Serial No. 59074

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 JUL 29 1993

Returned to applicant for correction

Corrected application filed Map filed AUG 12 1993 under 59072

The applicant Cortez Joint Venture

Star Route, HC 66-50 (Street and No. or P.O. Box No.) of Beowawe (City or Town)

Nevada 89821-9708 (State and Zip Code No.) hereby makes application for permission to change the

point of diversion and place of use (Point of diversion, manner of use, and/or place of use)

of water heretofore appropriated under Permit #14521 (Certificate #4127) (Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

1. The source of water is underground (AW-1) (Name of stream, lake, underground spring or other source.)
2. The amount of water to be changed 0.90 c.f.s (Second feet, acre feet. One second foot equals 448.83 gallons per minute.)
3. The water to be used for Mining, milling and domestic (Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.)
4. The water heretofore permitted for Mining, milling, and domestic (Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.)
5. The water is to be diverted at the following point within the SW¼ SW¼ Section 32, T.28N., R.47E. MDM, from which the NW corner of said Section bears N. 8° 45' W., 4,953 ft. dist. (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 stated.)
6. The existing permitted point of diversion is located within the NE¼ NE¼ Section 33, T.28N., R.47E., MDM, at a point from which the NE corner of said Section 33 bears N. 37° 18' E., a distance of 1,571 feet. (If point of diversion is not changed, do not answer.)
7. Proposed place of use Sections 29,30,31, and 32, in T.28N., R.47E., MDM, and unsurveyed Sections 5,6,7, and 8, T.27N., R.47E., MDM. (Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.)
8. Existing place of use Lots 2,3,6, and 7 of Section 31, T.28N., R.47E., MDM (Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)
9. Use will be from January 1 (Month and Day) to December 31 (Month and Day) of each year.
10. Use was permitted from January 1 (Month and Day) to December 31 (Month and Day) 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 and cased well, equipped with motor, turbine pump, pipelines to storage tanks and to milling and related facilities. (State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes, or drilled well, etc.)
12. Estimated cost of works $150,000.00
13. Estimated time required to construct works five years

14. Estimated time required to complete the application of water to beneficial use ten years

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

Cortez Joint Venture has secured the above base right, subject of this change application, by assignment; it is proposed to first utilize this and other permitted rights, resulting in no net increase in groundwater withdrawals in the basin. This change application is for the development of the "Pipeline" mining project, within the described proposed place of use.

By s/William A. Nisbet
421 Court St.
Elko, Nevada 89801

Compared bc/bc ab/vw

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 and place of use of the waters of an underground source as heretofore granted under Permit 14521, Certificate 4127 is issued subject to the terms and conditions imposed in said Permit 14521, Certificate 4127 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.

(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 0.9 cubic feet per second, but not to exceed 651.6 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before June 28, 1996

Proof of completion of work shall be filed before July 28, 1996

Application of water to beneficial use shall be made on or before June 28, 1999

Proof of the application of water to beneficial use shall be filed on or before July 28, 1999

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

Completion of work filed SEP 0 2 1997

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 28th day of June, A.D. 19 94

R. Michael Turnipseed P.E.
State Engineer

(PERMIT TERMS CONTINUED)

This permit will allow for the dewatering of the pit area. Any water obtained as a result of this dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, road watering and other related mining and milling uses herein after referred to as mining and milling uses within the described place of use of this permit in an amount not to exceed 2367 acre-feet annually (1467 gallons per minute). This limit includes any evaporative and system losses.

Any water produced from this dewatering operation in excess of 2367.0 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin by shallow infiltration. The design of the infiltration site and the delivery system to the site shall be submitted to the State Engineer prior to any diversion of water to the infiltration site.

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 disposal of water from the dewatering project.

This permit is subject to the "Pipeline Gold Project, Groundwater and Surface Water Monitoring Plan" submitted to the State Engineer on August 2, 1993.

The State Engineer may require additional monitoring should conditions warrant such modification.

The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

A monthly report shall be submitted to the State Engineer within 15 days after the end of each month which shall include: the volume of water pumped from each well, the rate of diversion pumped from each well, the measurement of pumping water level (drawdown) from each well, the volume of water consumptively used for mining and milling uses, the amount of water diverted to the infiltration site, the amount of water evaporated both from the infiltration site and the delivery system to the infiltration site.

This permit incorporates the provisions of "Order Adopting Rules for Well Spacing and Modification of Regulations for Water Well and Related Drilling in the Southern Area of the Heretofore Designated Crescent Valley Ground Water Basin", entered October 6, 1993, Order Number 1082, on file in the office of the State Engineer.

The issuance of this permit is subject to the stipulation between Cortez Joint Venture and Lander and Pershing Counties dated May 21, 1993, on file in the office of the State Engineer under Permit 57133.

The total combined diversion rate under Permits 57133; 57134; 57135; 57136; 57137; 57138; 57139; 57140; 57141; 57142; 57143; 57144; 57145; 57146; 57147; 57148; 57798; 57799; 57800; 58366; 58368; 58370; 59072; 59073; 59074 and 59075 shall not exceed 67 c.f.s. (30,072 g.p.m.) and the total combined withdrawal of water under these permits shall not exceed 48506 acre-feet annually.

The State Engineer recognizes that this appropriation when combined with other permits causes a large cone of depression which may take the water levels many years to return to equilibrium (pre-development).