THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant:	**TUFFY RANCH PROPERTIES, LLC**
Source:	**UNDERGROUND**
Basin:	**LAKE VALLEY**
Manner of Use:	**MUNICIPAL**
Period of Use:	**JANUARY 1ST TO DECEMBER 31ST**
Priority Date:	**11/04/1963**

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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 place and manner of use of the waters of an underground source as heretofore granted under Permit 21611, Certificate 7377 is issued subject to the terms and conditions imposed in said Permit 21611, Certificate 7377 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 72296, 72297, 72298, 72299, 72300, 72301, 72302, 72303, 72304, 72305, 72306, 72308, 72309, 72310, 72311, 72312, 72313, 72314, 72315, 72316, 72317, 72318, 72319, 72320, 72321, 72322, 72323, 72324, 72325, 72329, 72330, 72331, 72332, 72333, 72334, 72335, 72336, 72337, 72338, 72339, 72346, 72347, 72348 and 72349 shall not exceed 11,300 acre-feet annually which is based upon 2.9 acre-feet per acre net consumptive use duty of the irrigation base rights.

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 subject to the terms and conditions set forth in State Engineer's Ruling #5918 dated December 3, 2008.

A hydrologic monitoring, management, and mitigation plan shall be submitted and approved by the State Engineer.

(Continued on Page 2)

A minimum of five years of hydrologic data shall be collected by the Applicant subsequent to the approval of the monitoring, management, and mitigation plan and submitted to the State Engineer prior to the Applicant exporting any ground-water resources from Lake Valley.

The Applicant shall file an annual report with the State Engineer by March 15th of each year detailing the findings of the monitoring, management, and mitigation plan.

The Applicant will be limited to exporting a maximum of 9,000 acre-feet annually during the initial staged development period. During the staged development, the Applicant must export at least 8,000 acre-feet annually and not more than 9,000 acre-feet annually for a period of ten consecutive years. The Applicant must demonstrate though pumpage records and water-level monitoring over the same ten-year period that the Tuffy Ranch area and the Lake Valley Hydrographic Basin can sustain the export of 11,300 acre-feet without substantially increasing the current rate of water-level decline.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 3.1 cubic feet per second or 640.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **April 29 2012**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **April 29 2021**

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

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of **April**, A.D. **2011**

J. K. P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

NO. 72303

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 **MAR 04 2005**

Returned to applicant for correction

Corrected application filed

Map filed **DEC 17 1969 under 21611**

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The applicant **Tuffy Ranch Properties, LLC** make application for permission to change the **Manner and Place of Use** of water heretofore appropriated under **Permit No. 21611, (Certificate No. 7377)**

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1. The source of water is **Underground**

2. The amount of water to be changed **3.10 CFS, but not to exceed 640.0 Acre-Feet per annum**

3. The water to be used for **Municipal & Domestic**

4. The water heretofore permitted for **Irrigation & Domestic**

5. The water is to be diverted at the following point **NW¼ NE¼ of Section 30, T6N., R66E., M.D.B.&M., or at a point from which the N¼ corner of said Section 30 bears N. 4° 41' 09" W., a distance of 1,224.09 feet situated in Lincoln County, State of Nevada Refer to Supporting Map filed under Permit No. 21611, (Certificate No. 7377)**

6. The existing permitted point of diversion is located within

7. Proposed place of use **See Attachment "A" See supporting map filed with this Application.**

8. Existing place of use **See Attachment "B" Refer to supporting map filed under Permit No. 21611, (Certificate No. 7377)**

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 **Existing well with pump & motor, reservoir, and pipeline or such other means as may be approved by the State Engineer.**

12. Estimated cost of works **100 Million +**

13. Estimated time required to construct works **Existing well**

14. Estimated time required to complete the application of water to beneficial use. **Ten (10) Years**

15. Remarks:

By **SUZAN L. FERGUSON - AGENT**
s/ **Suzan L. Ferguson**
SUMMIT ENGINEERING – 5405 MAE ANNE AVE.
RENO, NEVADA 89523

Compared **gkl/** bk

Protested 6/3/05 by White Pine Co. 6/17/05 by: USDI BLM

Pro. Overrule 12/3/2008 See Ruling #5918

ATTACHMENT "A"

AMENDED 4/12/05

No. 7: Proposed Place of Use:

Township 11 South, Range 63 East, (Lincoln County, Nevada):
All of Sections 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, and 35; Section 13, the South Half (S1/2); Section 36, the West Half (W1/2); Sections 19, 30, and 31, all except those portions lying West of the Centerline of U.S. Highway 93.

Township 12 South, Range 63 East, (Lincoln County Nevada):
All of Sections 2, 3, 4, 5, 8, 9, 10, 11, 14, 15, 16, 17, 20, 21, 22, 23, 25, 26, 27, 28, 33, 34, 35, and 36; Sections 1, 13, and 24, the West Half (W1/2); Section 12, the West Half (W1/2) of the West Half (W1/2); Sections 6, 7, 18, 19, 29, 30, and 32, all except those portions lying West of the Centerline of U.S. Highway 93.

Township 12 South, Range 64 East, (Lincoln County Nevada):

The West Half (W1/2) of the SW1/4 of Section 31.

ATTACHMENT "B"
No. 8: Existing Place of Use

40.0 Acres in the SW1/4 SE1/4 of Section 19, T 6N., R 66E., M.D.B.& M.
40.0 Acres in the SE1/4 SE1/4 of Section 19, T 6N., R 66E., M.D.B.& M.
40.0 Acres in the NW1/4 NE1/4 of Section 30, T 6N., R 66E., M.D.B.& M.
40.0 Acres in the NE1/4 NE1/4 of Section 30, T 6N., R 66E., M.D.B.& M.

A total of 160.0 Acres.