

WELL DRILLER'S REPORT

Please complete this form in its entirety in accordance with NRS 534.170 and NAC 534.340

OFFICE USE ONLY  
 Log No. 89055  
 Permit No. I  
 Basin. 072

PRINT OR TYPE ONLY  
 DO NOT WRITE ON BACK

NOTICE OF INTENT NO. 43493

1. OWNER FLORIDA CANYON MINING, INC. ADDRESS AT WELL LOCATION STANDARD MINE AREA  
 MAILING ADDRESS P.O. BOX 330  
IMLAY, NV 89418

2. LOCATION SE 1/4 NE 1/4 Sec. 34 T. 31 N N/S R. 33 E PERSHING County  
 PERMIT NO. M/O 1229 A Issued by Water Resources Parcel No. Subdivision Name

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	350	350
Orange Siltstone		350	490	140
Argillite		490	630	140
Siltstone		630	700	70
Water Level: 193 feet below surface				

8. WELL CONSTRUCTION  
 Depth Drilled 700 Feet Depth Cased 470 Feet  
 HOLE DIAMETER (BIT SIZE)  
 From 5 3/4 Inches To 0 Feet 700 Feet  
 \_\_\_\_\_ Inches \_\_\_\_\_ Feet \_\_\_\_\_ Feet  
 \_\_\_\_\_ Inches \_\_\_\_\_ Feet \_\_\_\_\_ Feet

CASING SCHEDULE

Size O.D. (Inches)	Weight/Ft. (Pounds)	Wall Thickness (Inches)	From (Feet)	To (Feet)
2	PVC	Sch. 80	+2	470

Perforations: Mill Slot PVC  
 Type perforation.....  
 Size perforation .020  
 From 100 feet to 470 feet  
 From \_\_\_\_\_ feet to \_\_\_\_\_ feet  
 Surface Seal:  Yes  No Seal Type:  
 Depth of Seal 50  Neat Cement  
 Placement Method:  Pumped  Cement Grout  
 Poured  Concrete Grout  
 Gravel Packed:  Yes  No  
 From 100 feet to 470 feet

9. WATER LEVEL  
 Static water level 193 feet below land surface  
 Artesian flow \_\_\_\_\_ G.P.M. \_\_\_\_\_ P.S.I.  
 Water temperature \_\_\_\_\_ °F Quality \_\_\_\_\_

10. DRILLER'S CERTIFICATION  
 This well was drilled under my supervision and the report is true to the best of my knowledge.  
 Name DELONG CONSTRUCTION, INC. Contractor  
 Address P.O. BOX 907 WINNEMUCCA, NV 89446 Contractor  
 Nevada contractor's license number 0002120C issued by the State Contractor's Board.  
 Nevada driller's license number issued by the Division of Water Resources, the on-site driller 01375  
 Signed [Signature] By driller performing actual drilling on site or contractor  
 Date 8-2-02

Date started July 11, 2002 +9  
 Date completed July 13, 2002 +9

7. WELL TEST DATA

TEST METHOD:	<input type="checkbox"/> Bailer <input type="checkbox"/> Pump <input type="checkbox"/> Air Lift		
G.P.M.	Draw Down (Feet Below Static)	Time (Hours)	

RECEIVED  
 02/07/22 AM 11:08  
 WATER RESOURCES OFFICE

DONED/DWR  
 RECEIVED  
 MAY 5 2003

AS VEGAS OFFICE

**Fred Anderson & Sons Drilling, Inc**  
**10760 Grass Valley Road**  
**Winnemucca, Nevada. 89445**  
**623-4203 fax 623-4225**

Tim Hunt  
Division of Water Resources  
123 W. Nye lane, Suite 246  
Carson City, Nevada. 89706

December 30 2002

RE: Monitoring wells not cased to total depth

Attention: Tim Hunt

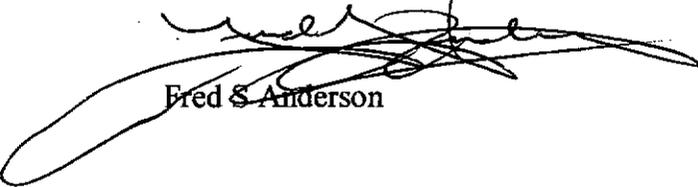
The wells in question that your letter dated December 18<sup>th</sup> 2002 refer to, were drilled to the depths that are stated on the drill log. The current condition of these holes below the casing is native material which has filled the void due to hole stability problems after the total drilling depth was reached, i.e. water entry & caving. We were unable to get the casing installed to total depth. We did try on holes MW2-7,6,5, and 1 two times to pull the casing and clean the hole to bottom. On MW2 - 3 and 2 we pulled the pipe 3 times and cleaned to the bottom but the water influx from the formation caused the hole to fill with cuttings while reaching equilibrium as we were tripping out. As these are monitoring holes, the introduction of drilling mud to stabilize the formation is out of the question.

I assure you that every attempt to not violate NAC 534.360 by getting this casing to bottom was tried. Being a licensed driller of the state of Nevada and knowing the provisions in NAC 534 we went beyond the standards to try and make this work. The amounts of sand that were required skyrocketed along with the bentonite chips due to the voids created by the repeated attempts to clean the hole. I did not then and I am not now trivializing the procedure set forth in NAC 534.360. When these wells were drilled, I had no solution to solve this problem without violating NAC 534.4355 and there was still no guarantee that I was going to get an oversized casing into the ground to install the 4" inside of it so it would make it to the total depth drilled.

My mistake was in overlooking the wavier option. My decision was to truthfully report what had happened because in all honesty I did not even think of NAC 534 450 as a path that I could proceed down. I assumed that drilling problems occurred and that as much as we wanted to obtain our total depth objective, there were forces that were working against us that did not let us obtain the said objective on the six holes in question.

I hope that this has cleared the air on this problem. I would like to know the proper time line that needs to be followed when drilling problems occur, for example, do we stop drilling when the casing is not landing on bottom and request a waiver before we proceed?

Please advise me on this.



Fred S Anderson