

**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 JUN 18 1999

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 18 1999 under 65216-T

The applicant Midas Joint Venture, hereby make application for permission to change the Point of Diversion and Place of Use of water heretofore appropriated under a portion of Permit 63022

1. The source of water is underground
2. The amount of water to be changed 0.028 cfs, not to exceed 20.27 acre-feet annually
3. The water to be used for mining, milling and domestic
4. The water heretofore permitted for mining, milling, and domestic
5. The water is to be diverted at the following point NE $\frac{1}{4}$ NE $\frac{1}{4}$ Section 3, T38N, R46E, M.D.M., at a point from which the NE corner of said Section 3 bears N 33° 55' 28" E, a distance of 670.0 feet
6. The existing permitted point of diversion is located within NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27, T39N, R46E M.D.M. or a point from which the NE corner of said Section 27 bears N 73° 53' 56" E, a distance of 2409.56 feet.
7. Proposed place of use NW $\frac{1}{4}$, NE $\frac{1}{4}$, and SE $\frac{1}{4}$ Section 27, T39N, R46E, MDM. and SE $\frac{1}{4}$ Section 22, T39N, R46E M.D.M.
8. Existing place of use SW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 22, NE $\frac{1}{4}$ NW $\frac{1}{4}$, and NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 27, all in T39N, R45E, 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, flow meter, and construct pipeline to mill site.
12. Estimated cost of works \$400,000.00
13. Estimated time required to construct works 2 years
14. Estimated time required to complete the application of water to beneficial use 10 years
15. Remarks: The water well constructed at the existing point of diversion for Permit 63022 cannot supply the full amount of water required for the milling operation. An additional well needs to be constructed for water supply to the mill.

By Dwight L. Smith, P.E., Agent
s/Dwight L. Smith
950 Industrial Way
Sparks, Nevada 89431

Compared my/cmf hs/cmf

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 63022 is issued subject to the terms and conditions imposed in said Permit 63022 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 total combined duty of water under Permits 60669, 61888, 62114, 62582, 63022, 64598, 64803, 65219, 65220, and 65221 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: (A) the volume of water pumped from each well, (B) the volume of water consumptively used for mining and milling purposes, and (C) 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 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 0.028 cubic foot per second, but not to exceed 20.27 acre-feet annually.

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

April 9, 2001

Proof of completion of work shall be filed before:

May 9, 2001

Water must be placed to beneficial use on or before:

April 9, 2002

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

May 9, 2002

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

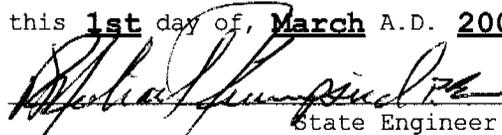
N/A

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 1st day of, March A.D. 2000


State Engineer

Completion of work filed MAY 25 2001

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____