

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

Date of filing in State Engineer's Office JUN 10 1996
 Returned to applicant for correction JUN 21 1996
 Corrected application filed JUL 11 1996
 Map filed JUL 11 1996

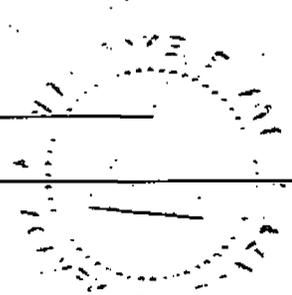
The applicant **EASTFIELD RESOURCES (USA), INC.**, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. **August 17, 1995, RENO, NV**

1. The source of the proposed appropriation is **underground source**
2. The amount of water applied for is **1.0 cfs** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **mining and milling**
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")
 - (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 **in the SE¼ of the NW¼ of Section 32, T3N, R42E, MDM, at a point from which the Northwest corner of said Section 32 bears N 51°57'23" W a distance of 2506.78 feet.**
6. Place of Use **in the SW¼ of the NW¼ of Section 10, T2N, R42E, MDM.**
7. Use will begin about **January 1st** and end about **December 31st**, of each year.
8. Description of proposed works **Water will be loaded into water trucks and transported to the Place of Use.**
9. Estimated cost of works **\$200,000.**
10. Estimated time required to construct works **Nine months.**
11. Estimated time required to complete the application of water to beneficial use **twelve months.**
12. Remarks: **This is a supplemental water supply for one mill site and two main mining locations with a total annual consumptive use of 263 million gallons.**

By **s/Kenneth L. Haskew Agent**
 PO Box 56
 Goldfield NV 89013

Compared cms/bk

Protested _____

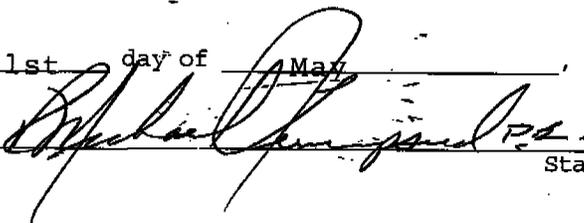


DENIAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby ~~grant~~ ^{deny} the same, subject to the following limitations and conditions:

This application is hereby denied on the grounds that the approval of a non-preferred appropriation of underground water from within an area which has been designated for preferred uses of underground water would threaten to prove detrimental to the public interest and would conflict with existing preferred use water rights.

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

1st day of May, A.D. 1998.

State Engineer