Permit No. 74825T

TEMPORARY

THE STATE OF NEVADA

PERMIT TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant:	**CORTEZ JOINT VENTURE**
Source:	**UNDERGROUND**
Basin:	**CRESCENT VALLEY**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**January 1st to December 31st**
Priority Date:	**02/04/1992**

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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 temporary permit to change the point of diversion and place of use of the waters of an underground source as heretofore granted under Permit 67508 is issued subject to the terms and conditions imposed in said Permit 67508 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 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.

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

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.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire one year from the date of approval at which time all rights herein granted shall revert to the right being changed by this temporary permit.

This source is located within an area designated by the State Engineer as provided in Nevada Revised Statutes § 534.030 (NRS). This temporary permit is issued as a preferred use as provided in NRS 534.120.

This temporary permit will allow the permittee to dewater the pit area. It is understood that any water obtained as a result of this dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, road watering, and other related mining and milling uses (hereinafter referred to as mining and milling). The consumptive use of water from this permit and all related permits for mining and milling purposes is limited to 3,807 acre-feet annually. In addition to this amount, water produced from the dewatering operation may be used for substitutive purposes for irrigation and stock water in an amount equal to the acquired water rights, or 3160.82 acre-feet.

Any water produced from this dewatering operation in excess of 6,967.82 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin by shallow infiltration or injection wells. The design of the rapid infiltration basins or injection wells and the delivery system to these sites shall be submitted to the State Engineer for approval.

This temporary permit is issued subject to the Pipeline Gold Project, Groundwater and Surface Water Monitoring Plan submitted to the State Engineer on August 2, 1993. The State Engineer may require additional monitoring should conditions warrant such modification.

(Continued on Page 2)

Monthly records shall be kept of the following and reported within 15 days after the end of each quarter:

A. The total volume of water pumped from each diversion in acre-feet.
B. The maximum flow rate from each diversion in cubic feet per second.
C. The pumping water level from each well in feet above mean sea level.
D. The volume of water consumptively used for mining and milling in acre-feet.
E. The amount of water diverted to the infiltration sites in acre-feet.
F. The amount of water diverted to other consumptive uses, if any, in acre-feet.
G. The amount of water lost through evaporation or other system losses project wide.

This temporary permit also incorporates the provisions of *Order 1082 Adopting Rules for Well Spacing and Modification of Regulations for Water Well and Related Drilling (January 1990) in the Southern Area of the Heretofore Designated Crescent Valley Ground Water Basin (04-054), Lander County, Nevada*, entered October 6, 1993, on file in the office of the State Engineer.

The issuance of this temporary permit is subject to the Stipulation between Cortez Joint Venture and Lander and Pershing Counties, dated May 21, 1993, on file in the office of the State Engineer under Permit 57133.

The total combined diversion rate under Permits 57133, 57134, 57136 through 57138, 57140, 57143 through 57148, 58366, 58368, 58370, 59072 through 59075, 59787, 61193, 61793, 61794, 62723, Certificate 16016; Permits 67507 through 67515, 67614 through 67616, 71044, 71454, 72670 through 72673 and Temporary Permits 74822T through 74839T, shall not exceed 69.2378 cubic feet per second on an annual basis and shall not exceed 75.9916 cubic feet per second between April 1 and November 1 of each year. The total combined withdrawal of water under these permits shall not exceed 51,667 acre-feet annually.

The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use and not to exceed **4.0 cubic feet per second or 2,895.88 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**N/A**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**N/A**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 3rd day of **August**, A.D. **2007**

Tracy Taylor, P.E.
State Engineer

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TEMPORARY **No. 74825T**

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 27 2006**

Returned to applicant for correction **OCT 13 2006**

Corrected application filed _____

Map filed **APR 28 2005 under 72605T**

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The applicant **Cortez Joint Venture** hereby makes application for permission to change the **point of diversion and place of use** of water heretofore appropriated under **Permit #67508**

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1. The source of water is **Underground (Well #DB-21)**

2. The amount of water to be changed **4.0 c.f.s. (2,895.88 A.F.)**

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

4. The water heretofore permitted for **mining, milling, dewatering and domestic**

5. The water is to be diverted at the following point within **within the SE¼SW¼, Section 5, T.27N., R.47E., M.D.M., from which the SE corner of Section 32, T.28N., R.47E., bears N. 44°41'E., 5,845 feet distant.**

6. The existing permitted point of diversion is located within **Lot 10, Section 31, T.28N., R.47E., M.D.M. from which the SE corner of said Section 31, bears S.37°31'E., 5,303 ft. distant. (see map under #67500-T)**

7. Proposed place of use **T.27N., R.46E., M.D.M.: Sections 12, 13, 23-26 T.27N., R.47E., M.D.M.: Sections 4-9, 18 & unsurveyed Section 19 T.28N., R.47E., M.D.M.: Sections 13, 15, 21, 22, 27-33**

8. Existing place of use **T.27N., R.46E., M.D.M.: all of Sections 13 & 24 T.27N., R.47E., M.D.M.: all of Sections 5-8, 18 and unsurveyed Section 19 T.28N., R.47E., M.D.M.: Sections 13, 15, 21, 22, 27, 29-32**

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 and cased well (existing), submersible or line shaft pump and motor, storage tanks, pipeline system to mine, mill and infiltration works.**

12. Estimated cost of works **estimate $200,000.00**

13. Estimated time required to construct works **one year**

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

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15. Remarks: **This temporary change application is filed in compliance with order #1082.**

s/ William A. Nisbet
By **William A. Nisbet, Agent**
421 Court Street
Elko, NV 89801

Compared **mt/ag**

Protested

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