№ 53107

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

Date of filing in State Engineer's Office APR 06 1989

Returned to applicant for correction MAY 03 1989

Corrected application filed

Map filed

The applicant New Gold, Inc.

1325 Airmotive Way #175A (Street and No. or P.O. Box No.), of Reno (City or Town),

Nevada 89502 (State and Zip Code No.), hereby make 1 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.)

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 Two (2) second-feet (One second-foot equals 448.83 gals. per min.)

   (a) If stored in reservoir give number of acre-feet 5 medium size reservoirs (2 acre feet)

3. The water to be used for Mining (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 SW¼ of NE¼, Sec. 15, T.32N., R.32E, M.D.B.& M, commencing from the (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.) source, 4000 ft bearing S.65E from NW corner Sec. 15 monument adjoining Sec. 9,10,16; This source is further described as being 5100 ft bearing N47E from SW corner monument of Sec. 15 adjoining Sec. 16, 21, 22.

6. Place of use Sections 3,5,8,9,17,16,15, 19,21,22,29,28,27,31,33, T32N., R32.E. (unsurveyed) (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 may be piped of hauled from its source to the operating sites (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 Well drilling, casing, pump installment etc.$100,000

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

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

The medium size reservoirs will be used for settling and recycling purposes during the mining/milling of placer deposits

By /s/ William E Nork
William E. Nork, Inc.
1026 W. First Street
Reno, Nevada 89503

Compared kh/se

Protested

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:

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed cubic feet per second

Work must be prosecuted with reasonable diligence and be completed on or before

Proof of completion of work shall be filed on or before

Application of water to beneficial use shall be made on or before

Proof of the application of water to beneficial use shall be filed on or before

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 State Engineer of Nevada, have hereunto set my hand and the seal of my office, this day of , A.D. 19

State Engineer

(O)-5314 (Rev.)

MAY 24 1989

WITHDRAWN BY APPLICANT

STATE ENGINEER