

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

Date of filing in State Engineer's Office DEC 05 2002

Returned to applicant for correction _____

Corrected application filed _____

Map filed DEC 05 2002 under 69365

The applicant **Kerns Enterprises, LLC**, hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground (Conley well)**
2. The amount of water applied for is **0.05 cfs** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **stock watering**
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 **600 cattle**
 - (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 **NW¼ SW¼ Section 8, T.29N., R.59E., M.D.M. from which the NE corner of Section 2, T.29N., R.58E., bears N. 52° 25' W., 14,634 feet distant.**
6. Place of Use **NW¼ SW¼ Section 8, T.29N., R.59E.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **existing or drilled well, casing, submersible pump and motor, piping to stock tanks**
9. Estimated cost of works **\$15,000.00**
10. Estimated time required to construct works **three years**
11. Estimated time required to complete the application of water to beneficial use **five years**

12. Remarks: The above new owner is acknowledging the long-standing use of this source by prior owners, without benefit of permit, and submits this application to remedy that deficiency.

By s/ William A. Nisbet Agent
421 Court Street
Elko, NV 89801

Compared cac/cmf dl/cmf

Protested _____

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 all existing rights on the source. 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 period of use and the average number of livestock served from the waters of this source. It is further understood that this right must allow for a reasonable lowering of the static water level at permittee's well due to any other ground water development in the area. The well shall be equipped with a 2-inch opening for measuring depth to water. If well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times but does not take responsibility for the use of the Federal range.

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

The total combined duty of water under Permits 68166, 69365, 69366, 69367, 69368, 69369 and 69370 shall not exceed 4.38 million gallons annually or sufficient to water 600 head of cattle.

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

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.01875 cubic feet per second, or sufficient to water 600 head of cattle.

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

April 17, 2004

Proof of completion of work shall be filed on or before:

May 17, 2004

Water must be placed to beneficial use on or before:

April 17, 2005

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

May 17, 2005

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

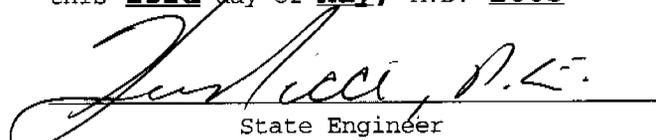
N/A

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of May, A.D. 2003


State Engineer

MAY 14 2004

Completion of work filed _____

Proof of beneficial use filed 5-2-04

Cultural map filed N/A

Certificate No. 16563 Issued 8-4-05