

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

Date of filing in State Engineer's Office MAY 04 2005

Returned to applicant for correction _____

Corrected application filed _____

Map filed MAY 04 2005

The applicant **Kraus Enterprises, LLC** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. **Incorporated in Nevada July 10th, 2003**

1. The source of the proposed appropriation is **Underground**
2. The amount of water applied for is **.111 cfs** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Commercial & 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") **Commercial & Domestic**
 - (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 **within the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2, T.35N., R.37E., M.D.B.&M. or at a point from which the E $\frac{1}{4}$ corner of said Section 2 bears S. 36° 17' E., a distance of 1658.00 feet.**
6. Place of Use **2.18 acres lying within Lot 1 & SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2, T.35N., R.37E., M.D.B.&M.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **drilled well with water distribution system**
9. Estimated cost of works **\$10,000.00±**
10. Estimated time required to construct works **2 years**
11. Estimated time required to complete the application of water to beneficial use **4 years**

12. Remarks: Water is to be used for a commercial business complex. Annual consumptive use will not exceed 2.00 acre-feet. Proposed uses include landscaping, dust control, domestic and other various commercial uses.

John H. Milton III as Agent
 By s/ John H. Milton III
 146 West Second Street
 Winnemucca, NV 89445

Compared gkl/sc dl/gkl

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.

The issuance of this permit is for service at the described place of use. Any future attempt to change the place of use and manner of use of this permit will be denied.

This permit is issued under the provisions of NRS 534.120(2) as a preferred use.

(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 0.05 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:

March 3, 2008

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

April 3, 2008

Water must be placed to beneficial use on or before:

March 3, 2011

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

April 3, 2011

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 3rd day of March, A.D. 2006



State Engineer

Completion of work filed MAY 8 2008 _____

Proof of beneficial use filed _____

Cultural map filed _____ N/A _____

Certificate No. _____ Issued _____