

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office... SEP 27 1984
Returned to applicant for correction... NOV 9 1984
Corrected application filed... JAN 4 1985
Map filed... JAN 4 1985 under 48442

The applicant Atlas Precious Metals, Inc.
255 Glendale Avenue, of Sparks, Nevada 89431, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) Incorporated in Nevada May 5, 1983.

- 1. The source of the proposed appropriation is underground
2. The amount of water applied for is 1.0 second-feet
3. The water to be used for mining, milling and domestic
4. If use is for: (a) Irrigation, state number of acres to be irrigated
5. The water is to be diverted from its source at the following point NW 1/4 SW 1/4, Section 27, T22N, R49E, M.D.B.&M. at a point from which the NE corner of said Section 27 bears North 59°59'54" East a distance of 5396.67 feet.
6. Place of use Sections 22, 23, 26, 27, and 34, T22N, R49E, M.D.B.&M.
7. Use will begin about January 1 and end about December 31, of each year.
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, submersible pump and motor, storage reservoir and distribution system
9. Estimated cost of works \$25,000.00

10. Estimated time required to construct works... 3 years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use... 6 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Water will be used in a 1500 tons per day heap leaching operation. Water from this well will be comingled with water from Applications 48442 and 48443. Total combined annual consumptive use from the three wells will not exceed 1.0 cfs (448.83 gpm expanded year-round or 723.79 acre feet per year). Use of water will be 24 hours per day, 365 days per year.

By s/ Ross E. de Lipkau
Ross E. de Lipkau
P.O. Box 2790
Reno, Nevada 89505

Compared yw/mc js/bc

Protested.....

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

This Permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 88.84 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before June 27, 1987

Proof of completion of work shall be filed on or before July 27, 1987

Application of water to beneficial use shall be made on or before June 27, 1989

Proof of the application of water to beneficial use shall be filed on or before July 27, 1989

Map in support of proof of beneficial use shall be filed on or before.....

Completion of work filed DEC 05 1986 IN TESTIMONY WHEREOF, I PETER G. MORROS
State Engineer of Nevada, have hereunto set my hand and the seal of

Proof of beneficial use filed.....
my office, this 27th day of June,

Cultural map filed.....
A.D. 19 85

Certificate No..... Issued.....
Peter G. Morros
State Engineer



(PERMIT TERMS CONTINUED)

The total combined duty of water under Permits 48442, 48443 and 48444 shall not exceed 88.84 million gallons annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.