



**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 57146 is issued subject to the terms and conditions imposed in said Permit 57146 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. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

This temporary permit is issued under the preferred use provisions of NRS Chapter 534. 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 temporary permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water 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.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire 1 year after the approval of the permit 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 irrigation and stock water in an amount equal to the acquired water rights, or 3,160.82 acre-feet.

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 or injection 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 - 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. This order is 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, 74940T, 74941T, 75151T and 76204T shall not exceed 69.0 cubic feet per second on an annual basis and shall not exceed 76.0 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.

The above amount limitations do not include "Cortez Hills/Pediment" project Permit 75342 which changed an "Old Cortez" project water right. The total combined consumptive duty under "Old Cortez" project Permit 24663, Certificate 7292; Permit 24664, Certificate 7293; Permit 46224, Certificate 12482; Permit 46225, Certificate 12483; Permits 58187-E, 58188-E, 58189-E, 58190-E, 58191-E, 58192-E, 58985-E, 59339, 59340 and 64545 shall not exceed 955.76 acre-feet annually.

To date, use at the "Cortez Hills/Pediment" project has been authorized by the State Engineer under temporary Permits 74940T, 74941T, 75151T and 76204T, being 2.8 cubic feet per second (2027.116 acre-feet annually) for non consumptive dewatering purposes. Permit 75342 being 0.11 cubic feet per second (79.64 acre-feet annually) from the "Old Cortez" project area, may be used for consumptive use purposes.

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 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

Water must be placed to beneficial use and 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:

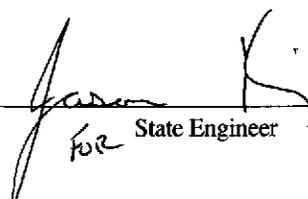
N/A

N/A

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 30<sup>TH</sup> day of November, A.D. 2007

  
 for State Engineer

**TEMPORARY**

Serial No.

**76204T**

**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 AUG 24 2007

Return to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed SEP 07 2007

The applicant Cortez Joint Venture

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

Nevada 89821-1250, hereby make s application for permission to change the  
State and Zip Code No.

point of diversion and place of use  
Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under Permit #57146  
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 #PPW-05)  
Name of stream, lake, underground, spring or other source

2. The amount of water to be changed 1.0 c.f.s.  
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for same as existing  
Irrigation, power, mining, commercial, 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 NW¼SE¼ Section 31, T.27N., R.48E., M.D.M.,  
Describe as being within a 40-acre subdivision of  
from which the SW corner of said Section 31 bears S. 59°50'W., 4,074 feet distant.  
public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.

6. The existing permitted point of diversion is located within the SW¼SE¼ Section 6, T.27N., R.47E., 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.69°28'W., 4,114 ft. distant.  
(see map filed under #57133)

59-510

7. Proposed place of use T. 26N., R. 47E., M.D.M.: E½ Section 1, E½ Section 12, NE¼ Section 13  
T. 26N., R. 48E., M.D.M.: all of Sections 6 & 7; N½ Section 18  
T. 27N., R. 47E., M.D.M.: E½ Section 24; all of Sections 25 & 36  
T. 27N., R. 48E., M.D.M.: W½W½ Section 19; all of Sections 30 & 31

8. Existing Place of use: T. 27N., R.47E., M.D.M.: Sections 5 and 6  
T. 28N., R.47E., M.D.M.: Sections 31 and 32

Describe by legal subdivisions. If permit is for irrigation, state number of acres to be irrigated.

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

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

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; with gravel packing; submersible pump  
State manner in which water is to be diverted, i.e. diversion  
and motor, storage tank, and pipeline distribution lines to mine, mill, and infiltration basins.  
structure, ditches, pipes, and flumes or drilled well, pump and motor, etc.

12. Estimated cost of works estimate \$300,000.00

13. Estimated time required to construct works two months  
If well completed, describe well

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

15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use: The Cortez Hills mining project, now in its early stages, is identifying locations in which de-watering will be essential to lowering local water table in advance of substantial excavation. Such is the short-term need now at this described location, as well as other needs for mining and dust control. If it appears the water presence will persist, a permanent change application will be submitted. Please send copies of notices and correspondence to the 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**