



TEMPORARY
THE STATE OF NEVADA

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

Name of Permittee: RGGS LAND AND MINERALS, LTD, L.P.
Source: UNDERGROUND
Basin: MASON VALLEY
Manner of Use: MINING, MILLING AND DOMESTIC
Period of Use: ONE YEAR FROM DATE OF ISSUANCE
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 temporary permit to change the point of diversion of a portion of the waters of an underground source as heretofore granted under Permit 77103 is issued subject to the terms and conditions imposed in said Permit 77103 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water 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 permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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

The total combined duty of Permit 77103 and Temporary Permits 81233T and 81341T shall not exceed 723.97 acre-feet annually.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

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.

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 0.334 cubic feet per second or 30.0 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:

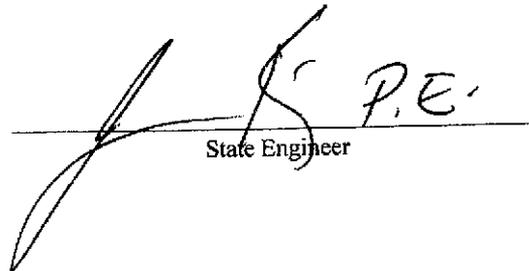
N/A

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

N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 5th day of **December**, A.D. **2011**



State Engineer

AMENDED

TEMPORARY Application No.

81341

T

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 23 2011
Returned to applicant for correction
Corrected application filed DEC 01 2011 Map filed DEC 14 2011

The applicant RGGGS Land and Minerals, Ltd, L.P., A Delaware Limited Partnership
900 Fannin, Suite 2600 of Houston
TX 77010
Street Address or PO Box City or Town
State and ZIP Code

hereby make(s) application for permission to change the

- Point of diversion (checked) Place of use Manner of use of a portion (checked)

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.)

77103

STATE ENGINEER'S OFFICE
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RECORDED

- 1. The source of water is Underground
2. The amount of water to be changed 0.334 cfs, not to exceed 30 af/year
3. The water to be used for Mining, Milling and Domestic
4. The water heretofore used for Mining, Milling and Domestic
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.)
SW1/4NW1/4, Section 3, T.12N., R.26E., M.D.B&M., or at a point from which the NW corner of Section 3, T.12N., R.26E., bears North 21 47' 44" West a distance of 2347' feet
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
SW1/4NE1/4, Section 2, T.12N., R.26E., M.D.B&M., or at a point from which the NE corner of Section 4, T.12N., R.26E., bears N 75 08' 54" West a distance of 8,546.20 feet



AMENDED

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

Please see Attachment A

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.)

Please see Attachment A

9. Proposed use will be from Jan 1 to Dec 31 of each year.

10. Existing use permitted from Jan 1 to Dec 31 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.)

The well is to be drilled to approximately 860 ft BGSE, diameter of 14.75", 8" diameter steel Casing, submersible pump, 50' cement grout seal within a 26" diameter annular opening, Bentonite seal to a depth of 540 feet., Perf. Casing to the 860'.

12. Estimated cost of works \$350,000

13. Estimated time required to construct works 1 year

If well completed, describe well.

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

The well is proposed to be used for the development analysis of the resource for determination of the aquifer characteristics with relationship to the development of the mineral resource and potential long term use as to a source of water for the mining project to be used for mineral processing, dust suppression on culinary purposes

16. Miscellaneous remarks:

Use the map filed under 77103 for the existing point of diversion, proposed and existing place of use.

RECEIVED
2011 DEC -1 PM 3:02
STATE ENGINEERING OFFICE

GeorgeT@tecreno.com
E-mail Address
775-722-5380
Phone No. Ext.

George M. Thiel, P.E., S.W.R.S
Type or print name clearly

Signature, applicant or agent
THIEL ENGINEERING ASSOC. INC
Company Name
2801 Tamara Court
Street Address or PO Box
Minden, NV 89423
City, State, ZIP Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

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

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STATE ENGINEERING

REGISTERED