

(PERMIT TERMS CONTINUED)

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.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.



APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office JAN 17 1992

Returned to applicant for correction

Corrected application filed Map filed April 19, 1985 under 48996

The applicant Pegasus Gold Corporation

N. 9 Post Street, Suite 400 of Spokane Washington 99201

hereby make Application for permission to change the point of diversion

of water heretofore appropriated under Permit #50312

Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decree, give title of Decree and identify right in Decree.

(Intent is to change point of diversion from Permit #50312 to Permit #48997.

1. The source of water is underground

2. The amount of water to be changed 0.1 cfs

3. The water to be used for mining, milling and domestic

4. The water heretofore permitted for mining, milling and domestic

5. The water is to be diverted at the following point NE 1/4, NW 1/4 (Lot 2) Section 3, T.31 N., R.33 E. MDBM or at a point from which the SW corner of Section 3, T.31 N., R.33 E. MDBM bears S 23°15' W a distance of 4980 feet.

6. The existing permitted point of diversion is located within NE 1/4, NW 1/4 (Lot 2) Section 3, T.31 N., R.33 E. MDBM or at a point from which the SW corner of Section 3, T.31 N., R.33 E. MDBM bears S 23°15' W a distance of 5000 feet.

7. Proposed place of use Section 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38 & 39, T.31 N., R.33 E. MDBM

8. Existing place of use same

9. Use will be from January 1 to December 31 of each year.

10. Use was permitted from January 1 to December 31 of each year.

11. 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, pump, and pipeline to place of use.

12. Estimated cost of works \$75,000

13. Estimated time required to construct works Completed, 10 3/4" well drilled to 548 feet, totalizing meter in operation on pipeline.

14. Estimated time required to complete the application of water to beneficial use..... PUB submitted 11-9-89

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

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By..... /s Nancy L. Logue
P.O. Box 330
Imlay, NV 89418

Compared..... jv/ mv ab/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 to change the point of diversion of the waters of an underground source as heretofore granted under Permit 50312 is issued subject to the terms and conditions imposed in said Permit 50312 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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 the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. 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.

The total combined duty of water under Permits 48997, Certificate 13237; 48998, Certificate 13238; 48999, Certificate 13239; 49931, Certificate 13240; 53342, Certificate 13245; 57096, 57097 and 57098 shall not exceed 268 million gallons annually.

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 0.1 cubic feet per second, but not to exceed 10.68 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 14, 1994

Proof of completion of work shall be filed before..... July 14, 1994

Application of water to beneficial use shall be made on or before..... June 14, 1995

Proof of the application of water to beneficial use shall be filed on or before..... July 14, 1995

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

Completion of work filed..... JUN 02 1994

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..... 8th day of..... October

A.D. 19..... 93

R. Michael Turnipseed, P.E.
State Engineer