

IN THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA

ORDER

John M. Young
District Field Supervisor
Santa Fe Pacific Minerals
250 South rock Blvd., Suite 100
Reno, NV 89502
Certified Mail No. P 058 558 468

This office has determined through investigation that you have caused a water well to be drilled in the NE 1/4 NW 1/4 Section 20, T. 22 N., R. 51 E., M.D.B. & M., in the Kobeh Valley Designated Groundwater Basin, Roberts Mountain Area, Eureka County, Nevada. The well was completed as a water well on June 25, 1989, by converting a mineral exploration hole to control a flow of water at the surface.

From the Santa Fe Pacific Mining drilling contractor's daily logs of work done at the subject location, the state engineer finds the construction of the subject well violates sections 534.360 (1) and 534.380 (1) of the regulation for water well and related drilling, and is defective. As provided in NRS 534.060 (4) the state engineer may order the owner to repair or seal a defective well.

From the record developed in this matter, from the correspondence developed pertaining to the use of water from an "existing well" under permit to appropriate water No. 53799, the state engineer finds the subject well was constructed by an unlicensed driller and/or drilling contractor, in violation of NRS 534.140 and 534.160. The completion of the well further violates NRS 534.050 (1) in that it was constructed in a designated groundwater basin without obtaining a permit from the state engineer or a waiver as provided in NRS 534.050.

You are hereby ordered to plug and abandon the subject well as required in section 534.420 of the regulation within thirty days of the date of this order, or the state engineer may, without further notice, pursue action as provided in NRS 534.060 (6). All use of the public waters pursuant to waivers or permits to appropriate water shall hereby cease immediately.

DATED this 8th Day of
May, 1991.

Respectfully Submitted,

R. Michael Turnipseed, P.E.
State Engineer