№ 51888

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

Date of filing in State Engineer's Office MAR 2 1988

Returned to applicant for correction

Corrected application filed

Map filed MAR 2 1988 under 51884

The applicant Rayrock Mines, Inc. D.B.A. Marigold Mining Co.

P. O. Box 9 (Street and No. or P.O. Box No.), of Valmy (City or Town),

Nevada 89438 (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.)

Rayrock Mines, Inc., A Nevada Corporation, November 17, 1970

1. The source of the proposed appropriation is Underground (Site #11) (Name of stream, lake, spring, underground or other source)

2. The amount of water applied for is 0.45 cfs (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 and Milling (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 NE¼ SE¼ of Section 8, T 33 N, R 43 E, MDB & M., at a point from which the NE corner of said Section 8 bears N 89° 45' 35" E, 3869.79 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 All of Sections 11, 13, 14, 24, 25, 36, SE¼ Section 12, T 34 N, R 42 E, MDB & M., All of Sections 1, 12, 13, 24, 25 & 36, T 33 N, R 42 E, MDB & M., Sec. 1, T 32 N, R 42 E, MDB & M., All of Sections 17, 19, 28, 29, 30, 31, 32, 33, W½, W½ SE¼, SE¼ SE¼ Sec. 18, W½, W½ SE¼, SE¼ SE¼ Sec. 20, T 34 N, R 43 E, MDB & M., All of Secs. 4,5,6,7,8,9,16,17,18,19,20,29,30,31,32, T 33 N, R 43 E, MDB & M., Sec. 5, W½ W½, NE¼ NW¼, NE¼, N½ SE¼, SE¼ SE¼ Sec. 6, T 32 N, R 43 E, MDB & M. (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.) Water is to be used for exploratory drilling of a mineral deposit. (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 $20,000

10. Estimated time required to construct works 3 years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 years

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

If the exploratroy drilling proves out an ore body, then these waters would be used for mining and milling of the ore body.

By s/ Duane V. Merrill
BOYACK SURVEYING
Duane V. Merrill
515 South Fifth Street
Elko, Nevada 89801

Compared pm/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 followng 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.

No perforations shall be put in the production casing from ground level to 100 feet.

(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 0.45 cubic feet per second, but not to exceed 106 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before July 22, 1989

Proof of completion of work shall be filed on or before August 22, 1989

Application of water to beneficial use shall be made on or before July 22, 1992

Proof of the application of water to beneficial use shall be filed on or before August 22, 1992

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 22nd day of July, A.D. 19 88

State Engineer

(O)-5314 (Rev.)

Abstracted by 58022

(PERMIT TERMS CONTINUED)

The total combined duty of water under Permits 51884, 51885, 51886, 51887 and 51888 shall not exceed 250 million gallons annually.

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.