

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

Date of filing in State Engineer's Office DEC 10 1991
 Returned to applicant for correction JAN 08 1992
 Corrected application filed JAN 16 1992
 Map filed JAN 16 1992 under 56987

The applicant Horizon Gold Corporation

1536 Cole Blvd. Suite 140, of Golden,
Street and No. or P.O. Box No. City or Town
Colorado 80401, hereby make^s application for permission to appropriate the public
State and Zip Code No.

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 March 12, 1980 in Colorado

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 4.0 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 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") XX

(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 unsurveyed SW 1/4 NW 1/4 Section 14, T23N, R35E MDB&M or at 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.
a point from which the USC&GS Benchmark 3411 (C-104) of (said) Section

14, T23N, R35E MDB&M bears S 17° 14' E a distance of 2714.22 feet.

6. Place of use Dewatering wells located within unsurveyed NW 1/4 of Section 14, T23N, R35E. Dewatering ditch located within unsurveyed Sections 14, 11, 12, 1, T23N, R35E. Infiltration Basins located within unsurveyed Section 1, T23N, R35E. See Map
Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin about January 1 and end about December 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 and cased wells, pumps, motors, pipelines, distribution system, storage pond; reclamation system, ditch to infiltration basins.
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 / well
10. Estimated time required to construct works Two (2) years
if well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use Five (5) 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 page.

By s/ W. Wright Parks III
s/ W. Wright Parks III
3100 Mill St. Suite 105
Reno, NV 89502

Compared jv/ my

Protsted _____

DENIAL OF STATE ENGINEER

deny

This is to certify that I have examined the foregoing application, and do hereby ~~grant~~ deny the same, subject to the following limitations and conditions:

Applications 55308 through 55314, inclusive, and 56987 through 56990, inclusive, are hereby denied on the grounds that the applicant failed to submit the data and information requested by the State Engineer's Office and that without this information the granting of the applications would be detrimental to the public interest.

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 before _____

Application of water to beneficial use shall be filed 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 _____

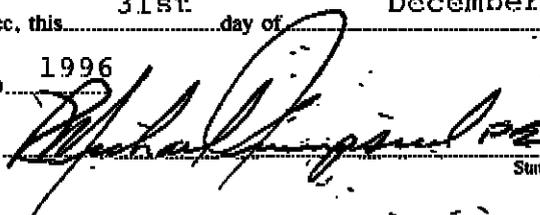
Cultural map filed _____

Certificate No. _____ Issued _____

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P. E.
State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this 31st day of December

A.D. 1996


State Engineer

Application for permit to appropriate the public
waters of the state of Nevada

Dixie Comstock Project

12. Remarks: This application forms part of a request to permit 4, 40 acre 1/4 1/4 sections. The permits will be operated in conjunction with existing permits, #55308 - 55314. The existing permits lie within the 4, 40 acre 1/4 1/4 sections. This issuing of these permits would allow processing and heap leaching of gold bearing ores associated with the development of this new mining project, the Dixie Comstock project. The permits would also allow dewatering for the safe operation of the Dixie Comstock pit. The total diversion rate from all permits collectively (including existing permits) shall not exceed 40 cfs. More than one well may be drilled in each 40 acre subdivision. A totalizing and instantaneous flow meter shall be installed on each well. This water will be used for mining, milling and dewatering processes. Excess water from the dewatering will be transported by gravity to groundwater recharge basins located approximately 11,000 feet to the north northeast of the Dixie Comstock pit. This will allow for percolation back to the groundwater source. Regular reports will be submitted to the State Engineer detailing the number of wells completed, collective and individual pumping rates, rates of drawdown, and the amount of water used in each of the process components.

