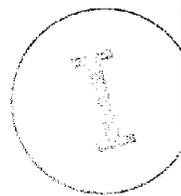


STATE OF NEVADA
DIVISION OF WATER RESOURCES
WELL DRILLER'S REPORT



OFFICE USE ONLY
Log No. 10653
Permit No. _____
Basin 054

PRINT OR TYPE ONLY
DO NOT WRITE ON BACK

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

NOTICE OF INTENT NO. 61361

1. OWNER Cortez Gold Mines
MAILING ADDRESS HC66 Box 1250
Crescent Valley, NV 89821

ADDRESS AT WELL LOCATION Cortez Hills
Hole #CHPZ-99

Subdivision Name: _____ County: _____ Lander _____

2. LOCATION NE 1/4 SE 1/4 Sec 31 T 27N N/S R 48 E Latitude 40.163742 UTM E 534228.515 NAD 27
PERMIT/WAIVER No. M/O-1499 Longitude 116.598058 N 4445798.356 NAD 83/WGS 84

Issued by Water Resources _____ Parcel No. _____

3. WORKED PERFORMED
 New Well Replace Recondition
 Deepen Other

4. PROPOSED USE
 Domestic Irrigation Test Monitor
 Municipal/Industrial Stock

5. WELL TYPE
 Cable Rotary RVC
 Air Other

6. LITHOLOGIC LOG

Material	Water Strata	From	To	Thick-ness
Alluvium		0	50	50
Gray Rock		50	810	760
Rusty Gray Rock	yes	810	830	20
Gray rock		830	900	70
Rusty Brown Rock	yes	900	970	70
Gray Rock	yes	970	1130	160
Rusty Brown Rock		1130	1150	20
Gray Rock	yes	1150	1350	200
Green Rock		1350	1430	80
Light Gray Rock w/Black		1430	1770	340
Gray and White rock	yes	1770	2000	230
2" Sch 80 PVC Blank		0	1940	1940
2" Sch 80 PVC Screen		1940	2000	60
Neat Cement		0	60	60
3/8" Hole Plug		60	497	437
Ben Sand Grout		497	938	441
1/4" Gravel		938	943	5
Ben Sand Grout		943	1208	265
1/4" Gravel		1208	1213	5
Ben Sand Grout		1213	1838	625
1/4" Gravel		1838	1843	5
Ben Sand Grout		1843	1938	95
1/4" Gravel		1938	2000	62

9. WELL CONSTRUCTION

Depth Drilled 2000 Feet Depth Cased 2000 Feet

HOLE DIAMETER (BIT SIZE)

	From	To
14 7/8	0	20
7	20	1280
6 3/4	1280	2000

CASING SCHEDULE

Size O.D. (Inches)	Weight/Ft. (Pounds)	Wall Thickness (Inches)	From (Feet)	To (Feet)
10 3/4		.188	0	20
2 3/8		Sch 80 PVC	0	1940

Perforations:

Type of perforation Slotted
Size of perforation 0.02

From 1940 feet to 2000 feet

Annular Seal: Yes No

Neat Cement 0 to 60 Pumped Poured
 Cement Grout to Pumped Poured
 Concrete Grout to Pumped Poured
 ≥30% Bentonite Grout to Pumped Poured

Gravel Pack: Yes No to Pumped Poured
Type: 1/4" Gravel

Bentonite Chips: Yes No to Pumped Poured
Type: 3/8" Hole Plug

Date started: 3-Jun , 20 08
Date completed: 16-Jun , 20 08

7. Water Level
Static water level: 778 feet below land surface
Artesian Flow: No G.P.M. N/A P.S.I.
Water Temperature: Cold °F
Quality: Clear

8. WELL TEST DATA

TEST METHOD: Bailer Pump Air Lift

	G.P.M.	Draw Down (Feet Below Static)	Time (Hours)
820	6		15 min
960	9		15 min
1220	28		1/2 Hr.
1900	35		1/2 Hr.
2000	58		1/2 Hr.

10. DRILLER'S CERTIFICATION

This well was drilled under my supervision and the report is true to the best of my knowledge.

Name Eklund Drilling Company, Inc.
Contractor

Address PO Box 2748
Contractor

Elko, NV 89803

Nevada contractor's license number issued by the State Contractor's Board 0030823

Nevada driller's license number issued by the Division of Water Resources, the on-site driller 1957

Signed Larry Dailey
By driller performing actual drilling on site or contractor

Date 6/16/2008