№ 54761

ASSIGNED

AMENDED

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

Date of filing in State Engineer's Office MAY 15 1990

Returned to applicant for correction

Corrected application filed MAY 25 1990

Map filed MAY 25 1990 under 54759

The applicant Lone Tree Mining, Inc.

Box 27019 (Street and No. or P.O. Box No.), of Albuquerque (City or Town),

New Mexico 87125 (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.) Delaware 2/21/90

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 5.0 c.f.s. (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, 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") 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 NW¼ SE¼ of Section 11, T34N., R.42E. (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.) M.D.B.&M., or at a point from which the SE corner of said Section 11 bears S 45° 56' 15" E a distance of 3,231.20 feet.

6. Place of use Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23 and 27 T.34N., R.42E. (Describe by legal subdivision. If on unsurveyed land, it should be so stated.) M.D.B.&M. and the south half of the NE¼, and the north half of the SE¼, Section 29 T.35N., R.43E. M.D.B.&M.

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.) Well casing, pump and distribution system (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 $100,000.00

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 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.

Water will be used in a mining and milling complex. Water from this application to be comingled with water from applications No. 54759 through No. 54764, for a combined annual duty of 3, 620 acre feet.

s/Forrest L. Fox
By Forrest L. Fox, Agent
Hydro-Search, Inc
5250 S Virginia St, Ste 280 Reno, NV 89502

Compared pm/ bp am/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 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 54247, 54873-T, 54759, 54760, 54761, 54762, 54763 and 54764 shall not exceed 1024.5 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 5.0 cubic feet per second, but not to exceed 1024.5 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before May 25, 1992

Proof of completion of work shall be filed on or before June 25, 1992

Application of water to beneficial use shall be made on or before May 25, 1993

Proof of the application of water to beneficial use shall be filed on or before June 25, 1993

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

Completion of work filed MAY 5 - 1992

Proof of beneficial use filed JUL 24 1996

Cultural map filed

Certificate No. 14565 Issued APR - 9 1997

IN TESTIMONY WHEREOF, I R. MICHAEL TURNIPSEED, P.E. State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 17th day of October, A.D. 19 90

R. Michael Turnipseed P.E.
State Engineer

(O)-5314 (Rev.)

Abrogated By 57676T 2.4cfs exp 5-31-95
59064T 2.5 exp 8-29-94
59292T exp 9-30-94
60262T 3.9 port 60293 3.9
exp 8/17/95

(PERMIT TERMS CONTINUED)

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, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

Any water obtained under Permits 54247, 54873-T, 54759, 54760, 54761, 54762, 54763 and 54764 as a result of the dewatering program by the permittee shall be used first for mining, milling, heap leaching, drilling, road water and other related mining and milling uses within the places of use as described.

Any excess water from the dewatering program not utilized for mining and milling purposes must be disposed of in a manner approved by the State Engineer.

A monitoring plan must be submitted to the State Engineer for approval prior to any dewatering or within 30 days from the issuance of this permit.

A monthly report shall be submitted to the State Engineer within 10 days from the end of the month which shall include the amount of water pumped from each well, the amount of water used for mining and milling purposes, and all measurements required in the approved monitoring plan.

The State Engineer retains the right to regulate the pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights.