

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

JUL 13 1988

Date of filing in State Engineer's Office.....

Returned to applicant for correction.....

Corrected application filed.....

Map filed.....

AUG 12 1988

The applicant..... N. A. Degerstrom, Inc......

N. 3303 Sullivan Road....., of Spokane.....
Street and No. or P.O. Box No. City or Town

Washington 99216....., hereby make S application for permission to appropriate the public
State and Zip Code No.

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.) a Spokane, Washington corporation. incorporated

July 7, 1959

1. The source of the proposed appropriation is groundwater
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 1 c.f.s. (cu. ft./second)..... second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet 70 acre-feet

3. The water to be used for domestic, mining and ancillary mining operations
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") open-pit mining and heap leach processing
of gold ore.

(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 NW¼ SW¼ Section 18; T25N; R47E;
Describe as being within a 40-acre subdivision of public

M.D.B. & M. at a point from which the NW corner of said Section 18 bears N 3°
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

33' 03" W, 3448.53 feet distance

6. Place of use Ne¼ of the SE¼ of the NE¼, Section 13; T25N; R46E; M.D.B. & M., Lander
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

County, Nevada

7. Use will begin about January 1st and end about December 31st, of each year.
Month and Day Month and Day

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 will be pumped directly from the well head to the mine site or will be pumped to reservoir & store for future use at the mine site.
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 \$15,000 (excluding pipeline)

10. Estimated time required to construct works years. The well will be 10-inch diameter; gravel-packed, with 17 feet of cemented surface casing and a submersible pump.

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

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use. Up to 400 acre feet/year will be used on a seasonal basis for a gold mining and heap leach operation and associated uses, such as dust suppression on haul roads. The principal use of the water will be as makeup water for the heap leach processing facility.

1) Heap leach operation: 260 gal/min., 10 mo./year = 350 acre ft./yr.

2) Dust Suppression: 48 acres at 1 acre foot/year = 48 acre feet/year

3) Domestic Use: 60 employees @ 25 gpd/employees = 2 acre feet/year

Total = 400 acre feet

s/ illegible

By N.A. Degerstrom, Inc.

N. 3303 Sullivan Rd.

Spokane, WA 99216

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 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 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 50572 and 52319 shall not exceed 66 million gallons annually.

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 (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 1.0 cubic feet per second, but not to exceed 66 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before September 14, 1990

Proof of completion of work shall be filed on or before October 14, 1990

Application of water to beneficial use shall be made on or before September 14, 1991

Proof of the application of water to beneficial use shall be filed on or before October 14, 1991

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

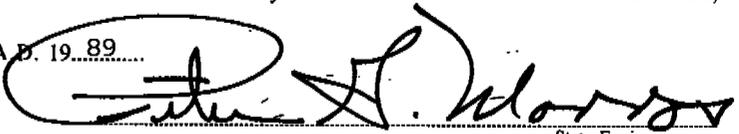
Completion of work filed NOV 13 1990

Proof of beneficial use filed OCT 14 1991

Cultural map filed _____

Certificate No. 13523 Issued NOV 23 1992

IN TESTIMONY WHEREOF, I PETER G. MORROS State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 6th day of July

A.D. 1989 
State Engineer

(PERMIT TERMS CONTINUED)

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.



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

JUL 13 1988

Date of filing in State Engineer's Office.....

Returned to applicant for correction.....

Corrected application filed.....

Map filed.....

AUG 12 1988

The applicant..... N. A. Degerstrom, Inc.

N. 3303 Sullivan Road, of Spokane, Washington 99216

State and Zip Code No. here by 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.) a Spokane, Washington corporation. incorporated

July 7, 1959

1. The source of the proposed appropriation is groundwater
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 1 c.f.s. (cu. ft./second) second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet 70 acre-feet

3. The water to be used for domestic, mining and ancillary mining operations
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") open-pit mining and heap leach processing of gold ore.

(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. NW¼ SW¼ Section 18; T25N; R47E;
Describe as being within a 40-acre subdivision of public

M.D.B. & M. at a point from which the NW corner of said Section 18 bears N 3° survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

33' 03" W, 3448.53 feet distance

6. Place of use. Ne¼ of the SE¼ of the NE¼, Section 13; T25N; R46E; M.D.B. & M., Lander
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

County, Nevada

7. Use will begin about January 1st and end about December 31st, of each year.
Month and Day Month and Day

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 will be pumped directly from the well head to the mine site or will be pumped to reservoir & store for future use at the mine site.
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 \$15,000 (excluding pipeline)

10. Estimated time required to construct works years. The well will be 10-inch diameter; gravel-packed, with 17 feet of cemented surface casing and a submersible pump.

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

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use. Up to 400 acre feet/year will be used on a seasonal basis for a gold mining and heap leach operation and associated uses, such as dust suppression on haul roads. The principal use of the water will be as makeup water for the heap leach processing facility.

1) Heap leach operation: 260 gal/min., 10 mo./year = 350 acre ft./yr.

2) Dust Suppression: 48 acres at 1 acre foot/year = 48 acre feet/year

3) Domestic Use: 60 employees @ 25 gpd/employees = 2 acre feet/year

Total = 400 acre feet

s/ illegible

By N.A. Degerstrom, Inc.

N. 3303 Sullivan Rd.

Spokane, WA 99216

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 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 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 50572 and 52319 shall not exceed 66 million gallons annually.

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 (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 1.0 cubic feet per second, but not to exceed 66 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before September 14, 1990

Proof of completion of work shall be filed on or before October 14, 1990

Application of water to beneficial use shall be made on or before September 14, 1991

Proof of the application of water to beneficial use shall be filed on or before October 14, 1991

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

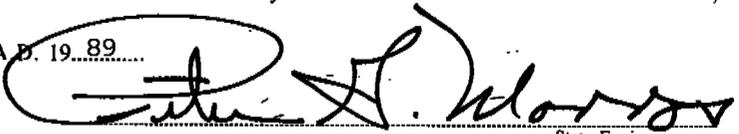
Completion of work filed NOV 13 1990

Proof of beneficial use filed OCT 14 1991

Cultural map filed _____

Certificate No. 13523 Issued NOV 23 1992

IN TESTIMONY WHEREOF, I PETER G. MORROS State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 6th day of July

A.B. 19 89  State Engineer