№ 53238

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office MAY 5 1989

Returned to applicant for correction MAY 31 1989

Correction application filed

Map filed JUN 8 1989 under 53227

The applicant Nevada Gold Mining, Inc.

P.O. Box 1820 (Street and No. or P.O. Box No.), of Winnemucca (City or Town),

Nevada 89445 (State and Zip Code No.), hereby make s 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.) July 25, 1985; Delaware

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 6.0 c.s.f. (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 dewatering, mining, milling 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" dewatering, mining, milling and domestic

   (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 SE¼ of Section 21, T. 40 N., R. 35 E., M.D.B & M. or at a point from which the S¼ corner of Section 21 bears S. 17° 57' 36" W. 2084.11 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 16 & 21, T. 40N., R. 35E., M.D.B & M. (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)

7. Use will be begin about January 1st (Month and Day) and end about December 31st (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.) wells, pumps, motors, pipelines, and mining and milling operation (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 $500,000

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 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.

See Attached

By s/not legible
P.O. Box 1820
Winnemucca, NV 89445

Compared cc/pm bp/ct

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 place 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.

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

(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 6.0 cubic feet per second.

Work must be prosecuted with reasonable diligence and be completed on or before June 19, 1991

Proof of completion of work shall be filed before July 19, 1991

Application of water to beneficial use shall be filed on or before June 19, 1993

Proof of the application of water to beneficial use shall be filed on or before July 19, 1993

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 21st day of November A.D. 89

State Engineer

WITHDRAWN BY APPLICANT NOV 16 1998

STATE ENGINEER

(PERMIT TERMS CONTINUED)

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.

The issuance of this permit will allow the permittee to dewater the pit area. The water diverted from this well during the dewatering stage will be placed in such a manner as to allow for percolation back to the ground water source.

Monthly reports covering and including the rate of diversion and the total volume from this dewatering well shall be supplied to the State Engineer.

The permittee shall discharge water in a manner designed to conserve the resource. All disposal sites shall be first approved by the State Engineer.

After the dewatering of the pit area the water diverted will be used for mining, milling and domestic purposes.

The total diversion rate under Permits 50386, 50387, 50388, 50389, 50390, 50876, 50877, 50878, 50879, 50880, 50881, 50882, 50883, 50885, 50886, 50887, 50888, 50889, 51284, 51449, 51450, 51772, 51822, 51823, 51824, 51825, 51826, 52340, 53227, 53228, 53229, 53230, 53231, 53232, 53233, 53234, 53235, 53236, 53237 and 53238 shall not exceed 32.00 c.f.s. (14,360 gallons per minute).

This permit is issued with the understanding that the permittee will proceed with good faith and reasonable diligence to locate a suitable site for groundwater injection into the same acquifer that is the source of withdrawal under this permit.

12. This is a request to add 12, 40 acre permits to the existing permits: 50386 thru 50390, 50876 thru 50883, 50885 thru 50889, 51284, 51449, 51450, 51772, 51822 thru 51826 and 52340. All of these permits are within Sections 16 and 21, T.40N., R.35E., M.B.D.& M. The total diversion rate collectively shall not exceed 32.02 c.f.s. This water will be used for mining, milling, domestic and dewatering purposes at the existing operation. More than one well may be drilled in each 40 acre permit.