

IN THE OFFICE OF THE STATE ENGINEER

OF THE STATE OF NEVADA

1133

ORDER

**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 to appropriate underground water from the Boulder Flat Ground Water Basin for mining, milling and dewatering purposes as set forth in Exhibit A hereto. These permits shall be deemed to include change applications and 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 and were not protested. However, in approving the Barrick permits the State Engineer provided that water from Barrick's dewatering operation shall not be discharged to any natural or man made drainages.

WHEREAS, Barrick has undertaken substantial measures to infiltrate and inject groundwater 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 groundwater 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.

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.

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 impact, if any, resulting from the diversion of water pursuant to the Barrick permits, and used or otherwise retained within the Boulder Flat Basin. 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.

2. Ground water that is in excess of the quantities that may be managed within the Boulder Flat Basin 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 v. 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. 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 month 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.

EXHIBIT A
BARRICK PERMITS

- 1 Permit 37985
2. Permit 43344
- 3 Permit 50304
4. Permit 50305
- 5 Permit 50306
6. Permit 50307
- 7 Permit 50834
8. Permit 51071
- 9 Permit 51531
10. Permit 51739
11. Permit 51740
- 12 Permit 51741
- 13 Permit 51742
- 14 Permit 51743
15. Permit 51744
16. Permit 52032
- 17 Permit 52033
18. Permit 52061