

WHITE-DIVISION OF WATER RESOURCES
CANARY-CLIENT'S COPY
PINK-WELL DRILLER'S COPY

STATE OF NEVADA
DIVISION OF WATER RESOURCES

OFFICE USE ONLY

Log No. 747911

Permit No. SA 78088T

Basin 931

PRINT OR TYPE ONLY
DO NOT WRITE ON BACK

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. 39248

1. OWNER CORTEZ GOLD MINES ADDRESS AT WELL LOCATION CORTEZ GOLD MINE
 MAILING ADDRESS HC 66-50 SITE, SOUTH OF CRESCENT VALLEY, NV.
BEOVAWE, NV 89821

2. LOCATION SW 1/4 SW 1/4 Sec. 5 T. 27 N. 47 E. LANDER County
 PERMIT NO. 57147 Parcel No. N/A Subdivision Name N/A
 Issued by Water Resources

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
ALLUVIUM		0	350	350
GREY/BROWN ROCK		350	400	50
NO SAMPLE RETURN		400	630	230
GREY & BLACK ROCK		630	940	310
GREY & WHITE ROCK		940	1120	180
GREY & BLACK ROCK		1120	1160	40
BLACK & REDDISH ROCK		1160	1220	60
BLACK ROCK		1220	1330	110

8. WELL CONSTRUCTION
 Depth Drilled 1330 Feet Depth Cased 1320 Feet

HOLE DIAMETER (BIT SIZE)

From	To
38 Inches	0 Feet 20 Feet
31 Inches	20 Feet 400 Feet
24 Inches	400 Feet 1330 Feet

CASING SCHEDULE

Size O.D. (Inches)	Weight/Ft. (Pounds)	Wall Thickness (Inches)	From (Feet)	To (Feet)
34	178.89	0.500	0	20
26	102.60	0.375	0	397
18	70.59	0.375	+3	1320

Perforations:
 Type perforation LOUVERED
 Size perforation 0.125" X 2"
 From 641.73 feet to 1320 feet
 From _____ feet to _____ feet

Surface Seal: Yes No Seal Type:
 Depth of Seal 397' Neat Cement
 Placement Method: Pumped Cement Grout
 Poured Concrete Grout

Gravel Packed: Yes No
 From 1330 feet to SURFACE feet

9. WATER LEVEL
 Static water level: 546.4 feet below land surface
 Artesian flow _____ G.P.M. _____ P.S.I.
 Water temperature 98 °F Quality GOOD

Date started MARCH 18 1999
 Date completed APRIL 3 1999

7. WELL TEST DATA

TEST METHOD:	G.P.M.	Draw Down (Feet Below Static)	Time (Hours)
<input type="checkbox"/> Bailer <input type="checkbox"/> Pump <input checked="" type="checkbox"/> Air Lift	<u>378</u>	<u>0.5'</u>	<u>0.75</u>

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

Nevada contractor's license number 0021976
 issued by the State Contractor's Board

Nevada driller's license number issued by the 2108
 Division of Water Resources, the on-site driller.

Signed Chris O'Brien
 By driller performing actual drilling on site or contractor

Date APRIL 4, 1999



Successful Projects - On Time - On Budget

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