Permit No. 75725

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant:	**NORTHERN NEVADA RACING ASSOCIATION**
Source:	**UNDERGROUND**
Basin:	**WINNEMUCCA SEGMENT**
Manner of Use:	**COMMERCIAL**
Period of Use:	**January 1st to December 31st**
Priority Date:	**05/15/2007**

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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 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

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 0.223 cubic feet per second or 2.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**October 25, 2009**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**October 25, 2012**
Map in support of proof of beneficial use shall be filed on or before:	**N/A**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 25th day of **October**, A.D. **2007**

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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Serial No. 75725

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office MAY 1 5 2007

Returned to applicant for correction MAY 2 4 2007

Corrected application filed ..... Map filed JUN 2 7 2007

The applicant Northern Nevada Racing Association

P.O. Box 3515 (Street and No. or P.O. Box No.) of Winnemucca (City and Town)

Nevada 89445 (State and Zip Code No.), hereby make s 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.)

1. The source of the proposed appropriation is Underground (Name of stream, lake, spring, underground or other source.)

2. The amount of water applied for is .223 CFS second feet. (One second foot equals 448.83 gallons per minute.)

   (a) If stored in reservoir give number of acre-feet

3. The water to be used for Commercial & Fire Protection (Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.)

4. If use is for:

   (a) Irrigation, state number of acres to be irrigated

   (b) Stockwater, state number and kind of animals

   (c) Other use (describe fully under "No. 12. Remarks") Commercial & Fire Protection

   (d) Power generation:

      (1) Horsepower developed

      (2) Point of return of water to stream

70 AW

5. The water is to be diverted from its source at the following point within the NE¼ SW¼ of Section 29,
Describe as being within a 40-acre subdivision of public
T.36N., R.37E., M.D.B.&M. or at a point from which the W¼ corner of said
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.
Section 29 bears N 75°15' W 1660.0 feet

6. Place of use 33.67 acres within portions of the NW¼ and the N½ SW¼ of Section 29,
Describe by legal subdivision. If on unsurveyed land, it should be so stated.
T.36N., R.37E., M.D.B.&M.

7. Use will begin about January 1st (Month and Day) and end about December 31st (Month and Day) of each year.

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) drilled well and water distribution system
State manner in which water is to be diverted, i.e. diversion structure,
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works In excess of $30,000

10. Estimated time required to construct works 3 years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 5 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.
Applicant will be operating a drag racing facility; water will be used for concession stand, restrooms, landscaping and dust control. Annual consumptive use will not exceed 2.0 acre feet. Water will also be used for fire protection.

Desert Mountain Surveying
John H. Milton III, Agent
Type or print name clearly

(775) 623-4414
Phone No.

By John H. Milton III
Signature, applicant or agent

146 West Second Street
Street and No., or P.O. Box No.

Winnemucca, NV 89445
City, State, Zip Code No.

STATE ENGINEER'S OFFICE
2007 MAY 15 AM 10:44
RECEIVED

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

$250 FILING FEE MUST ACCOMPANY APPLICATION