NO. 61960

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 MAR 14 1996

Returned to applicant for correction JUN 21 1996

Corrected application filed

Map filed AUG 15 1996 under 61956

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The applicant **Santa Fe Pacific Gold Corporation**, hereby makes application for permission to change the **Point of Diversion, Place of Use and Manner of Use of a portion** of water heretofore appropriated under **Permit #60154**

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1. The source of water is **Underground**

2. The amount of water to be changed **0.9 c.f.s.**

3. The water to be used for **mining, milling, domestic and mine dewatering**

4. The water heretofore permitted for **irrigation and domestic**

5. The water is to be diverted at the following point **Lot 2 (SW¼NW¼) of Section 19, T.39N., R.43E., MDB&M, or at a point from which the NE corner of said Section 19, T.39N., R.43E., MDB&M, bears N 59°56'53" E, a distance of 4,962.69 feet (DW-23).**

6. The existing permitted point of diversion is located within **The NW¼SE¼ of Section 24, T.37N., R.41E., MDB&M, or at a point from which the SW corner of said Section 24 bears S 51°49'00" W, a distance of 4,150.0 feet.**

7. Proposed place of use **See Attachment A and Place of Use map.**

8. Existing place of use **All of Section 24, T.37N., R.41E., MDB&M, and a portion of the NE¼SE¼ of Section 23, T.37N., R.41E., 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 **Well, pump and motor, pipe distribution system.**

12. Estimated cost of works **$250,000.00**

13. Estimated time required to construct works **3 years**

14. Estimated time required to complete the application of water to beneficial use **5 years**

15. Remarks: **See attached remarks.**

By **s/R Haddock**
Santa Fe Pacific Gold Corporation
P.O. Box 69, Golconda, NV 89414

Compared **cmg/bk** dl/cmf

Protested

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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 60154 is issued subject to the terms and conditions imposed in said Permit 60154 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.

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 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 of the dewatering project.

The total combined duty of water for consumptive purposes under Permits 49633, 49634, 50853, 50854, 52046, 52048, 52049, 52050, 52041, 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, 61804, 61956 through 61962, inclusive, and 64944-T through 64956-T, inclusive, shall not exceed 10,125.0 AFA (acre-feet annually). The total combined diversion rate of the above referenced permits shall not exceed 30.75 CFS (cubic feet per second) on an instantaneous basis.

Monthly records will be kept of the following: (a) the volume of water pumped from each well; (b) the measurement of pumping water level (drawdown) from each production well and each monitoring well; (c) the volume of water consumptively used for

(CONTINUED ON PAGE 3)

mining and milling uses projectwide, and (d) 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.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed **0.9** cubic feet per second, **but not to exceed 652.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:
May 19, 2001

Proof of completion of work shall be filed before:
June 19, 2001

Water must be placed to beneficial use on or before:
May 19, 2002

Proof of the application of water to beneficial use shall be filed on or before:
June 19, 2002

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

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 **2nd** day of **September**, A.D. **1999**

R. Michael Turnipseed P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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.

15. Remarks:

Santa Fe Pacific Gold Corporation has leased permit Nos. 60153 and 60154 from the Gene and Jo Christison Family Trust. This Application is filed to transfer the Points of Diversion and Places of Use under Permit Nos. 60153 and 60154 from agricultural lands to the Twin Creeks Mine, where mine dewatering and mining and milling occurs. Twin Creeks has the right to pump up to approximately 8.45 cfs for consumptive use for mining, milling and domestic purposes pursuant to Permit Nos. 49633, 49634, 50853, 50854, 52046, 52047, 52048, 52049, 52050, 52051, 53339, 53340, 53341 and any temporaries attached thereto. Additionally, Twin Creeks has the right to pump up to 22.3 cfs for Mine Dewatering pursuant to Permit Nos. 58042-58045. Thus, without regard to Permit Nos. 60153 and 60154, Twin Creeks Mine has the right to pump up to 30.75 cfs. BY TRANSFERRING THE POINTS OF DIVERSION AND PLACES OF USE OF PERMIT NOS. 60153 AND 60154 TO THE TWIN CREEKS MINE, TWIN CREEKS MINE DOES NOT INTEND TO INCREASE ITS PUMPING RATE ABOVE 30.75 CFS.