

# Application for a Permit to Use Ground Water



Oregon Water Resources Department  
725 Summer Street NE, Suite A  
Salem, Oregon 97301-1266  
(503) 986-0900  
www.wrd.state.or.us

## SECTION 1: APPLICANT INFORMATION AND SIGNATURE

### Applicant Information

NAME ED RICH		PHONE (HM) (801) 745-2215	
PHONE (WK) (801) 452-6227	CELL (801) 678-2384		FAX
ADDRESS PO BOX 231 - 9900 EA 798 SOUTH			
CITY HUNTSVILLE	STATE UT	ZIP 84317	E-MAIL* EDBRICH@HOTMAIL.COM

### Organization Information

NAME QUEEN RESOURCES, LLC		PHONE (801) 452-6227		FAX
ADDRESS 3931 AIRPORT ROAD			CELL (801) 678-2384	
CITY OGDEN	STATE UT	ZIP 84405	E-MAIL* EDBRICH@HOTMAIL.COM	

**Agent Information** – The agent is authorized to represent the applicant in all matters relating to this application.

AGENT / BUSINESS NAME		PHONE		FAX
ADDRESS			CELL	
CITY	STATE	ZIP	E-MAIL*	

Note: Attach multiple copies as needed

\* By providing an e-mail address, consent is given to receive all correspondence from the department electronically. (paper copies of the final order documents will also be mailed.)

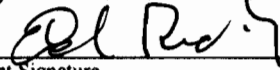
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**By my signature below I confirm that I understand:**

- I am asking to use water specifically as described in this application.
- Evaluation of this application will be based on information provided in the application.
- I cannot use water legally until the Water Resources Department issues a permit.
- Oregon law requires that a permit be issued before beginning construction of any proposed well, unless the use is exempt. Acceptance of this application does not guarantee a permit will be issued.
- If I get a permit, I must not waste water.
- If development of the water use is not according to the terms of the permit, the permit can be cancelled.
- The water use must be compatible with local comprehensive land-use plans.
- Even if the Department issues a permit, I may have to stop using water to allow senior water-right holders to get water to which they are entitled.

**I (we) affirm that the information contained in this application is true and accurate.**

  
Applicant Signature

**Ed Rich, General Manager**  
Print Name and title if applicable

1/10/2013  
Date

Applicant Signature

Print Name and title if applicable

Date

For Department Use		
App. No. <u>G-17635</u>	Permit No. _____	Date _____

**SECTION 2: PROPERTY OWNERSHIP**

Please indicate if you own all the lands associated with the project from which the water is to be diverted, conveyed, and used.

x Yes

x There are no encumbrances.

This land is encumbered by easements, rights of way, roads or other encumbrances.

No

I have a recorded easement or written authorization permitting access.

I do not currently have written authorization or easement permitting access.

Written authorization or an easement is not necessary, because the only affected lands I do not own are state-owned submersible lands, and this application is for irrigation and/or domestic use only (ORS 274.040).

Water is to be diverted, conveyed, and/or used only on federal lands.

List the names and mailing addresses of all affected landowners (*attach additional sheets if necessary*).

**SECTION 3: WELL DEVELOPMENT**

WELL NO.	NAME OF NEAREST SURFACE WATER	IF LESS THAN 1 MILE:	
		DISTANCE TO NEAREST SURFACE WATER	ELEVATION CHANGE BETWEEN NEAREST SURFACE WATER AND WELL HEAD
	Willow Creek	2,860'	60'

Please provide any information for your existing or proposed well(s) that you believe may be helpful in evaluating your application. For existing wells, describe any previous alteration(s) or repair(s) not documented in the attached well log or other materials (*attach additional sheets if necessary*).

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**SECTION 3: WELL DEVELOPMENT, CONTINUED**

Source (aquifer), if known: Unknown

Total maximum rate requested: 90 (each well will be evaluated at the maximum rate unless you indicate well-specific rates and annual volumes in the table below).

Complete the table below. If this is an existing well, the following information may be found on the applicable well log. *(If a well log is available, please submit it in addition to completing the table.)* If this is a proposed well, or well-modification, consider consulting with a licensed well driller, geologist, or certified water right examiner.

4-17655

OWNER'S WELL NAME OR NO.	PROPOSED	EXISTING	WELL ID (WELL TAG) NO.* OR WELL LOG ID**	FLOWING ARTESIAN	CASING DIAMETER	CASING INTERVALS (IN FEET)	PERFORATED OR SCREENED INTERVALS (IN FEET)	SEAL INTERVALS (IN FEET)	MOST RECENT STATIC WATER LEVEL & DATE (IN FEET)	PROPOSED USE			
										SOURCE AQUIFER***	TOTAL WELL DEPTH	WELL-SPECIFIC RATE (GPM)	ANNUAL VOLUME (ACRE-FEET)
#2	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	10	250	Open Anular	0-250	N/A	260-400 Feet Below Land Surface	400	90	89
#1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Malh005	<input checked="" type="checkbox"/>	10	Well Log Attached						76.30	
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									
	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>									

\* Licensed drillers are required to attach a Department-supplied Well Tag, with a unique Well ID or Well Tag Number to all new or newly altered wells. Landowners can request a Well ID for existing wells that do not have one. The Well ID is intended to serve as a unique identification number for each well.  
 \*\* A well log ID (e.g. MARI 1234) is assigned by the Department to each log in the agency's well log database. A separate well log is required for each subsequent alteration of the well.  
 \*\*\* Source aquifer examples: Troutdale Formation, gravel and sand, alluvium, basalt, bedrock, etc.

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**SECTION 4: WATER USE**

USE	PERIOD OF USE	ANNUAL VOLUME (ACRE-FEET)
Placer Mining	March 1 to November 30	89

**Exempt Uses:** Please note that 15,000 gallons per day for single or group **domestic** purposes and 5,000 gallons per day for a single **industrial or commercial** purpose are exempt from permitting requirements.

**For irrigation use only:**  
 Please indicate the number of primary and supplemental acres to be irrigated (*must match map*).  
 Primary: \_\_\_\_\_ Acres                  Supplemental: \_\_\_\_\_ Acres  
 List the Permit or Certificate number of the underlying primary water right(s): \_\_\_\_\_  
 Indicate the maximum total number of acre-feet you expect to use in an irrigation season: \_\_\_\_\_

- If the use is **municipal or quasi-municipal**, attach **Form M**
- If the use is **domestic**, indicate the number of households: \_\_\_\_\_  
 If the use is **mining**, describe what is being mined and the method(s) of extraction: Gold Placer Gravity Separation with Closed Water Circuit

**SECTION 5: WATER MANAGEMENT**

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**A. Diversion and Conveyance**

What equipment will you use to pump water from your well(s)?

x Pump (give horsepower and type): 10 hp submersible

Other means (describe): \_\_\_\_\_

Provide a description of the proposed means of diversion, construction, and operation of the diversion works and conveyance of water. \_\_\_\_\_

**B. Application Method**

What equipment and method of application will be used? (e.g., drip, wheel line, high-pressure sprinkler)  
Placer Mining

**C. Conservation**

Please describe why the amount of water requested is needed and measures you propose to: prevent waste; measure the amount of water diverted; prevent damage to aquatic life and riparian habitat; prevent the discharge of contaminated water to a surface stream; prevent adverse impact to public uses of affected surface waters.

Pipe water to reservoir See Attachment A

**SECTION 6: STORAGE OF GROUND WATER IN A RESERVOIR**

If you would like to store ground water in a reservoir, complete this section (*if more than one reservoir, reproduce this section for each reservoir*).

Reservoir name: Queen 1 Acreage inundated by reservoir: .62 acres

Use(s): "Bulge in the System" - the volume of water needed for mining purposes is greater than that which the well can produce instantaneously. The bulge in the system will be used to build up a sufficient quantity for outflow purposes associated with operating the mine.

Volume of Reservoir (acre-feet): 3.83 acre feet Dam height (feet, if excavated, write "zero"): 0

*Note: If the dam height is greater than or equal to 10.0' above land surface AND the reservoir will store 9.2 acre feet or more, engineered plans and specifications must be approved prior to storage of water.*

**SECTION 7: USE OF STORED GROUND WATER FROM THE RESERVOIR**

If you would like to use stored ground water from the reservoir, complete this section (if more than one reservoir, reproduce this section for each reservoir).

Annual volume (acre-feet): 80 acre feet

USE OF STORED GROUND WATER	PERIOD OF USE
Make up water for Placer Plant which has a closed circuit water system; "Bulge in the System" - the volume of water needed for mining purposes is greater than that which the well can produce instantaneously. The bulge in the system will be used to build up a sufficient quantity for outflow purposes associated with operating the mine.	March 1 through November 30

**SECTION 8: PROJECT SCHEDULE**

Date construction will begin: 03/01/13

Date construction will be completed: 03/05/13

Date beneficial water use will begin: 03/15/13

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**SECTION 9: WITHIN A DISTRICT**

Check here if the point of diversion or place of use are located within or served by an irrigation or other water district.

Irrigation District Name	Address	
City	State	Zip

**SECTION 10: REMARKS**

Use this space to clarify any information you have provided in the application (attach additional sheets if necessary).

# Land Use

# Information Form



**Oregon Water Resources Department**  
725 Summer Street NE, Suite A  
Salem, Oregon 97301-1266  
(503) 986-0900  
www.wrd.state.or.us

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## NOTE TO APPLICANTS

SALEM, OR

In order for your application to be processed by the Water Resources Department (WRD), this Land Use Information Form must be completed by a local government planning official in the jurisdiction(s) where your water right will be used and developed. The planning official may choose to complete the form while you wait, or return the receipt stub to you. Applications received by WRD without the Land Use Form or the receipt stub will be returned to you. Please be aware that your application will not be approved without land use approval.

**This form is NOT required if:**

- 1) Water is to be diverted, conveyed, and/or used only on federal lands; **OR**
- 2) The application is for a water right transfer, allocation of conserved water, exchange, permit amendment, or ground water registration modification, and **all** of the following apply:
  - a) The existing and proposed water use is located entirely within lands zoned for exclusive farm-use or within an irrigation district;
  - b) The application involves a change in place of use only;
  - c) The change does not involve the placement or modification of structures, including but not limited to water diversion, impoundment, distribution facilities, water wells and well houses; **and**
  - d) The application involves irrigation water uses only.

## NOTE TO LOCAL GOVERNMENTS

The person presenting the attached Land Use Information Form is applying for or modifying a water right. The Water Resources Department (WRD) requires its applicants to obtain land-use information to be sure the water rights do not result in land uses that are incompatible with your comprehensive plan. Please complete the form or detach the receipt stub and return it to the applicant for inclusion in their water right application. You will receive notice once the applicant formally submits his or her request to the WRD. The notice will give more information about WRD's water rights process and provide additional comment opportunities. You will have 30 days from the date of the notice to complete the land-use form and return it to the WRD. If no land-use information is received from you within that 30-day period, the WRD may presume the land use associated with the proposed water right is compatible with your comprehensive plan. Your attention to this request for information is greatly appreciated by the Water Resources Department. If you have any questions concerning this form, please contact the WRD's Customer Service Group at 503-986-0801.

# Land Use

## Information Form



**Oregon Water Resources Department**  
 725 Summer Street NE, Suite A  
 Salem, Oregon 97301-1266  
 (503) 986-0900  
 www.wrd.state.or.us

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Applicant: Ed

First

Rich

Last

MAR 08 2013

Mailing Address: PO Box 231 – 9900 Ea 798 So

SALEM, OR

Huntsville

City

UT

State

84317

Zip

Daytime Phone: (801) 678-2384

### A. Land and Location

Please include the following information for all tax lots where water will be diverted (taken from its source), conveyed (transported), and/or used or developed. Applicants for municipal use, or irrigation uses within irrigation districts may substitute existing and proposed service-area boundaries for the tax-lot information requested below.

Township	Range	Section	¼ ¼	Tax Lot #	Plan Designation (e.g., Rural Residential/RR-5)	Water to be:			Proposed Land Use:
13 S	41E	31	SESW	1500		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
13 S	41 E	31	NESE	1600		<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	
						<input type="checkbox"/> Diverted	<input type="checkbox"/> Conveyed	<input type="checkbox"/> Used	

List all counties and cities where water is proposed to be diverted, conveyed, and/or used or developed:

Malheur County

### B. Description of Proposed Use

Type of application to be filed with the Water Resources Department:

- Permit to Use or Store Water   
  Water Right Transfer   
  Permit Amendment or Ground Water Registration Modification  
 Limited Water Use License   
  Allocation of Conserved Water   
  Exchange of Water

Source of water:  Reservoir/Pond     Ground Water     Surface Water (name) \_\_\_\_\_

Estimated quantity of water needed: \_\_\_\_\_  cubic feet per second     gallons per minute     acre-feet

Intended use of water:  Irrigation     Commercial     Industrial     Domestic for \_\_\_\_\_ household(s)  
 Municipal     Quasi-Municipal     Instream     Other \_\_\_\_\_

Briefly describe:

Placer Mining

**Note to applicant:** If the Land Use Information Form cannot be completed while you wait, please have a local government representative sign the receipt at the bottom of the next page and include it with the application filed with the Water Resources Department.

See bottom of Page 3. →

## For Local Government Use Only

The following section must be completed by a planning official from each county and city listed unless the project will be located entirely within the city limits. In that case, only the city planning agency must complete this form. This deals only with the local land-use plan. Do not include approval for activities such as building or grading permits.

**Please check the appropriate box below and provide the requested information**

- Land uses to be served by the proposed water uses (including proposed construction) are allowed outright or are not regulated by your comprehensive plan. Cite applicable ordinance section(s): Title 6
- Land uses to be served by the proposed water uses (including proposed construction) involve discretionary land-use approvals as listed in the table below. (Please attach documentation of applicable land-use approvals which have already been obtained. Record of Action/land-use decision and accompanying findings are sufficient.) **If approvals have been obtained but all appeal periods have not ended, check "Being pursued."**

Type of Land-Use Approval Needed (e.g., plan amendments, rezones, conditional-use permits, etc.)	Cite Most Significant, Applicable Plan Policies & Ordinance Section References	Land-Use Approval:	
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued
		<input type="checkbox"/> Obtained <input type="checkbox"/> Denied	<input type="checkbox"/> Being Pursued <input type="checkbox"/> Not Being Pursued

Local governments are invited to express special land-use concerns or make recommendations to the Water Resources Department regarding this proposed use of water below, or on a separate sheet.

Name: \_\_\_\_\_ Title: Jon Beal, Planning Dir  
 Signature: Jon D. Beal Phone: 541-473-5189 Date: ~~4-9-12~~ 1-9-13 JB  
 Government Entity: \_\_\_\_\_

**Note to local government representative:** Please complete this form or sign the receipt below and return it to the applicant. If you sign the receipt, you will have 30 days from the Water Resources Department's notice date to return the completed Land Use Information Form or WRD may presume the land use associated with the proposed use of water is compatible with local comprehensive plans.

**Receipt for Request for Land Use Information**

Applicant name: \_\_\_\_\_  
 City or County: \_\_\_\_\_ Staff contact: \_\_\_\_\_ **RECEIVED BY OWRD**  
 Signature: \_\_\_\_\_ Phone: \_\_\_\_\_ Date: \_\_\_\_\_ **MAR 08 2013**





Oregon Water Resources Department

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FORM R
FOR WATER USED FOR MINING PURPOSES

1. What type of mining operation is planned?

- Aggregate, Industrial Minerals, Placer, Metal (flotation processing), Metal (chemical processing - heap leach), Other (Specify)

2. What are the proposed uses of water?

- Gravel washing, Dewatering, Make-up for milling operation, Heap leach, Dust control, Domestic, Other (Specify)

3. Does the mine operation require dewatering?

- No (Skip to question no. 4), Yes

At what rate will the water be produced? gpm cfs
How will the water be discharged? Recirculated Off-site

4. Will ponds or dams be constructed?

- No (Skip to question no. 5), Yes

Approximate pond depth: Depth to ground water: Amount stored:

5. Will a pond (or ponds) be left after reclamation has been completed?

- No (Skip to question no. 6), Yes List information for each pond.

Source: Use: Size: Depth:

Use the reverse side of this form for additional ponds.

6. Will monitoring or observation wells be constructed on site?

- No (Skip to question no. 7), Yes How many?

Label these well locations on your permit application map.

7. Attach a copy of the map submitted to the Department of Geology and Mineral Industries (DOGAMI) showing locations of all intermittent water courses, perennial streams, springs, wetlands, and wells.

G-17635



**YTURRI ROSE LLP**  
ATTORNEYS AT LAW

Carl Burnham, Jr.  
Cliff Bentz\*  
Tim J. Helfrich\*  
Bruno J. Jagelski\*  
Brian D. DiFonzo\*  
Andrew G. Martin\*  
Shawnee Perdue\*\*  
Ryan I. Holden°

Of Counsel  
Scott K. Warner  
David R. Auxier\*

\* Licensed in Oregon and Idaho  
\*\* Licensed in Oregon, Idaho and California  
° Licensed in Oregon, Idaho & Washington (I.L.M. in Taxation)

March 6, 2013

Oregon Water Resources Department  
725 Summer Street NE Suite A  
Salem OR 97301-1266

RE: *Application for a Permit to Use Ground Water – Queen Resources, LLC*  
Our File No.: 497012.0

To Whom It May Concern:

Enclosed you will find the following:

1. Application for a Permit to Use Ground Water;
2. Check No. 1141 made payable to Oregon Water Resources for the application fee; and
3. Check No. 1140 made payable to Oregon Water Resources for the Well Permit fee.

If you have any questions or if additional information is needed, please don't hesitate to contact me.

Very truly yours,

YTURRI ROSE LLP

Andrew G. Martin

AGM/tm  
Enclosures

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SALEM, OR

**LAKEVIEW**  
411 N. 1ST STREET  
LAKEVIEW, OREGON 97630  
TELEPHONE: (541) 947-9797

**FRUITLAND**  
P.O. BOX 450  
FRUITLAND, IDAHO 83619  
TELEPHONE: (208) 452-3209

**PRIMARY OFFICE:**  
**ONTARIO**  
P.O. BOX 'S'  
89 S.W. 3<sup>RD</sup> AVENUE  
ONTARIO, OREGON 97914  
TELEPHONE: (541) 889-5368  
FACSIMILE: (541) 889-2432  
[LAW@YTURRIROSE.COM](mailto:LAW@YTURRIROSE.COM)

**BEND**  
65 NW GREELEY AVE.  
BEND, OREGON 97701  
TELEPHONE: (541) 585-2943

**BAKER CITY OFFICE**  
2021 COURT STREET  
BAKER CITY, OREGON 97814  
TELEPHONE: (541) 523-5050

# Attachment A

## C. CONSERVATION

The placer wash plant proposed represents the state of the art for water conservation. It utilizes a completely closed circuit water system which does not require any settling ponds, however a certain amount of water does leave the system as wet tailings gravel and mud. This loss is minimized by the use of vibrating dewatering screens and a clarifier. The current water sources are not adequate to cover the make-up water requirements of the system. Additional precautions are taken such as lining the water storage pond as well as the area where tailings mud is stacked, where any liberated water is directed to a shallow sump for return to the system.

The water diverted will be measured by means of an inline flow meter, which will provide instantaneous and total flow.

Because the wash plant system is a closed circuit, meaning all process water is contained in sumps, pipes or tanks, the risk of water discharge or unwanted loss is low. The nearest open surface Oregon water is 2860 ft from the wash plant, which is also the closest aquatic life or riparian area.

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NOTICE TO WATER WELL CONTRACTOR  
The original and first copy of this report  
are to be filed with the

WATER RESOURCES DEPARTMENT.  
SALEM, OREGON 97310  
within 30 days from the date  
of well completion.

**WATER WELL REPORT**

STATE OF OREGON  
(Please type or print)

(Do not write above this line)

*Math 005*

*Math  
005*

State Well No. 13541E-3/da  
State Permit No. \_\_\_\_\_

**(1) OWNER:**

Name RESOURCE INVESTMENT INC.  
Address P. O. BOX 607 ONTARIO, OREGON 97914  
DALE ANDERSON - AGENT

**(2) TYPE OF WORK (check):**

New Well  Deepening  Reconditioning  Abandon   
If abandonment, describe material and procedure in Item 12.

**(3) TYPE OF WELL:**

Rotary  Driven   
 Jetted   
 Bored

**(4) PROPOSED USE (check):**

Domestic  Industrial  Municipal   
Irrigation  Test Well  Other

**CASING INSTALLED:**

Threaded  Welded   
12" Diam. from 0 ft. to 58 ft. Gage 312  
10" Diam. from 0 ft. to 250 ft. Gage 250  
" Diam. from \_\_\_\_\_ ft. to \_\_\_\_\_ ft. Gage \_\_\_\_\_

**PERFORATIONS:**

Perforated?  Yes  No.

Type of perforator used \_\_\_\_\_

Size of perforations in. by in.  
\_\_\_\_\_ perforations from \_\_\_\_\_ ft. to \_\_\_\_\_ ft.  
\_\_\_\_\_ perforations from \_\_\_\_\_ ft. to \_\_\_\_\_ ft.  
\_\_\_\_\_ perforations from \_\_\_\_\_ ft. to \_\_\_\_\_ ft.

**(7) SCREENS:**

Well screen installed?  Yes  No

Manufacturer's Name \_\_\_\_\_  
Type \_\_\_\_\_ Model No. \_\_\_\_\_  
Diam. \_\_\_\_\_ Slot size \_\_\_\_\_ Set from \_\_\_\_\_ ft. to \_\_\_\_\_ ft.  
Diam. \_\_\_\_\_ Slot size \_\_\_\_\_ Set from \_\_\_\_\_ ft. to \_\_\_\_\_ ft.

**(8) WELL TESTS:**

Drawdown is amount water level is lowered below static level

\_\_\_\_\_ pump test made?  Yes  No If yes, by whom?  
Yield: \_\_\_\_\_ gal./min. with \_\_\_\_\_ ft. drawdown after \_\_\_\_\_ hrs.  
" " " " " "  
" " " " " "  
Packer test \_\_\_\_\_ 50 gal./min. with 300 ft. drawdown after 1 hrs.  
Artesian flow \_\_\_\_\_ 6 g.p.m.  
Temperature of water \_\_\_\_\_ 68 Depth artesian flow encountered \_\_\_\_\_ 260 ft.

**(9) CONSTRUCTION:**

Well seal—Material used CEMENT  
Well sealed from land surface to \_\_\_\_\_ 250 ft.  
Diameter of well bore to bottom of seal \_\_\_\_\_ 16 in.  
Diameter of well bore below seal \_\_\_\_\_ 12 in.  
Number of sacks of cement used in well seal \_\_\_\_\_ 20 sacks  
How was cement grout placed? PRESSURE GROUTED  
Was a drive shoe used?  Yes  No Plugs \_\_\_\_\_ Size: location \_\_\_\_\_ ft.  
Did any strata contain unusable water?  Yes  No  
Type of water? \_\_\_\_\_ depth of strata \_\_\_\_\_  
Method of sealing strata off \_\_\_\_\_  
Was well gravel packed?  Yes  No Size of gravel: \_\_\_\_\_  
Gravel placed from \_\_\_\_\_ ft. to \_\_\_\_\_ ft.

**(10) LOCATION OF WELL:**

County MAHUR Driller's well number \_\_\_\_\_  
SE 1/4 SE 1/4 Section 31 T. 13 R. 41 W.M.  
Bearing and distance from section or subdivision corner \_\_\_\_\_

**(11) WATER LEVEL: Completed well.**

Depth at which water was first found \_\_\_\_\_ 260 ft.  
Static level \_\_\_\_\_ 0 ft. below land surface. Date 9/15/80  
Artesian pressure \_\_\_\_\_ 10 lbs. per square inch. Date 9/15/80

**(12) WELL LOG:**

Diameter of well below casing \_\_\_\_\_ 12"

Depth drilled \_\_\_\_\_ 400 ft. Depth of completed well \_\_\_\_\_ 400 ft.

Formation: Describe color, texture, grain size and structure of materials; and show thickness and nature of each stratum and aquifer penetrated, with at least one entry for each change of formation. Report each change in position of Static Water Level and indicate principal water-bearing strata.

MATERIAL	From	To	SWL
Top Soil	0	4	
Brown Clay	4	40	
Medium Sand & Gravel	40	50	
Sandy Brown Clay	50	145	
Medium Sandstone	145	160	
Soft Fractured Sandstone	160	180	
Brown Clay	180	190	
Soft Sandstone	190	400	

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SALEM, OR

SLP 291980  
WATER RESOURCES DEPT  
SALEM, OREGON

Work started 9/15/80 19 Completed 9/15/80 19  
Date well drilling machine moved off of well 9/16/80 19

**Drilling Machine Operator's Certification:**

This well was constructed under my direct supervision. Materials used and information reported above are true to my best knowledge and belief.

(Signed) Winifred Page Date 9/15/1980  
(Drilling Machine Operator)

Drilling Machine Operator's License No. \_\_\_\_\_ 65

**Water Well Contractor's Certification:**

This well was drilled under my jurisdiction and this report is true to the best of my knowledge and belief.

Name PAGE BROTHERS DRILLING  
(Person, firm or corporation) (Type or print)

Address RT. 2 BOX 371 VEG VAIN, OREGON 97918

(Signed) Winifred Page  
(Water Well Contractor)

Contractor's License No. \_\_\_\_\_ 564 Date 9/16/80, 19\_\_\_\_

(AL SHEETS IF NECESSARY)

EXHIBIT B

PAGE 1 OF 1

*Gr-17638*

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT is made and entered into as of the 7<sup>th</sup> day of April, 2012 (the "Effective Date"), by and between David B. Rogers ("Rogers"), Cecil Beckett ("Beckett"), Eldorado Resources, LLC, an Oregon limited liability company ("Eldorado") (Rogers, Beckett and Eldorado are sometimes referred to collectively as the "Sellers"), and Malheur Investors, LLC, a Delaware limited liability company ("Buyer").

WITNESSETH:

WHEREAS, pursuant to a Contract for Deed dated January 15, 2010 between James A. Hurst as seller and Rogers as buyer (the "Hurst Option"), Rogers has the right to purchase the surface and mineral estate of approximately 139 acres of real property located in Malheur County, Oregon, with associated water rights, and with all fixtures, improvements, rights, privileges and easements appertaining thereto, as more particularly described in Exhibit "A" attached hereto and incorporated herein (the "Fee Property") in exchange for the cash payment of \$200,000;

WHEREAS, Rogers desires to sell to Buyer, and Buyer desires to purchase from Rogers, all of the Fee Property covered by the Hurst Option simultaneously with the exercise by Rogers of the Hurst Option;

WHEREAS, Sellers are the claimants of twenty two (22) unpatented placer and mining claims known as the "Malheur Queen Mining Claims (BLM Claim Numbers 154945 thru 154966) covering approximately 880 acres of BLM land contiguous to the Fee Property located in Malheur County, Oregon, as more particularly described in Exhibit "B" attached hereto and incorporated herein (the "Mining Claims");

WHEREAS, Sellers are the sole holders and owners of certain permits and certificates relating to the Fee Property and the Mining Claims, including, but not limited to, a State of Oregon Mining Permit, State of Oregon Water Use permit, State of Oregon Water Well Permit, Oregon Water Pollution Control Facilities Permit, Malheur County and Local Water Use and Land Disturbance permits, a BLM approved Plan of Operation, all as described in Exhibit "C" attached hereto and incorporated herein (the "Permits");

WHEREAS, Sellers desire to sell, and Buyer desires to purchase all of Sellers' interest in the Fee Property, the Mining Claims, and the Permits, all on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Sellers and Buyer hereby agree as follows:

1. PURCHASE AND SALE

1.1 Purchase and Sale. An escrow account (the "Escrow Account") shall be established at Malheur County Title Company, or such other title company as approved by all parties (the "Escrow Agent") to facilitate the purchase and sale provided for in this Agreement.

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G-17635

THIS SPACE RESERVED FOR RECORDER'S USE

After recording return to:  
Malheur County Title Company  
81 South Oregon St.  
Ontario, OR 97914

Until a change is requested all tax statements shall  
be sent to the following address:  
Malheur Investors, LLC  
*1590 W. Park Circle, 100*  
*Prudent View, OR*  
*84404*

File No.: 28982  
Date: April 9, 2012

STATUTORY WARRANTY DEED

DAVID B. ROGERS, Grantor, conveys and warrants to MALHEUR INVESTORS, LLC, a Delaware limited liability company, Grantee, the following described real property free of liens and encumbrances, except as specifically set forth herein:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF

Map 1341	Tax Lot 2900	Account No. 5493	Code 6
Map 1341	Tax Lot 3000	Account No. 5494	Code 6

This property is free from liens and encumbrances, EXCEPT:

SEE EXHIBIT 'A' ATTACHED HERETO AND MADE A PART HEREOF

The true consideration for this conveyance is \$300,000.00 (Here comply with requirements of ORS 93.030)

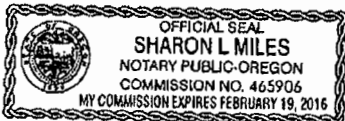
BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER SECTIONS ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007 AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, AND SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

Dated this 23rd day of March, 2012.

*David B. Rogers*  
David B. Rogers

STATE OF OREGON County of Malheur ) ss

On April 9, 2012, personally appeared before me DAVID B. ROGERS who acknowledged to me that he executed the same as his voluntary act and deed



*Sharon L Miles*  
Notary Public for Oregon

My commission expires: 2-19-12

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EXHIBIT 'A'

PARCEL 1

Land in Malheur County, Oregon, as follows:

The Red White and Blue, Red White and Blue No. 2, Red White and Blue No. 3, Red White and Blue No. 4, Champion, and Belfast lode mining claims, designated by the Surveyor General as Survey No. 759, embracing a portion of Sections twenty-nine and thirty in Township thirteen south of Range forty-one east of the Willamette Meridian in Malheur County, Oregon, and bounded, described and platted as follows:

Beginning for the description of the red white and blue lode claim at corner No. 1, a fir post three and one-half feet long four inches square, marked R. W. & B. 1-759; Cham., with mound of earth from which the north quarter corner of Section twenty-nine in Township thirteen south of Range forty-one east of the Willamette Meridian, bears north ten degrees twenty-four minutes east one thousand three hundred forty-six and four-tenths feet distant;

Thence, first course, south forty-eight degrees twenty-six minutes west one thousand five hundred feet to corner No. 2, a fir post three and one-half feet long, four inches square, marked R. W. & B. 2-759, Cham., 4-759, Belf. 4-759 and R. W. & B. No. 2, 2-759, with mound of earth;

Thence, second course, north thirty-six degrees thirty-seven minutes west three hundred feet to a point from which discovery cut bears north forty-eight degrees twenty-six minutes east twenty feet distant; six hundred feet to corner No. 3, a fir post three and one-half feet long, four inches square, marked R. W. & B. 3-759, R. W. & B. No. 2, 3-759, R. W. & B. No. 3, 2-759, R. W. & B. No. 4, 2-759, with mound of earth;

Thence, third course, north forty-eight degrees twenty-six minutes east one thousand five hundred feet to corner No. 4, a fir post three and one-half feet long four inches square, marked R. W. & B. 4-759 R. W. & B. No. 4, 1-759, with mound of earth;

Thence, fourth course, south thirty-six degrees thirty-seven minutes east fourteen and forty-five hundredths feet intersect the west side line of Malheur Cemetery at north twenty-one degrees twenty-six minutes east one hundred eighty and seven-tenths feet from the southwest corner; one hundred sixty-one and seventy-seven-hundredths feet intersect the east side line of said Malheur Cemetery at north twenty-one degrees twenty six minutes east one hundred two and seventy-four hundredths feet from the southeast corner; and from the southeast corner of the southwest corner bears north sixty-eight degrees thirty-four minutes west one hundred twenty-five feet distant; six hundred feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand five hundred feet in length along said Red White and Blue vein or lode;

ALSO, Beginning for the description of the Red White and Blue No. 2 lode claim at corner No. 1, a fir post three and one-half feet long four inches square, marked R. W. & B. No. 2, 1-759, Belf., 1-759, with mound of earth, from which the west quarter corner to said Section twenty-nine bears north twenty-five degrees fifty-one minutes thirty seconds west eight hundred fifty-eight and sixty-five-hundredths feet distant;

Thence, first course, north forty-two degrees forty-one minutes east one thousand and four hundred forty-five feet to corner No. 2; identical with corner No. 2 of said Red White and Blue lode claim;

Thence, second course, north thirty-six degrees thirty-seven minutes west three hundred feet to discovery; six hundred feet to corner No. 3, identical with corner No. 3 of said Red White and Blue lode claim;

Thence, third course, south forty-two degrees forty-one minutes west one thousand four hundred forty-five feet to corner No. 4, a fir post three and one-half feet long, four inches square, marked R. W. & B. No. 2, 4-759, with mound of earth;

Thence, fourth course, south thirty-six degrees, thirty-seven minutes east six hundred feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand four hundred forty-five feet in length along said Red White and Blue No. 2 vein or lode;

AND, Beginning for the description of the Red White and Blue No. 3 lode claim, at corner No. 1, a fir post three and one-half feet long four inches square, marked R. W. & B. No. 3, 1-759, with mound of earth, from which the west quarter corner of said Section twenty-nine, bears north three degrees thirty-four minutes east three hundred thirty-four minutes east three hundred thirty-two and eighteen-hundredths feet distant.

Thence, first course, north forty-two degrees forty-one minutes east one thousand five hundred feet to corner No. 2, identical with corner No. 3 of said Red White and Blue No. 2 lode vein;

Thence, second course, north thirty-six degrees thirty-seven minutes west six hundred feet to corner No. 3, a fir post three and one-half feet long, four inches square, marked R. W. & B. No. 3, 3-759, with mound of earth;

Thence, third course, south forty-two degrees forty-one minutes west one thousand five hundred feet to corner No. 4, a fir post three and one-half feet long, four inches square, marked R. W. & B. No. 3, 4-759, with mound of earth;

Thence, fourth course, south thirty-six degrees thirty-seven minutes east three hundred feet to a point from which discovery shaft bears north forty-two degrees forty-one minutes east five hundred ninety feet distant; six hundred feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand five hundred feet in length along said Red White and Blue No. 3 vein or lode;

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SALEM, OR

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MAR 08 2013

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ALSO, Beginning for the description of the Red White and Blue No. 4 lode claim, at corner No. 1, identical with corner No. 4 of said Red White and Blue lode claim, from which the north quarter corner of said Section twenty-nine, bears north thirty-five degrees thirty minutes east one thousand thirty-five feet distant;

Thence, first course, south forty-eight degrees twenty-six minutes west one thousand five hundred feet to corner No. 2, identical with corner No. 3 of said Red White and Blue lode claim;

Thence, second course, north thirty-six degrees thirty-seven minutes west five hundred forty-eight feet to corner No. 3, a fir post three and one-half feet long, four inches square, marked R. W. & B. No. 4, 3-759, with mound of earth;

Thence, third course, north forty-eight degrees thirty-seven minutes east one thousand five hundred feet to corner No. 4, a fir post three and one-half feet long, four inches square, marked R. W. & B. No. 4, 4-759, with mound of earth and rock;

Thence, fourth course, south thirty-six degrees thirty-seven minutes east three hundred feet to a point from which discovery shaft bears south forty-eight degrees twenty-six minutes west four hundred seventy-five feet distant; six hundred feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand five hundred feet in length along with Red White and Blue No. 4 vein or lode;

AND, Beginning for the description of the Champion lode claim, at corner No. 1, identical with corner No. 1 of said Red White and Blue lode claim;

Thence, first course, south fifty-two degrees fifty-two minutes east three hundred four and eighty-seven-hundredths feet intersect the west boundary of the southwest quarter of the northeast quarter of said Section twenty-nine; six hundred feet to corner No. 2, a fir post three and one-half feet long, four inches square, marked Cham. 2-759, with mound of earth;

Thence, second course, south forty-eight degrees twenty-six minutes west three hundred fourteen and forty eight hundredths feet intersect the west boundary of said southwest quarter of the northeast quarter of Section twenty-nine; one thousand five hundred feet to corner No. 3, a fir post three and one-half feet long, four inches square, marked Cham. 3-759 and Belf. 3-759, with mound of earth;

Thence, third course, north fifty-two degrees fifty-two minutes west three hundred feet to a point from which discovery cut bears north forty-eight degrees twenty-six minutes east twenty-five feet distant; six hundred feet to corner No. 4, identical with corner No. 2 of said Red White and Blue No. 2 lode claim;

Thence, fourth course, north forty-eight degrees twenty-six minutes east one thousand five hundred feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand five hundred feet in length along said Champion vein or lode;

ALSO, Beginning for the description of the Belfast lode claim, at corner No. 1, identical with corner No. 1 of said Red White and Blue No. 2 lode claim;

Thence, first course, south fifty-two degrees fifty-two minutes east six hundred feet to corner No. 2, a fir post three and one-half feet long, four inches square, marked Belf. 2-759;

Thence, second course, north forty-two degrees forty-one minutes east seventy feet to witness corner of said corner No. 2, a fir post three and one-half feet long, four inches square, marked Belf. W. C. 2-759, with mound of earth; one thousand four hundred forty-five feet to corner No. 3, identical with corner No. 3 of said Champion lode claim;

Thence, third course, north fifty-two degrees fifty-two minutes west three hundred feet to a point from which discovery cut bears south forty-two degrees forty-one minutes west twenty-five feet distant; six hundred feet to corner No. 4, identical with corner No. 4 of said Champion lode claim;

Thence, fourth course, south forty-two degrees forty-one minutes west one thousand four hundred forty-five feet to corner No. 1, the place of beginning; the survey of the lode claim, as above described, extending one thousand four hundred forty-five feet in length along said Belfast vein or lode;

Expressly excepting and excluding from these presents all that portion of the ground hereinbefore described, embraced in said Malheur Cemetery and said southwest quarter of the northeast quarter of Section twenty-nine.

**PARCEL 2**

That certain patented placer mining claim designated as Mineral Entry numbered 18 and as Lot numbered 79 and embracing a portion of Sections 29 and 32, in Township 13 S., R. 41 E., W. M., in the Shasta Mining District, formerly in the County of Baker, and State of Oregon, but now of the County of Malheur, in the State of Oregon, in the district of land subject to sale at LaGrande, containing 24.91 acres, more or less, the same being bounded, described and platted as follows, with magnetic variation of 20 degrees and 35 minutes east, to-wit; Beginning at corner No. 1 Post in mound marked "J L and C 1", from which the corner common to Sections 31 and 32 in Township 13 S., R. 41 E., W.M. and Sections 5 and 6, in Township 14 S., R. 41 E., W.M., bears South 20 degrees 30 minutes west, at the distance of 19 chains; thence from said Post north 61 degrees 30 minutes west, 2 chains and 93 links to corner No. 2 Post marked "J L and C 2"; thence north 40 degrees 15 minutes east, 15 chains and 50 links to corner No. 3 Post marked "J L and C 3"; thence north 52 degrees and 30 minutes west 2 chains to corner No. 4 Post marked "J L and C 4"; thence north 30 minutes east, 24 chains 40 links to corner No. 5 Post marked "J L and C 5"; thence north 6 degrees west 5 chains and 67 links to corner No. 6 Post marked "J L and C 6"; thence north 24 degrees west, 7 chains to corner No. 7 Post marked "J L and C 7"; thence north 21 degrees 45 minutes west, 12 chains and 30 links to intersection of boundary between said Sections 29 and 32, from which the corner common to Sections 29, 30, 31 and 32, in said Township 13 S., R. 41 E., W.M., bears west at the distance of 4 chains and 73 links, 15 chains and 90 links to corner No. 8 Post marked "J L and C 8"; thence north 11 degrees 30 minutes east, 2 chains and 43 links to corner No. 9 Post marked "J L and C 9"; thence south 80 degrees 15 minutes east, 3 chains to corner No. 10 Post marked "J L and C 10"; thence south 24 degrees 30 minutes east, 21 chains and 20 links to corner No. 11 Post marked "J L and C 11"; thence south 13 degrees east, 2 chains and 58 links to corner No. 12 Post marked "J L and C 12"; thence south 4 degrees east 13 chains and 40 links to corner No. 13 Post marked "J L and C 13"; thence south 14 degrees 45 minutes west, 8 chains and 26 links to corner No. 14 Post marked "J L and C 14"; thence south 3 degrees 15 minutes east, 12 chains to corner No. 15 Post marked "J L and C 15"; thence south 37 degrees west, 15 chains to the place of beginning.

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G-17635



SUBJECT TO:

The assessment roll and the tax roll disclose that the within described premises were specially assessed as range/ farm land. If the land has become or becomes disqualified for the special assessment under the statute, an additional tax may be levied.

The rights of the public in and to that portion of the premises herein lying within streets, roads and highways.

Reservations, exceptions, terms and conditions in the United States Patent, or in Acts authorizing the issuance thereof, recorded May 4, 1928, Book 29, Page 523, Deed Records.

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G-17635