



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: YOUNG BROS, A NEVADA GENERAL PARTNERSHIP
Source: KINGSTON CREEK
Basin: BIG SMOKY VALLEY-NORTHERN PART
Manner of Use: POWER
Period of Use: January 1st to December 31st
Priority Date: 01/21/2010

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 all existing rights on the source and with the understanding that all of the water herein granted will be returned to the stream at the point designated in the application, free from deleterious matter, and with the further understanding that the proof of beneficial use, when filed, will show the power generated and the amount of water required and used therefore. A suitable measuring device must be installed and accurate measurements of water placed to beneficial use be kept. 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.

This permit is issued for a non-consumptive use of the water of Kingston Creek. The water diverted shall be returned to the source undiminished in quantity or quality.

The issuance of this permit does not increase the diversion rate allowed from Kingston Creek under permittee's existing water rights, being Permit 25779, Certificate 8295; Permit 26284, Certificate 8878; Permit 26285, Certificate 8906; Permit 30138, Certificate 9753; Permits 67295, 67296 and 67297.

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 9.5 cubic feet per second.**

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

February 25 2012

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

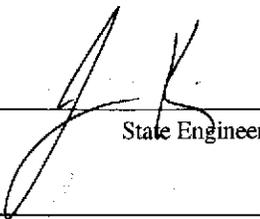
February 25 2014

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

N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 25th day of **February**, A.D. **2011**



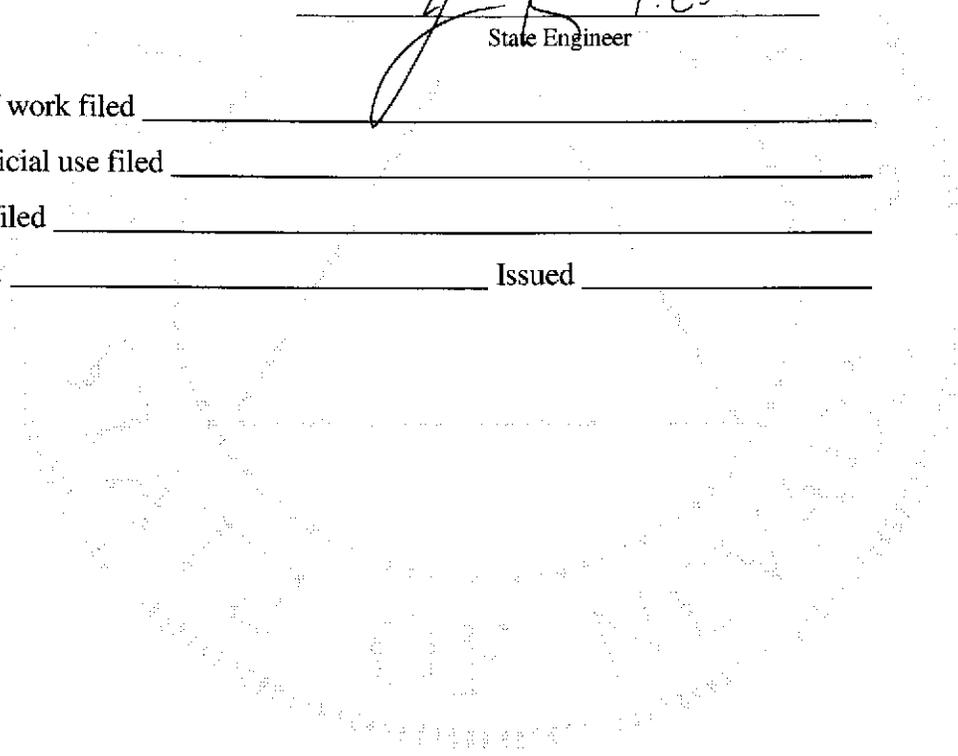
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



79233

Application No.

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 JAN 21 2010
Returned to applicant for correction
Corrected Application filed Map filed JAN 21 2010 under 79233

The applicant Young Bros, a Nevada General Partnership
HC65 Box A of Austin
Street Address or P.O. Box City or Town
Nevada, 89310 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.)

Ralph A. Young - Managing Member
Paul Young - Member

- 1. The source of water is Kingston Creek
2. The amount of water applied for is 9.5 cfs (Non-consumptive use - Power Generation)
3. The water is to be used for Power Generation (the maximum rate is noted in 2.0 above)
4. If use is for:
(a) Irrigation, state number of acres to be irrigated N/A
(b) Stockwater, state number and kind of animals N/A
(c) Other use (describe fully in No. 12) N/A
(d) Power:
(1) Horsepower developed Kingston Hydro Project 175 KW (234.6 Hp)
(2) Point of return of water to stream See description under item 13.

1373-LA

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.)

Kingston Creek - Within the NE1/4 NE1/4 of Section 35, T16N, R43E MDB&M, at a point from which the ~~Southeast~~ Southwest Corner of Section 31, T16N, R44E MDB&M, bears South 56°46'20" East, a distance of 7892.28 feet.

Southwest

REC

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

Within a portion of the SW1/4 NE1/4, of Section 31, T16N, R44E MDB&M.

7. Use will begin about 1/1 and end about 12/31 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 a pump and motor, etc.)

The existing penstock will be used, the water will be directed into the hydro turbine by extending the penstock. After the water exists the hydro turbine it will flow into the existing streams. The flow path is altered by less than 20'.

9. Estimated cost of works: Kingston \$300,000

10. Estimated time required to construct works: 6 months

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 12 months

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.)

No water will be consumed. The water usage will not change with the exception of diverting the water from the existing pipe into a hydro turbine and then returning the water to the existing stream channel. The project will have minimal impact to the existing stream flow system. The project is located on private property and the owner has the water rights to make the project viable (see permit numbers 67297, 67296 and 67295).

13. Miscellaneous remarks:

The proposed point of return is within the SW1/4 NE1/4 of Section 31, T16N, R44E MDB&M, at a point from which the Southwest Corner of Section 31, T16N, R44E MDB&M, bears South 43°00'02" West, a distance of 5102.04 feet.

ejesse@nevadacontrols.com

E-mail Address

775-841-6501

Phone No.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Everett A. Jesse for Young Bros, a NV General Partnership

Type or print name clearly

Signature, applicant or agent

Nevada Controls, LLC

Company Name

5576 Bighorn Drive

Street Address or PO Box

Carson City, Nevada 89701

City, State, ZIP Code

Revised 07/09 \$300 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: March 5, 2010, by Kingston Town Board, March 25, 2010 by Gary Kemp, Mike Hoffman, John Miles, James L. Wood, Emmett O. McKenzie, March 26, 2010, by Lander County Nevada Pro. Overruled 12/22/10 See Ruling #6086

W/D PRO-9-30-10

W/D PRO-10/1/10