



**CHILTON** Engineering and Surveying Ltd.

Log # 86412

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Successful Projects - On Time - On Budget

2009 MAR 30 AM 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 TO  
CORRECT  
WELL LOGS  
HAVE THEM  
RE-SCANNED

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

OFFICE USE ONLY  
 Log No. 90122  
 Permit No. 69795T780  
 Basin 054  
 NOTICE OF INTENT NO. 48689

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

1. OWNER Cortez Gold Mines  
 MAILING ADDRESS HC 66, Box 1250  
Crescent Valley, NV 89821

ADDRESS AT WELL LOCATION Cortez minesite, south  
of Crescent Valley, NV.

2. LOCATION NW 1/4 NW 1/4 Sec. 8 T 27N N/S R 47E E Lander County  
 PERMIT NO. 69795-T Issued by Water Resources Parcel No. N/A Subdivision Name N/A

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	340	340
Boulders and clay		340	690	350
Fractured tan limestone		690	710	20
Tan limestone		710	840	130
Fractured tan limestone		840	860	20
Dark gray to black limestone with abundant calcite veins		860	1510	650

Steel plate welded between 18" and 26" casing at surface.

8. WELL CONSTRUCTION  
 Depth Drilled 1510 Feet Depth Cased 1499.4 Feet  
 HOLE DIAMETER (BIT SIZE)  

Inches	From	To	Feet
38	0	20	Feet
31	20	690	Feet
24	690	1510	Feet

CASING SCHEDULE

Size O.D. (Inches)	Weight/Ft. (Pounds)	Wall Thickness (Inches)	From (Feet)	To (Feet)
34	178.9	0.500	0	20
26	102.6	0.375	0	690
18	70.6	0.375	+1.5	1499.4

Perforations:  
 Type perforation Louver  
 Size perforation 0.125"  
 From 696.3 feet to 1499.4 feet  
 From \_\_\_\_\_ feet to \_\_\_\_\_ feet

Surface Seal:  Yes  No Seal Type:  
 Depth of Seal 690'  Neat Cement  
 Placement Method:  Pumped  Cement Grout  
 Poured  Concrete Grout  
 Gravel Packed:  Yes  No  
 From 0 feet to 1810 feet

9. WATER LEVEL  
 Static water level 683.4 feet below land surface  
 Artesian flow N/A G.P.M. \_\_\_\_\_ P.S.I. \_\_\_\_\_  
 Water temperature Warm °F Quality Good

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 1410  
 Signed John Viergutz  
 By driller performing actual drilling on-site or contractor  
 Date 5/30/03

7. WELL TEST DATA

TEST METHOD:  Bailor  Pump  Air Lift

G.P.M.	Draw Down (Feet Below Static)	Time (Hours)
266	0	1

B. ST. L