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WELL DRILLER'S REPORT

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

NOTICE OF INTENT NO. 15779

1. OWNER Cortez Gold mines ADDRESS AT WELL LOCATION Frame Property
 MAILING ADDRESS H.C. 66 - 50 Star Route
Bedouane, NV 89821
 2. LOCATION NW 1/4 NE 1/4 Sec. 24 T 28 N/S R. 47 E LANDER County
 PERMIT NO. M/C-1003 Issued by Water Resources Parcel No. _____ 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 | Thickness |
|------------------------|--------------|-----------|-----------|-----------|
| <u>Aluminum Clay</u> | | <u>0</u> | <u>90</u> | <u>90</u> |
| <u>SAND PACK</u> | | <u>90</u> | <u>50</u> | <u>40</u> |
| <u>Bentonite chips</u> | | <u>50</u> | <u>25</u> | <u>25</u> |
| <u>Cement</u> | | <u>25</u> | <u>0</u> | <u>25</u> |

8. WELL CONSTRUCTION
 Depth Drilled 90 Feet Depth Cased 88 Feet
 HOLE DIAMETER (BIT SIZE)
7 7/8 Inches From 0 Feet To 90 Feet
 _____ Inches _____ Feet _____ Feet
 _____ Inches _____ Feet _____ Feet

CASING SCHEDULE

| Size O.D. (Inches) | Weight/Ft. (Pounds) | Wall Thickness (Inches) | From (Feet) | To (Feet) |
|--------------------|---------------------|-------------------------|-------------|-----------|
| <u>4"</u> | <u>N/A</u> | <u>Sch-40</u> | <u>12</u> | <u>88</u> |

Perforations:
 Type perforation Horz slot
 Size perforation 1.020
 From SCREEN 88 feet to 58 feet
 From BLANK 58 feet to 12 feet
 From _____ feet to _____ feet
 From _____ feet to _____ feet
 Surface Seal: Yes No Seal Type:
 Depth of Seal 25 Neat Cement
 Cement Grout
 Placement Method: Pumped Concrete Grout
 Poured
 Gravel Packed: Yes No
 From 90 feet to 50 feet

9. WATER LEVEL
 Static water level N/A 42.66 feet below land surface
 Artesian flow N/A G.P.M. _____ P.S.I.
 Water temperature N/A °F Quality N/A

Date started 7/25/97
 Date completed 7/25/97

7. WELL TEST DATA

TEST METHOD: Bailer Pump Air Lift

| G.P.M. | Draw Down (Feet Below Static) | Time (Hours) |
|-----------|-------------------------------|---------------|
| <u>90</u> | <u>10</u> | <u>N/A</u> |
| | | <u>15 MIN</u> |

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 Co Contractor
 Address P.O. 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 19412
 Signed William Riley
 By driller performing actual drilling on site or contractor
 Date 7/25/97