

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

Date of filing in State Engineer's Office NOV 09 1998
Returned to applicant for correction _____
Corrected application filed _____
Map filed NOV 09 1998

The applicant **Midas Joint Venture**, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **0.25** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **mining exploration, drilling, and test mining**
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 **NW¼ NW¼, Section 22, T39N, R46E, MDM, or at a point from which the NW corner of said Section 22 bears N 66° 16' 52" W, a distance of 1371.71 feet.**
6. Place of Use **all of Sections 15, 16, 21, 22, 27, 28, and 34 all in T39N, R46E, MDM**
7. Use will begin about **January 1** and end about **December 31**, of each year.
8. Description of proposed works **Drill well, install pump motor, generator, storage tank, and flow meter.**
9. Estimated cost of works **\$40,000.00**
10. Estimated time required to construct works **6 months**
11. Estimated time required to complete the application of water to beneficial use **10 years**
12. Remarks: **This application is to appropriate 20 acre feet per annum for a period of 10 years to do mining exploration, drilling, and test mining. This well is located at the same point as Permit 61888. There is not sufficient water from permit 61888 to carry out the mining exploration. This is a Temporary request and the permit can be cancelled after 10 years.**

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

Compared bk/cms dl/bk

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 is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins or before the Proof of Completion of Work is filed.

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 total combined duty of water under Permits 60669, 61888, 62114, 62582, 63022, 64598 and 64803 shall not exceed 201.5 acre-feet annually.

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 following: the volume of water pumped from each well, the volume of water consumptively used for mining and milling purposes and the amount of water diverted to the infiltration basin. These records must be submitted to the State Engineer on a quarterly basis, within 15 days after the end of each calendar quarter.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.25 cubic feet per second, **but not to exceed 180.99 acre-feet annually.**

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

September 15, 2000

Proof of completion of work shall be filed before:

October 15, 2000

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

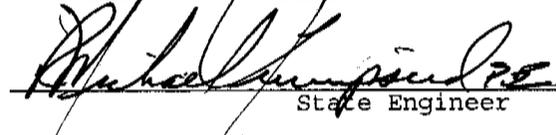
Map in support of proof of beneficial use shall be filed on or before:

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 2nd day of June, A.D. 1999


State Engineer

Completion of work filed NOV 0 2000

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

EXP. 9/20/02
Abrogated By: 67849-T 0.1243
~~60468206 0.125~~
P-71511-T 0.125 EXP 9.30.05
P-73296 T 0.125 exp 11/1/04