



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: ALDER CREEK DENIO RANCH, LLC
Source: UNDERGROUND
Basin: CONTINENTAL LAKE VALLEY
Manner of Use: IRRIGATION
Period of Use: April 1st to September 30th
Priority Date: 12/08/2008

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 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.

A portion of the proposed place of use of this underground permit is supplemental to surface water rights under Permit 17920, Certificate 7335; Permit 19530, Certificate 6806; and Permit 23820, Certificate 8147.

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

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 9.28 cubic feet per second or 3360.0 acre-feet annually or sufficient water to irrigate 840 acres, but not to exceed 4.0 acre-feet per acre from any and/or all sources.**

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

June 10 2012

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

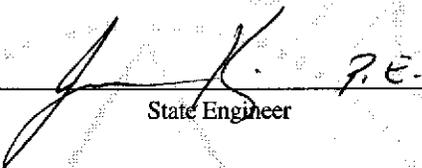
June 10 2015

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

June 10 2015

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 10th day of June, A.D. 2010



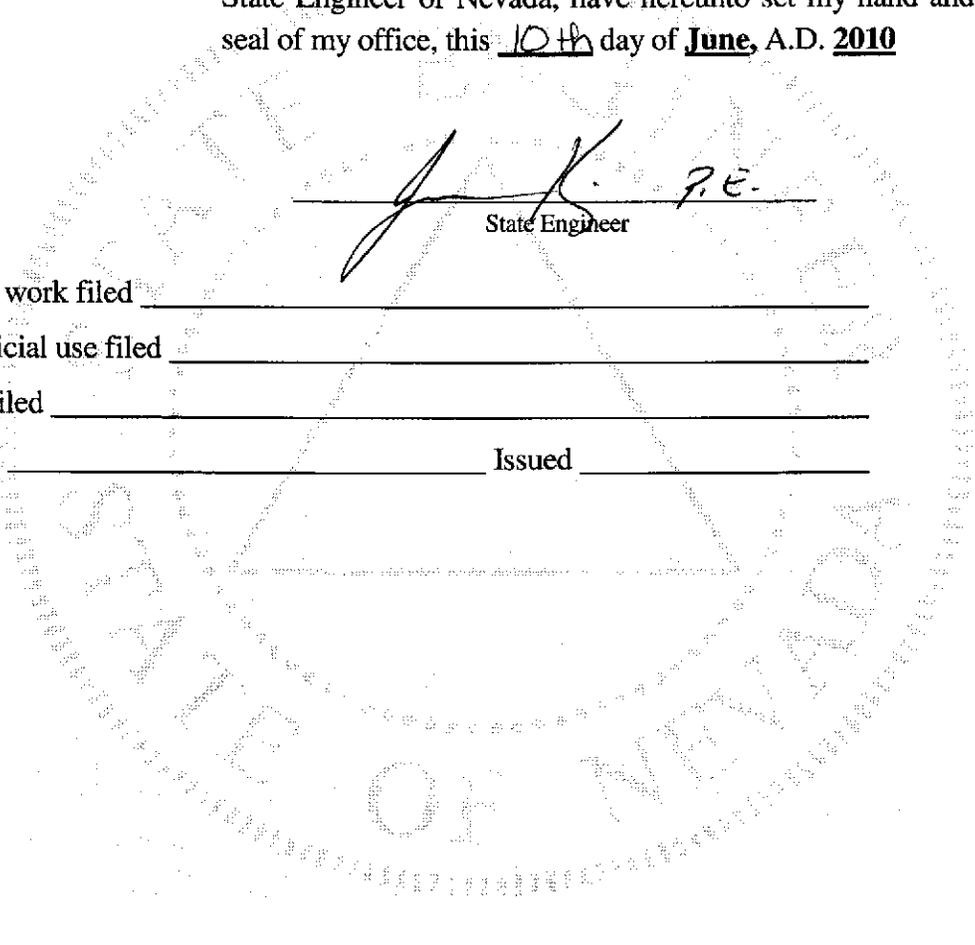
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Second
Amended

Application No. 77663

**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 DEC 08 2008

Returned to applicant for correction DEC 16 2008

Corrected application filed FEB 05 2009, FEB 13 2009 Map filed FEB 13 2009

The applicant Alder Creek Denio Ranch, LLC.

P.O. Box 228 of Denio
Street Address or P.O. Box City or Town

Nevada 89404 hereby make(s) application for permission to appropriate
State and Zip Code

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.)

Incorporated - Alburn, California, 1/1/06

Kent Pascoe
Buck Johnson

1. The source of water is Underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water applied for is 12.0 cfs, or 3,360 acre-feet 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 Irrigation
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 840 acres
 - (b) Stockwater, state number and kind of animals _____
 - (c) Other use (describe fully in No. 12) _____
 - (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: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)
NW1/4 NE1/4 Section 34, T45N, R28E, MDB&M. Point of Diversion bears North 35 degrees 00 minutes 00 seconds East from the southwest corner of Section 34, T45N, R28E, MDB&M, a distance of 5.150 feet.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)
See Attached

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

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.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)
Equip existing well with pump, ditch or pipe water to fields, and install sprinklers for irrigation.

9. Estimated cost of works: \$25,000

10. Estimated time required to construct works: 5 years
(If well completed, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 10 years

12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):
(Failure to provide a detailed description may cause a delay in processing.)

13. Miscellaneous remarks:

STATE ENGINEERS OFFICE
2009 FEB 13 AM 11:41
RECEIVED

E-mail Address

541-892-1989
Phone No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

By Robert R. Squires, Agent
Type or print name clearly
Robert R. Squires
Signature, applicant or agent
Western States Engineering
Company Name
21394 New Idaho Road
Street Address or P.O. Box
Lakeview, Oregon 97630
City, State, Zip Code

\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Proposed Place of Use

SE1/4 SW1/4 Section 10, T45N, R28E.	40 acres
E1/2 NW1/4 Section 15, T45N, R28E.	80 acres
E1/2 SW1/4 Section 15, T45N, R28E.	80 acres
E1/2 NW1/4 Section 22, T45N, R28E.	80 acres
E1/2 SW1/4 Section 22, T45N, R28E.	80 acres
W1/2 SW1/4 Section 26, T45N, R28E.	80 acres
E1/2 SE1/4 Section 27, T45N, R28E.	80 acres
E1/2 NE1/4 Section 34, T45N, R28E.	80 acres
E1/2 SE1/4 Section 34, T45N, R28E.	80 acres
W1/2 NW1/4 Section 35, T45N, R28E.	80 acres
W1/2 SW1/4 Section 35, T45N, R28E.	80 acres
	840 acres

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STATE ENGINEER'S OFFICE