TEMPORARY

NO. 63440-T

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 SEP 15 1997

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 10 1996 under 62218-T

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The applicant **Santa Fe Pacific Gold Corporation**, hereby makes application for permission to change the **point of diversion and manner of use and place of use of a portion** of water heretofore appropriated under **50854**

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

2. The amount of water to be changed **2.74 cfs**

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

4. The water heretofore permitted for **Mining, milling, and domestic purposes**

5. The water is to be diverted at the following point NW¼ NE¼ of Section 30, T.39N., R.43E., M.D.B.&M., or at a point from which the northeast corner of Section 19, T.39N., R.43E., M.D.B.&M., bears N. 17° 17' 52" E. a distance of 6341.10 feet. (DW-26)

6. The existing permitted point of diversion is located within SW¼ SW¼ of Section 32, T.39N., R.43E., M.D.B.&M., at a point from which the southwest corner of said Section 32, T.39N., R.43E., M.D.B.&M., bears S. 87° 02' W. a distance of 870.0 feet.

7. Proposed place of use **See Attachment A and Place of Use Map filed under 62223-T.**

8. Existing place of use **See Attachment B**

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 **Well, pump, motor, distribution system**

12. Estimated cost of works **$220,000.00**

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: **See maps filed 62223-T**

By s/Paul M. Pettit
P O Box 669
Carlin, NV 89822

Compared my/cms lw/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 temporary permit to change the point of diversion, manner and place of use of a portion of the waters of an underground source as heretofore granted under Permit 50854 is issued subject to the terms and conditions imposed in said Permit 50854 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 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 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 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 temporary permit does not extend the right of ingress and egress on public, private or corporate land.

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 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, 61804, 62364-E, 63423-T through 63440-T, inclusive and 63796-T shall not exceed 6,121.0 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.

(CONTINUED ON PAGE 2)

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.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on April 28, 1999 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 **2.74** cubic feet per second, **but not to exceed 1,983.67 acre-feet annually.**

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 **29th** day of **April**, A.D. **1998**

R. Michael Turnipseed P.E.
State Engineer

APR 28 1999

ATTACHMENT A

Proposed Place of Use :

T.38N., R.43E.:	Section 4, 5, 9, and 15;
T.39N., R.42E.:	Section 24, part Sections 1, 2, 13, and 12;
T.39N., R.43E.:	Sections 3-10, 15-21, 28-33, part Sections 2, 11, 14, and 22;
T.40N., R.42E.:	Sections 13, 24, 25, 36, part Sections 1, 12, 14, 23, 26, and 35;
T.40N., R.43E.:	Sections 5-8, 14-23, 26-34, part Sections 4, 9-11, and 35;
T.41N., R.42E.:	Part Sections 35 and 36;
T.41N., R.43E.:	Part Sections 31 and 32 all M.D.B.&M..

ATTACHMENT "B"

Existing place of use within T40N R43E: Section 5-8, 14-23, 26-34 and portions of Sections 4, 9-11 and 35; within T39N R43E: Sections 3-10, 15, 16, 20, 30, 32 and portions of Sections 2, 11, 14, 17, 18, 21, 22 and 28; within T39N R42E: Section 24 and portions of Sections 1, 2, and 12; within T40N R42E: Sections 13, 24, 25, 36 and portions of Sections 1, 12, 14, 23, 26 and 35; within T41N R42E: Portions of Sections 35 and 36; within T41N R43E: Portions of Sections 31 and 32 all based on the Mount Diablo Base and Meridian.