Serial No. 61798

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 JAN 12 1996

Returned to applicant for correction

Corrected application filed Map filed JAN 12 1996 existing POU 9/3/92 under 58041

The applicant Santa Fe Pacific Gold Corporation

P.O. Box 69 (Street and No. or P.O. Box No.) of Golconda (City or Town)

Nevada 89414 (State and Zip Code No.) hereby make.... application for permission to change the

Point of Diversion, Place of Use and Manner of Use of a Portion (Point of diversion, manner of use, and/or place of use)

of water heretofore appropriated under 58042 (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.)
2. The amount of water to be changed 3.15 cfs (Second feet, acre feet. One second foot equals 448.83 gallons per minute.)
3. The water to be used for Dewatering, mining, milling and domestic purposes (Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.)
4. The water heretofore permitted for Mine Dewatering (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 SW¼ SE¼ Section 19, Township 39N., Range 43E., M.D.B.&M., or at a point from which the NE corner of said Section 19, Township 39N., Range 43E., M.D.B.&M. bears N.21°21'55" E. a distance of 5,722.14 feet. (DW-16) (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 NE¼ SE¼ Section 19, Township 39N., Range 43E., M.D.B.&M. or at a point from which the NE corner of said Section 19, Township 39N., Range 43E., M.D.B.&M. bears N.19°08'E. a distance of 4,075.0 feet. (If point of diversion is not changed, do not answer.)
7. Proposed place of use See Attachment "A" and Place of Use Map (Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.)
8. Existing place of use Sections 19, 20, 21, 28, 29, 30, 31, 32, 33 of Township 39N., Range 43E., M.D.B.&M. (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.) Well, pump, motor, distribution system (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 $400,000.00
13. Estimated time required to construct works 16-inch casing diameter, completed to a depth of 1,200 feet

14. Estimated time required to complete the application of water to beneficial use 3 years

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

This Change Application is filed to satisfy the annual reporting requirement of Order #1087 Adopting Rules for Well Spacing and Modification of Regulations For Water Well and Related Drilling (January 1990) in the Northern Portion of the Heretofore Designated Kelley Creek Ground Water Basin (4-66) Humboldt County, Nevada.

By s/ Rich Haddock
SFPGC- Twin Creeks Mine
P.O. Box 69
Golconda NV 89414

Compared ds/ bk 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 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 58042 is issued subject to the terms and conditions imposed in said Permit 58042 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. It is understood that any water pumped as a result of the production and dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, road watering and other related mining uses hereinafter referred to as mining and milling uses within the described place of use on this permit.

(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 3.15 cubic feet per second.

Work must be prosecuted with reasonable diligence and be completed on or before May 26, 1997

Proof of completion of work shall be filed before June 26, 1997

Application of water to beneficial use shall be made on or before May 26, 1998

Proof of the application of water to beneficial use shall be filed on or before June 26, 1998

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

JUN 19 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 12th day of June, A.D. 19 96.

State Engineer

(PERMIT TERMS CONTINUED)

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 pumped and not used for mining and milling purposes shall be injected back to the Kelley Creek Groundwater Basin.

The design of the infiltration system or other disposal method and the delivery system to the site shall be submitted to the State Engineer for approval prior to any diversion of water. The permittee shall discharge water in a manner to achieve maximum conservation of the water resource. It is understood that this right must allow for a reasonable lowering of the static water level.

The State Engineer will retain the right to require additional monitoring including; water levels in observation and monitor wells and of the flow rates of surface sources. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis, but not less than two times per year.

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

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 duty of water for consumptive purposes under Permits 49633, 49634, 50853, 50854, 52046, 52048, 52049, 52050, 52051, 58042, 58043, 58044, 58045, 60048, 60049, 60050, 60051, 60052, 60053, 60054, 60055, 60056, 60057, 61132, 61133, 61134, 61135, 61136, 61137, 61138, 61140, 61141, 61142, 61143, 61144, 61798, 61799, 61800, 61801, 61802, 61803 and 61804 shall not exceed 6,121.0 acre-feet annually. The total combined diversion rate of the above referenced permits shall not exceed 30.75 cubic feet per second on an instantaneous basis.

This permit is issued subject to, and also incorporates the terms and conditions in the State Engineer's Order No. 1087, Order Adopting Rules For Well Spacing and Modification of Regulations For Water Well and Related Drilling (January, 1990) In The Heretofore Designated Kelley Creek Ground Water Basin (4-66), dated December 30, 1993, on file in the office of the State Engineer.

This permit is issued subject to and also incorporates the terms and conditions set forth in the State Engineer's Ruling No. 3606, dated May 19, 1989.

This permit is issued subject to Stipulation to Withdraw Protests of Lavar Murdock to Application Nos. 58041-58044, inclusive, dated October 14, 1994, and further issued subject to Amendment to Stipulation to Withdraw Protests dated December 21, 1994, on file in the office of the State Engineer in 58041.

Monthly records will be kept of the following: The volume of water pumped from each well, the measurement of pumping water level (drawdown) from each production well and each monitoring well, the volume of water consumptively used for mining and milling uses projectwide, and the amount of water discharged for infiltration. These records will be submitted within 15 days after the end of each calendar quarter. A method that estimates the amount of evaporative losses from the discharge system shall be submitted with the monthly report. The evaporative losses will be considered as part of the combined duty for consumptive purposes.

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

ATTACHMENT A

7. Proposed place of use;

T.38 N., R.43 E.: Sections 4, 5, 9 and 15;

T.39 N., R.42 E.: Section 24, part Sections 1, 2, 13, 12;

T.39 N., R.43 E.: Sections 3-10, 15-21, 28-33, part Sections 2, 11, 14, 22;

T.40 N., R.42 E.: Sections 13, 24, 25, 36, part Sections 1, 12, 14, 23, 26, 35;

T.40 N., R.43 E.: Sections 5-8, 14-23, 26-34, part Sections 4, 9-11, 35;

T.41 N., R.42 E.: part Sections 35, 36;

T.41 N., R.43 E.: part Sections 31 and 32 all M.D.B.& M.