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**

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 a portion of the waters of an underground source as heretofore granted under Permit 57138, is issued subject to the terms and conditions imposed in said Permit 57138 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 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. T

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.

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.

(Continued on Page 2)

This temporary permit also incorporates the provisions of: (1) 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, and (2) Amended Order 1082-A Adopting Rules for Well Spacing and Modification of Regulations for Water Well and Related Drilling (June 2006) in the Southern Area of the Heretofore Designated Crescent Valley Ground Water Basin (04-054), Lander County, Nevada, entered August 23, 2007. Both orders are 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 75925T through 75940T 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 above specified numerical rate, volume and consumptive use represent the maximum permitted amounts. Any of the amounts may be lowered, either temporarily or permanently, as water rights are moved to other Cortez Joint Venture project areas.

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.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and accounts for the pumpage in calendar year 2006 and therefore expires one day from the date of approval at which time all rights herein granted shall revert to the right being changed by this temporary permit. The approval of this temporary permit expires other Temporary Permits 74822T through 74839T that accounted for the pumpage in calendar year 2005.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.7144 cubic feet per second or 1241.17 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 27TH day of **December**, A.D. **2007**

for State Engineer

llb

Serial No. 75935 TT

TEMPORARY

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUN 2 0 2007

Return to applicant for correction _____

Corrected application field _____ Map filed NOV 0 3 2005 under 73338

The applicant **Cortez Joint Venture**

HC 66, Box 1250 (Street and No. or P. O. Box No.) of Crescent Valley (City and Town)

Nevada 89821-1250 (State and Zip Code No.), hereby make s application for permission to change the point of diversion and place of use of a portion (Point of diversion, manner of use, and/or place of use)

of water heretofore appropriated under Permit #57138 (Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree)

1. The source of water is Underground (Well #DB-25) (Name of stream, lake, underground, spring or other sources.)

2. The amount of water to be changed 1.7144 c.f.s. (1,241.16 A.F.) (Second feet, acre-feet. One second foot equals 448.83 gallons per minute.)

3. The water to be used for mining, milling, dewatering and domestic (Irrigation, power, mining, comercial, etc. If for stock state number and kind of animals. Must limit to one major use.)

4. The water heretofore used for mining, milling, dewatering and domestic (If for stock state number and kind of animals.)

5. The water is to be diverted at the following point within the SE¼SE¼, Section 6, T.27N., R.47E., M.D.M. (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.)

from which the SE corner of Section 32, T.28N., R.47E., M.D.M. bears N. 49°36'E., 8,337 feet distant.

(see map under #73338)

6. The existing point of diversion is located within the SW¼SE¼, Section 31, T.28N., R47E., M.D.M. (If point of diversion is not changed, do not answer.)

from which the SE corner of Section 1, T.27N., R.46E., M.D.M., bears S.33°18'W., 8,626 ft. distant.

(see map under #57133)

SA-LA

7. Proposed place of use T.27N., R.46E.,M.D.M.: Sections 12, 13, 23-26
Describe by legal subdivisions. If for irrigation state numer of acres to be irrigated.

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 (see map under #73338)

8. Existing Place of use: T. 27N., R.47E., M.D.M.: all of Sections 5 and 6
Describe by legal subdivisions. If permit is for irrigation, state number of acres to be irrigated. If changing place
T. 28N., R.47E., M.D.M.: all of Sections 31 and 32 (see map under #57133)
of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

9. Use will begin from January 1 (Month and Day) December 31 (Month and Day) of each year.

10. Use permitted from January 1 (Month and Day) December 31 (Month and Day) of each year.

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works). drilled and cased well (existing), submersible or line shaft
State manner in which water is to be diverted, i.e. diversion
pump and motor, storage tanks, pipeline network to mine, mill and infiltration basins and irrigated fields.
structure, ditches, pipes and flumes or drilled well, pump and motor, etc.

12. Estimated cost of works estimate $350,000.00

13. Estimated time required to construct works one year
If well completed, describe well

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

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use: This temporary change is filed in compliance with order #1082 and its pending amendment and describes a portion of the water pumped from well DB-25 in the calendar year 2006. The total water pumped from this source from mining, milling, dewatering and domestic was 4,137.04 A.F..

Please send copies of notices and correspondence to undersigned agent.

TELEPHONE NUMBER
(775) 738-2121

By William A. Nisbet, Agent
Print or type name clearly
William A. Nisbet
Signature, applicant or agent
421 Court Street
Street and No., or P.O. Box No.
Elko, NV 89801
City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

$100 FILING FEE MUST ACCOMPANY APPLICATION