No. 73614T

APPLICATION FOR PERMISSION TO CHANGE POINT OFDIVERSION, 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 **DEC 21 2005**

Returned to applicant for correction_____

Corrected application filed_____

Map filed **DEC 21 2005 under 73597-T**

****

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 **Permit 59630**

****

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

2. The amount of water to be changed **4.35 cfs**

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

4. The water heretofore permitted for **Dewatering**

5. The water is to be diverted at the following point **Lone Tree Mine – WW 25 within the NE¼ NE¼, Section 11, T34N, R42E, M.D.M., at a point from which the SE corner of said section 11, bears S 03° 38' 52" E a distance of 4796 feet.**

6. The existing permitted point of diversion is located within **Lone Tree Mine – Order 1086 SWNE14 – NWNE23 within the SW¼ NE¼, Section 14, T34N, R42E, M.D.M., at a point from which the E¼ corner of said section 14 bears S 71° 26' 00" E a distance of 2082.2 feet.**

7. Proposed place of use **All sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 16, 17, 22, 23, 27, T34N, R42E, M.D.M.**

8. Existing place of use **All sections 1, 2, 11, 12, 13, 14, 15, 23, 24, T34N, R42E, M.D.M.**

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. **Drilled, cased well with motor and pump, totalizing flow meter, and pipeline to the place of use.**

12. Estimated cost of works **$200,000 (two hundred thousand dollars)**

13. Estimated time required to construct works **Completed; Drilled, cased well with motor and pump, totalizing flow meter, and pipeline to the place of use.**

14. Estimated time required to complete the application of water to beneficial use **4 years**

15. Remarks: **This application is submitted according to Well-Spacing Order 1086.**

By **Scott Paine, Water Rights Administrator**
s/ Scott Paine
Environmental Department, PO Box 669
Carlin, Nevada 89822

Compared gkl/sc lt/gkl

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 temporary 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 59630 is issued subject to the terms and conditions imposed in said Permit 59630 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 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 temporary permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The manner of use of water under this temporary 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 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 diversion rate of Permit 54761, Certificate 14565; Permit 54763, Certificate 14566; Permit 56406, Certificate 14567; Permits 56407, 56578, 56951, 57103, 59243, 59244, 59245, 59246, 59247, 59248, 59249, 59250, 59251, 59627, 59629, 59630, 60288, 60289, 60290, 60291, 60292, 60293 and 60294, Certificate 15285; Permit 60295, Certificate 15286; Permit 60296, Certificate 15287; Permits 60297 and 60298, Certificate 15288; Permits 60300, 60301, 60302, 60303, Certificate 15289; Permit 60685, Certificate 15290; Permits 62608, 62609, 62610, 62611, 62612, 62778 and 73597T through 73625T, inclusive, and Secondary Permits 62320 S-1, 62320 S-2, 62320 S-3, 62320 S-4 and 62320 S-6 will not exceed 56,000 gallons per minute for mining, milling and dewatering purposes.

The total volume of water allowed to be diverted under the above mentioned permits and for the same purposes will not exceed 90,329 AFA (acre-feet annually).

The total combined consumptive duty for mining and milling purposes under the above permits and any changes of these permits, with the exception of 62320S-3, 62320S-4 and 62320S-6, must not exceed 6,047 AFA (acre-feet annually). An additional 10,646 AFA is authorized for substitutive uses.

All water diverted but not used for mining or milling purposes will be discharged to the Iron Point Relief Canal via the aqueduct completed in June 1993, or to the Rapid Infiltration Basin System.

(Continued on Page 3)

73614T

All water diverted will be measured and reported to the State Engineer on a monthly basis. The report will include the amount of water diverted from each well, the amount of water used for mining and milling purposes, and the amount discharged to the Iron Point Relief Canal Rapid Infiltration Basin or other substitutive uses. This report shall include the amount of water delivered to any other projects. This report must be submitted to the State Engineer within 15 days of the last day of the preceding month.

This temporary permit is issued subject to the "Lone Tree Mining, Inc. Unified Monitoring Plan", March 27, 1993.

The State Engineer will retain the right to require additional monitoring over and above the monitoring required in the monitoring plan mentioned and also will retain the right to seek other disposal options of water discharged to the Iron Point Relief Canal. The State Engineer retains the right to regulate discharge based on flood considerations.

The permittee, on a schedule acceptable to the State Engineer, will prepare and present an update on the activities of the mine and the monitoring plan on a periodic basis, but not less than two times a year.

A "Stipulation to Withdraw Protest" was made and entered into by and between Santa Fe Pacific Gold Corporation, Lone Tree Mine and its successors, and Lander County on August 12, 1994. A second "Stipulation to Withdraw Protest" was made and entered into by and between Santa Fe Pacific Gold Corporation, Lone Tree Mine and its successors, and the Humboldt River Basin Water Authority in August, 1994. The State Engineer may not concur with and is not bound by the terms and conditions of these stipulations to withdraw protest, pursuant to NAC 533.150.

This temporary permit also incorporates the provisions of Amended Order No.s 1085 and 1086, issued by the State Engineer on January 21, 1994.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **April 9, 2007** at which time all rights herein granted shall revert to the right being changed by this temporary permit.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed **4.35** cubic feet per second, **but not to exceed 3149.27 acre-feet annually.**

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

N/A - Temporary

Proof of completion of work shall be filed on or before:

N/A - Temporary

Water must be placed to beneficial use on or before:

N/A - Temporary

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

N/A - Temporary

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

N/A - Temporary

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this **10th** day of **April,** A.D. **2006**

Hugh Ricci, P.E.

State Engineer