



THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: VAN NORMAN RANCHES, INC
Source: SCHMID CREEK SPRING
Basin: INDEPENDENCE VALLEY
Manner of Use: POWER
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST
Priority Date: 02/04/2011

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 irrigation ditch 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.

This permit is subject to the condition that the permittee must ensure that wildlife which has customarily used such water will have access thereto, NRS 533.367.

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 1.5 cubic feet per second.**

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

June 29 2013

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

June 29 2014

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

June 29 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of **June, 2012**

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>FEB 04 2011</u>
Returned to applicant for correction	_____
Corrected Application filed	Map filed <u>FEB 04 2011</u>

The applicant Van Norman Ranches, Inc.
HC32 Box 160 of Tuscarora
Street Address or P.O. Box City or Town
Nevada, 89834 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.)

Van Norman Ranches, Inc.
Incorporated in Nevada on June 14th, 1965.

1. The source of water is Schmid Creek Spring
Name of the stream, lake, underground, spring or other sources.
2. The amount of water applied for is 1.5 cfs (non-consumptive use - Power Generation)
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 Power Generation (maximum rate see 2 above)
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 _____
 - (c) Other use (describe fully in No. 12) 15 kW Hydro Power Plant
 - (d) Power:
 - (1) Horsepower developed 20 hp
 - (2) Point of return of water to stream See description under item 13.

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

Schmid Creek Spring within Lot 4 (=SE¼SW¼) Section 25, T.40N., R.52E., M.D.M., from which the SW corner of Sec. 26, in said township, bears S. 88°21'W., 7,501 ft. distance.

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

Within Lots 3 & 4, Section 25, T.40N., R.52E., M.D.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 water will be directed into the hydro turbine by extending the existing pipeline (penstock). After the water exists the hydro turbine it will flow into a ditch and then into the alluvial fan as the stream has historically.

9. Estimated cost of works: \$60,000

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.)

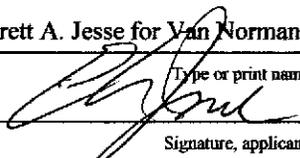
No water will be consumed. The water usage will not change with the exception of diverting the water from the existing pipe into a hydro turbine and then returning the water to a ditch and then to the alluvium. The project will have minimal impact to the existing system. The project is located on private property and the owner has the irrigation water rights to make the project viable.

13. Miscellaneous remarks:

The proposed point of return is within Lot 3 (=NE¼SW¼) Section 25, T.40N., R.52E., M.D.M., from which the SW corner of Sec. 26, in said township, bears S.75°51'W., 7,581 ft. distance.

ejesse@nevadacontrols.com
E-mail Address
(775) 841-6501
Phone No. Ext.

APPLICATION MUST BE SIGNED
 BY THE APPLICANT OR AGENT

Everett A. Jesse for Van Norman Ranches, Inc.
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

STATE ENGINEER'S OFFICE

FEB 04 2011

RECEIVED