



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: BLUE DIAMOND OIL COPORATION
Source: UNDERGROUND
Basin: WHITE RIVER VALLEY
Manner of Use: STOCKWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 01/22/2010

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. 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 period of use and the average number of livestock served from the waters of this source. It is further understood that this right must allow for a reasonable lowering of the static water level at permittee's well due to any other ground water development in the area. The well shall be equipped with a 2-inch opening for measuring depth to water. If well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times but does not take responsibility for the use of the Federal range.

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.

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 0.03 cubic feet per second sufficient to water 763 head of cattle and 1,065 sheep, but not to exceed 21.86 acre-feet annually.**

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

November 22 2012

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

November 22 2013

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 22nd day of November, A.D. 2011

J. King P.E.
for State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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 | <u>JAN 22 2010</u> |
| Returned to applicant for correction | _____ |
| Corrected Application filed | _____ Map filed <u>JAN 22 2010</u> under <u>79235</u> |

The applicant Blue Diamond Oil Corporation
P.O. Box 150432 of Ely
Street Address or P.O. Box City or Town
Nevada 89315 hereby make(s) application for permission to appropriate the
State and ZIP Code

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.)
September 21, 1984 in Nevada

1. The source of water is underground
Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 0.0304 cfs
One second foot equals 448.83 gallons per minute.
 - (a) If stored in a reservoir give the number of acre-feet _____
3. The water is to be used for Stockwatering
Irrigation, power, mining, commercial, domestic or other use. Must be limited 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 763 cattle and 1065 sheep
 - (c) Other use (describe fully in No. 12) _____
 - (d) Power:
 - (1) Horsepower developed _____
 - (2) Point of return of water to stream _____

207-KUP

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.)

In the SE1/4SE1/4 of Section 21, T.14 N., R.62 E., M.D.B. & M. or at a point ^{From which} whence the Southeast corner of Section 34, T.14 N., R.62 E., M.D.B. & M. bears South 27°24'00" East, 12,612.72 feet distant.

52c

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

SE1/4SE1/4 of Section 21, T.14 N., R62 E., M.D.B. & M.

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 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.)

Water from an existing well will be pumped into a storage tank.

9. Estimated cost of works: \$20,000.00

10. Estimated time required to construct works: 3 years

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 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.)

Water from an existing well will be pumped into a storage tank. The water will be used to water 763 cattle and 1065 sheep.

13. Miscellaneous remarks:

dean@summitnv.com

E-mail Address

(775)289-4445

Phone No.

Dean Neubauer, P.L.S.

Type or print name clearly



Signature, applicant or agent

Summit Engineering Corporation

Company Name

824 E. Aultman Street

Street Address or PO Box

Ely, Nevada 89301

City, State, ZIP Code

2010 JAN 22 11:02
STATE ENGINEERING DIVISION

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT