

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

Date of filing in State Engineer's Office. MAR 03 1995

Returned to applicant for correction

Corrected application filed

Map filed. MAR 03 1995

The applicant. Rayrock Mines, Inc.

P.O. Box 2100, of Winnemucca

Nevada 89446, hereby make s 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 (Site 1)

2. The amount of water applied for is. 0.5 second-foot

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

3. The water to be used for. Mining, Milling, and Domestic

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. Within the NW 1/4 Sec 4 T 12S

R. 48E. M. D. B. & M. (Unsurveyed) at a Point From Which the NW Corner of Said

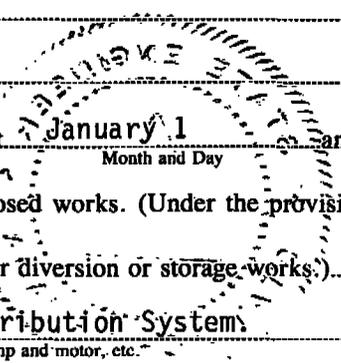
Sec. 4 Bears N. 39° 49' 39" W., a Distance of 4,332.19 Feet.

6. Place of use. SW 1/4 Sec. 12, SE 1/4 Sec. 12, Sec. 13, NE 1/4 Sec. 14, SE 1/4 Sec. 14, T. 12S., R. 47E.

M. D. B. & M. SW 1/4 Sec. 7, SE 1/4 Sec. 7, SW 1/4 Sec. 8, T12S., R48E., M. D. B. & M. (Unsurveyed)

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.) Drilled and Cased Well, Electric Motor, and Distribution System



9. Estimated cost of works.....\$300,000.....
10. Estimated time required to construct works..... 2 Years (Well Has Been Completed Under
If well completed, describe works.
..... Certificate #13786).

11. Estimated time required to complete the application of water to beneficial use..... 5 Years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:
Water to be Used for Mining, Heap Leaching and Precious Metals Recovery.
Water will be Commingled with Applications #60985, #60986, #60987, #60988, #60989, #60990, #60991, #60992, Certificate #13788. Total Consumptive Use will not Exceed 210.4 MM Gallons Annually.

By s/Michael Protani
P.O. Box 2100
Winnemucca, NV 89446

Compared jk/ gkl cl/cms
6/20/95 by; USDI-National Park Service 6/23/95 by; USDE-Yucca Mountain
Protested Pro. Overruled 4/23/96 Ruling No. 4327 Site

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 issued under the provisions of NRS 533.371 for a finite period of time. This permit will expire on January 1, 2008 and all rights herein will revert back to the source. 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.

(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 0.5 cubic feet per second, but not to exceed 362.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before August 8, 1998

Proof of completion of work shall be filed before September 8, 1998

Application of water to beneficial use shall be filed on or before January 1, 2008

Permit Expires

Proof of the application of water to beneficial use shall be filed on or before January 1, 2008

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

OCT 08 1998

Completion of work filed
Proof of beneficial use filed
Cultural map filed
Certificate No. Issued

IN TESTIMONY WHEREOF, I, MICHAEL TURNIPSEED, P. E.
State Engineer of Nevada, have hereunto set my hand and the seal of my
office, this 8th day of August
A.D. 98
State Engineer

(PERMIT TERMS CONTINUED)

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 Permit 51555 Certificate 13786; 52847 Certificate 13788; 60985; 60986; 60987; 60988; 60989; 60990; 60991, and 60992 shall not exceed 645.7 acre-feet annually.

The total combined diversion rate under the above referenced permits and any subsequent changes to these permits shall not exceed 4.94 cubic feet per second.

The above referenced water rights are issued subject to the letter of approval by the State Engineer dated August 8, 1996 of the "Monitoring Program for Groundwater Levels in Crater Flat, Southern Nevada". This monitoring plan dated November 15, 1995 was entered as a portion of Applicant's Exhibit A-5 at the hearing before the State Engineer on March 19, 1996. The State Engineer reserves the right to impose additional terms and conditions upon review and evaluation of data submitted as a result of the monitoring program.

Monthly records will be kept of the following: the volume of water pumped from each well and the volume of water consumptively used for mining and milling purposes projectwide. These records will be submitted within 15 days after the end of each month.

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

This permit is issued subject to the State Engineer's Ruling No. 4327 issued on April 23, 1996.

