

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

Date of filing in State Engineer's Office. OCT 27 1994

Returned to applicant for correction.

Corrected application filed.

Map filed. OCT 27 1994

The applicant SANTA FE PACIFIC GOLD CORPORATION

250 South Rock Blvd., Suite 100, of Reno Nevada 89502

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.) December 26, 1885, Kansas

1. The source of the proposed appropriation is underground

2. The amount of water applied for is 0.11 (50 gpm) second-feet

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

3. The water to be used for Minerals Exploration

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" See No. 12

(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 NW 1/4 NW 1/4 Sec 7, T32N, R43E,

M.D.B. and M. or at a point from which the NW corner of said Section 7,

T32N, R43E, bears N15° 15' 39" W, a distance of 315.47'

6. Place of use. T33N, R42 E, S1/2 Sec 9, S1/2 Sec 10, S1/2 Sec 11, S1/2 Sec

12, Sec 13-16, Sec 21-28, Sec 33-36, T33N, R43E, S1/2 Sec 7, S1/2 Sec

8, S1/2 Sec 9, S1/2 Sec 10, Sec 15-22, Sec 27-34, T32N, R42E, Sec 1-4,

Sec 9-16, T32N, R43E, Sec 3-10, 15-18.

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.) Drill well, install casing, pump and stand pipe.

- 9. Estimated cost of works.....\$20,000.00
- 10. Estimated time required to construct works.....1 year
If well completed, describe works.
- 11. Estimated time required to complete the application of water to beneficial use.....3 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:
 This application requests water (60 acre feet/year) to be used for mineral exploration drilling, drill hole abandonment, and dust suppression.

By ~~250 South Rock Blvd., Suite 100~~ Reno, Nevada 89502
 s/ James A. Smithson

Compared iv/cm 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. 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.

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 (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 0.11 cubic feet per second, but not to exceed 60.0 acre-feet annually.

- Work must be prosecuted with reasonable diligence and be completed on or before..... May 25, 1998
- Proof of completion of work shall be filed before..... June 25, 1998
- Application of water to beneficial use shall be filed on or before..... May 25, 1999
- Proof of the application of water to beneficial use shall be filed on or before..... June 25, 1999
- Map in support of proof of beneficial use shall be filed on or before..... N/A

- 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 17th day of June, A.D. 1997
R. Michael Turnipseed P.E.
 State Engineer

AGENT WITHDRAWN BY APPLICANT JUN 11 2002
Turnipseed, P.E.
STATE ENGINEER
 (0)-2145 (Rev. 9-89)

(PERMIT TERMS CONTINUED)

be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

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 dewatering project.

The total combined diversion rate of Permits 54761, 54763, 56406, 56407, 56578, 56951, 57103, 57104, 58385, 58550, 59243, 59244, 59246, 59247, 59248, 59249, 59250, 59251, 59627, 59629, 60288, 60289, 60290, 60291, 60292, 60293, 60294, 60295, 60296, 60297, 60298, 60300, 60301, 60302, 60303, 60606, 60685, 61630-T, 61839-T, 62608, 62609, 62610, 62611, 62612, 62739-T, 62740-T, 62741-T, 62979-T, 62980-T, 62981-T, 62982-T, 62983-T, 62984-T, 62985-T, 62986-T, 62987-T, 62988-T and 62989-T will not exceed 49,400 gallons per minute or 110.06 cubic feet per second for mining, milling and dewatering purposes.

The total volume of water allowed to be diverted under the above mentioned permits and for the same purposes will not exceed 79,682.0 acre-feet annually.

The total combined consumptive duty for mining and milling purposes under the above permits and any changes of these permits must not exceed 6,047.0 acre-feet annually. An additional 10,646.0 acre-feet annually is authorized for substitutive uses.

The limits identified above include 1,576.0 gallons per minute (3.51 cubic feet per second) and 2,543.0 acre-feet annually for sole utilization at the Marigold Mine Project.

All water diverted but not used for mining or milling purposes will be discharged to the Iron Point Relief Canal via the aqueduct completed in June, 1993.

All water diverted will be measured and reported to the State Engineer on a monthly basis. The report will include the amount of water diverted from each well, the amount of water used for mining and milling purposes, and the amount discharged to the Iron Point Relief Canal. This report shall include the amount of water delivered to any other projects. This report must be submitted to the State Engineer within 15 days of the last day of the preceding month.

This permit is issued subject to the "Lone Tree Mining, Inc. Unified Monitoring Plan", March 27, 1993.

The State Engineer will retain the right to require additional monitoring over and above the monitoring required in the monitoring plan mentioned and also will retain the right to seek other disposal options of water discharged to the Iron Point Relief Canal. The State Engineer retains the right to regulate discharge based on flood considerations.

The permittee, on a schedule acceptable to the State Engineer, will prepare and present an update on the activities of the mine and the monitoring plan on a periodic basis, but not less than two times a year.

This permit also incorporates the provisions of Amended Order No. 1086, issued by the State Engineer on January 21, 1994.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

