

NO. 63022

**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 APR 11, 1997

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 11, 1997

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The applicant Midas Joint Venture, hereby makes application for permission to change the Point of Diversion and Place of Use of water heretofore appropriated under Permit 32968, Certificate 12244

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1. The source of water is Underground Well
2. The amount of water to be changed 0.056 cfs, not to exceed 13.2 million gallons annually
3. The water to be used for Mining, Milling and Domestic
4. The water heretofore permitted for Same
5. The water is to be diverted at the following point within the NW1/4 NE1/4 Section 27, T39N, R46E, MDM or at a point from which the Northeast corner of said Section 27 bears, N 73° 53' 56" E a distance of 2409.56 feet
6. The existing permitted point of diversion is located within NE1/4 NE1/4 Section 34, T39N, R46E, MDM or at a point from which the Northwest corner of Section 33, T39N, R46E, MDM bears, N 85° 08' W a distance of 9534.5 feet
7. Proposed place of use SW1/4 SE1/4 Section 22, NE1/4 NW1/4 and NW1/4 NE1/4 Section 27 all in T39N, R46E, MDM
8. Existing place of use NE1/4 NW1/4 and N1/2 SW1/4 NE1/4 NE1/4 Section 34, T39N, R46E, MDM
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 Drill well, install pump, motor, meter, pipeline and 200,000 gallon fire protection tank.
12. Estimated cost of works \$104,000.00
13. Estimated time required to construct works Two Years
14. Estimated time required to complete the application of water to beneficial use Five Years
15. Remarks: See attached Exhibit "A".

By s/Richard W. Arden Agent  
950 Industrial Way  
Sparks, Nevada 89431

Compared gkl/cms cl/cms

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 and place of use of the waters of an underground source as heretofore granted under Permit 32968 Certificate 12244 is issued subject to the terms and conditions imposed in said Permit 32968 Certificate 12244 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

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

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

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 groundwater basin.

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

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The total combined duty of water under Permits 60669, 61888, 62114 and 63022 shall not exceed 50.31 acre-feet annually.

Any well drilled under Permit 32968 Certificate 12244 shall be plugged in accordance with the Nevada Administrative Code, Chapter 534.420, "Regulations for Water Well and Related Drilling" within 60 days from the issuance of this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.056 cubic feet per second, but not to exceed 40.51 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

September 15, 1999

Proof of completion of work shall be filed before:

October 15, 1999

Application of water to beneficial use shall be filed on or before:

September 15, 2002

Proof of the application of water to beneficial use shall be filed on or before:

October 15, 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 14th day of October, A.D. 1997

Christine Thiel

By: Christine Thiel, P.E., Deputy State Engineer

Abrogated By P 71509-T 0.028  
Port 65211-T 0.028  
Port 63022 0.028  
P 13244T 0.028 up 11/17/06

Completion of work filed JAN 12 1998

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

15.

EXHIBIT "A"

This well will be used for process water and the operation of the mill. The plant will operate 24-hours a day for 354 days per year. It is estimated that 2000 tons of ore per day will be processed using 240 gallons per ton of ore. The plant operation will include the beneficiation process and incorporate standard milling, tank leaching and tailings disposal. The water will be added, as make-up water, to the ball mill only with minor amounts having already been added during crushing as a dust suppressant. Although the remainder of the circuit requires water, no more will be added. The water will only be added at the ball mill. The ball mill will require 480,000 gallons per day or 20,000 gallons per hour. The plant operation will require approximately 480,000 gallons per day with approximately 78% of the process water being recycled. In addition to the 13.2 million gallons per year from this application, water will be supplied from Permit 62582 to make up consumed water which is estimated at 120 acre feet per year. The milling operation should start in the later part of 1998 and it is estimated there is a 15 year life.