

IN THE OFFICE OF THE STATE ENGINEER  
OF THE STATE OF NEVADA

1010

ORDER

American Eagle Resources, Inc.  
Successor in Interest to  
Alhambra Mines, Inc.  
324 South Wells Avenue  
Reno, Nevada 89502  
Certified Mail No. P117 624 489

WHEREAS the Nevada Division of Environmental Protection has advised the State Engineer of the seriousness of the ground water contamination that has occurred in the area of Section 5, T.16N., R.22E., M.D.B.&M., in Dayton Valley, Nevada.

WHEREAS the Division of Environmental Protection has ordered Alhambra Mines, Inc., to recover the contaminated ground water for treatment prior to reinjection into the ground water aquifer.

WHEREAS Alhambra Mines, Inc., has complied with the statutory requirements of NRS 533 and 534 for the purposes of obtaining a right to divert water from two recovery wells necessary to comply with Nevada Division of Environmental Protection's order.

WHEREAS the State Engineer is authorized and directed under NRS 534.020(2) to insure the protection of the ground water resources of this state.

THEREFORE, the State Engineer finds, under this set of circumstances, it is in the public interest to begin the contaminated ground water recovery process at the earliest possible date, even in the absence of the required (permanent) permits to divert water from the subject wells (located as described in pending Applications 54183 and 54184).

THEREFORE, IT IS HEREBY ORDERED that Alhambra Mines, Inc., begin the diversion of contaminated ground water from the two recovery wells at the earliest possible date in compliance with the Order of the Division of Environmental Protection. The diversion of water from the subject wells is hereby authorized only for the above-noted purpose for a period not to exceed 180 days from the date of this Order.

  
Peter G. Morros  
State Engineer

Dated at Carson City, Nevada

This 21st day of NOVEMBER, 1989.