AMENDED

ENVIRONMENTAL NO. 64742-E

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

Date of filing in State Engineer's Office JAN 11 1999

Returned to applicant for correction JAN 25 1999

Corrected application filed MAR 08 1999

Map filed MAR 08 1999

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The applicant **Basic Management, Inc.**, hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

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1. The source of the proposed appropriation is **underground water.**

2. The amount of water applied for is **(please see the attached explanatory page)** second-feet

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

3. The water to be used for **environmental mitigation and golf course and/or landscaping.**

4. If use is for:

   (a) Irrigation, state number of acres to be irrigated **880 acres.**

   (b) Stockwater, state number and kinds of animals to be watered **N/A**

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

   (d) Power:

      (1) Horsepower developed **N/A**

      (2) Point of return of water to stream **N/A**

5. The water is to be diverted from its source at the following point **the NE¼ of the NE¼ of Section 6, T22S, R63E, MDM, at a point from which the Southwest corner of Section 31, T21S, R63E, MDM bears N 86°29'03" W at a distance of 4,412.64 feet.**

6. Place of Use **S½ SW¼ Section 25, T21S, R62E, MDM S½ SE¼ Section 25, T21S, R62E, MDM N½ SW¼ Section 36, T21S, R62E, MDM N½ Section 36, T21S, R62E, MDM W½ Section 31, T21S, R63E, MDM**

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

8. Description of proposed works **Underground water well.**

9. Estimated cost of works **(please see the attached explanatory page)**

10. Estimated time required to construct works **approximately one year.**

11. Estimated time required to complete the application of water to beneficial use **This would depend on the period of use of the applied for environmental permit.**

12. Remarks: **(please see the attached explanatory page)**

Dan H. Stewart
By **s/Dan H. Stewart**
P. O. Box 2065
Henderson, NV. 89009

Compared **dl/cms** dl/cms

Protested _____

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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 environmental permit is issued subject to existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance for pollution control as mandated by orders issued by the Nevada Division of Environmental Protection and subsequent correspondence with said agency. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and records of this measurement shall be submitted on an annual basis. It is also understood that this right must allow for a reasonable lowering of the static water level of permittee's well due to other ground water development in the area. The well shall be equipped with a 2-inch opening for measuring depth to water. The State retains the right to regulate the use of water granted herein at any and all times.

This environmental permit is issued pursuant to the provisions of NRS 533.4375. Well drillers reports for any well(s) drilled under this permit shall be filed within 30 days from completion of the well.

Within 30 days after the completion of the project, the permittee shall notify the State Engineer of such completion and all wells shall be plugged and abandoned in accordance with Chapter 534 of the Nevada Administrative Code.

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

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

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

An annual report shall be submitted by February 15, of each year which shall state the number of wells drilled for the previous year, the amount of area irrigated, and the progress of the cleanup project.

The total combined duty of water under all wells drilled under Permits 64742-E, 64743-E, 64744-E, 64745-E, 64746-E, 64747-E, 64748-E, 64749-E, 64750-E, 64751-E, 64752-E, 64753-E, 64754-E, 64755-E, 64756-E and 64757-E, shall not exceed 1,600.0 acre-feet annually.

(CONTINUED ON PAGE 3)

(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 **100.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and be completed on or before: *

Proof of completion of work shall be filed before:

Application of water to beneficial use shall be filed on or before: *

Proof of the application of water to beneficial use shall be filed on or before: *

Map in support of proof of beneficial use shall be filed on or before: *

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* **The right will cease to exist upon termination of clean up activity as determined by the Nevada Division of Environmental Protection.**

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 **24th** day of **June**, A.D. **1999**

R. Michael Turnipseed P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Paragraph 2

This application for an environmental permit, made pursuant to Sections 533.437 to 533.4377 of the Nevada Revised Statutes, is being filed concurrently with 15 other applications which seek a total of 16 environmental permits to divert 100 acre-feet of water per well per year, for a total of 1,600 acre-feet of water per year.

Paragraph 9

The estimated cost of the proposed works is $50,000 for the well to divert water under this application, with a collective estimated cost of $800,000 for the 16 wells covered by this and the other 15 applications for environmental permits being concurrently filed by BMI.

Paragraph 12

This application is one of 16 applications being concurrently filed by BMI, pursuant to Sections 533.437 to 533.4377 of the Nevada Revised Statues, and guidelines of the Nevada State Engineer's Office, for 16 separate environmental permits. Each environmental permit would be for the diversion of water from a separate underground water well, located in the center of a forty-acre parcel, for use in conjunction with a salinity control project.