Permit No. 78834

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant:	**RUBY PIPELINE, LLC**
Source:	**UNDERGROUND**
Basin:	**CLOVERS AREA**
Manner of Use:	**CONSTRUCTION**
Period of Use:	**January 1st to December 31st**
Priority Date:	**08/17/2009**

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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. 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 and the well shall be plugged and abandoned as provided in Nevada Administrative Code 534.427.

(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 0.05 cubic feet per second or 5.156 acre-feet annually**.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **February 25, 2011**

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 25th day of **February**, A.D. **2010**

K. [signature] P.E.

for State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Application No. 78834

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 AUG 17 2009

Returned to applicant for correction _____

Corrected application filed _____ Map filed AUG 17 2009

The applicant Ruby Pipeline L.L.C. c/o Dan G. Gredvig

P. O. Box 1087 (Street Address or P.O. Box) of Colorado Springs (City or Town)

Colorado, 80944 (State and Zip Code) 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.)

November, 14th 2007; Delaware

1. The source of water is MP 391 Well (Name of stream, lake, underground, spring or other sources.)
2. The amount of water applied for is 0.05 c.f.s. (5.156 acre-ft) 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 is for:
   (a) Irrigation, state number of acres to be irrigated _____
   (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 _____

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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.)
WITHIN THE SE 1/4 NE 1/4 OF SECTION 18, T. 38 N., R. 45 E., M.D.B.&M. OR AT A POINT FROM WHICH THE E 1/4 CORNER OF SAID SECTION 18, BEARS S. 79° 11' 23.0" E., A DISTANCE OF 777.47 FEET.

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

Please See Attachment A

Further, Please See the Place of Use Map Filed with Application Number 78493

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.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)
Well, pump, motor, and distribution lines.

9. Estimated cost of works: $150,000

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

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

13. Miscellaneous remarks:

2009 AUG 17 AM 11:12
STATE ENGINEER'S OFFICE

mike_turnipseed@sbcglobal.net
E-mail Address

(775) 885-2101
Phone No.

R. Michael Turnipseed, P.E. [agent]
Type or print name clearly

By [signature] P.E.
Signature, applicant or agent

Turnipseed Engineering, Ltd.
Company Name

204 North Minnesota Street
Street Address or P.O. Box

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

Revised 11-07

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Attachment A – MP 391

T. 38 N., R. 44 E.

Sections: 25, 26, 32, 33, 34, 35

T. 38 N., R. 45 E. [illegible]

Sections: 24, 25, 26, 27, 28, 29, 30

T. 38 N., R. 46 E.

Sections: 19, 20, 21, 22

Attachment B

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.