Permit No. 77103

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:	**RGGS LAND & MINERALS, LTD, L.P, A DELAWARE LIMITED PARTNERSHIP**
Source:	**UNDERGROUND**
Basin:	**MASON VALLEY**
Manner of Use:	**MINING AND MILLING**
Period of Use:	**January 1st to December 31st**
Priority Date:	**12/03/1953**

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 permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 15425, Certificate 4398 is issued subject to the terms and conditions imposed in said Permit 15425, Certificate 4398 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.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

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 ground water basin.

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:	**October 21, 2010**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**October 21, 2013**
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 **21st** day of **October**, A.D. **2008**

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

ORIGINAL

Application No. 77103

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 0 4 2008

Returned to applicant for correction JUN 1 0 2008

Corrected application filed _____ Map filed JUN 1 3 2008

The applicant RGGS Land & Minerals, Ltd., L.P., a Delaware limited partnership

909 Fannin, Suite 2600 (Street Address or P.O. Box) of Houston (City or Town)

Texas 77010 (State and Zip Code), hereby make(s) application for permission to change the

[x] Point of diversion [x] Place of use [x] Manner of use [ ] of a portion

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

Permit 15425, Certificate 4398

1. The source of water is Underground (Name of stream, lake, underground, spring or other sources.)
2. The amount of water to be changed 1.0 cfs, not to exceed 723.97 acre-feet annually (Second feet, acre-feet. One second foot equals 448.83 gallons per minute.)
3. The water to be used for Mining, Milling & Domestic (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 Milling (If for stock, state number and kind of animals.)
5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)
   SW ¼ NE ¼, Section 2, T.12N., R.26E., M.D.B. & M., or at a point from which the NE Corner of Section 4, said Township & Range bears N. 75° 08' ~~44~~ 54" W., a distance of 8,546.20 feet. Refer to supporting map accompanying this application.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
   SE ¼ SW ¼, Section 16, T.13N., R.25E., M.D.B. & M., or at a point from which the SW Corner of said Section 16 bears S. 62° 02' 03" W., a distance of 2,173.31 feet. Refer to map on file under Permit 15425

REC per letter 6-13-08

108-LY

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

Please refer to Attachment "A" and supporting map accompanying this application.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

Within Sections 16 & 17, ~~Section 16~~, T.13N., R.25E., M.D.B. & M. Refer to map on file under Permit 15425

REC

9. Proposed use will be from January 1 (Month and Day) to December 31 (Month and Day) of each year.

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

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)(State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled & cased well equipped with motor, pump meter, storage tanks & distribution system

12. Estimated cost of works $100,000.00

13. Estimated time required to construct works Three (3) years (If well completed, describe well.)

14. Estimated time required to complete the application of water to beneficial use Ten (10) years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

This application is being filed to transfer the point of diversion, manner and place of use of Permit 15425 (Cert. 4398) for mining, milling & domestic purposes by Nevada Copper, Inc.'s Pumpkin Hollow copper mine project. The duty of this application is based on a projection of the diversion rate pumped continuously on an annual basis and shall not exceed 723.97 acre-feet annually. Water will be primarily used for the dewatering of a mine shaft. From there it will be used in conjunction with the operation of the mine. For additional information on the total annual project demand please refer to the letter submitted by George M. Thiel, P.E.

16. Miscellaneous remarks:

A Report of Conveyance updating ownership of this water right is on file with the State Engineer.

(775) 352-7800
Phone No.

gregb@tecreno.com
E-mail

By Gregory M. Bilyeu
Print or type name clearly

Signature, applicant or agent

TEC Civil Engineering Consultants
Company Name

9480 Double Diamond Parkway, Suite 200
Street Address or P.O. Box

Reno, NV 89521
City, State, Zip Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Attachment "A"

8. Proposed Place of Use

T.12N., R.26E., M.D.B. & M.

NW ¼, W ½ SW ¼, W ½ NE ¼, Section 1

All of Section 2

All of Section 3

All of Section 4

E ½, Section 5

E ½, Section 8

All of Section 9

All of Section 10

All of Section 11

NW ¼ NW ¼, Section 12

All of Section 14

All of Section 15

All of Section 16

E ½, Section 17

T.13N., R.26E., M.D.B. & M.

E ½, Section 32

All of Section 33

All of Section 34

All of Section 35

S ½ SW ¼, SW ¼ SE ¼, Section 36