

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

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WHEREAS, Hugh Roy Marshall, 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 #3) through a drilled well, pump, and distribution system for mining, milling, and domestic purposes. The point of diversion of water from the source is as follows:

SE 1/4 SE 1/4 Section 27, T.13N., R.39E., M.D.B.&M., or at a point from which the NE corner of Section 1 T.12N., R.38E., M.D.B.&M., bears S. 75°11'28" W., a distance of 21,072.0 feet situated in Nye 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: Marshall Earth Resources, Inc.
Source: Underground (Well #3)
Manner of Use: Mining, Milling, and Domestic
Amount of appropriation: 1.50 c.f.s., but not to exceed *0.525 million gallons annually
Period of use: January 1st to December 31st of each year
Date of priority of appropriation: February 14, 1983

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

Water is developed by means of a drilled well, 950 feet deep, 30 H.P. motor and submersible pump, thence through a distribution system to a mine and mill located within the NE 1/4 of Section 33, the SE 1/4 SW 1/4 of Section 27, and the NE 1/4 NW 1/4 of Section 34 all in T.13N., R.39E., M.D.B.&M. This well also serves as a backup well to the Town of Ione located within the NW 1/4 SW 1/4 and portions of the SE 1/4 NW 1/4, NE 1/4 SW 1/4 and SW 1/4 SW 1/4 of Section 34, T.13N., R.39E., M.D.B.&M.

*The total combined duty of water under this certificate and any certificate issued under Permit 61945 shall not exceed 2.001 million gallons annually.

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

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 7th day of July, A.D. 1997.

[Signature]
State Engineer

cms/sb