



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: RUBY PIPELINE, LLC
Source: UNDERGROUND
Basin: NORTH FORK AREA
Manner of Use: CONSTRUCTION
Period of Use: January 1st to December 31st
Priority Date: 05/14/2009

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.

The permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

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.

This permit is issued solely for construction and related purposes for the Ruby Gas Pipeline Project and will expire upon completion of the pipeline project, as provided in NRS 533.045 and NRS 534.120(1). The permittee shall notify the State Engineer within thirty (30) days of project completion that the diversion of water from this location for this segment of pipeline construction is no longer necessary and the State Engineer will cancel the permit.

(Continued on Page 2)

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 6.0 cubic feet per second or 83.2 acre-feet annually.

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

February 17, 2012

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

N/A

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 17th day of February, A.D. 2010



for State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

ORIGINAL

Application No. 78493

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 14 2009
Returned to applicant for correction... MAY 20 2009
Corrected application filed... JUN 05 2009 Map filed... MAY 15 2009 under 78380

The applicant... Ruby Pipeline, LLC., c/o Dan G. Gredvig.....

... P.O. Box 1087 of Colorado Springs
Street and No. or P.O. Box No. City or Town

..... Colorado 80944 hereby make(s) application for permission to appropriate
State and Zip Code No.

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.)

Nov. 14, 2007, Delaware via 5/29/09

1. The source of water is underground - well
Name of stream, lake, underground, spring or other sources.

2. The amount of water applied for is 6.0 cfs (83.2 af) 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 Pipeline Construction
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.

4. If use if 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).....

(d) Power:

(1) Horsepower developed.....

(2) Point of return in water to stream.....

4-44-El

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 a course and distance to a found section corner. If on unsurveyed land, it should be so stated.)

.....SE¼, NE¼ Sec 29, T.39 N., R.55 E., MDB&M, or at a point from which the NE corner of said Sec 29 bears.....
.....N. 31° 08' 50" E. a distance of 1914.58 feet..For a map of POD, use map under Application No. 78380.....

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

.....See attached sheet. For a map of POU, use map to accompany this application.....
.....Sheet 6 of 8.....

7. Use will begin aboutJanuary 1stand end about.....December 31stof each year.
Month and Day Month and Day

8. Description of proposed works: (Under the provision 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.)

9. Estimated cost of works:.....\$150,000.....

10. Estimated time required to construct works:..... one (1) year.....
(If well completed, describe works.)

11. Estimated time required to complete the application of water to beneficial use:.....two (2) 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.)
.....See attached sheet.....

13. Miscellaneous remarks:

.....This application is on the same POD as Application No. 78380 but for a temporary use to expire upon.....
.....completion of the project.....

.....
E-mail Address
.....(775)885-2101.....
Phone No.

.....R. Michael Turnpseed, P.E.....
Print or type name clearly
By: *R. Michael Turnpseed P.E.*
Signature, applicant or agent

...204 North Minnesota Street.....
Street and No., or P.O. Box No.

...Carson City, Nevada 89703.....
City, State, Zip Code

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

EXHIBIT " A "

This application is one of several to provide construction water for compaction, dust control and hydrostatic testing. The total project consists of 670 miles of 42 inch Natural Gas Pipeline from Opal, Wyoming to Malin, Oregon passing through Elko Co., Humboldt Co. and Washoe County Nevada. This application is being filed pursuant to NRS 533.371 for a maximum of 2 years and shall expire upon completion of the project. The diversion rate on some of the applications is unusually high because during the hydrostatic test they need to fill the pipe as quickly as possible.

This application is being filed pursuant to NRS 533.371 for the temporary use of dust control and hydrostatic testing. The permit will expire upon completion of the project which is projected to take one or two years.

Exhibit "B"

Proposed Place of Use

T. 39 N., R. 55 E

Sections 28, 29, 30

T. 39 N., R. 54 E.

Sections 25, 26, 31, 32, 33, 34, 35, 36

T. 39 N., R. 53 E.

Sections 34, 35, 36

T. 38 N., R. 53 E.

Sections 3, 4, 5, 6

T. 38 N., R. 52 ½ E.

Section 1

T. 38 N., R 52 E.

Sections 1, 2, 3, 10, 11, 12

RECORDED
2009 JUN -8 PM 1:12
STATE ENGINEERS OFFICE