

**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 17 1998

Returned to applicant for correction OCT 06 1998

Corrected application filed _____

Map filed NOV 13 1998

The applicant Mud Camp Mining Company, L.L.C., 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 14059, Certificate No. 5156

1. The source of water is an underground source
2. The amount of water to be changed 68.8 ac. ft. (0.55 cfs)
3. The water to be used for mining/milling and domestic purposes
4. The water heretofore permitted for irrigation purposes
5. The water is to be diverted at the following point within the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 17 South, Range 48 East, M.D.B.&M. at a point that bears North 45° 00' East a distance of 100.0 ft to the NE corner of the NW $\frac{1}{4}$ of said Section 12
6. The existing permitted point of diversion is located within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 1, Township 17 South, Range 48 East, M.D.B.&M., at a point that bears North 87° 20' West a distance of 1291.0 ft to the NW corner of the SW $\frac{1}{4}$ of said Section 1.
7. Proposed place of use within Section 29, Township 17 South, Range 49 East, M.D.B.&M. (a fractional Section)
8. Existing place of use is 17.2 acres within the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 1, Township 17 South, Range 48 East, M.D.B.&M. (17.2 acres to be removed from cultivation with the N $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 1)
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 existing well and pumps; existing pipeline from well to mine plant location
12. Estimated cost of works \$10,000.00
13. Estimated time required to construct works 2 years
14. Estimated time required to complete the application of water to beneficial use 3 years
15. Remarks: This application provides for an additional 22.4 mga to be used at the mine plant location

By s/Stephen F. Turner, agent
1210 Hinson Street
Las Vegas, Nevada 89102

Compared my/cms dl/cm

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 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 14059, Certificate 5156 is issued subject to the terms and conditions imposed in said Permit 14059, Certificate 5156 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. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. 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.

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.

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

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

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.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.55 cubic feet per second, **but not to exceed 68.8 acre-feet annually.**

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

July 23, 2000

Proof of completion of work shall be filed before:

August 23, 2000

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

July 23, 2001

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

August 23, 2001

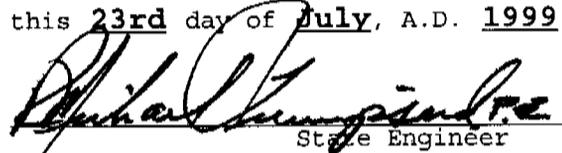
Map in support of proof of beneficial use shall be filed on or before:

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 23rd day of July, A.D. 1999


State Engineer

Completion of work filed SEP 20 2000

Proof of beneficial use filed OCT 29 2001

Cultural map filed _____

Certificate No. 16053 Issued APR 01 2002