

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

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WHEREAS, Robert N. Wiley, as agent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source (well no. 2A) through a drilled well, pump and distribution system for mining and milling purposes. The point of diversion of water from the source is as follows:

NE¼ NW¼ (Lot 2) of section 3, T.31N.,R.33E.,M.D.B.&M., or at a point from which the SW corner of said section 3 bears S 23°15' W, a distance of 4980 feet situated in Pershing County, State of Nevada.

NOW KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator: Pegasus Gold Corporation
Source: underground (well no. 2A)
Manner of Use: Mining and milling
Amount of appropriation: 0.78 c.f.s., but not to exceed 33.315 million gallons annually
Period of use: January 1st to December 31st of each year
Date of priority of appropriation: April 19, 1985

Description of the works of diversion, manner and place of use:

Water is developed from a drilled well, 570 feet deep, 10 inch diameter casing, thence conveyed via a 6 inch diameter pipe, 150 feet in length, to a holding pond then to the millsite where water is used for mining and milling purposes within sections 2, 3, 4, 9, 10, 11, 14, 15, 16, 37, 38 and 39, all in T.31N.,R.33E., M.D.B.&M.

The total combined duty under permits 48997, 48998, 48999, 49931 and 53342 shall not exceed 105.841 million gallons annually.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I R. MICHAEL TURNIPSEED, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 30th day of JANUARY, A.D. 19 92.

[Signature]
State Engineer

bk/sb