

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

--JUL 28 1994-- NEW PRIORITY DATE: FEB 25 2005

Date of filing in State Engineer's Office... Returned to applicant for correction... Corrected application filed... Map filed... under 49162

JAN 26 1985

The applicant Atlas Gold Mining Inc. 370 Seventeenth Street, Suite 3150 of Denver Colorado 80202

hereby make application for permission to change the place of use of water heretofore appropriated under Permit 51919

- 1. The source of water is Underground
2. The amount of water to be changed 1.0 cfs and 88.84 mga
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 within the NW 1/4 SW 1/4 Section 27, T22N, R49E, MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M bears N59° 59' 54"E a distance of 5396.67 feet.

6. The existing permitted point of diversion is located within

7. Proposed place of use within Sections 22, 23, 26, 27 NE 1/4 SE 1/4 Section 28 and Section 34, T22N, R49E, (as depicted on the map filed with the State Engineer's office on June 26, 1985, #51918); also portions of the following Sections 25 and 26, T22N, R49E, Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29, 30, T22N, R50E, Sections 33 and 34 T23N, R50E, (as depicted on the map filed with the State Engineer's office on December 19, 1989, #54094), all on the MDB&M.

8. Existing place of use Sections 22, 23, 26, 27 and Section 34, T22N, R49E, MDB&M

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 and cased well, submersible pump, electric motor, pipes and distribution system.

12. Estimated cost of works \$345,000

13. Estimated time required to construct works One Year

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

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

Water from this source will be commingled with water from other wells owned by permittee. The total combined duty of water under Permits 48444, 49162, 51918, 51919, 52196, 52197, 54093, and 54094 may not exceed 452.8 mga.

By S/ Ross E. de Lipkau
P.O. Box 2790
Reno, NV 89505

Compared cm/ do cl/cmg

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 place of use of the waters of an underground source as heretofore granted under Permit 51919 is issued subject to the terms and conditions imposed in said Permit 51919 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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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.

(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 1.0 cubic feet per second, but not to exceed 235.906 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before June 27, 1996
Proof of completion of work shall be filed before July 27, 1996
Application of water to beneficial use shall be made on or before June 27, 1997
Proof of the application of water to beneficial use shall be filed on or before July 27, 1997
Map in support of proof of beneficial use shall be filed on or before N/A

JUL 03 1996

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 23rd day of April
A.D. 1996

R. Michael Turnipseed P.E.
State Engineer

~~CANCELLED JAN 12 2005 BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT~~
Can. Rescinded 5/20/05
STATE ENGINEER
Sam

(PERMIT TERMS CONTINUED)

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 will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.