



THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: PROCK REVOCABLE TRUST & SMITH ENTERPRISES TRUST
Source: CLOVERDALE CREEK
Basin: BIG SMOKY VALLEY-TONOPAH FLAT
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 01/01/1864

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, manner and place of use of a portion of the waters of the Cloverdale Creek heretofore appropriated under the undetermined claim of vested right as evidenced by Proof of Appropriation of Water V05320 is issued with the understanding that no other rights on the source will be affected by the change proposed herein. A totalizing meter must be installed at or near the point of diversion to facilitate the measurement and control of water. The State reserves the right to regulate the use of the water under this proposed change at any and all times. This permit is issued subject to any determination of the waters of the Cloverdale Creek that may be made under adjudication proceedings under NRS 533.090 through 533.320.

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.

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

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.1 cubic feet per second or 20.0 acre-feet annually.**

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

January 20 2013

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

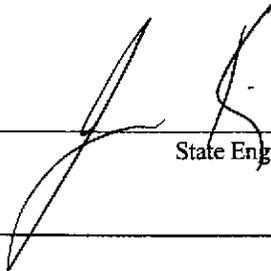
January 20 2015

Map in support of proof of beneficial use shall be filed on or before:

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 20th day of January, A.D. 2012

 P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ORIGINAL

Application No. 80277

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 NOV 08 2010

Returned to applicant for correction NOV 17 2010

Corrected application filed DEC 09 2010 Map filed DEC 09 2010 under 80276

The applicant Prock Revocable Trust & Smith Enterprises Trust
7200 Circle Parkway of Sacramento
Street Address or PO Box City or Town
California 95823
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 rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

claim #05320

1. The source of water is Cloverdale Creek, an intermittent stream
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.1 cfs / 20.0 acre-feet
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining, milling & dewatering
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 irrigation, stockwater and domestic *REL*
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 NE¼NW¼ Section 24, T.8N., R.39E., M.D.M., from which the W.1/16 corner common to Sections 13 & 24, in said township, bears N.7°21'W., 312.6 ft. dist.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
the SW¼SW¼ Section 12, T.8N., R.39E., M.D.M., or at a point from which the SW corner of Section 13, in said township, bears S.5°52'W., 5,570 ft. dist.

137A-NY

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

NE 1/4 NW 1/4 Sec. 24, in T.8N., R.39E., M.D.M.

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.)

1.5 acres in SE 1/4 NW 1/4 Section 13, and
3.5 acres in NE 1/4 SW 1/4 Section 13, T.8N., R.39E., M.D.M.

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

10. Existing use permitted from April 1 to November 30 of each year.
Month and Day Month and Day

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.)

A pit will be excavated at the proposed point of diversion. An inlet pipe will be placed in the pit, and a pump will pump water about 1,200 feet to processing equipment and rapid infiltration basins within proposed place of use

12. Estimated cost of works \$25,000.00

13. Estimated time required to construct works four months

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use two 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 Cloverdale Placer Mine operation is described in detail in a "Small Mining Operations Information and Documentation" filing that was submitted to N.D.E.P. on June 28, 2010. A copy of that report was also attached to file #80123T. Water will be principally used in ore separation, local dust control and ore body de-watering.

16. Miscellaneous remarks:

Please send copies of notices and correspondence to owner representative Howard M. Smith at the above Sacramento address, and to the undersigned agent.

wnisbet@chilton-inc.com
E-mail Address
(775)738-2121 111
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

William A. Nisbet, agent
Type or print name clearly
William A. Nisbet
Signature, applicant or agent
Chilton Engineering & Surveying, Ltd.
Company Name
421 Court Street
Street Address or PO Box
Elko, Nevada 89801-3527
City, State, ZIP Code