

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

**1082-B**

**ORDER**

**ADOPTING RULES FOR MULTIPLE POINTS OF DIVERSION  
OF WATER FOR DEWATERING AND MINING OPERATIONS IN  
THE SOUTHERN AREA OF THE DESIGNATED CRESCENT  
VALLEY HYDROGRAPHIC BASIN (4-54), LANDER COUNTY,  
NEVADA**

**WHEREAS**, the State Engineer finds that as a result of the necessities and unique characteristics of mine dewatering and its associated consumptive, non-consumptive and substitutive uses, the adoption of rules for multiple points of diversion as a result of mining operations at the Cortez Joint Venture area (Gold Acres, Pipeline, and South Pipeline Mines) is warranted.

**WHEREAS**, this amended Order is issued pursuant to the provisions of Chapter 534 of Nevada Revised Statutes (NRS) that authorize the State Engineer to prescribe and adopt rules and regulations for the administration of groundwater. On April 22, 2008, the State Engineer held a public hearing in Crescent Valley regarding proposed Order 1189. Upon full consideration of the evidence presented at that hearing and other relevant facts, the State Engineer signed Order 1189 that outlined a new methodology for the management of water rights associated with the mining, milling, and dewatering of the Cortez Hills Mine Project. This Order for the Cortez Pipeline Mine Area is essentially identical to Order 1189. The following area within Lander County and the Cortez Pipeline Mine is subject to this Order:

All of Sections 4, 5, 6, 8 and 9, and the E½ of Section 7, T.27N., R.47E., M.D.B.&M.; and the SW¼ and SE¼ of Section 29, the SE¼ of Section 30, Lots 7, 8, 9 and 10, SE¼ and NE¼ of Section 31, and all of Section 32, T.28N., R.47E., M.D.B.&M.

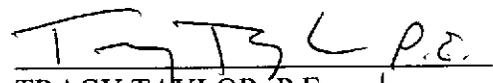
**WHEREAS**, the above-described area is depicted and defined on Nevada Division of Water Resource's maps on file in the Office of the State Engineer.

**WHEREAS**, the State Engineer finds that the procedures set forth in this Order effect compliance with NRS 534.050, under authority provided in NRS 534.120.

**NOW THEREFORE**, it is hereby ordered that within the above-described area the following rules shall apply:

1. The operator shall file one application to appropriate underground water for mining, milling, and dewatering purposes describing a single point of diversion at or near the center of the above-described area. No additional annual volume of water (duty) will be approved over and above the existing total duty of water associated with the existing rights owned by Cortez Joint Venture in Crescent Valley at the time of filing.
2. Upon approval of any such application, this base permit will allow wells or other points of diversion to be located anywhere within the area as required for mining, milling, and dewatering purposes.

3. Beginning in 2010 and by February 15<sup>th</sup> annually thereafter, the operator shall file temporary applications to change the base permit setting forth more exact locations of each well drilled during the previous calendar year within the above-described area. Separate temporary change applications shall be filed annually for each major manner of use. A substantially accurate description of the points of diversion by GPS coordinates and a supporting map must be submitted with the change applications.
4. The temporary applications may list all the points of diversion associated with that manner of use on one single application.
5. The State Engineer will review and may approve the above-described applications in accordance with the provisions in NRS Chapters 533 and 534.
6. Together with the applications filed as set forth in Paragraph 3 above, the operator shall file an annual report setting forth in detail all use of groundwater and surface water as directed and required by the State Engineer.
7. The statutory fees set forth in NRS 533.435 for the approval of all temporary permits shall be based upon the total amount of water held under the base permit identified in number one above.
8. Due to the supplemental nature of these temporary permits, the existing certificated water rights held by the operator shall remain active and will not be subject to the statutory provisions of forfeiture or abandonment (NRS 534.090) during the time this order is in effect and for a period of five years following the date of any repeal or amendment of this Order.
9. The existing unperfected water rights held by the operator shall remain active provided the associated statutory and permit requirements are continually met.
10. This Order will expire and become of no effect when mining or mine dewatering operations cease in the project area and may be modified at any time.
11. The provisions set forth in Orders 1082 and 1082-A are hereby superseded by this Order effective upon approval of the application described in the above Paragraph 1.

  
TRACY TAYLOR, P.E.  
STATE ENGINEER

Dated at Carson City, Nevada this

05th day of January, 2010.