NO. 61936

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

NEW PRIORITY DATE:

Date of filing in State Engineer's Office ~~March 5, 1996~~ ~~JUL 24 2003~~ DEC 12 2006

Returned to applicant for correction

Corrected application filed

Map filed March 5, 1996 under 61935

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The applicant **Blue Diamond Oil Corp.**, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. **Incorporated on September 21, 1984 in the State of Nevada.**

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1. The source of the proposed appropriation is **Underground Sources (Well No. 3B)**

2. The amount of water applied for is **0.1 cfs.** second-feet

   (a) If stored in reservoir give number of acre-feet

3. The water to be used for **Quasi-Municipal purposes.**

4. If use is for:

   (a) Irrigation, state number of acres to be irrigated

   (b) Stockwater, state number and kinds of animals to be watered

   (c) Other use (describe fully under No. 12. "Remarks")

   (d) Power:
      (1) Horsepower developed

      (2) Point of return of water to stream

5. The water is to be diverted from its source at the following point **in the NW¼ SW¼ of Section 35, T.16 N., R.63 E., M.D.B.&M., whence the West ¼ Corner of said Section 35 bears N.34°15'21"W., 1,146.72 feet distant.**

6. Place of Use **the NE¼ SW¼ NW¼ SW¼ and the NW¼ SE¼ NW¼ SW¼ of Section 35, T.16 N., R.63 E., M.D.B.& M.**

7. Use will begin about **January 1** and end about **December 31**, of each year.

8. Description of proposed works **Drilled well with pump, pressure tanks and associated service lines.**

9. Estimated cost of works **$25,000.00**

10. Estimated time required to construct works **3 years**

11. Estimated time required to complete the application of water to beneficial use **5 years**

12. Remarks: **This application is proposed to service 2 residences at an estimated consumptive rate of 0.006 cfs., 24 hours per day, 365 days per year, for an estimated annual consumption of 1.314 million gallons.**

By **s/Richard Forman**
Richard W. Forman Agent
P.O. Box 150
Ely, NV 89301

Compared **nsr/cms** cl/cms

Protested 6/21/96 by; City of Ely, Nevada:

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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 permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 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. The State retains the right to regulate the use of the water herein granted at any and all times.

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

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

(CONTINUED ON PAGE 2)

(PERMIT TERMS CONTINUED)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1 cubic feet per second, but not to exceed 0.73 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before:
April 1, 1999

Proof of completion of work shall be filed before:
May 1, 1999

Application of water to beneficial use shall be filed on or before:
April 1, 2002

Proof of the application of water to beneficial use shall be filed on or before:
May 1, 2002

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

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E., State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 1st day of April, A.D. 1997

R. Michael Turnipseed P.E.
State Engineer

Completion of work filed MAY 29 2001

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

CANCELLED JUL 15 2003 BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT
[signature], P.E. STATE ENGINEER
Can. Rescinded 3/22/04

CANCELLED DEC 04 2006 BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT
[signature] P.E. STATE ENGINEER
Can. Rescinded 8-22-2007