Permit No. 79021

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant:	**RUBY PIPELINE, LLC**
Source:	**UNDERGROUND**
Basin:	**SWAN LAKE VALLEY**
Manner of Use:	**CONSTRUCTION**
Period of Use:	**January 1st to December 31st**
Priority Date:	**11/10/2009**

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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 0.25 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: **April 14, 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 14th day of **April**, A.D. **2010**

for K. L. Hall P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Application No. 79021

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 NOV 10 2009

Returned to applicant for correction .....

Corrected application filed ..... Map filed APR 03 2009 under 78177

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

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

.....Colorado.....80944 (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.).....

.....Nov. 14, 2007, Delaware.....

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1. The source of water is.....underground – water well MP 539..... (Name of stream, lake, underground, spring or other sources.)

2. The amount of water applied for is .....0.25 cfs (5.156 af)..... (One second foot equals 448.83 gallons per minute.) .....second feet.

   (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).....See attached sheet.....

   (d) Power:

      (1) Horsepower developed.....

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

007-UA

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.)

.....SW¼ SE¼ Sec 10, T.44 N., R.23 E., MDB&M, or at a point from which the W¼ corner of ~~said Sec 10 bears N.~~ Section 31, T45N, R24E, MDB&M .....

bears N..44° 01' E. a distance of 17,703 feet. For a map of proposed POD, use map on file under 78177..... REL

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

...T.42 N., R.24 E., portions of Secs ~~2, 3, 7, 8, 9, 10, 11 and 12~~ 10, 11, 13, 14, 15, 16, 17, 18; T.42 N., R.23 E., sections 1, 2, 3, 4, 5, 6 and 12; T.42 N., R.22 E.,..... REL

..portions of Secs 1, 2, 3, 4, 5 and 6. For a map of proposed POU, use map on file under 78493.....

7. Use will begin about ....January 1st .....and end about.....December 31st .....of 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.)

.....Drilled well, pump motor and pond.....

9. Estimated cost of works:.....$50,000.....

10. Estimated time required to construct works:.....three (3) months.....
(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:

2009 NOV 10 PM 3:14
STATE ENGINEER'S OFFICE

.....
E-mail Address

.....(775)885-2101.....
Phone No.

.....R. Michael Turnipseed, P.E.....
Print or type name clearly

By [signature] 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

Protested: November 25, 2009, by Bill and Linda Kennedy - [illegible] 2/17/10

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.