

AMENDED

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

Date of filing in State Engineer's Office... JAN 05 1989
Returned to applicant for correction... JAN 31 1989
Corrected application filed... FEB 23 1989
Map filed... FEB 23 1989 under 52847

The applicant... U.S.N.G.S.
P.O. Box 10877, Reno, Nevada 89510

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.) GEXA Gold Corporation, N.A. Degerstrom, Inc. and U.S. Precious Metals, Inc.

1. The source of the proposed appropriation is... underground

2. The amount of water applied for is... 2.0 second-feet

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

3. The water to be used for... mining, milling, and domestic

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")... see No. 12

(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 SE 1/4 NE 1/4, Sec. 20, T.12S., R.48E., M.D.B.&M. (unsurveyed) at a point from which the NW corner of Sec. 4, T.12S., R.48E., M.D.B.&M. (unsurveyed) bears N. 00° 49' 41" E., a distance of 18,014.49 feet.

6. Place of use... see Exhibit "A" attached

7. Use will begin about... January 1 and end about... December 31, 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, submersible pump, electric motor, storage reservoir and distribution system.

9. Estimated cost of works... \$100,000

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

11. Estimated time required to complete the application of water to beneficial use..... four 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 used for heap leach and flotation mill. Water conservation measures will be utilized. Water to be commingled with application 51555, 51556, 51557, 52847, 52848, and 52849. Total consumptive use not to exceed 800 acre-feet per year.

By /s/ Forrest L. Fox
Forrest L. Fox
Hydro-Search, Inc., 333 Flint Street
Reno, Nevada 89501

Compared..... kh/ se bp/se

Protested March 20, 1989 by Owen R. Williams, on behalf of the U.S. National Park.

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 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 duty of water under Permits 51555, 51556, 51557, 52847, 52848, 52849 and 52850 shall not exceed 130.34 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..... 2.0.....cubic feet per second.....but not to exceed 130.34 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 27, 1991

Proof of completion of work shall be filed on or before..... July 27, 1991

Application of water to beneficial use shall be made on or before..... June 27, 1993

Proof of the application of water to beneficial use shall be filed on or before..... July 27, 1993

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

Completion of work filed..... IN TESTIMONY WHEREOF, I..... PETER G. MORROS

Proof of beneficial use filed..... State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 22nd day of September

Cultural map filed.....

Certificate No..... Issued.....

A.D. 19 89

[Signature of Peter G. Morros]
State Engineer

JUL 17 1991
[Signature]
STATE ENGINEER

(PERMIT TERMS CONTINUED)

This permit is issued subject to the conditions in the State Engineer's Ruling No. 3614 dated June 15, 1989 and also to the Water Supply Well Field Monitoring Plan dated June 30, 1989.

Application 52850

Place of Use Exhibit "A"

T11S R48E

Portion of SE 1/4 Section 20; S 1/2 Section 21; Section 28;
E 1/2, SW 1/4, Portion of NW 1/4 of Section 29; E 1/2 SE 1/4,
SE 1/4 NE 1/4 Section 30; E 1/2 E 1/2 Section 31; Section 32;
Section 33.

T12S R47E

S 1/2 S 1/2 Section 1; N 1/2 Section 12

T12S R48E

Section 4; Section 5; South 1/2, South 1/2 N 1/2 Portion of
N 1/2 N 1/2 Section 6; Section 7; Section 8; Section 9;
Section 16; Section 17; North 1/2 Section 18; Portion of the
SE 1/4, Portion of the SW 1/4, of Section 19; Section 20;
Section 21; Portion of the NE 1/4, NW 1/4, Portion of the
SW 1/4 of Section 28; East 1/2, E 1/2 W 1/2 Portion of W 1/2
W 1/2 of Section 29; Portion of NW 1/4, Portion of NE 1/4,
Portion of SE 1/4 of Section 30.