AMENDED

№ 45747

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

Date of filing in State Engineer's Office JUN 2 1982

Returned to applicant for correction AUG 1 1 1982

Corrected application filed OCT 1 2 1982

Map filed OCT 1 2 1982

The applicant MARSHALL EARTH RESOURCES, INC.

1 East Liberty Street, Suite 612 (Street and No. or P.O. Box No.), of Reno, (City or Town),

Nevada 89501 (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 Texas, July 2, 1975; qualified to do business in Nevada on December 3, 1979.

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 2.5 (One second-foot equals 448.83 gals. per min.) second-feet

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

3. The water to be used for mining, milling and domestic (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 NW¼ SW¼ Section 34, T13N, R39E, MDM or at a point from which the NE corner of Section 1, T12N, R38E, MDM bears S 83°41'28" W a distance of 16,880 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 Within the NE¼ Section 33, T13N,R39E and the S½ SW¼ SE¼ NW¼, NW¼ NE¼ SW¼, NW¼ SW¼, and portion of N½ N½ SW¼ SW¼, in Section 34, T13N, R39E,MDM. (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day), 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, pump, motor, pipeline, and 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.)

9. Estimated cost of works $50,000

10. Estimated time required to construct works: One year
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use: 3 years

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

Water will be utilized in conjunction with other permits held by the applicant. Estimated mining acreage consumptive use is 10,000 gallons of makeup water per day, 365 days per year.

By s/Clark Ronald Hancock
Clark Ronald Hancock
950 Industrial Way
Sparks, Nevada 89431

Compared js/bl js/bc

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 source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

(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 2.5 cubic feet per second, but not to exceed 3.65 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 28, 1987

Proof of completion of work shall be filed before September 28, 1987

Application of water to beneficial use shall be made on or before August 28, 1990

Proof of the application of water to beneficial use shall be filed on or before September 28, 1990

Map in support of proof of beneficial use shall be filed on or before

Completion of work filed

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

IN TESTIMONY WHEREOF, I PETER G. MORROS, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 28th day of August, A.D. 19 85

Peter G. Morros
State Engineer

218 (Rev.)

WITHDRAWN BY APPLICANT OCT 06 1993

STATE ENGINEER

(PERMIT TERMS CONTINUED)

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.

The total combined rate of diversion issued under Permits 35890, 44366, 44367, 45479, 45480, 45747, 46638 and 46639 shall not exceed 4.189 cubic feet per second.

The total combined duty of water under Permits 35890, 44366, 44367, 45479, 45480, 45747, 46638 and 46639 shall not exceed 65.18 million gallons annually.