

TEMPORARY

NO. 63308

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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 AUG 07 1997

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 17 1996 under 62184-T

The applicant **ROUND MOUNTAIN GOLD CORPORATION - SMOKY VALLEY COMMON OPERATION**, hereby makeX application for permission to change the **point of diversion, place and manner of use** of water heretofore appropriated under **Permit # 12442 Certificate # 3831**

1. The source of water is **underground**
2. The amount of water to be changed **3.0 cfs**
3. The water to be used for **mining, milling, domestic, and dewatering**
4. The water heretofore permitted for **mining, milling, and domestic**
5. The water is to be diverted at the following point **NE $\frac{1}{4}$ SE $\frac{1}{4}$ S24, T10N, R43E, M.D.B.&M.**
6. The existing permitted point of diversion is located within **SE $\frac{1}{4}$ NW $\frac{1}{4}$, S22, T10N, R43E, M.D.B.&M., or at a point from which the E $\frac{1}{4}$ corner of Section 21, T10N, R43E, bears S. 67 degrees 38' W., 1900 feet**
7. Proposed place of use **within Sections 17, 18, 19, 20, 29, 30 & 31, T10N, R44E, M.D.B.&M. (portions unsurveyed), Sections 13, 23, 24, 25, 26, 35 & 36 of T10N, R43E, M.D.B.&M. and Sections 1 & 2 of T9N, R43E, M.D.B.&M.**
8. Existing place of use **as described in attachment**
9. Use will be from **January 01 to December 31** of each year.
10. Use was permitted from **January 01 to December 31** of each year.
11. Description of proposed works **Drill and case well with electric motor and submersible pump.**
12. Estimated cost of works **\$307,000.00**
13. Estimated time required to construct works **One year.**
14. Estimated time required to complete the application of water to beneficial use **Three years.**
15. Remarks:

By **s/ Mark Ioli**
P.O. BOX 480
ROUND MOUNTAIN, NV 89045

Compared cl/jr cl/cms

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 temporary permit to change the point of diversion, place of use and manner of use of the waters of an underground source as heretofore granted under Permit 12442 Certificate 3831 is issued subject to the terms and conditions imposed in said Permit 12442 Certificate 3831 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 temporary 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 within the described place of use on this permit.

Any water pumped and not used for mining and milling purposes shall be infiltrated back to the Smoky Valley Groundwater Basin. 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 of the 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 and update on the activities of the mine and the monitoring on a periodic basis, but not less than two times per year.

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

The issuance of this temporary 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 536; 1077, Certificate 267; 2908, Certificate 353; 3898, Certificate 2347; 12442, Certificate 3831; 12445, Certificate 3832; 12768, Certificate 3751; 14119, Certificate 4889; 26650, Certificate 13904; 26652, Certificate 13905; 44297; 44299; 44300, Certificate 13174; 50971; 51577; 51578; 53365 55498; 55500; 55501; 55502; 55503; 59217; 59218; 60874; 60875; 60876; 63171-T; 63172-T; 63173-T; 63305-T; 63306-T, 63307-T and 63308-T will not exceed 13,910.0 acre-feet annually.

A monthly report shall be submitted to the State Engineer within 15 days after the end of each calendar quarter which shall include: (A) The volume of water pumped from each well, (B) The measurement of pumping water level (drawdown) from each production, dewatering and monitoring well, (C) The volume of water consumptively used for mining and milling uses projectwide, (D) The volume of water used for dust control purposes projectwide, and (E) The amount of water discharged for infiltration.

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.

The State Engineer retains the right to impose future conditions as necessary upon review and evaluation of all data submitted reporting on the dewatering program, water use and the monitoring plan. The State Engineer retain the right to regulate
(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights.

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

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on November 20, 1998, at which time all rights herein granted shall revert to the right being changed by this temporary 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 3.0 cubic feet per second.

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

Proof of completion of work shall be filed before:

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

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

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

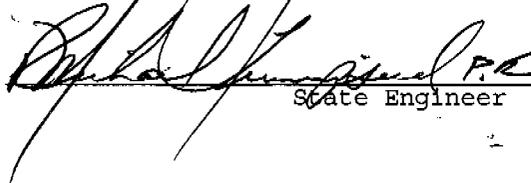
TEMPORARY

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 21st day of November, A.D. 1997



State Engineer

EXPIRED

NOV 20 1998

THE STATE OF NEVADA
CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS Thomas M. Cahill, Asst. Superintendent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from Underground--"B" or Smith Well through pipe line for Mining, Milling and Domestic purposes. The point of diversion of water from the source is as follows: Within the SE 1/4 NW 1/4 Sec. 22, T. 10 N., R. 43 E., M.D.B.&M., or at a point from which the E 1/2 corner of Sec. 21, T. 10 N., R. 43 E., bears S. 67° 38' W., 1,900 feet situated in Nye County, State of Nevada.

Now Know YE, That the State Engineer, under the provisions of Section 72, Chapter 46, Statutes of 1937 has determined the date, source, purpose and amount of such appropriation, together with the place to which such water is appurtenant, as follows:

Name of appropriator Round Mountain Gold Dredging Corporation
Post-office address Round Mountain, Nevada
Amount of appropriation 3.0 c.f.s.
Period of use, from January 1 to December 31 of each year
Date of priority of appropriation May 12, 1948

Description of works of diversion, manner and place of use:
Water is pumped from 307 feet of cased well, (20" perforated casing from 210' to 266', and 12" perforated casing from 266' to 307') in a southwesterly direction through a 6" pipe about 23.3' to what is known as the Jett pipeline (15" O.D.) where it is commingled with waters from the following sources: Applications 2908 and 12445, thence by said Jett pipeline water is conveyed 14,991' in a SE direction to the SW 1/4 Sec. 19, T. 10 N., R. 44 E. At this point the water is distributed approximately as follows: 3/4 goes to a gravel washing plant located in the same legal subdivision through a 15" steel pipeline about 100' long, the remaining 1/4 of the water is distributed about equally between domestic and mining operations. Water to mining operations is diverted at a point about 15,591' in a SE direction from Smith or "B" Well through a 4" 4200' steel pipeline to the mining area located in SW 1/4 Sec. 19, T. 10 N., R. 44 E. Domestic water is diverted at a point 17,990' in a SE direction from Smith or "B" Well by means of 2500' of 4" pipeline, 4600' of 2" pipeline, and 4400' of 1" pipeline to 14 family dwellings and 1 general office building. These buildings are located in the NE 1/4 and NW 1/4 Sec. 30 and SE 1/4 and SW 1/4 Sec. 19, T. 10 N., R. 44 E., M.D.B.&M.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place where acquired and to the purpose for which acquired.

IN TESTIMONY WHEREOF, I HUGH A. SHAMBERGER, State Engineer

of Nevada, have hereunto set my hand and the seal of my office, this

4th day of AUGUST A. D. 1952.

[Handwritten Signature]
State Engineer.

Recorded 7.29.52 11/15/52 P. 305
N. 4. 52 County Records

Contract 11-11