

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

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WHEREAS, Perry Williams, Agent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source through a vertical culvert, pump and distribution system for Mining and Milling purposes. The point of diversion of water from the source is as follows:

SE 1/4 SW 1/4 Section 33, T.6S., R.40E., M.D.B.&M., or at a point from which the SW corner of Section 3, T.7S., R.40E., M.D.B.&M., bears S. 29°10'20" E., a distance of 6416.82 feet situated in Esmeralda 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: Peke Resources, Inc.
Source: Underground
Manner of Use: Mining and Milling
Amount of appropriation: *0.446 c.f.s., but not to exceed 74.31 million gallons annually
Period of use: January 1st to December 31st of each year
Date of priority of appropriation: June 7, 1979

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

Water is developed by means of a 36 inch diameter buried culvert, placed vertically between bedrock and the surface, via a 14 H.P. Flyght submersible pump, thence water is conveyed through an 8 inch discharge hose to a 150 yard per hour Trommel for placer mining and milling at the Tule Canyon Mine located within the following:

S 1/2 NW 1/4 SE 1/4, S 1/2 NE 1/4 SE 1/4, E 1/2 SE 1/4 SE 1/4 Section 31, T.6S., R.40E., M.D.B.&M.

SW 1/4 SW 1/4, S 1/2 NW 1/4 SW 1/4, SE 1/4 SW 1/4, S 1/2 NE 1/4 SW 1/4, SW 1/4 SE 1/4, S 1/2 NW 1/4 SE 1/4, Section 32, T.6S., R.40E., M.D.B.&M.

S 1/2 SE 1/4 SW 1/4, SW 1/4 SE 1/4, NW 1/4 SE 1/4, NE 1/4 SE 1/4, Section 33, T.6S., R.40E., M.D.B.&M.

SW 1/4 SW 1/4, NW 1/4 SW 1/4, SE 1/4 SW 1/4, NE 1/4 SW 1/4, SW 1/4 SE 1/4, SE 1/4 SE 1/4, Section 34, T.6S., R.40E., M.D.B.&M.

W 1/2 SW 1/4 SW 1/4, Section 1, T.7S., R.40E., M.D.B.&M.

NW 1/4 NW 1/4, SW 1/4 NW 1/4, SE 1/4 NW 1/4, SW 1/4 NE 1/4, NW 1/4 SW 1/4, NE 1/4 SW 1/4, SW 1/4 SW 1/4, SE 1/4 SW 1/4, NW 1/4 SE 1/4, SW 1/4 SE 1/4, SE 1/4 SE 1/4, Section 2, T.7S., R.40E., M.D.B.&M.

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NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 3, T.7S., R.40E., M.D.B.&M.

N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 4, T.7S., R.40E., M.D.B.&M.

S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 5, T.7S., R.40E., M.D.B.&M.

NE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 10, T.7S., R.40E., M.D.B.&M.

NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 11, T.7S., R.40E., M.D.B.&M.

W $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 14, T.7S., R.40E., M.D.B.&M.

E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 15, T.7S., R.40E., M.D.B.&M.

NW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 22, T.7S., R.40E., M.D.B.&M.

NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 27, T.7S., R.40E., M.D.B.&M.

S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 34, T.7S., R.40E., M.D.B.&M.

NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 35, T.7S., R.40E., M.D.B.&M.

NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 1, T.8S., R.40E., M.D.B.&M. (UNSURVEYED)

NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 2, T.8S., R.40E., M.D.B.&M. (UNSURVEYED)

NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, Section 10, T.8S., R.40E., M.D.B.&M. (UNSURVEYED)

NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 11, T.8S., R.40E., M.D.B.&M. (UNSURVEYED)

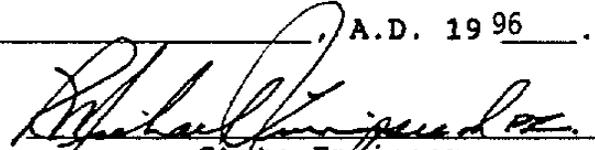
*The total combined rate of diversion and duty of water under any certificates issued under Permits 38291, 38293, 38294, 38297 and 38299 shall not exceed 0.446 c.f.s. and 74.31 million gallons annually.

This certificate is issued subject to the terms of the permit.

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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 1st day of MAY, A.D. 1996.


State Engineer

cmg/sb