STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY
15 W Yakima Ave, Ste 200 • Yakima, WA 98902-3452 • (509) 575-2490

October 29, 2009

Crown Resources Corp
c/o Kevin Mitchum
363 Fish Hatchery Rd
Republic WA 99166

RE: Temporary Change Authorization No. **G4-34904P** – Crown Resources

On October 5, 2009, the Department of Ecology (Ecology) received an application from Crown Resources Corp. (Crown) to add point(s) of withdrawal to Water Right Permit No. G4-34904P. The Change Application, Water Right Tracking No. CG4-34904P, has been requested by Crown to be processed under a RCW 90.03.265 cost-reimbursement agreement. In the application, Crown proposes to add points of withdrawal to a current suite of dewatering wells and sumps to support water management and dewatering activities at the Buckhorn mine site. The NPDES Permit No. WA-005243-4 established certain requirements including provision to maintain a groundwater 'capture zone'. In order to maintain the required capture zone, additional wells are necessary.

The applicant also requests a temporary change pursuant to RCW 90.03.390 to add points of withdrawal for use under Water Right Permit No. G4-34904P during the pendency of Change Application No. CG4-34904P. This request is the subject of this authorization.

The water right characteristics of Water Right Permit No. G4-34904P are as follows:

Qi:
100 gallons per minute (gpm)

Qa:
12.6 acre-feet per year (ac-ft/yr)

Quantity, Type of Use, Period of Use:
100 gpm, 12.6 ac-ft/yr, for mining and industrial use (Years 0 through 7)*, continuously.
100 gpm, 3.34 ac-ft/yr, for stream flow augmentation from July 1 through September 30 (Years 8 through 16)*.

*As it relates to mining at the Buckhorn site, Year 0 = 2007.

Source:

Location	Section	Township (N.)	Range (E.W.M)	WRIA	County
Well D-1 SE¼NW¼	24	40	30	60	Okanogan
Well D-2 SE¼NW¼	24	40	30	60	Okanogan
Well D-3 NE¼SW¼	24	40	30	60	Okanogan
Well D-4 NE¼SW¼	24	40	30	60	Okanogan
Well D-5 NW¼SW¼	24	40	30	60	Okanogan
Sumps – SE¼NW¼, NE¼SW¼, and NW¼SW¼	24	40	30	60	Okanogan

Place of Use:
S½NW¼ and SW¼, Section 24; and the NW¼SE¼ and SE¼SE¼, Section 23; all in T. 40 N., R. 30 E.W.M.

PROPOSED TEMPORARY CHANGE

Add points of withdrawal to current well system as follows:

Location	Section	Township (N.)	Range (E.W.M)	WRIA	County
Well D-6 SE¼SW¼	24	40	30	60	Okanogan
Well D-7 SE¼SE¼	23	40	30	60	Okanogan
Well D-8 SE¼SE¼	23	40	30	60	Okanogan

The other water right characteristics of G4-34904P shall not change.

DECISION

Ecology may grant a temporary change to add wells pursuant to RCW 90.03.390. The criteria of RCW 90.03.390 for a temporary change is that it be made 'without detriment to existing rights' and that it be approved by the water master or department [Ecology].

Authorizing this temporary change as requested will not impair existing rights because water will be used within the authorized limits of G4-34904P. Therefore, Ecology approves the request for temporary change to add points of withdrawal as stated above provided the following conditions are met.

This TEMPORARY CHANGE AUTHORIZATION is subject to the following conditions:

1. The duration of this Temporary Change Authorization is from November 1, 2009, to November 1, 2010, or sooner if a final decision is made regarding Change Application No. CG4-34904P, or unless sooner revoked for cause.

2. Violation of any of the terms and/or conditions of this Temporary Change Authorization will result in this authorization being immediately terminated, issuance of Administrative Orders to Cease and Desist, and may also subject the violator to civil penalties.

3. The amount of water granted is a maximum limit that shall not be exceeded and the water user shall be entitled only to that amount of water within the specified limit that is beneficially used and required.

4. At no time shall the combined use of water under any combination of wells under this Temporary Change Authorization and Surface Water Permit No. S4-34999P exceed 12.6 acre-feet per year.

5. An approved measuring device shall be installed and maintained for each of the sources identified by this Temporary Change Authorization in accordance with the rule "Requirements for Measuring and Reporting Water Use", chapter 173-173 WAC.

6. Water use data shall be recorded weekly. The maximum rate of withdrawal and the annual total volume shall be submitted to the Department of Ecology (Ecology) by January 31st of each calendar year. The following information shall be included with each submittal of water use data: (1) owner; (2) contact name if different; (3) mailing address; (4) daytime phone number; (5) WRIA; (6) Permit/Certificate No.; (7) source name; (8) annual quantity used including units of measurement; (9) maximum rate of diversion, including units of measurement; (10) weekly meter readings including units of measurement; (11) peak monthly flow including units of measurement; (12) purpose of use; and (13) well tag number. In the future, Ecology may require additional parameters to be reported or to be reported on a more frequent basis. Ecology prefers web based data entry, but does accept hard copies. Ecology will provide forms and electronic data entry information.

7. Chapter 173-173 WAC describes the requirements for data accuracy, device installation and operation, and information reporting. It also allows a water user to petition Ecology for modification to some of the requirements. Installation, operation, and maintenance requirements are enclosed as a document entitled "Water Measurement Device Installation and Operation Requirements".

8. Ecology personnel, upon presentation of proper credentials, shall have access at reasonable times, to the records of water use that are kept to meet the above conditions, and to inspect at reasonable times any measuring device used to meet the above conditions.

9. Installation and maintenance of an access port as described in Chapter 173-160 WAC is required. An airline and gauge may be installed in addition to the access port.

10. A predictive model is required for evaluating the likelihood of flow augmentation on Myers Creek (Lost Creek augmentation). The model is used to estimate the total quantity of augmentation water that may be required. Ecology shall be notified prior to the April 1 start of each irrigation season whether flow augmentation is expected to be required at the Lost Creek Ranch, what quantity of augmentation water is expected to be discharged, and how much acreage will go un-irrigated to accommodate augmentation requirements. It is expected that when augmentation is anticipated, there will be lands taken out of production and/or lands that will go un-irrigated throughout the entire season in anticipation of the need to augment flows in Myers Creek.

11. Streamflow in Myers Creek shall be monitored until flooding of the Gold Bowl portion of the mine is complete, estimated to be until year 16 of the project (7 years of mining and the subsequent 8 years of mine reclamation and flooding of part of the mine workings). Streamflow shall be monitored at the historic location of USGS gaging station No. 12400900 north of Chesaw, Washington, at the international border.

12. Augmentation of surface water flows at Marias Creek and Roosevelt Adit (Nicholson Creek) shall continue after mining and reclamation until groundwater elevation monitoring indicates that the Gold Bowl workings of the mine have refilled with groundwater, subject to any additional mitigation requirements developed pursuant to the *Adaptive Management Plan*. The permit holder shall provide written notice to Ecology's Water Resources Program at least six months prior to the first summer season during which streamflow augmentation at Marias Creek and Roosevelt Adit will cease, and receive written concurrence from Ecology before ceasing flow augmentation.

13. If it can be shown that the requested appropriation has a detrimental effect on existing rights, it shall be the responsibility of the water right holder to mitigate for this impact and/or alter or cease withdrawal of water.

14. At the end of mining or in eight years from the commencement of the mining operations, whichever occurs first, the permit holder, or successors and assigns, shall cease irrigating ten acres of land at the Lost Creek Ranch, under the authority of Water Right No. G4-22893C, and place 13 acre-feet per year into the Washington Trust Water Right Program. The Lost Creek Ranch is located north of the town of Chesaw, adjacent to Myers Creek. The 10 acres shall be land that is currently irrigated and has been tentatively determined by Ecology to represent a valid water right. To meet the terms of this condition, the permit holder shall, within 60 days of mining operations being permanently ceased or within eight years of the commencement of mining, whichever occurs first, file with Ecology all documents necessary to amend Certificate No. G4-22893C for 13 acre-feet per year and 10 acres less irrigation than currently valid and to place that portion of Certificate No. G4-22893 into the Washington Trust Water Program, Chapter 90.42 RCW, to protect the water right for instream flows. If Certificate No. G4-22893C is no longer valid or not eligible for change, another water right or rights in the amount of 13 acre-feet per year shall be acquired by the permit holder and placed into the Washington Trust Water Program.

15. Ecology may, at its discretion, request application be made through a process other than the trust program if at that time Ecology determines that the law provides a better process than the Trust program for protecting the water rights for instream flow purposes.

16. Continued use of water under this Temporary Change Authorization is conditioned upon compliance with monitoring, reporting, and adaptive management of water resources described in the *Aquatic Resources Mitigation Plan*, *Habitat Mitigation Plan*, *Hydrologic Monitoring Plan*, *Ecological and Aquatic Resources Monitoring Plan, Adaptive Management Plan*, and requirements of the *Metals Mining and Milling Operations Environmental Protection and Performance Security Bond* under Chapter 78.56 RCW. Monitoring and reporting schedules specified in these plans are incorporated by reference. Annual monitoring reports and notification of annual coordination meetings specified in these plans shall be submitted to Ecology's Water Resources Program, Central Region Office by March 15 of each year.

17. This Temporary Change Authorization shall in no way excuse the permittee from compliance with any applicable federal, state, or local statutes, ordinances, or regulations including those administered by other programs of the Department of Ecology.

You have a right to appeal this decision. To appeal this you must:

- File your appeal with the Pollution Control Hearing Board within 30 days of the "date of receipt" of this document. Filing means actual receipt by the Board during regular office hours.
- Serve your appeal on the Department of Ecology within 30 days of the "date of receipt" of this document. Service may be accomplished by any of the procedures identified in WAC 371-08-305(10). "Date of receipt" is defined at RCW 43.21B.001(2).

Be sure to do the following:

- Include a copy of this document that you are appealing with your Notice of Appeal.
- Serve and file your appeal in paper form; electronic copies are not accepted.

1. To file your appeal with the Pollution Control Hearings Board:

Mail appeal to:	OR	Deliver your appeal in person to:
The Pollution Control Hearings Board PO Box 40903 Olympia WA 98504-0903		The Pollution Control Hearings Board 4224 – 6th Ave SE Rowe Six, Bldg 2 Lacey WA 98503

2. To serve your appeal on the Department of Ecology:

Mail appeal to:	OR	Deliver your appeal in person to:
The Department of Ecology Appeals & Application for Relief Coordinator PO Box 47608 Olympia WA 98504-7608		The Department of Ecology Appeals & Application for Relief Coordinator 300 Desmond Dr SE Lacey WA 98503

3. And send a copy of your appeal packet to:

   Mark C. Schuppe, Section Manager
   Water Resources Program, Dept. of Ecology
   Central Region Office
   15 W Yakima Ave Ste 200
   Yakima WA 98902-3452

For additional information visit the Environmental Hearings Office Website: http://www.eho.wa.gov
To find laws and agency rules visit the Washington State Legislature Website: http://www.leg.wa.gov/CodeReviser

Sincerely,

Mark C. Schuppe, Section Manager
Water Resources Program

MCS:KW:gg/091052

Enclosures: Your Right To Be Heard
Water Measuring Requirements

Certified Mail:7007 2560 0001 9534 6443

cc: Lois Trevino, Administrator, Environmental Trust, Colville Confederated Tribes
Susan Burgdorff-Beery, Water Resources Program, Dept. of Ecology (email)