

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

Date of filing in State Engineer's Office JUN 18 2004

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 30 2004

The applicant **BORDEN MANUFACTURING INC.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.) N/A

1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **2.02 AFA** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Manufacturing and Domestic**
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 **NE $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27, T.17N., R.22E., M.D.B.&M., or at a point from which the SW corner of said Section 27 bears S. 45° 33' 48" W., a distance of 2716.15 feet.**
6. Place of Use **portion of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ being APN 19-192-10, Section 27, T.17N., R.22E., M.D.B.&M.**
7. Use will begin about **January 1st** and end about **December 31st** of each year.
8. Description of proposed works **drilled and cased well, pump, motor and distribution system.**
9. Estimated cost of works **\$20,000.00**
10. Estimated time required to construct works **Three (3) years**
11. Estimated time required to complete the application of water to beneficial use **Five (5) years**

12. Remarks: PLEASE REFER TO EXHIBIT "A"

Western Engineering & Surveying Services
Robert H. Cantley
By s/ Robert H. Cantley
3032 Silver Sage Drive
Carson City, Nevada 89701

Compared aem/gkl lt/sam

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 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 for Commercial (Manufacturing) and Domestic Purposes.

(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 0.0028 cubic feet per second, **but not to exceed 2.02 acre-feet annually.**

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

April 8, 2007

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

May 8, 2007

Water must be placed to beneficial use on or before:

April 8, 2010

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

May 8, 2010

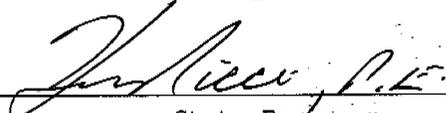
Map in support of proof of beneficial use shall be filed on or before:

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 8th day of April A.D. 2005



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A _____

Certificate No. _____ Issued _____

EXHIBIT "A"

This water is required to support a manufacturing facility of 17,000 square feet. This will include two restroom facilities and various individual woodworking machines. The product manufactured will be wooden "stretcher bars" or frames, which when assembled will accommodate various sizes of painter canvases used within the art industry. Approximately 50,000 of the individual bars will be manufactured per day.

This facility will support and employ between 25-30 people which are required throughout the manufacturing and shipping of this product.

The Stagecoach Fire Department is requiring the availability and storage of 80,000 gallons of water for fire protection purposes. This requirement will be met with water storage tanks onsite, which will be filled and maintained as required.

Lyon County Utilities will not serve this parcel because it lies outside of the existing Lyon County Utilities Service Area.