

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

Date of filing in State Engineer's Office JUL 08 1991
Returned to applicant for correction AUG 09 1991
Corrected application filed AUG 22 1991
Map filed AUG 22 1991

The applicant WESTERN STATES MINERALS CORPORATION
4975 Van Gordon Street, of Wheat Ridge, Colorado 80033
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.) Incorporated in Utah, March 1976

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 0.67 CFS second-feet
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of 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 In the SW 1/4 of the SW 1/4 Section 35,
Describe as being within a 40-acre subdivision of public

T.26N., R.56E., M.D.B.&M. or at a point from which the Southwest corner section survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

35 T.26N., R.56E., M.D.B.&M. Bears S 21 28'42" W a distance of 840.87 feet.

6. Place of use SW 1/4 sec. 35, SE 1/4 NW 1/4 sec. 35, SW 1/4 NE 1/4 sec. 35, W 1/2 SE 1/4 Sec. 35 T.26N.
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

R.56E. M.D.B.&M. SE 1/4 SE 1/4 sec. 34, T.26N., R.56E., M.D.B.&M. NE 1/4 NE 1/4 sec. 3

T.25N., R.56E., M.D.B.&M. N 1/2 NW 1/4 sec. 2 T.25N., R.56E., M.D.B.&M.

7. Use will begin about Jan. 1 and end about Dec. 31, 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.) Drilled well with pump size suited to support application.
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 50,000 US dollars

10. Estimated time required to construct works..... Four Months
If well completed, describe works.

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

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

This is an amended application for application serial No. 56518 Mining;

Gold heap leaching process, dust control of crushing plant and roads.

Projected consumption is 218 acre-feet per year

By..... s/Redford McDougall
84 Glen Carran Circle
Sparks, Nevada 89431

Compared..... bc/bc 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 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 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.
(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..... 0.67cubic feet per second..... but not to exceed 123,331
million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... May 6, 1993

Proof of completion of work shall be filed on or before..... June 6, 1993

Application of water to beneficial use shall be made on or before..... May 6, 1995

Proof of the application of water to beneficial use shall be filed on or before..... June 6, 1995

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

Completion of work filed..... IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.

Proof of beneficial use filed..... State Engineer of Nevada, have hereunto set my hand and the seal of my

Cultural map filed..... office, this 6th day of May,

Certificate No..... Issued..... A.D. 19.....92.....

[Handwritten Signature]
State Engineer

CANCELLED AUG 05 1996 **BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT**
[Handwritten Signature] STATE ENGINEER

(PERMIT TERMS CONTINUED)

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

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 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.

A monthly report shall be submitted to the State Engineer within 10 days from the end of each month which shall include the amount of water pumped from each well and the amount of water used.