Evaporation produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

Brine ponds were built directly on top of native clay that has a coefficient of permeability of  $1 \times 10E-6$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability with the exception of one pond (the strongest brine pond) that is lined with 20-mil PVC liner.

SE ROA 361

The R-2 pond, located on the peripheral edge of the playa, is asphalt lined and receives CaCO<sub>3</sub> solution that is pumped to the playa as needed. Piping changes are being made to facilities.

Storm water runoff and accumulation is within a closed system. All storm water is maintained within the Clayton Valley.

Secondary containment within the post-regulation hydroxide plant meets secondary containment requirements and was constructed to standard engineering principles and practices. The existing pre-regulation plant appears to be provided with adequate secondary containment.

C. Site Hydrology/Hydrogeology and Background Groundwater Quality

The ground water pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids as documented by the long history of lithium production. It would be economically impractical to render the water fit for human consumption due to the very high total dissolved solids concentrations (see data) and it is not reasonably expected to become a drinking water supply. However, the Silver Peak water supply well and the freshwater production well for Chemetall produce high quality water that meet drinking water standards. Hydrogeologically, the location where the groundwater quality exceeds drinking water standards and becomes non-potable is complex. Establishment of a monitoring well adjacent to the R-2 pond will provide groundwater quality and elevation at this location.

D. Procedures for Public Comment

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate, and close subject to the conditions contained within the permit, is being sent to the Tonopah Times-Bonanza in Tonopah for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of the public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator, or any interested agency, person or group of persons.

The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed facility or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC445A.406.

E. Proposed Determination

The Division has made the tentative determination to issue the proposed permit.

F. Proposed Effluent Limitations, Schedule-of-Compliance and Special Conditions

See Part I of the permit.

G. Rationale for Permit Requirements

The facility is located in an area where annual evaporation is greater than annual precipitation. Also, the facility is located in the Clayton Valley where the playa ground water does not serve as a source of drinking water and would probably not serve as an economically viable source of drinking water. The groundwater is the source of lithium, contains very high total dissolved solids concentration and is not reasonably expected to become a drinking water supply. However, potable wells in and near the town of Silver Peak will be protected.

H. Federal Migratory Bird Treaty Act

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50CFR10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with state permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical

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isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of toxic water. Methods which attempt to make uncovered ponds attractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Blvd., Suite 234, Reno, Nevada 89502-7147, for additional information.

Bob Carlson  
September 2001



RECEIVED SEP 20 2001

89:5 NV 01-23470

12

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381

In reply refer to  
No.

October 3, 2001

52918 through 52921

**Chemetal Foote Corporation**  
**Silver Peak Operations, Highway 265**  
**Silver Peak NV 89047**  
**CERTIFIED MAIL: 7000 0520 0023 4553 1162**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use**

on or before **September 30, 2001**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cmf

cc: Ross E. DeLipkau, Certified Mail No. 7000 0520 0023 4553 1179  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use form with instructions

Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 365**

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corp.

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

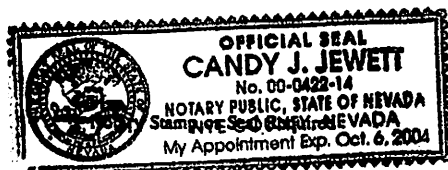
Comes now Danny Zampirro, the Agent, Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp
4. How much time is needed to finish this project? 1 year
5. To date, what is the total expenditure on this project? in excess of 51 million dollars
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 1.1 million
7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): We have not reached maximum capacity, and have a well drilling program proposed for 2001-2002 at a cost of 1.1 million dollars. A deep aquifer system has been identified with plans to explore and test as a resource.

Subscribed and sworn to before me this 10th day of October 2001. Signature of Notary Public Required: Candy J. Jewett, Notary Public in and for the County of Nye, State of Nevada. My commission expires October 6, 2004.

Signed Dan Zampirro, Permittee or Agent. Address: P.O. Box 98, Silver Peak, NV 89047. Phone: (775) 937-2222.



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(within Nevada)

In reply refer to:

January 15, 2002

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
Silver Peak Operations, HWY 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2002 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/dr  
cc: Ross De Lipkau  
Dan Zampirro  
Southern Nevada Branch Office

SE ROA 367

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381

In reply refer to  
No.

October 1, 2002

52918 through 52921

**Chemetall Foote Corporation**  
**Silver Peak Operations, Hwy 265**  
**Silver Peak, Nevada 89047**  
**CERTIFIED MAIL 7106 7808 0630 0000 5937**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use under all Permits** referenced above

on or before **September 30, 2002**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cac

cc: Danny Zampirro, Certified Mail 7106 7808 0630 0000 5951  
Ross E. de Lipkau, Certified Mail 7106 7808 0630 0000 5944  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use forms with instructions

Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 368**



APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If 'YES' on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO
3. If 'NO' on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? one year
5. To date, what is the total expenditure on this project? in excess of \$51,000,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$50,000
7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted: Maximum water usage has not been achieved. Expansion is planned with resultant increased water usage scheduled this year.

Signed Danny Zampirro, Permittee or Agent
Address Chemetall Foote Corporation, PO Box 98 Silver Peak, NV 89047
Phone 1-775-937-2222

Subscribed and sworn to before me this 9th day of October 2002
Signature of Notary Public Required Candy J. Jewett

Notary Public in and for the County of Nye, State of Nevada
My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

November 21, 2002

52918, 52919, 52920, and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2003** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
*Deputy State Engineer*

CT/dl

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 370

# **Chemetall Foote Corp.**

July 27, 2003

COPY

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
123 W. Nye Lane, Suite 246  
Carson City, NV 89706-0818

Subject: Permit numbers 52918, 52919, 52920 & 52921 and Quarterly Production Data

Dear Mr. Ricci,

Enclosed please find four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400 to cover the filing of the Extensions. We are conducting a drilling program to supplement our aging wellfield to meet product demand. Additionally, please find our quarterly production report for the second quarter, basin 143. A total of 2,174 acre feet were pumped from the basin of which 5.6% was fresh water, the remainder brine for production purposes. Please contact our office should you have any questions. Thank you.

Sincerely,



Danny Zampirro, CPG, RG  
Hydrogeologist

Certified Mail # 7099 3220 0006 0137 6548

cc Mr. Ross de Lipkau  
Marshall, Hill, Cassas & de Lipkau

Enclosures: Quarterly prod. report, Ext. of Time Renewals, check #26799

QUARTERLY PRODUCTION REPORT

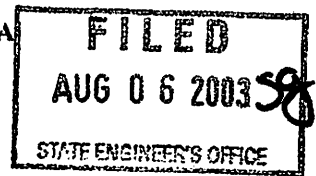
COPY

CHEMETALL FOOTE CORPORATION													YEAR: 2003	REPORT DATE: July 31st, 2003
SILVER PEAK OPERATIONS														
PERMIT NUMBERS: 52918; 52919; 52920; 52921														BASIN: 143 (CLAYTON VALLEY)
SITE I.D.	WATER PUMPED IN GALLONS												AMOUNT	
well #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	USED	
9C	2,550,000	2,250,000	2,500,000	2,580,000	2,700,000	2,720,000	0	0	0	0	0	0	15,300,000	
10B	5,880,000	4,844,000	5,411,000	5,530,000	5,944,000	5,749,800	0	0	0	0	0	0	33,358,800	
16C	3,866,000	3,162,000	3,702,000	3,819,000	3,972,000	3,882,500	0	0	0	0	0	0	22,403,500	
23A	3,532,000	3,034,000	3,491,000	3,513,000	3,826,000	3,523,800	0	0	0	0	0	0	20,919,800	
41B	2,545,000	2,251,000	2,762,000	2,653,000	2,855,000	2,733,200	0	0	0	0	0	0	15,799,200	
43A	3,105,000	2,537,000	3,102,000	3,040,000	3,159,000	3,074,600	0	0	0	0	0	0	18,017,600	
45B	0	0	0	0	0	0	0	0	0	0	0	0	-	
59	4,369,000	3,486,000	4,080,000	2,979,000	3,928,000	4,394,400	0	0	0	0	0	0	23,236,400	
62A	6,798,000	2,631,000	5,662,000	6,672,000	7,117,000	6,831,300	0	0	0	0	0	0	35,711,300	
65A	6,329,000	5,624,000	6,527,000	6,335,000	6,412,000	6,296,400	0	0	0	0	0	0	37,523,400	
71A	8,311,000	5,787,000	0	0	0	0	0	0	0	0	0	0	14,098,000	
73A	6,388,000	5,530,000	6,490,000	5,041,000	6,767,000	6,308,500	0	0	0	0	0	0	36,524,500	
76	6,492,000	5,771,000	6,624,000	6,609,000	6,874,000	6,367,400	0	0	0	0	0	0	38,737,400	
78	6,486,000	5,414,000	6,730,000	5,704,000	6,472,000	5,837,800	0	0	0	0	0	0	36,643,800	
80	1,474,000	0	0	0	449,000	2,086,200	0	0	0	0	0	0	4,009,200	
99B	1,639,000	669,000	0	0	73,000	1,610,700	0	0	0	0	0	0	3,991,700	
103A	10,539,000	6,718,000	0	0	0	0	0	0	0	0	0	0	17,257,000	
109	9,328,000	7,781,000	9,889,000	9,406,000	10,043,000	9,650,300	0	0	0	0	0	0	56,097,300	
131	8,276,000	6,518,000	7,379,000	2,776,000	0	0	0	0	0	0	0	0	24,949,000	
144	10,909,000	9,277,000	10,671,000	10,981,000	11,244,000	10,739,500	0	0	0	0	0	0	63,821,500	
152	3,185,000	2,854,000	3,318,000	3,215,000	3,308,000	3,199,100	0	0	0	0	0	0	19,079,100	
153	8,210,000	6,899,000	8,764,000	8,413,000	8,828,000	7,153,200	0	0	0	0	0	0	48,267,200	
156	1,772,000	1,473,000	1,784,000	1,679,000	1,805,000	1,738,400	0	0	0	0	0	0	10,251,400	
165	2,084,000	7,908,000	12,209,000	12,002,000	12,796,000	12,358,800	0	0	0	0	0	0	59,357,800	
168	14,167,000	11,467,000	2,712,000	0	0	0	0	0	0	0	0	0	28,346,000	
170	1,165,000	0	0	0	2,616,000	8,986,100	0	0	0	0	0	0	12,767,100	
173	3,748,000	3,108,000	3,909,000	3,705,000	3,871,000	3,534,100	0	0	0	0	0	0	21,875,100	
177	6,455,000	5,358,000	6,692,000	6,424,000	6,732,000	6,059,400	0	0	0	0	0	0	37,720,400	
173	5,486,000	4,558,000	5,739,000	5,521,000	5,767,000	5,049,200	0	0	0	0	0	0	32,120,200	
180	8,328,000	6,863,000	8,196,000	7,787,000	8,498,000	7,820,000	0	0	0	0	0	0	47,492,000	

CHEMETALL FOOTE CORPORATION													YEAR: 2003	REPORT DATE: July 31st, 2003	
SILVER PEAK OPERATIONS															
PERMIT NUMBERS: 52918; 52919; 52920; 52921														BASIN: 143 (CLAYTON VALLEY)	
SITE I.D.	WATER PUMPED IN GALLONS												AMOUNT		
well #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	USED		
300	1,209,000	0	0	0	0	0	0	0	0	0	0	0	1,209,000		
302	509,000	1,258,000	1,499,000	1,311,000	1,525,000	1,405,200	0	0	0	0	0	0	7,507,200		
303	4,296,000	3,754,000	4,383,000	4,180,000	4,464,000	4,119,800	0	0	0	0	0	0	25,196,800		
304	4,303,000	3,735,000	4,437,000	4,214,000	4,362,000	4,239,700	0	0	0	0	0	0	25,290,700		
305	10,358,000	8,652,000	10,297,000	9,595,000	10,608,000	10,435,300	0	0	0	0	0	0	59,945,300		
308	7,469,000	6,054,000	7,274,000	6,788,000	7,450,000	7,113,500	0	0	0	0	0	0	42,148,500		
314	3,497,000	2,898,000	3,545,000	3,393,000	3,656,000	3,504,400	0	0	0	0	0	0	20,493,400		
319	6,243,000	5,269,000	5,927,000	5,803,000	6,436,000	6,290,900	0	0	0	0	0	0	35,968,900		
330	3,286,000	2,810,000	3,222,000	3,008,000	3,450,000	3,265,100	0	0	0	0	0	0	19,041,100		
333	8,245,000	6,707,000	8,243,000	8,318,000	8,827,000	8,166,800	0	0	0	0	0	0	48,506,800		
334	1,509,100	1,232,200	1,473,700	1,301,600	1,389,900	1,278,750	0	0	0	0	0	0	8,185,250		
337	2,130,000	1,745,000	2,060,000	1,931,000	2,120,000	2,047,200	0	0	0	0	0	0	12,033,200		
343	8,920,000	7,796,000	9,150,000	8,934,000	9,216,000	8,831,000	0	0	0	0	0	0	52,847,000		
344	3,502,000	2,639,000	3,444,000	3,131,000	3,518,000	3,258,000	0	0	0	0	0	0	19,492,000		
346	2,512,000	1,998,000	2,567,000	2,414,000	2,618,000	2,479,300	0	0	0	0	0	0	14,588,300		
347	2,463,000	2,102,000	2,429,000	2,298,000	2,455,000	2,325,200	0	0	0	0	0	0	14,072,200		
356	1,766,000	0	0	0	1,382,000	2,369,800	0	0	0	0	0	0	5,517,800		
357	13,543,000	5,502,000	2,611,000	12,492,000	12,430,000	11,933,100	0	0	0	0	0	0	58,511,100		
358	3,243,000	318,000	441,000	48,000	0	0	0	0	0	0	0	0	4,050,000		
359	2,581,000	2,224,000	2,654,000	2,007,000	1,468,000	1,679,100	0	0	0	0	0	0	12,613,100		
360	4,531,000	4,400,000	5,321,000	5,049,000	5,377,000	4,816,900	0	0	0	0	0	0	29,494,900		
*FWW	12,954,000	11,040,000	12,112,000	15,078,000	11,611,000	12,926,000	0	0	0	0	0	0	75,721,000		
TOTAL GAL	272,485,100	215,905,200	231,432,700	227,677,600	240,418,900	240,189,750	0	0	0	0	0	0	1,428,109,250		
AF/Month	836	663	710	699	738	737	0	0	0	0	0	0	4,383		
TOTAL		719,823,000			708,286,250										
* FRESH WATER WELL														* FRESH WATER WELL	
FWW sum	36,106,000			FWW sum	39,615,000			FWW sum	0			FWW sum	0		
all AF sum	2209			all AF sum	2174			all AF sum	0			all AF sum	0		
FWW AF	111			FWW AF	122			FWW AF	0			FWW AF	0		
FWW %	5.02			FWW %	5.59			FWW %	#DIV/0!			FWW %	#DIV/0!		

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp.
4. How much time is needed to finish this project? two years
5. To date, what is the total expenditure on this project? \$52,300,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$570,000
7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted: Old wells are being supplemented by the construction of new wells in order meet expanding demand for production.

Signed Danny Zampirro Permittee or Agent

Subscribed and sworn to before me this 31st day of July 2003 Candy J. Jewett Signature of Notary Public Required

Address Chemetall Foote Corporation Street No. or P.O. Box No. P.O. Box 98 Silver Peak, NV 89047 City, State, Zip Code No. 1-775-937-2222 Phone

Notary Public in and for the County of Nevada State of Nevada My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 23, 2003

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4380

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to.....

for filing of the.....

.....

.....

has been granted to..... **September 30 2004** .....

with the provision that no further extensions will be granted

for filing of the.....

**Proof of Beneficial Use**

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

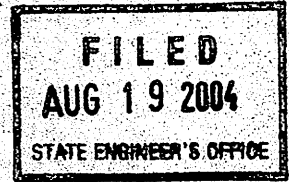
Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/sg

cc: Chemetall Foote Corp., (additional address)  
Ross de Lipkau  
Southern Nevada Branch Office

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L. Huelsen-Wilks, the Agent (Person Signing Application / Permittee or Agent)

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If 'YES' on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO
3. If 'NO' on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$52,900,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand of production.

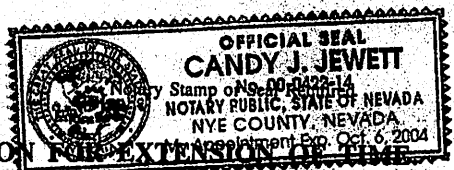
Subscribed and sworn to before me this 17th day of August, 2004

Signature of Notary Public Required (Handwritten signature of Candy J. Jewett)

Notary Public in and for the County of Nye, State of Nevada

My commission expires October 6, 2004

Signed Sherry L. Huelsen-Wilks, Permittee or Agent
Address Chemetall Foote Corporation, P.O. Box 98, Silver Peak, NV 89047
Phone 775-937-2222 ext. 230



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

1 yr PBU
11-10-04 per JK

SE ROA 375

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

52918, 52919, 52920,  
and 52921

November 12, 2004

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time  
has been granted to September 30, 2005 with the provision that no  
further extensions will be granted for filing of the Proof of  
Beneficial Use except for good cause shown as provided under NRS  
533.390 and 533.410.

Sincerely,

Jason King, P.E.  
Deputy State Engineer

JK/lt  
cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 376



APPLICATION FOR EXTENSION OF TIME

FILED
AUG 29 2005
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen-Wilks, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$53,900,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

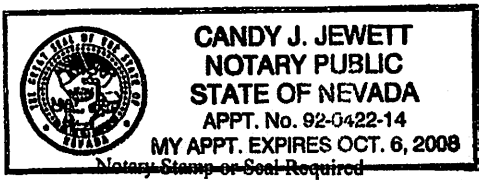
7. The permittee requests an extension of time for One Year within which to comply
with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary)
Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 25th day of August, 2005
Signature of Notary Public Required

Notary Public in and for the County of Nye
State of Nevada
My commission expires October 6, 2008

Signed Sherry L Huelsen-Wilks
Permittee or Agent
Address Chemetall Foote Corporation
Street No. or P.O. Box No.
P.O. Box 98, Silver Peak, NV 89047
City, State, Zip Code No.
Phone 775-937-2222 ext. 230



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1 yr PBM

OK per JK 11/1/05

SE ROA 377

ALLEN BIAGGI  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

In reply refer to:

January 20, 2006

52918, 52919, 52920 and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2006 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,  
*Jason King*  
Jason King, P.E.  
Deputy State Engineer

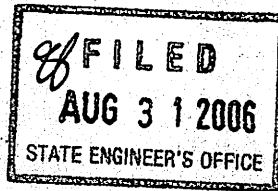
JK/mc

cc: Southern Nevada Branch Office  
Sherry L. Huelsen-Wilks

SE ROA 378

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)

If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$54,350,000

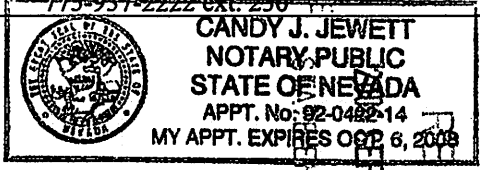
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 14th day of August 2006. Signature of Notary Public Required: Candy J. Jewett. Notary Public in and for the County of Nye, State of Nevada. My commission expires October 6, 2008.

Signed: Sherry L. Huelsen, Permittee or Agent. Address: Chemetall Foote Corporation, P.O. Box 98, Silver Peak, NV 89047. Phone: 775-937-2222 ext. 250.



Vertical stamp: RECEIVED 2006 AUG 31 AM 11:45 STATE ENGINEER'S OFFICE

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

hgr PBN

Handwritten note: OK per JKL/8/29/06

SE ROA 379

ALLEN BIAGGI  
Director

TRACY TAYLOR, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources

In reply refer to:

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

October 5, 2006

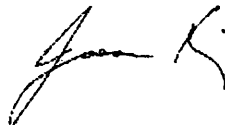
52918 through 52921

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2007 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



Jason King, P.E.  
Deputy State Engineer

KH/ef

cc: Southern Nevada Branch Office

SE ROA 380

**Notice of Proposed Action**

**By the**

**State of Nevada**

2007 JUN 24 AM 9: 54

STATE OF NEVADA

The Administrator of the Division of Environmental Protection gives notice that an application for renewal of a Water Pollution Control Permit for the **Silver Peak Lithium Project**, a mining and beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for renewal of Water Pollution Control Permit **NEV0070005** is:

**Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047**

The facility is located on public and private land in Esmeralda County, within Sections 26-28, Township 1 South, Range 40 East, Sections 1, 12, 13, 21-25, Township 2 South, Range 39 East, and Sections 1-11, 15-20, 29-32, Township 2 South, Range 40 East, Mount Diablo Baseline and Meridian, near the town of Silver Peak, Nevada.

The project consists of a dewatering and beneficiation facility, designed to extract lithium, with a maximum permitted process rate of 6,000 tons of naturally occurring material per year. The facility is comprised of numerous deep wells, solar evaporation ponds, lime sludge pond, process plants, stockpiled salt dumps, and appurtenances such as the lime slaker. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event.

The Administrator is constrained to either issue the renewed Water Pollution Control Permit or to deny the application. The Administrator has made the tentative decision to issue the renewed permit.

Persons wishing to comment upon the proposed Water Pollution Control Permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to Nevada Administrative Code, NAC Chapter 445A, must submit their written comments, objections, or requests no later than 5:00 PM on the 30<sup>th</sup> day following the date of publication of this notice to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249

All comments or objections received during the public notice period will be considered in the final determination regarding this Water Pollution Control Permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The draft Water Pollution Control Permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-9401 or visit our website at <http://ndep.nv.gov/bmrr/bmrr01.html>

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 JAN 24

**DRAFT**  
11:09:54

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of February Day, 2007, and shall remain in effect until February Day, 2007, unless modified, suspended, or revoked.

Signed this #### day of February 2007.

\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

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## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance: None Required

C. The fluid management system covered by this permit consists of the following process components:

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

## D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>3</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually



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The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

## Footnotes:

### (1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	Zinc
Beryllium	Iron	Potassium	

### (2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

### (3) A different production (brine) well shall be sampled each year.

- E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.
- F. All sampling and analytical accuracy shall be in accordance with Part II.E.
- G. Permit Limitations
1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.
- Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.
- H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
  1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device; and
  3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

## II. General Facility Conditions and Limitations

### A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, and 3;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of naturally occurring material processed during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

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- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.
  - b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
    - i. A description of the incident and its cause;

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- ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
- i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any

injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that

have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 16 February 2005; employee access statement deleted.  
24 May 2005; Bureau Chief title changed to Chief, Bureau of Mining Regulation and Reclamation.  
25 May 2006; modified Part II.1 to include new PCS Management Plan wording.  
January 2007 - Permit renewal process

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**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

A. **Description of Facility**

Location: This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

Characteristics: The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. **Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are



pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

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The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water (CaCO<sub>3</sub> solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

**DRAFT**

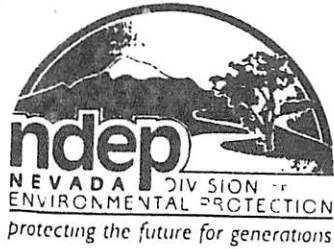
quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal



STATE OF NEVADA  
Department of Conservation & Natural Resources  
DIVISION OF ENVIRONMENTAL PROTECTION

Jim Gibbons, Governor  
Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

2007 MAR -8 AM 10:52

March 8, 2007

**NOTICE OF DECISION**

**WATER POLLUTION CONTROL PERMIT  
NUMBER NEV0070005**

**Chemetall Foote Corporation  
Silver Peak Lithium Project**

The Nevada Division of Environmental Protection has decided to renew Water Pollution Control Permit NEV0070005 to Chemetall Foote Corporation. This permit authorizes the construction, operation, and closure of approved mining facilities in Esmeralda County. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through NAC 445A.447, to assure the Division that the groundwater quality will not be degraded by this operation, and that public safety and health will be protected.

The permit will become effective March 23, 2007. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, March 18, 2007, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Bob Carlson at (775) 687-9401 or visit the Division website at [www.ndep.nv.gov/bmrr/bmrr01.htm](http://www.ndep.nv.gov/bmrr/bmrr01.htm).

Comments were not received during the public comment period.

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 MAR -3 11:10:52

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation  
Silver Peak Lithium Project  
P.O. Box 98  
Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

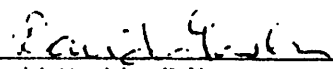
The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of March 23, 2007, and shall remain in effect until March 23, 2012, unless modified, suspended, or revoked.

Signed this 8<sup>th</sup> day of March 2007.

  
\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

**I. Specific Facility Conditions and Limitations**

**A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:**

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

**B. Schedule of Compliance: None Required**

**C. The fluid management system covered by this permit consists of the following process components:**

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

**D. Monitoring Requirements**

<b><u>Identification</u></b>	<b><u>Parameter</u></b>	<b><u>Frequency</u></b>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>1</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

**Footnotes:**

(1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	WAD Cyanide
Beryllium	Iron	Potassium	Zinc

(2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

(3) A different production (brine) well shall be sampled each year.

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

G. Permit Limitations

1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.

Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.

H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.



- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
  1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device; and
  3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

## II. General Facility Conditions and Limitations

### A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, 3, and 4;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore milled or placed on heaps (as applicable) during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), WAD cyanide, fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved

Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.

- b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
  - i. A description of the incident and its cause;
  - ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
  - i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

**C. Administrative Requirements**

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.

7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.

6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

**F. Permit Modification Requirements**

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 01 March 2007 - Permit renewal process

2007 MAR -8 11:10:52

STATE OF NEVADA

**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

**A. Description of Facility**

**Location:** This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

**Characteristics:** The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

**B. Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.



The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water ( $\text{CaCO}_3$  solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal

# **Chemetall Foote Corp.**

August 22, 2007

2007 AUG 24 AM 11:00  
STATE ENGINEERS OFFICE

Chemetall Foote Corporation  
Silver Peak Operations  
PO Box 98, Hwy 265  
Silver Peak, NV 89047

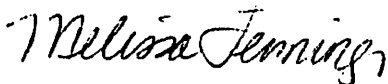
Office of the State Engineer  
Nevada Division of Water Resources  
901 South Street, Suite 2002  
Carson City, NV 89706-0818

Subject: **Permit Numbers 52918, 52919, 52920, 52921**

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920, and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions or need additional information, please feel free to call me at 775-937-2222 ext. 229.

Sincerely,



Melissa Jennings  
Mine Superintendent

Cc. Mr. Ross de Lipkau, Marshall, Hill, Cassas and de Lipkau  
File

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

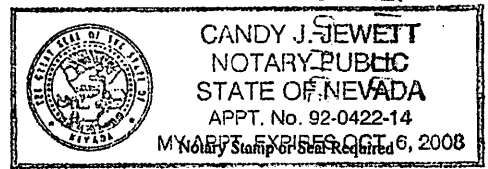
Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
- If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES • NO (Check the Appropriate Box)
- If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
- How much time is needed to finish this project? Two Years
- To date, what is the total expenditure on this project? \$55,900,000.00
- In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$3,200,000.00
- The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)
- Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 22nd day of August, 2007  
Landy G. Jewett  
 Signature of Notary Public Required  
 Notary Public in and for the County of Wye  
 State of Nevada  
 My commission expires October 6, 2008

Signed Melissa Jennings Permittee or Agent  
 Address Chemetall Foote Corporation Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.  
 Phone (775) 937-2222 ext. 229



**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
 A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
 THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

Ingr PBN

11/2 w/ WP Tinfo Ltr. REFLECTS 9/6/07

SE ROA 413



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

RE: Permits 52918, 52919,  
52920 and 52921

September 19, 2007

Melissa Jennings  
Chemetall Foote Corporation  
PO Box 98  
Silver Peak, Nevada 89047

Dear Ms. Jennings:

Please refer to the Application for Extension of Time forms you submitted on August 24, 2007 as Agent for Chemetall Foote Corporation for the above referenced permits.

These Applications for Extension of Time are approved; however, before any further requests for Extension of Time for the filing of the Proof of Beneficial Use are granted, this office requires that you answer the questions on the enclosed Work Progress Information Sheet. This information is needed to update the Permit files and to determine progress made towards establishing Beneficial Use. Please note that on your Applications you state that "old wells are being supplemented by the construction of new wells"; we do not currently have any Applications to Change on file in the name of Chemetall Foote. If you have any questions, please contact Tony Eng at 775-684-2800.

Please submit to this office the requested information before the next Proof Beneficial Use are due. Failure to comply may result in the denial of future requests for Extension of Time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ALE/ef  
Enclosure

cc: Parsons Behle & Latimer, Ross de Lipkau  
Southern Nevada Branch Office

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMITS 52918, 52919, 52920 and 52921**

Please furnish information and documents explaining the progress to complete the project to be served under each permit. The explanation should include the following information and any other pertinent information:

1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates (e.g., planning, design, construction, start-up, partial or full operation).
2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of lands within the place of use? If so, detail this authorization.
3. What type of product or mineral is being mined? Who is buying your mineral product and for how long?
4. Submit the record of water measurements (e.g., meter readings) for the last one-year period. Specify the measurement volume units (e.g., gallons, 100 gallons, million gallons, or acre-feet).
5. Describe any work in progress and any facility or feature completed to establish full beneficial use in compliance with permit requirements.
6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.
7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**


901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources


September 20, 2007

Telephone (775) 684-2800 or  
1-800-992-0900 x 2400  
(In Nevada Only)

In reply refer to: **52918, 52919, 52920 and 52921**

 Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2008** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

 Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



Jason King, P.E.  
Deputy State Engineer

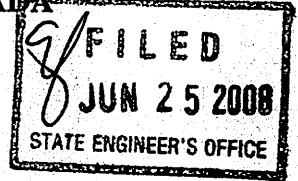
JK/ef  
cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 416



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

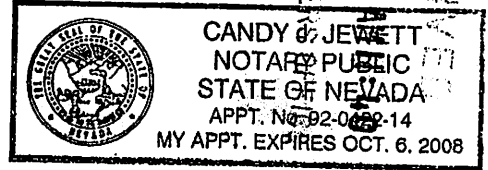
- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES • NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$57,802,000.00
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,700,000.00
7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production. The 2006 well drilling program added three new wells, and a drilling program slated for the fall of 2008 will add another 5 to 8 wells, which will bring production rates closer to the targeted volume.

Subscribed and sworn to before me this 18th day of June, 2008. Signature of Notary Public Required: Candy J. Jewett, Notary Public in and for the County of Nevada, My commission expires October 6, 2008.

Signed: Melissa Jennings, Permittee or Agent
Address: Chemetall Foote Corporation, Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047, City, State, Zip Code No.
Phone: (775) 937-2222 ext. 229

2008 JUN 25 RECEIVED stamp



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Sup PBM

Handwritten notes at bottom of page

SE ROA 417

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMITS 52919

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**  
Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**

607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

None have been submitted or recorded.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:20  
STATE ENGINEERS OFFICE

SE ROA 418





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

October 9, 2008

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2009** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ef

Enclosure: Important Notice: "Future Application for Extension of Time Filings"

cc: Southern Nevada Branch Office

Ross de Lipkau, Parsons, Behle & Latimer

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
AUG 21 2009
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

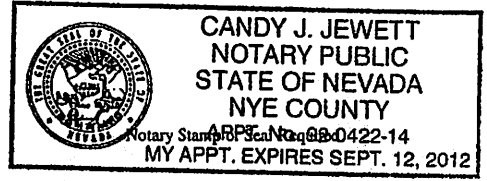
- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

- 4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$56,085,550.00
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,500,000.00
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):
A well rehabilitation program in late 2008-early 2009 targeted older wells with structural failures. This program was used as a marker for future rehabilitation endeavors. Stimulus funds were approved for a drilling program in 2010 and well rehabilitation program that will be used to reinstate several older wells to bring production rates closer to the target 2011.

Subscribed and sworn to before me this 19th day of August, 2009
Signature of Notary Public Required
Notary Public in and for the County of Nye
State of Nevada
My commission expires September 12, 2012

Signed Melissa Jennings
Permittee or Agent
Address Chemetall Foote Corporation
Street No. or P.O. Box No.
PO Box 98, Silver Peak, Nevada 89047
City, State, Zip Code No.
Phone (775) 937-2222 ext. 229



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.
SE ROA 421

Handwritten initials 'LJR' and 'PBM'

Handwritten text 'N E I M S'



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

September 30, 2009

Chemetall Foote Corporation  
PO Box 98  
Silver Peak, NV 89047

**RE: 52918, 52919, 52920 & 52921**

This is to inform you that Application for Extension of Time has been granted to **September 30, 2010** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If you have any questions regarding this notification, please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Gloria K. Lash".

Gloria K. Lash  
Administrative Assistant III

cc: Southern Nevada Branch Office  
Parson Behle & Latimer, Ross E. DeLipkau

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
SEP 02 2010
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

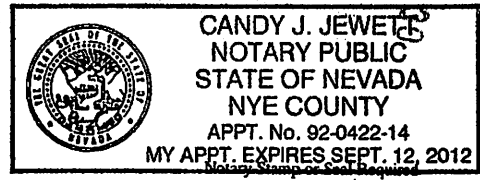
- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

- 4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$59,487,500
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,603,750
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted
In early 2009, A well rehabilitation program successfully identified an alternative means to overcome structural failures and two well were brought online prior to temporary idling of operations in 2009. Wells were restarted in 2010 and ARRA funding will be used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM

Subscribed and sworn to before me this 23rd day of August, 2010
Signature of Notary Public Required
Notary Public in and for the County of Nye
State of Nevada
My commission expires September 12, 2010

Signed Melissa Jennings, Permittee or Agent
Address Chemetall Foote Corporation
PO Box 98, Silver Peak, Nevada 89047
Phone (775) 937-2222 ext. 229



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.
SE ROA 423

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMIT APPLICATIONS

### 52918, 52919, 52920 & 52921

- 1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.

- 2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.

- 3. What type of mineral is being mined?**

Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

- 4. Submit the record of water measurements for the last one-year period.**

1.524 acre-feet was used in 2009.

- 5. Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.

- 6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

No reports or engineering drawings are submitted for review.

- 7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**



Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

RECORDED  
2010 SEP -2 AM 11:30  
STATE OF CALIFORNIA



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 10, 2010

Chemetall Foote Corporation  
Silver Peak Operations Hwy 395  
Silver Peak, NV 89047

**RE: PERMIT(S) 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2011**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Staff I Associate Engineer

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office (via email)

FILED

APPLICATION FOR EXTENSION OF TIME

AUG 29 2011

STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

[ ] YES [X] NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$61,704,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,400,000

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions

for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Wells were restarted in 2010 and ARRA funding was used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM. Well rehab and production drilling occurred during 2011 and will continue through 2012 to increase pumping capacity to achieve production goals.

Signed [Signature] Permittee or Agent

Address Chemetall Foote Corporation Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 222

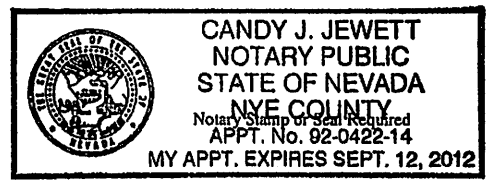
Subscribed and sworn to before me this 27th day of

August 2011 [Signature] Signature of Notary Public Required

Notary Public in and for the County of

State of Nevada

My commission expires September 12, 2012



STATE ENGINEERS OFFICE

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
6,565 acre-feet was used in 2010.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEERING DIVISION  
SE ROA 428

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEERS OFF.



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 19, 2011

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2012**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist I

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office



# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

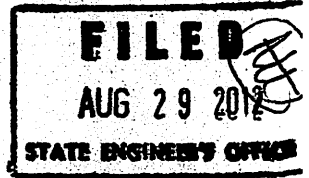
PERMIT 52919

PAGE

DEED NO.	GRANTOR	GRANTEE	CFS	AFA	ACRES	FILED UNDER DATE	DOC #		DOCUMENT DESCRIPTION/REMARKS
							#	DATE	
1	Chemetal Foote Corporation	Rockwood Lithium Inc.	5	3,619.85			SRV 120341		Certificate of Amendment of Certificate of Incorporation (A.O.F. Permit 10036)
2								3/22/12	
3									
4									
5									
6									
7									
8									

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetail Foote Corporation

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetail Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$64,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

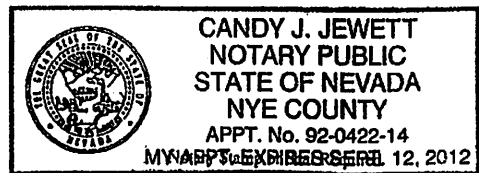
7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year) for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Funding from ARRA was used during 2012 to increase pumping capacity. During 2013 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2013. The increase in brine capacity will provide product to meet the growing demand.

STATE ENGINEERS OFFICE  
2012 AUG 29 AM 11:01  
RECEIVED

Subscribed and sworn to before me this 27th day of August, 2012  
Candy J. Jewett  
Signature of Notary Public Required  
Notary Public in and for the County of Nye  
State of Nevada  
My commission expires September 12, 2012

Signed Joseph L. Dunn  
Permittee or Agent  
Address Chemetail Foote Corporation  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.  
Phone (775) 937-2222 ext. 222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Sup PBM  
Revised  
9/3/12

SE ROA 432





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 12, 2012

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: PERMITS 52918 through 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2013 with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist 1

ALE/mt

c: Parsons, Behle and Latimer (via email)  
Southern Nevada Branch Office (via email)

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED  
JUL 10 2013  
STATE ENGINEER'S OFFICE  
CHANGE THE WATERS OF

Will  
Chemical  
Footc  
NO  
POC  
direct

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$66,104,791.


6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)  
for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Funding from ARRA was used during 2013 to increase pumping capacity. During 2014 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2014. The increase in brine capacity will provide product to meet the growing demand.

Subscribed and sworn to before me this 27<sup>th</sup> day of June, 2013  
Candy J. Jewett  
Signature of Notary Public Required  
Notary Public in and for the County of Clark  
State of Nevada  
My commission expires October 6, 2016

Signed Joseph L. Dunn Permittee or Agent  
Address Rockwood Lithium Inc. Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada, 89045 City, State, Zip Code No.  
Phone (775) 937-2222 ext. 222  
2013 JUL 10 AM 10:43  
RECEIVED  
STATE ENGINEER'S OFFICE

  
CANDY J. JEWETT  
NOTARY PUBLIC  
STATE OF NEVADA  
APPT. No. 92-0422-14  
MY APPT. EXPIRES OCT. 6, 2016  
Notary Stamp or Seal Required

**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

Ign P 1704  
K203 9/16/13



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

September 25, 2013

 Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2014**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

 Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist I

ALE/dl

cc: Parsons, Behle and Latimer, email  
Joseph L. Dunn, Rockwood Lithium Inc.  
Southern Nevada Branch Office

Rev 03/14

State of Nevada  
**REPORT OF CONVEYANCE**  
of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

1 APPLICATION / PERMIT No.: 52919 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER.: Chemetall Foote Corporation

If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Rockwood Lithium Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O.Box 98 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....	<input type="checkbox"/>	CORRECTION DEED(S).....	<input type="checkbox"/>	OTHER:	
DEED(S) OF TRUST.....	<input type="checkbox"/>	RECONVEYANCE at no charge	<input type="checkbox"/>	TOTAL # OF \$\$ Documents = >	
NOTICE(S) OF PLEDGE.....	<input type="checkbox"/>	MAP(S) at no charge.....	<input type="checkbox"/>	TOTAL # x \$20 each = 1	\$ 20.00
DEATH CERTIFICATES.....	<input type="checkbox"/>	AFF OF ID at no charge.....	<input type="checkbox"/>	Report filing fee = \$120.00*	\$ .00
DECREE(S) OF DISTR.....	<input type="checkbox"/>	OTHER: Corporate	<input checked="" type="checkbox"/>	TOTAL FEES SUBMITTED*	\$ 20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE.  
\*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5 CFS 3,619.85  ACRE-FEET ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

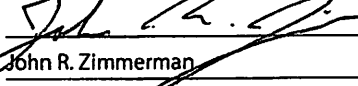
11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER: \_\_\_\_\_

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269, 44270, 49805, 52917, 52918, 52919, 52920, 52921.

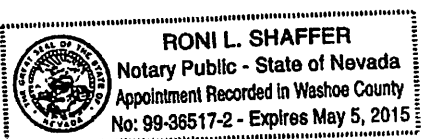
13 Additional Space/Remarks: #7 - Continued - 44270, 49988, 52918, 52919, 52920 and 52921

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada  
COUNTY OF Washoe  
SUBSCRIBED AND SWORN TO BEFORE ME ON 07-01-14  
BY: \*\*\*John R. Zimmerman\*\*\*

SIGNATURE:   
PRINT NAME: John R. Zimmerman  
MAILING ADDRESS: 50 W. liberty St., Suite 750  
FIRM NAME: Parsons Behle & Latimer  
CITY: Reno STATE: NV ZIP: 89501  
PHONE: 89501  OWNER?  
E-MAIL:  AGENT?

  
Signature of Notary Public Required



Notary Stamp or Seal Required

Is a consent to receive email correspondence already on file? YES   
If not, please download from our website and include.

SLC 7/18/14

FEE RECORDS

Receipt No.(s) \_\_\_\_\_

Date of Receipt 10/25/2014

\$\$ This Permit \$20,000

Original Receipt Located  
In File No \_\_\_\_\_

10036

Deeds / Docs Filed in  
File No. \_\_\_\_\_

10036

2014-10-25 10:00 AM  
10036



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

July 23, 2014

John R. Zimmerman  
Parsons Behle & Latimer  
50 W. Liberty St., Suite 750  
Reno, NV 89501

RE: Permits 10036, 15847, 24382, 44248, 44250 – 44253, 44255 – 44258, 44260, 44261, 44267 – 44670, 49805, and 52917 – 52921

To Whom It May Concern:

Please be advised that your *Reports of Conveyance* received on July 8, 2014, are hereby confirmed to update ownership of the above mentioned permits in the name of **Rockwood Lithium Inc.**, as listed in the table below. Details of the above permit(s), including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	Diversion Rate (cfs)	Duty (AFA/AFS)	Acres/Units
10036/2627	0.334	---	---
15847/4838	0.53	---	---
24382/7234	1.0	723.95	---
44248	1.0	20.16	---
44250/11268	0.003	---	100 head of cattle
44251/12770	1.0	723.97	---
44252/12271	0.43	311.3	---
44253/12772	0.84	608.13	---
44255/12773	0.39	282.35	---
44256/12774	0.22	159.27	---
44257/12775	0.35	253.39	---
44258/12776	0.27	195.47	---
44260/12777	0.20	144.79	---
44261/12278	0.22	159.27	---
44267/12779	0.44	318.50	---
44268/12780	0.46	334.47	---
44269/12781	0.26	188.23	---
44270/12782	1.00	723.97	---
49805/14655	0.13	20.13	---
52917	1.0	21.63	---
52918	5.0	3619.85	---
52919	5.0	3619.85	---
52920	5.0	3619.85	---
52921	5.0	3619.85	---

Zimmerman, John  
Permit 10036+  
July 23, 2014  
Page 2 of 2

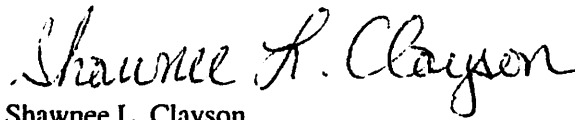
Permits 29728, 44248, 49805, 52917, 69220, 76343 and 77966 have a total combined duty not to exceed 588.67 acre feet annually.

Permits 44251 – 44258, 44260, 44261 , 44267 – 44270, 49988, and 52918 - 52921 have a total combined duty not to exceed 20,000 acre feet annually.

Also be advised that according to NRS 533.386 (2.), this confirmation of your Report of Conveyance does not guarantee that a) the water right is in good standing with the office of the State Engineer; or b) the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and c) this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right.

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, please contact me directly at (775) 684-2830.

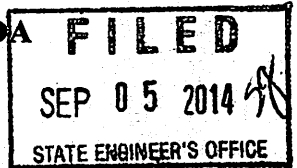
Sincerely,



Shawnee L. Clayson  
Engineering Technician III

SLC/sgc  
cc: Rockwood Lithium Inc.  
SNBO

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA



APPLICATION FOR EXTENSION OF TIME

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$68,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)  
for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

STATE ENGINEER'S OFFICE  
2014 SEP -5 AM 11:33  
RECEIVED

Signed Melissa Jennings  
Permittee or Agent

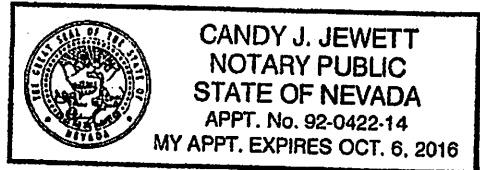
Address Rockwood Lithium Inc.  
Street No. or P.O. Box No.

PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

Subscribed and sworn to before me this 28<sup>th</sup> day of August, 2014  
Candy J. Jewett  
Signature of Notary Public (Required)

Notary Public in and for the County of Nye  
State of Nevada  
My commission expires October 6, 2016



Notary Stamp or Seal Required

**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

1 yr  
PBJ  
9/8/14  
CMT

SE ROA 440





Division of Water Resources  
Receipt for Payment



Rockwood Lithium Inc.  
P.O. Box 98  
Silverpeak, NV 89047

Check #: 28336  
Check Date: 9/3/2014  
Date Received: 9/5/2014  
Receipt #: 1,508

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2015	\$120.00	52919		- Extensions	Covers Ext No's 52918 through 52921



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 25, 2014

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit 52918, through 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2015**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2803.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Thorson".

Chris Thorson  
Water Resource Specialist I

CMT/sg

cc: Parsons, Behle & Latimer, e-mail  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
SEP 04 2015
STATE ENGINEER'S OFFICE

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52919, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$70,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions

for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

Signed Scott Thibodeaux Permittee or Agent

Address Rockwood Lithium Inc. Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 226

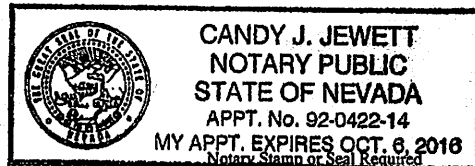
Subscribed and sworn to before me this 31st day of

August 2015
Signature of Notary Public Required
Candy J. Jewett

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2015



\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Handwritten notes: 9/8/15, AB

SE ROA 443



Division of Water Resources  
Receipt for Payment



Rockwood Lithium Inc.  
P.O. Box 98  
Silverpeak, NV 89047

Check #: 28485  
Check Date: 8/31/2015  
Date Received: 9/4/2015  
Receipt #: 9,104

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2016	\$120.00	52919		- Extensions	COVERS EXT NO'S 52918, 52919, 52920 AND 52921 CK TOTAL \$480.00



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 10, 2015

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918 through 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2016**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

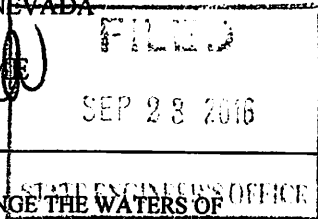
Amanda Brownlee  
Water Resource Specialist I

AB/sg

cc: Parsons, Behle & Latimer  
Southern Nevada Branch Office

APPLICATION FOR EXTENSION OF TIME

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)



IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent  
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)
- 2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  Yes  No (Check the appropriate box)
- 3. If "No" on question 2 is checked, on whose behalf is this extension being filed?  
Rockwood Lithium Inc.
- 4. How much time is needed to construct the works of diversion or place the water to beneficial use? Two years
- 5. What is the expenditure on the project under this permit? Last year? \$1,000,000 Total to date? \$71,104,791
- 6. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the (Not to exceed 1 year)

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STATE ENGINEERS OFFICE  
SEP 23 AM 11:26

Proof of Beneficial Use

(Proof of completion of work and/or Proof of beneficial use)

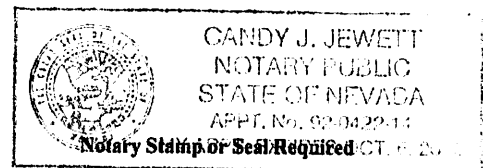
7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

In 2016 a high volume well was targeted to increase production needs for the facility; however, the harsh environment, deep aquifer depths, and fluctuating recharge have made maintaining other pumping systems difficult. The facility has also been working with experts to develop a Hydrostratigraphical Model of the basin. This model, and continued research, will allow the facility to determine where the optimal location for a well is, and also the depth at which we should drill. Our goal is to continue increasing our knowledge of the Clayton Valley Basin in order to increase our brine capacity to optimize production needs and meet the growing demand for lithium.

State of Nevada  
County of Nye  
Subscribed and sworn to before me on 09/20/2016  
by Scott J. Thibodeaux

Signed Scott Thibodeaux  
Permittee or Agent  
Address Rockwood Lithium Inc  
Street Address or PO Box  
PO Box 98, Silver Peak, NV 89047  
City, State, ZIP Code  
Phone (775) 937-2222 Ext 226  
E-mail scott.thibodeaux@rockwoodlithium.com

Candy J. Jewett  
Signature of Notary Public Required



**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT**

POU  
2-16



**Division of Water Resources  
Receipt for Payment**



Rockwood Lithium Inc.  
P.O. Box 98  
Silverpeak, NV 89047

Check #: 28616  
Check Date: 8/29/2016  
Date Received: 9/23/2016  
Receipt #: 27141

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2017	\$120.00	52919		- Extensions	COVERS EXT NO'S 52918, 52919, 52920 AND 52921  CK TOTAL \$480.00



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 12, 2016

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2017, with the provision that no further extensions will be granted for filing Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Parsons, Behle & Latimer (email)  
Thiel Engineering Associates, Inc. (email)  
Southern Nevada Branch Office



Rev 10/16

State of Nevada  
**REPORT OF CONVEYANCE**  
of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

1 APPLICATION / PERMIT No.: 52919 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER:  
Rockwood Lithium Inc.  
If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Albemarle U.S., Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O. Box 98, State Route 265 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....	0	CORRECTION DEED(S).....	0	OTHER:	
DEED(S) OF TRUST.....	0	RECONVEYANCE at no charge	0	TOTAL ## OF \$\$ Documents = >	1
NOTICE(S) OF PLEDGE.....	0	MAP(S) at no charge.....	0	TOTAL # x \$20 each =	\$ 20.00
DEATH CERTIFICATES.....	0	AFF OF ID at no charge.....	0	Report filing fee = \$120.00*	\$ 0.00
DECREE(S) OF DISTR.....	0	OTHER: <u>Cert. of Amendment</u>	1	TOTAL FEES SUBMITTED* \$	20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE.  
\*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: See attached.

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS 3619.85 ACRE-FEET          ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER:         

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268,  
44269, 44270, 49805, 49988, 52917, 52918, 52920, 52921, 85746, 86951T, 86952T, 87053T


13 Additional Space/Remarks: This Report of Conveyance memorializes only a corporate name change and not an assignment or conveyance of water rights.

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada  
COUNTY OF Washoe  
SUBSCRIBED AND SWORN TO BEFORE ME ON 07-28-17  
BY: Ross E. de Lipkau  
Print name of Permittee or Agent signing form

SIGNATURE: Ross E. de Lipkau  
PRINT NAME: Ross E. de Lipkau  
FIRM NAME: Parsons Behle & Latimer  
MAILING ADDRESS: 50 W. Liberty, Ste. 750  
CITY: Reno STATE: NV ZIP: 89501  
PHONE: 775.323.1601  OWNER?  
E-MAIL: rdellpkau@parsonsbehle.com  AGENT?

Roni L. Shaffer  
Signature of Notary Public Required



**RONI L. SHAFFER**  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 99-36517-2 - Expires May 5, 2019

Notary Stamp or Seal Required

Is a consent to receive email correspondence already on file? YES   
If not, please download from our website and include.

FEE RECORDS

Receipt No.(s) 33376

Date of Receipt 8/2/17

\$ This Permit 20.00

Original Receipt Located  
in File No 10036

Deeds / Docs Filed in  
File No. 10036

ENGINEERS OFFICE

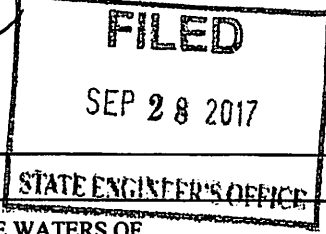
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RECEIVED

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

(See instructions on back)



A. NDWR's Owner(s) of Record Albemarle U.S., Inc. (formerly known as Rockwood Lithium Inc.)

B. IN THE MATTER OF PERMIT NO. 52919 FILED TO APPROPRIATE/CHANGE THE WATERS OF Underground Source

(Name of stream, lake, spring, underground or other source)

C. THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now John Mayes, the  Permittee  Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)

2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  Yes  No (Check the appropriate box)

3. If "No" on question 2 is checked, on whose behalf is this extension being filed? Albemarle U.S., Inc.

4. How much time is needed to construct the works of diversion or place the water to beneficial use? Five Years

5. What is the expenditure on the project under this permit? (a) Last year \$1,000,000 (b) Total to date \$72,104,791

6. The permittee requests an extension of time for Five Years within which to comply with the provisions for filing the (Not to exceed 5 years)

Proof of Completion of Work  Proof of Beneficial Use  Cultural Map (Check all that apply)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is needed. (See instructions on back. Use additional pages if necessary):

Please see Exhibit A - Applications For Extension of Time Permits 52918, 52919, 52920 & 52921

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2017 SEP 28 PM 1:10  
STATE ENGINEER'S OFFICE

State of Nevada

County of ESMERALDA

Subscribed and sworn to before me on SEPT 20, 2017

by John Mayes  
Print name of Permittee or Agent signing form

Signed [Signature]  
Permittee or Agent

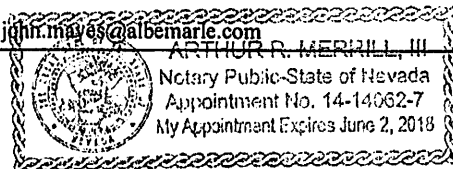
Address PO Box 98  
Street Address or PO Box

Silver Peak, NV 89047

City, State, ZIP Code

Phone (775) 937-2222 Ext. 222

E-mail john.mayes@albemarle.com



[Signature]  
Signature of Notary Public Required

Notary Stamp or Seal Required

**\$120 FILING FEE PER YEAR FOR EACH YEAR REQUESTED  
MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.**

Revised 06/17 - ext\_app

10/12/17  
AP JK

SE ROA 451



**Division of Water Resources  
Receipt for Payment**



Rockwood Lithium Inc.  
P.O. Box 98  
Silverpeak, NV 89047

Check #: 28751  
Check Date: 9/19/2017  
Date Received: 9/28/2017  
Receipt #: 34544

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2018	\$600.00	52919		- Extensions	COVERS 5 YR EXT NO'S 52918 THROUGH 52921
					CHECK TOTAL \$2,400.00

*10/20/17*  
*\$1450.00*  
*[Signature]*

**PAID**  
52918  
\$1920  
Date 11/15/2017  
Warrant No. 1617706

PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.nvwaterlaw.com

DAVID H. RIGDON  
TIMOTHY D. O'CONNOR  
EVAN J. CHAMPA  
DAVID A. BAILEY

October 5, 2017

Jason King, P.E.  
State Engineer  
Nevada Division of Water Resources  
901 S. Stewart St., Ste. 2002  
Carson City, NV 89701

**RECEIVED**

OCT 06 2017

STATE ENGINEER'S OFFICE

Re: Albemarle Extensions of Time

Dear Mr. King:

We are writing on behalf of Pure Energy Minerals, Ltd., and its subsidiary, Esmeralda Minerals, LLC (hereinafter together as "Pure Energy") to formally request that your office deny Albemarle Corporation ("Albemarle")'s recently filed Extension of Time for water rights 52918, 52919, 52920, and 52921. Albemarle filed the extensions of time requests on September 28, 2017. As your office has stated in the past, "[b]ecause of Nevada's arid geography, vital public policy considerations dictate that the State Engineer monitor the beneficial use of water."<sup>1</sup>

This is the 19<sup>th</sup> extension of time request for these specific water rights.<sup>2</sup> To date, these water rights have never been fully put to beneficial use. Companies such as Pure Energy have filed for, and have been denied, access to this water while Albemarle has been permitted to hold the excess water hostage, never placing it to beneficial use. Pure Energy requests that your office take action regarding these unused rights, and deny Albemarle's extension of time.

The law is well settled in Nevada that beneficial use shall be the basis, the measure and the limit of the right to the use of water.<sup>3</sup> When the necessity for the use of water does not exist, the right to divert it ceases.<sup>4</sup> The quantity of water from an underground source . . . shall be limited to such water as shall reasonably be required for the beneficial use to be served.<sup>5</sup> While extensions of time to put the water to beneficial use are permitted to be granted by the State Engineer's office, the applicant must provide proof that they are pursuing application of the water to beneficial use with good faith and diligence.<sup>6</sup> "Because the state has a right to designate

<sup>1</sup> Ruling 6343 at 2.

<sup>2</sup> These rights are chained to rights that were originally filed in the 1980s. Albemarle has not been able to prove up these water rights since the 1980s.

<sup>3</sup> NRS 533.035.

<sup>4</sup> NRS 533.070.

<sup>5</sup> NRS 533.070.

<sup>6</sup> NRS 533.380(3)(b).

the method of appropriation it can also designate how long water may be permitted to run idly and not be beneficially used.”<sup>7</sup>

Albemarle has never been able to, nor are they likely ever going to be able to, put the water permitted to it to beneficial use. In its progress reports, Albemarle consistently cites to economic and structural impedances to its ability to put the water to full use. However, the impediment to the full use of water is a lack of ability to use 20,000 acre feet for its project, not economic or structural issues. Albemarle’s operation simply cannot use 20,000 acre feet of water.

The anti-speculation doctrine reiterates a long-standing premise of western water law: an appropriator must show intent to put the appropriated water to beneficial use in a reasonable amount of time.<sup>8</sup> In Ruling 6343, the State Engineer reviewed Nevada’s anti-speculation doctrine. In doing so, the State Engineer found that a third extension violated the anti-speculation doctrine. Here, the State Engineer is considering Albemarle’s 19<sup>th</sup> extension. The Nevada Supreme Court has stated,

[the anti-speculation] doctrine precludes speculative water right acquisitions without a showing of beneficial use. Precluding applications by persons who would only speculate on need ensures satisfaction of the beneficial use requirement that is so fundamental to our State’s water law jurisprudence.<sup>9</sup>

The Nevada Supreme Court has further stated,

the preeminent public policy concern in Nevada regarding water rights is beneficial use . . . the legislature has recognized that water is a limited resource in Nevada and it belongs to the public; therefore one who does not put it to a beneficial use should not be allowed to hold it hostage.<sup>10</sup>

Lastly, the Nevada Supreme Court has held that,

a mere statement of intent to put water to beneficial use, uncorroborated with any actual evidence, after nearly twenty years of nonuse is insufficient to justify a sixteenth extension to file proof of beneficial use resulting in cancellation of the right.<sup>11</sup>

The State Engineer’s office has explained that the legislative history of Nevada Revised Statutes (“NRS”) 533.370(1)(c)(2) demonstrates that the anti-speculation doctrine applies to permits such as Albemarle’s.<sup>12</sup> “While beneficial use is the cornerstone of Nevada water law,

<sup>7</sup> *In re Manse Springs*, 60 Nev. 280, 287, 108 P.2d 311, 315 (1940).

<sup>8</sup> *Bacher v. State Engineer*, 122 Nev. 1110, 146 P.3d 793 (2006).

<sup>9</sup> *Id.* at 1121, 146 P.3d at 799 (2006).

<sup>10</sup> *Preferred Equities Corporation v. State Engineer*, 119 Nev. 384, 389, 75 P.3d 380, 383 (2003); *see also Bacher*, 122 Nev. at 1118, 146 P.3d at 797; *see also Ruling 6343*.

<sup>11</sup> *Desert Irr. Ltd. v. State*, 113 Nev. 1049, 944 P.2d 835 (1997).

<sup>12</sup> Ruling 6343.

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OCT 09 2017  
STATE ENGINEER'S OFFICE

the concept of diligence also runs deep through the water law.”<sup>13</sup> Allowing Albemarle to “maintain a[n] . . . appropriation without progress frustrates the fundamental policy of promoting the maximum use of the State’s limited water supply.”<sup>14</sup> Albemarle has, for nearly two decades, been granted extensions of time to put their water rights to beneficial use. Yet, Albemarle has never shown an ability to use the full amount of its water rights.

A review of Albemarle’s file shows that decades ago, Albemarle filed permits to ensure that it maintained water rights equal to the perennial yield of the basin.<sup>15</sup> For decades, this water has sat unused by Albemarle. According to the file, Albemarle has never been able to use more than roughly 11,000 acre feet in any given year. On average, Albemarle is able to put less than 10,000 acre feet to beneficial use. Yet, Albemarle has been permitted to hold 20,000 acre feet of water rights without showing an ability to use half of that water. In every recent year, Albemarle has filed progress reports with your office that show it cannot use all of the water it is permitted. Additionally, these reports show that Albemarle continues to drill new wells and rehabilitate existing wells without proper reporting to your office. These progress reports are almost identical year after year, showing no reasonable progress towards using the full extent of their permits. Thus, nearly 10,000 acre feet of water goes unused in Clayton Valley year after year.

That extra water can – and should – be put to beneficial use. Companies such as Pure Energy are forced to sit by and watch this water go unused because the water is being held hostage by Albemarle. Albemarle has manipulated the permitting system to keep competition out of Clayton Valley. Pure Energy holds valid federal mining rights to lithium in Clayton Valley, but seemingly cannot access that lithium without access to water under the current interpretations of Nevada water law. Pure Energy strives to mine Nevada lithium for Nevada companies, using Nevada workers, but cannot because Albemarle has strategically claimed water they will never use. If Albemarle is allowed to continue to hold all of the available water in Clayton Valley in unused permits, Nevada will miss a golden opportunity to become a leader in renewable energy lithium production.

Albemarle’s extension of time to put its water to beneficial use should be denied, in part or in full, because the right to use water in Nevada is limited to what can reasonably be used. Water speculation or hoarding is prohibited in Nevada. A water holder simply cannot hold onto water rights they cannot themselves use within a reasonable amount of time. However, that is exactly what Albemarle has been doing for decades. Albemarle is speculating on their water because Albemarle knows that it cannot use this water. But by tying the water up in a permit stage, Pure Energy will be hampered in accessing its own federal claims to lithium. The water belongs to the public, and should be free to be placed to beneficial use by a willing user.

Pure Energy respectfully requests that your office deny, in whole or in part, Albemarle’s application to extend time to place its water rights to beneficial use. 19 years is beyond a reasonable amount of time to prove up a set of permits. As such, your office should require

<sup>13</sup> Ruling 6343.

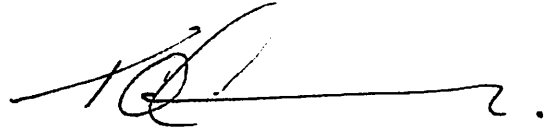
<sup>14</sup> *Trans-County Water Inc. v. Central Colo. Water Conservancy Dist.*, 727 P.2d 60, 65 (Colo. 1986).

<sup>15</sup> See Exhibit 1.

Albemarle to prove up the used water, allowing the unused water to be beneficially used by those who can use it.

If you have any questions, please contact us at our office.

Sincerely,



Timothy D. O'Connor, Esq.  
TAGGART & TAGGART, LTD.

RECEIVED  
OCT 09 2017  
STATE OF ILLINOIS OFFICE



# EXHIBIT 1

RECEIVED  
OCT 03 2007  
STATE ENGINEER'S OFFICE

# EXHIBIT 1

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

**1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Rockwood filed for a Super Permit under application #85746. This application was protested by Esmeralda Minerals LLC. The purpose of this Super Permit is to consolidate all of the existing groundwater permits and certificates for the continued pumping of the multiple groundwater sources owned by Rockwood Lithium and used for the withdrawal of the groundwater Lithium resource. The application was filed on 12/18/2015 and became Ready For Action on 03/05/2016. The Protest was filed by Esmeralda Lithium/Pure Energy on March 7, 2016. Rockwood Lithium continues to pump its existing water rights from wells that are interspersed on the Rockwood claims. The groundwater/brine that is pumped is placed into evaporative ponds that are used to concentrate the groundwater into a lithium concentrate for processing at the adjoining mill.

Well rehabilitation/drilling/development during 2015-2016 has resulted in greater capacity on a year on year basis. Rockwood Lithium has focused on its well efficiency across the playa resulting in an overall increase in well production. This focus has allowed the site to maintain a more consistent pumping rate throughout the year. However, critical well failures have also played a role by creating well downtime and thus negatively impacting pumping rates. Rockwood Lithium has detailed plans to minimize the downtime of each well and is beginning to see long term results. These plans start with maintaining a critical inventory of parts and equipment on site along with a team of qualified personnel immediately available for well repair/rehabilitation activities. Additional development of our water distribution facilities include; continuing to optimize our existing wells, rehabilitate older wells and drill new wells where appropriate.

An overall expansion plan has been implemented to increase our total pumping to a withdrawal of the permitted 20,000 acre feet per annum. One such action was the drilling of a replacement well under permit 86029 which was issued on 04/12/2016. Another action includes the preparation of the required permitting documents for the installation of two new wells during 2016. In addition, Rockwood Lithium is in the process of completing further scientific analysis of the groundwater system (via seismic and hydro stratigraphic modeling) in order to improve on its existing reservoir of knowledge in the Basin aquifer system. In the future, these will allow for more accurate targeting of production zones within the underground source. These items will continue throughout 2017 in order to make progress towards our goal of using the full permitted volumes.

Finally it should be noted that our efforts to expand our use of the permitted resource has been hindered by the proliferation of exploratory drilling in Clayton Valley. These exploration activities are being undertaken in wells immediately contiguous to wells used by Rockwood and thus we have been working to understand the negative impact resulting from these activities.

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FEB 06 2017

STATE ENGINEER'S OFFICE

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considerable amount of time has been expended on administratively rejecting intrusion into the mining resource held by Rockwood Lithium and in analyzing what contributing effects that the additional withdrawal of the groundwater might have on the environment and the integrity of the groundwater basin. Concerns have been raised as to the potential impact of planned reinjection from contiguous claims and its dilution/pollution impact on the groundwater/lithium resource. Rockwood Lithium has also brought forward concerns as to inappropriate drilling techniques and perhaps unknown construction issues that may result in further impacts to this resource. All of these issues have substantiated growing concerns as to the physical ability of the groundwater resource to handle the potential over drafting of the groundwater as well as the potential impact to the pumping wells held by Rockwood Lithium.

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STATE DEPT'S OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Well rehabilitation/drilling/development in 2014-2015 ultimately resulted in greater capacity. However, some critical well failures resulted in downtime. Plans to minimize the downtime of each well are continuing to improve. These plans include having qualified personnel readily available and an inventory that meets the needs of our wells. Addition development for our water distribution facilities include, continuing to optimize our current wells, rehabilitate older wells and drill new wells. These items will continue throughout each year in order to make progress towards our goal of using the full permitted volumes. Currently the completion date is underdetermined.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
11,720 acre-feet was used in 2014, during the period from August 2014-July 2015 the use was 11,533 acre-feet.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Several wells were drilled towards the end of 2014. Maintenance and development of all wells continued thereafter with scheduled plans to drill new wells in the remaining months of the year 2015. Similar development activities will take place in late 2015 and into 2016.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.

STATE ENGINEERS OFFICE

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1 10 5

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RECEIVED

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions are continuing to improve. Our new owner, Albemarle Corp., has shown favorable spending and support for expansion. In late 2014 and early 2015 there were some critical well failures that resulted in a reduction in volume from the previous year. However, with great effort we were able to repair these wells and continue working towards our goal. Funding has been approved to continue well rehabilitation and drilling for the remainder of the year, thus production volumes will continue to fluctuate until enough wells can provide flexibility to manage pumping rates at sustainable levels.

STATE ENGINEERS OFFICE

2015 SEP -4 PM 3:06

RECEIVED

RECEIVED  
OCT 20 2015  
STATE ENGINEERS OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2012-2013 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,670 acre-feet was used in 2012.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2012-2013, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2013 and throughout 2014, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

STATE ENGINEERS

RECEIVED  
07/10

STATE ENGINEERS OFFICE  
2013 JUL 10 AM 10:43

RECEIVED

Market conditions are on an upswing. Drill rig repairs started at the end of 2012 and continued through the 1<sup>st</sup> and half of the 2<sup>nd</sup> quarter of 2013. The drill rig has been rebuilt and will continue to drill new production wells during 2013 and 2014.

RECEIVED

2013 JUL 10 AM 10:43

STATE ENGINEERS OFFICE

RECEIVED

JUL 10 2013

STATE ENGINEERS OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2011-2012 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,606 acre-feet was used in 2011.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2011-2012, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2012 and throughout 2013, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
OCT 16 2011  
STATE ENGINEER'S OFFICE



Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Turn over of upper management at the end of 2011 resulted in slower than expected results.

RECEIVED  
2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

RECEIVED  
OCT 16 2012  
STATE ENGINEER'S OFFICE

# WORK IN PROGRESS INFORMATION SHEET WATER RIGHT PERMIT APPLICATIONS 52918, 52919, 52920 & 52921

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
 Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
 The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.

3. **What type of mineral is being mined?**  
 Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
 Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
 6,565 acre-feet was used in 2010.

*Total of all wells?*

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
 In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
 No reports or engineering drawings are submitted for review.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
 2011 AUG 29 PM 1:50  
 STATE ENGINEERS OFFICE

RECEIVED  
 8/29/2011  
 STATE ENGINEERS OFFICE

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

RECEIVED

2011 AUG 29 PM 1:50

STATE ENGINEER'S OFFICE

STATE ENGINEER'S OFFICE

SE ROA 467

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1.524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

2010 SEP - 30  
STATE ENGINEER JUDGE

STATE ENGINEER JUDGE

Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

STATE P.L. 2010 SEP -2 1:11:30

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2008-2009 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
10,089 acre-feet was used in 2008.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2008-2009, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2009 and throughout 2010, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
One engineering design change for Chemetall Foote Corp.'s Water Pollution Control Permit was submitted and approved by NDEP in 2009. No other reports or engineering drawings are submitted for review.

5  
- 11/1  
- 1/10  
- 1/10  
- 1/10

← Permit # 111  
- 1/10

20,000  
2009

7

RECORDED  
INDEXED  
STATE OF MONTANA

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products beginning in late-2008, continuing into mid-2009. The result of this was the temporary idling of wells and transfer pumps, employee reduction in force, and budget cuts. Wells normally operated during this time are in recovery from pumping, with occasional pumping needed to exercise the pumping system. 2009 stimulus money, approved in August, is intended to aid this situation, allowing for restarting production wells and new well drilling and/or rehabilitation of older wells.

]

REC'D  
SUBMITTED

# WORK IN PROGRESS INFORMATION SHEET WATER RIGHT PERMITS 52918

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
Chemetal Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**  
Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
None have been submitted or recorded.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**  
No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:19  
STATE ENGINEERS OFFICE

RECEIVED

JUN 27

STATE ENGINEERS OFFICE

SE ROA 472





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that upon review of the Applications for Extension of Time for Permits 52918, 52919, 52920, and 52921, including attached exhibits, and, considering the grounds raised in the objection by Pure Energy Minerals, Ltd. to the Applications for Extension of Time, the Applications for Extension of Time for filing Proof of Beneficial Use have been granted for **ONE YEAR, until September 30, 2018, not the requested 5 years**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Thiel Engineering Associates, Inc. (email) Southern Nevada Branch Office  
Albemarle U.S., Inc.  
Parsons, Behle & Latimer (email) (Permits 52919, 52920, and 52921 Only)

**SE ROA 473**

BRIAN SANDOVAL  
Governor

STATE OF NEVADA

BRADLEY CROWELL  
Director

JASON KING, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**Re: Permits 52918, 52919, 52920 and 52921**

Dear Ladies and Gentlemen:

Applications for Extension of Time submitted by you and received in this office on September 28, 2017, are being approved; however, an extension of time is only being granted for **ONE YEAR** and not the five years that were requested on the application.

The \$1920.00, receipt 34544 in filing fees in excess of a one year extension will be returned to you under separate cover.

Should you have any questions regarding this matter, please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee P.E.  
Water Resource Specialist I

AB/sg  
Enclosure

SE ROA 474

# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT 52919

PAGE 1 of 2

DEED NO.	GRANTOR	GRANTEE	CFS	AF	Units	FILE UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION REMARKS
info only	Foote Mineral Company	Original Applicants filed 2/9/1989 for mining and domestic purposes Permit Approved 8/30/1993	5	3619.85	--	52919 2/9/1989 8/30/1993	Original Application 1/19/1989	Application to appropriate an underground source POD SW¼NE¼ Sec. 13, T. 2S., R. 39E., M.D.M.
1	Foote Mineral Company	Cyprus Foote Mineral Company	--	--	--	10/9/1989	1/19/1989	Cert. of Amend - Corp. Name Chg. State of PA.
2	Foote Mineral Company	Cyprus Foote Mineral Company	5	3619.85	--	10/9/1989	10/5/1989	Cert. of Amend - Corp. Name Chg. State of NV.
3	Cyprus Foote Mineral Company	Chemetail Foote Corporation	5	3619.85	--	3/12/1999	2/5/1999	G. B & S Deed Water Rights (Corp. Name Chg)
4	Chemetail Foote Corporation	Rockwood Lithium Inc.	5	3619.85	--	7/8/2014	3/22/2012	Cert. of Amended Corporation Name Change State of DE
info only	Albemarle U.S., Inc.	Original Applicant filed April 7, 2017 for mining & milling purposes Permit Approved June 27, 2017	2	1447.94	--	PER 87053T 4/7/2017 6/27/2017	Application to Change 11/3/2017	Application to Change the POD, MOU of a portion of Permit 52919
5	Rockwood Lithium Inc.	Albemarle U.S., Inc.	5	3619.85	--	10036 8/2/2017	202732140 6/19/2017	Certificate of Amended Corporation Name Change, State of Delaware
info only	Albemarle U.S., Inc.	Original Applicant filed Nov 3, 2017 for mining and milling purposes	0.25	181	--	RFA 87459T 11/3/2017	Application to Change 11/3/2017	Application to Change the POD, POU & MOU of a portion of Permit 52919

# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT 52919  
PAGE 2 of 2

DEED NO.	GRANTOR	GRANTEE	CFS	AF	Units	FILE UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION REMARKS
info only	Albermarle U.S., Inc.	Original Applicant filed Nov 3, 2017 for mining and milling purposes	1.5	1086	--	RFA 87460T 11/3/2017	Application to Change to Change	Application to Change the POD, POU & MOU of a portion of Permit 52919

**State of Nevada**  
**Division of Water Resources**  
**Request for Correspondence and Change of Address**

Rev. 10/2016

In regard to permit number(s) 52918, 52919, 52920, 52921, 85746 (Check applicable item)

- Please add my name to the mailing list and send copies of all correspondence to the address below:  
(Fill in NEW ADDRESS information only.)
- Please change the address for copies to be sent as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)
- I am the permit holder. Please change my address as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)

**NEW ADDRESS**

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**OLD ADDRESS**

Name: \_\_\_\_\_

Address: \_\_\_\_\_


City, State, ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_

I am the:

- Individual named above. (Complete signature below only.)
- Agent (Complete signature, name and address below.)
- Representative (Complete signature, name and address below.)

This form accurately reflects the mailing address for the permit holder or other individual identified above.

Signature: 

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

DATE ENCLOSURES OFFICE  
2017 NOV 15 AM 10:15

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**SE ROA 477**

STATE OF NEVADA  
DIVISION OF WATER RESOURCES

# SUMMARY OF OWNERSHIP

Please retain this sheet on top of file

PERMIT: 52919      USE: MM      CFS: 5      DUTY: 3619.85      AF  
 CERTIFICATE:      ISSUED:      CFS:      DUTY:      AF

REVIEW DATE: 7/18/2014      BY: SLC      SUPPLEMENTAL TO: 44251 thru 44261, 44267 thru 44270, 49988, 52918 thru 52921 TCD  
 LAST UPDATE: 11/16/2017      BY: DZ      = 20,000 AFA

Owner	CFS	DZ	DUTY AF	UNITS	STATUS	CHANGED BY	REFERENCED DOCUMENTS	DESCRIPTION
-------	-----	----	---------	-------	--------	------------	----------------------	-------------

Albemarle U.S., Inc.	3		2171.91	---				
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Albemarle U.S., Inc.	2		1447.94	0	87053T			
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GRAND TOTALS      5      3619.85



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 4, 2017

**VIA EMAIL**

Parsons, Behle & Latimer  
Mr. Ross De Lipkau  
50 W Liberty, Suite 750  
Reno, NV 89501

**RE: Water Rights Title**

Mr. De Lipkau:

Please be advised that your *Reports of Conveyance* received on August 2, 2017, are hereby confirmed to update ownership of water rights and applications as listed in the table below. These water rights are now in the name of **ALBEMARLE U.S., INC.** Details of the permits, including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	cfs	Duty (afa)	Acres/Units
10036/2627	0.334		
15847/4838	0.530		
24382/7234	1.000	723.95	
44248	1.000	20.16	
44250/11268	0.003		100 head of cattle
44251/12770	1.000	723.97	
44252/12771	0.430	311.30	
44253/12772	0.840	608.13	
44255/12773	0.390	282.35	
44256/12774	0.220	159.27	
44257/12775	0.350	253.39	
44258/12776	0.270	195.47	
44260/12777	0.200	144.79	
44261/12778	0.220	159.27	
44267/12779	0.440	318.50	
44268/12780	0.462	334.47	
44269/12781	0.260	188.23	
44270/12782	1.000	723.97	
49805/14655	0.130	20.16	
49988/14295	2.000	1448.00	

52917	1.000	21.63	
52918	5.000	3619.85	
52919	3.000	2171.91	87053T por. change
52920	5.000	3619.85	
52921	5.000	3619.85	
85746	---	---	
86951T	---	---	
86952T	---	---	
87053T	2.000	1447.94	

Also be advised that the confirmation of your Report of Conveyance does not guarantee that the water right is in good standing with the office of the State Engineer; the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and, this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right. See NRS 533.386(2)(a)-(b).

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, call (775) 684-2829.

Sincerely,

Dan Zampirro

Dan Zampirro  
Engineering Technician III

DZ/arp

cc: Albemarle U.S., Inc.



No. **52920**

Date Filed **FEB 09 1989**

Indexed under

Well Log *No 606*

Name of applicant **X**

Map

Basin **CLAYTON VALLEY**

Stream

**10-143**

Township **1 S. Range 40 E.**

County **ESMERALDA**

Point of diversion **SW 1/4 NE 1/4 Section 23**

Applicant **FOOTE MINERAL COMPANY**

**ASSIGNED**

Source of Water **UNDERGROUND**

Returned for correction

Abrogated by

Corrected application received

Map filed **12/8/81 UNDER 44251 (POD ON SHEET #4 OF 5)**

Sent for publication **MAR 1 1989**

Proof of publication filed **APR 10 1989**

Investigated on ground by

Protested

Ready for action **MAY 6 1989**

Approved **Aug 30, 1993** **5.0cfs** **mining, domestic**

Denied

N	PROOF OF COMMENCEMENT	PROOF OF COMPLETION	PROOF OF BENEFICIAL USE	CULTURAL MAP
Date due		<b>SEP 30 1998</b>	<b>SEP 30 1998</b>	
1st extension			<i>05-04-98</i>	
2nd extension			<i>05-04-98</i>	
		NO FURTHER EXTENSION	NO FURTHER EXTENSION	
Date filed		<b>MAY 21 1998</b>		
				Filed under map

CERTIFICATE NO.	ISSUED	AMOUNT

Use

COMPUTER CHECK	File Entry	Publication	Permit	Certificate
		<i>ADL</i>		

ADL

*entered 3/10/08*

1-28-92  
 COPIES OF ALL NOTICES  
 & CORRES. TO:  
 Ross de Lipkau  
 P.O. Box 2790  
 Reno, NV 89505

SEE BACK COVER

87457T<sup>and</sup>87462T APPLICATION TO CHANGE THE P.O.D., P.O.U., M.O.U OF A PORTION

02620

DIVISION OF WATER RESOURCES

CARSON CITY, NEVADA

TRANSMITTAL OF COPIES

Date FEB 24 1988

The following xerox copies were forwarded to the Las Vegas Branch Office, Division of Water Resources, this date:

NO. 52920

Application

FEB 24 1988 *AK*

Amended Application

Map

3-1-89 JSF

Publication

MAR 1 1989 *Onu*

Ready for Action Card

3-14-89 *gr*

Permit

8-31-93 *OB*

Final Notice

10-2-97 *KG*

Final Notice

Proof of Completion

9/28/98 *DS*

Extension of Time

10-4-96 *ans*  
11-13-95 *ans* 5/19/98 *OB*

Proof of Beneficial Use

Cultural Map

Extension of Time

1-15-02 *DE* 10-23-03 *SSG* 11/20/09 *LT*  
11/20/09 *OB* 12/14/00 *DS* **NOV 12 2004** *LT*

Cultural Map

Certificate

Assignment Sheet

1-28-92 *CT*

Cancellation

Signed *Boyley Howard*

THIS SHEET TO BE KEPT AT THE TOP OF THIS FILE FOR EASY REFERENCE

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

FEB 09 1989

Date of filing in State Engineer's Office.....

Returned to applicant for correction.....

Corrected application filed.....

Map filed..... DEC 08, 1981 under 44251

The applicant..... FOOTE MINERAL COMPANY

..... of Silver Peak

Street and No. or P.O. Box No.

City or Town

Nevada 89047

State and Zip Code No.

..... hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

Incorporated in the State of Pennsylvania on September 30, 1964.

1. The source of the proposed appropriation is..... underground. Name of stream, lake, spring, underground or other source

2. The amount of water applied for is..... 5.0 cfs..... second-feet One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

3. The water to be used for..... Mining and domestic purposes. Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.....

(b) Stockwater, state number and kinds of animals to be watered.....

(c) Other use (describe fully under "No. 12. Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point..... within the SW¼ NE¼ Section 23, Township 1 South, Range 40 East, MDB&M, at a point from which the southwest corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South 52°00'42" West a distance of 56,880 feet. Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

6. Place of use..... Refer to Exhibit "A" attached hereto. Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about..... January 1..... and end about..... December 31..... of each year. Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)..... Drilled and cased well, distribution, system, delivery to evaporation ponds. State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works..... \$30,000

10. Estimated time required to construct works Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The area which includes the point of diversion and place of use is appurtenant is located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22, et seq. The brine solution is pumped to evaporation ponds, where the lithium is recovered from the dehydrated solution. This water right will be utilized in conjunction with others held by the applicant. Use map on file under Permit 44262.

/s/ Ross E. de Lipkau  
By Ross E. de Lipkau  
P.O. Box 2790  
Reno, Nv 89505

Compared kh/ PS ab/se

Protested \_\_\_\_\_

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 44251, Certificate 12770; 44252, Certificate 12771; 44253, Certificate 12772; 44255, Certificate 12773; 44256, Certificate 12774; 44257, Certificate 12775; 44258, Certificate 12776; 44260, (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second, but not to exceed 3619.85 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 30, 1995

Proof of completion of work shall be filed on or before September 30, 1995

Application of water to beneficial use shall be made on or before August 30, 1998

Proof of the application of water to beneficial use shall be filed on or before September 30, 1998

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed \_\_\_\_\_ IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P. E.

Proof of beneficial use filed \_\_\_\_\_ State Engineer of Nevada, have hereunto set my hand and the seal of my

Cultural map filed \_\_\_\_\_ office, this 30th day of August

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_ A. D. 19 93

*[Signature]*  
State Engineer

(PERMIT TERMS CONTINUED)

Certificate 12777; 44261, Certificate 12778; 44267, Certificate 12779; 44268, Certificate 12780; 44269, Certificate 12781; 44270, Certificate 12782, 49988, 52918, 52919, 52920 and 52921 shall not exceed 17.86 million gallons per day or 20,000 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

## EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, Both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 28 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1983, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1983 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office. FEB 09 1989

Returned to applicant for correction.

Corrected application filed. Map filed DEC 08, 1981 under 4425

The applicant FOOTE MINERAL COMPANY

of Silver Peak Nevada 89047

hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

Incorporated in the State of Pennsylvania on September 30, 1964.

Is applicant a U.S. citizen? Yes [X] No [ ]

Is applicant 21 years of age or older? Yes [X] No [ ]

NRS 533.325 requires that applicants be a citizen of the United States or have legally declared their intention to become a citizen, and that they be 21 years of age or older.

1. The source of the proposed appropriation is underground.

2. The amount of water applied for is 5.0 cfs second feet.

(a) If stored in reservoir give number of acre-feet.

3. The water to be used for mining and domestic purposes.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated:

(b) Stockwater, state number and kind of animals:

(c) Other use (describe fully under "No. 12. Remarks"):

(d) Power:

(1) Horsepower developed:

(2) Point of return of water to stream:



5. The water is to be diverted from its source at the following point within the SW 1/4 NE 1/4 Section 23,  
Describe as being within a 40-acre subdivision of public  
Township 1 South, Range 40 East, MDB&M, at a point from which the southwest  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South 52°00'42"  
West a distance of 56,880 feet.

6. Place of use Refer to Exhibit "A" attached hereto.  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day

8. Description of proposed works (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution system, delivery to evaporation ponds.  
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$30,000

10. Estimated time required to construct works Five years.  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The area which includes the point of diversion and place of use is appurtenant is located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22 et seq. The brine solution is pumped to evaporation ponds, where the lithium is recovered from the dehydrated solution. This water right will be utilized in conjunction with others held by the applicant. Use map on file under Permit 44262.

89 FEB -9 A 9:35

By Ross E. de Lipkau  
Signature, applicant or agent  
P. O. Box 2790  
Street and No., or P.O. Box No.  
Reno, Nv 89505  
City, State, Zip Code No.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

\$100 FILING FEE MUST ACCOMPANY APPLICATION

EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, Both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 28 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1933, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1834. The 1933 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.

**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

## DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

March 6, 1989

RE: 52918 through 52921

Foote Mineral Company  
Silver Peak, Nevada 89047

Ladies and Gentlemen:

The above referenced applications to appropriate water for mining, and domestic purposes have been reviewed by this office. Before further consideration can be given towards the issuance of any permit should the applications become ready-for-action, it will be necessary for you to submit additional justification data and information concerning the annual consumptive use of water for mining and milling purposes under your applications. Therefore, the following information is hereby requested (please answer all applicable items):

1. The number of hours per day and days per year of plant operation that water will be consumed.
2. The number of tons of ore to be processed on a daily basis.
3. The amount of water in gallons per ton of ore required by your plant operation.
4. Accurate description of all plant operation components utilizing water along with the hourly/daily volume of water (i.e. gallons per hour) required for each component.
5. Minimum total volume of water required for plant operations on a daily basis.
6. Total annual volume of water calculated to be recycled or the % Recycle Factor of Item (5) above, and description of recycling method(s).
7. Projected total annual consumptive use, including plant losses, dust control and domestic use.

Page 2  
RE: 52918 through 52921  
March 6, 1989

Your earliest response would be greatly appreciated. Should you have any questions regarding this matter, please contact this office.

Sincerely,



Diana Jean Lefler  
Hydraulic Engineer II

DJL/kh  
Certified Mail No. P 965 007 659  
cc: Ross E. de Lipkau, Certified Mail No. P 965 007 660

SE ROA 492

BOB MILLER  
Acting Governor

STATE OF NEVADA

ROLAND D. WESTERGARD  
Director

PETER G. MORROS  
State Engineer



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

June 26, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Gentlemen:

The referenced ready for action applications have once again been reviewed and to date this office has not received the required information requested in our last letter of March 6, 1989, a copy of which is enclosed. Justification of consumptive use is imperative before further consideration can be given to the issuance of any permit.

Further action will be withheld on these applications for a period of thirty (30) days from the date of this letter. At that time, we will assume you are no longer interested in pursuing these applications and appropriate actions will be considered for their denial.

Should you so desire, NRS 533.370, Subsection 2.(a) provides "Action can be postponed by the state engineer upon written authorization to do so by the applicant..." This office would require a written authorization from the applicant to the State Engineer requesting postponement of further action for a period of up to one year.

Should you have any questions regarding this matter, please contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Diana Jean Lefler".

Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm

Certified Mail No. P 179 142 879

Enclosure

cc: Ross E. deLipkau

Certified Mail No. P 179 142 880

SE ROA 493

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971867

**Sherman & Howard**  
A LAW PARTNERSHIP DECLINED PROFESSIONAL CORPORATION

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
633 SEVENTEENTH STREET  
DENVER, COLORADO 80202

TELEPHONE 303 297-2900  
TELECOPIER 303 298-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET  
DENVER, COLORADO 80237

TELEPHONE 303 779-9484  
TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903

TELEPHONE 719 475-2440  
TELECOPIER 719 635-4576

July 17, 1989

ROSS E. DELIPKAU

Ms. Diana Jean Lefler  
Hydraulic Engineer II  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Applications 52918-52921, Inclusive

Dear Ms. Lefler:

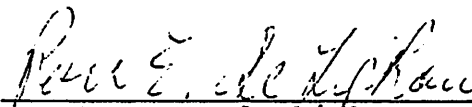
This is to acknowledge receipt of your letter dated June 26, 1989. Pursuant to NRS 533.370(2)(a), request is hereby made that you postpone action on the above referred to applications for a period of one year.

Should you wish to discuss the matter, please contact me.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

BY

  
Ross E. de Lipkau

REd/lbe  
33593.003

SE ROA 494



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

August 8, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Ladies & Gentlemen:

As requested on your behalf by agent Ross E. deLipkau, and pursuant to NRS 533.370, 2(a), a one-year postponement of further action from the date of this certified letter is hereby granted for Application No.'s 52918 through 52921, inclusive.

Sincerely,

A handwritten signature in cursive script that reads "Diana Jean Lefler".

Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm  
Certified Mail No. P 965 008 306  
cc: Ross E. deLipkau  
Certified Mail No. P 965 008 307

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2780  
RENO, NEVADA 89505

TELEPHONE: 702 323-1801  
TELECOPIER: 702 348-7250  
TELEX: 8971987

**Sherman & Howard**  
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
633 SEVENTEENTH STREET  
DENVER, COLORADO 80202  
TELEPHONE 303 297-2800  
TELECOPIER 303 298-0840

SUITE 700, STANFORD PLACE 3  
4882 SOUTH ULSTER STREET PARKWAY  
DENVER, COLORADO 80237  
TELEPHONE 303 779-8494  
TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 600, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903  
TELEPHONE 719 475-2440  
TELECOPIER 719 638-4576

August 24, 1989

ROSS E. DELIPKAU

Honorable Peter Morros  
Nevada State Engineer  
201 South Fall Street  
Carson City, Nevada 89710

Re: Foote Mineral Company; Application Nos. 52917-52921

Dear Mr. Morros:

This is to confirm our conversation of August 23, 1989. Under Item 12, entitled "Remarks", I wish to make it quite clear that the four above-entitled applications seek to appropriate new water, and are not to be included within the annual limitation of 16,800 acre feet annually as permitted in Permit Nos. 44251-44270, inclusive, and Permit Nos. 49988-49996, inclusive.

Should you, or other members of your staff have any questions, please call.

Very truly yours,

HILL CASSAS de LIPKAU AND ERWIN

BY *Ross E. de Lipkau*  
Ross E. de Lipkau

RED/kb

SE ROA 496



# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

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WITH OFFICES IN:

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DENVER, COLORADO 80237

TELEPHONE 303 779-9494  
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COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903

TELEPHONE 719 475-2440  
TELECOPIER 719 635-4576

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971987

September 14, 1989

ROSS E. DELIPKAU

Ms. Marilyn Meyer  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Clayton Valley Groundwater Basin (10-143)  
Applications 52918-52921, Inclusive

Dear Marilyn:

Enclosed herewith is our check in the amount of \$4.00 to cover the groundwater abstract. I note that Applications 52918-52921, inclusive, do not contain an annual duty set forth under that column. It is the intention of the applicant, as affirmed by my letter of August 24, 1989, that the applications seek to appropriate "new water" as contrasted to being supplemental to the other permits held by permittee. Accordingly, would you kindly change your records to reflect a duty of 3618.97 acre-feet annually for each application.

If you have any questions, please advise.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By Ross E. de Lipkau  
Ross E. de Lipkau

REd/lbe  
Enclosure  
33593.003

SE ROA 497



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

February 13, 1990

52918, 52919,  
52920, 52921

Ross E. deLipkau  
Hill, Cassas, deLipkau & Erwin  
P.O. Box 2790  
Reno, NV 89505

Dear Mr. deLipkau:

In a letter dated September 14, 1989 you advised this office that applications 52918, 52919 52920 and 52921 in the name of Foote Mineral Company were filed to appropriate additional water than previously appropriated by the applicant. This office has incorporated that information into the record on the above referenced applications and will review the applications as requests for additional appropriation at the described locations.

If you have any questions on this matter, feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Thiel".

Christine Thiel, P.E.  
Chief, Office Engineering Section

CT/bc

cc: Foote Mineral Company

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

OFFICE MEMORANDUM

To: 52918-22  
From: HUGH RICCI  
Subject: Action on above application

Date: 5 MAR 90

A court case is on going between Foute and the U.S Government in regard to some of the mining claims in which the place of use of the above applications cover.

A letter date 8 Aug 89 allowed for a one year post ponement for taking action.

*Hugh Ricci*



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
(702) 687-4380

December 20, 1991

RE: Water Rights Assignment

Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047  
Attn: C.B. Loundagin

Dear Mr. Loundagin:

Please be advised that the attached list of water rights have been assigned to show Cyprus Foote Mineral Co. as current owner of record.

This assignment reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rich Robinson".

Rich Robinson  
Engineering Technician III

RR/js  
cc: Ross De Lipkau

# STATUS REPORT

PERMIT
OWNER OF RECORD
STATUS
C.F.S.
DUTY
A.C.

PERMIT	OWNER OF RECORD	STATUS	C.F.S.	DUTY	A.C.
10036	Cyprus Foote Mineral Company	Cert #2627	0.334	---	MM
15847	Cyprus Foote Mineral Company	Cert #4838	0.530	---	MM
24382	Cyprus Foote Mineral Company	Cert #7234	1.0	235.9 MGA	MM
44248	Cyprus Foote Mineral Company	Permit	1.0	6.57 MGA	QM
44249	Cyprus Foote Mineral Company	Abr. By 49805	1.0	6.57 MGA	QM
44250	Cyprus Foote Mineral Company	Cert #11268	0.003	100 Cattle	Stk
44251	Cyprus Foote Mineral Company	Cert #12770	1.0	723.97	MM
44252	Cyprus Foote Mineral Company	Cert #12771	0.430	311.3 AFA	MM
44253	Cyprus Foote Mineral Company	Cert #12772	0.84	608.13 AFA	MM
44254	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
44255	Cyprus Foote Mineral Company	Cert #12773	0.39	282.35 AFA	MM
44256	Cyprus Foote Mineral Company	Cert #12774	0.22	159.27 AFA	MM
44257	Cyprus Foote Mineral Company	Cert #12775	0.35	253.39 AFA	MM
44258	Cyprus Foote Mineral Company	Cert #12776	0.27	195.47 AFA	MM
44259	Cyprus Foote Mineral Company	Abr. By 49990	1.5	1086.0 AFA	MM
4260	Cyprus Foote Mineral Company	Cert #12777	0.20	144.79 AFA	MM
4261	Cyprus Foote Mineral Company	Cert #12778	0.22	159.27 AFA	MM
4262	Cyprus Foote Mineral Company	Abr. By 49995 Abr. By 49996	1.5	1086.0 AFA	MM
4263	Cyprus Foote Mineral Company	Abr. By 49992 Abr. By 49993	1.5	1086.0 AFA	MM
4264	Cyprus Foote Mineral Company	Abr. By 49989	1.5	1086.0 AFA	MM
4265	Cyprus Foote Mineral Company	Abr. By 49994	1.5	1086.0 AFA	MM
4266	Cyprus Foote Mineral Company	Abr. By 49991	1.5	1086.0 AFA	MM
4267	Cyprus Foote Mineral Company	Cert #12779	0.44	318.5 AFA	MM
4268	Cyprus Foote Mineral Company	Cert #12780	0.462	334.47 AFA	MM
		<b>TOTALS</b>			
				<b>SE ROA 501</b>	



PERMIT TERMS SHEET

a. APPLICATION NO. 52920  
 b. Ready for Action May 6, 1989  
 c. Source Underground  
 d. Amount 5.0 cfs  
 e. No. of Units, Cattle, Acres, etc. \_\_\_\_\_  
 f. Manner of Use Mining and Domestic  
 g. Period of Use JAN 1 - Dec 31  
 h. Fees 7390

i. Status of Basin: Desig. Non-Desig.  
 j. Basin Name Clayton Valley  
 k. Basin Number 10-1413  
 l. Reviewed: Office Engineer  
7-30-93 By IT  
 Reviewed: Groundwater Engineer  
30 Jul 93 By HP  
 Reviewed: Surface Water Engineer

Office Notes:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Permit Plat Filed 52918 Supplemental to: \_\_\_\_\_

\*\*\*\*\*

Permit terms: A(c)

S(2)

S(6)

17.86 million gallons per day

or 20,000 acre-feet annually

S(10) B

S(11)

44251	12770
44252	12771
44253	12772
44255	12773
44256	12774
44257	12775
44258	12776
44260	12777
44261	12778
44267	12779
44268	12780
44269	12731
44270	12762
49988	PERMIT
52918	RFA
52919	RFA
52920	RFA
52921	RFA

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed \_\_\_\_\_

5.0 cubic feet per second, but

not to exceed 3619.85

acre-feet annually

Completion 2yr

PBU 3yr

Cultural Map N/A

Date: 7-28-93

By: S Brown IT

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

123 W. Nye Lane

Carson City, Nevada 89710

Re: 52918 through 52921 (702) 687-4380

August 31, 1993

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89407

Dear Gentlemen:

Enclosed herewith you will find Permits Nos. 52918 through 52921 for the waters of an underground source.

You are advised that if the various proofs thereunder, together with any map which may be required, are not filed in this office prior to the dates set for such filings, the permits will be subject to cancellation. For your assistance a sheet is enclosed which will advise you of the requirements to fulfill the terms of your permits.

Sincerely,

A handwritten signature in cursive script, appearing to read "R. Michael Turnipseed, P.E.", written in dark ink.

R. Michael Turnipseed, P.E.  
State Engineer

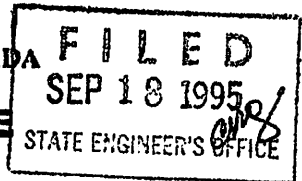
RMT/ab

Enclosures

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 504





APPLICATION FOR EXTENSION OF TIME

Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT NO. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
- 3. How much time is needed to finish this project? 1 Year Completion of Work
- 4. To date, what is the total expenditure on this project? \$170,000
- 5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,400,000
- 6. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year)  
Proof of Completion of Work  
(Proof of completion of work and/or proof of beneficial use)
- 7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See Attachment "A"

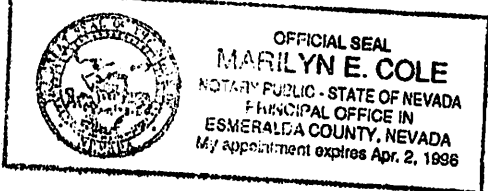
Signed [Signature]  
Permittee or Agent

Subscribed and sworn to before me this 12<sup>th</sup> day of September, 1995.

Address P. O. Box 98, Silver Peak, NV 89047  
Street No. or P.O. Box No.  
[City, State, Zip Code No.]

[Signature]  
Notary Public in and for the County of Esmeralda,

Phone 702-937-2222, ext. 226



140 State of Nevada  
cum P  
My commission expires April 2, 1996



Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

## ATTACHMENT "A"

1. Permittee is actively constructing an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant is scheduled for the second quarter of 1996. Due to the large capital expenditure incurred for this plant expansion, the \$1,400,000 production drilling program has tentatively been rescheduled to begin the second quarter of 1996. To date, \$170,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work of aforementioned permits.

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane

Carson City, Nevada 89710  
November 13, 1995

In reply refer to  
No.

52919, 52920,  
52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
Silver Peak Operations Hwy 265  
Silver Peak NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....

.....

.....

has been granted to..... September 30, 19 96

with the provision that no further extensions will be granted

for filing of the Proof of Completion of Work.....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/cmj

cc: Michael Hardy  
Ross de Lipkau  
Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

Capitol Complex  
Carson City, Nevada 89710

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

In reply refer to  
No.

52918 thru 52921

October 3, 1996

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before September 30, 1996

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/cmm

CERTIFIED MAIL NO. Z 703 059 206

cc: Ross de Lipkau, Cert. Mail #Z 703 059 207  
Michael Hardy, Cert. Mail #Z 703 059 208  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

APPLICATION FOR EXTENSION OF TIME

OCT 03 1996
STATE ENGINEER'S OFFICE

Owner of Record: Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF
Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?
2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
3. How much time is needed to finish this project? 1 year completion of work
4. To date, what is the total expenditure on this project? \$500,000
5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,070,000
6. The permittee requests an extension of time for 1 Year within which to comply with the provisions for filing the Proof of completion of work and beneficial use
7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): See Attachment "A"

Signed [Signature]
Permittee or Agent

Subscribed and sworn to before me this 24 day of September, 1996.
Marilyn E. Cole

Address PO Box 98
Silver Peak, NV 89047
Phone (702) 937-2222 ext. 226

Notary Public in and for the County of Esmeralda, Nevada
My commission expires Apr 22, 2000



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

Handwritten notes: poc only, 10-3-96

photo-copy  
original in File No. 52918

## ATTACHMENT "A"

1. Permittee has just recently completed an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant began the second quarter of 1996. The \$1,400,000 production drilling program is currently under way with the first of several water wells completed in mid September. We are scheduled to start test pumping this first well as early as next week. To date, \$500,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work and Beneficial Use of aforementioned permits.

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
October 4, 1996

In reply refer to  
No. 52918, 52919,  
52920, 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
P.O. Box 98, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....  
.....  
.....

has been granted to..... **September 30** , 19 **97**

with the provision that no further extensions will be granted

for filing of the **Proof of Completion of Work**  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

**Christine Thiel, P.E.**

*Deputy State Engineer*

CT/cms

cc: Ross de Lipkau  
Michael Hardy  
Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818  
October 2, 1997

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

In reply refer to  
No.

52918 thru 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before **September 30, 1997**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. Z 703 035 689

cc: Ross de Lipkau, Cert. Mail No. Z 703 035 690  
Michael Hardy, Cert. Mail No. Z 703 035 691  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 512**





PROOF OF COMPLETION OF WORK

Permit No. 52920

STATE OF Nevada

COUNTY OF Esmeralda

} ss.

Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52920, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of drilled a 20" borehole to 1115 feet. Installed 10 inch nominal casing to 1080 feet with full flo louver screen from 715-900 feet and 910-1060 feet. Installed Johnston 8EC 17st pump assembly with a 60 Hp electric turbine motor. The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with a totalizer in gallons. Serial # 970022-4

MV-357

Fm-357

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June, 1997

Point of diversion located within the NE 1/4 NE 1/4 Sec. 8, T. 2 N. (S.) R. 40 E., M. D. B. & M.

WELL DRILLER Layne-Western Co., 275 County Rd. 98, Woodland, CA 95695

Name and Address

WELL LOG FILED Yes [ ] No [X]

Subscribed and sworn to before me this 15th day of

October

1997

Candy J. Jewett

Notary Public in and for the County of Nye

State of Nevada

My commission expires 10/6/2000

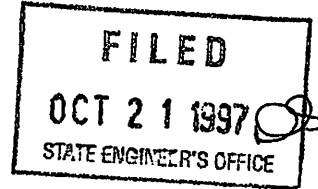
Signed [Signature] Permittee or Agent

Address PO Box 98 Silver Peak NV 89047



(Ten dollar filing fee must accompany this proof)

APPLICATION FOR EXTENSION OF TIME



Owner of Record.....Cyprus Foote Mineral Company.....

IN THE MATTER OF PERMIT No. 52920.....FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52920, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO (Check the Appropriate Box)
2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
3. How much time is needed to finish this project? 1 year
4. To date, what is the total expenditure on this project? \$2,000,000
5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$500,000
6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the proof of beneficial use
7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): See attachment "A"

Signed [Signature] Permittee or Agent

Subscribed and sworn to before me this 15th day of

October 1997 Candy J. Jewett

Notary Public in and for the County of Nye State of Nevada

My commission expires 10/06/2000

Address P O Box 98 Street No. or P.O. Box No.

Silver Peak NV 89047 City, State, Zip Code No.

Phone (702) 937-2222



1 yr Comp 5/11/98 B (Rev. 7-94)

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246

Carson City, Nevada 89706-0818

52918 thru 52921 (702) 687-4380 • Fax (702) 687-6972

April 30, 1998

Michael Hardy  
P.O. Box 98  
Silver Peak, Nevada 89047

Dear Mr. Hardy:

This office received Proofs of Completions for Permits 52918 thru 52921. These proofs are being returned for the following corrections:

The location given on the proofs does not correspond to the location in the permit. Please clarify which one goes with which permit, etc., and refile the amended documents.

The Proofs of Completion are herewith returned and must be resubmitted within thirty (30) days from the date of this letter. If the corrected proofs or applications for extension of time are not received and filed with the State Engineer within **thirty (30) days of the date of this notice**, your permit may be subject to cancellation.

Very turly yours,

A handwritten signature in black ink, appearing to read "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer  
TKG/ds  
Enclosures  
cc: NDWR, Las Vegas

SE ROA 515

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 thru 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

May 19, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....

.....

.....

has been granted to..... September 30....., 19..... 98

with the provision that no further extensions will be granted

for filing of the..... Proof of Completion (all Permits).....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds

cc: NDWR, Las Vegas  
Ross de Lipkau  
Michael Hardy

MARSHALL HILL CASSAS & de LIPKAU  
LAWYERS

ROBERT W. MARSHALL  
EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
JOHN P. FOWLER  
DAVID S. McELROY  
REW E. GOODENOW  
MICHAEL E. KEALY  
A. STANYAN PECK

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2780  
RENO, NEVADA 89505

FILED	
STATE	TELEPHONE
	(702) 320-1601
	—
	FACSIMILE
	(702) 348-7250

May 20, 1998

Thomas K. Gallagher, P.E.  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote / Permits 52918-52921

Dear Tom:

This is to confirm our recent conversation concerning your letter to Mike Hardy dated April 30, 1998. You asked that I supply you with a short history of the water rights appurtenant to and utilized at the lithium plant.

Cyprus Foote, through succession, is the owner/operator of the lithium plant located in Silver Peak, Esmeralda County, Nevada. My knowledge of the project goes back to the early 1970's. At that time, Cyprus Foote was operating under the federal mineral leasing program. It was believed, at least at that time, that lithium was a "leasable" mineral, as contrasted to a "locatable" mineral under the Mining Laws of 1866 and 1877.

In the early 1980's, a dispute arose between the United States and Cyprus Foote regarding royalty payments. The result of that litigation was a finding by the Courts that lithium was a locatable mineral, and not a leasable mineral. During the phase when the parties, including the State Engineer, believed the federal leasing laws were in effect, Cyprus Foote decided and believed that it was not within the jurisdiction of the Nevada State Engineer. A multitude of legal opinions supported that position. However, when lithium was determined to be locatable, we promptly set up a meeting with the then-State Engineer, Roland D. Westergard. It was agreed that Cyprus Foote would file 20 applications to appropriate, basically scattering the wells uniformly or fairly so throughout the thousands of acres included within the mining claims. The annual volume pumped from all wells could not and did not exceed the annual duty. Thereafter, with Peter G. Morros then being State Engineer, certain applications to change were filed

SE ROA 517

May 20, 1998

Page 2

based upon an increased area of mineral extraction. Cyprus Foote would drill its own wells, pump them for a period of time, abandon them and drill additional wells. The statutory permitting process did not allow for the rapid change in wells -- a condition similar to the several mine dewatering programs authorized by your office.

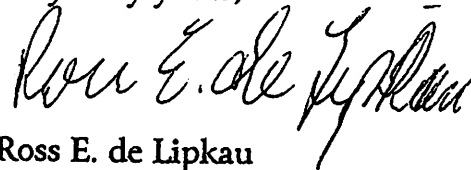
In order to comply with the water law, Cyprus Foote was directed to file Proofs of Completion of Work upon representative wells or wells fairly close to the points of diversion as reflected on the various permits. Over the course of years, Proofs of Beneficial Use were filed, with the above four permits being the only unperfected rights. The amended Proofs of Completion of Work, which are being refiled, are representative of recently drilled wells as previously agreed to between representatives of your office and Cyprus Foote, and regulate the flow and quality of brine. The amended Proofs of Completion of Work, which are representative of the production wells, are enclosed.

Additionally, and as we discussed, generally Cyprus Foote drills its own wells, pumps them for a matter of months or years, and thereupon abandons them, drilling new wells. The multitude of wells is constantly changing to meet the production needs of Cyprus Foote.

For your information, Steve Brown has worked with Cyprus Foote for many years and is aware of the facts. You may wish to discuss this subject with him.

Many thanks for your assistance.

Very truly yours,



Ross E. de Lipkau

REdL/lbe  
Enclosures  
33593.003

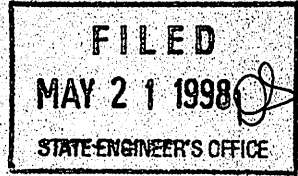
SE ROA 518

AMENDED  
**PROOF OF COMPLETION OF WORK**

Permit No. 52920

STATE OF Nevada

COUNTY OF Esmeralda



} ss.

Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$ 2,000,000 ) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52920, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of drilled a 20" borehole to 1115 feet. Installed 10 inch nominal casing to 1080 feet with full flo louver screen from 715-900 feet and 910-1060 feet. Installed Johnston 8EC 17st pump assembly with a 60 Hp electric turbine motor. The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with a totalizer in gallons. Serial # 970022-4

~~MV-357~~

Fm-357

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June, 1997

Point of diversion located within the NE 1/4 NE 1/4 Sec. 8, T. 2 N., (S.) R. 40 E., M. D. B. & M.

WELL DRILLER Layne-Western Co., 275 County Rd. 98, Woodland, CA 95695

Name and Address

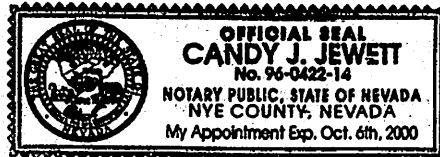
WELL LOG FILED Yes  No

Subscribed and sworn to before me this 15<sup>th</sup> day of October 1997

Signed [Signature] Permittee or Agent

Address PO Box 98 Street No. or P.O. Box No.  
Silver Peak NV 89047 City, State, Zip Code No.

Notary Public in and for the County of Nye, State of Nevada  
My commission expires 10/6/2000



(Ten dollar filing fee must accompany this proof)

*Handwritten initials and date: 1/1/01*

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(702) 687-4380 • Fax (702) 687-6972

52918 thru 52921

September 22, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

Ladies & Gentlemen:

This is to confirm that the Proofs of Completion required under the above-referenced permits were filed in this office on May 21, 1998. Please advise this office of any address or ownership changes. If you have any questions please call me at (702) 687-3861.

Very truly yours,

A handwritten signature in cursive script that reads "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer

TKG/ds

cc: NDWR, Las Vegas  
Ross de Lipkau

SE ROA 520



PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

In reply refer to  
No.

October 2, 1998

52918 through 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before **September 30, 1998**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. Z 559 486 195

cc: Ross de Lipkau, Cert. Mail No. Z 559 486 196  
Michael Hardy, Cert. Mail No. Z 559 486 197  
Southern Nevada Branch Office

Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED  
OCT 28 1998  
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF  
Underground source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Patrick R. Fischer the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetall Foote Corporation
- How much time is needed to finish this project? 1 year
- To date, what is the total expenditure on this project? in excess of 50 million dollars
- In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
- The permittee requests an extension of time for 1 year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of beneficial use (Proof of completion of work and/or proof of beneficial use)

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and are planning a \$200,000 expansion in 1999.

Subscribed and sworn to before me this 27th day of

October 19 98  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

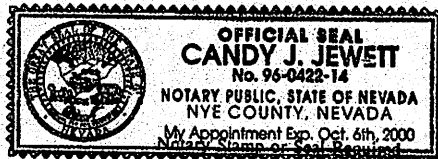
My commission expires October 6, 2000

Signed PR Fischer Permittee or Agent

Address PO Box 98 Street No. or P.O. Box No.

Silver Peak NV 89047 City, State, Zip Code No.

Phone 702-937-7777



to  
BW  
11/2/98 ps  
(Rev. 7-97)

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

SE ROA 522

# **Chemetall Foote Corporation**

## Supplier Notification:

We are pleased to announce that on October 13, 1998 Chemetall GmbH completed the acquisition of Cyprus Foote Mineral Company. Reflecting this purchase, our name has been changed to Chemetall Foote Corp. Together with the Lithium Division of Chemetall GmbH Europe, we will become a worldwide operating, fully integrated supplier of base and performance lithium products.

Attached is our updated credit account information document. Please do not hesitate to contact writer should you require any additional information.

Sincerely,



Randall S. Weld  
Sourcing Manager

## Please note:

The following address is to be used for shipping and billing for material ordered from the Silver Peak location.

---

Chemetall Foote Corporation • Silver Peak Operations, Hwy 265 • P.O. Box 98 • Silver Peak, NV 89047  
Telephone 702-937-2222 • Fax 702-937-2250

SE ROA 523

**CREDIT ACCOUNT APPLICATION**

**NAME:** Chemetall Foote Corp.  
348 Holiday Inn Drive  
Kings Mountain, NC 28086

**TELEPHONE:** (704) 739-2501

**OPERATING LOCATIONS:** Silver Peak, Nevada  
Kings Mountain, North Carolina  
New Johnsonville, Tennessee  
Santiago and Antofagasta, Chile

**DUNS NUMBER:** 00-232-9456  
**INCORPORATED:** July 26, 1916  
**STATE OF INCORPORATION:** Pennsylvania  
**IRS IDENTIFICATION NUMBER:** 23-0589510

**TYPE OF BUSINESS:** Owns and Operates Lithium Extraction and Processing Facilities

**PARENT:** Chemetall GmbH  
Frankfurt, Germany  
Duns Number: 31-580-9632

**BANK REFERENCE:** PNC Bank, N. A. Account No. 1008963455  
Two PNC Plaza Officer: Jeffrey Statmore  
Pittsburgh, PA 15265 (908) 220-3078

**TRADE REFERENCES:** Tg Soda Ash, Inc. Phillips Chemical Company  
4300 Six Forks Road, #850 P. O. Box 968  
Raleigh, NC 27619-9248 Borger, TX 29008-0968  
(919) 785-2040 (800) 858-4327

J. L. Clark Inc.  
2300 6th Street  
Rockford, IL 61108  
(815) 962-8861

**OFFICERS:** President & CEO Juergen Deberitz  
Vice President, CFO & Treasurer Ronald A. France  
Vice President, Human Resources James E. Sanderson  
Vice President, Operations Paul J. Seaman  
Vice President, Sales Jeffrey S. Watson  
Secretary Arthur G. Taylor

We certify that all of the information on this form is correct. We understand your credit terms and agree to pay within the terms. If further information is required, please contact Sue Hartwyk at (704) 734-2663.

Signed: R. L. Held

Date: 11/5/98  
SE ROA 524

<b>10036</b>	<b>15847</b>	<b>22610</b>
<b>24382</b>	<b>24383</b>	<b>24384</b>
<b>24385</b>	<b>25826</b>	<b>44247</b>
<b>44248</b>	<b>44249</b>	<b>44250</b>
<b>44251</b>	<b>44252</b>	<b>44253</b>
<b>44254</b>	<b>44255</b>	<b>44256</b>
<b>44257</b>	<b>44258</b>	<b>44259</b>
<b>44260</b>	<b>44261</b>	<b>44262</b>
<b>44263</b>	<b>44264</b>	<b>44265</b>
<b>44266</b>	<b>44267</b>	<b>44268</b>
<b>44269</b>	<b>44270</b>	<b>49805</b>
<b>49988</b>	<b>49989</b>	<b>49990</b>
<b>49991</b>	<b>49992</b>	<b>49993</b>
<b>49994</b>	<b>49995</b>	<b>49996</b>
<b>52917</b>	<b>52918</b>	<b>52919</b>
<b>52920</b>	<b>52921</b>	

Previous letter filed  
in the following files:  
DJL/my  
03/03/99

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918, 52919, 52920,  
52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

November 13, 1998

Cyprus Foote Mineral Co.  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to..... September 30....., 19 99

for filing of the..... Proof of Beneficial Use (all Permits).....  
.....  
.....

has been granted to....., 19.....

with the provision that no further extensions will be granted

for filing of the.....  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds  
cc: NDWR, Las Vegas  
Ross de Lipkau

# ABSTRACT OF TITLE

NON - DECREED

PERMIT or PROOF No. 52920

Page 1 of 1

This column for office use only

DEED NO.	GRANTOR	GRANTEE	CFS	AFA/AFS or MG/MGS	Acres or Units	This column for office use only		Document Description and REMARKS
						Filed Under DATE	Document Number DATE	
1	CYPRUS FOOTE MINERAL CO	CHEMETALL FOOTE CORP	5.0				151573 02/05/99	WATER RIGHTS DEED
2								
3								
4								
5								
6								
7								
8								

Type or print in ink

REPORT OF CONVEYANCE

Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

1 APPL., PERMIT, PROOF, or CLAIM No: 52920 STATUS: permit USE: MD

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER: CYPRUS FOOTE MINERAL COMPANY

If any item requires additional space, please attach additional 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW HOLDER(S): CHEMETALL FOOTE CORPORATION
ADDRESS: Silver Peak Operations, Hwy 265
CITY: Silver Peak STATE: NV ZIP CODE: 89047 PHONE: 775/937-2222

Table with 4 columns: Document Category, Count, Fee, and Total. Rows include Deed(s), Correction Deed(s), Notice(s) of Pledge, Death Certificates, Decree(s) of Distr., Reconveyance, Map(s), Aff. of ID, and Other.

ONE \$25 FILING FEE MUST ACCOMPANY THIS REPORT + \$10 PER CONVEYANCE DOCUMENT LISTED ABOVE.

This REPORT requires an ABSTRACT OF TITLE listing the above documents in chronological order, from the current holder(s) of record (ITEM 2) with the Division of Water Resources, Office of the State Engineer, to the proposed, new holder(s) of record (ITEM 3). Document(s) must be recorded in the Office(s) of the respective County Recorder(s).
If the legal description on any deed(s) refer(s) to a subdivision lot or parcel or assessor's parcel number, or lists any deviation(s) different than the place of use in a Quarter/Quarter/Section/Township/Range format, a copy of the map referred to in said deed(s) is required. Copies of maps should be 8 1/2" x 11" or 11" x 17". Please refer to instruction sheet for details.

7 LIST SUPPLEMENTAL RIGHTS

8 COUNTY: POINT OF DIVERSION Esmeralda COUNTY: PLACE(S) OF USE Esmeralda

9 PLACE(S) OF USE: \* QTR QTR SEC TWN RNG APN

10 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS Acre Feet or MG Acres or Units

11 DOES THE CURRENT HOLDER INTEND TO RETAIN ANY PORTION OF THE WATER RIGHT? YES NO XX

12 List any other water rights relating to this Report of Conveyance that has been filed using this same abstract and chain of title.

Remarks: \*Refer to permit for place of use.

14 "I swear, under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

SUBSCRIBED AND SWORN TO BEFORE ME THIS 17th DAY OF Mo. March Yr. 1999

SIGNATURE: [Signature]
PRINT NAME: Ross E. de Lipkau
MAILING ADDRESS: P. O. Box 2790
FIRM NAME: Marshall Hill Cassas & de Lipkau
CITY: Reno STATE: NV ZIP CODE: 89505

NOTARY PUBLIC IN AND FOR THE COUNTY OF WASHOE STATE OF NEVADA MY COMMISSION EXPIRES 2/9/02



PHONE: 775/323-1601
OWNER?:
AGENT?: X

NOTARY STAMP

THIS DOUBLE SIDED FORM CAN BE COPIED ONTO GREEN PAPER ONLY.



**FOR OFFICE USE ONLY**

- 1 Previous reports/submittals pending .....
- 2 Current holder(s) verified .....
- 3 New holder(s) information complete .....
- 4 Inventory verified. Fees correct .....
- 5 Technical review .....
- 6 Abstract / Chain of Title .....
- 7 Supplemental rights recognized .....
- 8 Counties compared POD/POU .....
- 9 Place of Use determinable .....
- 10 Duties determined .....
- 11 Appurtenancy / portions / percentages .....
- 12 Related rights by deeds and abstract .....
- 13 Remarks reviewed .....
- 14 Notary/SS legible and logical .....

REVIEW BY / DATE
RAY - 6/22/99

**FEE RECORDS**

Receipt No.(s) 123699

Date of Receipt 3-12-99

Receipt No.(s) \_\_\_\_\_

Date of Receipt \_\_\_\_\_

\$\$ This R.O.C. 10/275

Original Receipt(s) Located  
In File No. 10036

Deeds/Docs Filed in  
File No. 10036

**DEFICIENCIES REQUIRING RETURN**

ITEM	

<b>RETURNED for CORRECTION to:</b>	DATE:	BY:	
Remarks:	<b>DUE DATE:</b> _____		

<b>CORRECTION RECEIVED:</b>	DATE:	BY:	
<b>CONFIRMED REPORT:</b>	DATE:	BY:	

RECEIVED  
99 MAR 12 PM 12:10  
STATE ENGINEERS OFFICE



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(775) 687-4380 • (775) 687-6972

July 16, 1999

RE: Permits 10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269, 44270, 49805, 49988, 52917, 52918, 52919, 52920 & 52921

Mr. Ross E. de Lipkau  
Marshall Hill Cassas & de Lipkau  
PO Box 2790  
Reno, NV 89505

Dear Mr. de Lipkau:

The above-listed permits have been assigned to show **Chemetall Foote Corporation** as owner of record. Copies of the *Summaries of Ownership* are enclosed for your information.

These assignments reflect only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions, please contact this office at (775) 687-4381.

Sincerely,

A handwritten signature in cursive script that reads "RH Zeisloft".

Robert H. Zeisloft  
Engineering Technician III

RHZ/lid

Enclosures

cc: Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4381

October 6, 1999

In reply refer to  
No.

52918 through 52921

Chemetal Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047


The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof **of Beneficial Use**



on or before **September 30, 1999**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg



CERTIFIED MAIL NO. **P 444 470 273**

cc: Ross de Lipkau, Cert. Mail No. P 444 470 274

Enclosures: **Proof of Beneficial Use forms and Application for Extension of Time forms**

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

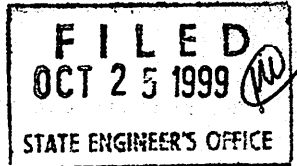
**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Partrick R. Fischer, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetall Foote Corporation
- 4. How much time is needed to finish this project? 1 year
- 5. To date, what is the total expenditure on this project? in excess of 50 million dollars
- 6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
- 7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of beneficial use  
(Not to exceed 1 year)  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and are planning a \$200,000 expansion in 2000.

Signed PR Fischer  
Permittee or Agent

Address PO Box 98  
Street No. or P.O. Box No.

Silver Peak NV 89047  
City, State, Zip Code No.

Phone 775-937-2222

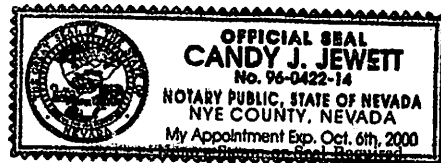
Subscribed and sworn to before me this 12th day of October 1999

Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2000



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

SE ROA 532

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

December 20, 1999

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4330

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to..... September 30 ..... 2000.....

for filing of the..... Proof of Beneficial Use.....

.....  
.....

has been granted to..... 2000.....

with the provision that no further extensions will be granted

for filing of the.....

.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.

Deputy State Engineer

CT/my

cc: Ross deLipkau  
Chemetall Foote Corp./Patricia R. Fischer  
Southern Nevada Branch Office

R. MICHAEL TURNIPSEED, P.E.  
Director

STATE OF NEVADA

HUGH RICCI, P.E.  
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246

Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 4, 2000

Address All Communications to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before September 30, 2000

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice, your permit will be cancelled.

Sincerely,

*Hugh Ricci, P.E.*  
State Engineer

HR/kdg

CERTIFIED MAIL NO. 7000 0520 0023 8631 0900

cc: Ross de Lipkau, Cert. Mail No. 7000 0520 0023 8631 0917  
Patrick R. Fischer, Cert. Mail No. 7000 0520 0023 8631 0924

Enclosures: Proof of Beneficial Use form(s) and Application for Extension of Time form(s)

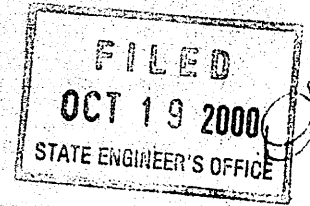
Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corp.

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa R. Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp.

4. How much time is needed to finish this project? 1 year

5. To date, what is the total expenditure on this project? in excess of 50 million dollars

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million

7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of Beneficial Use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and have an exploration drilling project in progress. Production well drilling program of \$1.1 million planned for 2000-2001.

Subscribed and sworn to before me this 11th day of

October 2000  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

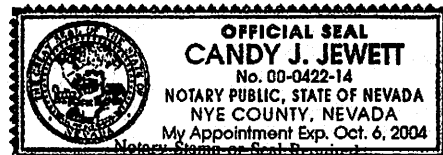
My commission expires October 6, 2004

Signed Melissa R. Jennings  
Permittee or Agent

Address P.O. Box 98  
Street No. or P.O. Box No.

Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (775) 937-2222



86 PBU \$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

TCPS 8-99 10-20-2000

SE ROA 535

(01-1582)

R. MICHAEL TURNIPSEED, P.E.  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4380 or  
1-800-992-0900x4380

In reply refer to:

October 23, 2000

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
PO Box 98  
Silverpeak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2001 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
*Deputy State Engineer*

CT/ds

cc: Southern Nevada Branch Office  
Ross E. de Lipkau

SE ROA 536



Notice of Proposed Action

by the

State of Nevada

The Administrator of the Division of Environmental Protection gives notice that an application for the renewal of Water Pollution Control Permit for the Silver Peak Lithium Facility, a beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Permit NEV70005 is:

Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

The facility, known as the Silver Peak Lithium Facility, is located in Sections 26-28 of Township 1 South, Range 40 East; Sections 1, 12, 13, 21-25 of Township 2 South, Range 39 East; and, Sections 1-11, 15-20, 29-32 of Township 2 South, Range 40 East in Esmeralda County, Nevada. The project primarily consists of numerous deep wells, solar evaporation ponds, liming facilities, and process plant for the production of lithium carbonate, lithium hydroxide monohydrate and anhydrous lithium hydroxide. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event. The groundwater beneath the playa is the source of lithium and it contains a very high total dissolved solids concentration. However, the groundwater quality from the production well and the town of Silver Peak well meet drinking water standards.

The Administrator is constrained to renew the water pollution control permit or to deny the application. The Administrator has made the tentative determination to renew the permit.

Persons wishing to comment upon the proposed permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to the

Nevada Administrative Code, NAC Chapter 445A, must submit their comments, objections, or requests no later than October 22, 2001 to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Capitol Complex  
333 W. Nye Lane, Room 138  
Carson City, NV 89706-0851

All comments or objections received during the public notice period will be considered in the final determination regarding this permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-4670, extension 3130, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at [www.state.nv.us/ndep/bmrr/bmrr01.htm](http://www.state.nv.us/ndep/bmrr/bmrr01.htm)

2001 OCT 22 10:00 AM

800 992 0900

10/22/01

STATE OF NEVADA

**DRAFT**

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Water Pollution Control Permit

Permittee: Chemetall Foote Corporation

Permit Number: NEV70005

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the **Silver Peak Lithium Facility**, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

This facility is located in Esmeralda County in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999 as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of ~~XXXXX~~ XX, 2001, and shall remain in effect until ~~XXXXX~~ XX, 2006, unless modified, suspended, or revoked.

Signed this XX day of ~~XXXXX~~, 2001.

---

David Gaskin, P.E.  
Bureau Chief  
Bureau of Mining Regulation and Reclamation

## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance:

1. By November 1, 2001, submit a proposal to NDEP for the installation of a monitoring well near R-2 pond in accordance with NAC 445A.425.2. This monitoring well shall be installed by January 1, 2002

C. The fluid management system covered by this permit consists of the following process components:

1. Process plant and building including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and,
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components;

D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Fresh Water Well (WS) and well installed adjacent to the R-2 pond (R-2W)	Profile I <sup>2</sup> and, Elevations of static water levels (amsl)	Initially; then Annually
2. R-2 pond solution (R-2S)	Profile II <sup>3</sup> and, Report minimum freeboard	Annually Quarterly
3. Plant waste stream (combined PWS)	Profile II <sup>3</sup>	Annually
4. Brine well* (BW)	Profile II <sup>3</sup> and,	Annually

4.	continued -	Elevations of static water level (amsl)	
5.	Plant influent (PI)	Profile II	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after one year of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

\* A different production (brine) well shall be sampled each year.

Note: Secondary containment sumps must be inspected and evacuated on a more frequent basis than weekly if the fluid level is at the top of the sump or above the invert of any pipe which discharges into the sump, whichever level is lower. Records are required documenting the volume, date and time of extraction to show that sumps are maintained in this condition.

(2) Profile I

Alkalinity (as CaCO<sub>3</sub>)

Bicarbonate

Total

Aluminum

Antimony

Arsenic

Barium

Beryllium

Boron

Cadmium

Calcium

Chloride

Chromium

Copper

Fluoride

Iron

Lead

Magnesium

Manganese

Mercury

Nickel

Nitrate

pH ( $\pm 0.1$  units)

Potassium

Selenium

Silver

Sodium

Sulfate

Thallium

Total Dissolved Solids

Zinc

(3) Profile II

Alkalinity (as CaCO<sub>3</sub>)

Bicarbonate

Total

Aluminum

Antimony

Arsenic

Barium

Beryllium

Boron

Cadmium

Calcium

Chloride

Chromium	pH ( $\pm 0.1$ units)
Cobalt	Phosphorus
Copper	Potassium
Fluoride	Scandium
Gallium	Selenium
Iron	Silver
Lead	Sodium
Lithium	Strontium
Magnesium	Sulfate
Manganese	Thallium
Mercury	Tin
Molybdenum	Total Dissolved Solids
Nickel	Vanadium
Nitrate	Zinc

- E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.
- F. All sampling and analytical accuracy shall be in accordance with Part II.E.
- G. Permit Limitations
1. A minimum two (2) feet of freeboard shall be maintained in the R-2 pond at all times.
- Exceeding these limitations may be permit violations and shall be reported as specified in Part II.B.3
- H. The facility shall install and maintain a calibrated rain gauge which shall be monitored daily. A record of all daily accumulations of precipitation shall be maintained on site.
- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device;
  3. The presence of liquids in leak detection systems; and
  4. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.

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- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from this Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining a General or Individual Mining Bioremediation Facility Permit from the Division.

## II. General Facility Conditions and Limitations

### A. General Requirements

- 1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance item in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which the Permittee has little or no control) exists for such revision.
- 2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
- 3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

- 1. The Permittee shall submit an annual report by February 28th of each year which contains the following:
  - a. Monitoring results from those locations identified in Parts 1, 2 and 4;
  - b. Analytical results of the solution collected from monitoring locations identified

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- in Part I.D.1 through 5;
- c. A record of spills and releases and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore processed during the year, construction and expansion activities and major problems with the fluid management system; and,
  - e. Graphs of pH, total dissolved solids, sulfate, chloride, nitrate (as nitrogen), zinc, and arsenic concentrations (as applicable), versus time for all fluid sampling points. These graphs shall display a five year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
2. **Spill Reporting Requirements:** The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.
- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 p.m. of the first working day after knowledge of the release. An oral report shall be made by telephone to (775) 687-4670, extension 3023, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds 500 gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. **Petroleum Products:** If the quantity is equal to or greater than 100 gallons, report in the time frame specified in Part II.B.3.a. Smaller spills are reported quarterly on NDEP Form 0390 or equivalent.
3. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-4670, extension 3123, not later than 5 p.m. of the next regular work day from the



time the Permittee has knowledge of the circumstances. This report shall include the following:

- i. Name, address, and telephone number of the owner or operator;
  - ii. Name, address, and telephone number of the facility;
  - iii. Date, time, and type of incident, condition, or circumstance;
  - iv. Name and quantity of materials released; if process solution is released, report total gallons and quantity of contaminant;
  - v. Human and animal mortality or injury;
  - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
  - vii. The estimated quantity of material that will be disposed and the disposal location.
- b. A written summary shall be provided to the Division within 10 days of the time the Permittee makes the oral report. The written summary shall contain a description of the release or discharge and its cause, the periods of the release or discharge (including exact dates and times), whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue, and the steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring, to:
- i. Determine the effect and extent of each release or discharge;
  - ii. Minimize any adverse impact to the waters of the State arising from each release or discharge;
  - iii. Minimize the effect of each release or discharge upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each release or discharge.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than 120 days before this permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any

# DRAFT

relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.

4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities, and analytical results including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action as provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

## E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in this permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416 and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.

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Permit No. NEV70005

Page 10 of 10

3. The Permittee must notify the Division in writing at least thirty days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Renewed 9/01



**SE ROA 548**

# DRAFT

**FACT SHEET**  
(pursuant to NAC445A.401)

Permittee Name: Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

Permit Number: NEV70005

A. Description of Facility

Location: This project is located in and near the town of Silver Peak, Nevada in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32 in Esmeralda County.

Characteristics: The Silver Peak Lithium Facility primarily consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, the Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. Synopsis

Subsurface brines are pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. The lithium carbonate product is then dried and packaged, processed, or used as head feed for the lithium hydroxide facility. In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced. Evaporation produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

Brine ponds were built directly on top of native clay that has a coefficient of permeability of  $1 \times 10E-6$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability with the exception of one pond (the strongest brine pond) that is lined with 20-mil PVC liner.

SE ROA 549

The R-2 pond, located on the peripheral edge of the playa, is asphalt lined and receives CaCO<sub>3</sub> solution that is pumped to the playa as needed. Piping changes are being made to facilities.

Storm water runoff and accumulation is within a closed system. All storm water is maintained within the Clayton Valley.

Secondary containment within the post-regulation hydroxide plant meets secondary containment requirements and was constructed to standard engineering principles and practices. The existing pre-regulation plant appears to be provided with adequate secondary containment.

C. Site Hydrology/Hydrogeology and Background Groundwater Quality

The ground water pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids as documented by the long history of lithium production. It would be economically impractical to render the water fit for human consumption due to the very high total dissolved solids concentrations (see data) and it is not reasonably expected to become a drinking water supply. However, the Silver Peak water supply well and the freshwater production well for Chemetall produce high quality water that meet drinking water standards. Hydrogeologically, the location where the groundwater quality exceeds drinking water standards and becomes non-potable is complex. Establishment of a monitoring well adjacent to the R-2 pond will provide groundwater quality and elevation at this location.

D. Procedures for Public Comment

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate, and close subject to the conditions contained within the permit, is being sent to the Tonopah Times-Bonanza in Tonopah for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of the public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator, or any interested agency, person or group of persons.

The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed facility or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC445A.406.

E. Proposed Determination

The Division has made the tentative determination to issue the proposed permit.

F. Proposed Effluent Limitations, Schedule-of-Compliance and Special Conditions

See Part I of the permit.

G. Rationale for Permit Requirements

The facility is located in an area where annual evaporation is greater than annual precipitation. Also, the facility is located in the Clayton Valley where the playa ground water does not serve as a source of drinking water and would probably not serve as an economically viable source of drinking water. The groundwater is the source of lithium, contains very high total dissolved solids concentration and is not reasonably expected to become a drinking water supply. However, potable wells in and near the town of Silver Peak will be protected.

H. Federal Migratory Bird Treaty Act

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50CFR10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with state permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical

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isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of toxic water. Methods which attempt to make uncovered ponds attractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Blvd., Suite 234, Reno, Nevada 89502-7147, for additional information.

Bob Carlson  
September 2001

2001 09 21 10 58 AM

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**SE ROA 552**



R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381

In reply refer to  
No.

October 3, 2001

52918 through 52921

**Chemetall Foote Corporation**  
**Silver Peak Operations, Highway 265**  
**Silver Peak NV 89047**  
**CERTIFIED MAIL: 7000 0520 0023 4553 1162**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use**

on or before **September 30, 2001**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cmf

cc: Ross E. DeLipkau, Certified Mail No. 7000 0520 0023 4553 1179  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use form with instructions

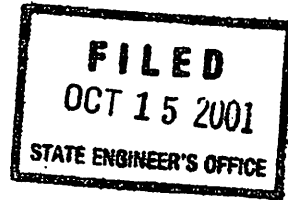
Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 553**

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corp.

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent, Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp
4. How much time is needed to finish this project? 1 year
5. To date, what is the total expenditure on this project? in excess of 51 million dollars
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 1.1 million
7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): We have not reached maximum capacity, and have a well drilling program proposed for 2001-2002 at a cost of 1.1 million dollars A deep aquifer system has been identified with plans to explore and test as a resource.

Signed Dan Zampirro Permittee or Agent
Address P.O. Box 98 Silver Peak, NV 89047
Phone (775) 937-2222

Subscribed and sworn to before me this 10th day of October 2001
Signature of Notary Public Required Randy J. Jewett

Notary Public in and for the County of Nye State of Nevada

My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(within Nevada)

In reply refer to:

January 15, 2002

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
Silver Peak Operations, HWY 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2002 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/dr

cc: Ross De Lipkau  
Dan Zampirro  
Southern Nevada Branch Office

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381

In reply refer to  
No.

October 1, 2002

52918 through 52921

**Chemetal Foote Corporation**  
**Silver Peak Operations, Hwy 265**  
**Silver Peak, Nevada 89047**  
**CERTIFIED MAIL 7106 7808 0630 0000 5937**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use under all Permits referenced above**

on or before **September 30, 2002**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cac

cc: Danny Zampirro, Certified Mail 7106 7808 0630 0000 5951  
Ross E. de Lipkau, Certified Mail 7106 7808 0630 0000 5944  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use forms with instructions

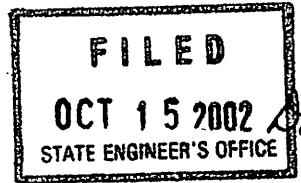
Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 556**

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If 'YES' on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO
3. If 'NO' on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? one year
5. To date, what is the total expenditure on this project? in excess of \$51,000,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$50,000
7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted: Maximum water usage has not been achieved. Expansion is planned with resultant increased water usage scheduled this year.

Subscribed and sworn to before me this 9th day of October 2002. Candy J. Jewett, Signature of Notary Public Required, Notary Public in and for the County of Nye, State of Nevada, My commission expires October 6, 2004

Signed Danny Zampirro, Permittee or Agent, Address Chemetall Foote Corporation, PO Box 98 Silver Peak, NV 89047, Phone 1-775-937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

November 21, 2002

52918, 52919, 52920, and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2003** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/dl

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 558

# **Chemetall Foote Corp.**

July 27, 2003

COPY

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
123 W. Nye Lane, Suite 246  
Carson City, NV 89706-0818

Subject: Permit numbers 52918, 52919, 52920 & 52921 and Quarterly Production Data

Dear Mr. Ricci,

Enclosed please find four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400 to cover the filing of the Extensions. We are conducting a drilling program to supplement our aging wellfield to meet product demand. Additionally, please find our quarterly production report for the second quarter, basin 143. A total of 2,174 acre feet were pumped from the basin of which 5.6% was fresh water, the remainder brine for production purposes. Please contact our office should you have any questions. Thank you.

Sincerely,



Danny Zampirro, CPG, RG  
Hydrogeologist

Certified Mail # 7099 3220 0006 0137 6548

cc Mr. Ross de Lipkau  
Marshall, Hill, Cassas & de Lipkau

Enclosures: Quarterly prod. report, Ext. of Time Renewals, check #26799

QUARTERLY PRODUCTION REPORT

COPY

CHEMETALL FOOTE CORPORATION													YEAR: 2003	REPORT DATE: July 31st, 2003	
SILVER PEAK OPERATIONS													BASIN: 143 (CLAYTON VALLEY)		
PERMIT NUMBERS: 52918; 52919; 52920; 52921															
SITE I.D.	WATER PUMPED IN GALLONS												AMOUNT		
well #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	USED		
9C	2,550,000	2,250,000	2,500,000	2,580,000	2,700,000	2,720,000	0	0	0	0	0	0	15,360,000		
10B	5,880,000	4,844,000	5,411,000	5,530,000	5,944,000	5,749,000	0	0	0	0	0	0	33,358,800		
16C	3,866,000	3,162,000	3,702,000	3,819,000	3,972,000	3,882,500	0	0	0	0	0	0	22,403,500		
23A	3,532,000	3,034,000	3,491,000	3,513,000	3,826,000	3,523,800	0	0	0	0	0	0	20,919,800		
41B	2,545,000	2,251,000	2,762,000	2,653,000	2,855,000	2,733,200	0	0	0	0	0	0	15,799,200		
43A	3,105,000	2,537,000	3,102,000	3,040,000	3,159,000	3,074,600	0	0	0	0	0	0	18,017,600		
45B	0	0	0	0	0	0	0	0	0	0	0	0	0		
59	4,369,000	3,486,000	4,080,000	2,979,000	3,928,000	4,394,400	0	0	0	0	0	0	23,236,400		
62A	6,798,000	2,631,000	5,662,000	6,672,000	7,117,000	6,831,300	0	0	0	0	0	0	35,711,300		
65A	6,329,000	5,624,000	6,527,000	6,335,000	6,412,000	6,296,400	0	0	0	0	0	0	37,523,400		
71A	8,311,000	5,787,000	0	0	0	0	0	0	0	0	0	0	14,098,000		
73A	6,388,000	5,530,000	6,490,000	5,041,000	6,767,000	6,368,500	0	0	0	0	0	0	36,524,500		
76	6,492,000	5,771,000	6,624,000	6,609,000	6,874,000	6,367,400	0	0	0	0	0	0	38,737,400		
78	6,486,000	5,414,000	6,730,000	5,704,000	6,472,000	5,837,800	0	0	0	0	0	0	36,643,800		
80	1,474,000	0	0	0	449,000	2,086,200	0	0	0	0	0	0	4,009,200		
99B	1,639,000	669,000	0	0	73,000	1,610,700	0	0	0	0	0	0	3,991,700		
103A	10,539,000	6,718,000	0	0	0	0	0	0	0	0	0	0	17,257,000		
109	9,328,000	7,781,000	9,889,000	9,406,000	10,043,000	9,650,300	0	0	0	0	0	0	56,097,300		
111	8,276,000	6,518,000	7,379,000	2,776,000	0	0	0	0	0	0	0	0	24,949,000		
112	10,909,000	9,277,000	10,671,000	10,981,000	11,244,000	10,739,500	0	0	0	0	0	0	63,821,500		
134	3,185,000	2,854,000	3,318,000	3,215,000	3,308,000	3,199,100	0	0	0	0	0	0	19,079,100		
152	8,210,000	6,899,000	8,764,000	8,413,000	8,828,000	7,153,200	0	0	0	0	0	0	48,267,200		
153	1,772,000	1,473,000	1,784,000	1,679,000	1,805,000	1,738,400	0	0	0	0	0	0	10,251,400		
156	2,084,000	7,908,000	12,209,000	12,002,000	12,796,000	12,358,800	0	0	0	0	0	0	59,357,800		
165	14,167,000	11,467,000	2,712,000	0	0	0	0	0	0	0	0	0	28,346,000		
168	1,165,000	0	0	0	2,616,000	8,986,100	0	0	0	0	0	0	12,767,100		
170	3,748,000	3,108,000	3,909,000	3,705,000	3,871,000	3,534,100	0	0	0	0	0	0	21,875,100		
172	6,455,000	5,358,000	6,692,000	6,424,000	6,732,000	6,059,400	0	0	0	0	0	0	37,720,400		
173	5,486,000	4,558,000	5,739,000	5,521,000	5,767,000	5,049,200	0	0	0	0	0	0	32,120,200		
180	8,328,000	6,863,000	8,196,000	7,787,000	8,498,000	7,820,000	0	0	0	0	0	0	47,492,000		
CHEMETALL FOOTE CORPORATION													YEAR: 2003	REPORT DATE: July 31st, 2003	
SILVER PEAK OPERATIONS													BASIN: 143 (CLAYTON VALLEY)		
PERMIT NUMBERS: 52918; 52919; 52920; 52921															
SITE I.D.	WATER PUMPED IN GALLONS												AMOUNT		
well #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	USED		
300	1,209,000	0	0	0	0	0	0	0	0	0	0	0	1,209,000		
302	509,000	1,258,000	1,499,000	1,311,000	1,525,000	1,405,200	0	0	0	0	0	0	7,507,200		
303	4,296,000	3,754,000	4,383,000	4,180,000	4,464,000	4,119,800	0	0	0	0	0	0	25,196,800		
304	4,303,000	3,735,000	4,437,000	4,214,000	4,362,000	4,239,700	0	0	0	0	0	0	25,290,700		
305	10,358,000	8,652,000	10,297,000	9,595,000	10,608,000	10,435,300	0	0	0	0	0	0	59,945,300		
308	7,469,000	6,054,000	7,274,000	6,788,000	7,450,000	7,113,500	0	0	0	0	0	0	42,148,500		
314	3,497,000	2,898,000	3,545,000	3,393,000	3,656,000	3,504,400	0	0	0	0	0	0	20,493,400		
319	6,243,000	5,269,000	5,927,000	5,803,000	6,436,000	6,290,900	0	0	0	0	0	0	35,968,900		
330	3,286,000	2,810,000	3,222,000	3,008,000	3,450,000	3,265,100	0	0	0	0	0	0	19,041,100		
333	8,245,000	6,707,000	8,243,000	8,318,000	8,827,000	8,166,800	0	0	0	0	0	0	48,506,800		
334	1,509,100	1,232,200	1,473,700	1,301,600	1,389,900	1,278,750	0	0	0	0	0	0	8,185,250		
337	2,130,000	1,745,000	2,060,000	1,931,000	2,120,000	2,047,200	0	0	0	0	0	0	12,033,200		
343	8,920,000	7,796,000	9,150,000	8,934,000	9,216,000	8,831,000	0	0	0	0	0	0	52,847,000		
344	3,502,000	2,639,000	3,444,000	3,131,000	3,518,000	3,258,000	0	0	0	0	0	0	19,492,000		
346	2,512,000	1,998,000	2,567,000	2,414,000	2,618,000	2,479,300	0	0	0	0	0	0	14,588,300		
347	2,463,000	2,102,000	2,429,000	2,298,000	2,455,000	2,325,200	0	0	0	0	0	0	14,072,200		
356	1,766,000	0	0	0	1,382,000	2,369,800	0	0	0	0	0	0	5,517,800		
357	13,543,000	5,502,000	2,611,000	12,492,000	12,430,000	11,933,100	0	0	0	0	0	0	58,511,100		
358	3,243,000	318,000	441,000	48,000	0	0	0	0	0	0	0	0	4,050,000		
359	2,581,000	2,224,000	2,654,000	2,007,000	1,468,000	1,679,100	0	0	0	0	0	0	12,613,100		
360	4,531,000	4,400,000	5,321,000	5,049,000	5,377,000	4,816,900	0	0	0	0	0	0	29,494,900		
*FWWV	12,954,000	11,040,000	12,112,000	15,078,000	11,611,000	12,926,000	0	0	0	0	0	0	75,721,000		
TOTAL GAL	272,485,100	215,905,200	231,432,700	227,677,600	240,418,900	240,189,750	0	0	0	0	0	0	1,428,109,250		
AF/Month	836	663	710	699	738	737	0	0	0	0	0	0	4,383		
TOTAL	719,823,000												708,286,250		
* FRESH WATER WELL													* FRESH WATER WELL		
FWW sum	36,106,000			FWW sum	39,615,000			FWW sum	0			FWW sum	0		
all AF sum	2209			all AF sum	2174			all AF sum	0			all AF sum	0		
FWW AF	111			FWW AF	122			FWW AF	0			FWW AF	0		
FWW %	5.02			FWW %	5.59			FWW %	#DIV/0!			FWW %	#DIV/0!		



FILED  
AUG 06 2003  
STATE ENGINEER'S OFFICE

APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetail Foote Corporation

IN THE MATTER OF PERMIT NO. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

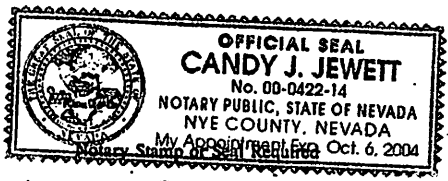
- Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  YES  NO (Check the Appropriate Box)
- If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetail Foote Corp.
- How much time is needed to finish this project? two years
- To date, what is the total expenditure on this project? \$52,300,000
- In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$570,000
- The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)
- Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Old wells are being supplemented by the construction of new wells in order meet expanding demand for production.

Signed Danny Zampirro  
Permittee or Agent  
Address Chemetail Foote Corporation  
Street No. or P.O. Box No. P.O. Box 98 Silver Peak, NV 89047  
City, State, Zip Code No.  
Phone 1-775-937-2222

Subscribed and sworn to before me this 31st day of July, 2003  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye  
State of Nevada

My commission expires October 6, 2004



RECEIVED

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

BMC 10-15-03 per CT

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 23, 2003

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4380

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to ....., .....

for filing of the.....

.....

.....

has been granted to..... **September 30 2004**

with the provision that no further extensions will be granted

for filing of the.....  
**Proof of Beneficial Use**

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

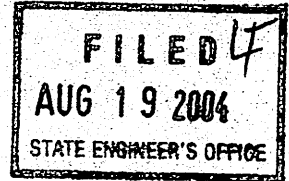
Christine Thiel, P.E.  
Deputy State Engineer

CT/sg

cc: Chemetall Foote Corp., (additional address)  
Ross de Lipkau  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L. Huelsen-Wilks, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

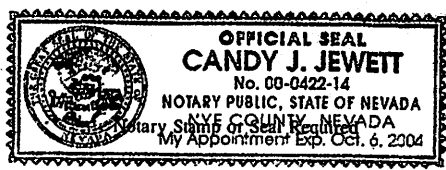
- 1. Does this permit have multiple owners? [ ] YES [X] NO
2. If 'YES' on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO
3. If 'NO' on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$52,900,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Signed Sherry L. Huelsen-Wilks Permittee or Agent
Address Chemetall Foote Corporation
P.O. Box 98, Silver Peak, NV 89047
Phone 775-937-2222 ext. 230

Subscribed and sworn to before me this 17th day of August, 2004
Signature of Notary Public Required Candy J. Jewett

Notary Public in and for the County of Nevada
State of Nevada
My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

lyr PBD
11-10-04 per JK

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

52918, 52919, 52920,  
and 52921

November 12, 2004

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time  
has been granted to September 30, 2005 with the provision that no  
further extensions will be granted for filing of the Proof of  
Beneficial Use except for good cause shown as provided under NRS  
533.390 and 533.410.

Sincerely,

Jason King, P.E.  
Deputy State Engineer

JK/lt  
cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 564

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED  
AUG 29 2005  
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen-Wilks, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$53,900,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 25<sup>th</sup> day of

August, 2005  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

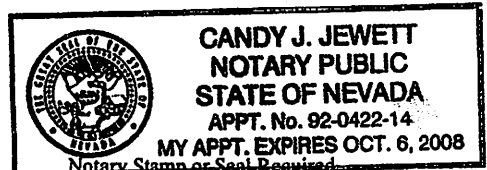
My commission expires October 6, 2008

Signed Sherry L Huelsen-Wilks  
Permittee or Agent

Address Chemetall Foote Corporation  
Street No. or P.O. Box No.

P.O. Box 98, Silver Peak, NV 89047  
City, State, Zip Code No.

Phone 775-937-2222 ext. 230



**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

*Sign PBM*

*DIC rev JIC 11/1/05*

SE ROA 565

ALLEN BIAGGI  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

In reply refer to:

January 20, 2006

52918, 52919, 52920 and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2006 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,  
*Jason King*  
Jason King, P.E.  
Deputy State Engineer

JK/mc  
cc: Southern Nevada Branch Office  
Sherry L. Huelsen-Wilks

SE ROA 566

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$54,350,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply (Not to exceed 1 year)

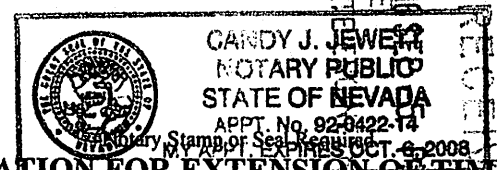
with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 14th day of August 2006
Signature of Notary Public Required
Notary Public in, and for the County of Nye
State of Nevada
My commission expires October 6, 2008

Signed Sherry L Huelsen
Permittee or Agent
Address Chemetall Foote Corporation
Street No. or P.O. Box No.
P.O. Box 98, Silver Peak, NV 89647
City, State, Zip Code No.
Phone 775-937-2222 ext. 230

RECEIVED
2006 AUG 31 11:45
STATE ENGINEER'S OFFICE



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Apr PBM

OK per JK/AE 9/29/06

SE ROA 567

ALLEN BIAGGI  
Director

TRACY TAYLOR, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

In reply refer to:

October 5, 2006

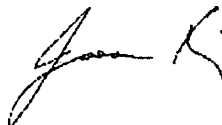
52918 through 52921

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2007 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



Jason King, P.E.  
Deputy State Engineer

KH/ef

cc: Southern Nevada Branch Office

SE ROA 568



**Notice of Proposed Action**

**By the**

**State of Nevada**

2007 JUN 24 AM 9:54

STATE

The Administrator of the Division of Environmental Protection gives notice that an application for renewal of a Water Pollution Control Permit for the **Silver Peak Lithium Project**, a mining and beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for renewal of Water Pollution Control Permit **NEV0070005** is:

**Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047**

The facility is located on public and private land in Esmeralda County, within Sections 26-28, Township 1 South, Range 40 East, Sections 1, 12, 13, 21-25, Township 2 South, Range 39 East, and Sections 1-11, 15-20, 29-32, Township 2 South, Range 40 East, Mount Diablo Baseline and Meridian, near the town of Silver Peak, Nevada.

The project consists of a dewatering and beneficiation facility, designed to extract lithium, with a maximum permitted process rate of 6,000 tons of naturally occurring material per year. The facility is comprised of numerous deep wells, solar evaporation ponds, lime sludge pond, process plants, stockpiled salt dumps, and appurtenances such as the lime slaker. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event.

The Administrator is constrained to either issue the renewed Water Pollution Control Permit or to deny the application. The Administrator has made the tentative decision to issue the renewed permit.

Persons wishing to comment upon the proposed Water Pollution Control Permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to Nevada Administrative Code, NAC Chapter 445A, must submit their written comments, objections, or requests no later than 5:00 PM on the 30<sup>th</sup> day following the date of publication of this notice to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249

All comments or objections received during the public notice period will be considered in the final determination regarding this Water Pollution Control Permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The draft Water Pollution Control Permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-9401 or visit our website at <http://ndep.nv.gov/bmrr/bmrr01.html>

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 JAN 24

**DRAFT**  
AM 9:54

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of February Day, 2007, and shall remain in effect until February Day, 2007, unless modified, suspended, or revoked.

Signed this #### day of February 2007.

\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

# DRAFT

## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance: None Required

C. The fluid management system covered by this permit consists of the following process components:

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

## D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>3</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

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The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

## Footnotes:

### (1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	Zinc
Beryllium	Iron	Potassium	

### (2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

### (3) A different production (brine) well shall be sampled each year.

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

### G. Permit Limitations

1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.

Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.

H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

# DRAFT

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
  1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device; and
  3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

## II. General Facility Conditions and Limitations

### A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

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1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, and 3;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of naturally occurring material processed during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

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- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.
  - b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
    - i. A description of the incident and its cause;



# DRAFT

- ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
- i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any

injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that

have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 16 February 2005; employee access statement deleted.  
24 May 2005; Bureau Chief title changed to Chief, Bureau of Mining Regulation and Reclamation.  
25 May 2006; modified Part I.L to include new PCS Management Plan wording.  
January 2007 – Permit renewal process

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**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

A. **Description of Facility**

Location: This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

Characteristics: The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. **Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

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The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water (CaCO<sub>3</sub> solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

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quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

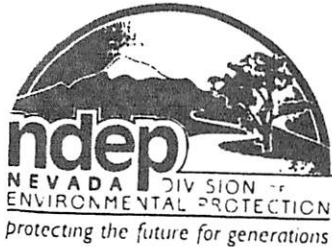
**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal





STATE OF NEVADA
Department of Conservation & Natural Resources
DIVISION OF ENVIRONMENTAL PROTECTION

Jim Gibbons, Governor
Allen Biaggi, Director
Leo M. Drozdoff, P.E., Administrator

March 8, 2007

NOTICE OF DECISION

WATER POLLUTION CONTROL PERMIT
NUMBER NEV0070005

Chemetall Foote Corporation
Silver Peak Lithium Project

The Nevada Division of Environmental Protection has decided to renew Water Pollution Control Permit NEV0070005 to Chemetall Foote Corporation. This permit authorizes the construction, operation, and closure of approved mining facilities in Esmeralda County. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through NAC 445A.447, to assure the Division that the groundwater quality will not be degraded by this operation, and that public safety and health will be protected.

The permit will become effective March 23, 2007. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, March 18, 2007, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Bob Carlson at (775) 687-9401 or visit the Division website at www.ndep.nv.gov/bmrr/bmrr01.htm.

Comments were not received during the public comment period.

2007 MAR -8 10:10:52

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 MAR -3 11:10:52

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

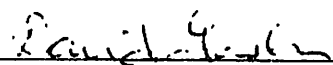
The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of March 23, 2007, and shall remain in effect until March 23, 2012, unless modified, suspended, or revoked.

Signed this 8<sup>th</sup> day of March 2007.

  
\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

**I. Specific Facility Conditions and Limitations**

**A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:**

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

**B. Schedule of Compliance: None Required**

**C. The fluid management system covered by this permit consists of the following process components:**

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

**D. Monitoring Requirements**

<b><u>Identification</u></b>	<b><u>Parameter</u></b>	<b><u>Frequency</u></b>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>1</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

**Footnotes:**

(1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	WAD Cyanide
Beryllium	Iron	Potassium	Zinc

(2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

(3) A different production (brine) well shall be sampled each year.

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

G. Permit Limitations

1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.

Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.

H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
  1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device; and
  3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

## II. General Facility Conditions and Limitations

### A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, 3, and 4;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore milled or placed on heaps (as applicable) during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), WAD cyanide, fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved

Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.

- b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
  - i. A description of the incident and its cause;
  - ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
  - i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

#### C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.



7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.

6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

**F. Permit Modification Requirements**

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 01 March 2007 - Permit renewal process

2007 MAR -9 10:52

STATE ENGINEERING

**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

A. **Description of Facility**

Location: This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

Characteristics: The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. **Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water ( $\text{CaCO}_3$  solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal

**Chemetall Foote Corp.**

2007 AUG 24 AM 11:00

August 22, 2007

STATE ENGINEERS OFFICE

Chemetall Foote Corporation  
Silver Peak Operations  
PO Box 98, Hwy 265  
Silver Peak, NV 89047


Office of the State Engineer  
Nevada Division of Water Resources  
901 South Street, Suite 2002  
Carson City, NV 89706-0818

Subject: **Permit Numbers 52918, 52919, 52920, 52921**

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920, and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions or need additional information, please feel free to call me at 775-937-2222 ext. 229.

Sincerely,



Melissa Jennings  
Mine Superintendent

Cc. Mr. Ross de Lipkau, Marshall, Hill, Cassas and de Lipkau  
File



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES • NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$55,900,000.00

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$3,200,000.00

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 22nd day of

August 2007 Candy J. Jewett Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

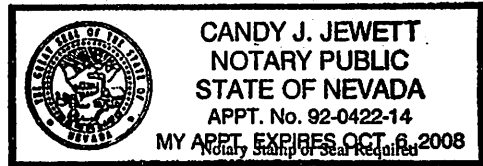
My commission expires October 6, 2008

Signed Melissa Jennings Permittee or Agent

Address Chemetall Foote Corporation Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

STATE ENGINEER'S OFFICE AUG 27 11:00



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1/yr PBM

OK at WP Talko Ltr. REL/ACF 9/1/07

SE ROA 601



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

RE: Permits 52918, 52919,  
52920 and 52921

September 19, 2007

Melissa Jennings  
Chemetall Foote Corporation  
PO Box 98  
Silver Peak, Nevada 89047

Dear Ms. Jennings:

Please refer to the Application for Extension of Time forms you submitted on August 24, 2007 as Agent for Chemetall Foote Corporation for the above referenced permits.

These Applications for Extension of Time are approved; however, before any further requests for Extension of Time for the filing of the Proof of Beneficial Use are granted, this office requires that you answer the questions on the enclosed Work Progress Information Sheet. This information is needed to update the Permit files and to determine progress made towards establishing Beneficial Use. Please note that on your Applications you state that "old wells are being supplemented by the construction of new wells"; we do not currently have any Applications to Change on file in the name of Chemetall Foote. If you have any questions, please contact Tony Eng at 775-684-2800.

Please submit to this office the requested information before the next Proof Beneficial Use are due. Failure to comply may result in the denial of future requests for Extension of Time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ALE/ef  
Enclosure

cc: Parsons Behle & Latimer, Ross de Lipkau  
Southern Nevada Branch Office

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMITS 52918, 52919, 52920 and 52921**

Please furnish information and documents explaining the progress to complete the project to be served under each permit. The explanation should include the following information and any other pertinent information:

1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates (e.g., planning, design, construction, start-up, partial or full operation).
2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of lands within the place of use? If so, detail this authorization.
3. What type of product or mineral is being mined? Who is buying your mineral product and for how long?
4. Submit the record of water measurements (e.g., meter readings) for the last one-year period. Specify the measurement volume units (e.g., gallons, 100 gallons, million gallons, or acre-feet).
5. Describe any work in progress and any facility or feature completed to establish full beneficial use in compliance with permit requirements.
6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.
7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**


901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources


September 20, 2007

Telephone (775) 684-2800 or  
1-800-992-0900 x 2400  
(In Nevada Only)

In reply refer to: **52918, 52919, 52920 and 52921**

 Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2008** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

 Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



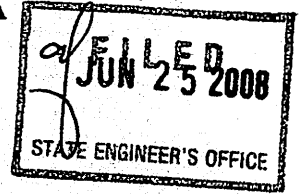
Jason King, P.E.  
Deputy State Engineer

JK/ef  
cc: Ross de Lipkau  
Southern Nevada Branch Office

**SE ROA 604**

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

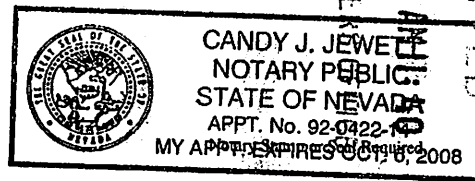
under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES • NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$57,802,000.00
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,700,000.00
7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production. The 2006 well drilling program added three new wells, and a drilling program slated for the fall of 2008 will add another 5 to 8 wells, which will bring production rates closer to the targeted volume.

Subscribed and sworn to before me this 18th day of June 2008. Signature of Notary Public Required: Candy J. Jewell. Notary Public in and for the County of Nye, State of Nevada. My commission expires October 6, 2008.

Signed Melissa Jennings, Permittee or Agent. Address Chemetall Foote Corporation, Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada, 89045, City, State, Zip Code. Phone (775) 937-2222 ext. 229.



RECEIVED JUN 25 2008 STATE ENGINEER'S OFFICE

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

SE ROA 605

Sign PRM

deal area a/b/n.

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMITS 52920

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**

Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**

Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**

607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**

Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**

None have been submitted or recorded.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:20  
STATE ENGINEERS OFFICE

SE ROA 606

QUARTERLY PRODUCTION REPORT

CHEMETALL FOOTE CORPORATION  
SILVER PEAK OPERATIONS

YEAR: 2007

REPORT DATE: Jan. 23, 2008

PERMIT NUMBERS: 52918; 52919; 52920; 52921

BASIN: 143 (CLAYTON VALLEY)

Table with columns: SITE I.D. WELL #, JAN, FEB, MAR, APR, MAY, JUN, JUL, AUG, SEP, OCT, NOV, DEC, AMOUNT USED. Rows include wells 9C through 394 and a summary row \*FWW.

PERMIT NUMBERS: 44248 & 52917  
\* FRESH WATER WELL

Summary table for Fresh Water Wells with columns: FWW sum, all AF sum, FWW AF, FWW % for four different well groups.

STATE ENGINEERS OFFICE  
RECEIVED  
2008 JUN 26 AM 11:20  
SERQA 607



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

October 9, 2008

Chemetall Foote Corporation

P.O. Box 98

Silver Peak, Nevada 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2009** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ef

Enclosure: Important Notice: "Future Application for Extension of Time Filings"

cc: Southern Nevada Branch Office

Ross de Lipkau, Parsons, Behle & Latimer



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

FILED  
AUG 21 2009  
STATE ENGINEER'S OFFICE

APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  YES  NO (Check the Appropriate Box)
- If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$56,085,550.00

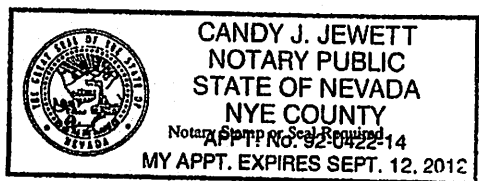
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,500,000.00

7. The permittee requests an extension of time for One Year within which to comply with the provisions (Not to exceed 1 year) for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
A well rehabilitation program in late 2008-early 2009 targeted older wells with structural failures. This program was used as a marker for future rehabilitation endeavors. Stimulus funds were approved for a drilling program in 2010 and well rehabilitation program that will be used to reinstate several older wells to bring production rates closer to the target 2011.

Subscribed and sworn to before me this 19<sup>th</sup> day of August 2009  
Landy J. Jewett  
Signature of Notary Public/Required  
Notary Public in and for the County of Nye  
State of Nevada  
My commission expires September 12, 2012

Signed Melissa Jennings  
Permittee or Agent  
Address Chemetall Foote Corporation  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.  
Phone (775) 937-2222 ext. 229



PPM  
**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. PERM ROA 609**  
V R I A I K



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
(800) 992-0900  
(In Nevada Only)  
<http://water.nv.gov>

September 30, 2009

Chemetall Foote Corporation  
PO Box 98  
Silver Peak, NV 89047

**RE: 52918, 52919, 52920 & 52921**

This is to inform you that Application for Extension of Time has been granted to **September 30, 2010** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If you have any questions regarding this notification, please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in black ink that reads "Gloria K. Lash".

Gloria K. Lash  
Administrative Assistant III

cc: Southern Nevada Branch Office  
Parson Behle & Latimer, Ross E. DeLipkau

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

FILED

APPLICATION FOR EXTENSION OF TIME

SEP 02 2010

STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

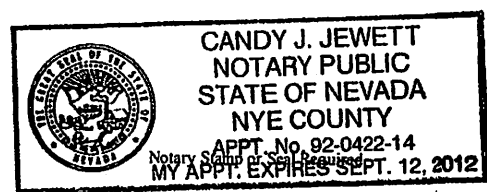
under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$59,487,500
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,603,750
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In early 2009, A well rehabilitation program successfully identified an alternative means to overcome structural failures and two well were brought online prior to temporary idling of operations in 2009. Wells were restarted in 2010 and ARRA funding will be used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM

Signed Melissa Jennings Permittee or Agent
Address Chemetall Foote Corporation Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No. Phone (775) 937-2222 ext. 229

Subscribed and sworn to before me this 23rd day of August, 2010
Signature of Notary Public Required Candy J. Jewett
Notary Public in and for the County of Nye
State of Nevada
My commission expires September 12, 2012



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

SE ROA 611

1 yr PBM

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1.524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

RECEIVED  
2010 SEP -2 AM 11:30  
STATE ENGINEERING



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 10, 2010

Chemetall Foote Corporation  
Silver Peak Operations Hwy 395  
Silver Peak, NV 89047

**RE: PERMIT(S) 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2011**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Staff I Associate Engineer

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office (via email)

FILED

APPLICATION FOR EXTENSION OF TIME

AUG 29 2011

STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? YES NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

YES NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$61,704,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,400,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions (Not to exceed 1 year)

for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Wells were restarted in 2010 and ARRA funding was used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM. Well rehab and production drilling occurred during 2011 and will continue through 2012 to increase pumping capacity to achieve production goals.

RECEIVED 2011 AUG 29 PM 1:50 STATE ENGINEERS OFFICE

Subscribed and sworn to before me this 27th day of

August 2011 Candy J. Jewett Signature of Notary Public Required

Notary Public in and for the County of Nye

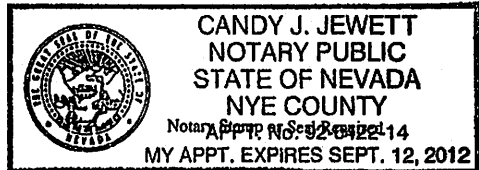
State of Nevada

My commission expires September 12, 2012

Signed [Signature] Permittee or Agent

Address Chemetall Foote Corporation Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1 yr PBM

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
6,565 acre-feet was used in 2010.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEER OFFICE



Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEERS OFFICE



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 19, 2011

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2012**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist I

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office



# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

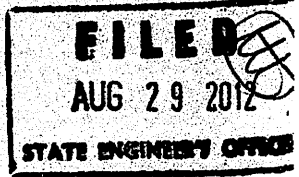
PERMIT 52920

PAGE

DEED NO.	GRANTOR	GRANTEE	CFS	AFA	ACRES	FILED UNDER DATE	DOC #		DOCUMENT DESCRIPTION/REMARKS
							#	DATE	
1	Chemetal Foote Corporation	Rockwood Lithium Inc.	5	3,619.85			SRV 120341	3/22/12	Certificate of Amendment of Certificate of Incorporation (A.O.F Permit 10036)
2									
3									
4									
5									
6									
7									
8									

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$64,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)

for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Funding from ARRA was used during 2012 to increase pumping capacity. During 2013 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2013. The increase in brine capacity will provide product to meet the growing demand.

RECEIVED  
2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

Subscribed and sworn to before me this 27<sup>th</sup> day of

August, 2012  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

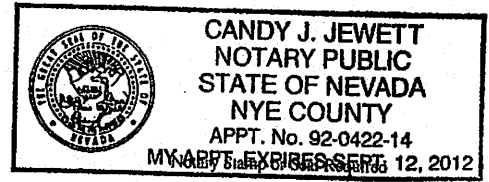
State of Nevada

My commission expires September 12, 2012

Signed Joseph L. Dunn  
Permittee or Agent

Address Chemetall Foote Corporation  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Copy Paid  
Rec'd Aug 31/12

SE ROA 620



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 12, 2012

Chemetail Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: PERMITS 52918 through 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2013** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist 1

ALE/mt

c: Parsons, Behle and Latimer (via email)  
Southern Nevada Branch Office (via email)

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
JUL 10 2013
THE WATERS OF STATE ENGINEER'S OFFICE

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? YES NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$66,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Funding from ARRA was used during 2013 to increase pumping capacity. During 2014 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2014. The increase in brine capacity will provide product to meet the growing demand.

Subscribed and sworn to before me this 27th day of June 2013
Signature of Notary Public Required
Notary Public in and for the County of Nye
State of Nevada
My commission expires October 6, 2016

Signed Joseph L. Dunn Permittee or Agent
Address Rockwood Lithium Inc.
Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 8904
City, State, Zip Code No.
Phone (775) 937-2222 ext. 222

RECEIVED
2013 JUL 10 AM 10:43
STATE ENGINEER'S OFFICE

CANDY J. JEWETT
NOTARY PUBLIC
STATE OF NEVADA
APPT. No. 92-0422-14
MY APPT. EXPIRES OCT. 6, 2016

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

For Paul
AEC, 9/16/13



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

September 25, 2013

 Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2014**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

 Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

Handwritten signature of Tony Eng in cursive script.

Tony Eng  
Water Resource Specialist I

ALE/dl

cc: Parsons, Behle and Latimer, email  
Joseph L. Dunn, Rockwood Lithium Inc.  
Southern Nevada Branch Office

SE ROA 623

State of Nevada  
**REPORT OF CONVEYANCE**  
of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

Rev 03/14

1 APPLICATION / PERMIT No.: 52920 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER.: Chemetall Foote Corporation

If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Rockwood Lithium Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O.Box 98 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....	<input type="checkbox"/>	CORRECTION DEED(S).....	<input type="checkbox"/>	OTHER:	
DEED(S) OF TRUST.....	<input type="checkbox"/>	RECONVEYANCE at no charge	<input type="checkbox"/>	TOTAL ## OF \$\$ Documents = >	
NOTICE(S) OF PLEDGE.....	<input type="checkbox"/>	MAP(S) at no charge.....	<input type="checkbox"/>	TOTAL # x \$20 each = 1	\$ 20.00
DEATH CERTIFICATES.....	<input type="checkbox"/>	AFF OF ID at no charge.....	<input type="checkbox"/>	Report filing fee = \$120.00*	\$ .00
DECREE(S) OF DISTR.....	<input type="checkbox"/>	OTHER: Corporate	<input checked="" type="checkbox"/>	TOTAL FEES SUBMITTED*	\$ 20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE. \*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: 4251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5 CFS 3,619.85 ACRE-FEET ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER:

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269.  
44270, 49805, 52917, 52918, 52919, 52920, 52921.

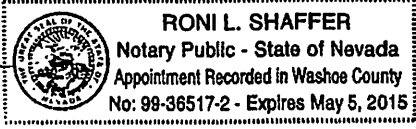
13 Additional Space/Remarks: #7 - Continued - 44270, 44988, 52918, 52919, 52920 and 52921

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada  
COUNTY OF Washoe  
SUBSCRIBED AND SWORN TO BEFORE ME ON 07.01.14  
BY: \*\*\* John R. Zimmerman \*\*\*

SIGNATURE: John R. Zimmerman  
PRINT NAME: John R. Zimmerman  
MAILING ADDRESS: 50 W. liberty St., Suite 750  
FIRM NAME: Parsons Behle & Latimer  
CITY: Reno STATE: NV ZIP: 89501  
PHONE: 89501  OWNER?  
E-MAIL:  AGENT?  
Is a consent to receive email correspondence already on file? YES   
If not, please download from our website and include.

Roni L. Shaffer  
Signature of Notary Public Required



RONI L. SHAFER  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 99-36517-2 - Expires May 5, 2015

Notary Stamp or Seal Required





DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

July 23, 2014

John R. Zimmerman  
Parsons Behle & Latimer  
50 W. Liberty St., Suite 750  
Reno, NV 89501

**RE: Permits 10036, 15847, 24382, 44248, 44250 – 44253, 44255 – 44258, 44260, 44261, 44267 – 44670, 49805, and 52917 – 52921**

To Whom It May Concern:

Please be advised that your *Reports of Conveyance* received on July 8, 2014, are hereby confirmed to update ownership of the above mentioned permits in the name of **Rockwood Lithium Inc.**, as listed in the table below. Details of the above permit(s), including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	Diversion Rate (cfs)	Duty (AFA/AFS)	Acres/Units
10036/2627	0.334	---	---
15847/4838	0.53	---	---
24382/7234	1.0	723.95	---
44248	1.0	20.16	---
44250/11268	0.003	---	100 head of cattle
44251/12770	1.0	723.97	---
44252/12271	0.43	311.3	---
44253/12772	0.84	608.13	---
44255/12773	0.39	282.35	---
44256/12774	0.22	159.27	---
44257/12775	0.35	253.39	---
44258/12776	0.27	195.47	---
44260/12777	0.20	144.79	---
44261/12278	0.22	159.27	---
44267/12779	0.44	318.50	---
44268/12780	0.46	334.47	---
44269/12781	0.26	188.23	---
44270/12782	1.00	723.97	---
49805/14655	0.13	20.13	---
52917	1.0	21.63	---
52918	5.0	3619.85	---
52919	5.0	3619.85	---
52920	5.0	3619.85	---
52921	5.0	3619.85	---

Zimmerman, John  
Permit 10036+  
July 23, 2014  
Page 2 of 2

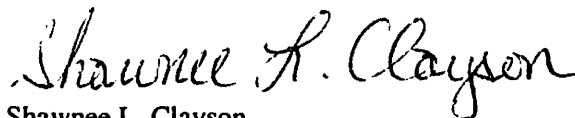
Permits 29728, 44248, 49805, 52917, 69220, 76343 and 77966 have a total combined duty not to exceed 588.67 acre feet annually.

Permits 44251 – 44258, 44260, 44261 , 44267 – 44270, 49988, and 52918 - 52921 have a total combined duty not to exceed 20,000 acre feet annually.

Also be advised that according to NRS 533.386 (2.), this confirmation of your Report of Conveyance does not guarantee that a) the water right is in good standing with the office of the State Engineer; or b) the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and c) this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right.

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, please contact me directly at (775) 684-2830.

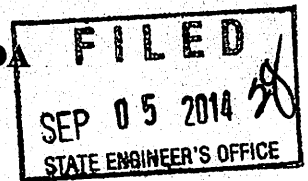
Sincerely,



Shawnee L. Clayson  
Engineering Technician III

SLC/sgc  
cc: Rockwood Lithium Inc.  
SNBO

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA



APPLICATION FOR EXTENSION OF TIME

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

RECEIVED  
2014 SEP -5 AM 11:30  
STATE ENGINEERS OFFICE

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$68,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)

for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

Signed Melissa Jennings  
Permittee or Agent

Address Rockwood Lithium Inc.  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

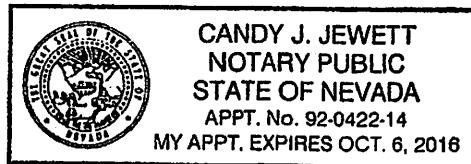
Subscribed and sworn to before me this 28<sup>th</sup> day of

August 2014  
Andy G. Jewett  
Signature of Notary Public (Required)

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2016



Notary Stamp or Seal Required

**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

LYR  
PBU  
9/8/14  
CMT

SE ROA 627



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 25, 2014

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit 52918, through 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2015, with the provision that no further extensions will be granted for filing Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2803.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Thorson".

Chris Thorson  
Water Resource Specialist I

CMT/sg

cc: Parsons, Behle & Latimer, e-mail  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
SEP 04 2015
STATE ENGINEER'S OFFICE

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52920, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? YES NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$70,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions

for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

Signed Scott Thibodeaux Permittee or Agent

Subscribed and sworn to before me this 31st day of

Address Rockwood Lithium Inc.

August 20 15
Signature of Notary Public Required

Street No. or P.O. Box No.

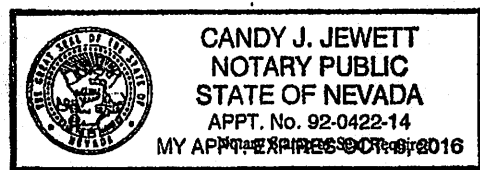
PO Box 98, Silver Peak, Nevada 89047
City, State, Zip Code No.

Notary Public in and for the County of Nye

Phone (775) 937-2222 ext. 226

State of Nevada

My commission expires October 6, 2015



\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1/2
2/24
9/18/15
AD

SE ROA 629



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 10, 2015

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918 through 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2016**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

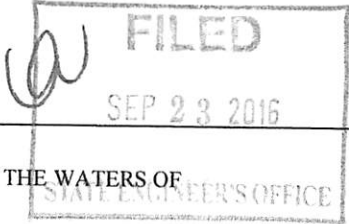
Amanda Brownlee  
Water Resource Specialist I

AB/sg

cc: Parsons, Behle & Latimer  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT NO. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF  
Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent  
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)
- 2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 Yes  No (Check the appropriate box)
- 3. If "No" on question 2 is checked, on whose behalf is this extension being filed?  
Rockwood Lithium Inc.
- 4. How much time is needed to construct the works of diversion or place the water to beneficial use? Two years
- 5. What is the expenditure on the project under this permit? Last year? \$1,000,000 Total to date? \$71,104,791
- 6. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the  
(Not to exceed 1 year)

Proof of Beneficial Use

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

In 2016 a high volume well was targeted to increase production needs for the facility; however, the harsh environment, deep aquifer depths, and fluctuating recharge have made maintaining other pumping systems difficult. The facility has also been working with experts to develop a Hydrostratigraphical Model of the basin. This model, and continued research, will allow the facility to determine where the optimal location for a well is, and also the depth at which we should drill. Our goal is to continue increasing our knowledge of the Clayton Valley Basin in order to increase our brine capacity to optimize production needs and meet the growing demand for lithium.

State of Nevada Nye  
County of Nye

Subscribed and sworn to before me on 09-20-2016  
by Scott J. Thibodeaux

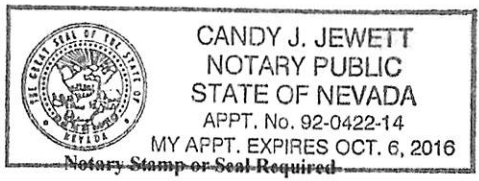
Signed [Signature]  
Permittee or Agent

Address Rockwood Lithium Inc  
Street Address or PO Box  
PO Box 98, Silver Peak, NV 89047  
City, State, ZIP Code

Phone (775) 937-2222 Ext 226

E-mail scott.thibodeaux@rockwoodlithium.com

[Signature]  
Signature of Notary Public Required



**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT**

*Handwritten initials: PBU*



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
October 12, 2016

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2017, with the provision that no further extensions will be granted for filing Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Parsons, Behle & Latimer (email)  
Thiel Engineering Associates, Inc. (email)  
Southern Nevada Branch Office



1 APPLICATION / PERMIT No.: 52920 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER.:  
Rockwood Lithium Inc.  
If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Albemarle U.S., Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O. Box 98, State Route 265 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....	<input type="checkbox"/>	CORRECTION DEED(S).....	<input type="checkbox"/>	OTHER:	<input type="checkbox"/>		
DEED(S) OF TRUST.....	<input type="checkbox"/>	RECONVEYANCE at no charge	<input type="checkbox"/>	TOTAL ## OF \$\$ Documents =>		1	
NOTICE(S) OF PLEDGE.....	<input type="checkbox"/>	MAP(S) at no charge.....	<input type="checkbox"/>	TOTAL # x \$20 each =	<input type="checkbox"/>	\$	20.00
DEATH CERTIFICATES.....	<input type="checkbox"/>	AFF OF ID at no charge.....	<input type="checkbox"/>	Report filing fee = \$120.00*		\$	0.00
DECREE(S) OF DISTR.....	<input type="checkbox"/>	OTHER: Cert. of Amendment	1	TOTAL FEES SUBMITTED*		\$	20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE. \*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: See attached.

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS 3619.85 ACRE-FEET ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER: \_\_\_\_\_

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268,  
44269, 44270, 49805, 49988, 52917, 52918, 52919, 52921, 85746, 86951T, 86952T, 87053T

13 Additional Space/Remarks: This Report of Conveyance memorializes only a corporate name change and not an assignment or conveyance of water rights.

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada  
COUNTY OF Washoe  
SUBSCRIBED AND SWORN TO BEFORE ME ON 07-28-17  
BY: Ross E. de Lipkau  
Print name of Permittee or Agent signing form

SIGNATURE:   
PRINT NAME: Ross E. de Lipkau  
FIRM NAME: Parsons Behle & Latimer  
MAILING ADDRESS: 50 W. Liberty, Ste. 750  
CITY: Reno STATE: NV ZIP: 89501  
PHONE: 775.323.1601  OWNER?  
E-MAIL: rdelipkau@parsonsbehle.com  AGENT?

Is a consent to receive email correspondence already on file? YES   
If not, please download from our website and include.

RONI L. SHAFFER  
Notary Public - State of Nevada  
Appointment Recorded in Washoe County  
No: 99-36517-2 - Expires May 5, 2019

Notary Stamp or Seal Required

FEE RECORDS

Receipt No.(s) 33376

Date of Receipt 8/2/17

\$ This Permit 20.00

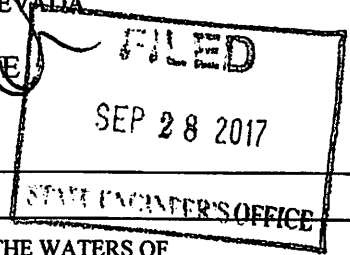
Original Receipt Located  
in File No. 10036

Deeds / Docs Filed in  
File No. 10036

2017 AUG -2 AM 10:29  
ENGINEERS OF A...

APPLICATION FOR EXTENSION OF TIME

(See instructions on back)



A. NDWR's Owner(s) of Record Albemarle U.S., Inc. (formerly known as Rockwood Lithium Inc.)

B. IN THE MATTER OF PERMIT NO. 52920 FILED TO APPROPRIATE/CHANGE THE WATERS OF Underground Source

(Name of stream, lake, spring, underground or other source)

C. THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now John Mayes, the  Permittee  Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)

2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

Yes  No (Check the appropriate box)

3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

Albemarle U.S., Inc.

4. How much time is needed to construct the works of diversion or place the water to beneficial use? Five Years

5. What is the expenditure on the project under this permit? (a) Last year \$1,000,000 (b) Total to date \$72,104,791

6. The permittee requests an extension of time for Five Years within which to comply with the provisions for filing the (Not to exceed 5 years)

Proof of Completion of Work  Proof of Beneficial Use  Cultural Map (Check all that apply)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is needed. (See instructions on back. Use additional pages if necessary):

Please see Exhibit A - Applications For Extension of Time Permits 52918, 52919, 52920 & 52921

RECEIVED  
2017 SEP 28 PM 1:10  
STATE ENGINEERS OFFICE

State of Nevada

County of ESMERALDA

Subscribed and sworn to before me on SEPT 20, 2017

by John Mayes  
Print name of Permittee or Agent signing form

Signed [Signature]  
Permittee or Agent

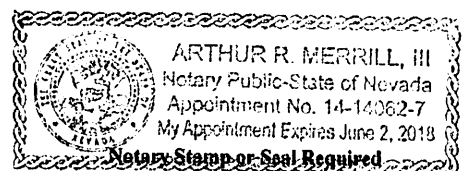
Address PO Box 98  
Street Address or PO Box

Silver Peak, NV 89047  
City, State, ZIP Code

Phone (775) 937-2222 Ext. 222

E-mail john.mayes@albemarle.com

[Signature]  
Signature of Notary Public Required



\$120 FILING FEE PER YEAR FOR EACH YEAR REQUESTED  
MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

10/12/17  
AB JK



Division of Water Resources  
 Receipt for Payment



Rockwood Lithium Inc.  
 P.O. Box 98  
 Silverpeak, NV 89047

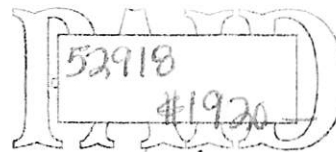
Check #: 28751  
 Check Date: 9/19/2017  
 Date Received: 9/28/2017  
 Receipt #: 34544

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2018	\$600.00	52920		- Extensions	COVERS 5 YR EXT NO'S 52918 THROUGH 52921

CHECK TOTAL  
 \$2,400.00

*10/20/17*  
*\$480.00*

*[Handwritten Signature]*



Date 11/15/2017  
 Warrant No. 1617704

PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.nvwaterlaw.com

DAVID H. RIGDON  
TIMOTHY D. O'CONNOR  
EVAN J. CHAMPA  
DAVID A. BAILEY

October 5, 2017

Jason King, P.E.  
State Engineer  
Nevada Division of Water Resources  
901 S. Stewart St., Ste. 2002  
Carson City, NV 89701

**RECEIVED**

OCT 06 2017

STATE ENGINEER'S OFFICE

Re: Albemarle Extensions of Time

Dear Mr. King:

We are writing on behalf of Pure Energy Minerals, Ltd., and its subsidiary, Esmeralda Minerals, LLC (hereinafter together as "Pure Energy") to formally request that your office deny Albemarle Corporation ("Albemarle")'s recently filed Extension of Time for water rights 52918, 52919, 52920, and 52921. Albemarle filed the extensions of time requests on September 28, 2017. As your office has stated in the past, "[b]ecause of Nevada's arid geography, vital public policy considerations dictate that the State Engineer monitor the beneficial use of water."<sup>1</sup>

This is the 19<sup>th</sup> extension of time request for these specific water rights.<sup>2</sup> To date, these water rights have never been fully put to beneficial use. Companies such as Pure Energy have filed for, and have been denied, access to this water while Albemarle has been permitted to hold the excess water hostage, never placing it to beneficial use. Pure Energy requests that your office take action regarding these unused rights, and deny Albemarle's extension of time.

The law is well settled in Nevada that beneficial use shall be the basis, the measure and the limit of the right to the use of water.<sup>3</sup> When the necessity for the use of water does not exist, the right to divert it ceases.<sup>4</sup> The quantity of water from an underground source . . . shall be limited to such water as shall reasonably be required for the beneficial use to be served.<sup>5</sup> While extensions of time to put the water to beneficial use are permitted to be granted by the State Engineer's office, the applicant must provide proof that they are pursuing application of the water to beneficial use with good faith and diligence.<sup>6</sup> "Because the state has a right to designate

<sup>1</sup> Ruling 6343 at 2.

<sup>2</sup> These rights are chained to rights that were originally filed in the 1980s. Albemarle has not been able to prove up these water rights since the 1980s.

<sup>3</sup> NRS 533.035.

<sup>4</sup> NRS 533.070.

<sup>5</sup> NRS 533.070.

<sup>6</sup> NRS 533.380(3)(b).

the method of appropriation it can also designate how long water may be permitted to run idly and not be beneficially used.”<sup>7</sup>

Albemarle has never been able to, nor are they likely ever going to be able to, put the water permitted to it to beneficial use. In its progress reports, Albemarle consistently cites to economic and structural impedances to its ability to put the water to full use. However, the impediment to the full use of water is a lack of ability to use 20,000 acre feet for its project, not economic or structural issues. Albemarle’s operation simply cannot use 20,000 acre feet of water.

The anti-speculation doctrine reiterates a long-standing premise of western water law: an appropriator must show intent to put the appropriated water to beneficial use in a reasonable amount of time.<sup>8</sup> In Ruling 6343, the State Engineer reviewed Nevada’s anti-speculation doctrine. In doing so, the State Engineer found that a third extension violated the anti-speculation doctrine. Here, the State Engineer is considering Albemarle’s 19<sup>th</sup> extension. The Nevada Supreme Court has stated,

[the anti-speculation] doctrine precludes speculative water right acquisitions without a showing of beneficial use. Precluding applications by persons who would only speculate on need ensures satisfaction of the beneficial use requirement that is so fundamental to our State’s water law jurisprudence.<sup>9</sup>

The Nevada Supreme Court has further stated,

the preeminent public policy concern in Nevada regarding water rights is beneficial use . . . the legislature has recognized that water is a limited resource in Nevada and it belongs to the public; therefore one who does not put it to a beneficial use should not be allowed to hold it hostage.<sup>10</sup>

Lastly, the Nevada Supreme Court has held that,

a mere statement of intent to put water to beneficial use, uncorroborated with any actual evidence, after nearly twenty years of nonuse is insufficient to justify a sixteenth extension to file proof of beneficial use resulting in cancellation of the right.<sup>11</sup>

The State Engineer’s office has explained that the legislative history of Nevada Revised Statutes (“NRS”) 533.370(1)(c)(2) demonstrates that the anti-speculation doctrine applies to permits such as Albemarle’s.<sup>12</sup> “While beneficial use is the cornerstone of Nevada water law,

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STATE ENGINEER'S OFFICE

<sup>7</sup> *In re Manse Springs*, 60 Nev. 280, 287, 108 P.2d 311, 315 (1940).

<sup>8</sup> *Bacher v. State Engineer*, 122 Nev. 1110, 146 P.3d 793 (2006).

<sup>9</sup> *Id.* at 1121, 146 P.3d at 799 (2006).

<sup>10</sup> *Preferred Equities Corporation v. State Engineer*, 119 Nev. 384, 389, 75 P.3d 380, 383 (2003); *see also Bacher*, 122 Nev. at 1118, 146 P.3d at 797; *see also Ruling 6343*.

<sup>11</sup> *Desert Irr. Ltd. v. State*, 113 Nev. 1049, 944 P.2d 835 (1997).

<sup>12</sup> Ruling 6343.

the concept of diligence also runs deep through the water law.”<sup>13</sup> Allowing Albemarle to “maintain a[n] . . . appropriation without progress frustrates the fundamental policy of promoting the maximum use of the State’s limited water supply.”<sup>14</sup> Albemarle has, for nearly two decades, been granted extensions of time to put their water rights to beneficial use. Yet, Albemarle has never shown an ability to use the full amount of its water rights.

A review of Albemarle’s file shows that decades ago, Albemarle filed permits to ensure that it maintained water rights equal to the perennial yield of the basin.<sup>15</sup> For decades, this water has sat unused by Albemarle. According to the file, Albemarle has never been able to use more than roughly 11,000 acre feet in any given year. On average, Albemarle is able to put less than 10,000 acre feet to beneficial use. Yet, Albemarle has been permitted to hold 20,000 acre feet of water rights without showing an ability to use half of that water. In every recent year, Albemarle has filed progress reports with your office that show it cannot use all of the water it is permitted. Additionally, these reports show that Albemarle continues to drill new wells and rehabilitate existing wells without proper reporting to your office. These progress reports are almost identical year after year, showing no reasonable progress towards using the full extent of their permits. Thus, nearly 10,000 acre feet of water goes unused in Clayton Valley year after year.

That extra water can – and should – be put to beneficial use. Companies such as Pure Energy are forced to sit by and watch this water go unused because the water is being held hostage by Albemarle. Albemarle has manipulated the permitting system to keep competition out of Clayton Valley. Pure Energy holds valid federal mining rights to lithium in Clayton Valley, but seemingly cannot access that lithium without access to water under the current interpretations of Nevada water law. Pure Energy strives to mine Nevada lithium for Nevada companies, using Nevada workers, but cannot because Albemarle has strategically claimed water they will never use. If Albemarle is allowed to continue to hold all of the available water in Clayton Valley in unused permits, Nevada will miss a golden opportunity to become a leader in renewable energy lithium production.

Albemarle’s extension of time to put its water to beneficial use should be denied, in part or in full, because the right to use water in Nevada is limited to what can reasonably be used. Water speculation or hoarding is prohibited in Nevada. A water holder simply cannot hold onto water rights they cannot themselves use within a reasonable amount of time. However, that is exactly what Albemarle has been doing for decades. Albemarle is speculating on their water because Albemarle knows that it cannot use this water. But by tying the water up in a permit stage, Pure Energy will be hampered in accessing its own federal claims to lithium. The water belongs to the public, and should be free to be placed to beneficial use by a willing user.

Pure Energy respectfully requests that your office deny, in whole or in part, Albemarle’s application to extend time to place its water rights to beneficial use. 19 years is beyond a reasonable amount of time to prove up a set of permits. As such, your office should require

<sup>13</sup> Ruling 6343.

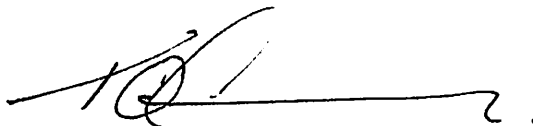
<sup>14</sup> *Trans-County Water Inc. v. Central Colo. Water Conservancy Dist.*, 727 P.2d 60, 65 (Colo. 1986).

<sup>15</sup> See Exhibit 1.

Albemarle to prove up the used water, allowing the unused water to be beneficially used by those who can use it.

If you have any questions, please contact us at our office.

Sincerely,



Timothy D. O'Connor, Esq.  
TAGGART & TAGGART, LTD.

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OCT 16 2017  
STATE ENGINEERING OFFICE



# EXHIBIT 1

RECEIVED  
OCT 13 2011  
STATE ENGINEER'S OFFICE

# EXHIBIT 1

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Rockwood filed for a Super Permit under application #85746. This application was protested by Esmeralda Minerals LLC. The purpose of this Super Permit is to consolidate all of the existing groundwater permits and certificates for the continued pumping of the multiple groundwater sources owned by Rockwood Lithium and used for the withdrawal of the groundwater Lithium resource. The application was filed on 12/18/2015 and became Ready For Action on 03/05/2016. The Protest was filed by Esmeralda Lithium/Pure Energy on March 7, 2016. Rockwood Lithium continues to pump its existing water rights from wells that are interspersed on the Rockwood claims. The groundwater/brine that is pumped is placed into evaporative ponds that are used to concentrate the groundwater into a lithium concentrate for processing at the adjoining mill.

Well rehabilitation/drilling/development during 2015-2016 has resulted in greater capacity on a year on year basis. Rockwood Lithium has focused on its well efficiency across the playa resulting in an overall increase in well production. This focus has allowed the site to maintain a more consistent pumping rate throughout the year. However, critical well failures have also played a role by creating well downtime and thus negatively impacting pumping rates. Rockwood Lithium has detailed plans to minimize the downtime of each well and is beginning to see long term results. These plans start with maintaining a critical inventory of parts and equipment on site along with a team of qualified personnel immediately available for well repair/rehabilitation activities. Additional development of our water distribution facilities include; continuing to optimize our existing wells, rehabilitate older wells and drill new wells where appropriate.

An overall expansion plan has been implemented to increase our total pumping to a withdrawal of the permitted 20,000 acre feet per annum. One such action was the drilling of a replacement well under permit 86029 which was issued on 04/12/2016. Another action includes the preparation of the required permitting documents for the installation of two new wells during 2016. In addition, Rockwood Lithium is in the process of completing further scientific analysis of the groundwater system (via seismic and hydro stratigraphic modeling) in order to improve on its existing reservoir of knowledge in the Basin aquifer system. In the future, these will allow for more accurate targeting of production zones within the underground source. These items will continue throughout 2017 in order to make progress towards our goal of using the full permitted volumes.

Finally it should be noted that our efforts to expand our use of the permitted resource has been hindered by the proliferation of exploratory drilling in Clayton Valley. These exploration activities are being undertaken in wells immediately contiguous to wells used by Rockwood and thus we have been working to understand the negative impact resulting from these activities.

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FEB 16 2017

STATE ENGINEER'S OFFICE

SE ROA 642

considerable amount of time has been expended on administratively rejecting intrusion into the mining resource held by Rockwood Lithium and in analyzing what contributing effects that the additional withdrawal of the groundwater might have on the environment and the integrity of the groundwater basin. Concerns have been raised as to the potential impact of planned reinjection from contiguous claims and its dilution/pollution impact on the groundwater/lithium resource. Rockwood Lithium has also brought forward concerns as to inappropriate drilling techniques and perhaps unknown construction issues that may result in further impacts to this resource. All of these issues have substantiated growing concerns as to the physical ability of the groundwater resource to handle the potential over drafting of the groundwater as well as the potential impact to the pumping wells held by Rockwood Lithium.

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MAY 12 1988  
MINE REVENUE SERVICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Well rehabilitation/drilling/development in 2014-2015 ultimately resulted in greater capacity. However, some critical well failures resulted in downtime. Plans to minimize the downtime of each well are continuing to improve. These plans include having qualified personnel readily available and an inventory that meets the needs of our wells. Addition development for our water distribution facilities include, continuing to optimize our current wells, rehabilitate older wells and drill new wells. These items will continue throughout each year in order to make progress towards our goal of using the full permitted volumes. Currently the completion date is underdetermined.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
11,720 acre-feet was used in 2014, during the period from August 2014-July 2015 the use was 11,533 acre-feet.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Several wells were drilled towards the end of 2014. Maintenance and development of all wells continued thereafter with scheduled plans to drill new wells in the remaining months of the year 2015. Similar development activities will take place in late 2015 and into 2016.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.

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7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions are continuing to improve. Our new owner, Albemarle Corp., has shown favorable spending and support for expansion. In late 2014 and early 2015 there were some critical well failures that resulted in a reduction in volume from the previous year. However, with great effort we were able to repair these wells and continue working towards our goal. Funding has been approved to continue well rehabilitation and drilling for the remainder of the year, thus production volumes will continue to fluctuate until enough wells can provide flexibility to manage pumping rates at sustainable levels.

STATE ENGINEERS OFFICE

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**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2012-2013 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,670 acre-feet was used in 2012.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2012-2013, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2013 and throughout 2014, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

STATE ENGINEERS OFFICE  
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STATE ENGINEERS OFFICE  
RECEIVED

Market conditions are on an upswing. Drill rig repairs started at the end of 2012 and continued through the 1<sup>st</sup> and half of the 2<sup>nd</sup> quarter of 2013. The drill rig has been rebuilt and will continue to drill new production wells during 2013 and 2014.

RECEIVED

2013 JUL 10 AM 10:43

STATE ENGINEERS OFFICE

RECEIVED  
JUL 10 2013  
STATE ENGINEERS OFFICE

SE ROA 647

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2011-2012 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,606 acre-feet was used in 2011.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2011-2012, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2012 and throughout 2013, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
JUL 16 2012  
STATE ENGINEERS OFFICE



Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Turn over of upper management at the end of 2011 resulted in slower than expected results.

RECEIVED  
2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

RECEIVED  
2012 AUG 29  
STATE ENGINEERS OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
  
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
  
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
  
4. **Submit the record of water measurements for the last one-year period.**  
6,565 acre-feet was used in 2010.
  
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
  
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
  
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

} Total of all wells ?

STATE ENGINEERS OFFICE  
2011 AUG 29 PM 1:50  
RECEIVED

RECEIVED  
STATE ENGINEERS OFFICE

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEER'S OFFICE

STATE ENGINEER'S OFFICE

SE ROA 651

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1.524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

2010 SEP -  
11:30

STATE OF ARIZONA

Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

2010 SEP -2 11:11:30  
STATE H.

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2008-2009 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
10,089 acre-feet was used in 2008.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2008-2009, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2009 and throughout 2010, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
One engineering design change for Chemetall Foote Corp.'s Water Pollution Control Permit was submitted and approved by NDEP in 2009. No other reports or engineering drawings are submitted for review.

5  
1/16  
3  
2009

← Review  
TCD =  
20,000

7

52920

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products beginning in late-2008, continuing into mid-2009. The result of this was the temporary idling of wells and transfer pumps, employee reduction in force, and budget cuts. Wells normally operated during this time are in recovery from pumping, with occasional pumping needed to exercise the pumping system. 2009 stimulus money, approved in August, is intended to aid this situation, allowing for restarting production wells and new well drilling and/or rehabilitation of older wells.

]

REC'D  
STATE DEPT.  
STATE DEPT.

# WORK IN PROGRESS INFORMATION SHEET WATER RIGHT PERMITS 52918

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**  
Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
None have been submitted or recorded.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**  
No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:19  
STATE ENGINEERS OFFICE



BRIAN SANDOVAL  
Governor

STATE OF NEVADA

BRADLEY CROWELL  
Director

JASON KING, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**Re: Permits 52918, 52919, 52920 and 52921**

Dear Ladies and Gentlemen:

Applications for Extension of Time submitted by you and received in this office on September 28, 2017, are being approved; however, an extension of time is only being granted for **ONE YEAR** and not the five years that were requested on the application.

The \$1920.00, receipt 34544 in filing fees in excess of a one year extension will be returned to you under separate cover.

Should you have any questions regarding this matter, please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee P.E.  
Water Resource Specialist I

AB/sg  
Enclosure

SE ROA 657



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that upon review of the Applications for Extension of Time for Permits 52918, 52919, 52920, and 52921, including attached exhibits, and, considering the grounds raised in the objection by Pure Energy Minerals, Ltd. to the Applications for Extension of Time, the Applications for Extension of Time for filing Proof of Beneficial Use have been granted for **ONE YEAR, until September 30, 2018, not the requested 5 years**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Thiel Engineering Associates, Inc. (email) Southern Nevada Branch Office  
Albamarle U.S., Inc.  
Parsons, Behle & Latimer (email) (Permits 52919, 52920, and 52921 Only)

**SE ROA 658**

# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT  
PAGE  
52920  
1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AF	Units	FILE UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION REMARKS
info only	Footo Mineral Company	Original Applicants filed 2/9/1989 for mining and domestic purposes Permit Approved 8/30/1993	5	3619.85	--	52920 2/9/1989 8/30/1993	Original Application	Application to Appropriate an underground source POD SW¼NE¼ Sec. 23, T. 1S., R. 40E., M.D.M.
1	Footo Mineral Company	Cyprus Foote Mineral Company	--	--	--	10/9/1989	1/19/1989	Cert. of Amend - Corp. Name Chg. State of PA.
2	Footo Mineral Company	Cyprus Foote Mineral Company	5	3619.85	--	10/9/1989	10/5/1989	Cert. of Amend - Corp. Name Chg. State of NV.
3	Cyprus Foote Mineral Company	Chemetail Foote Corporation	5	3619.85	--	3/12/1999	2/5/1999	G, B & S Deed Water Rights (Corp. Name Chg)
4	Chemetail Foote Corporation	Rockwood Lithium Inc.	5	3619.85	--	7/8/2014	3/22/2012	Cert. of Amended Corporation Name Change State of DE
5	Rockwood Lithium Inc.	Albemarle U.S., Inc.	5	3619.85	--	10036 8/2/2017	202732140 6/19/2017	Certificate of Amended Corporation Name Change, State of Delaware
info only	Albemarle U.S., Inc.	Original Applicant filed Nov 3, 2017 for mining and milling purposes	0.4	290	--	RFA 87457T 11/3/2017	Application to Change	Application to Change the POD, POU & MOU of a portion of Permit 52920
info only	Albemarle U.S., Inc.	Original Applicant filed Nov 3, 2017 for mining and milling purposes	1.5	1086	--	RFA 87462T 11/3/2017	Application to Change	Application to Change the POD, POU & MOU of a portion of Permit 52920

**State of Nevada**  
**Division of Water Resources**  
**Request for Correspondence and Change of Address**

Rev. 10/2016

In regard to permit number(s) 52918, 52919, 52920, 52921, 85746 (Check applicable item)

- Please add my name to the mailing list and send copies of all correspondence to the address below:  
(Fill in NEW ADDRESS information only.)
- Please change the address for copies to be sent as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)
- I am the permit holder. Please change my address as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)

**NEW ADDRESS**

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**OLD ADDRESS**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

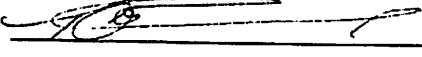
City, State, ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_

I am the:

- Individual named above. (Complete signature below only.)
- Agent (Complete signature, name and address below.)
- Representative (Complete signature, name and address below.)

This form accurately reflects the mailing address for the permit holder or other individual identified above.

Signature: 

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

STATE ENGINEER'S OFFICE  
2017 NOV 15 AM 10:13

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**SE ROA 660**

STATE OF NEVADA  
DIVISION OF WATER RESOURCES

# SUMMARY OF OWNERSHIP

Please retain this sheet on top of file

Page 1 of 1

PERMIT: 52920      USE: MM      CFS: 5      DUTY: 3619.85      AF      DUTY: 3619.85      AF  
 CERTIFICATE:      ISSUED:      CFS:      DUTY:      AF      DUTY:      AF

REVIEW DATE: 7/18/2014      BY: SLC      SUPPLEMENTAL TO: 44251 thru 44261, 44267 thru 44270, 49988, 52918 thru 52921 TCD  
 LAST UPDATE: 11/30/2017      BY: DZ      = 20,000 AFA

Owner	CFS	DZ	DUTY AF	UNITS	STATUS	CHANGED BY	REFERENCED DOCUMENTS	DESCRIPTION
-------	-----	----	---------	-------	--------	------------	----------------------	-------------

Albermarle U.S., Inc.	5		3619.85	---				
-----------------------	---	--	---------	-----	--	--	--	--

Albermarle U.S., Inc.	---		---	0	87057T RFA			
-----------------------	-----	--	-----	---	------------	--	--	--

Albermarle U.S., Inc.	---		---	0	87062T RFA			
-----------------------	-----	--	-----	---	------------	--	--	--

GRAND TOTALS	5		3619.85					
--------------	---	--	---------	--	--	--	--	--



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 4, 2017

**VIA EMAIL**

Parsons, Behle & Latimer  
Mr. Ross De Lipkau  
50 W Liberty, Suite 750  
Reno, NV 89501

**RE: Water Rights Title**

Mr. De Lipkau:

Please be advised that your *Reports of Conveyance* received on August 2, 2017, are hereby confirmed to update ownership of water rights and applications as listed in the table below. These water rights are now in the name of **ALBEMARLE U.S., INC.** Details of the permits, including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

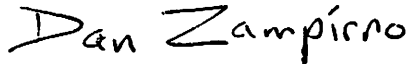
Permit/Certificate	cfs	Duty (afa)	Acres/Units
10036/2627	0.334		
15847/4838	0.530		
24382/7234	1.000	723.95	
44248	1.000	20.16	
44250/11268	0.003		100 head of cattle
44251/12770	1.000	723.97	
44252/12771	0.430	311.30	
44253/12772	0.840	608.13	
44255/12773	0.390	282.35	
44256/12774	0.220	159.27	
44257/12775	0.350	253.39	
44258/12776	0.270	195.47	
44260/12777	0.200	144.79	
44261/12778	0.220	159.27	
44267/12779	0.440	318.50	
44268/12780	0.462	334.47	
44269/12781	0.260	188.23	
44270/12782	1.000	723.97	
49805/14655	0.130	20.16	
49988/14295	2.000	1448.00	

52917	1.000	21.63	
52918	5.000	3619.85	
52919	3.000	2171.91	87053T por. change
52920	5.000	3619.85	
52921	5.000	3619.85	
85746	---	---	
86951T	---	---	
86952T	---	---	
87053T	2.000	1447.94	

Also be advised that the confirmation of your Report of Conveyance does not guarantee that the water right is in good standing with the office of the State Engineer; the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and, this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right. See NRS 533.386(2)(a)-(b).

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, call (775) 684-2829.

Sincerely,



Dan Zampirro  
Engineering Technician III

DZ/arp

cc: Albemarle U.S., Inc.

No. **52921**

Date Filed **FEB 09 1989**

Indexed under

Well Log *NO LOG*

Name of applicant



Map

Basin **CLAYTON VALLEY**

Stream

**10-143**

Township **2 S.**, Range **39 E.**

County **ESMERALDA**

Point of diversion **SW 1/4 NE 1/4 Section 10**

Applicant **FOOTE MINERAL COMPANY**

**ASSIGNED**

Source of Water **UNDERGROUND**

Returned for correction

Abrogated by

Corrected application received

Map filed **12/8/81 UNDER 44251 (POD ON SHEET # 2 OF 5)**

Sent for publication **MAR 1 1989**

Proof of publication filed **APR 10 1989**

Investigated on ground by

Protested

Ready for action **MAY 6 1989**

Approved **Aug. 30, 1993 5.0cfs - mining, domestic**

Denied

	PROOF OF COMMENCEMENT	PROOF OF COMPLETION	PROOF OF BENEFICIAL USE	CULTURAL MAP
Date due		<b>SEP 30 1993</b>	<b>SEP 30 1989</b>	
1st extension			<i>[Handwritten notes]</i>	
2nd extension		<b>NO FURTHER EXTENSION</b>	<b>NO FURTHER EXTENSION</b>	
Date filed		<b>MAY 21 1998</b>		
				Filed under map

CERTIFICATE NO.	ISSUED	AMOUNT
-----------------	--------	--------

Use

COMPUTER CHECK	File Entry	Publication	Permit	Certificate
		<i>[Handwritten initials]</i>	<i>[Handwritten initials]</i>	

ADDR

1-28-92  
 COPIES OF ALL NOTICES  
 & CORRES. TO:  
 Ross de Lipkau  
 P.O. Box 2790  
 Reno, NV 89505

*entered 3/10/08*



DIVISION OF WATER RESOURCES

CARSON CITY, NEVADA

TRANSMITTAL OF COPIES

Date FEB 24 1988

The following xerox copies were forwarded to the Las Vegas Branch Office, Division of Water Resources, this date:

NO. 52921

Application

FEB 24 1988 *JK*

Amended Application

Map

3-1-89 JSF

Publication

MAR 1 1989 *Jm*

Ready for Action Card

3-14-89 Jm

Permit

8-31-93 OB

Final Notice

10-2-97 KQ

Final Notice

Proof of Completion

4-28-98 OS

Extension of Time

10-4-96  
11-13-95 cong 5/19/98 OS

Proof of Beneficial Use

Cultural Map

Extension of Time

1-15-02 DR  
11-12-98 OS *12/20/09*  
11-23-03 SS  
11-24-03 SS  
NOV 12 2004 LT

Cultural Map

Certificate

Assignment Sheet

1-28-92 Lt

Cancellation

Signed *Gregory Shuard*

THIS SHEET TO BE KEPT AT THE TOP OF THIS FILE FOR EASY REFERENCE

APPLICATION FOR PERMIT  
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

FEB 09 1989

Date of filing in State Engineer's Office.....

Returned to applicant for correction.....

Corrected application filed.....

Map filed..... DEC 08, 1981 under 44251

The applicant..... FOOTE MINERAL COMPANY

..... of Silver Peak  
Street and No. or P.O. Box No. City or Town

Nevada 89047  
State and Zip Code No. hereby make...S application for permission to appropriate the public

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.).....

Incorporated in the State of Pennsylvania on September 30, 1964.

1. The source of the proposed appropriation is..... underground.  
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is..... 5.0 cfs ..... second-feet  
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....

3. The water to be used for..... Mining and domestic purposes.  
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated.....

(b) Stockwater, state number and kinds of animals to be watered.....

(c) Other use (describe fully under "No. 12. Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point..... within the SW¼ NE¼ Section 10,  
Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
Township 2 South, Range 39 East, MDB&M, at a point from which the southwest  
corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South  
13°27'53" West a distance of 14,223 feet.

6. Place of use..... Refer to Exhibit "A" attached hereto.  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about..... January 1 ..... and end about..... December 31 ..... of each year.  
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)..... Drilled and cased well, distribution, system,  
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.  
delivery to evaporation ponds.

9. Estimated cost of works..... \$30,000

10. Estimated time required to construct works Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The area which includes the point of diversion and place of use is appurtenant is located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22, et seq. The brine solution is pumped to evaporation ponds, where the lithium is recovered from the dehydrated solution. This water right will be utilized in conjunction with others held by the applicant. Use map on file under Permit 44262.

/s/ Ross E. de Lipkau  
By Ross E. de Lipkau  
P.O. Box 2790  
Reno, Nv 89505

Compared kh/ ps ab/se

Protested \_\_\_\_\_

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins or before the Proof of Completion of Work is filed.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 44251, Certificate 12770; 44252, Certificate 12771; 44253, Certificate 12772; 44255, Certificate 12773; 44256, Certificate 12774; 44257, Certificate 12775; 44258, Certificate 12776; 44260, (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second, but not to exceed 3619.85 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 30, 1995

Proof of completion of work shall be filed on or before September 30, 1995

Application of water to beneficial use shall be made on or before August 30, 1998

Proof of the application of water to beneficial use shall be filed on or before September 30, 1998

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed \_\_\_\_\_ IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.

Proof of beneficial use filed \_\_\_\_\_ State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this 30th day of August

Cultural map filed \_\_\_\_\_ A.D. 19 93

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

*[Signature]*  
State Engineer

(PERMIT TERMS CONTINUED)

Certificate 12777; 44261, Certificate 12778; 44267, Certificate 12779; 44268, Certificate 12780; 44269, Certificate 12781; 44270, Certificate 12782, 49988, 52918, 52919, 52920 and 52921 shall not exceed 17.86 million gallons per day or 20,000 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, Both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 23 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1983, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1983 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office. FEB 09 1989
Returned to applicant for correction.
Corrected application filed. Map filed DEC 08, 1981 under 44251

The applicant. FOOTE MINERAL COMPANY

of Silver Peak
Street and No. or P.O. Box No. City or Town

Nevada 89047
State and Zip Code No.

hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

Incorporated in the State of Pennsylvania on September 30, 1964.

Is applicant a U.S. citizen? Yes [x] No [ ]

Is applicant 21 years of age or older? Yes [x] No [ ]

NRS 533.325 requires that applicants be a citizen of the United States or have legally declared their intention to become a citizen, and that they be 21 years of age or older.

1. The source of the proposed appropriation is underground.
Name of stream, lake, spring, underground or other source.

2. The amount of water applied for is 5.0 cfs second feet.
One second foot equals 448.83 gallons per minute.

(a) If stored in reservoir give number of acre-feet.

3. The water to be used for mining and domestic purposes.
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.

4. If use is for:
(a) Irrigation, state number of acres to be irrigated:

(b) Stockwater, state number and kind of animals:

(c) Other use (describe fully under "No. 12. Remarks"):

(d) Power:

(1) Horsepower developed:

(2) Point of return of water to stream:

5. The water is to be diverted from its source at the following point within the SW $\frac{1}{4}$  NE $\frac{1}{4}$  Section 10  
Describe as being within a 40-acre subdivision of public  
Township 2 South, Range 39 East, MDB&M, at a point from which the southwest  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
corner of Section 22, Township 2 South, Range 39 East, MDB&M bears South 13°27'53"  
West a distance of 14,223 feet.

6. Place of use Refer to Exhibit "A" attached hereto.  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day

8. Description of proposed works (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, distribution  
State manner in which water is to be diverted, i.e. diversion structure,  
system, delivery to evaporation ponds.  
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$30,000

10. Estimated time required to construct works Five years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Ten years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

The brine pump pursuant to this application contains the mineral, lithium. The  
area which includes the point of diversion and place of use is appurtenant is  
located pursuant to the Mining Laws of 1872, as found in 30 USC Sec 22 et seq.  
The brine solution is pumped to evaporation ponds, where the lithium is recovered  
from the dehydrated solution. This water right will be utilized in conjunction  
with others held by the applicant. Use map on file under Permit 44252.

By Ross E. de Lipkau  
Signature, applicant or agent  
Ross E. de Lipkau  
P. O. Box 2790  
Street and No., or P.O. Box No.  
Reno, Nv 89505  
City, State, Zip Code No.

98:6V 6-88J 68

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

\$100 FILING FEE MUST ACCOMPANY APPLICATION

2888 (Rev. 4-82)

SE ROA 671

EXHIBIT "A"

The S 1/2 of Section 35 and all of Section 36, Both in T. 1 S., R. 39 E., M.D.M., and E 1/2 of Section 10, the E 1/2 of Section 15, the SE 1/4 of Section 21, the E 1/2 of Section 23 and all of Sections 1, 2, 3, 11, 12, 13, 14, 22, 23, 24, 25, 26, 27, 34, 35, and 36 all in T. 2 S., R. 39 E., M.D.M., the SE 1/4 of Section 19, the S 1/2 of Section 20, the E 1/2 and Lots 23\* and 24\*, now Lots 47, 48, 49, and 50 of Section 30 and all of Sections 21, 22, 23, 26, 27, 28, 29, 31, 32, 33, 34 and 35 all in T. 1 S., R. 40 E., M.D.M., the NW 1/4 of Section 11, the N 1/2 and the SW 1/4 of Section 10, the NW 1/4 of Section 15, the N 1/2 and the SW 1/4 of Section 16 and all of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 17, 18, 19, 20, 29, 30, and 31 all in T. 2 S., R. 40 E., M.D.M., Clayton Valley, Esmeralda County, Nevada.

- \* On December 16, 1983, the BLM approved an independent resurvey of T. 1 S., R. 40 E., M.D.M., which supercedes the plat approved April 14, 1884. The 1933 resurvey subdivided and renumbered original Lots No. 23 and No. 24. The resurvey did not change the total area or the horizontal position within Section 30, T. 1 S., R. 40 E.





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

March 6, 1989

RE: 52918 through 52921

Foote Mineral Company  
Silver Peak, Nevada 89047

Ladies and Gentlemen:

The above referenced applications to appropriate water for mining, and domestic purposes have been reviewed by this office. Before further consideration can be given towards the issuance of any permit should the applications become ready-for-action, it will be necessary for you to submit additional justification data and information concerning the annual consumptive use of water for mining and milling purposes under your applications. Therefore, the following information is hereby requested (please answer all applicable items):

1. The number of hours per day and days per year of plant operation that water will be consumed.
2. The number of tons of ore to be processed on a daily basis.
3. The amount of water in gallons per ton of ore required by your plant operation.
4. Accurate description of all plant operation components utilizing water along with the hourly/daily volume of water (i.e. gallons per hour) required for each component.
5. Minimum total volume of water required for plant operations on a daily basis.
6. Total annual volume of water calculated to be recycled or the % Recycle Factor of Item (5) above, and description of recycling method(s).
7. Projected total annual consumptive use, including plant losses, dust control and domestic use.

Page 2  
RE: 52918 through 52921  
March 6, 1989

Your earliest response would be greatly appreciated. Should you have any questions regarding this matter, please contact this office.

Sincerely,



Diana Jean Lefler  
Hydraulic Engineer II

DJL/kh  
Certified Mail No. P 965 007 659  
cc: Ross E. de Lipkau, Certified Mail No. P 965 007 660

SE ROA 674

BOB MILLER  
Acting Governor

STATE OF NEVADA

ROLAND D. WESTERGARD  
Director

PETER G. MORROS  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

RE: 44249 et al

May 4, 1989

Lee T. Gaskins  
Cyprus Minerals Company  
Property Management Department  
P.O. Box 3299  
Englewood, CO 80155

Subject: Copies of Foote Mineral Company's water right files.

Dear Mr. Gaskins:

Enclosed are the remaining copies you requested of Foote Mineral Company's water right files; numbers 44249, 44252, 44253, 44255 thru 44269, 49993 and 52917 thru 52921.

Permit 44250 was unavailable at the time of copying and will be forwarded to you in the near future. We are charging you the copying fees for 44250 at this time.

The fees for the copies of the above referenced permits and applications are broken down as follows:

There are a total of 525 copies representing 25 files. The charge for the first ten pages of each file is \$5.50, equaling \$137.50 for 25 files. The charge for the remaining 275 pages is \$0.06 each, equaling \$16.50. The total amount due is \$154.00. The billing statement is enclosed.

If you have any questions please contact this office.

Sincerely,

A handwritten signature in cursive script that reads "Kris A. B. Stenz".

Kris A. B. Stenz  
Engineering Technician IV

KABS/pas

Enclosure

SE ROA 675



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

June 26, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Gentlemen:

The referenced ready for action applications have once again been reviewed and to date this office has not received the required information requested in our last letter of March 6, 1989, a copy of which is enclosed. Justification of consumptive use is imperative before further consideration can be given to the issuance of any permit.

Further action will be withheld on these applications for a period of thirty (30) days from the date of this letter. At that time, we will assume you are no longer interested in pursuing these applications and appropriate actions will be considered for their denial.

Should you so desire, NRS 533.370, Subsection 2.(a) provides "Action can be postponed by the state engineer upon written authorization to do so by the applicant..." This office would require a written authorization from the applicant to the State Engineer requesting postponement of further action for a period of up to one year.

Should you have any questions regarding this matter, please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diana Jean Lefler".  
Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm  
Certified Mail No. P 179 142 879  
Enclosure  
cc: Ross E. deLipkau  
Certified Mail No. P 179 142 830

SE ROA 676

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

**Sherman & Howard**  
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
633 SEVENTEENTH STREET  
DENVER, COLORADO 80202

TELEPHONE 303 297-2800  
TELECOPIER 303 298-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET  
DENVER, COLORADO 80237

TELEPHONE 303 779-6484  
TELECOPIER 303 779-6480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903

TELEPHONE 719 475-2440  
TELECOPIER 719 635-4576

TELEPHONE: 702 323-1801  
TELECOPIER: 702 348-7250  
TELEX: 6971967

July 17, 1989

ROSS E. DELIPKAU

Ms. Diana Jean Lefler  
Hydraulic Engineer II  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Applications 52918-52921, Inclusive

Dear Ms. Lefler:

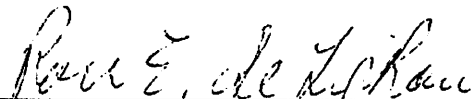
This is to acknowledge receipt of your letter dated June 26, 1989. Pursuant to NRS 533.370(2)(a), request is hereby made that you postpone action on the above referred to applications for a period of one year.

Should you wish to discuss the matter, please contact me.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By

  
\_\_\_\_\_  
Ross E. de Lipkau

REd/lbe  
33593.003

SE ROA 677



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

August 8, 1989

RE: 52918 thru 52921

Foote Mineral Company  
Silver Peak  
Nevada 89047

Ladies & Gentlemen:

As requested on your behalf by agent Ross E. deLipkau, and pursuant to NRS 533.370, 2(a), a one-year postponement of further action from the date of this certified letter is hereby granted for Application No.'s 52918 through 52921, inclusive.

Sincerely,

A handwritten signature in cursive script that reads "Diana Jean Lefler".

Diana Jean Lefler  
Hydraulic Engineer II

DJL/jm  
Certified Mail No. P 965 008 306  
cc: Ross E. deLipkau  
Certified Mail No. P 965 008 307

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

TELEPHONE: 702 323-1801  
TELECOPIER: 702 348-7250  
TELEX: 6971967

**Sherman & Howard**  
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WITH OFFICES IN:

DENVER, COLORADO  
**Sherman & Howard**  
3000 FIRST INTERSTATE TOWER NORTH  
933 SEVENTEENTH STREET  
DENVER, COLORADO 80202  
TELEPHONE 303 297-2900  
TELECOPIER 303 298-0940

SUITE 700, STANFORD PLACE 3  
4582 SOUTH ULSTER STREET PARKWAY  
DENVER, COLORADO 80237  
TELEPHONE 303 779-9494  
TELECOPIER 303 779-8480

COLORADO SPRINGS, COLORADO

SUITE 800, ALAMO CORPORATE CENTER  
108 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903  
TELEPHONE 719 475-2440  
TELECOPIER 719 635-4878

August 24, 1989

ROSS E. DELIPKAU

Honorable Peter Morros  
Nevada State Engineer  
201 South Fall Street  
Carson City, Nevada 89710

Re: Foote Mineral Company; Application Nos. 52917-52921

Dear Mr. Morros:

This is to confirm our conversation of August 23, 1989. Under Item 12, entitled "Remarks", I wish to make it quite clear that the four above-entitled applications seek to appropriate new water, and are not to be included within the annual limitation of 16,800 acre feet annually as permitted in Permit Nos. 44251-44270, inclusive, and Permit Nos. 49988-49996, inclusive.

Should you, or other members of your staff have any questions, please call.

Very truly yours,

HILL CASSAS de LIPKAU AND ERWIN

By *Ross E. de Lipkau*  
Ross E. de Lipkau

RED/kb

SE ROA 679

# Hill Cassas deLipkau and Erwin

A PARTNER IN

SUITE 300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
POST OFFICE BOX 2790  
RENO, NEVADA 89505

**Sherman & Howard**  
A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

WITH OFFICES IN:

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DENVER, COLORADO 80237

TELEPHONE 303 778-8484  
TELECOPIER 303 778-8480

COLORADO SPRINGS, COLORADO

SUITE 500, ALAMO CORPORATE CENTER  
102 SOUTH TEJON  
COLORADO SPRINGS, COLORADO 80903

TELEPHONE 719 475-2440  
TELECOPIER 719 635-4376

TELEPHONE: 702 323-1601  
TELECOPIER: 702 348-7250  
TELEX: 6971967

September 14, 1989

ROSS E. DELIPKAU

Ms. Marilyn Meyer  
Division of Water Resources  
201 South Fall Street  
Carson City, Nevada 89710

Re: Clayton Valley Groundwater Basin (10-143)  
Applications 52918-52921, Inclusive

Dear Marilyn:

Enclosed herewith is our check in the amount of \$4.00 to cover the groundwater abstract. I note that Applications 52918-52921, inclusive, do not contain an annual duty set forth under that column. It is the intention of the applicant, as affirmed by my letter of August 24, 1989, that the applications seek to appropriate "new water" as contrasted to being supplemental to the other permits held by permittee. Accordingly, would you kindly change your records to reflect a duty of 3618.97 acre-feet annually for each application.

If you have any questions, please advise.

Very truly yours,

HILL CASSAS de LIPKAU and ERWIN

By Ross E. de Lipkau  
Ross E. de Lipkau

REd/lbe  
Enclosure  
33593.003

SE ROA 680





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

(702) 885-4380

February 13, 1990

52918, 52919,  
52920, 52921

Ross E. deLipkau  
Hill, Cassas, deLipkau & Erwin  
P.O. Box 2790  
Reno, NV 89505

Dear Mr. deLipkau:

In a letter dated September 14, 1989 you advised this office that applications 52918, 52919 52920 and 52921 in the name of Foote Mineral Company were filed to appropriate additional water than previously appropriated by the applicant. This office has incorporated that information into the record on the above referenced applications and will review the applications as requests for additional appropriation at the described locations.

If you have any questions on this matter, feel free to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Thiel".

Christine Thiel, P.E.  
Chief, Office Engineering Section

CT/bc

cc: Foote Mineral Company



STATE OF NEVADA  
 DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
 DIVISION OF WATER RESOURCES

OFFICE MEMORANDUM

To: 52918-22

From: HUGH RICCI

Subject: Action on above application

Date: 5 Mar 90

A court case is on going between Foute and the U.S Government in regard to some of the mining claims in which the place of use of the above applications cover.

A letter date 8 Aug 89 allowed for a one year post poremment for taking action.

*Hugh Ricci*



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
(702) 687-4380

October 10, 1991

RE: Foote Mineral Company

Ross deLipkau  
Hill Cassas deLipkau & Irwin  
P.O. Box 2790  
Reno, NV 89505

Dear Mr. deLipkau:

This will acknowledge receipt of the 2 certified copies of Certificate of Amendments changing the name of Foote Mineral Co. to Cyprus Foote Mineral Company.

Before an assignment of water rights can be completed we require statutory filing fees in the amount of \$410.00 be submitted to this office.

All documents and fees that have been submitted will be held for 30 days awaiting a response from you.

If you have any questions please contact this office at (702) 687-4381.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rich Robinson".

Rich Robinson  
Engineering Technician III

RR/js

cc: Cyprus Foote Mineral Co.  
Silver Peak Operations



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES**  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane  
Carson City, Nevada 89710  
(702) 687-4380

December 20, 1991

RE: Water Rights Assignment

Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047  
Attn: C.B. Loundagin

Dear Mr. Loundagin:

Please be advised that the attached list of water rights have been assigned to show Cyprus Foote Mineral Co. as current owner of record.

This assignment reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rich Robinson".

Rich Robinson  
Engineering Technician III

RR/js  
cc: Ross De Lipkau

# STATUS REPORT

PERMIT
OWNER OF RECORD
STATUS
CFS
DUTY
A.C.

PERMIT	OWNER OF RECORD	STATUS	CFS	DUTY	A.C.
10036	Cyprus Foote Mineral Company	Cert #2627	0.334	---	MM
15847	Cyprus Foote Mineral Company	Cert #4838	0.530	---	MM
24382	Cyprus Foote Mineral Company	Cert #7234	1.0	235.9 MGA	MM
44248	Cyprus Foote Mineral Company	Permit	1.0	6.57 MGA	QM
44249	Cyprus Foote Mineral Company	Abr. By 49805	1.0	6.57 MGA	QM
44250	Cyprus Foote Mineral Company	Cert #11268	0.003	100 Cattle	Stk
44251	Cyprus Foote Mineral Company	Cert #12770	1.0	723.97	MM
44252	Cyprus Foote Mineral Company	Cert #12771	0.430	311.3 AFA	MM
44253	Cyprus Foote Mineral Company	Cert #12772	0.84	608.13 AFA	MM
44254	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
44255	Cyprus Foote Mineral Company	Cert #12773	0.39	282.35 AFA	MM
44256	Cyprus Foote Mineral Company	Cert #12774	0.22	159.27 AFA	MM
44257	Cyprus Foote Mineral Company	Cert #12775	0.35	253.39 AFA	MM
44258	Cyprus Foote Mineral Company	Cert #12776	0.27	195.47 AFA	MM
44259	Cyprus Foote Mineral Company	Abr. By 49990	1.5	1086.0 AFA	MM
4260	Cyprus Foote Mineral Company	Cert #12777	0.20	144.79 AFA	MM
4261	Cyprus Foote Mineral Company	Cert #12778	0.22	159.27 AFA	MM
4262	Cyprus Foote Mineral Company	Abr. By 49995 Abr. By 49996	1.5	1086.0 AFA	MM
4263	Cyprus Foote Mineral Company	Abr. By 49992 Abr. By 49993	1.5	1086.0 AFA	MM
4264	Cyprus Foote Mineral Company	Abr. By 49989	1.5	1086.0 AFA	MM
4265	Cyprus Foote Mineral Company	Abr. By 49994	1.5	1086.0 AFA	MM
4266	Cyprus Foote Mineral Company	Abr. By 49991	1.5	1086.0 AFA	MM
4267	Cyprus Foote Mineral Company	Cert #12779	0.44	318.5 AFA	MM
4268	Cyprus Foote Mineral Company	Cert #12780	0.462	334.47 AFA	MM
		<b>TOTALS</b>			
				<b>SE ROA 685</b>	

# STATUS REPORT

ERMIT      OWNER OF RECORD      STATUS      CFS      DUTY      A.C.

ERMIT	OWNER OF RECORD	STATUS	CFS	DUTY	A.C.
14269	Cyprus Foote Mineral Company	Cert #12781	0.26	188.23 AFA	MM
14270	Cyprus Foote Mineral Company	Cert #12782	1.0	723.97 AFA	MM
19805	Cyprus Foote Mineral Company	Permit	1.0	6.57 MGA	QM
9988	Cyprus Foote Mineral Company	Permit	2.0	1448.0 AFA	MM
9989	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
9990	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
9991	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
9992	Cyprus Foote Mineral Company	Permit	0.75	543.0 AFA	MM
9993	Cyprus Foote Mineral Company	Permit	0.75	543.0 AFA	MM
9994	Cyprus Foote Mineral Company	Permit	1.5	1086.0 AFA	MM
9995	Cyprus Foote Mineral Company	Permit	0.75	543.0 AFA	MM
9996	Cyprus Foote Mineral Company	Permit	0.75	543.0 AFA	MM
9117	Cyprus Foote Mineral Company	RFA	2.0	---	QM
9118	Cyprus Foote Mineral Company	RFA	5.0	---	MM
9119	Cyprus Foote Mineral Company	RFA	5.0	---	MM
920	Cyprus Foote Mineral Company	RFA	5.0	---	MM
921	Cyprus Foote Mineral Company	RFA	5.0	---	MM
<b>TOTALS</b>					
				<b>SE ROA 686</b>	

PERMIT TERMS SHEET

a. APPLICATION NO. 52921  
 b. Ready for Action MAY 6, 1989  
 c. Source Underground  
 d. Amount 570 cfs  
 e. No. of Units, Cattle, Acres, etc. \_\_\_\_\_  
 f. Manner of Use Mining and Domestic  
 g. Period of Use Jan 1 - Dec 31  
 h. Fees 7390

i. Status of Basin: Desig. Non-Desig.  
 j. Basin Name Claytons Valley  
 k. Basin Number 10-143  
 l. Reviewed: Office Engineer  
7-30-93 By TT

Reviewed: Groundwater Engineer

30 Jul 93 By HS

Reviewed: Surface Water Engineer

Office Notes: \_\_\_\_\_

Permit Plat Filed 52921 Supplemental to: \_\_\_\_\_

\*\*\*\*\*

Permit terms: A(1)

S(2)

S(1)

17.86 million gallons per day

at 20,000 acre-foot annually

S(1) B

S(1)

PER	CER
44251	12770
44252	12771
44253	12772
44255	12773
44256	12774
44257	12775
44258	12776
44260	12777
44261	12778
44267	12779
44268	12780
44269	12781
44270	12782

49988	PERMIT
52918	RFA
52919	RFA
52920	RFA
52921	RFA

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed \_\_\_\_\_

570 cubic feet per second, but

not to exceed 3219.85

at 20,000 acre-foot annually

Completion 2yr

PBU 3yr

Cultural Map \_\_\_\_\_

Date: 7-28-93

By: S Brown TT

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

123 W. Nye Lane

Carson City, Nevada 89710

Re: 52918 through 52921 (702) 687-4380

August 31, 1993

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89407

Dear Gentlemen:

Enclosed herewith you will find Permits Nos. 52918 through 52921 for the waters of an underground source.

You are advised that if the various proofs thereunder, together with any map which may be required, are not filed in this office prior to the dates set for such filings, the permits will be subject to cancellation. For your assistance a sheet is enclosed which will advise you of the requirements to fulfill the terms of your permits.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Michael Turnipseed, P.E.", written over a faint, larger version of the same signature.

R. Michael Turnipseed, P.E.  
State Engineer

RMT/ab

Enclosures

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 688



FILED  
SEP 13 1995  
STATE ENGINEER'S OFFICE

APPLICATION FOR EXTENSION OF TIME

Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF  
Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company

3. How much time is needed to finish this project? 1 Year Completion of Work

4. To date, what is the total expenditure on this project? \$170,000

5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,400,000

6. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the Proof of Completion of Work  
(Proof of completion of work and/or proof of beneficial use)

7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See Attachment "A"

Signed [Signature]  
Permittee or Agent

Address P. O. Box 98, Silver Peak, NV 89047  
Street No. or P.O. Box No.

City, State, Zip Code No. 702-937-2222, ext. 226  
Phone

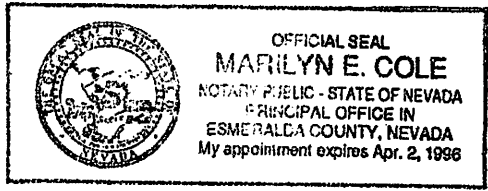
Subscribed and sworn to before me this 12<sup>th</sup> day of September, 1995.

Marilyn E. Cole

Notary Public in and for the County of Esmeralda

State of Nevada

My commission expires April 2, 1996, 1996.





Cyprus Foote Mineral Company  
Silver Peak Operations, Hwy. 265  
Silver Peak, Nevada 89047  
(702) 937-2222  
FAX (702) 937-2250

## ATTACHMENT "A"

1. Permittee is actively constructing an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant is scheduled for the second quarter of 1996. Due to the large capital expenditure incurred for this plant expansion, the \$1,400,000 production drilling program has tentatively been rescheduled to begin the second quarter of 1996. To date, \$170,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work of aforementioned permits.

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane

Carson City, Nevada 89710  
November 13, 1995

In reply refer to  
No.

52919, 52920,  
52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
Silver Peak Operations Hwy 265  
Silver Peak NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....  
.....  
.....

has been granted to..... September 30, 19 96

with the provision that no further extensions will be granted  
for filing of the Proof of Completion of Work  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/cmg

cc: Michael Hardy  
Ross de Lipkau  
Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

Capitol Complex  
Carson City, Nevada 89710

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

October 3, 1996

In reply refer to  
No.

52918 thru 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy. 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before September 30, 1996

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice, your permit will be cancelled.

Very truly yours,

  
State Engineer

RMT/cmm

CERTIFIED MAIL NO. Z 703 059 206

cc: Ross de Lipkau, Cert. Mail #Z 703 059 207  
Michael Hardy, Cert. Mail #Z 703 059 208  
Southern Nevada Branch Office

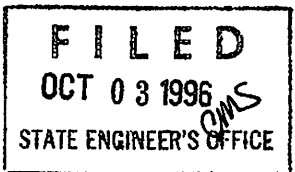
Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

APPLICATION FOR EXTENSION OF TIME



Owner of Record Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)
- 2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company
- 3. How much time is needed to finish this project? 1 year completion of work
- 4. To date, what is the total expenditure on this project? \$500,000
- 5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,070,000
- 6. The permittee requests an extension of time for 1 Year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the Proof of completion of work and beneficial use  
(Proof of completion of work and/or proof of beneficial use)
- 7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See Attachment "A"

3 owners

100 copies

Signed [Signature]  
Permittee or Agent

Subscribed and sworn to before me this 24 day of

September, 1996.

Marilyn E. Cole

Notary Public in and for the County of Esmeralda,

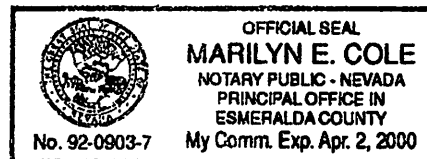
State of Nevada

My commission expires Apr 02, 2000

Address PO Box 98  
Street No. or P.O. Box No.

Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (702) 937-2222 ext. 226



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

141 comp JW 10-3-96

Photo - copy

original in File No. 52918

## ATTACHMENT "A"

1. Permittee has just recently completed an \$11,000,000 plant expansion which includes a new manufacturing process. Completion and startup of the new plant began the second quarter of 1996. The \$1,400,000 production drilling program is currently under way with the first of several water wells completed in mid September. We are scheduled to start test pumping this first well as early as next week. To date, \$500,000 has been invested in the completion of work for the following permits: 52918, 52919, 52920, 52921.

Based upon the foregoing, it is respectfully requested that the State Engineer exercise his statutory authority and grant an extension of time for one year within which to file for Completion of Work and Beneficial Use of aforementioned permits.

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

Capitol Complex  
123 W. Nye Lane

Carson City, Nevada 89710

October 4, 1996

In reply refer to  
No.

52918, 52919,  
52920, 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

Cyprus Foote Mineral Company  
P.O. Box 98, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....

.....

.....

has been granted to..... **September 30** ....., 19 **97**.....

with the provision that no further extensions will be granted

for filing of the **Proof of Completion of Work**.....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

**Christine Thiel, P.E.**

*Deputy State Engineer*

CT/cms

cc: Ross de Lipkau  
Michael Hardy  
Southern Nevada Branch Office



PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818  
October 2, 1997

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

In reply refer to  
No.

52918 thru 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Completion of Work

on or before **September 30, 1997**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. Z 703 035 689

cc: Ross de Lipkau, Cert. Mail No. Z 703 035 690  
Michael Hardy, Cert. Mail No. Z 703 035 691  
Southern Nevada Branch Office

Enclosures: Proof of Completion of Work forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

SE ROA 696  
(10)-3635



PROOF OF COMPLETION OF WORK

Permit No. 52921

STATE OF Nevada

COUNTY OF Esmeralda

} ss.

Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52921, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of Drilled 20" borehole to 1210 feet. Installed 10 inch nominal casing to 1160 with full flo louver screen from 850 to 1130 feet. Installed Grundfos 80S200-20 pump assembly with Franklin Ni-Resist 20 Hp submersible motor. The flow meter installed is a 4 inch water Specialty mechanical propeller meter, model ML-03 with total izer in gallons. Serial # 962936-4 FM-344

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June 1997

Point of diversion located within the SW 1/4 NE 1/4 Sec. 2, T. 2 N, R. 40 E., M. D. B. & M. WELL DRILLER Layne-Western Co., 275 County Rd. 98, Woodland, CA 95695

WELL LOG FILED Yes [ ] No [X]

Subscribed and sworn to before me this 15th day of

October 1997 Candy J. Jewett

Notary Public in and for the County of Nye

State of Nevada

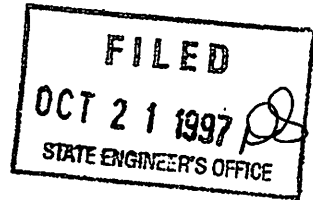
My commission expires 10/6/2000

Signed [Signature] Permittee or Agent Address P.O. Box 88 Silver Peak, NV 89047



(Ten dollar filing fee must accompany this proof)

APPLICATION FOR EXTENSION OF TIME



Owner of Record... Cyprus Foote Mineral Company

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Michael Hardy, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being first duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. If this permit has multiple owners, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

2. If "NO", on whose behalf is this extension being filed? Cyprus Foote Mineral Company

3. How much time is needed to finish this project? 1 year

4. To date, what is the total expenditure on this project? \$2,000,000

5. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$500,000

6. The permittee requests an extension of time for 1 year within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the proof of beneficial use  
(Proof of completion of work and/or proof of beneficial use) + comp ps

7. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
See attachment "A"

Signed [Signature]  
Permittee or Agent

Address P.O. Box 98  
Street No. or P.O. Box No.  
Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (702) 937-2222

Subscribed and sworn to before me this 15<sup>th</sup> day of

October, 19 97  
Candy J. Jewett

Notary Public in and for the County of Nye,

State of Nevada

My commission expires 10/6/2000



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
AN APPLICATION MUST BE FILED FOR EACH SEPARATE PERMIT.

*for comp  
5/11/98 ps  
(REV. 7-94)*

BOB MILLER  
Governor

STATE OF NEVADA

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

52918 thru 52921 (702) 687-4380 • Fax (702) 687-6972

April 30, 1998

Michael Hardy  
P.O. Box 98  
Silver Peak, Nevada 89047

Dear Mr. Hardy:

This office received Proofs of Completions for Permits 52918 thru 52921. These proofs are being returned for the following corrections:

The location given on the proofs does not correspond to the location in the permit. Please clarify which one goes with which permit, etc., and refile the amended documents.

The Proofs of Completion are herewith returned and must be resubmitted within thirty (30) days from the date of this letter. If the corrected proofs or applications for extension of time are not received and filed with the State Engineer within **thirty (30) days of the date of this notice**, your permit may be subject to cancellation.

Very turly yours,

A handwritten signature in cursive script, appearing to read "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer  
TKG/ds  
Enclosures  
cc: NDWR, Las Vegas

SE ROA 699

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 thru 52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

May 19, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to....., 19.....

for filing of the.....  
.....  
.....

has been granted to..... September 30..... 19..... 98

with the provision that no further extensions will be granted

for filing of the..... ~~Proof of Completion (all Permits)~~.....  
.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds

cc: NDWR, Las Vegas  
Ross de Lipkau  
Michael Hardy

MARSHALL HILL CASSAS & de LIPKAU  
LAWYERS

ROBERT W. MARSHALL  
EARL M. HILL  
FRANK CASSAS  
ROSS E. de LIPKAU  
JOHN P. FOWLER  
DAVID S. McELROY  
REW E. GOODENOW  
MICHAEL R. KEALY  
A. STANYAN PECK

300 HOLCOMB PROFESSIONAL CENTER  
333 HOLCOMB AVENUE  
P. O. BOX 2790  
RENO, NEVADA 89505

TELEPHONE  
(702) 323-1601

FACSIMILE  
(702) 348-7250

May 20, 1998

Thomas K. Gallagher, P.E.  
Division of Water Resources  
123 West Nye Lane  
Carson City, NV 89710

Re: Cyprus Foote / Permits 52918-52921

Dear Tom:

This is to confirm our recent conversation concerning your letter to Mike Hardy dated April 30, 1998. You asked that I supply you with a short history of the water rights appurtenant to and utilized at the lithium plant.

Cyprus Foote, through succession, is the owner/operator of the lithium plant located in Silver Peak, Esmeralda County, Nevada. My knowledge of the project goes back to the early 1970's. At that time, Cyprus Foote was operating under the federal mineral leasing program. It was believed, at least at that time, that lithium was a "leasable" mineral, as contrasted to a "locatable" mineral under the Mining Laws of 1866 and 1877.

In the early 1980's, a dispute arose between the United States and Cyprus Foote regarding royalty payments. The result of that litigation was a finding by the Courts that lithium was a locatable mineral, and not a leasable mineral. During the phase when the parties, including the State Engineer, believed the federal leasing laws were in effect, Cyprus Foote decided and believed that it was not within the jurisdiction of the Nevada State Engineer. A multitude of legal opinions supported that position. However, when lithium was determined to be locatable, we promptly set up a meeting with the then-State Engineer, Roland D. Westergard. It was agreed that Cyprus Foote would file 20 applications to appropriate, basically scattering the wells uniformly or fairly so throughout the thousands of acres included within the mining claims. The annual volume pumped from all wells could not and did not exceed the annual duty. Thereafter, with Peter G. Morros then being State Engineer, certain applications to change were filed

SE ROA 701

May 20, 1998  
Page 2

based upon an increased area of mineral extraction. Cyprus Foote would drill its own wells, pump them for a period of time, abandon them and drill additional wells. The statutory permitting process did not allow for the rapid change in wells -- a condition similar to the several mine dewatering programs authorized by your office.

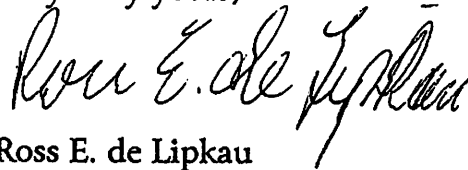
In order to comply with the water law, Cyprus Foote was directed to file Proofs of Completion of Work upon representative wells or wells fairly close to the points of diversion as reflected on the various permits. Over the course of years, Proofs of Beneficial Use were filed, with the above four permits being the only unperfected rights. The amended Proofs of Completion of Work, which are being refiled, are representative of recently drilled wells as previously agreed to between representatives of your office and Cyprus Foote, and regulate the flow and quality of brine. The amended Proofs of Completion of Work, which are representative of the production wells, are enclosed.

Additionally, and as we discussed, generally Cyprus Foote drills its own wells, pumps them for a matter of months or years, and thereupon abandons them, drilling new wells. The multitude of wells is constantly changing to meet the production needs of Cyprus Foote.

For your information, Steve Brown has worked with Cyprus Foote for many years and is aware of the facts. You may wish to discuss this subject with him.

Many thanks for your assistance.

Very truly yours,



Ross E. de Lipkau

REdL/lbe  
Enclosures  
33593.003

SE ROA 702

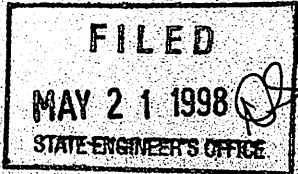
PROOF OF COMPLETION OF WORK

Permit No. 52921

STATE OF Nevada

COUNTY OF Esmeralda

} ss.



Comes now Michael Hardy, the Permittee or Agent on behalf of Cyprus Foote Mineral, the Permittee, who after being first sworn, deposes and says that at least two million dollars (\$2,000,000) has been expended in work or improvements performed or made under the conditions provided in Permit No. 52921, pertaining to the completion of said works, and at the expense of the permittee.

Said improvements consisted of Drilled 20" borehole to 1210 feet. Installed 10 inch nominal casing to 1160 with full flo louver screen from 850 to 1130 feet. Installed Grundfos 80S200-20 pump assembly with Franklin Ni-Resist 20 Hp submersible motor. The flow meter installed is a 4 inch Water Specialty mechanical propeller meter, model ML-03 with total izer in gallons. Serial # 962936-4 FM-344

said work being essential to the actual diversion of the water applied for and in the completion of the work required under said permit. Said work completed prior to June 1997

Point of diversion located within the SW 1/4 NE 1/4 Sec. 2, T. 2 (S), R. 40 E., M. D. B. & M.

WELL DRILLER Layne-Western Co., 275 County Rd. 98, Woodland, CA 95695

WELL LOG FILED Yes [ ] No [X]

Subscribed and sworn to before me this 15th day of

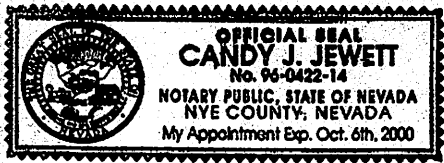
October 1997 Candy J. Jewett

Notary Public in and for the County of Nye

State of Nevada

My commission expires 10/6/2000

Signed [Signature] Permittee or Agent Address P.O. Box 28 Silver Peak, NV 89047



(Ten dollar filing fee must accompany this proof)

Handwritten initials/signature



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(702) 687-4380 • Fax (702) 687-6972

52918 thru 52921

September 22, 1998

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, Nevada 89047

Ladies & Gentlemen:

This is to confirm that the Proofs of Completion required under the above-referenced permits were filed in this office on May 21, 1998. Please advise this office of any address or ownership changes. If you have any questions please call me at (702) 687-3861.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Thomas K. Gallagher".

Thomas K. Gallagher, P.E.  
Hydraulic Engineer

TKG/ds

cc: NDWR, Las Vegas  
Ross de Lipkau



PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4381

October 2, 1998

In reply refer to  
No.

52918 through 52921

Cyprus Foote Mineral Co.  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before **September 30, 1998**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

CERTIFIED MAIL NO. Z 559 486 195

cc: Ross de Lipkau, Cert. Mail No. Z 559 486 196  
Michael Hardy, Cert. Mail No. Z 559 486 197  
Southern Nevada Branch Office

Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms

Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

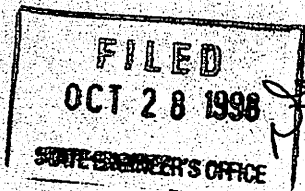
**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF
Underground source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Patrick R. Fischer, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? 1 year
5. To date, what is the total expenditure on this project? in excess of 50 million dollars
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million
7. The permittee requests an extension of time for 1 year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of beneficial use (Proof of completion of work and/or proof of beneficial use)

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):
We have not reached maximum capacity, and are planning a \$200,000 expansion in 1999.

Subscribed and sworn to before me this 27th day of

October, 1998, Candy J. Jewett
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

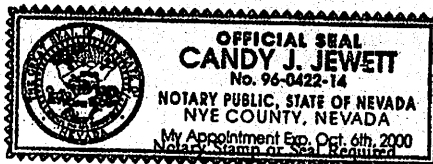
My commission expires October 6, 2000

Signed PR Fischer Permittee or Agent

Address PO Box 94 Street No. or P.O. Box No.

Silver Peak NV 89047 City, State, Zip Code No.

Phone 702-537-2222



Handwritten notes: 144, 1/2/95 BS

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

SE ROA 706

**Chemetall Foote  
Corporation**

Supplier Notification:

We are pleased to announce that on October 13, 1998 Chemetall GmbH completed the acquisition of Cyprus Foote Mineral Company. Reflecting this purchase, our name has been changed to Chemetall Foote Corp. Together with the Lithium Division of Chemetall GmbH Europe, we will become a worldwide operating, fully integrated supplier of base and performance lithium products.

Attached is our updated credit account information document. Please do not hesitate to contact writer should you require any additional information.

Sincerely,



Randall S. Weld  
Sourcing Manager

Please note:

The following address is to be used for shipping and billing for material ordered from the Silver Peak location.

---

Chemetall Foote Corporation • Silver Peak Operations, Hwy 265 • P.O. Box 98 • Silver Peak, NV 89047  
Telephone 702-937-2222 • Fax 702-937-2250

SE ROA 707

**CREDIT ACCOUNT APPLICATION**

**NAME:** Chemetall Foote Corp.  
348 Holiday Inn Drive  
Kings Mountain, NC 28086

**TELEPHONE:** (704) 739-2501

**OPERATING LOCATIONS:** Silver Peak, Nevada  
Kings Mountain, North Carolina  
New Johnsonville, Tennessee  
Santiago and Antofagasta, Chile

**DUNS NUMBER:** 00-232-9456  
**INCORPORATED:** July 26, 1916  
**STATE OF INCORPORATION:** Pennsylvania  
**IRS IDENTIFICATION NUMBER:** 23-0589510

**TYPE OF BUSINESS:** Owns and Operates Lithium Extraction and Processing Facilities

**PARENT:** Chemetall GmbH  
Frankfurt, Germany  
Duns Number: 31-580-9632

**BANK REFERENCE:** PNC Bank, N. A. Account No. 1008963455  
Two PNC Plaza Officer: Jeffrey Statmore  
Pittsburgh, PA 15265 (908) 220-3078

**TRADE REFERENCES:** Tg Soda Ash, Inc. Phillips Chemical Company  
4300 Six Forks Road, #850 P. O. Box 968  
Raleigh, NC 27619-9248 Borger, TX 29008-0968  
(919) 785-2040 (800) 858-4327

J. L. Clark Inc.  
2300 6th Street  
Rockford, IL 61108  
(815) 962-8861

**OFFICERS:**

President & CEO	Juergen Deberitz
Vice President, CFO & Treasurer	Ronald A. France
Vice President, Human Resources	James E. Sanderson
Vice President, Operations	Paul J. Seaman
Vice President, Sales	Jeffrey S. Watson
Secretary	Arthur G. Taylor

We certify that all of the information on this form is correct. We understand your credit terms and agree to pay within the terms. If further information is required, please contact Sue Hartwyk at (704) 734-2663.

Signed: R. L. Field

Date: 11/5/98

SE ROA 708

<b>10036</b>	<b>15847</b>	<b>22610</b>
<b>24382</b>	<b>24383</b>	<b>24384</b>
<b>24385</b>	<b>25826</b>	<b>44247</b>
<b>44248</b>	<b>44249</b>	<b>44250</b>
<b>44251</b>	<b>44252</b>	<b>44253</b>
<b>44254</b>	<b>44255</b>	<b>44256</b>
<b>44257</b>	<b>44258</b>	<b>44259</b>
<b>44260</b>	<b>44261</b>	<b>44262</b>
<b>44263</b>	<b>44264</b>	<b>44265</b>
<b>44266</b>	<b>44267</b>	<b>44268</b>
<b>44269</b>	<b>44270</b>	<b>49805</b>
<b>49988</b>	<b>49989</b>	<b>49990</b>
<b>49991</b>	<b>49992</b>	<b>49993</b>
<b>49994</b>	<b>49995</b>	<b>49996</b>
<b>52917</b>	<b>52918</b>	<b>52919</b>
<b>52920</b>	<b>52921</b>	

*Previous letter filed  
in the following files:  
DJL/my  
03/03/99*

PETER G. MORROS  
Director

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918, 52919, 52920,  
52921

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (702) 687-4380

November 13, 1998

Cyprus Foote Mineral Co.  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time

has been granted to..... September 30....., 19..... 99

for filing of the..... Proof of Beneficial Use (all Permits)

.....  
.....

has been granted to....., 19.....

with the provision that no further extensions will be granted

for filing of the.....

.....  
.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/ds

cc: NDWR, Las Vegas  
Ross de Lipkau

# ABSTRACT OF TITLE

NON - DECREED

PERMIT or PROOF No. 52921

Page 1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AFA/AFS or MGA/MGS	Acres or Units	This column for office use only		Document Description and REMARKS
						Filed Under DATE	Document Number DATE	
1	CYPRUS FOOTE MINERAL CO	CHEMETALL FOOTE CORP	5.0				151573 02/05/99	WATER RIGHTS DEED
2								
3								
4								
5								
6								
7								
8								

Type or print in ink

REPORT OF CONVEYANCE

to

Department of Conservation and Natural Resources. Division of Water Resources. Office of the State Engineer

1 APPL., PERMIT, PROOF, or CLAIM No: 52921 STATUS: permit USE: MD

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER: CYPRUS FOOTE MINERAL COMPANY

If any item requires additional space, please attach additional 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW HOLDER(S): CHEMETALL FOOTE CORPORATION
ADDRESS: Silver Peak Operations, Hwy 265
CITY: Silver Peak STATE: NV ZIP CODE: 89047 PHONE: 775/937-2222

Table with 4 columns: DEED(S), CORRECTION DEED(S), OTHER, and TOTAL NUMBER OF \$\$ DOCUMENTS. Includes rows for DEED(S) OF TRUST, NOTICE(S) OF PLEDGE, DEATH CERTIFICATES, DECREE(S) OF DISTR, MAP(S) at no charge, AFF OF ID at no charge, and FEES SUBMITTED.

5 ONE \$25 FILING FEE MUST ACCOMPANY THIS REPORT + \$10 PER CONVEYANCE DOCUMENT LISTED ABOVE.

This REPORT requires an ABSTRACT OF TITLE listing the above documents in chronological order, from the current holder(s) of record (ITEM 2) with the Division of Water Resources, Office of the State Engineer, to the proposed, new holder(s) of record (ITEM 3). Document(s) must be recorded in the Office(s) of the respective County Recorder(s).

If the legal description on any deed(s) refer(s) to a subdivision lot or parcel or assessor's parcel number, or lists any deviation(s) different than the place of use in a Quarter/Quarter/Section/Township/Range format, a copy of the map referred to in said deed(s) is required. Copies of maps should be 8 1/2" x 11" or 11" x 17". Please refer to instruction sheet for details.

7 LIST SUPPLEMENTAL RIGHTS

8 COUNTY: POINT OF DIVERSION Esmeralda COUNTY: PLACE(S) OF USE Esmeralda
9 PLACE(S) OF USE: \* QTR QTR SEC TWN RNG APN

10 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS Acre Feet or MG Acres or Units

11 DOES THE CURRENT HOLDER INTEND TO RETAIN ANY PORTION OF THE WATER RIGHT? YES NO XX

12 List any other water rights relating to this Report of Conveyance that has been filed using this same abstract and chain of title.

Remarks: \*Refer to permit for place of use.

14 "I swear, under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

SUBSCRIBED AND SWORN TO BEFORE ME THIS 11th DAY OF

Mo. March Yr. 1999

NOTARY PUBLIC IN AND FOR THE COUNTY OF WASHOE STATE OF NEVADA MY COMMISSION EXPIRES 2/9/02

SIGNATURE: [Signature]

PRINT NAME: Ross E. de Lipkau

MAILING ADDRESS: P. O. Box 2790

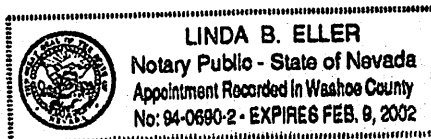
FIRM NAME: Marshall Hill Cassas & de Lipkau

CITY: Reno STATE: NV ZIP CODE: 89505

PHONE: 775/323-1601

OWNER?:

AGENT?: X



NOTARY STAMP

THIS DOUBLE SIDED FORM CAN BE COPIED ONTO GREEN PAPER ONLY.



**FOR OFFICE USE ONLY**

ITEM

- 1 Previous reports/submittals pending .....
- 2 Current holder(s) verified .....
- 3 New holder(s) information complete .....
- 4 Inventory verified. Fees correct .....
- 5 Technical review .....
- 6 Abstract / Chain of Title .....
- 7 Supplemental rights recognized .....
- 8 Counties compared POD/POU .....
- 9 Place of Use determinable .....
- 10 Duties determined .....
- 11 Appurtenancy / portions / percentages .....
- 12 Related rights by deeds and abstract .....
- 13 Remarks reviewed .....
- 14 Notary/SS legible and logical .....

REVIEW BY / DATE

	<i>RH J - 6/24/99</i>
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**FEE RECORDS**

Receipt No.(s) 123699  
Date of Receipt 3-12-99

Receipt No.(s) \_\_\_\_\_  
Date of Receipt \_\_\_\_\_

\$\$ This R.O.C. 10/275

Original Receipt(s) Located  
in File No. 10036

Deeds/Docs Filed in  
File No. 10036

ITEM

**DEFICIENCIES REQUIRING RETURN**


<b>RETURNED for CORRECTION to:</b>	DATE:	BY:
	<b>DUE DATE:</b>	

Remarks: \_\_\_\_\_

<b>CORRECTION RECEIVED:</b>	DATE:	BY:
	<b>CONFIRMED REPORT:</b>	

Remarks: \_\_\_\_\_

STATE ENGINEERS OFFICE  
99 MAR 12 PM 12:10  
RECEIVED



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818  
(775) 687-4380 • (775) 687-6972

July 16, 1999

RE: Permits 10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269, 44270, 49805, 49988, 52917, 52918, 52919, 52920 & 52921

Mr. Ross E. de Lipkau  
Marshall Hill Cassas & de Lipkau  
PO Box 2790  
Reno, NV 89505

Dear Mr. de Lipkau:

The above-listed permits have been assigned to show **Chemetall Foote Corporation** as owner of record. Copies of the *Summaries of Ownership* are enclosed for your information.

These assignments reflect only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation.

If you have any questions, please contact this office at (775) 687-4381.

Sincerely,

  
Robert H. Zeisloft  
Engineering Technician III

RHZ/ld  
Enclosures  
cc: Southern Nevada Branch Office

PETER G. MORROS  
Director

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

R. MICHAEL TURNIPSEED, P.E.  
State Engineer

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4381

October 6, 1999

In reply refer to  
No.

52918 through 52921


**Chemetal Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof **of Beneficial Use**

 on or before **September 30, 1999**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Very truly yours,  
  
State Engineer

RMT/kdg

 CERTIFIED MAIL NO. P 444 470 273

cc: Ross de Lipkau, Cert. Mail No. P 444 470 274

**Enclosures: Proof of Beneficial Use forms and Application for Extension of Time forms**

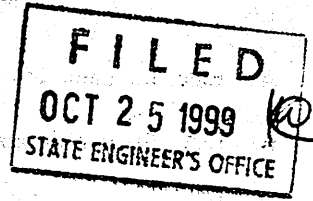
Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

**FINAL NOTICE**

**Address all communications to the State Engineer, Division of Water Resources**

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetail Foote Corporation

IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Patrick R. Fischer, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetail Foote Corporation

4. How much time is needed to finish this project? 1 year

5. To date, what is the total expenditure on this project? in excess of 50 million dollars

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million

7. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the Proof of beneficial use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and are planning a \$200,000 expansion in 2000.

Subscribed and sworn to before me this 12th day of

October 1999  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2000

Signed PR Fischer  
Permittee or Agent

Address PO Box 98  
Street No. or P.O. Box No.

Silver Peak NV 89047  
City, State, Zip Code No.

Phone 735-837-2222



Notary Stamp or Seal Required

**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT**

SE ROA 716

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

December 20, 1999

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4380

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to \_\_\_\_\_ September 30 2000 \_\_\_\_\_

for filing of the \_\_\_\_\_ Proof of Beneficial Use \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

has been granted to \_\_\_\_\_ 2000 \_\_\_\_\_

with the provision that no further extensions will be granted

for filing of the \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.

Deputy State Engineer

CT/my

cc: Ross deLipkau  
Chemetall Foote Corp./Patricia R. Fischer  
Southern Nevada Branch Office

R. MICHAEL TURNIPSEED, P.E.  
Director

STATE OF NEVADA

HUGH RICCI, P.E.  
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

In reply refer to  
No. 52918 through 52921

October 4, 2000

Address All Communications to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file Proof of Beneficial Use

on or before September 30, 2000

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice, your permit will be cancelled.

Sincerely,

  
State Engineer

HR/kdg

CERTIFIED MAIL NO. 7000 0520 0023 8631 0900

cc: Ross de Lipkau, Cert. Mail No. 7000 0520 0023 8631 0917  
Patrick R. Fischer, Cert. Mail No. 7000 0520 0023 8631 0924

Enclosures: Proof of Beneficial Use form(s) and Application for Extension of Time form(s)

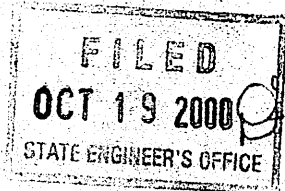
Fee for filing Proof of Completion \$10.  
Fee for filing Proof of Beneficial Use \$50.  
Fee for filing Request for Extension of Time \$100.

FINAL NOTICE

Address all communications to the State Engineer, Division of Water Resources

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corp.

IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa R. Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?  
Chemetall Foote Corp.

4. How much time is needed to finish this project? 1 year

5. To date, what is the total expenditure on this project? in excess of 50 million dollars

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? 3.5 million

7. The permittee requests an extension of time for Proof of Beneficial Use within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and have an exploration drilling project in progress. Production well drilling program of \$1.1 million planned for 2000-2001.

Subscribed and sworn to before me this 11<sup>th</sup> day of

October 2000  
Landy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

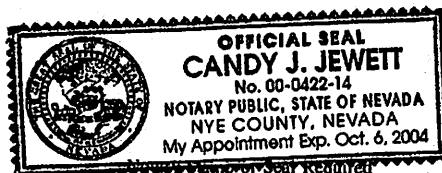
My commission expires October 6, 2004

Signed Melissa R. Jennings  
Permittee or Agent

Address P.O. Box 98  
Street No. or P.O. Box No.

Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (775) 937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

SE ROA 719

1 yr. PBU  
TCP (Rev. 8-99) 10-20-2000

R. MICHAEL TURNIPSEED, P.E.  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4380 or  
1-800-992-0900x4380

In reply refer to:

October 23, 2000

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
PO Box 98  
Silverpeak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2001** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
*Deputy State Engineer*

CT/ds  
cc: Southern Nevada Branch Office  
Ross E. de Lipkau

SE ROA 720



Notice of Proposed Action

by the

State of Nevada

The Administrator of the Division of Environmental Protection gives notice that an application for the renewal of Water Pollution Control Permit for the Silver Peak Lithium Facility, a beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for Permit NEV70005 is:

Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

The facility, known as the Silver Peak Lithium Facility, is located in Sections 26-28 of Township 1 South, Range 40 East; Sections 1, 12, 13, 21-25 of Township 2 South, Range 39 East; and, Sections 1-11, 15-20, 29-32 of Township 2 South, Range 40 East in Esmeralda County, Nevada. The project primarily consists of numerous deep wells, solar evaporation ponds, liming facilities, and process plant for the production of lithium carbonate, lithium hydroxide monohydrate and anhydrous lithium hydroxide. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event. The groundwater beneath the playa is the source of lithium and it contains a very high total dissolved solids concentration. However, the groundwater quality from the production well and the town of Silver Peak well meet drinking water standards.

The Administrator is constrained to renew the water pollution control permit or to deny the application. The Administrator has made the tentative determination to renew the permit.

Persons wishing to comment upon the proposed permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to the

Nevada Administrative Code, NAC Chapter 445A, must submit their comments, objections, or requests no later than October 22, 2001 to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Capitol Complex  
333 W. Nye Lane, Room 138  
Carson City, NV 89706-0851

All comments or objections received during the public notice period will be considered in the final determination regarding this permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-4670, extension 3130, toll free in Nevada (800) 992-0900, extension 4670, or visit our website at [www.state.nv.us/ndep/bmrr/bmrr01.htm](http://www.state.nv.us/ndep/bmrr/bmrr01.htm)

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STATE OF NEVADA

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Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
Water Pollution Control Permit

Permittee: Chemetall Foote Corporation

Permit Number: NEV70005

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Facility, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

This facility is located in Esmeralda County in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999 as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of XXXXX XX, 2001, and shall remain in effect until XXXXX XX, 2006, unless modified, suspended, or revoked.

Signed this XX day of XXXXX, 2001.

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David Gaskin, P.E.  
Bureau Chief  
Bureau of Mining Regulation and Reclamation

## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance:

1. By November 1, 2001, submit a proposal to NDEP for the installation of a monitoring well near R-2 pond in accordance with NAC 445A.425.2. This monitoring well shall be installed by January 1, 2002

C. The fluid management system covered by this permit consists of the following process components:

1. Process plant and building including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and,
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components;

D. Monitoring Requirements

<u>Identification</u>	<u>Parameter</u>	<u>Frequency</u>
1. Fresh Water Well (WS) and well installed adjacent to the R-2 pond (R-2W)	Profile I <sup>2</sup> and, Elevations of static water levels (amsl)	Initially; then Annually
2. R-2 pond solution (R-2S)	Profile II <sup>3</sup> and, Report minimum freeboard	Annually Quarterly
3. Plant waste stream (combined PWS)	Profile II <sup>3</sup>	Annually
4. Brine well* (BW)	Profile II <sup>3</sup> and,	Annually

4.	continued -	Elevations of static water level (amsl)	
5.	Plant influent (PI)	Profile II	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after one year of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

\* A different production (brine) well shall be sampled each year.

Note: Secondary containment sumps must be inspected and evacuated on a more frequent basis than weekly if the fluid level is at the top of the sump or above the invert of any pipe which discharges into the sump, whichever level is lower. Records are required documenting the volume, date and time of extraction to show that sumps are maintained in this condition.

(2) Profile I

Alkalinity (as CaCO<sub>3</sub>)  
    Bicarbonate  
    Total  
Aluminum  
Antimony  
Arsenic  
Barium  
Beryllium  
Boron  
Cadmium  
Calcium  
Chloride  
Chromium  
Copper  
Fluoride  
Iron

Lead  
Magnesium  
Manganese  
Mercury  
Nickel  
Nitrate  
pH (± 0.1 units)  
Potassium  
Selenium  
Silver  
Sodium  
Sulfate  
Thallium  
Total Dissolved Solids  
Zinc

(3) Profile II

Alkalinity (as CaCO<sub>3</sub>)  
    Bicarbonate  
    Total  
Aluminum  
Antimony  
Arsenic

Barium  
Beryllium  
Boron  
Cadmium  
Calcium  
Chloride

Chromium	pH ( $\pm$ 0.1 units)
Cobalt	Phosphorus
Copper	Potassium
Fluoride	Scandium
Gallium	Selenium
Iron	Silver
Lead	Sodium
Lithium	Strontium
Magnesium	Sulfate
Manganese	Thallium
Mercury	Tin
Molybdenum	Total Dissolved Solids
Nickel	Vanadium
Nitrate	Zinc

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

G. Permit Limitations

1. A minimum two (2) feet of freeboard shall be maintained in the R-2 pond at all times.

Exceeding these limitations may be permit violations and shall be reported as specified in Part II.B.3

H. The facility shall install and maintain a calibrated rain gauge which shall be monitored daily. A record of all daily accumulations of precipitation shall be maintained on site.

I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:

1. Deterioration, malfunction, or improper operation of control systems;
2. Sudden changes in the level of the contents of any monitoring device;
3. The presence of liquids in leak detection systems; and
4. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.

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- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from this Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining a General or Individual Mining Bioremediation Facility Permit from the Division.

## II. General Facility Conditions and Limitations

### A. General Requirements

- 1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance item in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which the Permittee has little or no control) exists for such revision.
- 2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
- 3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

- 1. The Permittee shall submit an annual report by February 28th of each year which contains the following:
  - a. Monitoring results from those locations identified in Parts 1, 2 and 4;
  - b. Analytical results of the solution collected from monitoring locations identified

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- in Part I.D.1 through 5;
- c. A record of spills and releases and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore processed during the year, construction and expansion activities and major problems with the fluid management system; and,
  - e. Graphs of pH, total dissolved solids, sulfate, chloride, nitrate (as nitrogen), zinc, and arsenic concentrations (as applicable), versus time for all fluid sampling points. These graphs shall display a five year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
2. **Spill Reporting Requirements:** The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.
- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 p.m. of the first working day after knowledge of the release. An oral report shall be made by telephone to (775) 687-4670, extension 3023, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds 500 gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. **Petroleum Products:** If the quantity is equal to or greater than 100 gallons, report in the time frame specified in Part II.B.3.a. Smaller spills are reported quarterly on NDEP Form 0390 or equivalent.
3. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-4670, extension 3123, not later than 5 p.m. of the next regular work day from the



time the Permittee has knowledge of the circumstances. This report shall include the following:

- i. Name, address, and telephone number of the owner or operator;
  - ii. Name, address, and telephone number of the facility;
  - iii. Date, time, and type of incident, condition, or circumstance;
  - iv. Name and quantity of materials released; if process solution is released, report total gallons and quantity of contaminant;
  - v. Human and animal mortality or injury;
  - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
  - vii. The estimated quantity of material that will be disposed and the disposal location.
- b. A written summary shall be provided to the Division within 10 days of the time the Permittee makes the oral report. The written summary shall contain a description of the release or discharge and its cause, the periods of the release or discharge (including exact dates and times), whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue, and the steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring, to:
- i. Determine the effect and extent of each release or discharge;
  - ii. Minimize any adverse impact to the waters of the State arising from each release or discharge;
  - iii. Minimize the effect of each release or discharge upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each release or discharge.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than 120 days before this permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any

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relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.

4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities, and analytical results including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action as provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

## E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in this permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416 and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.

3. The Permittee must notify the Division in writing at least thirty days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Renewed 9/01



**FACT SHEET**  
(pursuant to NAC445A.401)

Permittee Name: Chemetall Foote Corporation  
P.O. Box 98, Hwy. 265  
Silver Peak, NV 89047

Permit Number: NEV70005

**A. Description of Facility**

**Location:** This project is located in and near the town of Silver Peak, Nevada in Township 1S, Range 40E, Sections 26-28; Township 2S, Range 39E, Sections 1, 12, 13, 21-25; and, Township 2S, Range 40E, Sections 1-11, 15-20, 29-32 in Esmeralda County.

**Characteristics:** The Silver Peak Lithium Facility primarily consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, the Clayton Valley is considered the final destination for groundwater from surrounding areas.

**B. Synopsis**

Subsurface brines are pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. The lithium carbonate product is then dried and packaged, processed, or used as head feed for the lithium hydroxide facility. In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced. Evaporation produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

Brine ponds were built directly on top of native clay that has a coefficient of permeability of  $1 \times 10E-6$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability with the exception of one pond (the strongest brine pond) that is lined with 20-mil PVC liner.

The R-2 pond, located on the peripheral edge of the playa, is asphalt lined and receives CaCO<sub>3</sub> solution that is pumped to the playa as needed. Piping changes are being made to facilities.

Storm water runoff and accumulation is within a closed system. All storm water is maintained within the Clayton Valley.

Secondary containment within the post-regulation hydroxide plant meets secondary containment requirements and was constructed to standard engineering principles and practices. The existing pre-regulation plant appears to be provided with adequate secondary containment.

C. Site Hydrology/Hydrogeology and Background Groundwater Quality

The ground water pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids as documented by the long history of lithium production. It would be economically impractical to render the water fit for human consumption due to the very high total dissolved solids concentrations (see data) and it is not reasonably expected to become a drinking water supply. However, the Silver Peak water supply well and the freshwater production well for Chemetall produce high quality water that meet drinking water standards. Hydrogeologically, the location where the groundwater quality exceeds drinking water standards and becomes non-potable is complex. Establishment of a monitoring well adjacent to the R-2 pond will provide groundwater quality and elevation at this location.

D. Procedures for Public Comment

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate, and close subject to the conditions contained within the permit, is being sent to the Tonopah Times-Bonanza in Tonopah for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of the public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator, or any interested agency, person or group of persons.

The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed facility or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC445A.406.

E. Proposed Determination

The Division has made the tentative determination to issue the proposed permit.

F. Proposed Effluent Limitations, Schedule-of-Compliance and Special Conditions

See Part I of the permit.

G. Rationale for Permit Requirements

The facility is located in an area where annual evaporation is greater than annual precipitation. Also, the facility is located in the Clayton Valley where the playa ground water does not serve as a source of drinking water and would probably not serve as an economically viable source of drinking water. The groundwater is the source of lithium, contains very high total dissolved solids concentration and is not reasonably expected to become a drinking water supply. However, potable wells in and near the town of Silver Peak will be protected.

H. Federal Migratory Bird Treaty Act

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50CFR10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with state permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical

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isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of toxic water. Methods which attempt to make uncovered ponds attractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Blvd., Suite 234, Reno, Nevada 89502-7147, for additional information.

Bob Carlson  
September 2001



FOR THE DIRECTOR OF THE BUREAU OF REVENUE

88-5 NY 01 223 10

U.S. DEPARTMENT OF THE TREASURY

**SE ROA 736**



R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381

In reply refer to  
No.

October 3, 2001

52918 through 52921

**Chemetall Foote Corporation**  
**Silver Peak Operations, Highway 265**  
**Silver Peak NV 89047**  
**CERTIFIED MAIL: 7000 0520 0023 4553 1162**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use**

on or before **September 30, 2001**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cmf

cc: Ross E. DeLipkau, Certified Mail No. 7000 0520 0023 4553 1179  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use form with instructions

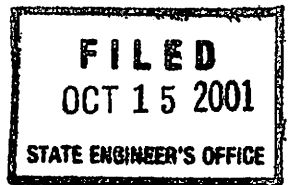
Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 737**

APPLICATION FOR EXTENSION OF TIME



Owner of Record... Chemetall Foote Corp.....

IN THE MATTER OF PERMIT NO. 52921.....FILED TO APPROPRIATE / CHANGE THE WATERS OF

.....Underground Source.....  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now... Danny Zampirro....., the Agent.....  
Person Signing Application Permittee or Agent

under Permit No. 52921....., who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  YES  NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed?.....  
..... Chemetall Foote Corp.....
- 4. How much time is needed to finish this project?..... 1 year.....
- 5. To date, what is the total expenditure on this project?..... in excess of 51 million dollars.....
- 6. In order to complete this project as set forth in the permit terms, what additional funds will be spent?..... 1.1 million.....
- 7. The permittee requests an extension of time for..... 1 year..... within which to comply  
(Not to exceed 1 year)  
with the provisions for filing the..... Proof of Beneficial Use.....  
(Proof of completion of work and/or proof of beneficial use)
- 8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
We have not reached maximum capacity, and have a well drilling program proposed  
for 2001-2002 at a cost of 1.1 million dollars . A deep aquifer system has been  
identified with plans to test and explore as a resource.

Subscribed and sworn to before me this 10th day of

October 2001  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

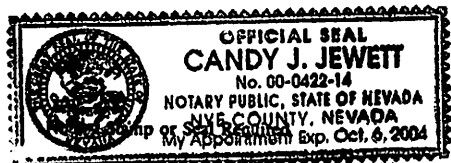
State of Nevada

My commission expires October 6, 2004  
Inc. PBU

Signed Dan Zampirro  
Permittee or Agent

Address P.O. Box 98  
Street No. or P.O. Box No.  
Silver Peak, NV 89047  
City, State, Zip Code No.

Phone (775) 937-2222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED, P.E.  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(within Nevada)

In reply refer to:

January 15, 2002

52918, 52919, 52920,  
52921

Chemetall Foote Corporation  
Silver Peak Operations, HWY 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2002 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use (all Permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
*Deputy State Engineer*

CT/dr  
cc: Ross De Lipkau  
Dan Zampirro  
Southern Nevada Branch Office

SE ROA 739

R. MICHAEL TURNIPSEED, P.E.  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, Suite 246  
Carson City, Nevada 89706-0818

Address All Communications to:  
The State Engineer  
Division of Water Resources  
Telephone (775) 687-4381

In reply refer to  
No.

October 1, 2002

52918 through 52921

**Chemetall Foote Corporation**  
**Silver Peak Operations, Hwy 265**  
**Silver Peak, Nevada 89047**  
**CERTIFIED MAIL 7106 7808 0630 0000 5937**

The provisions of your permit(s) with the above serial number(s) to appropriate waters of the State of Nevada requires you to file **Proof of Beneficial Use under all Permits referenced above**

on or before **September 30, 2002**

Our records show that you have not filed said Proof(s) and therefore your permit(s) is/are in poor standing and subject to cancellation.

Unless the legally required Proof(s) or affidavit requesting an extension of time in which to file said Proof(s) for good cause shown is/are received and filed with the State Engineer within **thirty (30) days of the date of this final certified notice**, your permit will be cancelled.

Sincerely,



State Engineer

HR/cac

cc: Danny Zampirro, Certified Mail 7106 7808 0630 0000 5951  
Ross E. de Lipkau, Certified Mail 7106 7808 0630 0000 5944  
Southern Nevada Branch Office

Enclosure(s): Proof of Beneficial Use forms with instructions

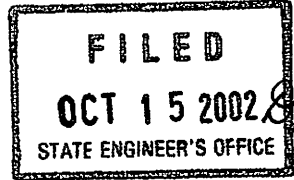
Fee for filing Proof of Completion - \$10  
Fee for filing Proof of Beneficial Use - \$50  
Fee for filing Request for Extension of Time - \$100

**FINAL NOTICE**

Address all communications to the State Engineer, Division of Water Resources

**SE ROA 740**

APPLICATION FOR EXTENSION OF TIME



Owner of Record..... Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921..... FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? [X] NO
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? one year
5. To date, what is the total expenditure on this project? in excess of \$51,000,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$50,000
7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted: Maximum water usage has not been achieved. Expansion is planned with resultant increased water usage scheduled this year.

Signed Danny Zampirro
Permittee or Agent

Address Chemetall Foote Corporation
Street No. or P.O. Box No. PO Box 98 Silver Peak, NV 89047
City, State, Zip Code No.
Phone 1-775-937-2222

Subscribed and sworn to before me this 9th day of October, 2002
Candy J. Jewett
Signature of Notary Public Required

Notary Public in and for the County of Nye
State of Nevada
My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

November 21, 2002

52918, 52919, 52920, and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Highway 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2003** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** (all permits) except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

Christine Thiel, P.E.  
Deputy State Engineer

CT/dl

cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 742

# **Chemetall Foote Corp.**

July 27, 2003

COPY

State of Nevada  
Dept. of Conservation & Natural Resources  
Division of Water Resources  
123 W. Nye Lane, Suite 246  
Carson City, NV 89706-0818

Subject: Permit numbers 52918, 52919, 52920 & 52921 and Quarterly Production Data

Dear Mr. Ricci,

Enclosed please find four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400 to cover the filing of the Extensions. We are conducting a drilling program to supplement our aging wellfield to meet product demand. Additionally, please find our quarterly production report for the second quarter, basin 143. A total of 2,174 acre feet were pumped from the basin of which 5.6% was fresh water, the remainder brine for production purposes. Please contact our office should you have any questions. Thank you.

Sincerely,



Danny Zampirro, CPG, RG  
Hydrogeologist

Certified Mail # 7099 3220 0006 0137 6548

cc Mr. Ross de Lipkau  
Marshall, Hill, Cassas & de Lipkau

Enclosures: Quarterly prod. report, Ext. of Time Renewals, check #26799

QUARTERLY PRODUCTION REPORT

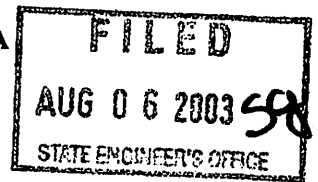
COPY

CHEMETALL FOOTE CORPORATION SILVER PEAK OPERATIONS													YEAR: 2003	REPORT DATE: July 31st, 2003
PERMIT NUMBERS: 52918; 52919; 52920; 52921													BASIN: 143 (CLAYTON VALLEY)	
SITE I.D.	WATER PUMPED IN GALLONS												AMOUNT	
well #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	USED	
9C	2,550,000	2,250,000	2,500,000	2,580,000	2,700,000	2,720,000	0	0	0	0	0	0	15,300,000	
10B	5,880,000	4,844,000	5,411,000	5,530,000	5,944,000	5,749,800	0	0	0	0	0	0	33,358,800	
16C	3,866,000	3,162,000	3,702,000	3,819,000	3,972,000	3,882,500	0	0	0	0	0	0	22,403,500	
23A	3,532,000	3,034,000	3,491,000	3,513,000	3,826,000	3,523,800	0	0	0	0	0	0	20,919,800	
41B	2,545,000	2,251,000	2,762,000	2,653,000	2,855,000	2,733,200	0	0	0	0	0	0	15,799,200	
43A	3,105,000	2,537,000	3,102,000	3,040,000	3,159,000	3,074,600	0	0	0	0	0	0	18,017,600	
45B	0	0	0	0	0	0	0	0	0	0	0	0	-	
59	4,369,000	3,486,000	4,080,000	2,979,000	3,928,000	4,394,400	0	0	0	0	0	0	23,236,400	
62A	6,798,000	2,631,000	5,662,000	6,672,000	7,117,000	6,831,300	0	0	0	0	0	0	35,711,300	
65A	6,329,000	5,624,000	6,527,000	6,335,000	6,412,000	6,296,400	0	0	0	0	0	0	37,523,400	
71A	8,311,000	5,787,000	0	0	0	0	0	0	0	0	0	0	14,098,000	
73A	6,388,000	5,530,000	6,490,000	5,041,000	6,767,000	6,308,500	0	0	0	0	0	0	36,524,500	
76	6,492,000	5,771,000	6,624,000	6,609,000	6,874,000	6,367,400	0	0	0	0	0	0	38,737,400	
78	6,486,000	5,414,000	6,730,000	5,704,000	6,472,000	5,837,800	0	0	0	0	0	0	36,643,800	
80	1,474,000	0	0	0	449,000	2,086,200	0	0	0	0	0	0	4,009,200	
99B	1,639,000	669,000	0	0	73,000	1,610,700	0	0	0	0	0	0	3,991,700	
103A	10,539,000	6,718,000	0	0	0	0	0	0	0	0	0	0	17,257,000	
109	9,328,000	7,781,000	9,889,000	9,406,000	10,043,000	9,650,300	0	0	0	0	0	0	56,097,300	
131	8,276,000	6,518,000	7,379,000	2,776,000	0	0	0	0	0	0	0	0	24,949,000	
144	10,909,000	9,277,000	10,671,000	10,981,000	11,244,000	10,739,500	0	0	0	0	0	0	63,821,500	
152	3,185,000	2,854,000	3,318,000	3,215,000	3,308,000	3,199,100	0	0	0	0	0	0	19,079,100	
153	8,210,000	6,899,000	8,764,000	8,413,000	8,828,000	7,153,200	0	0	0	0	0	0	48,267,200	
156	1,772,000	1,473,000	1,784,000	1,679,000	1,805,000	1,738,400	0	0	0	0	0	0	10,251,400	
165	2,084,000	7,908,000	12,209,000	12,002,000	12,796,000	12,358,800	0	0	0	0	0	0	59,357,800	
168	14,167,000	11,467,000	2,712,000	0	0	0	0	0	0	0	0	0	28,346,000	
170	1,165,000	0	0	0	2,616,000	8,986,100	0	0	0	0	0	0	12,767,100	
173	3,748,000	3,108,000	3,909,000	3,705,000	3,871,000	3,534,100	0	0	0	0	0	0	21,875,100	
177	6,455,000	5,358,000	6,692,000	6,424,000	6,732,000	6,059,400	0	0	0	0	0	0	37,720,400	
180	5,486,000	4,558,000	5,739,000	5,521,000	5,767,000	5,049,200	0	0	0	0	0	0	32,120,200	
180	8,328,000	6,863,000	8,196,000	7,787,000	8,498,000	7,820,000	0	0	0	0	0	0	47,492,000	

CHEMETALL FOOTE CORPORATION SILVER PEAK OPERATIONS													YEAR: 2003	REPORT DATE: July 31st, 2003
PERMIT NUMBERS: 52918; 52919; 52920; 52921													BASIN: 143 (CLAYTON VALLEY)	
SITE I.D.	WATER PUMPED IN GALLONS												AMOUNT	
well #	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	USED	
300	1,209,000	0	0	0	0	0	0	0	0	0	0	0	1,209,000	
302	509,000	1,258,000	1,499,000	1,311,000	1,525,000	1,405,200	0	0	0	0	0	0	7,507,200	
303	4,296,000	3,754,000	4,383,000	4,180,000	4,464,000	4,119,800	0	0	0	0	0	0	25,196,800	
304	4,303,000	3,735,000	4,437,000	4,214,000	4,362,000	4,239,700	0	0	0	0	0	0	25,290,700	
305	10,358,000	8,652,000	10,297,000	9,595,000	10,608,000	10,435,300	0	0	0	0	0	0	59,945,300	
314	7,469,000	6,054,000	7,274,000	6,788,000	7,450,000	7,113,500	0	0	0	0	0	0	42,148,500	
319	3,497,000	2,898,000	3,545,000	3,393,000	3,656,000	3,504,400	0	0	0	0	0	0	20,493,400	
330	6,243,000	5,269,000	5,927,000	5,803,000	6,436,000	6,290,900	0	0	0	0	0	0	35,968,900	
333	3,286,000	2,810,000	3,222,000	3,008,000	3,450,000	3,265,100	0	0	0	0	0	0	19,041,100	
334	8,245,000	6,907,000	8,243,000	8,318,000	8,827,000	8,166,800	0	0	0	0	0	0	48,506,800	
337	1,509,100	1,232,200	1,473,700	1,301,600	1,389,900	1,278,750	0	0	0	0	0	0	8,185,250	
343	2,130,000	1,745,000	2,060,000	1,931,000	2,120,000	2,047,200	0	0	0	0	0	0	12,033,200	
344	8,920,000	7,796,000	9,150,000	8,934,000	9,216,000	8,831,000	0	0	0	0	0	0	52,847,000	
346	3,502,000	2,639,000	3,444,000	3,131,000	3,518,000	3,258,000	0	0	0	0	0	0	19,492,000	
347	2,512,000	1,998,000	2,567,000	2,414,000	2,618,000	2,479,300	0	0	0	0	0	0	14,588,300	
356	2,463,000	2,102,000	2,429,000	2,298,000	2,455,000	2,325,200	0	0	0	0	0	0	14,072,200	
357	1,766,000	0	0	0	1,382,000	2,369,800	0	0	0	0	0	0	5,517,800	
358	13,543,000	5,502,000	2,611,000	12,492,000	12,430,000	11,933,100	0	0	0	0	0	0	58,511,100	
359	3,243,000	318,000	441,000	48,000	0	0	0	0	0	0	0	0	4,050,000	
360	2,581,000	2,224,000	2,654,000	2,007,000	1,468,000	1,679,100	0	0	0	0	0	0	12,613,100	
*FWW	4,531,000	4,400,000	5,321,000	5,049,000	5,377,000	4,816,900	0	0	0	0	0	0	29,494,900	
TOTAL GAL	272,485,100	215,905,200	231,432,700	227,677,600	240,418,900	240,189,750	0	0	0	0	0	0	1,428,109,250	
AP / Month	836	663	710	699	738	737	0	0	0	0	0	0	4,383	
TOTAL	719,823,000													
* FRESH WATER WELL													* FRESH WATER WELL	
FWW sum	36,106,000			FWW sum	39,615,000			FWW sum	0			FWW sum	0	
all AP sum	2209			all AP sum	2174			all AP sum	0			all AP sum	0	
FWW AF	111			FWW AF	122			FWW AF	0			FWW AF	0	
FWW %	5.02			FWW %	5.59			FWW %	#DIV/0!			FWW %	#DIV/0!	





APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Danny Zampirro, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [ ] NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corp.

4. How much time is needed to finish this project? two years

5. To date, what is the total expenditure on this project? \$52,300,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$570,000

7. The permittee requests an extension of time for one year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order meet expanding demand for production.

Signed Danny Zampirro, Permittee or Agent

Address Chemetall Foote Corporation, P.O. Box 98 Silver Peak, NV 89047

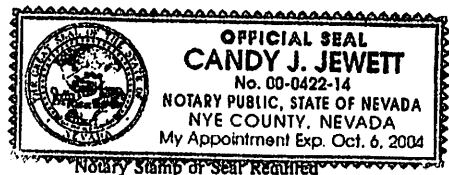
Phone 1-775-937-2222

Subscribed and sworn to before me this 31st day of July 2003, Candy J. Jewett, Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

My commission expires October 6, 2004



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

BMK 10-15-03 per CT

R. MICHAEL TURNIPSEED  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

In reply refer to  
No.

52918 through 52921

October 23, 2003

Address All Communications to  
the State Engineer, Division  
of Water Resources  
Telephone (775) 687-4380

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time

has been granted to ....., .....

for filing of the.....

.....

.....

has been granted to ..... **September 30 2004** .....

with the provision that no further extensions will be granted

for filing of the **Proof of Beneficial Use** .....

.....

.....

except for good cause shown as provided under NRS 533.390 and 533.410.

Sincerely,

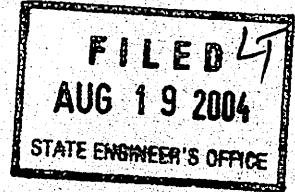
Christine Thiel, P.E.  
Deputy State Engineer

CT/sg

cc: Chemetall Foote Corp., (additional address)  
Ross de Lipkau  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE / CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen-Wilks, the Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$52,900,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

RECEIVED AUG 19 AM 10:56 STATE ENGINEER'S OFFICE

Subscribed and sworn to before me this 17th day of

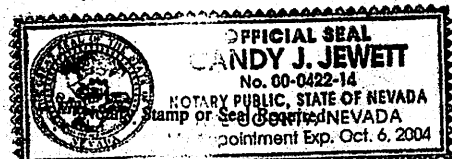
August 2004 Candy J. Jewett Signature of Notary Public Required

Notary Public in and for the County of

State of Nevada

My commission expires October 6, 2004

Signed Sherry L Huelsen-Wilks Permittee or Agent
Address Chemetall Foote Corporation
P.O. Box 98, Silver Peak, NV 89047
Phone 775-937-2222 ext. 230



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

SE ROA 747

14r PBd MW 11-10-04 per JIC

R. MICHAEL TURNIPSEED  
*Director*

HUGH RICCI, P.E.  
*State Engineer*

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

123 W. Nye Lane, No. 246  
Carson City, Nevada 89706-0818

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 687-4381 or  
1-800-992-0900x4381  
(In Nevada Only)

In reply refer to:

52918, 52919, 52920,  
and 52921

November 12, 2004

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time  
has been granted to September 30, 2005 with the provision that no  
further extensions will be granted for filing of the Proof of  
Beneficial Use except for good cause shown as provided under NRS  
533.390 and 533.410.

Sincerely,

Jason King, P.E.  
*Deputy State Engineer*

JK/lt  
cc: Ross de Lipkau  
Southern Nevada Branch Office

SE ROA 748

# **Chemetall Foote Corp.**

RECEIVED

August 24, 2005

05 AUG 29 PM 1:53

Chemetall Foote Corporation  
Silver Peak Operations  
Post Office Box 98, Hwy 265  
Silver Peak, NV 89047

STATE ENGINEERS OFFICE

State of Nevada – Office of the State Engineer  
Department of Conservation and Natural Resources  
Division of Water Resources  
901 S. Stewart St., Ste. 2002  
Carson City, NV 89701-5250

**RE: Application for Extension of Time for Permit No.'s: 52918, 52919, 52920, 52921**

To The State Engineer – Division of Water Resources

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920 and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions, please feel free to call.

Sincerely,



Sherry L. Huelsen-Wilks  
Hydrogeologist & Wellfield Supervisor

cc: Mr. Ross de Lipkau  
File

Enclosures: Application for Extension of Time, Permit 52918  
Application for Extension of Time, Permit 52919  
Application for Extension of Time, Permit 52920  
Application for Extension of Time, Permit 52921  
Check # 26991

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**Chemetall Foote Corp. • PO Box 98 • State Route 265 • Silver Peak, Nevada 89047**  
**Telephone (775) 937-2222 Ext. 230 • Fax (775) 937-2250**  
**Email address: sherry.wilks@chemetall.com**

SE ROA 749

APPLICATION FOR EXTENSION OF TIME

FILED
AUG 29 2005
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

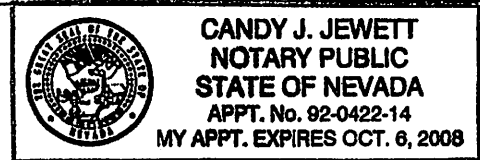
Comes now Sherry L Huelsen-Wilks, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation
4. How much time is needed to finish this project? Two Years
5. To date, what is the total expenditure on this project? \$53,900,000
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000
7. The permittee requests an extension of time for One Year within which to comply
with the provisions for filing the Proof of Beneficial Use
8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 25th day of August, 2005.
Signature of Notary Public Required
Notary Public in and for the County of Nye
State of Nevada
My commission expires October 6, 2008

Signed Sherry L Huelsen-Wilks
Permittee or Agent
Address Chemetall Foote Corporation
Street No. or P.O. Box No.
P.O. Box 98, Silver Peak, NV 89047
City, State, Zip Code No.
Phone 775-937-2222 ext. 230



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

1 yr PBM

MIC per AK 11/1/05

ALLEN BIAGGI  
Director

HUGH RICCI, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701

Address All Communication to  
the State Engineer, Division  
of Water Resources

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

In reply refer to:

January 20, 2006

52918, 52919, 52920 and 52921

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2006 with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,  
*Jason King*  
Jason King, P.E.  
Deputy State Engineer

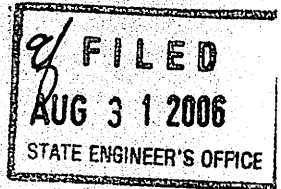
JK/mc

cc: Southern Nevada Branch Office  
Sherry L. Huelsen-Wilks

SE ROA 751

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Sherry L Huelsen, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$54,350,000

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply (Not to exceed 1 year)

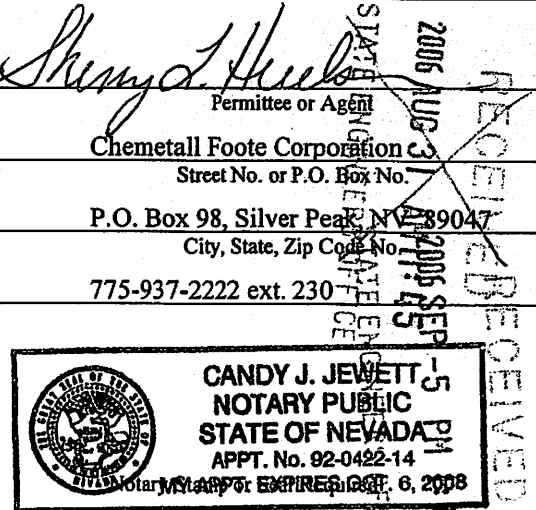
with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 14th day of August, 2006. Signature of Notary Public Required: Candy J. Jewett

Notary Public in and for the County of Nye, State of Nevada, My commission expires October 6, 2008.

Signed: Sherry L Huelsen, Permittee or Agent. Address: Chemetall Foote Corporation, P.O. Box 98, Silver Peak, NV 89047, Phone: 775-937-2222 ext. 230



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Ign PBM

OIC per SIL/ALE 9/24/06 SE ROA 752



ALLEN BIAGGI  
Director

TRACY TAYLOR, P.E.  
State Engineer

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources

In reply refer to:

Telephone (775) 684-2800 or  
1-800-992-0900x2800  
(In Nevada Only)

October 5, 2006

52918 through 52921

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to September 30, 2007 with the provision that no further extensions will be granted for filing of the Proof of Benefial Use except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



Jason King, P.E.  
Deputy State Engineer

KH/ef

cc: Southern Nevada Branch Office

SE ROA 753

**Notice of Proposed Action**

**By the**

**State of Nevada**

2007 JAN 24 AM 9:54

STATE OF NEVADA

The Administrator of the Division of Environmental Protection gives notice that an application for renewal of a Water Pollution Control Permit for the **Silver Peak Lithium Project**, a mining and beneficiation facility, has been properly filed with the Division of Environmental Protection in Carson City. The applicant for renewal of Water Pollution Control Permit **NEV0070005** is:

**Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047**

The facility is located on public and private land in Esmeralda County, within Sections 26-28, Township 1 South, Range 40 East, Sections 1, 12, 13, 21-25, Township 2 South, Range 39 East, and Sections 1-11, 15-20, 29-32, Township 2 South, Range 40 East, Mount Diablo Baseline and Meridian, near the town of Silver Peak, Nevada.

The project consists of a dewatering and beneficiation facility, designed to extract lithium, with a maximum permitted process rate of 6,000 tons of naturally occurring material per year. The facility is comprised of numerous deep wells, solar evaporation ponds, lime sludge pond, process plants, stockpiled salt dumps, and appurtenances such as the lime slaker. Facilities are required to be designed, constructed, operated and closed without any discharge or release in excess of those standards established in regulation except for meteorological events which exceed the design storm event.

The Administrator is constrained to either issue the renewed Water Pollution Control Permit or to deny the application. The Administrator has made the tentative decision to issue the renewed permit.

Persons wishing to comment upon the proposed Water Pollution Control Permit, to recommend terms and conditions for consideration of incorporation into the permit, or who request a public hearing pursuant to Nevada Administrative Code, NAC Chapter 445A, must submit their written comments, objections, or requests no later than 5:00 PM on the 30<sup>th</sup> day following the date of publication of this notice to:

Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation  
901 South Stewart Street, Suite 4001  
Carson City, Nevada 89701-5249

All comments or objections received during the public notice period will be considered in the final determination regarding this Water Pollution Control Permit. If the Division determines written comments or requests indicate a significant degree of public interest in this matter, the Administrator shall schedule a public hearing in accordance with the requirements of NAC 445A.405.

The draft Water Pollution Control Permit and all application documents are on file at the Division and are available for public inspection and copying pursuant to NRS 445A.665. For more information, contact Bob Carlson at (775) 687-9401 or visit our website at <http://ndep.nv.gov/bmrr/bmrr01.html>

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 JAN 24

**DRAFT**  
11:09:54

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of February Day, 2007, and shall remain in effect until February Day, 2007, unless modified, suspended, or revoked.

Signed this ### day of February 2007.

\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

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## I. Specific Facility Conditions and Limitations

A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

B. Schedule of Compliance: None Required

C. The fluid management system covered by this permit consists of the following process components:

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

## D. Monitoring Requirements

<b><u>Identification</u></b>	<b><u>Parameter</u></b>	<b><u>Frequency</u></b>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>3</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

# DRAFT

The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

## Footnotes:

### (1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	Zinc
Beryllium	Iron	Potassium	

### (2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

### (3) A different production (brine) well shall be sampled each year.

- E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.
- F. All sampling and analytical accuracy shall be in accordance with Part II.E.
- G. Permit Limitations
1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.
- Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.
- H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
    1. Deterioration, malfunction, or improper operation of control systems;
    2. Sudden changes in the level of the contents of any monitoring device; and
    3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
  - J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
  - K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
  - L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.
- II. General Facility Conditions and Limitations
- A. General Requirements
1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
  2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
  3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.
- B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, and 3;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.
2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of naturally occurring material processed during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved Emergency Response Plan, then all spills must be reported as per NAC 445A.347.



# DRAFT

- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.
  - b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
    - i. A description of the incident and its cause;

# DRAFT

- ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
- i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

## C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.
7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any

injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### D. Division's Authority

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### E. Sampling and Analysis Requirements

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.
6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that

have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

## F. Permit Modification Requirements

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 16 February 2005; employee access statement deleted.  
24 May 2005; Bureau Chief title changed to Chief, Bureau of Mining Regulation and Reclamation.  
25 May 2006; modified Part II. to include new PCS Management Plan wording.  
January 2007 - Permit renewal process

**DRAFT**

**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

A. **Description of Facility**

Location: This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

Characteristics: The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. **Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

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The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water (CaCO<sub>3</sub> solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

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sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater



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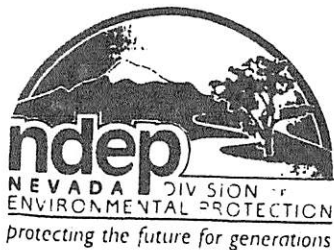
quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal



# STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

*Jim Gibbons, Governor*

*Allen Biaggi, Director*

*Leo M. Drozdoff, P.E., Administrator*

March 8, 2007

## NOTICE OF DECISION

### WATER POLLUTION CONTROL PERMIT NUMBER NEV0070005

#### Chemetall Foote Corporation Silver Peak Lithium Project

The Nevada Division of Environmental Protection has decided to renew Water Pollution Control Permit NEV0070005 to Chemetall Foote Corporation. This permit authorizes the construction, operation, and closure of approved mining facilities in Esmeralda County. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through NAC 445A.447, to assure the Division that the groundwater quality will not be degraded by this operation, and that public safety and health will be protected.

The permit will become effective March 23, 2007. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, March 18, 2007, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Bob Carlson at (775) 687-9401 or visit the Division website at [www.ndep.nv.gov/bmrr/bmrr01.htm](http://www.ndep.nv.gov/bmrr/bmrr01.htm).

Comments were not received during the public comment period.

2007 MAR -8 AM 10:52

STATE OF NEVADA

Department of Conservation and Natural Resources  
Division of Environmental Protection  
Bureau of Mining Regulation and Reclamation

2007 MAR -3 11:10:52

**Water Pollution Control Permit**

Permittee: **Chemetall Foote Corporation**  
**Silver Peak Lithium Project**  
**P.O. Box 98**  
**Silver Peak, NV 89047**

Permit Number: **NEV0070005 (Renewal)**

Pursuant to Nevada Revised Statutes (NRS) 445A.300 through 445A.730, inclusive, and regulations promulgated thereunder by the State Environmental Commission and implemented by the Division of Environmental Protection (the Division), this permit authorizes the Permittee to construct, operate, and close the Silver Peak Lithium Project, in accordance with the limitations, requirements and other conditions set forth in this permit. The Permittee is authorized to process up to 6,000 tons of ore per year.

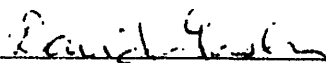
The facility is located in Esmeralda County in Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32, Mount Diablo Baseline and Meridian, near the town of Silver Peak.

The Permittee must comply with all terms and conditions of this permit and all applicable statutes and regulations.

This permit is based on the assumption that the information submitted in the application of January 20, 1999, as modified by subsequent approved amendments, is accurate and that the facility has been constructed and is being operated as specified in the application. The Permittee must inform the Division of any deviation from or changes in the information in the application, which may affect the Permittee's ability to comply with applicable regulations or permit conditions.

This permit is effective as of March 23, 2007, and shall remain in effect until March 23, 2012, unless modified, suspended, or revoked.

Signed this 8<sup>th</sup> day of March 2007.

  
\_\_\_\_\_  
David Gaskin, P.E.  
Chief, Bureau of Mining Regulation and Reclamation

SE ROA 771

**I. Specific Facility Conditions and Limitations**

**A. In accordance with operating plans and facility design reviewed and approved by the Division the Permittee shall:**

1. Construct, operate, and close the facility in accordance with those design plans;
2. Contain within the fluid management system all process fluids including all meteoric waters which enter the system as a result of the 25-year, 24-hour storm event; and
3. Not release or discharge any process or non-process contaminants from the fluid management system.

**B. Schedule of Compliance: None Required**

**C. The fluid management system covered by this permit consists of the following process components:**

1. Process plants including, but not limited to, all tanks (e.g. tank farm and acid tanks), basins, sumps, pumps, and piping necessary to connect components of the process facility;
2. Evaporation ponds, liming facility and the R-2 pond; and
3. Transfer pipes, ditches, valves, and pumps used in conveyance, control or detection of process fluids between process components.

**D. Monitoring Requirements**

<b><u>Identification</u></b>	<b><u>Parameter</u></b>	<b><u>Frequency</u></b>
1. Fresh Water Well (WS)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
2. Monitoring well adjacent to the R-2 Pond (R-2W)	Profile I <sup>1</sup> and Static water level (amsl)	Quarterly
3. R-2 Pond (R-2)	Freeboard (minimum)	Quarterly
4. Lithium hydroxide plant waste stream (HPWS)	Profile II <sup>2</sup>	Annually
5. Lithium carbonate plant waste stream (CPWS)	Profile II <sup>2</sup>	Annually
6. Brine well <sup>1</sup> (BW)	Profile II <sup>2</sup> and Static water levels (amsl)	Annually
7. Plant influent (PI)	Profile II <sup>2</sup>	Annually

The Permittee may request a reduction in the number of elements and frequency of analyses after four (4) quarters of complete monitoring based on justification other than cost. Such reductions may be considered formal modifications to the permit.

**Footnotes:**

(1) Profile I:

Alkalinity (as CaCO <sub>3</sub> )	Boron	Lead	Selenium
Bicarbonate	Cadmium	Magnesium	Silver
Total	Calcium	Manganese	Sodium
Aluminum	Chloride	Mercury	Sulfate
Antimony	Chromium	Nickel	Thallium
Arsenic	Copper	Nitrate (NO <sub>3</sub> +NO <sub>2</sub> as N)	Total Dissolved Solids
Barium	Fluoride	pH (± 0.1 std units)	WAD Cyanide
Beryllium	Iron	Potassium	Zinc

(2) Profile II includes Profile I plus the following:

Bismuth	Lithium	Scandium	Titanium
Cobalt	Molybdenum	Strontium	Vanadium
Gallium	Phosphorus	Tin	

(3) A different production (brine) well shall be sampled each year.

E. Quarterly and annual monitoring reports and spill reporting shall be in accordance with Part II.B.

F. All sampling and analytical accuracy shall be in accordance with Part II.E.

G. Permit Limitations

1. A minimum of two (2) feet of freeboard shall be maintained in the R-2 Pond at all times.

Exceedances of these limitations may be permit violations and shall be reported as specified in Part II.B.4.

H. The facility shall maintain an automated device or a calibrated rain gauge, which shall be monitored daily, to record daily precipitation. A written record of all daily accumulations of precipitation shall be maintained on site.

- I. The Permittee shall inspect all control devices, systems and facilities weekly. Drainage and containment systems shall also be inspected during, when possible, and after major storm events. These inspections are performed to detect evidence of:
  1. Deterioration, malfunction, or improper operation of control systems;
  2. Sudden changes in the level of the contents of any monitoring device; and
  3. Severe erosion or other signs of deterioration in dikes, diversions, or other containment devices.
- J. Prior to initiating permanent closure activities at the facility or any process component within the facility, the Permittee must have an approved final permanent closure plan.
- K. The Permittee shall remit an annual review and services fee in accordance with NAC 445A.232 starting July 1 after the effective date of this permit and every year thereafter until the permit is terminated or the facility has received final closure certification from the Division.
- L. The Permittee shall not dispose of or remediate hydrocarbon-contaminated soil exceeding 100 mg/kg Total Petroleum Hydrocarbon (TPH) on the mine site without first obtaining from the Division either a Mining Hydrocarbon Facility Permit or approval of a Petroleum Contaminated Soils (PCS) Management Plan.

## II. General Facility Conditions and Limitations

### A. General Requirements

1. The Permittee shall achieve compliance with the conditions, limitations, and requirements of the permit upon commencement of each relevant activity. The Administrator may, upon the request of the Permittee and after public notice (if required), revise or modify a Schedule of Compliance in an issued permit if he determines good and valid cause (such as an act of God, a labor strike, materials shortage or other event over which Permittee has little or no control) exists for such revision.
2. The Permittee shall at all times maintain in good working order and operate as efficiently as possible, all devices, facilities, or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.
3. Whenever the Permittee becomes aware that he failed to submit any relevant facts in the permit application, or submitted incorrect information in a permit application or in any report to the Administrator, the Permittee shall promptly submit such facts or correct information. Any inaccuracies found in this information may be grounds for revocation or modification of this permit and appropriate enforcement action.

### B. Reporting Requirements

1. The Permittee shall submit quarterly reports which are due to the Division on or before the 28<sup>th</sup> day of the month following the quarter and must contain the following:
  - a. Monitoring results from those locations identified in Parts I.D.1, 2, 3, and 4;
  - b. Analytical results of the solution collected from monitoring locations identified in Part I.D.1 and 2;
  - c. A record of spills and releases, and the remedial actions taken in accordance with the approved Emergency Response Plan on NDEP Form 0490 or equivalent.

Facilities which have not initiated mining or construction, must submit a quarterly report identifying the status of mining or construction. Subsequent to any noncompliance or any facility expansion which provides increased capacity, the Division may require an accelerated monitoring frequency.

2. The Permittee shall submit an annual report by February 28<sup>th</sup> of each year, for the preceding calendar year, which contains the following:
  - a. Analytical results of the solution collected from monitoring locations identified in Part I.D.4, 5, 6, and 7;
  - b. Monitoring results from those locations identified in Parts I.D.6;
  - c. A synopsis of spills and releases on NDEP Form 0390 or equivalent;
  - d. A brief summary of site operations, including the number of tons of ore milled or placed on heaps (as applicable) during the year, construction and expansion activities and major problems with the fluid management system;
  - e. A table of total monthly precipitation amounts reported for the five-year history previous to the date of submittal;
  - f. An updated version of the facility monitoring and sampling procedures and protocols;
  - g. An updated evaluation of the closure plan using specific characterization data for each process component with respect to achieving stabilization; and
  - h. Graphs of leak detection flow rates, pH, total dissolved solids (TDS), sulfate as SO<sub>4</sub>, chloride, nitrate (NO<sub>3</sub> + NO<sub>2</sub> as nitrogen), WAD cyanide, fluoride, zinc, and arsenic concentration (as applicable), versus time for all fluid sampling points. These graphs shall display a five-year history previous to the date of submittal. Additional constituents may be required by the Division if deemed necessary.
3. Spill Reporting Requirements: The following applies to facilities with an approved Emergency Response Plan. If a site does not have an approved

Emergency Response Plan, then all spills must be reported as per NAC 445A.347.

- a. A release directly into surface or groundwater of any quantity of pollutant, hazardous waste or contaminant must be reported to the Division as soon as possible, but no later than 5 P.M. of the first working day after knowledge of the release. An oral report shall be made by telephone to 888-331-6337 for in-State callers or (775) 687-9485 for out-of-State callers, and a written report shall be provided within ten (10) days in accordance with Part II.B.4.b.
  - b. A release of a substance in a quantity equal to or greater than that covered by 40 C.F.R. Part 302.4 must be reported as required by NAC 445A.347 and Part II.B.3.a.
  - c. A release to soils or land surfaces of solutions containing a pollutant, hazardous waste or contaminant and the quantity is equal to or exceeds five hundred (500) gallons, report as per Part II.B.3.a. Report smaller spills quarterly on NDEP Form 0390 or equivalent.
  - d. Petroleum Products: If a release enters a surface water or is discovered on or in groundwater, or if the quantity is equal to or greater than one hundred (100) gallons released to soil or land surfaces, report in the time frame specified in Part II.B.3.a. Smaller spills, greater than twenty five (25) gallons but less than 100 gallons, released to soil or land surfaces, or if discovered in at least three (3) cubic yards of affected soil, are reported quarterly on NDEP Form 0390 or equivalent.
4. The Permittee shall report to the Administrator any noncompliance with the permit.
- a. Each such event shall be reported orally by telephone to (775) 687-9400, not later than 5 P.M. of the next regular work day from the time the Permittee has knowledge of the circumstances. This report shall include the following:
    - i. Name, address, and telephone number of the owner or operator;
    - ii. Name, address, and telephone number of the facility;
    - iii. Date, time, and type of incident, condition, or circumstance;
    - iv. If materials released, identify material and report total gallons and quantity of contaminant;
    - v. Human and animal mortality or injury;
    - vi. An assessment of actual or potential hazard to human health and the environment outside the facility; and
    - vii. If applicable, the estimated quantity of material that will be disposed and the disposal location.



- b. A written summary shall be provided within ten (10) days of the time the Permittee makes the oral report. The written summary shall contain:
  - i. A description of the incident and its cause;
  - ii. The periods of the incident (including exact dates and times);
  - iii. Whether the cause and its consequences have been corrected, and if not, the anticipated time each is expected to continue; and
  - iv. The steps taken or planned to reduce, eliminate, and prevent recurrence of the event.
- c. The Permittee shall take all available and reasonable actions, including more frequent and enhanced monitoring to:
  - i. Determine the effect and extent of each incident;
  - ii. Minimize any potential impact to the waters of the State arising from each incident;
  - iii. Minimize the effect of each incident upon domestic animals and all wildlife; and
  - iv. Minimize the endangerment of the public health and safety which arises from each incident.

#### C. Administrative Requirements

1. A valid permit must be maintained until permanent closure is complete. Therefore, unless permanent closure has been completed, the Permittee shall apply for permit renewal not later than one-hundred twenty (120) days before the permit expires.
2. All reports and other information requested by the Administrator shall be signed and certified as required by NAC 445A.231.
3. When ordered consistent with Nevada Statutes, the Permittee shall furnish any relevant information in order to determine whether cause exists for modifying, revoking and reissuing, or permanently revoking this permit, or to determine compliance with this permit.
4. The Permittee shall maintain a copy of, and all modifications to, the current permit at the permitted facilities at all times.
5. The Permittee is required to retain during operation, closure and post-closure monitoring, all records of monitoring activities and analytical results, including all original strip chart recordings for continuous monitoring instrumentation, and all calibration and maintenance records. This period of retention must be extended during the course of any unresolved litigation.
6. The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not thereby be affected.

7. The Permittee is authorized to manage fluids and solid wastes in accordance with the conditions of this permit. Issuance of this permit does not convey property rights of any sort or any exclusive privilege; nor does it authorize any injury to persons or property, any invasion of other private rights, or any infringement of Federal, State or local law or regulations. Compliance with the terms of this permit does not constitute a defense to any order issued or any action brought under the Water Pollution Control Statutes for releases or discharges from facilities or units not regulated by this permit. NRS 445A.675 provides that any person who violates a permit condition is subject to administrative or judicial action provided in NRS 445A.690 through 445A.705.

#### **D. Division's Authority**

The Permittee shall allow authorized representatives of the Division, at reasonable times, and upon the presentation of credentials to:

1. Enter the Permittee's premises where a regulated activity is conducted or where records are kept per the conditions of this permit;
2. Have access to and copy any record that must be kept per the conditions of this permit;
3. Inspect any facilities, equipment (including monitoring and control equipment), practices, or operations regulated by this permit; and
4. Sample or monitor for any substance or parameter at any location for the purposes of assuring permit and regulatory compliance.

#### **E. Sampling and Analysis Requirements**

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. For each measurement or sample taken pursuant to the conditions of this permit, the Permittee shall record the following information:
  - a. The exact place, date, and time of the inspection, observation, measurement, or sampling; and
  - b. The person(s) who inspected, observed, measured, or sampled.
3. Samples must be taken, preserved, and labeled according to Division approved methods.
4. Standard environmental monitoring chain of custody procedures must be followed.
5. Samples shall be analyzed by a laboratory certified by the State of Nevada. The Permittee must identify the certified laboratory used to perform the analyses, laboratory reference number, sample date and laboratory test date in quarterly reports.

6. The accuracy of analytical results, unless otherwise specified, shall be expressed in mg/L and reliable to at least two (2) significant digits. The analytical methods used must have a lower level of detection equal to or less than one-half the MCL for Profile I constituents. Profile II constituents that have established standards shall be quantified using an analytical method with a lower level of detection equal to or less than the standard.

**F. Permit Modification Requirements**

1. Any material modification must be reported by submission of a new application, or, if such changes will not violate the limitations specified in the permit, by notice to the permit issuing authority of such changes. Any change which materially modifies, as defined in NAC 445A.365, the permitted facility must comply with NAC 445A.392, NAC 445A.416, and NAC 445A.417.
2. Prior to the commencement of mining activities at any site within the State which is owned or operated by the Permittee but not identified and characterized in the application, the Permittee shall submit to the Division a report which identifies the locations of the proposed mine areas and waste disposal sites, and characterizes the potential of mined materials to release pollutants. Prior to development of these areas the Division shall determine if any of these new sources will be classified as process components and require engineered containment as well as permit modification.
3. The Permittee must notify the Division in writing at least thirty (30) days before the introduction of process solutions into a new process component or into an existing process component which has been materially modified, or of the intent to commence active operation of that process component.
4. The Permittee must obtain a written determination from the Administrator of any planned material modification(s) as to whether it is considered a permit modification.
5. The Permittee must give advance notice to the Administrator of any planned changes or activities which are not material modifications in the permitted facility that may result in noncompliance with permit requirements.

Prepared by: Bob Carlson

Date: January 2007

Revision: 01 March 2007 – Permit renewal process

2007 MAR -8 AM 10: 52

STATE ENGINEERING

**FACT SHEET**  
(pursuant to NAC 445A.401)

Permittee Name and Address: Chemetall Foote Corporation  
P.O. Box 98, Highway 265  
Silver Peak, Nevada 89047

Permit Number: NEV0070005 (Renewal)

A. **Description of Facility**

Location: This project is located in Esmeralda County near the town of Silver Peak, Nevada within Township 1 South, Range 40 East, Sections 26-28; Township 2 South, Range 39 East, Sections 1, 12, 13, 21-25; and Township 2 South, Range 40 East, Sections 1-11, 15-20, 29-32 MDB&M.

Characteristics: The Silver Peak Lithium Facility consists of numerous deep wells, solar evaporation ponds, lime sludge pond, process plant(s), stockpiled salt dumps and appurtenances such as the lime slaker(s). Based on hydrogeologic considerations, Clayton Valley is considered the final destination for groundwater from surrounding areas.

B. **Synopsis**

Chemetall Foote Corporation, formerly Cyprus Foote Mineral Company, has been in operation since 1965. The original water pollution control application was permitted in 1978. In 1994, a proposal was made to construct a lithium hydroxide monohydrate production facility. The expansion was completed by April of 1996. In 1998, another proposal was made to NDEP to construct an expansion to the lower tank farm in the lithium hydroxide monohydrate plant.

The groundwaters of the Clayton Playa are the "ore" for this facility, averaging more than 139,000 ppm total dissolved solids (TDS). Subsurface brines are

pumped, via numerous deep wells, into a series of solar evaporation ponds, where the brines are concentrated over time. Halite (rock salt) is deposited on the pond bottoms early in the series when the saturation point of the sodium chloride is reached. At approximately a third of the way through the concentration circuit, slaked lime treatment results in the production of a semi-solid sludge, consisting primarily of magnesium hydroxide and calcium sulfate, which is deposited in a lime solids pond. Decant and further evaporation of the treated brine results in the continued deposition of salts in the pond bottoms. Where it is economically efficient, the salts are removed from the ponds and stockpiled in one of three piles located adjacent to the pond area. The salts primarily consist of sodium chloride with a minor fraction of potassium chloride and traces of borates and sulfates.

The brine ponds were built directly on top of native clay of the playa that has a coefficient of permeability of  $1 \times 10^{-6}$  cm/sec. All pond dikes have a clay slurry core with the same coefficient of permeability. However, the most concentrated brine pond is lined, in addition to the naturally occurring clay, with 20-mil polyvinylchloride (PVC). The ponds are designed to operate with a brine depth of one to two feet. The resulting freeboard (nominal one foot) will accommodate wave action and accumulation of meteoric waters resulting from more than the 100-year, 24-hour event.

The concentrated brine is fed into the lithium carbonate plant to obtain the final product, lithium carbonate. In the plant, the brine is treated with lime and soda ash to remove any remaining magnesium and calcium, which would interfere with the precipitation of lithium carbonate. This treatment results in the production of a semi-solid sludge composed primarily of magnesium hydroxide and calcium carbonate. This sludge is removed periodically from the treatment tanks and discharged to the playa surface. The polished brine is then heated with steam provided by a fire-tube boiler and the lithium precipitated as carbonate by the addition of soda ash. The lithium carbonate product is then dried and packaged, or used as head feed for the lithium hydroxide facility (see below). The spent liquor is then returned to the pond system via the plant waste ditch, which carries it and other plant waste waters (e.g. pump packing coolant, emergency shower and eyewash supply, floor washing) to the playa surface near the western edge of the pond system.

In the lithium hydroxide facility, lithium hydroxide solution and calcium carbonate solids are produced after adding slaked lime. The calcium carbonate solids are separated by centrifuging, washed and moved to the playa for storage in the pond system. Evaporation of the lithium hydroxide solution produces solid lithium hydroxide monohydrate that is dried and packaged. A portion is further processed into anhydrous lithium hydroxide product.

The process fluids in the lithium carbonate plant are contained in lined steel tanks, which are covered so they are not affected by meteoric events. Fluids in the lithium hydroxide plant are contained in steel and fiber-reinforced plastic tanks, which are contained within the building so they too are not affected by meteoric events. The secondary containment required under Nevada Administrative Code (NAC) 445A.436 is provided for the post-regulation lithium hydroxide plant and lower tank farm (including acid tanks), but not the pre-regulation lithium carbonate plant.

The R-2 pond, which is asphalt-lined, receives process water ( $\text{CaCO}_3$  solution) that is pumped to the playa as needed.

C. **Site Hydrology/Hydrogeology and Background Groundwater Quality**

Extensive exploration drilling has occurred to define the naturally occurring brine ore body and hydrogeology of the playa and areas surrounding the playa. The dual-tube drilling method is used to define a vertical profile of the hydrogeologic conditions of the subsurface as well as the groundwater chemistry. Freshwater does not exist near the pond system of the playa. However, upgradient of the playa margin yields groundwater that is potable. A monitoring well is located between the R-2 process pond and the freshwater wells (located upgradient) to define the groundwater quality between the playa aquifer and the freshwater aquifer. The topographic surface at the freshwater wells is about 120 meters (390 feet) higher in elevation than the playa surface and the direction of the groundwater flow is clearly toward the playa.

The groundwater pumped from the Clayton Valley Playa produces a brine solution with very high Total Dissolved Solids (TDS) concentrations, averaging 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). The article goes on to say "Since Clayton is a hydrologically closed valley..."

Stormwater runoff and accumulation is directed to the closed hydrogeologic system of the Clayton Valley.

D. **Procedures for Public Comment**

The Notice of the Division's intent to issue a permit authorizing the facility to construct, operate and close, subject to the conditions within the permit, is being

sent to the Tonopah Times-Bonanza & Goldfield News for publication. The Notice is being mailed to interested persons on our mailing list. Anyone wishing to comment on the proposed permit can do so in writing within a period of 30 days following the date of public notice. The comment period can be extended at the discretion of the Administrator. All written comments received during the comment period will be retained and considered in the final determination.

A public hearing on the proposed determination can be requested by the applicant, any affected State, any affected intrastate agency, the regional administrator of EPA Region IX, or any interested agency, person or group of persons. The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted.

Any public hearing determined by the Administrator to be held must be conducted in the geographical area of the proposed discharge or any other area the Administrator determines to be appropriate. All public hearings must be conducted in accordance with NAC 445A.403 through NAC 445A.406.

**E. Proposed Determination**

The Division has made the tentative determination to issue the permit.

**F. Proposed Effluent Limitations, Schedule of Compliance, Special Conditions**

See Section I of the permit.

**G. Rationale for Permit Requirements**

The facility is located in an area where annual evaporation is greater than annual precipitation. The groundwaters of the Clayton Valley Playa do not currently serve as a source of drinking water, produces a mineral fluid that is capable of commercial production, as evidenced by a 40 year history of lithium production from the fluid, and it would be economically or technologically impractical to render the water fit for human consumption. In addition, the total dissolved solids in the groundwater averages 139,000 ppm. This "is due to the fact that Clayton Playa is the terminal discharging point for deeper water circulation through the adjacent valleys." (Geology and Hydrology of Selected Playas in Western United States, August 2006). Therefore, an exemption of playa groundwater from standards in subsection 1 of Nevada Administrative Code 445A.424 is applicable.

The primary method for identification of escaping process solution from components on the playa margin and upgradient thereof, where groundwater

quality meets or exceeds Profile I standards, will be placed on required routine monitoring and sampling of monitoring well(s) and inspections. Specific monitoring requirements can be found in the Water Pollution Control Permit.

**H. Federal Migratory Bird Treaty Act**

Under the Federal Migratory Bird Treaty Act, 16 U.S.C. 701-718, it is unlawful to kill migratory birds without license or permit, and no permits are issued to take migratory birds using toxic ponds. The Federal list of migratory birds (50 CFR 10, April 15, 1985) includes nearly every bird species found in the State of Nevada. The U.S. Fish and Wildlife Service is authorized to enforce the prevention of migratory bird mortalities at ponds and tailings impoundments. Compliance with State permits may not be adequate to ensure protection of migratory birds for compliance with provisions of Federal statutes to protect wildlife.

Open waters attract migratory waterfowl and other avian species. High mortality rates of birds have resulted from contact with toxic ponds at operations utilizing toxic substances. The Service is aware of two approaches that are available to prevent migratory bird mortality: 1) physical isolation of toxic water bodies through barriers (covering with netting), and 2) chemical detoxification. These approaches may be facilitated by minimizing the extent of the toxic water. Methods which attempt to make uncovered ponds unattractive to wildlife are not always effective. Contact the U.S. Fish and Wildlife Service at 1340 Financial Boulevard, Suite 234, Reno, Nevada 89502-7147, (775) 861-6300, for additional information.

Prepared by: Bob Carlson  
Date: January 2007 Renewal



# **Chemetall Foote Corp.**

2007 AUG 24 AM 11:00

August 22, 2007

STATE ENGINEERS OFFICE

Chemetall Foote Corporation  
Silver Peak Operations  
PO Box 98, Hwy 265  
Silver Peak, NV 89047

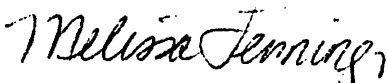
Office of the State Engineer  
Nevada Division of Water Resources  
901 South Street, Suite 2002  
Carson City, NV 89706-0818

Subject: **Permit Numbers 52918, 52919, 52920, 52921**

Enclosed are applications for Extension of Time for Permits 52918, 52919, 52920, and 52921. A check in the amount of \$400.00 is also enclosed to cover the filing of the extensions.

If you have any questions or need additional information, please feel free to call me at 775-937-2222 ext. 229.

Sincerely,

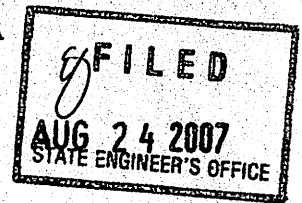


Melissa Jennings  
Mine Superintendent

Cc. Mr. Ross de Lipkau, Marshall, Hill, Cassas and de Lipkau  
File

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
- 2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
YES • NO (Check the Appropriate Box)
- 3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$55,900,000.00

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$3,200,000.00

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)  
for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production.

Subscribed and sworn to before me this 22nd day of

August, 2007  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Wye

State of Nevada

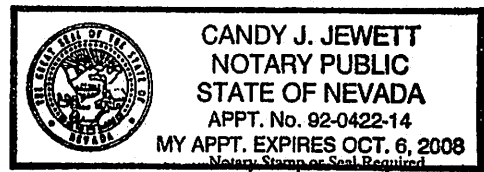
My commission expires October 6, 2008

Signed Melissa Jennings  
Permittee or Agent

Address Chemetall Foote Corporation  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

STATE ENGINEER'S OFFICE  
2007 AUG 21 11:00



**\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

Imp PBM

OIC w/ WP Infr. Str. REI / A.F. 9/6/07

SE ROA 786



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

RE: Permits 52918, 52919,  
52920 and 52921

September 19, 2007

Melissa Jennings  
Chemetall Foote Corporation  
PO Box 98  
Silver Peak, Nevada 89047

Dear Ms. Jennings:

Please refer to the Application for Extension of Time forms you submitted on August 24, 2007 as Agent for Chemetall Foote Corporation for the above referenced permits.

These Applications for Extension of Time are approved; however, before any further requests for Extension of Time for the filing of the Proof of Beneficial Use are granted, this office requires that you answer the questions on the enclosed Work Progress Information Sheet. This information is needed to update the Permit files and to determine progress made towards establishing Beneficial Use. Please note that on your Applications you state that "old wells are being supplemented by the construction of new wells"; we do not currently have any Applications to Change on file in the name of Chemetall Foote. If you have any questions, please contact Tony Eng at 775-684-2800.

Please submit to this office the requested information before the next Proof Beneficial Use are due. Failure to comply may result in the denial of future requests for Extension of Time.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ALE/ef  
Enclosure

cc: Parsons Behle & Latimer, Ross de Lipkau  
Southern Nevada Branch Office

**WORK IN PROGRESS INFORMATION SHEET**  
**WATER RIGHT PERMITS 52918, 52919, 52920 and 52921**

Please furnish information and documents explaining the progress to complete the project to be served under each permit. The explanation should include the following information and any other pertinent information:

1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates (e.g., planning, design, construction, start-up, partial or full operation).
2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of lands within the place of use? If so, detail this authorization.
3. What type of product or mineral is being mined? Who is buying your mineral product and for how long?
4. Submit the record of water measurements (e.g., meter readings) for the last one-year period. Specify the measurement volume units (e.g., gallons, 100 gallons, million gallons, or acre-feet).
5. Describe any work in progress and any facility or feature completed to establish full beneficial use in compliance with permit requirements.
6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.
7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.

STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

**DIVISION OF WATER RESOURCES**

901 S. Stewart Street, Suite 2002  
Carson City, Nevada 89701  
<http://water.nv.gov>

Address All Communication to  
the State Engineer, Division  
of Water Resources

September 20, 2007

Telephone (775) 684-2800 or  
1-800-992-0900 x 2400  
(In Nevada Only)

In reply refer to: **52918, 52919, 52920 and 52921**

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

This is to inform you that Application for Extension of Time has been granted to **September 30, 2008** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,



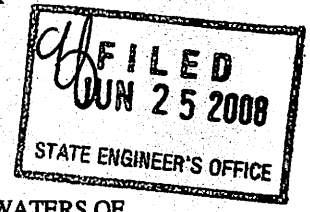
Jason King, P.E.  
Deputy State Engineer

JK/ef

cc: Ross de Lipkau  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source (Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES • NO (Check the Appropriate Box)
2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES • NO (Check the Appropriate Box)
3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$57,802,000.00

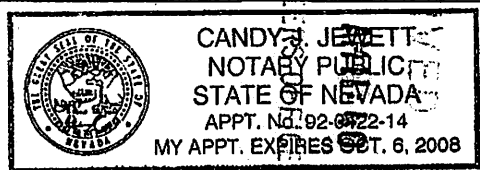
6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,700,000.00

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production. The 2006 well drilling program added three new wells, and a drilling program slated for the fall of 2008 will add another 5 to 8 wells, which will bring production rates closer to the targeted volume.

Subscribed and sworn to before me this 18th day of June, 2008. Signature of Notary Public Required: Candy J. Jewett, Notary Public in and for the County of Nye, State of Nevada, My commission expires October 6, 2008.

Signed Melissa Jennings, Permittee or Agent. Address Chemetall Foote Corporation, PO Box 98, Silver Peak, Nevada 89447, Phone (775) 937-2222 ext. 229.



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMITS 52921

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**  
Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**

Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
None have been submitted or recorded.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**  
No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:20  
STATE ENGINEERS OFFICE  
SE ROA 791

**QUARTERLY PRODUCTION REPORT**

**CHEMETALL FOOTE CORPORATION  
SILVER PEAK OPERATIONS**

YEAR: 2007

REPORT DATE: Jan. 23, 2008

BASIN: 143 (CLAYTON VALLEY)

PERMIT NUMBERS: 52918; 52919; 52920; 52921

SITE ID. WELL #	BRINE PUMPED IN GALLONS												AMOUNT USED
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
9C	2,692,000	2,390,200	2,690,400	2,619,500	2,688,700	2,620,800	2,700,200	2,620,700	2,580,700	2,642,700	2,378,800	2,628,600	31,253,300
10B	5,780,000	5,131,700	5,747,500	5,582,800	5,718,300	5,585,300	5,767,700	5,601,100	5,562,200	5,744,400	5,569,100	5,715,700	67,505,800
23A	3,871,000	3,529,300	3,777,700	2,684,000	3,892,416	3,799,488	3,570,240	3,479,000	3,640,000	3,796,300	3,658,000	3,777,900	43,475,344
41B	2,980,000	2,617,000	2,968,200	2,872,100	2,833,700	2,867,100	2,958,000	2,894,300	2,831,300	3,106,300	3,041,800	3,103,600	35,073,400
43A	3,201,000	2,853,400	3,193,500	3,112,400	3,191,200	3,107,900	3,203,400	3,084,900	3,105,300	3,201,300	3,110,900	3,173,200	37,538,400
59	4,218,000	3,737,300	4,228,700	4,081,700	4,013,800	3,858,800	3,973,100	3,830,200	3,983,100	4,080,700	3,947,800	3,999,500	47,952,700
62A	7,041,000	6,236,800	6,993,500	6,669,400	6,959,700	6,692,500	6,816,000	6,717,300	6,756,400	6,998,900	6,851,600	6,800,700	81,533,800
65A	5,761,000	4,840,500	5,443,100	5,198,700	5,187,600	5,024,500	5,200,900	5,024,900	4,994,000	5,102,100	4,979,500	5,111,000	61,867,800
73A	6,228,000	5,508,200	6,208,300	6,004,700	6,173,700	6,008,700	6,397,400	6,206,700	5,582,000	5,798,600	5,577,400	5,586,100	71,279,800
76	9,911,000	8,820,800	9,744,600	8,674,700	9,636,000	9,388,500	9,808,920	8,895,900	9,422,700	9,656,600	9,486,400	9,682,800	113,128,920
109	8,659,000	7,690,300	8,608,500	8,110,000	8,552,500	8,167,600	8,400,500	8,216,300	8,153,100	8,422,600	8,148,800	8,366,300	99,495,500
131	12,016,000	10,633,000	12,023,100	11,609,900	11,908,400	11,610,900	12,016,500	11,583,400	11,601,000	9,943,000	11,838,600	12,141,500	138,923,300
133	7,021,000	6,257,100	7,037,200	6,854,800	6,994,800	6,744,500	6,948,900	6,869,300	6,943,500	7,145,300	6,945,400	7,100,000	82,861,800
152	1,730,000	1,564,400	1,762,800	1,704,200	1,744,800	1,701,300	1,769,900	1,731,300	1,712,800	1,777,400	1,571,400	1,627,700	20,398,000
153	10,729,000	10,262,000	11,802,700	10,991,400	11,721,200	11,296,000	12,034,600	11,711,500	11,269,300	12,079,400	12,496,200	7,694,800	134,088,100
156	12,638,000	10,947,700	13,087,300	12,645,700	12,934,700	12,568,900	9,500,800	11,849,400	12,848,400	13,436,000	13,098,000	13,338,000	148,892,900
170	3,837,000	3,379,000	3,710,800	3,296,800	3,403,600	3,451,200	3,629,600	3,688,000	3,548,000	3,698,900	3,597,400	3,064,100	40,908,600
172	5,685,000	4,903,500	5,793,900	5,566,100	5,655,800	5,586,700	6,086,800	6,053,200	6,061,400	6,353,100	6,220,500	6,248,100	70,214,100
173	4,121,000	3,804,600	4,491,100	4,498,300	4,434,700	4,426,100	4,895,700	4,905,700	4,882,200	5,130,700	4,925,500	5,121,400	55,547,000
180	6,840,000	6,230,700	7,037,100	6,681,900	6,969,600	6,860,300	7,639,596	7,114,000	7,271,580	7,659,000	7,466,000	7,609,000	85,378,776
302	1,502,000	1,346,700	1,506,500	1,422,100	1,497,900	1,467,200	1,515,300	1,498,200	1,547,000	1,587,600	1,565,800	1,608,600	18,064,900
303	5,960,000	5,326,000	5,950,000	5,742,000	5,918,000	5,761,000	5,939,000	5,762,000	5,781,000	5,856,000	5,698,000	5,868,000	69,561,000
304	4,260,000	3,793,800	4,290,600	3,883,400	4,279,100	4,213,600	4,372,200	4,264,600	4,293,200	4,355,300	4,175,200	4,313,300	50,494,300
305	7,734,000	6,641,900	7,490,600	6,784,700	7,435,000	5,299,600	10,448,500	10,180,300	10,038,700	10,328,900	9,759,600	9,643,500	94,593,800
314	3,831,000	3,387,100	3,821,200	2,979,100	3,139,600	3,451,200	3,831,300	3,527,600	3,745,872	3,360,100	3,245,600	3,393,400	41,713,072
319	6,502,000	5,785,400	6,502,300	6,323,700	6,477,300	6,315,100	6,511,500	6,322,500	6,272,300	6,467,100	6,277,920	6,426,600	76,183,720
330	3,252,000	2,926,900	3,280,400	3,187,500	3,260,600	1,518,000	1,853,000	708,000	0	0	0	0	19,986,400
333	8,914,000	7,954,000	8,848,300	8,317,000	8,782,000	8,522,600	8,767,800	8,398,200	8,620,400	8,807,100	8,591,300	8,767,800	103,290,500
334	613,000	511,600	582,700	586,100	1,193,940	1,165,914	1,202,850	1,168,020	1,169,154	1,201,230	1,172,880	1,195,074	11,762,462
337	1,600,000	1,131,000	1,463,000	1,568,000	1,589,000	1,517,000	1,547,000	1,507,000	1,528,000	1,558,000	1,511,000	1,543,000	18,062,000
343	9,757,000	8,745,700	9,816,700	9,514,400	9,765,600	9,495,300	9,819,700	9,497,400	9,460,440	9,931,300	9,675,500	9,882,900	115,361,940
344	3,341,000	3,014,100	3,410,500	3,299,700	3,376,800	3,280,920	3,882,114	3,292,320	3,288,000	3,397,000	3,327,000	3,393,000	40,302,454
346	1,287,000	1,162,300	0	0	200	0	0	0	757,452	360,200	0	0	3,567,152
347	1,944,000	1,716,800	1,905,400	1,837,600	1,934,000	1,882,500	1,969,000	1,900,600	1,890,500	2,065,600	1,906,872	1,372,680	22,265,552
356	2,234,000	1,973,600	2,204,700	2,161,000	2,228,100	2,157,600	2,235,500	2,174,800	2,222,200	2,293,000	55,600	300	21,940,400
357	7,872,000	6,919,200	7,867,900	7,400,800	7,665,800	7,156,700	6,865,300	6,349,248	5,138,100	0	1,409,300	0	64,644,348
358	152,000	0	0	0	0	0	0	0	0	0	0	0	152,000
359	2,661,000	2,237,700	2,012,300	2,512,800	2,692,500	2,488,500	2,536,100	1,533,000	700	0	1,100	2,756,900	21,432,600
360	4,646,000	4,172,000	4,663,700	4,497,900	4,492,100	4,533,480	4,725,480	4,562,800	4,576,800	4,690,800	4,622,000	4,744,200	54,927,260
374	26,117,000	16,705,000	0	0	0	0	3,781,000	9,221,000	8,299,000	5,395,000	9,113,000	9,255,000	88,086,000
378	5,251,000	10,369,000	0	9,511,200	24,548,800	22,545,000	22,184,000	19,752,000	18,795,000	19,335,000	18,813,000	19,081,000	190,185,000
379	4,132,000	3,797,000	6,248,000	3,905,000	5,349,000	2,021,000	2,205,000	2,112,000	2,069,000	2,245,000	2,154,000	2,015,000	38,252,000
380	3,182,000	1,897,100	0	2,105,800	3,012,000	2,952,700	1,269,600	1,300,800	1,892,700	1,903,900	0	0	19,426,600
384	6,164,000	5,227,000	6,016,000	5,739,000	5,794,000	3,523,000	6,149,000	6,275,000	6,175,000	6,353,000	6,140,000	6,256,000	69,791,000
386	9,873,000	15,141,000	16,562,000	16,529,000	16,891,000	16,109,000	16,290,000	11,390,000	20,477,000	19,814,000	18,376,000	18,388,000	195,840,000
392	15,135,000	7,062,700	0	4,805,000	56,724,000	54,121,000	54,771,000	52,906,000	55,609,000	57,284,000	55,133,000	56,319,000	469,869,700
394	0	1,532,000	4,466,000	3,554,000	4,074,000	3,602,000	3,438,000	3,747,000	3,548,000	3,181,000	3,283,200	2,922,400	37,347,680
*FWW	12,752,000	11,962,000	12,443,000	12,374,000	16,177,000	12,843,000	17,299,000	15,140,000	14,069,000	16,374,000	12,862,000	43,574,000	197,849,000
<b>TOTAL GAL</b>	<b>285,607,000</b>	<b>253,776,100</b>	<b>247,701,800</b>	<b>249,500,900</b>	<b>325,721,056</b>	<b>307,014,202</b>	<b>328,727,000</b>	<b>316,567,488</b>	<b>323,922,498</b>	<b>324,037,430</b>	<b>313,777,072</b>	<b>344,699,734</b>	<b>3,622,272,180</b>
<b>AF Wells</b>	<b>876</b>	<b>779</b>	<b>760</b>	<b>767</b>	<b>1000</b>	<b>945</b>	<b>1009</b>	<b>972</b>	<b>994</b>	<b>994</b>	<b>963</b>	<b>1058</b>	<b>11,116</b>
<b>TOTAL</b>		<b>787,084,900</b>			<b>883,545,158</b>			<b>969,216,986</b>			<b>982,425,136</b>		<b>3,622,272,180</b>

PERMIT NUMBERS: 44248 & 52917  
\* FRESH WATER WELL

FWW sum	37,137,000	FWW sum	41,394,000	FWW sum	46,508,000	FWW sum	72,810,000
all AF sum	2415	all AF sum	2712	all AF sum	2974	all AF sum	3024
FWW AF	114	FWW AF	127	FWW AF	143	FWW AF	172
FWW %	4.72	FWW %	4.68	FWW %	4.80	FWW %	5.70

RECEIVED  
 JUN 26 AM 11:20  
 STATE ENGINEERS OFFICE  
 SE ROA 792





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

October 9, 2008

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, Nevada 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2009** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.  
Deputy State Engineer

JK/ef

Enclosure: Important Notice: "Future Application for Extension of Time Filings"

cc: Southern Nevada Branch Office

Ross de Lipkau, Parsons, Behle & Latimer

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED
AUG 21 2009
STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO (Check the Appropriate Box)
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO (Check the Appropriate Box)
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$57,987,550.00

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$1,400,000.00

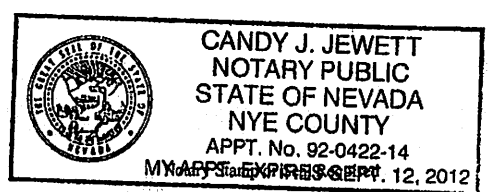
7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

Old wells are being supplemented by the construction of new wells in order to meet expanding demand for production. The 2006 well drilling program added three new wells, and a drilling program slated for the fall of 2008 will add another 5 to 8 wells, which will bring production rates closer to the targeted volume.

Subscribed and sworn to before me this 19th day of August, 2009
Candy J. Jewett
Signature of Notary Public Required
Notary Public in and for the County of Nye
State of Nevada
My commission expires September 12, 2012

Signed Melissa Jennings
Permittee or Agent
Address Chemetall Foote Corporation
Street No. or P.O. Box No.
PO Box 98, Silver Peak, Nevada 89047
City, State, Zip Code No.
Phone (775) 937-2222 ext. 229



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER 794



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

September 30, 2009

Chemetall Foote Corporation  
PO Box 98  
Silver Peak, NV 89047

**RE: 52918, 52919, 52920 & 52921**

This is to inform you that Application for Extension of Time has been granted to **September 30, 2010** with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.390.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If you have any questions regarding this notification, please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in black ink that reads "Gloria K. Lash".

Gloria K. Lash  
Administrative Assistant III

cc: Southern Nevada Branch Office  
Parson Behle & Latimer, Ross E. DeLipkau

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

FILED

APPLICATION FOR EXTENSION OF TIME

SEP 02 2010

STATE ENGINEER'S OFFICE

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners? YES NO
2. If YES on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? YES NO
3. If NO on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$59,487,500

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,603,750

7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In early 2009, A well rehabilitation program successfully identified an alternative means to overcome structural failures and two well were brought online prior to temporary idling of operations in 2009. Wells were restarted in 2010 and ARRA funding will be used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM.

Signed Melissa Jennings
Permittee or Agent

Subscribed and sworn to before me this 23rd day of

August 2010
Candy J. Jewett
Signature of Notary Public/Required

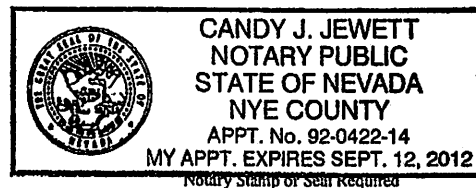
Address Chemetall Foote Corporation
Street No. or P.O. Box No.
PO Box 98, Silver Peak, Nevada 89047
City, State, Zip Code No.

Phone (775) 937-2222 ext. 229

Notary Public in and for the County of

State of Nevada

My commission expires September 12, 2012



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.
SE ROA 796

# WORK IN PROGRESS INFORMATION SHEET

## WATER RIGHT PERMIT APPLICATIONS

### 52918, 52919, 52920 & 52921

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1,524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

RECEIVED

2010 SEP -2 11:11:30

STATEMENT OF WORK



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

September 10, 2010

Chemetall Foote Corporation  
Silver Peak Operations Hwy 395  
Silver Peak, NV 89047

**RE: PERMIT(S) 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to **September 30, 2011**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Staff I Associate Engineer

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office (via email)

# **Chemetall Foote Corp.**

August 25, 2011

State of Nevada  
Dept. of Conservation & Natural Resources  
**Division of Water Resources**  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Permit # 52918, 52919, 52920, and 52921

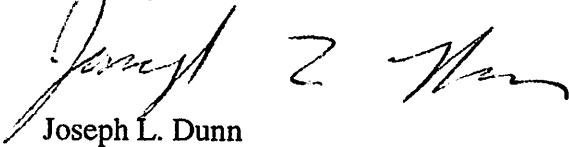
To Whom It May Concern:

Enclosed are four Applications for Extension of Time for the above referenced permit numbers in addition to a check in the amount of \$400.00 to cover the filing of the Extensions.

The Work in Progress information is also attached per NRS 533.380 3(b).

Please contact our office if you have questions or comments regarding the Extensions. Our telephone number is 775-937-2222, ext. 222.

Sincerely,



Joseph L. Dunn  
General Manager, Silver Peak Operations

Certified Mail # 7003 1680 0001 6420 5191

Cc: Mr. Ross De Lipkau  
Parsons, Behle & Latimer

RECEIVED  
2011 AUG 29 PM 4:49  
STATE ENGINEERING

---

**Chemetall Foote Corp. • PO Box 98 • State Route 265 • Silver Peak, Nevada 89047**  
**Telephone (775) 937-2222 Ext. 222 • Fax (775) 937-2250**  
**Email address: [joe.dunn@chemetall.com](mailto:joe.dunn@chemetall.com)**

SE ROA 800



FILED

AUG 29 2011

STATE ENGINEER'S OFFICE

APPLICATION FOR EXTENSION OF TIME

Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent, Person Signing Application, Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners? [ ] YES [X] NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners? [ ] YES [X] NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$61,704,791

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,400,000

7. The permittee requests an extension of time for One Year (Not to exceed 1 year) within which to comply with the provisions for filing the Proof of Beneficial Use (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary): Wells were restarted in 2010 and ARRA funding was used to purchase a production drilling rig for the purpose of well rehabilitation and construction. The budget for this project is \$2.6 MM. Well rehab and production drilling occurred during 2011 and will continue through 2012 to increase pumping capacity to achieve production goals.

RECEIVED 2011 AUG 29 PM 1:50 STATE ENGINEERS OFFICE

Signed [Signature] Permittee or Agent

Address Chemetall Foote Corporation Street No. or P.O. Box No. PO Box 98, Silver Peak, Nevada 89047 City, State, Zip Code No.

Phone (775) 937-2222 ext. 222

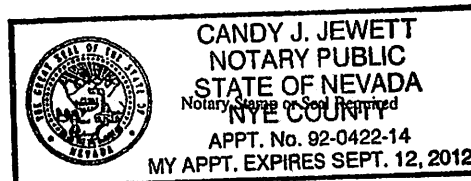
Subscribed and sworn to before me this 27th day of

August 20th Signature of Notary Public Required [Signature]

Notary Public in and for the County of [Signature]

State of Nevada

My commission expires September 12, 2012



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME. A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT. THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

Copy PBA

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

- 1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
- 2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetail Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetail Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
- 3. What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
- 4. Submit the record of water measurements for the last one-year period.**  
6.565 acre-feet was used in 2010.
- 5. Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
- 6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
- 7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEERING OFFICE

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

RECEIVED  
2011 AUG 29 PM 1:50  
STATE ENGINEERS OFFICE



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>  
October 19, 2011

Chemetall Foote Corporation  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2012, with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.


Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist I

ALE/ag

cc: Parsons Behle & Latimer  
Southern Nevada Branch Office



# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

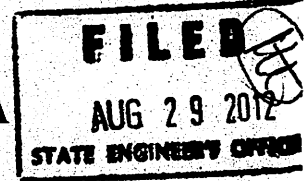
PERMIT 52921

PAGE

DEED NO.	GRANTOR	GRANTEE	CFS	AFA	ACRES	FILED UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION/ REMARKS
2								
3								
4								
5								
6								
7								
8								

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Chemetall Foote Corporation

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Chemetall Foote Corporation

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$64,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,000,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the Proof of Beneficial Use  
(Not to exceed 1 year) (Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Funding from ARRA was used during 2012 to increase pumping capacity. During 2013 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2013. The increase in brine capacity will provide product to meet the growing demand.

RECEIVED  
2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

Subscribed and sworn to before me this 27th day of

August 2012  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

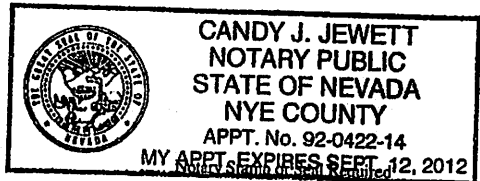
My commission expires September 12, 2012

Signed Joseph L. Dunn  
Permittee or Agent

Address Chemetall Foote Corporation  
Street No. or P.O. Box No.

PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 222



\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

See Perm  
Rec'd MS  
8/31/12

SE ROA 806



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 12, 2012

Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: PERMITS 52918 through 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2013 with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist 1

ALE/mt

c: Parsons, Behle and Latimer (via email)  
Southern Nevada Branch Office (via email)

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED  
JUL 10 2013  
STATE ENGINEERS OFFICE

Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHARGE Underground Source

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Joseph L. Dunn, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$66,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)  
for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
Funding from ARRA was used during 2013 to increase pumping capacity. During 2014 drilling will continue to further increase capacity at the Silver Peak Operation. Several more production wells and rehab wells will be brought on-line during 2014. The increase in brine capacity will provide product to meet the growing demand.

Subscribed and sworn to before me this 27<sup>th</sup> day of June, 2013  
Candy J. Jewett  
Signature of Notary Public Required  
Notary Public in and for the County of Nevada  
State of Nevada  
My commission expires October 6, 2016

Signed Joseph L. Dunn Permittee or Agent  
Address Rockwood Lithium Inc. Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89043 City, State, Zip Code No.  
Phone (775) 937-2222 ext. 222

RECEIVED  
2013 JUL 10 AM 10:41  
STATE ENGINEERS OFFICE

CANDY J. JEWETT  
NOTARY PUBLIC  
STATE OF NEVADA  
APPT. No. 92-0422-14  
MY COM. EXPIRES OCT. 6, 2016

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

See PM  
No, 9/16/13





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

September 25, 2013

 Chemetall Foote Corporation  
Silver Peak Operations, Hwy 265  
Silver Peak, NV 89047

**RE: Permits 52918, 52919, 52920 and 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2014, with the provision that no further extensions will be granted for filing of the Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

 Should you have any questions regarding this notification please contact Tony Eng at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Tony Eng".

Tony Eng  
Water Resource Specialist I

ALE/dl

cc: Parsons, Behle and Latimer, email  
Joseph L. Dunn, Rockwood Lithium Inc.  
Southern Nevada Branch Office

State of Nevada  
REPORT OF CONVEYANCE

of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

I  
T  
E  
M

1 APPLICATION / PERMIT No.: 52921 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER.: Chemetall Foote Corporation

If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Rockwood Lithium Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O.Box 98 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4	INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. <span style="float:right">See Guidelines Page 2</span>	
	DEED(S)..... <input type="checkbox"/>	CORRECTION DEED(S)..... <input type="checkbox"/>
	DEED(S) OF TRUST..... <input type="checkbox"/>	RECONVEYANCE at no charge <input type="checkbox"/>
	NOTICE(S) OF PLEDGE..... <input type="checkbox"/>	MAP(S) at no charge..... <input type="checkbox"/>
	DEATH CERTIFICATES..... <input type="checkbox"/>	AFF OF ID at no charge..... <input type="checkbox"/>
	DECREE(S) OF DISTR..... <input type="checkbox"/>	OTHER: Corporate <input checked="" type="checkbox"/>
		OTHER: <input type="checkbox"/>
		TOTAL ## OF \$\$ Documents => <input type="checkbox"/>
		TOTAL # x \$20 each = <input type="checkbox"/> \$ <input type="checkbox"/> 20.00
		Report filing fee = \$120.00* \$ <input type="checkbox"/> .00
		TOTAL FEES SUBMITTED* \$ <input type="checkbox"/> 20.00

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE.  
\*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5 CFS 3,619.85  ACRE-FEET ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER:

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268, 44269,  
44270, 49805, 52917, 52918, 52919, 52920, 52921.

13 Additional Space/Remarks: #7 Continued - 44270, 49998, 52918, 52919, 52920, and 52921

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada

COUNTY OF Washoe

SUBSCRIBED AND SWORN TO BEFORE ME ON 07-01-14  
BY: \*\*\* John R. Zimmerman \*\*\*

SIGNATURE:

PRINT NAME: John R. Zimmerman

MAILING ADDRESS: 50 W. liberty St., Suite 750

FIRM NAME: Parsons Behle & Latimer

CITY: Reno STATE: NV ZIP: 89501

PHONE: 89501  OWNER?

E-MAIL:  AGENT?

Is a consent to receive email correspondence already on file? YES

If not, please download from our website and include.

Signature of Notary Public Required



Notary Stamp or Seal Required



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

July 23, 2014

John R. Zimmerman  
Parsons Behle & Latimer  
50 W. Liberty St., Suite 750  
Reno, NV 89501

RE: Permits 10036, 15847, 24382, 44248, 44250 – 44253, 44255 – 44258, 44260, 44261, 44267 – 44670, 49805, and 52917 – 52921

To Whom It May Concern:

Please be advised that your *Reports of Conveyance* received on July 8, 2014, are hereby confirmed to update ownership of the above mentioned permits in the name of **Rockwood Lithium Inc.**, as listed in the table below. Details of the above permit(s), including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	Diversion Rate (cfs)	Duty (AFA/AFS)	Acres/Units
10036/2627	0.334	---	---
15847/4838	0.53	---	---
24382/7234	1.0	723.95	---
44248	1.0	20.16	---
44250/11268	0.003	---	100 head of cattle
44251/12770	1.0	723.97	---
44252/12271	0.43	311.3	---
44253/12772	0.84	608.13	---
44255/12773	0.39	282.35	---
44256/12774	0.22	159.27	---
44257/12775	0.35	253.39	---
44258/12776	0.27	195.47	---
44260/12777	0.20	144.79	---
44261/12278	0.22	159.27	---
44267/12779	0.44	318.50	---
44268/12780	0.46	334.47	---
44269/12781	0.26	188.23	---
44270/12782	1.00	723.97	---
49805/14655	0.13	20.13	---
52917	1.0	21.63	---
52918	5.0	3619.85	---
52919	5.0	3619.85	---
52920	5.0	3619.85	---
52921	5.0	3619.85	---

Zimmerman, John  
Permit 10036+  
July 23, 2014  
Page 2 of 2

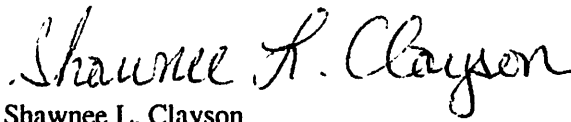
Permits 29728, 44248, 49805, 52917, 69220, 76343 and 77966 have a total combined duty not to exceed 588.67 acre feet annually.

Permits 44251 – 44258, 44260, 44261 , 44267 – 44270, 49988, and 52918 - 52921 have a total combined duty not to exceed 20,000 acre feet annually.

Also be advised that according to NRS 533.386 (2.), this confirmation of your Report of Conveyance does not guarantee that a) the water right is in good standing with the office of the State Engineer; or b) the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and c) this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right.

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, please contact me directly at (775) 684-2830.

Sincerely,

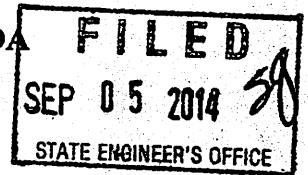


Shawnee L. Clayson  
Engineering Technician III

SLC/sgc  
cc: Rockwood Lithium Inc.  
SNBO

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source  
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Melissa Jennings, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$68,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)

for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):

In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

STATE ENGINEERS OFFICE  
2014 SEP -5 AM 11:33  
RECEIVED

Subscribed and sworn to before me this 28<sup>th</sup> day of

August, 2014  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Nye

State of Nevada

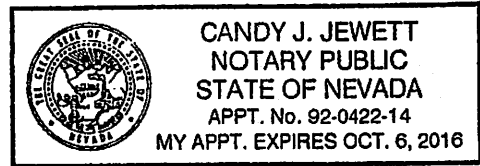
My commission expires October 6, 2016

Signed Melissa Jennings  
Permittee or Agent

Address Rockwood Lithium Inc.  
Street No. or P.O. Box No.

PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.

Phone (775) 937-2222 ext. 229



Notary Stamp or Seal Required

**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.**

1 VR  
PBU  
9/8/14  
CMT

SE ROA 813

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

- 1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2013-2014 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
- 2. Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
- 3. What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
- 4. Submit the record of water measurements for the last one-year period.**  
12,644 acre-feet was used in 2013, during the period from August 2013-July 2014 the use was 12,137 acre-feet.
- 5. Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2013-2014, several wells were re-drilled and some wells were rehabilitated. Two new ponds resulted in some discharge line extensions and overall re-routing of flow paths. The project goal is to bring new wells online and into the same pond to reduce dilution further downstream. Further, similar development activities will take place in late 2014 and into 2015.
- 6. Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
- 7. Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

2014 SEP -5 AM 11:33  
STATE ENGINEERS OFFICE

Market conditions are still improving, resulting in favorable spending and support conditions for expansion. Drill rig repairs were completed in early 2013 and crews are seasoned so that the operation is more efficient than when we started. New and rehabilitation well drilling funds are approved for the remainder of this year and next year, thus production volumes will continue to fluctuate until enough wells can provide flexibility to manage pumping rates at sustainable levels.





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
September 25, 2014

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit 52918, through 52921**

This is to inform you that the Application for Extension of Time has been granted to September 30, 2015, with the provision that no further extensions will be granted for filing Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2803.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Thorson".

Chris Thorson  
Water Resource Specialist I

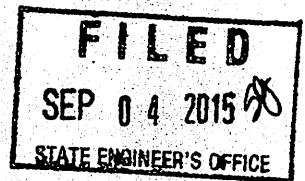
CMT/sg

cc: Parsons, Behle & Latimer, e-mail  
Southern Nevada Branch Office



BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT No. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent  
Person Signing Application Permittee or Agent

under Permit No. 52921, who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

Does this permit have multiple owners?  YES  NO (Check the Appropriate Box)

2. If "YES" on question No. 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  
 YES  NO (Check the Appropriate Box)

3. If "NO" on question No. 2 is checked, on whose behalf is this extension being filed? Rockwood Lithium Inc.

4. How much time is needed to finish this project? Two Years

5. To date, what is the total expenditure on this project? \$70,104,791.

6. In order to complete this project as set forth in the permit terms, what additional funds will be spent? \$2,00,000

7. The permittee requests an extension of time for One Year within which to comply with the provisions  
(Not to exceed 1 year)

for filing the Proof of Beneficial Use  
(Proof of completion of work and/or proof of beneficial use)

8. Explain in detail why this request for an extension of time is being submitted (Use additional sheets if necessary):  
In 2014 several replacement production wells were brought online and several previously pumping wells were rehabilitated for use as either monitoring or production wells. The in-house drilling operation is expected to continue through 2014 and into 2015 to maximize production well availability, resulting in operations more near to capacity. The harsh environment, deep aquifer depths, and fluctuating recharge make maintaining pumping systems difficult; however, the goal is to increase brine capacity to optimize production needs to meet the growing demand for lithium.

Signed Scott Thibodeaux  
Permittee or Agent

Address Rockwood Lithium Inc.  
Street No. or P.O. Box No.  
PO Box 98, Silver Peak, Nevada 89047  
City, State, Zip Code No.  
Phone (775) 937-2222 ext. 226

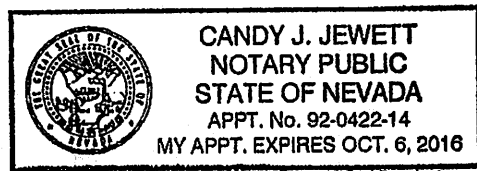
Subscribed and sworn to before me this 31st day of

August 2015  
Candy J. Jewett  
Signature of Notary Public Required

Notary Public in and for the County of Esmeralda

State of Nevada

My commission expires October 6, 2016



2015 SEP -4 PM 3:05

\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.  
THIS APPLICATION MUST BE SUBMITTED ON A PINK SHEET OF PAPER.

9/4/15  
AB

SE ROA 817

yr  
BU



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>  
September 10, 2015

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permits 52918 through 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2016**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

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Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

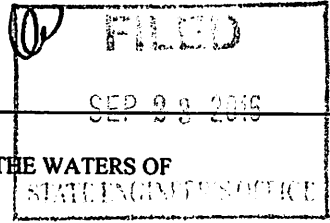
Amanda Brownlee  
Water Resource Specialist I

AB/sg

cc: Parsons, Behle & Latimer  
Southern Nevada Branch Office

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Rockwood Lithium Inc. (previously known as Chemetall Foote Corporation)

IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Scott Thibodeaux, the Agent  
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

- 1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)
- 2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?  Yes  No (Check the appropriate box)
- 3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

Rockwood Lithium Inc.

- 4. How much time is needed to construct the works of diversion or place the water to beneficial use? Two years
- 5. What is the expenditure on the project under this permit? Last year? \$1,000,000 Total to date? \$71,104,791
- 6. The permittee requests an extension of time for One Year within which to comply with the provisions for filing the (Not to exceed 1 year)

Proof of Beneficial Use

(Proof of completion of work and/or Proof of beneficial use)

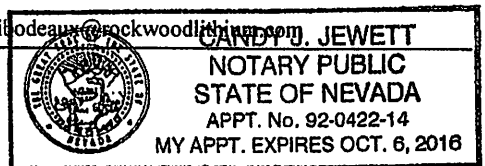
7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

In 2016 a high volume well was targeted to increase production needs for the facility; however, the harsh environment, deep aquifer depths, and fluctuating recharge have made maintaining other pumping systems difficult. The facility has also been working with experts to develop a Hydrostratigraphical Model of the basin. This model, and continued research, will allow the facility to determine where the optimal location for a well is, and also the depth at which we should drill. Our goal is to continue increasing our knowledge of the Clayton Valley Basin in order to increase our brine capacity to optimize production needs and meet the growing demand for lithium.

State of Nevada  
County of Nye  
Subscribed and sworn to before me on 09/20/2016  
by Scott I. Thibodeaux

Signed [Signature]  
Permittee or Agent  
Address Rockwood Lithium Inc  
Street Address or PO Box  
PO Box 98, Silver Peak, NV 89047  
City, State, ZIP Code  
Phone (775) 937-2222 Ext 226  
E-mail scott.thibodeaux@rockwoodlithium.com

[Signature]  
Signature of Notary Public Required



Notary Stamp or Seal Required

\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

PBU 7-11



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
October 12, 2016

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that the Application for Extension of Time **has been granted to September 30, 2017**, with the provision that no further extensions will be granted for filing **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Parsons, Behle & Latimer (email)  
Thiel Engineering Associates, Inc. (email)  
Southern Nevada Branch Office

State of Nevada  
**REPORT OF CONVEYANCE**  
of a water right to  
Department of Conservation and Natural Resources, Division of Water Resources, Office of the State Engineer

Rev 10/16

1 APPLICATION / PERMIT No.: 52921 or PROOF/CLAIM No.: STATUS: PER USE: M&D

2 CURRENT HOLDER(S) SHOWN BY THE STATE ENGINEER.:  
Rockwood Lithium Inc.  
If any item requires additional space, please use Item 13 Remarks: or attach 8 1/2" X 11" sheets referencing appropriate item number.

3 NEW OWNER(S): Albemarle U.S., Inc. NEW BENEFICIARY(S):  
ADDRESS: P.O. Box 98, State Route 265 ADDRESS:  
CITY: Silver Peak STATE: NV ZIP: 89047 CITY: STATE: ZIP:  
Email confirmation OK? See below YES  Email confirmation OK? See below YES

4 INVENTORY DOCUMENTS BY CATEGORY AND NUMBER OF EACH IN CHAIN OF TITLE. See Guidelines Page 2

DEED(S).....	<input type="checkbox"/>	CORRECTION DEED(S).....	<input type="checkbox"/>	OTHER:	<input type="checkbox"/>	TOTAL # OF \$\$ Documents =>	1
DEED(S) OF TRUST.....	<input type="checkbox"/>	RECONVEYANCE at no charge	<input type="checkbox"/>	TOTAL # x \$20 each =	<input type="checkbox"/>	\$	20.00
NOTICE(S) OF PLEDGE.....	<input type="checkbox"/>	MAP(S) at no charge.....	<input type="checkbox"/>	Report filing fee = \$120.00*	<input type="checkbox"/>	\$	0.00
DEATH CERTIFICATES.....	<input type="checkbox"/>	AFF OF ID at no charge.....	<input type="checkbox"/>	TOTAL FEES SUBMITTED*	<input type="checkbox"/>	\$	20.00
DECREE(S) OF DISTR.....	<input type="checkbox"/>	OTHER: Cert. of Amendment	1				

5 ONE, ONE-TIME \$120 FILING FEE MUST ACCOMPANY THESE REPORTS + \$20 PER CONVEYANCE DOCUMENT LISTED ABOVE. \*WHEN INCLUDING ENCUMBERING DOCUMENTS IN ADDITION TO CONVEYANCE DOCUMENTS, AN ADDITIONAL FILING FEE OF \$120 IS REQUIRED. SEE GUIDELINES FOR MORE INFORMATION.

6 This REPORT may require an ABSTRACT OF TITLE listing the above documents in chronological order. A copy of the map referred to in said deed(s) may be required. Copies of maps should be letter or legal size. Refer to Guidelines sheet for details.

7 LIST SUPPLEMENTAL RIGHTS: See attached.

8 COUNTY: POINT OF DIVERSION: Esmeralda COUNTY: PLACE(S) OF USE: Esmeralda

9 AMOUNT (DUTIES) TO BE ASSIGNED: 5.0 CFS 3619.85 ACRE-FEET ACRES or UNITS

10 IS AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. OF THIS RIGHT TO BE FILED? YES  NO

11 IF AN APPLICATION TO CHANGE THE P.O.D., P.O.U., OR M.O.U. IS ALREADY FILED, INDICATE THE NUMBER:

12 List any other water rights relating to this Report of Conveyance that has been filed using the same abstract and chain of title.  
10036, 15847, 24382, 44248, 44250, 44251, 44252, 44253, 44255, 44256, 44257, 44258, 44260, 44261, 44267, 44268,  
44269, 44270, 49805, 49988, 52917, 52918, 52919, 52920, 85746, 86951T, 86952T, 87053T

13 Additional Space/Remarks: This Report of Conveyance memorializes only a corporate name change and not an assignment of conveyance of water rights.

14 "I swear under penalty of perjury, that this represents a complete and thorough search of the records of the county recorder of each county in which the water is placed to beneficial use or diverted from its natural source and the records on file in the office of the state engineer."

STATE OF Nevada  
COUNTY OF Washoe  
SUBSCRIBED AND SWORN TO BEFORE ME ON 07-28-17  
BY: Ross E. de Lipkau  
Print name of Permittee or Agent signing form

SIGNATURE: *Ross E. de Lipkau*  
PRINT NAME: Ross E. de Lipkau  
FIRM NAME: Parsons Behle & Latimer  
MAILING ADDRESS: 50 W. Liberty, Ste. 750  
CITY: Reno STATE: NV ZIP: 89501

PHONE: 775.323.1601  OWNER?  
E-MAIL: rdelipkau@parsonsbehle.com  AGENT?  
Is a consent to receive email correspondence already on file? YES   
If not, please download from our website and include.



Notary Stamp or Seal Required

# ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT 52921

PAGE 1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AF	Units	FILE UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION REMARKS
info only	Foote Mineral Company	Original Applicants filed 2/9/1989 for mining and domestic purposes Permit Approved 8/30/1993	5	3619.85	--	52921 2/9/1989 8/30/1993	Original Application	Application to appropriate an underground source POD SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 10, T. 29S., R. 39E., M.D.M.
1	Foote Mineral Company	Cyprus Foote Mineral Company	--	--	--	10/9/1989	1/19/1989	Cert. of Amend - Corp. Name Chg. State of PA.
2	Foote Mineral Company	Cyprus Foote Mineral Company	5	3619.85	--	10/9/1989	10/5/1989	Cert. of Amend - Corp. Name Chg. State of NV.
3	Cyprus Foote Mineral Company	Chemetall Foote Corporation	5	3619.85	--	3/12/1999	2/5/1999	G, B & S Deed Water Rights (Corp. Name Chg)
4	Chemetall Foote Corporation	Rockwood Lithium Inc.	5	3619.85	--	7/8/2014	3/22/2012	Cert. of Amended Corporation Name Change State of DE
5	Rockwood Lithium Inc.	Albematle U.S., Inc.	5	3619.85	--	10036 8/2/2017	202732140 6/19/2017	Certificate of Amended Corporation Name Change, State of Delaware

FILE RECORDS

Receipt No.(s) 33376

Date of Receipt 8/2/17

\$\$ This Permit 20.00

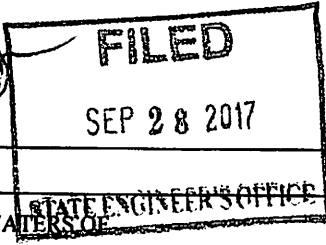
Original Receipt Located  
in File No 10036

Deeds / Docs Filed in  
File No. 10036

2017 AUG -2 AM 10:30  
ENGINEERS

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME  
(See instructions on back)



A. NDWR's Owner(s) of Record Albemarle U.S., Inc. (formerly known as Rockwood Lithium Inc.)

B. IN THE MATTER OF PERMIT NO. 52921 FILED TO APPROPRIATE/CHANGE THE WATERS OF

Underground Source

(Name of stream, lake, spring, underground or other source)

C. THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now John Mayes, the  Permittee  Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners?  Yes  No (Check the appropriate box)

2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

Yes  No (Check the appropriate box)

3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

Albemarle U.S., Inc.

4. How much time is needed to construct the works of diversion or place the water to beneficial use? Five Years

5. What is the expenditure on the project under this permit? (a) Last year \$1,000,000 (b) Total to date \$72,104,791

6. The permittee requests an extension of time for Five Years within which to comply with the provisions for filing the (Not to exceed 5 years)

Proof of Completion of Work  Proof of Beneficial Use  Cultural Map (Check all that apply)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is needed. (See instructions on back. Use additional pages if necessary):

Please see Exhibit A - Applications For Extension of Time Permits 52918, 52919, 52920 & 52921

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STATE ENGINEER'S OFFICE  
SEP 28 PM 1:10

State of Nevada

County of ESMERALDA

Subscribed and sworn to before me on SEPT 20, 2017

by John Mayes  
Print name of Permittee or Agent signing form

Signed [Signature]  
Permittee or Agent

Address PO Box 98  
Street Address or PO Box

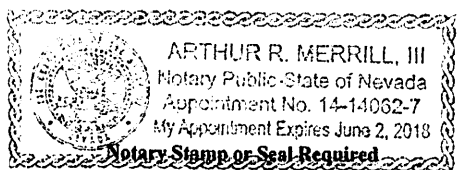
Silver Peak, NV 89047  
City, State, ZIP Code

Phone (775) 937-2222 Ext. 222

E-mail john.mayes@albemarle.com

[Signature]

Signature of Notary Public Required



\$120 FILING FEE PER YEAR FOR EACH YEAR REQUESTED  
MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME.  
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT.

Revised 06/17 - ext\_app

10/12/17  
AB JK

SE ROA 824



PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.nvwaterlaw.com

DAVID H. RIGDON  
TIMOTHY D. O'CONNOR  
EVAN J. CHAMPA  
DAVID A. BAILEY

October 5, 2017

Jason King, P.E.  
State Engineer  
Nevada Division of Water Resources  
901 S. Stewart St., Ste. 2002  
Carson City, NV 89701

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OCT 06 2017

STATE ENGINEER'S OFFICE

Re: Albemarle Extensions of Time

Dear Mr. King:

We are writing on behalf of Pure Energy Minerals, Ltd., and its subsidiary, Esmeralda Minerals, LLC (hereinafter together as "Pure Energy") to formally request that your office deny Albemarle Corporation ("Albemarle")'s recently filed Extension of Time for water rights 52918, 52919, 52920, and 52921. Albemarle filed the extensions of time requests on September 28, 2017. As your office has stated in the past, "[b]ecause of Nevada's arid geography, vital public policy considerations dictate that the State Engineer monitor the beneficial use of water."<sup>1</sup>

This is the 19<sup>th</sup> extension of time request for these specific water rights.<sup>2</sup> To date, these water rights have never been fully put to beneficial use. Companies such as Pure Energy have filed for, and have been denied, access to this water while Albemarle has been permitted to hold the excess water hostage, never placing it to beneficial use. Pure Energy requests that your office take action regarding these unused rights, and deny Albemarle's extension of time.

The law is well settled in Nevada that beneficial use shall be the basis, the measure and the limit of the right to the use of water.<sup>3</sup> When the necessity for the use of water does not exist, the right to divert it ceases.<sup>4</sup> The quantity of water from an underground source . . . shall be limited to such water as shall reasonably be required for the beneficial use to be served.<sup>5</sup> While extensions of time to put the water to beneficial use are permitted to be granted by the State Engineer's office, the applicant must provide proof that they are pursuing application of the water to beneficial use with good faith and diligence.<sup>6</sup> "Because the state has a right to designate

<sup>1</sup> Ruling 6343 at 2.

<sup>2</sup> These rights are chained to rights that were originally filed in the 1980s. Albemarle has not been able to prove up these water rights since the 1980s.

<sup>3</sup> NRS 533.035.

<sup>4</sup> NRS 533.070.

<sup>5</sup> NRS 533.070.

<sup>6</sup> NRS 533.380(3)(b).

the method of appropriation it can also designate how long water may be permitted to run idly and not be beneficially used.”<sup>7</sup>

Albemarle has never been able to, nor are they likely ever going to be able to, put the water permitted to it to beneficial use. In its progress reports, Albemarle consistently cites to economic and structural impedances to its ability to put the water to full use. However, the impediment to the full use of water is a lack of ability to use 20,000 acre feet for its project, not economic or structural issues. Albemarle’s operation simply cannot use 20,000 acre feet of water.

The anti-speculation doctrine reiterates a long-standing premise of western water law: an appropriator must show intent to put the appropriated water to beneficial use in a reasonable amount of time.<sup>8</sup> In Ruling 6343, the State Engineer reviewed Nevada’s anti-speculation doctrine. In doing so, the State Engineer found that a third extension violated the anti-speculation doctrine. Here, the State Engineer is considering Albemarle’s 19<sup>th</sup> extension. The Nevada Supreme Court has stated,

[the anti-speculation] doctrine precludes speculative water right acquisitions without a showing of beneficial use. Precluding applications by persons who would only speculate on need ensures satisfaction of the beneficial use requirement that is so fundamental to our State’s water law jurisprudence.<sup>9</sup>

The Nevada Supreme Court has further stated,

the preeminent public policy concern in Nevada regarding water rights is beneficial use . . . the legislature has recognized that water is a limited resource in Nevada and it belongs to the public; therefore one who does not put it to a beneficial use should not be allowed to hold it hostage.<sup>10</sup>

Lastly, the Nevada Supreme Court has held that,

a mere statement of intent to put water to beneficial use, uncorroborated with any actual evidence, after nearly twenty years of nonuse is insufficient to justify a sixteenth extension to file proof of beneficial use resulting in cancellation of the right.<sup>11</sup>

The State Engineer’s office has explained that the legislative history of Nevada Revised Statutes (“NRS”) 533.370(1)(c)(2) demonstrates that the anti-speculation doctrine applies to permits such as Albemarle’s.<sup>12</sup> “While beneficial use is the cornerstone of Nevada water law,

<sup>7</sup> *In re Manse Springs*, 60 Nev. 280, 287, 108 P.2d 311, 315 (1940).

<sup>8</sup> *Bacher v. State Engineer*, 122 Nev. 1110, 146 P.3d 793 (2006).

<sup>9</sup> *Id.* at 1121, 146 P.3d at 799 (2006).

<sup>10</sup> *Preferred Equities Corporation v. State Engineer*, 119 Nev. 384, 389, 75 P.3d 380, 383 (2003); *see also Bacher*, 122 Nev. at 1118, 146 P.3d at 797; *see also Ruling 6343*.

<sup>11</sup> *Desert Irr. Ltd. v. State*, 113 Nev. 1049, 944 P.2d 835 (1997).

<sup>12</sup> Ruling 6343.

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STATE ENGINEER'S OFFICE

the concept of diligence also runs deep through the water law.”<sup>13</sup> Allowing Albemarle to “maintain a[n] . . . appropriation without progress frustrates the fundamental policy of promoting the maximum use of the State’s limited water supply.”<sup>14</sup> Albemarle has, for nearly two decades, been granted extensions of time to put their water rights to beneficial use. Yet, Albemarle has never shown an ability to use the full amount of its water rights.

A review of Albemarle’s file shows that decades ago, Albemarle filed permits to ensure that it maintained water rights equal to the perennial yield of the basin.<sup>15</sup> For decades, this water has sat unused by Albemarle. According to the file, Albemarle has never been able to use more than roughly 11,000 acre feet in any given year. On average, Albemarle is able to put less than 10,000 acre feet to beneficial use. Yet, Albemarle has been permitted to hold 20,000 acre feet of water rights without showing an ability to use half of that water. In every recent year, Albemarle has filed progress reports with your office that show it cannot use all of the water it is permitted. Additionally, these reports show that Albemarle continues to drill new wells and rehabilitate existing wells without proper reporting to your office. These progress reports are almost identical year after year, showing no reasonable progress towards using the full extent of their permits. Thus, nearly 10,000 acre feet of water goes unused in Clayton Valley year after year.

That extra water can – and should – be put to beneficial use. Companies such as Pure Energy are forced to sit by and watch this water go unused because the water is being held hostage by Albemarle. Albemarle has manipulated the permitting system to keep competition out of Clayton Valley. Pure Energy holds valid federal mining rights to lithium in Clayton Valley, but seemingly cannot access that lithium without access to water under the current interpretations of Nevada water law. Pure Energy strives to mine Nevada lithium for Nevada companies, using Nevada workers, but cannot because Albemarle has strategically claimed water they will never use. If Albemarle is allowed to continue to hold all of the available water in Clayton Valley in unused permits, Nevada will miss a golden opportunity to become a leader in renewable energy lithium production.

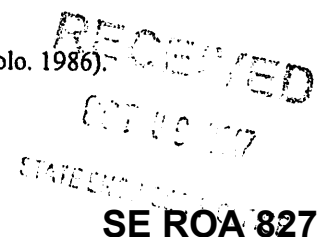
Albemarle’s extension of time to put its water to beneficial use should be denied, in part or in full, because the right to use water in Nevada is limited to what can reasonably be used. Water speculation or hoarding is prohibited in Nevada. A water holder simply cannot hold onto water rights they cannot themselves use within a reasonable amount of time. However, that is exactly what Albemarle has been doing for decades. Albemarle is speculating on their water because Albemarle knows that it cannot use this water. But by tying the water up in a permit stage, Pure Energy will be hampered in accessing its own federal claims to lithium. The water belongs to the public, and should be free to be placed to beneficial use by a willing user.

Pure Energy respectfully requests that your office deny, in whole or in part, Albemarle’s application to extend time to place its water rights to beneficial use. 19 years is beyond a reasonable amount of time to prove up a set of permits. As such, your office should require

<sup>13</sup> Ruling 6343.

<sup>14</sup> *Trans-County Water Inc. v. Central Colo. Water Conservancy Dist.*, 727 P.2d 60, 65 (Colo. 1986).

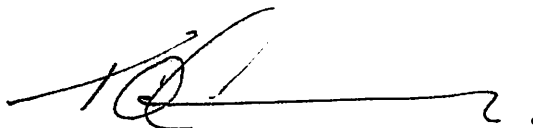
<sup>15</sup> See Exhibit 1.



Albemarle to prove up the used water, allowing the unused water to be beneficially used by those who can use it.

If you have any questions, please contact us at our office.

Sincerely,



Timothy D. O'Connor, Esq.  
TAGGART & TAGGART, LTD.

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OCT 09 2017  
STATEMENT & OFFICE

# EXHIBIT 1

RECEIVED  
OCT 13 2011  
STATE BUREAU OF SCIENCE

# EXHIBIT 1

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

**1. Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Rockwood filed for a Super Permit under application #85746. This application was protested by Esmeralda Minerals LLC. The purpose of this Super Permit is to consolidate all of the existing groundwater permits and certificates for the continued pumping of the multiple groundwater sources owned by Rockwood Lithium and used for the withdrawal of the groundwater Lithium resource. The application was filed on 12/18/2015 and became Ready For Action on 03/05/2016. The Protest was filed by Esmeralda Lithium/Pure Energy on March 7, 2016. Rockwood Lithium continues to pump its existing water rights from wells that are interspersed on the Rockwood claims. The groundwater/brine that is pumped is placed into evaporative ponds that are used to concentrate the groundwater into a lithium concentrate for processing at the adjoining mill.

Well rehabilitation/drilling/development during 2015-2016 has resulted in greater capacity on a year on year basis. Rockwood Lithium has focused on its well efficiency across the playa resulting in an overall increase in well production. This focus has allowed the site to maintain a more consistent pumping rate throughout the year. However, critical well failures have also played a role by creating well downtime and thus negatively impacting pumping rates. Rockwood Lithium has detailed plans to minimize the downtime of each well and is beginning to see long term results. These plans start with maintaining a critical inventory of parts and equipment on site along with a team of qualified personnel immediately available for well repair/rehabilitation activities. Additional development of our water distribution facilities include; continuing to optimize our existing wells, rehabilitate older wells and drill new wells where appropriate.

An overall expansion plan has been implemented to increase our total pumping to a withdrawal of the permitted 20,000 acre feet per annum. One such action was the drilling of a replacement well under permit 86029 which was issued on 04/12/2016. Another action includes the preparation of the required permitting documents for the installation of two new wells during 2016. In addition, Rockwood Lithium is in the process of completing further scientific analysis of the groundwater system (via seismic and hydro stratigraphic modeling) in order to improve on its existing reservoir of knowledge in the Basin aquifer system. In the future, these will allow for more accurate targeting of production zones within the underground source. These items will continue throughout 2017 in order to make progress towards our goal of using the full permitted volumes.

Finally it should be noted that our efforts to expand our use of the permitted resource has been hindered by the proliferation of exploratory drilling in Clayton Valley. These exploration activities are being undertaken in wells immediately contiguous to wells used by Rockwood and thus we have been working to understand the negative impact resulting from these activities.

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STATE ENGINEER'S OFFICE

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considerable amount of time has been expended on administratively rejecting intrusion into the mining resource held by Rockwood Lithium and in analyzing what contributing effects that the additional withdrawal of the groundwater might have on the environment and the integrity of the groundwater basin. Concerns have been raised as to the potential impact of planned reinjection from contiguous claims and its dilution/pollution impact on the groundwater/lithium resource. Rockwood Lithium has also brought forward concerns as to inappropriate drilling techniques and perhaps unknown construction issues that may result in further impacts to this resource. All of these issues have substantiated growing concerns as to the physical ability of the groundwater resource to handle the potential over drafting of the groundwater as well as the potential impact to the pumping wells held by Rockwood Lithium.

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MAY 10 1971  
MINE REVENUE SERVICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Well rehabilitation/drilling/development in 2014-2015 ultimately resulted in greater capacity. However, some critical well failures resulted in downtime. Plans to minimize the downtime of each well are continuing to improve. These plans include having qualified personnel readily available and an inventory that meets the needs of our wells. Addition development for our water distribution facilities include, continuing to optimize our current wells, rehabilitate older wells and drill new wells. These items will continue throughout each year in order to make progress towards our goal of using the full permitted volumes. Currently the completion date is underdetermined.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLJ authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
11,720 acre-feet was used in 2014, during the period from August 2014-July 2015 the use was 11,533 acre-feet.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Several wells were drilled towards the end of 2014. Maintenance and development of all wells continued thereafter with scheduled plans to drill new wells in the remaining months of the year 2015. Similar development activities will take place in late 2015 and into 2016.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable law.**  
No reports or engineering drawings are submitted for review.

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7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions are continuing to improve. Our new owner, Albemarle Corp., has shown favorable spending and support for expansion. In late 2014 and early 2015 there were some critical well failures that resulted in a reduction in volume from the previous year. However, with great effort we were able to repair these wells and continue working towards our goal. Funding has been approved to continue well rehabilitation and drilling for the remainder of the year, thus production volumes will continue to fluctuate until enough wells can provide flexibility to manage pumping rates at sustainable levels.

STATE ENGINEERS OFFICE

2015 SEP -4 PM 3:06

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STATE ENGINEERS OFFICE  
SEP 4 2015

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2012-2013 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Rockwood Lithium Inc., who holds patented mining claims in the valley where these permits are located. Rockwood Lithium Inc. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and RLI authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,670 acre-feet was used in 2012.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2012-2013, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2013 and throughout 2014, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

STATE ENGINEERS OFFICE

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SITE ENGINEERS OFFICE

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Market conditions are on an upswing. Drill rig repairs started at the end of 2012 and continued through the 1<sup>st</sup> and half of the 2<sup>nd</sup> quarter of 2013. The drill rig has been rebuilt and will continue to drill new production wells during 2013 and 2014.

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2013 JUL 10 AM 10:43

STATE ENGINEERS OFFICE

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STATE ENGINEERS OFFICE

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**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2011-2012 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
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The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
7,606 acre-feet was used in 2011.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2011-2012, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2012 and throughout 2013, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

RECEIVED  
STATE ENGINEER'S OFFICE  
MAY 19 2011

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Turn over of upper management at the end of 2011 resulted in slower than expected results.

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2012 AUG 29 AM 11:01  
STATE ENGINEERS OFFICE

STATE ENGINEERS OFFICE

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2010-2011 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
  
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
  
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
  
4. **Submit the record of water measurements for the last one-year period.**  
6,565 acre-feet was used in 2010. } Total of all wells?
  
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2010-2011, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2011 and throughout 2012, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement. } [unclear]
  
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
  
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

STATE ENGINEERS OFFICE  
2011 AUG 29 PM 1:50  
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STATE ENGINEERS OFFICE

Market conditions are on an upswing. Necessary material and equipment acquisitions have been slower than desired. Replacement of key staff positions have added to a slower than expected rebound to the pumping and rehabilitation activities.

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2011 AUG 29 PM 1:50

STATE ENGINEER'S OFFICE

STATE ENGINEER'S OFFICE

SE ROA 839

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2009-2010 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
1.524 acre-feet was used in 2009.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2009-2010, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2010 and throughout 2011, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
No reports or engineering drawings are submitted for review.
7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

2010 SEP 30  
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STATE ENGINEER



Market conditions and slow economy resulted in sales slowdown for lithium products from 2009 through early 2010. Activities resumed in February of 2010 in the well pumping operations. Wells operated normally since this time and pumping is typical for this time of year.

2010 SEP -2 11:11:30  
STATE T.I.

**WORK IN PROGRESS INFORMATION SHEET  
WATER RIGHT PERMIT APPLICATIONS  
52918, 52919, 52920 & 52921**

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**  
Anticipated development for water distribution facilities includes piping changes and installation of new pumping systems into older, rehabilitated wells. Well rehabilitation drilling/development in 2008-2009 resulted in greater capacity, while older well failures are a continual source of work. Full use of permitted volumes is a goal, and a completion date is undeterminable at this time.
2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
The landowner is Chemetall Foote Corp., who holds patented mining claims in the valley where these permits are located. Chemetall Foote Corp. also holds unpatented mining claims on Bureau of Land Management managed public lands for mining activity. BLM and CFC authorize the use of the land.
3. **What type of mineral is being mined?**  
Lithium chloride is the mineral in solution being mined through water pumping. The basin is not a source of potable water. Lithium carbonate and lithium hydroxide are final products of lithium chloride.  
**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.
4. **Submit the record of water measurements for the last one-year period.**  
10,089 acre-feet was used in 2008.
5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
In 2008-2009, well rehabilitation drilling served to further develop water distribution facilities at our site. The project goal was to reinstate several wells with structural damage to processing capacity and to determine if the method was feasible. Further development activities will take place in late 2009 and throughout 2010, consisting of rehabilitation well development, production well drilling, and water (brine) distribution enhancement.
6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
One engineering design change for Chemetall Foote Corp.'s Water Pollution Control Permit was submitted and approved by NDEP in 2009. No other reports or engineering drawings are submitted for review.

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← Permit  
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}

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**

Market conditions and slow economy resulted in sales slowdown for lithium products beginning in late-2008, continuing into mid-2009. The result of this was the temporary idling of wells and transfer pumps, employee reduction in force, and budget cuts. Wells normally operated during this time are in recovery from pumping, with occasional pumping needed to exercise the pumping system. 2009 stimulus money, approved in August, is intended to aid this situation, allowing for restarting production wells and new well drilling and/or rehabilitation of older wells.

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REC'D  
S200911

# WORK IN PROGRESS INFORMATION SHEET WATER RIGHT PERMITS 52918

1. **Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.**

Anticipated development will involve a drilling program and the addition of 1.5 million gallons of brine per day to the production facility. Rehabilitation is ongoing to existing production wells in order to improve flow characteristics. Well drilling will involve the use of old drill sites and the scope of work will include installation of new pumping systems and electrical.

2. **Please provide the name of the landowner where the permit is located. Has the landowner authorized your use of the lands within the place of use?**  
Chemetall Foote Corp. is the landowner through land patent number 27-89-0018.

3. **What type of mineral is being mined?**  
Lithium chloride brine is pumped for production of lithium carbonate, lithium hydroxide monohydrate, and lithium hydroxide anhydrous.

**Who is buying your mineral product and for how long?**  
Domestic and international customers have been buying our product since the mid 1960's.

4. **Submit the record of water measurements for the last one-year period.**  
607 acre-feet was used in 2007.

5. **Describe any work in progress and any facility or feature completed to establish use in compliance with permit requirements.**  
Increasing the number of Lower Gravel Aquifer wells has aided meeting the pumping volume in the plan to perfect water rights; however, the quantity of wells may also be increased to improve the permit requirements. Production drilling will aid in accomplishing this.

6. **Specify any project reports and engineering drawings that have been submitted for review or recorded pursuant to applicable laws.**  
None have been submitted or recorded.

7. **Explain any adverse conditions and affect upon permittee's ability to establish full beneficial use.**  
No known adverse conditions.

RECEIVED  
2008 JUN 26 AM 11:19  
STATE ENGINEERS OFFICE



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>  
October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

**RE: Permit(s) 52918, 52919, 52920, and 52921**

This is to inform you that upon review of the Applications for Extension of Time for Permits 52918, 52919, 52920, and 52921, including attached exhibits, and, considering the grounds raised in the objection by Pure Energy Minerals, Ltd. to the Applications for Extension of Time, the Applications for Extension of Time for filing Proof of Beneficial Use have been granted for **ONE YEAR, until September 30, 2018, not the requested 5 years**, with the provision that no further extensions will be granted for filing of the **Proof of Beneficial Use** except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee  
Water Resource Specialist I

AB/lr

cc: Thiel Engineering Associates, Inc. (email) Southern Nevada Branch Office  
Albemarle U.S., Inc.  
Parsons, Behle & Latimer (email) (Permits 52919, 52920, and 52921 Only)

SE ROA 845

BRIAN SANDOVAL  
Governor

STATE OF NEVADA



BRADLEY CROWI  
Director

JASON KING, P.E.  
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
**DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811  
<http://water.nv.gov>

October 20, 2017

Rockwood Lithium, Inc.  
P.O. Box 98  
Silver Peak, NV 89047

Re: **Permits 52918, 52919, 52920 and 52921**

Dear Ladies and Gentlemen:

Applications for Extension of Time submitted by you and received in this office on September 28, 2017, are being approved; however, an extension of time is only being granted for **ONE YEAR** and not the five years that were requested on the application.

The \$1920.00, receipt 34544 in filing fees in excess of a one year extension will be returned to you under separate cover.

Should you have any questions regarding this matter, please contact me at (775) 684-2828.

Sincerely,

A handwritten signature in black ink, appearing to read "Amanda Brownlee".

Amanda Brownlee P.E.  
Water Resource Specialist I

AB/sg  
Enclosure

SE ROA 846

**State of Nevada**  
**Division of Water Resources**  
**Request for Correspondence and Change of Address**

Rev. 10/2016

In regard to permit number(s) 52918, 52919, 52920, 52921, 85746 (Check applicable item)

- Please add my name to the mailing list and send copies of all correspondence to the address below:  
(Fill in NEW ADDRESS information only.)
- Please change the address for copies to be sent as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)
- I am the permit holder. Please change my address as indicated below:  
(Fill in NEW ADDRESS and OLD ADDRESS information.)

**NEW ADDRESS**

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**OLD ADDRESS**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

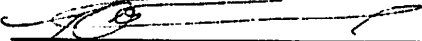
City, State, ZIP: \_\_\_\_\_

Telephone: \_\_\_\_\_

I am the:

- Individual named above. (Complete signature below only.)
- Agent (Complete signature, name and address below.)
- Representative (Complete signature, name and address below.)

This form accurately reflects the mailing address for the permit holder or other individual identified above.

Signature: 

Name: Tim O'Connor

Address: 108 North Minnesota Street

City, State, ZIP: Carson City, NV 89703

Telephone: 775-882-9900

Email: paul@legaltnt.com; tim@legaltnt.com

STATE ENGINEERS OFFICE  
2017 NOV 15 AM 10:13

- I prefer to receive correspondence by email. By checking this box, I agree to the terms under Consent to Electronic Delivery of Documents.

**SE ROA 847**

STATE OF NEVADA  
DIVISION OF WATER RESOURCES

# SUMMARY OF OWNERSHIP

Please retain this sheet on top of file

Page 1 of 1

PERMIT: 52921      USE: MM      CFS: 5      DUTY: 3619.85      AF  
 CERTIFICATE:      ISSUED:      CFS:      DUTY:      AF

REVIEW DATE: 7/18/2014      BY: SLC      SUPPLEMENTAL TO: 44251 thru 44261, 44267 thru 44270, 49988, 52918 thru 52921 TCD  
 LAST UPDATE: 11/30/2017      BY: DZ      = 20,000 AFA

Owner	CFS	DZ	DUTY AF	UNITS	STATUS	CHANGED BY	REFERENCED DOCUMENTS	DESCRIPTION
-------	-----	----	---------	-------	--------	------------	----------------------	-------------

Albermarle U.S., Inc.	5		3619.85	--				
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GRAND TOTALS      5      3619.85





**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002  
Carson City, Nevada 89701-5250  
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 4, 2017

**VIA EMAIL**

Parsons, Behle & Latimer  
Mr. Ross De Lipkau  
50 W Liberty, Suite 750  
Reno, NV 89501

**RE: Water Rights Title**

Mr. De Lipkau:

Please be advised that your *Reports of Conveyance* received on August 2, 2017, are hereby confirmed to update ownership of water rights and applications as listed in the table below. These water rights are now in the name of **ALBEMARLE U.S., INC.** Details of the permits, including the current ownership, can be viewed online. First, click on "Water Rights Database"; then "Permit Search".

Permit/Certificate	cfs	Duty (afa)	Acres/Units
10036/2627	0.334		
15847/4838	0.530		
24382/7234	1.000	723.95	
44248	1.000	20.16	
44250/11268	0.003		100 head of cattle
44251/12770	1.000	723.97	
44252/12771	0.430	311.30	
44253/12772	0.840	608.13	
44255/12773	0.390	282.35	
44256/12774	0.220	159.27	
44257/12775	0.350	253.39	
44258/12776	0.270	195.47	
44260/12777	0.200	144.79	
44261/12778	0.220	159.27	
44267/12779	0.440	318.50	
44268/12780	0.462	334.47	
44269/12781	0.260	188.23	
44270/12782	1.000	723.97	
49805/14655	0.130	20.16	
49988/14295	2.000	1448.00	

Parsons Behle & Latimer  
Mr. Ross De Lipkau  
Permit 10036+  
December 4, 2017  
Page 2 of 2

52917	1.000	21.63	
52918	5.000	3619.85	
52919	3.000	2171.91	87053T por. change
52920	5.000	3619.85	
52921	5.000	3619.85	
85746	---	---	
86951T	---	---	
86952T	---	---	
87053T	2.000	1447.94	

Also be advised that the confirmation of your Report of Conveyance does not guarantee that the water right is in good standing with the office of the State Engineer; the amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use; and, this is not a determination of ownership and that only a court of competent jurisdiction may adjudicate conflicting claims to ownership of a water right. See NRS 533.386(2)(a)-(b).

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, call (775) 684-2829.

Sincerely,

*Dan Zampirro*

Dan Zampirro  
Engineering Technician III

DZ/arp

cc: Albemarle U.S., Inc.