Permit No. 78087

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, MILLING AND DEWATERING**
Period of Use:	**January 1st to December 31st**
Priority Date:	**04/10/1979**

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 of the waters of an underground source as heretofore granted under Permit 73737 is issued subject to the terms and conditions imposed in said Permit 73737 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.

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, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

This 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.

This permit will allow the permittee to dewater the mine area. It is understood that any water produced as a result of this dewatering operation shall be used first by the permittee for mining, milling and related uses.

An annual total of 3,963.34 acre-feet of water produced from dewatering may be used consumptively from Permits 72675 through 72684, 78086 and 78087 for mining and milling purposes.

An annual total of 3,160.87 acre-feet of water produced from dewatering may be used consumptively from Permits 61193, 67614 through 67616, 71454, and 72670 through 72673 for stock and irrigation.

(Continued on Page 2)

Any water produced from dewatering in excess of 7,124.51 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin via infiltration galleries 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.

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 stock and irrigation, if any, in acre-feet.

G. The amount of water lost through evaporation or other system losses project wide.

The total combined diversion rate under Permits 57134, 57136 through 57138, 57140, 57144 through 57148, 61193, 62723, Certificate 16016; Permits 67510, 67511, 67513, 67614 through 67616, 71044, 71454, 72665 through 72689, 78085, 78086, and 78087 shall not exceed 77 cubic feet per second. The total combined withdrawal of water under these permits shall not exceed 55,606 acre-feet annually.

The State Engineer retains the right to regulate the appropriation and use of the public waters herein granted at any and all times.

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 0.094 cubic feet per second or 67.21 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **November 16, 2010**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **November 16, 2014**

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 16th day of **November**, A.D. **2009**

T. T. L., P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Application No. 78087

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 MAR 0 2 2009

Returned to applicant for correction _____

Corrected application filed _____ Map filed MAR 0 2 2009 under 78085

The applicant Cortez Joint Venture

HC 66, Box 1250 (Street Address or P.O. Box) of Crescent Valley (City or Town)

Nevada 89821-1250 (State and Zip Code), hereby make(s) application for permission to change the

☒ Point of diversion ☐ Place of use ☐ 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 #73737

1. The source of water is underground (DB-28) (Name of stream, lake, underground, spring or other sources.)
2. The amount of water to be changed 0.094 c.f.s. (67.21 A.F.) (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 (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.)
within the SW¼SW¼ Section 5, T.27N, R.47E., M.D.M. from which the SE corner of Section 32, T.28N., R.47E., M. D. M. bears N.47°25'E., 7,977 feet distant.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
the SE¼NW¼ Section 8, T.27N., R.47E., M.D.M., from which the SE corner of Section 32, T.28N., R.47E., M. D.M. bears N.31°48'E., 8,188 feet distant (please refer to map filed under #73338).

SA-LD

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

same as existing.

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.)

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

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 and cased well (existing); submersible or line shaft pump & motor, storage tanks, pipeline network to mine, mill and infiltration basins and irrigated fields.

12. Estimated cost of works $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. 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 change application is filed to correct the position of well DB-28, which had been previously reported in error.

16. Miscellaneous remarks:
Please send copies of notices and correspondence to the undersigned agent.

2009 MAR -2 PM 1:55

(775) 738-2121
Phone No.

wnisbet@chilton-inc.com
E-mail

By William A. Nisbet, Agent
Print or type name clearly

William A. Nisbet
Signature, applicant or agent

Chilton Engineering & Surveying, Ltd.
Company Name

421 Court Street
Street Address or P.O. Box

Elko, NV 89801-3527
City, State, Zip Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION