

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. NOV 14 1995

Returned to applicant for correction.

Corrected application filed. 5-3-95 under 61201-T Map filed

The applicant F. M. G, Inc.

P.O. Box 220 of Golconda Nevada 89414

Street and No. or P.O. Box No. City or Town State and Zip Code No. hereby make application for permission to change the point of diversion, manner and place of use of a portion

Point of diversion, manner of use, and/or place of use Permit 51990

of water heretofore appropriated under 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

Name of stream, lake, underground spring or other source. 0.295 cFs; 69.592 million gallons/year

2. The amount of water to be changed. Second feet, acre feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining, milling, dewatering

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for mining, milling, 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. NW4NE4 S.33, T39N, R42E, MDM, at a

Describe as being within a 40-acre subdivision of public survey and by course and point from which the NE Cor. of said S.33 bears N63° 14' 41" E,

distance to a section corner. If on unsurveyed land, it should be stated. 2148.44 FT. distant, from a well known as DW-1.

6. The existing permitted point of diversion is located within NW4NE4S.8, T38N, R43E,

If point of diversion is not changed, do not answer. MDM, or at a point from which the north 1/4 Corner of said Section

8 bears N07° 41' 40" W, a distance of 803.83 feet (See map on file under permit # 28757)

7. Proposed place of use within Sections 21,22,23,26,27,28,29,

Describe by legal subdivisions. If for irrigation state number of acres to be irrigated. 32,33,34, in T39N, R42E,MDM; and within Sections 3,4,9,10 in

T38N, R42E, MDM.,

8. Existing place of use Portions of E2 SW4, W2SE4,SE4NW4, SW4NE4, NE4NE4 of

Section 27, T 39N, Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or R42E, MDM; a portion of E2SE4 Section 22, T39N,R42E,MDM;a portion

manner of use of irrigation permit, describe acreage to be removed from irrigation. of NW4NW4 Section 26, T39N, R42E, MDM, and a portion of the SW1/4SW1/4

Section 23 all of T39N,R42E,MDM.

9. Use will be from January 1 to December 31 of each year.

Month and Day Month and Day

10. Use was permitted from January 1 to December 31 of each year.

Month and Day Month and Day

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.) Install a nominal 2400 foot deep

well. 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. \$600,000

13. Estimated time required to construct works. 6 months

10 years

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

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

See map under 61201-T (prop.POD,POU); See map under 28757 (exist. POD,POU). This permit will replace temporary permit 61201T.

Compared jp/gkl cl/bk

By s/ John Barta
P.O. Box 220
Golconda, NV 89414

Protested 02/27/96, by LaVar Murdock, owner of Adams Peak Properties

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, place of use and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 51990 is issued subject to the terms and conditions imposed in said Permit 51990 and with the understanding that no other rights on the source will be affected by the change proposed herein. 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. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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.

This permit will allow the permittee to dewater the pit area and underground mining operations. It is understood that any water pumped as a result of this dewatering operation will be used first by the permittee for surface and underground (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 0.295 cubic feet per second, but not to exceed 69.592 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before February 30, 1997

Proof of completion of work shall be filed before March 30, 1997

Application of water to beneficial use shall be made on or before February 30, 1998

Proof of the application of water to beneficial use shall be filed on or before March 30, 1998

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

Completion of work filed MAR 13 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 3rd day of May

A.D. 19 96
R. Michael Turnipseed, P.E.
State Engineer

Abrogated By: 62106-T 0.295 5/6/97
61690-0.295

(PERMIT TERMS CONTINUED)

mining, milling, leaching, drilling, road watering and other related mining uses hereinafter referred to as mining and milling uses within the described place of use of this permit.

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. Any water produced from this dewatering operation and not used for mining and milling purposes must be injected or infiltrated back to the Kelley Creek Groundwater Basin. The method of infiltration shall be designed to minimize any evaporation losses. Any injection or infiltration of water must have the necessary permits issued by the Nevada Division of Environmental Protection.

This permit does not extend the permittee the right of ingress and egress on public, private, or corporate land.

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 relating to the dewatering project.

The total combined duty of water for consumptive purposes under Permits 28758, Certificate 13803; 45730, Certificate 13805; 45731, Certificate 13806; 45732, Certificate 13807, 49815, Certificate 13809; 51990, 52476, Certificate 13817; 53015; 53030; 58406; 58408; 61546; 61557-T; 61558-T; 61559-T; 61601; 61602; 61603; 61604; 61605; 61667-T; 61686; 61688; 61689; 61690 and 61862-T shall not exceed 1034.0 million gallons annually.

The total combined diversion rate under the above referenced permits and any subsequent changes to these permits shall not exceed 15.60 cubic feet per second (7,000 gallons per minute).

Monthly records will be kept of the following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling uses project wide, the amount of water discharged to infiltration or injection and the water level (static or pumping) of each permitted well and monitoring wells HL-1, DM-3, MW-16, MW-17 and MW-18. These records will be submitted within 15 days after the end of each month. A method that estimates the amount of evaporative losses from the discharge system will be submitted with the monthly report. The evaporative losses will be considered as a part of the combined duty for consumptive purposes.

All flow measurements taken at those locations described in Covenant 2.3 (Flow Measurement) of the Water Resources agreement between FirstMiss Gold, Inc. and LaVar Murdock, dba Adams Peak Properties dated February 27, 1996, shall be reported in the above monthly report.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.