No. 71908

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office NOV 16 2004

Returned to applicant for correction

Corrected application filed

Map filed NOV 16 2004

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The applicant **Mandalay Corp., Attn.: VP General Counsel and Secretary** hereby makes application for permission to change the **Point of Diversion, Manner of Use and Place of Use** of water heretofore appropriated under **Permit 59047**

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1. The source of water is **an underground source**

2. The amount of water to be changed **.047 cfs., not to exceed 27.2 afa**

3. The water to be used for **quasi-municipal and domestic**

4. The water heretofore permitted for **commercial and domestic**

5. The water is to be diverted at the following point **within the NW¼ SE¼, Sec. 29, T.21S., R.61E., M.D.M., at a point from which the center of said Section 29 bears N. 82°10'44" W., a distance of 627.92'.**

6. The existing permitted point of diversion is located within **SW¼ NE¼ Section 29, T.21S., R.61E., M.D.B.&M., at a point from which the East ¼ corner of said Section 29 bears South 58°33'28" East, a distance of 1875.48 feet.**

7. Proposed place of use **within portions of NW¼ SE¼, NE¼ SE¼, SW¼ SE¼ and SE¼ SE¼, Section 29, T.21S., R.61E., M.D.M.**

8. Existing place of use **within portions of SE¼ NE¼, and SW¼ NE¼ Section 29, T.21S., R.61E., M.D.M.**

9. Use will be from **January 1st** to **December 31st** of each year.

10. Use was permitted from **January 1st** to **December 31st** of each year.

11. Description of proposed works **drilled and cased well, submersible pump and motor, pressurized water system to place of use**

12. Estimated cost of works **$150,000**

13. Estimated time required to construct works **One (1) year**

14. Estimated time required to complete the application of water to beneficial use **Three (3) years**

15. Remarks: **Water developed from this source will be utilized for quasi-municipal and domestic purposes upon the real property, commonly known as the Mandalay Bay site. Water will be used for outdoor purposes.**

By Ross E. de Lipkau
s/ Ross E. de Lipkau
P.O. Box 2790
Reno, Nevada 89505

Compared sc/

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 permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 59047 is issued subject to the terms and conditions imposed in said Permit 59047 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and 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 the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 total combined duty of water under Permits 71908, 71909, 71910, 71911 and 71912 shall not exceed 66.87 acre-feet.

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

Permit 71908 is granted to provide commercial water service to parcels described as Clark County Assessor's Parcel Numbers (APN) 162-29-701-001, 162-29-701-002 & 162-29-801-001.

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(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 **0.0091** cubic feet per second, **and not to exceed 6.14 acre-feet annually**

Work must be prosecuted with reasonable diligence and be completed on or before:
August 17, 2006

Proof of completion of work shall be filed on or before:
September 17, 2006

Water must be placed to beneficial use on or before:
August 17, 2008

Proof of the application of water to beneficial use shall be filed on or before:
September 17, 2008

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 **17th** day of **August** A.D. **2005**

H. Ricci P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed N/A

Certificate No. _____ Issued _____