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 - WELL DRILLER'S COPY

STATE OF NEVADA  
 DIVISION OF WATER RESOURCES  
 WELL DRILLER'S REPORT

OFFICE USE ONLY  
 Log No. 100431  
 Permit No. 57147  
 Basin 054 pg 1  
 NOTICE OF INTENT NO. 56373

PRINT OR TYPE ONLY

Please complete this form in its entirety in accordance with NRS 534.170 and NAC 534.340

1. OWNER Cortez Gold Mines DB28-W2 Page -1- ADDRESS AT WELL LOCATION Cortez Gold minesite, south  
 MAILING ADDRESS HC 66, Box 1250 of Crescent Valley, NV.  
Crescent Valley, NV 89821 GPS:  
 2. LOCATION SW 1/4 SW 1/4 Sec 5 T 27 N R 47 E Lander County  
 PERMIT NO. 57147 N/A N/A  
 Issued by Water Resources APN Subdivision Name

3. WORK PERFORMED  
 New Well  Replace  Recondition  
 Deepen  Abandon  Other  
 4. PROPOSED USE  
 Domestic  Irrigation  Test  
 Municipal/Industrial  Monitor  Stock  
 5. WELL TYPE  
 Cable  Rotary  RVC  
 Air  Other

6. LITHOLOGIC LOG

Material	Water Strata	From	To	Thick-ness
Alluvial gravel & clay		0	546	546
Brown & gray rock		546	600	54
Lost circulation		600	800	200
Mostly gray some brown		800	865	65
Black rock		865	870	5
Mostly gray some brown		870	1010	140
Black rock traces white		1010	1080	70
Mostly brown traces black		1080	1170	90
Black rock traces white		1170	1350	180
Brown rock		1350	1380	30
Black rock traces white		1380	1720	340

Notes:  
 Hole plug from 516' to 567' outside of the 26" casing.  
 26" casing cut off at 500'.  
 Cement between 18" & 34" 0 - 200'.  
 Date started 03/15, 20 06  
 Date completed 04/13, 20 06

8. WELL CONSTRUCTION

Depth Drilled 1720 Feet Depth Cased 1705 Feet

HOLE DIAMETER (BIT SIZE)

From	To
<u>46</u> Inches	<u>0</u> Feet <u>80</u> Feet
<u>38</u> Inches	<u>80</u> Feet <u>516</u> Feet
<u>31</u> Inches	<u>516</u> Feet <u>567</u> Feet

CASING SCHEDULE

Size O.D. (Inches)	Weight/Ft. (Pounds)	Wall Thickness (Inches)	From (Feet)	To (Feet)
<u>40</u>	<u>210.93</u>	<u>0.500</u>	<u>0</u>	<u>80</u>
<u>34</u>	<u>178.89</u>	<u>0.500</u>	<u>0</u>	<u>516</u>
<u>26</u>	<u>202.25</u>	<u>0.750</u>	<u>500</u>	<u>567</u>

Perforations:  
 Type perforation Louvered  
 Size perforation 0.125"  
 From 279.94 feet to 299.96 feet  
 From 539.95 feet to 559.93 feet  
 From 999.78 feet to 1705.00 feet  
 From \_\_\_\_\_ feet to \_\_\_\_\_ feet  
 From \_\_\_\_\_ feet to \_\_\_\_\_ feet

Surface Seal:  Yes  No Seal Type:  
 Depth of Seal See Notes  Neat Cement  
 Placement Method:  Pumped  Cement Grout  
 Poured  Concrete Grout  
 Gravel Packed:  Yes  No  30% Grout  
 From 200 feet to 1720 feet

9. WATER LEVEL  
 Static water level 907 feet below land surface  
 Artesian flow \_\_\_\_\_ G.P.M. \_\_\_\_\_ P.S.I.  
 Water temperature 98 °F Quality Fair

10. DRILLER'S CERTIFICATION  
 This well was drilled under my supervision and the report is true to the best of my knowledge.  
 Name Lang Exploratory Drilling  
 (CONTRACTOR)  
 Address P.O. Box 5279  
 (CONTRACTOR)  
Elko, NV 89802-5279  
 Nevada contractor's license number issued by the State Contractor's Board 0021976  
 Nevada driller's license number issued by the Division of Water Resources, the on-site driller 2233  
 Signed \_\_\_\_\_  
 By driller performing actual drilling on site or contractor  
 Date 04/18/06

7. WELL TEST DATE

TEST METHOD:	Draw Down (Feet Below Static)	Time (Hours)
<input type="checkbox"/> Bailer <input type="checkbox"/> Pump <input checked="" type="checkbox"/> Air Lift		
G.P.M.		
<u>460</u>	<u>1</u>	<u>One</u>





2009 MAR 30 PM 11:55

March 26, 2009

Diana J. Lefler  
Division of Water Resources  
901 S. Stewart Street, #2002  
Carson City, Nevada 89701-5250

RE: #78085 - 78095T - Cortez Joint Venture

Dear Diana,

I have been studying the reported locations of the dewatering well group at the Pipeline project, and have consulted with mine staff familiar with the well group and the logs delivered for each of them. They have also checked their records.

#78085, 78086, 78087, 78093T & 78094T all reside at well DB-28, located within the SW $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 5, T.27N., R.47E. The two-page log for this well bears the notice of intent number 56373, & log #100431. The W2 appearing after the well name has no significance. We used an incorrect survey description (SE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec.8) when filing 76734T. The survey check we requested last month confirms its correct location.

#78088T describes DB-16 being in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 5, which is confirmed. Log #74891 (by Lang in 1999), bearing notice of intent 39248, should be changed from SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 5.

#78089T, 78090T & 78091T describe well DB-20 being within the SW $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 5, again confirmed correct, while Lang's 2002 log #86412, notice of intent #48228, should be corrected from the NE $\frac{1}{4}$ SW $\frac{1}{4}$  Sec. 5.

#78092T describes DB-23 lying within the NW $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 8, confirmed, and the same description occurs on Lang's 2003 log #90122, notice of intent #48589.

#78095T describes well DB-29, in the SE $\frac{1}{4}$ NW $\frac{1}{4}$  Sec. 5. No log has yet appeared on the DWR database. I will try to secure an advance copy from the mine.

Thanks you for identifying discrepancies in the record. I hope I have clarified the intent in each case.

Sincerely,

*Bill Nisbet*

William A. Nisbet

c: Peggy Young  
Shaun Debray  
Cortez Gold Mines  
HC 66, Box 1250  
Crescent Valley, Nevada 89821-1250

PER TG  
CORRECT  
WELL LOGS  
HAVE THEM  
RE-SCANNED