

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

MM-207

July 28, 2016

Patrick Highsmith
Chief Executive Officer
Esmeralda Minerals, LLC
100 W. Liberty St., 10th Floor
Reno, NV 89501

Re: Request to use an existing well as a temporary groundwater source for mineral exploration and dust control, Well CV-03, in the Clayton Valley Hydrographic Basin (143), Esmeralda County, Nevada.

Proposed Location: NAD 83

CV-03, 143 S02 E40 29 Ad [se NE], 37.736717° N, 117.559078°W

Dear Mr. Highsmith:

As provided in Nevada Administrative Code (NAC) 534.442 and Nevada Revised Statute (NRS) 534.050, permission is hereby granted to utilize the above site as a temporary groundwater source well. This waiver **expires July 28, 2017**. Please request any extensions prior to the expiration of this waiver. Projects lasting longer than this may be required to initiate procurement of a permitted water right. Per regulation, water used from the entire project will be **limited to 5 acre-feet of water**. This well is part of the project defined as Phase 3 in the waiver application.

Monthly records of the amount of water pumped from this well under this waiver must be kept and those records must be submitted to the State Engineer on a quarterly basis. Failure to submit this report may result in immediate cancelation of this waiver and delays of any waiver extension requests.

Please reference the above waiver number in all correspondences regarding these wells.

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This waiver does not grant or infer any rights of ingress or egress, nor does it grant or infer any appropriation of water and shall not be deemed to result in the development of any equity.

It is expressly understood that this waiver does not relieve the operator of the requirements of any other state, local or federal agencies or private property.

If you have any questions, please call me at 775-684-2813.

Sincerely,

Jake Echeverria
Well Supervisor

JE/ac

Cc: Timothy P. Donahoe
Tracy Geter (e-mail)
John Guillory (e-mail)