ENVIRONMENTAL

NO. 65429-E

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

Date of filing in State Engineer's Office AUG 18 1999

Returned to applicant for correction _____

Corrected application filed _____

Map filed SEP 14 1999 under 65428E

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The applicant **Battle Mountain Gold Company**, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

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1. The source of the proposed appropriation is **Underground**

2. The amount of water applied for is **2.0** second-feet

   (a) If stored in reservoir give number of acre-feet

3. The water to be used for **Environmental Groundwater Clean-up**

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") **Mining and Milling**

   (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 **SW¼ SE¼ Section 9, Township 30 North, Range 43 East, MDM at a point from which the SE corner of said Section 9, Township 30 North, Range 43 East MDM, bears S 70° 05' 25" East with a distance of 1,826.12 feet.**

6. Place of Use **Sections 14, 15, 16, 21, 22, 23, 26, 27, 28, 32, 33, and 34 of Township 31 North, Range 43 East and Sections 2, 3, 4, 8, 9, 10, 16 and 21 of Township 30 North, Range 43 East MDB&M**

7. Use will begin about **January 1** and end about **December 31** of each year.

8. Description of proposed works **Twelve-inch diameter cased water well**

9. Estimated cost of works **$50,000**

10. Estimated time required to construct works **2 Years**

11. Estimated time required to complete the application of water to beneficial use **5 Years**

12. Remarks: **Groundwater impacted by previous tailings facility operations will be put to mining and milling beneficial use.**

Chuck Zimmerman
By s/Chuck Zimmerman
3488 Goni Rd., Suite 142
Carson City, Nevada 89706

Compared my/cmf dl/cmf

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 environmental permit is issued pursuant to the provisions of NRS 533.4375 and is further issued subject to existing rights on the source.

It is understood that the amount of water herein granted is only a temporary allowance for pollution control as required by orders or letters issued by the Nevada Division of Environmental Protection. The right will cease upon the termination of clean up activity as determined by the Nevada Division of Water Resources.

A suitable measuring device will be installed to measure the amount of water pumped from the well before it enters the treatment facility. The measuring device will be maintained to allow monthly measurement of the flow. Records of the measurement will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

Within 30 days after the completion of the project, the permittee shall notify the State Engineer and all diversionary structures shall be removed.

The State retains the right to regulate the use of water granted herein at any and at all times.

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

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

The total combined duty of water under Permits 11876, Certificate 3503; 22884, Certificate 7630; 36870, Certificate 12923; 36871, Certificate 13747; 36872, Certificate 13748; 36873, Certificate 13749; 49459, Certificate 14023; 49460, Certificate 14024; 49461, Certificate 14025; 52036, Certificate 14018; 52037, 54214, Certificate 13754; 65428-E and 65429-E shall not exceed 825.65 million gallons annually.

(CONTINUED ON PAGE 3)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed **2.0** 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: *

Water must be placed to beneficial use 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: *

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*** The right will cease to exist upon termination of clean up activity as determined by the Nevada Division of Environmental Protection.**

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 **20th** day of **October**, A.D. **1999**

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____