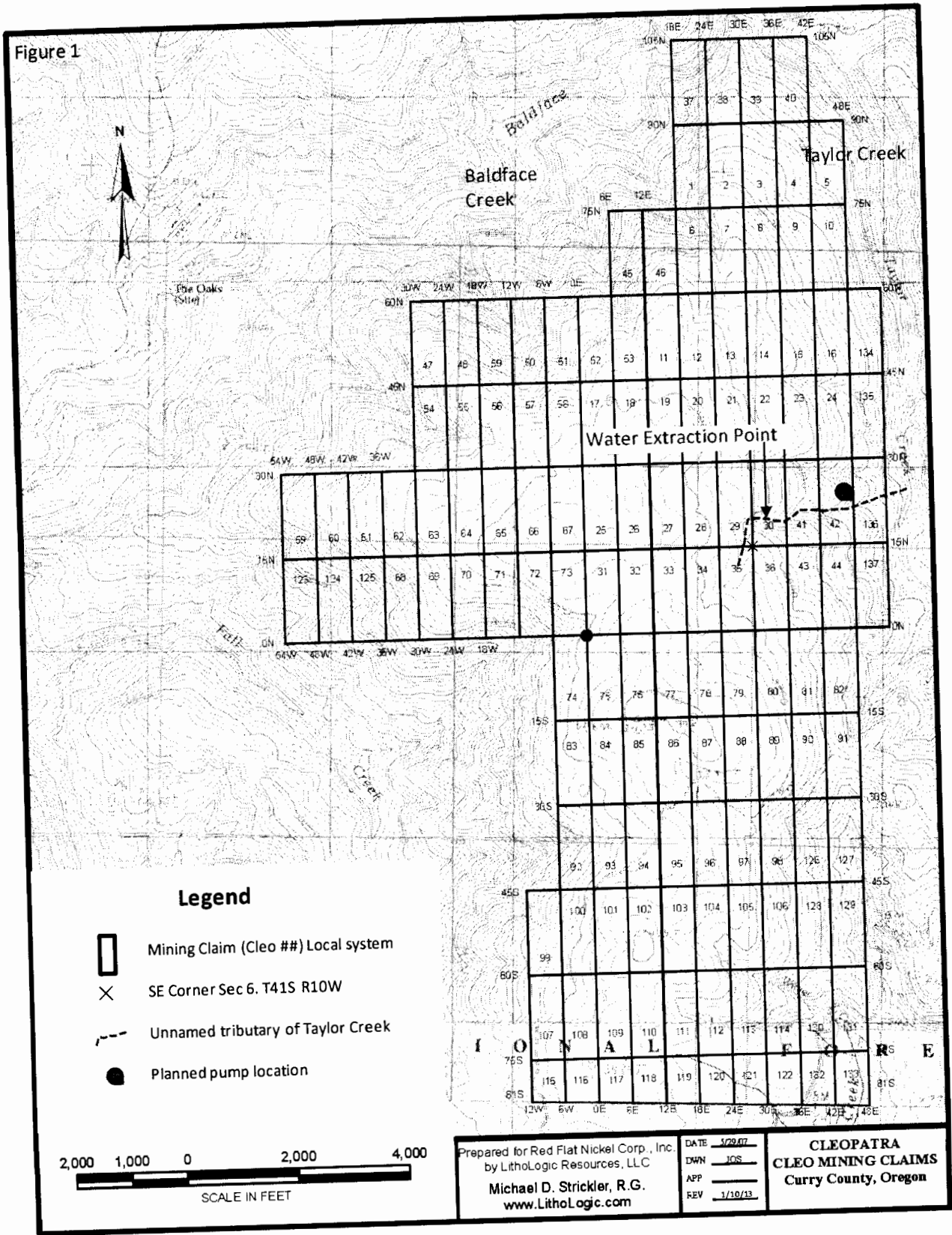


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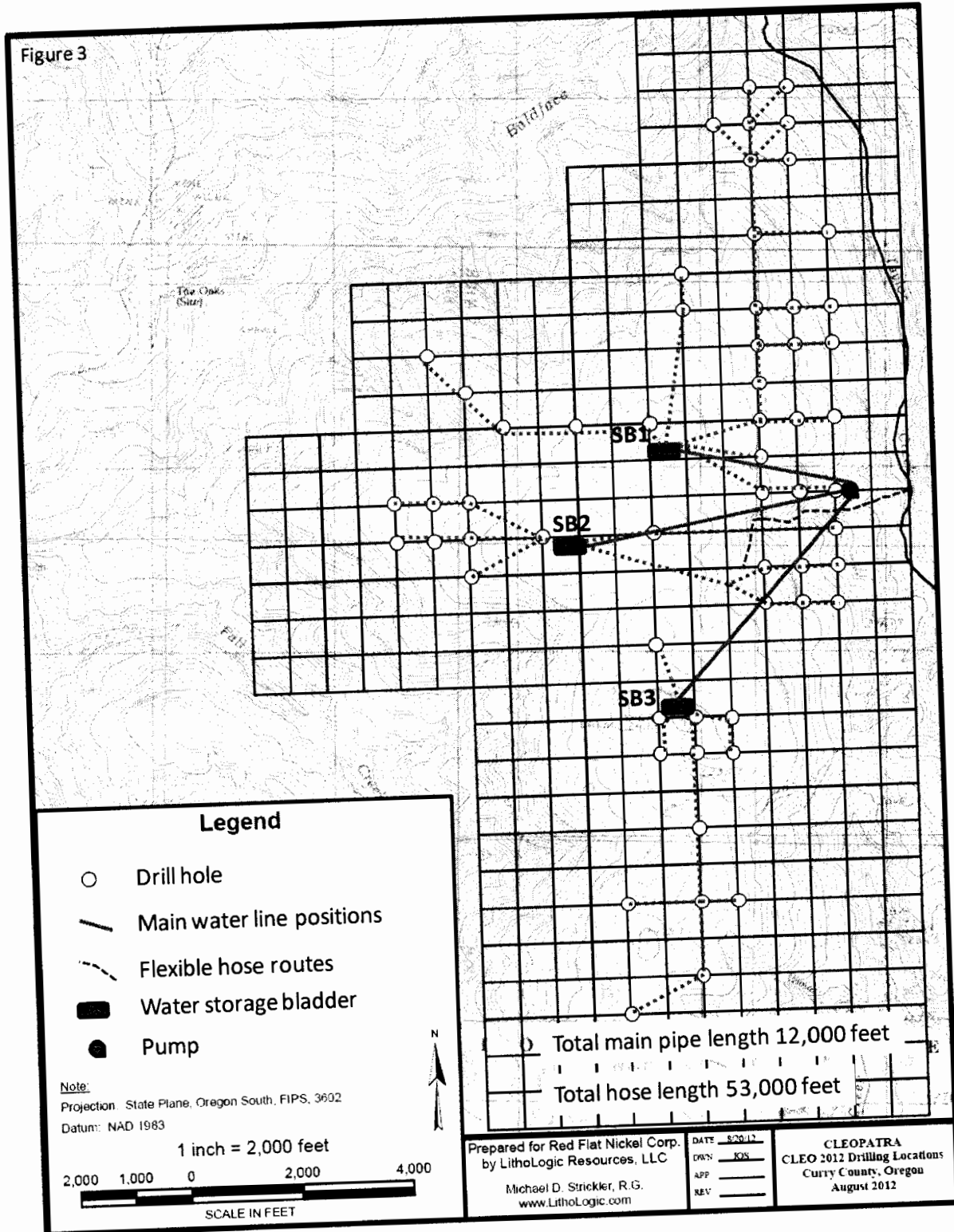
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The location of the water source, feed pipe, pump/generator and the three water storage locations are shown on Figure 3. SALEM, OR

A temporary 1,500 gallon water bladder will be positioned at each of the three water storage locations, with a maximum of two of these three locations operational at any one time. The bladders will be located at a position above the intended drillholes, such that water for the drill will be fed through flexible 1 inch plastic hosing by gravity. The bladders and piping will be removed from site at the termination of the program.

Each water bladder is estimated to occupy an area of 54 square feet. The total length of the main pipe connections between the pump and storage bladders is estimated at 12,000 feet and the total length of flexible hose to connect the drill sites with the nearest storage bladder is estimated at 53,000 feet. Only up to 8,000 feet of main pipe and up to 5,000 feet of hose will be in use at any one time.

Upon completion of the drilling program, all materials and equipment used for water sourcing will be removed from the claim block.

Given the porous nature of the stratigraphy, it is anticipated that no water will be returned to the surface during the drilling process, and that all drilling water will be lost into the subsurface. In the event that some water is returned to the surface, the water will be directed away from the drilling location and allowed to naturally infiltrate.

Appropriate erosion control and Best Management Practices (BMPs) will be installed at each site to limit any potential erosional concerns. BMPs will include, but are not limited to, waddles, sediment fencing, sediment traps, etc.

All drilling will maintain a minimum 200 foot buffer around any seasonal or perennial watercourses.

Based on the proposed drilling program, the potential surface disturbances, and the BMPs (maintaining 200' buffer from surface water courses, only using water and non-hazardous bio-degradable drilling additives, etc.), no surface water or groundwater monitoring is proposed for this drilling program.

Water will be extracted at a maximum rate of 10 gallons per minute  
Expected average daily water use is estimated at 3,000 gallons per day  
Total water extraction for the drilling program is estimated at 100,000 gallons

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