THE STATE OF NEVADA

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

Name of Permittee:	**CORTEZ JOINT VENTURE**
Source:	**DB-33 (UNDERGROUND)**
Basin:	**CRESCENT VALLEY**
Manner of Use:	**MINING, MILLING AND DEWATERING**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**06/26/1992**

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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 71044 is issued subject to the terms and conditions imposed in said Permit 71044 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 72666 through 72669, 72674 through 72685, 72687 through 72689, 78085 through 78087, 79896, 79897, 80130 through 80142, 80935 through 80938, 80971 through 80977, 81608, 81730 and 82046 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 5.5 cubic feet per second or 3981.835 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**December 28 2013**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**December 28 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 28th day of **December, 2012**

J. K. P.E.

State Engineer

Application No. 82046

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 AUG 0 7 2012

Returned to applicant for correction _____

Corrected application filed _____ Map filed JAN 30 2012 under 81533T

The applicant CORTEZ JOINT VENTURE

HC 66, Box 1250 (Street Address or PO 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 rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 71044

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1. The source of water is Underground - DB-33
   (Name of stream, lake, underground, spring or other sources.)

2. The amount of water to be changed 5.5 cfs, not to exceed 3,981.835 AFA
   (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 12° 59' West, a distance of 9,357 feet. Well DB-33.
   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 North 39° 24' East, a distance of 8,119 feet. Well DB-23
   Please refer to supporting map on file under Application 71044.

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 accompanying supporting map.

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 13, 24, 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 71044.

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.)

Existing drilled and cased well, pump, motor, storage tanks, and pipeline network serving 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, 2,280' deep, drilled under Well Log 112089

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 active dewatering well DB-33. This well is part of an interconnected group of wells which dewater the Cortez Pipeline Mine and operate under State Engineer's Well Spacing Order #1082-A.

16. Miscellaneous remarks:

No new water is being requested under this Application.

Bruce R. Scott

Type or print name clearly

Signature, applicant or agent

rciwater@rci-nv.com

E-mail Address

775-883-1600

Phone No.

Resource Concepts, Inc.

Company Name

340 N. Minnesota Street

Street Address or PO Box

Carson City, Nevada 89703

City, State, ZIP Code

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

82046

ATTACHMENT TO APPLICATION TO CHANGE
PERMIT 71044

7. Proposed Place of Use:

T.26N., R.47E., MDM: Portion E½ Sec. 1 and Portion E½ 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: W½SE¼, E½SW¼ Sec. 13; SW¼SW¼ Sec. 23; NE¼, E½NW¼ Sec.24; NW¼, W½NE¼ Sec. 26

T.27N., R.47E., MDM: All Sec. 4, 5, and 6; E½ Sec. 7, All Sec. 8 and 9; E½, SW¼ Sec. 18; N½, SW¼ Sec. 19; E½ Sec. 24; All Sec. 25; SE¼ Sec. 30; All Sec. 36

T.27N., R.48E., MDM: W½ Sec. 19, All Sec. 30 and 31

T.28N., R.47E., MDM: E½, SW¼ Sec. 13; SE¼SW¼ Sec. 15; SE¼NE¼, NE¼SE¼ Sec. 21; NW¼, NW¼SW¼ Sec. 22; E½ Sec. 27; NW¼, W½NE¼ Sec. 28; S½ Sec. 29; SE¼ Sec. 30; Lots 7, 8, 9, 10, E½ Sec. 31; All Sec. 32; SE¼ Sec. 34; W½, SE¼ Sec. 35

T.28N., R.48E., MDM: All Sec. 1, 3, 5, and 7; NE¼NE¼, S½S½ Sec. 8; All Sec. 9, 11; S½SW¼, SW¼SE¼ Sec. 12; All Sec. 13; N½, W½ SE¼ , SW¼ Sec. 14, All Sec. 15; W½NE¼, NW¼ Sec. 16; All Sec. 17; N½N½, SE¼NE¼, E½SE¼ Sec. 18; N½NW¼ Sec. 23; NE¼NE¼ Sec. 24

T.28N., R.49E., MDM; All Sec. 3, 7, 9, 17, and N½ Sec. 19

T.29N., R.49E., MDM; All Sec. 25 and 35

T.29N., R.50E., MDM; All Sec. 19

As shown on accompanying supporting map.

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