TEMPORARY **No. 74100T**

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office APR 04 2006

Returned to applicant for correction

Corrected application filed

Map filed APR 26 2006

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The applicant **Santa Fe Pacific Gold Corporation** hereby makes application for permission to change the **Point of Diversion and Manner of Use and Place of Use of a portion** of water heretofore appropriated under **Permit 58044**

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1. The source of water is **Underground**

2. The amount of water to be changed **1.07 cfs**

3. The water to be used for **Mining, milling, domestic, and dewatering**

4. The water heretofore permitted for **Dewatering**

5. The water is to be diverted at the following point **Twin Creeks Mine – DW 21 within the NW¼ SE¼, Section 18, T39 N, R43 E, M.D.M., at a point from which the W¼ corner of Section 19, T30N, R43E bears S 29°28'43" W a distance of 5120 feet.**

6. The existing permitted point of diversion is located within **Twin Creeks Mine – Order 1087 NW 19 within the NE¼ NW¼, Section 19, T39 N, R43 E, M.D.M., at a point from which the NE corner of said section 19 bears N 73°10'E a distance of 4020 feet. 1087 DW21**

7. Proposed place of use **All Section 5, T38N, R43E; all Sections 24, 25, and 36, T39N, R42E; all Sections 3, 4, 5, 6, 7, 8, 9, 10, 16, 17, 18, 19 ,20, 21, 29, 30, 31, and 32, T39N, R43E; and SE¼ SE¼, Section 31, and S½, Section 32, T40N, R43E, M.D.M.**

8. Existing place of use **All Sections 19, 20, 21, 28, 29, 30, 31, 32, 33, T39N, R43E, M.D.M.**

9. Use will be from **January 1** to **December 31** of each year.

10. Use was permitted from **January 1** to **December 31** of each year.

11. Description of proposed works **Drilled, cased well with motor and pump, totalizing flow meter, and pipeline to the place of use.**

12. Estimated cost of works **$200,000 (two hundred thousand dollars)**

13. Estimated time required to construct works **Completed; Drilled, cased well with motor and pump, totalizing flow meter, and pipeline to the place of use.**

14. Estimated time required to complete the application of water to beneficial use **10 years**

15. Remarks: **This application is submitted according to Well-Spacing Order 1087.**

By **Scott Paine, Water Rights Administrator**
s/ **Scott Paine**
Environmental Department, PO Box 669
Carlin, Nevada 89822

Compared **mt/ag** **lt/gkl**

Protested

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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 temporary permit to change the point of diversion, place of use and manner of use of a portion of the waters of an underground source as heretofore granted under Permit 58044 is issued subject to the terms and conditions imposed in said Permit 58044 and with the understanding that no other rights on the source will be affected by the change proposed herein. 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 the 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.

This temporary 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.

This temporary permit will allow the permittee to dewater the pit area. It is understood that any water pumped as a result of the production and dewatering operation shall be used first by the permittee for mining, milling, heap leaching, drilling, road watering and other related mining uses hereinafter referred to as mining and milling uses within the described place of use on this permit.

The State Engineer retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and existing rights. Any water pumped and not used for mining and milling purposes shall be injected back to the Kelley Creek Groundwater Basin.

The design of the infiltration system or other disposal method and the delivery system to the site shall be submitted to the State Engineer for approval prior to any diversion of water. The permittee shall discharge water in a manner to achieve maximum conservation of the water resource. It is understood that this right must allow for a reasonable lowering of the static water level.

The State Engineer will retain the right to require additional monitoring including water levels in observation and monitor wells and of the flow rates of surface sources. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis, but not less than two times per year.

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This temporary permit does not extend the right of ingress and egress on public, private or corporate land.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from the State, Federal and local agencies and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

The total combined duty of water for consumptive purposes under Permits 49633, 49634, 50853, 50854, 52046, 52048, 52049, 52050, 52051, 58042, 58043, 58044, 58045, 60048, 60049, 60050, 60051, 60052, 60053, 60054, 60055, 60056, 60057, 61132, 61133, 61134, 61135, 61136, 61137, 61138, 61140, 61141, 61142, 61143, 61144, 61798, 61799, 61800, 61801, 61802, 61803, 61804, 61956 through 61962, inclusive, Environmental Permit 62364-E, Temporary Permits 74100T through 74114T, inclusive, Temporary Environmental Permits 74115TE and 74115TE shall not exceed 10,125 acre-feet annually. The total combined diversion rate of the above referenced permits shall not exceed 30.75 cubic feet per second on an instantaneous basis.

This temporary permit is issued subject to, and also incorporates the terms and conditions in the State Engineer's Order No. 1087, Order Adopting Rules For Well Spacing and Modification of Regulations For Water Well and Related Drilling (January, 1990) In The Heretofore Designated Kelley Creek Ground Water Basin (4-66), dated December 30, 1993, on file in the office of the State Engineer.

Monthly records will be kept of the following: (a) the volume of water pumped from each well; (b) the measurement of pumping water level (drawdown) from each production well and each monitoring well; (c) the volume of water consumptively used for mining and milling uses projectwide, and (d) the amount of water discharged for infiltration. These records will be submitted within 15 days after the end of each calendar quarter. A method that estimates the amount of evaporative losses from the discharge system shall be submitted with the monthly report. The evaporative losses will be considered as part of the combined duty for consumptive purposes.

All of the above stated conditions are issued subject to having no adverse impacts on existing rights.

This temporary permit is issued pursuant to the provisions of NRS 533.345 Section 2 and will expire on **July 4, 2007** at which time all rights herein granted shall revert to the right being changed by this temporary permit.

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The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed **1.07** cubic feet per second, **774.65 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before:
N/A - Temporary

Proof of completion of work shall be filed on or before:
N/A - Temporary

Water must be placed to beneficial use on or before:
N/A - Temporary

Proof of the application of water to beneficial use shall be filed on or before:
N/A - Temporary

Map in support of proof of beneficial use shall be filed on or before:
N/A - Temporary

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

Deputy State Engineer of Nevada, have hereunto

set my hand and the seal of my office,

this **5th** day of **July**, A.D. **2006**

Jason King P.E.

Deputy State Engineer