

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

Date of filing in State Engineer's Office AUG 28 1992

Returned to applicant for correction

Corrected application filed

Map filed MAR 02 1988 under 51884

The applicant Rayrock Mines, Inc., D.B.A. Marigold Mining Co.

P. O. Box 9, of Valmy, Nevada

89438, 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.)

Rayrock Mines, Inc., A Nevada Corporation, November 17, 1970

1. The source of the proposed appropriation is Underground

2. The amount of water applied for is 1.23 cfs second-feet

(a) If stored in reservoir give number of acre-feet

3. The water to be used for Mining and Milling

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 SW 1/4 SW 1/4 of Section 33, T34N, R43E,

MDB&M, at a point from which the SW corner of said Section 33, bears S 62°

55' 49" W. 1455.07 feet.

6. Place of use All of Sections 11, 13, 14, 24, 25, 36, SE 1/4 Section 12, T34N, R42E,

MDB&M., All of Sections 1, 12, 13, 24, 25, 36, T33N, R42E, MDB&M., Section

1, T32N, R42E, MDB&M., All of Sections 17, 19, 28, 29, 30, 31, 32, 33, W 1/2,

W 1/2 SE 1/4, SE 1/4 SE 1/4, Section 18, W 1/2, W 1/2 SE 1/4, SE 1/4 SE 1/4, Section 20, T34N, R43E, MDB&M.,

All of Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 29, 30, 31, 32, T33N,

R43E, MDB&M., Section 5, W 1/2 W 1/2, NE 1/4 NW 1/4, NE 1/4, N 1/2 SE 1/4, SE 1/4 SE 1/4, Section 6,

T32N, R43E, MDB&M.

7. Use will begin about January 1 and end about December 31, 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 and Pipelines

flumes, drilled well with pump and motor, etc.

- 9. Estimated cost of works \$50,000
- 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 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:

Please use the map to accompany Permit No. 51884 for this application.
The annual consumptive use of this application will be 289,080,000 gallons.

HIGH DESERT Engineering, Agent
 Bys/Robert E. Morley
 Robert E. Morley
 515 South Fifth Street
 Elko, Nevada 89801

Compared bc/bc cl/cms
 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.

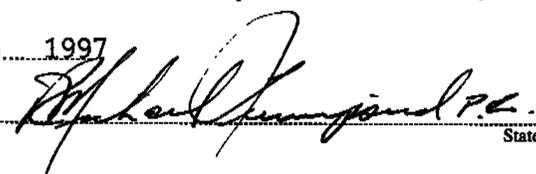
This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.
 (CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.23 cubic feet per second, but not to exceed 290.16 million gallons annually.

- Work must be prosecuted with reasonable diligence and be completed on or before July 22, 1998
- Proof of completion of work shall be filed before August 22, 1998
- Application of water to beneficial use shall be filed on or before July 22, 2000
- Proof of the application of water to beneficial use shall be filed on or before August 22, 2000
- Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed SEP 21 1998
 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 2nd day of July

A.D. 1997

 State Engineer

(PERMIT TERMS CONTINUED)

The total combined duty of water under Permits 51463, 51884, 51886, 58020, 58021, 58022, 58023 and 58024 shall not exceed 828.64 million gallons annually.

Permits 58023 and 58024 are issued with the understanding that the permittee will negotiate in good faith with Lone Tree Mining Company to utilize substitutive water from Lone Tree Mining Company's pit dewatering. Acceptance of any substitutive water from Lone Tree Mining Company or any successors will not, in any way, jeopardize the water rights issued under Permits 51463, 51884, 51886, 58020, 58021, 58022, 58023 and 58024 and any subsequent changes made to these permits.

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 groundwater basin.

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 the well and the amount of water used.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

