

## THE STATE OF NEVADA

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

**Name of Permittee:** CORTEZ JOINT VENTURE  
**Source:** WELL AW-13 (UNDERGROUND)  
**Basin:** CRESCENT VALLEY  
**Manner of Use:** MINING, MILLING AND DEWATERING  
**Period of Use:** JANUARY 1ST THROUGH 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 permit to change the point of diversion and place of use of the waters of an underground source as heretofore granted under Permit 72665 is issued subject to the terms and conditions imposed in said Permit 72665 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.

This permit is issued as a preferred use as provided in NRS 534.120.

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 6,595.27 acre-feet of water produced from dewatering may be used consumptively from Permits 79896, 79897, 80130 through 80142 and 81730 for stock and irrigation.

(Continued on Page 2)

Any water produced from dewatering in excess of 10,558.61 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, 57138, 57144, 57146 through 57148, 62723, Certificate 16016; Permits 71044, 72666 through 72669, 72674 through 72685, 72687 through 72689, 78085 through 78087, 79896, 79897, 80130 through 80142, 80935 through 80938, 80971 through 80977, 81608 and 81730 shall not exceed 89.285 cubic feet per second. The total combined withdrawal of water under these permits shall not exceed 59,040.4 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 1.2 cubic feet per second or 868.764 acre-feet annually.**

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

September 26 2013

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

September 26 2017

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 26<sup>th</sup> day of September, 2012

J. King, P.E.  
State Engineer

Completion of work filed \_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_

Cultural map filed \_\_\_\_\_

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_

**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 FEB 23 2012

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed JAN 30 2012 under 81533T

The applicant CORTEZ JOINT VENTURE  
HC66, Box 1250 of Crescent Valley  
Street Address or PO Box City or Town  
Nevada 89821-1250 hereby make(s) application for permission to change the  
State and ZIP Code

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.)

Permit 72665

1. The source of water is Underground Pipeline Well AW-13  
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 1.20 c.f.s., not to exceed 868.764 A.F.A.  
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining, Milling, Dewatering and 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 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 SE¼NW¼ Section 8, T. 27N., R. 47E., M.D.M., or at a point from which the SW Corner of Section 17, T. 27N., R. 47E., M.D.M. bears South 10° 00' West, a distance of 9,354 feet. (Well AW-13)  
Please refer to supporting map on file under Application 81533T.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)  
within the NW¼NW¼ Section 8, T. 27N., R. 47E., M.D.M., or at a point from which the SE Corner of Section 32, T. 28N., R. 47E., M.D.M. bears N. 39° 24' E., a distance of 8,119 feet. (Well DB-23)  
Please refer to supporting map on file under Application 72665.

SA-LD

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

See Attached

Please refer to supporting map on file under Application 79543T.

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, 24, 25, and 26;

T. 27N., R. 47E., M.D.M.: Sections 4, 5, 6, 7, 8, 9, 18, and unsurveyed Section 19;

T. 28N., R. 47E., M.D.M.: Sections 13, 15, 21, 22, 27, 28, 29, 30, 31, 32, and 33.

Please refer to supporting map on file under Application 72665.

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 January 1 to December 31 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.)

Existing drilled and cased well, pump and motor, storage tanks, with pipeline network to mine, mill, infiltration basins and irrigated fields.

12. Estimated cost of works in excess of \$1,000,000

13. Estimated time required to construct works existing cased well drilled under Well Log 110167, 850' deep.  
If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

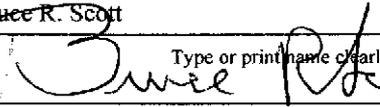
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

This Application is being filed to move water from former dewatering well DB-23 (now a monitoring well) to a new alluvial dewatering well AW-13. This well is part of an interconnected group of wells which dewater the Cortez Pipeline Mine.

16. Miscellaneous remarks:

rciwater@rci-nv.com  
E-mail Address  
775-883-1600  
Phone No.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

Bruce R. Scott  
Type or print name clearly  
  
Signature, applicant or agent  
Resource Concepts, Inc.  
Company Name  
340 N. Minnesota Street  
Street Address or PO Box  
Carson City, Nevada 89703  
City, State, ZIP Code

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**ATTACHMENT TO APPLICATION TO CHANGE  
THE POINT OF DIVERSION & PLACE OF USE OF PERMIT 72665**

7. Proposed Place of Use:

T.26N., R.47E., MDM: Portion E $\frac{1}{2}$  Sec. 1 and Portion E $\frac{1}{2}$  Sec. 12 within Crescent Valley (Basin 054)

T.26N., R.48E., MDM: Portion Sec. 6 and Portion Sec. 7 within Crescent Valley (Basin 054)

T.27N., R.46E., MDM: W $\frac{1}{2}$  SE $\frac{1}{4}$ , E $\frac{1}{2}$  SW $\frac{1}{4}$  Sec. 13; SW $\frac{1}{4}$  SW $\frac{1}{4}$  Sec. 23; NE $\frac{1}{4}$ , E $\frac{1}{2}$  NW $\frac{1}{4}$  Sec.24; NW $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$  Sec. 26

T.27N., R.47E., MDM: All Sec. 4, 5, and 6; E $\frac{1}{2}$  Sec. 7, All Sec. 8 and 9; E $\frac{1}{2}$ , SW $\frac{1}{4}$  Sec. 18; N $\frac{1}{2}$ , SW $\frac{1}{4}$  Sec. 19; E  $\frac{1}{2}$  Sec. 24; All Sec. 25; SE  $\frac{1}{4}$  Sec. 30; All Sec. 36

T.27N., R.48E., MDM: W $\frac{1}{2}$  Sec. 19, All Sec. 30 and 31

T.28N., R.47E., MDM: E $\frac{1}{2}$ , SW $\frac{1}{4}$  Sec. 13; SE $\frac{1}{4}$  SW $\frac{1}{4}$  Sec. 15; SE $\frac{1}{4}$  NE $\frac{1}{4}$ , NE $\frac{1}{4}$  SE $\frac{1}{4}$  Sec. 21; NW $\frac{1}{4}$ , NW $\frac{1}{4}$  SW $\frac{1}{4}$  Sec. 22; E $\frac{1}{2}$  Sec. 27; NW $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$  Sec. 28; S $\frac{1}{2}$  Sec. 29; SE $\frac{1}{4}$  Sec. 30; Lots 7, 8, 9, 10, E $\frac{1}{2}$  Sec. 31; All Sec. 32; SE $\frac{1}{4}$  Sec. 34; W $\frac{1}{2}$ , SE $\frac{1}{4}$  Sec. 35

T.28N., R.48E., MDM: All Sec. 1, 3, 5, and 7; NE $\frac{1}{4}$  NE $\frac{1}{4}$ , S $\frac{1}{2}$  S $\frac{1}{2}$  Sec. 8; All Sec. 9, 11, and 13; N $\frac{1}{2}$ , W $\frac{1}{2}$  SE $\frac{1}{4}$ , SW $\frac{1}{4}$  Sec. 14, All Sec. 15; W $\frac{1}{2}$  NE $\frac{1}{4}$ , NW $\frac{1}{4}$  Sec. 16; All Sec. 17; N $\frac{1}{2}$  N $\frac{1}{2}$ , SE $\frac{1}{4}$  NE $\frac{1}{4}$ , E $\frac{1}{2}$  SE $\frac{1}{4}$  Sec. 18; N $\frac{1}{2}$  NW $\frac{1}{4}$  Sec. 23

T.28N., R.49E., MDM: All Sec. 3, 7, 9 and 17

As shown on supporting map filed under Application 79543T - sheet 1.

February 23, 2012

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