



## THE STATE OF NEVADA

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

Name of Permittee: CORTEZ JOINT VENTURE  
Source: UNDERGROUND (DW 10)  
Basin: CRESCENT VALLEY  
Manner of Use: MINING, MILLING, DEWATERING, AND DOMESTIC  
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST  
Priority Date: 05/26/1952

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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 72676, is issued subject to the terms and conditions imposed in said Permit 72676 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. 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 will allow the permittee to dewater the Cortez Hills mine area. It is understood that any water obtained as a result of this dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, road watering, and other related mining and milling uses (hereinafter referred to as mining and milling).

The total combined consumptive use of water under Permit 24663, Certificate 7292; Permit 24664, Certificate 7293; Permit 46224, Certificate 12482; Permit 46225, Certificate 12483; Permits 58187-E, 58188-E, 58189-E, 58190-E, 58191-E, 58192-E, 58985-E, 59339, 59340, 64545 and 75342, 77179, and 82592 in the Cortez Hills Project Area is limited to 1,517.6 acre-feet annually.

Any water produced from this dewatering operation in excess of 1,517.6 acre-feet annually shall be returned to the Crescent Valley Groundwater Basin by 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.

(Continued on Page 2)

In addition, the State Engineer acknowledges that a substitutive use of excess dewatering water for existing irrigation rights is prudent and is allowed for under Order No. 1189. The amount of water allowed for irrigation substitutive uses cannot exceed the duty of water allowed for irrigation on lands under the control of the permittee.

The non-consumptive use of water for dewatering purposes from this permit and all other active permits within the Cortez Hills Project Area is limited to 13,248 acre-feet annually.

The operator shall keep monthly records of the following, but not limited to, and reported pursuant to Order No. 1189.

- 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 consumptive uses, if any, in acre-feet.
- G. The amount of water lost through evaporation or other system losses project wide.
- H. A map and a description of all wells or other water diversions within the project area.

Failure to comply with any provision of Order 1189 or any other terms of this permit will result in cancellation of the permit.

The issuance of Permit 82592 reduces the total annual consumptive duty from Permits 72675, 72677 through 72684, 78086 and 78087 for mining and milling purposes from 3,963.34 acre-feet to 3,481.14 acre-feet and reduces the combined duties for all mining related permits at the Cortez Pipeline Project by 482.2 acre-feet annually (0.67 cubic feet per second).

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 0.67 cubic feet per second or 482.2 acre-feet annually.**

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

April 18 2015

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

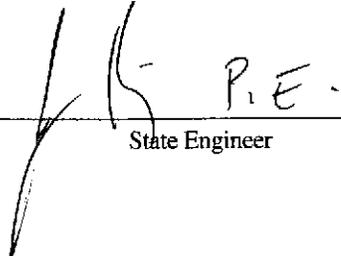
April 18 2019

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 18<sup>th</sup> day of April, 2014

  
 \_\_\_\_\_  
 State Engineer

**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	<u>MAR 04 2013</u>
Returned to applicant for correction	_____
Corrected application filed	FEB 12 2013 UNDER 82524T

The applicant CORTEZ JOINT VENTURE  
HC 66, 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 72676

1. The source of water is Underground - Well DW-10  
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.666 c.f.s. not to exceed 482.2 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 - no change  
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 32, T. 27N., R. 48E., M.D.M., or at a point from which the SE Corner of Section 31, T. 27N., R. 48E., M.D.M. bears S. 14° 56' W., a distance of 1,263 feet. (Well DW-10)  
Refer to supporting map on file under Application 82524T - sheet 2.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)  
within the SE¼SE¼ Section 6, 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. 49° 36' E., a distance of 8,337 feet. (Well DB-25)  
Refer to supporting map on file under Application 72665

Crescent Valley  
4-54  
E.C.

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

See Attached

Refer to supporting map on file under Application 82046.

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, 26

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

T. 27N., R. 46E., M.D.M.: Sections 13, 15, 21, 22, 27, 28, 29, 30, 31, 32, 33

Refer to supporting map on file under Application 72665.

28N, 47E

She!!  
3/5/2013

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.)

Drilled and cased well, pump, motor, storage tanks, and pipeline network serving mine, mill, and infiltration basins.

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

13. Estimated time required to construct works 1 year to equip. (well drilled)

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)

The proposed point of diversion is located in the Cortez Hills mine area. Well will be interconnected with other wells and used to dewater and for other mining uses.

16. Miscellaneous remarks:

A Temporary Application is being filed concurrently.

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rciwater@rci-nv.com

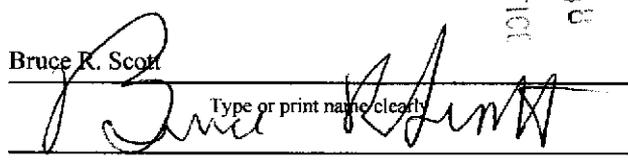
E-mail Address

775-883-1600

Phone No.

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

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

**ATTACHMENT TO TEMPORARY and PERMANENT  
APPLICATIONS TO CHANGE  
PERMIT 72676**

**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; S $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$  Sec. 12; All Sec. 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; NE $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 24

T.28N., R.49E., MDM; All Sec. 3, 7, 9, 17, and N $\frac{1}{2}$  Sec. 19

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

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

As shown supporting map on file under Application 82046.

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