

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

1132

O R D E R

AMENDING CONDITIONS AND PROVISIONS OF PERMITS ISSUED TO
BARRICK GOLDSTRIKE MINES INC. TO APPROPRIATE UNDERGROUND
WATER OF THE BOULDER FLAT GROUND WATER BASIN (4-61),
ELKO AND EUREKA COUNTIES, NEVADA.

WHEREAS, the Boulder Flat Ground Water Basin (4-61) was designated on October 5, 1982, by State Engineer's Order 799. This Order is issued pursuant to Chapter 534 of Nevada Revised Statutes which empowers the State Engineer to make rules, regulations and orders.

WHEREAS, Barrick Goldstrike Mines Inc. ("Barrick"), is the owner of record of Permits 55139 through 55150, inclusive, 55272, 55137, 55138, 59860 and 59861, to appropriate underground water from the Boulder Flat Ground Water Basin for mining, milling and dewatering purposes. These permits shall be deemed to include change applications, secondary applications or certificates issued thereunder and referred to herein as the "Barrick Permits."

WHEREAS, notice of Barrick's applications to appropriate water was given by publication as provided by law. The only protestant to Barrick's applications was Eureka County, Nevada. The Eureka County protests were resolved by stipulations between Barrick and Eureka County and the terms of these stipulations were incorporated into the State Engineer's approval of Barrick's applications. These stipulations provide that if all of the ground water cannot be utilized or disposed of within the Boulder Flat Basin, Barrick may apply to the Nevada State Engineer to dispose of water outside the Boulder Flat Basin.

WHEREAS, Barrick has undertaken substantial measures to infiltrate and inject ground water flows back into the Boulder Flat Basin, and has also provided water to a local ranch which has used the water in lieu of pumping ground water for irrigation purposes and other beneficial uses. Barrick has represented that these activities are conducted under the terms of and are limited by contractual agreements between Barrick and third-party landowners.

WHEREAS, the volume of ground water flows, coupled with natural conditions and legal and contractual constraints, render it impractical for Barrick to avoid discharge to the natural drainages. Such discharge by Barrick may ultimately result in the flow of some water outside the Boulder Flat Basin and Eureka County, but not outside the Humboldt River Drainage Basin within Nevada.

WHEREAS, there is no evidence or information to indicate that discharge of ground water flows to natural drainages in the Humboldt River Drainage Basin will adversely affect existing rights or be detrimental to the public welfare.

WHEREAS, Eureka County and Barrick entered into an Addendum to Stipulation, Settlement Agreement and Withdrawal of Protests ("Addendum") dated November 27, 1996, pursuant to which Eureka County withdrew its objection to Barrick's discharge of ground water flows outside of the Boulder Flat Basin and Eureka County subject to certain conditions set forth in the Addendum.

NOW THEREFORE it is hereby ordered that:

1. The ground water produced as a result of Barrick's dewatering operation shall be used first for mining, milling and processing purposes. Ground water produced by Barrick in excess of the quantity used for mining, milling and processing purposes may be utilized in the Boulder Flat Basin for irrigation purposes, infiltrated, injected, used to redress or mitigate water right impairment or environmental impacts, if any, resulting from the diversion of water pursuant to the Barrick permits, and used or otherwise retained within the Boulder Flat Basin and Eureka County. The foregoing water management priorities are subject to the natural conditions in Boulder Flat Basin and to all applicable statutes, regulations, orders, judgments, decrees and agreements which may limit Barrick's ability to store, use or retain water in the Boulder Flat Basin and Eureka County.

2. Ground water that is in excess of the quantities that may be managed within the Boulder Flat Basin and Eureka County as provided in Paragraph 1 may be discharged either directly or indirectly into the Humboldt River, subject to Barrick obtaining the necessary approvals, permits, agreements and access to land to accomplish the discharge of water to the Humboldt River System.

3. The water discharged to the Humboldt River shall be subject to use, and no other use except as provided by the Bartlett Decree and intervening orders, the Edwards Decree and later orders, and the alternative Writ of Prohibition in Carpenter vs. District Court and related Supreme Court decisions, collectively referred to as the Humboldt River Adjudication, or as otherwise distributed by the Nevada State Engineer.

4. The use and management of water authorized pursuant to the order is subject to the terms and provisions of the "Stipulations, Settlement Agreements and Withdrawal of Protests" between Eureka County and Barrick on file in the State Engineer's

Office as amended by the "Addendum to Stipulation, Settlement Agreement and Withdrawal of Protests" dated November 27, 1996.

5. It is further ordered that Barrick Goldstrike Mines Inc. shall submit monthly reports to the State Engineer within ten (10) days from the end of the months which shall include a record of discharges to natural drainages.


R. MICHAEL TURNIPSEED, P.E.
State Engineer

Dated at Carson City, Nevada this
1st Day of July, 1997.