ASSIGNED

SECOND AMENDED

№ 50508

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office JAN 12 1987

Returned to applicant for correction FEB 9 1987

Corrected application filed FEB 13 1987

Map filed FEB 13 1987

The applicant Freeport-McMoRan Gold Company

Mountain City Star Route (Street and No. or P.O. Box No.), of Elko (City or Town),

Nevada 89801 (State and Zip Code No.), 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.) January 29,1978

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

2. The amount of water applied for is 0.25 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/milling/dust suppression 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 SW¼ NE¼ Section 2, (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.) T.42N., R.53E., M.D.M., from which the SE corner of sec. 31, T.43N., R.54E., bears N.80°25'E., 13,157 ft. dist.

6. Place of use portions of: T.42N., R.53E.: Sec. 1: Lots 1, 2, 3, 4: S½ NW¼, SW¼; (Describe by legal subdivision. If on unsurveyed land, it should be so stated.) Sec. 2: all; Sec. 11: all; Sec. 12: W½, W½ E½. T.43N., R.53E.: Sec. 35: S½ SE¼; Sec. 36: SE¼ NE¼, SE¼, E½ SW¼, SW¼ SW¼. T.42N., R.54E.: Sec. 3: Lots 3 & 4; Sec. 4: Lots 1, 2, 3, 4; Sec. 5: Lots 5 & 6. T.43N., R.54E.: Sec. 31: S½ N½, S½; Sec. 32: S½ NW¼, S½; Sec. 33: S½ S½, NE¼ SE¼; Sec. 34: SW¼

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, pipelines, storage tank pump and motor. (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 $60,000

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

11. Estimated time required to complete the application of water to beneficial use five 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 from this source is to be used for dust suppression at the crusher location near the mine, and for dust suppression on the haul road to the mill site, for mine shop maintenance uses and domestic consumption, and to supply drilling machinery' in an exploration program. Estimated annual consumption: 55.2 ac-ft./year. (100 gpm x 60 min/hr x 12 hr/day x 250 days/year = 18,000,000 gal = 55.2 ac-ft)

By s/William A. Nisbet
William A. Nisbet, agent
421 Court Street
Elko, Nevada 89801

Compared bl/se pm/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 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.

The total combined duty of water under Permits 50508, 50509, 50672, 51163 and 51292 shall not exceed 273.7 million gallons annually.

(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 0.25 cubic feet per second, but not to exceed 38 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before January 29, 1989

Proof of completion of work shall be filed on or before February 29, 1989

Application of water to beneficial use shall be made on or before January 29, 1991

Proof of the application of water to beneficial use shall be filed on or before February 29, 1991

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 PETER G. MORROS State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of January, A.D. 19 88

Peter G. Morros
State Engineer

218 (Rev.)

Accepted By 53002 0.25

(PERMIT TERMS CONTINUED)

This permit is issued under the preferred use provisions of NRS Chapter 534. 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.