Permit No. 80688

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**ESTILL RANCHES, LLC**
Source:	**BARE CREEK**
Basin:	**SURPRISE VALLEY**
Manner of Use:	**IRRIGATION**
Period of Use:	**MARCH 1ST TO OCTOBER 31ST**
Priority Date:	**03/15/2011**

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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 all existing rights on the source. It is understood that the 3.0 cubic feet per second, 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 a beneficial use. A suitable measuring device must be installed and accurate measurements of the water placed to a beneficial use must 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.

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 3.0 cubic feet per second or 511.84 acre-feet seasonally for the irrigation of 127.96 acres, but not to exceed 4.0 acre-feet per acre from any and/or all sources.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**August** 30 **2012**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**August** 30 **2013**
Map in support of proof of beneficial use shall be filed on or before:	**August** 30 **2013**

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 30th day of **August**, A.D. **2011**

J. K. P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

Application No. 80688

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 MAR 1 5 2011

Returned to applicant for correction _____

Corrected Application filed _____ Map filed MAR 2 2 2011

The applicant ESTILL RANCHES, LLC

P.O. BOX 320 (Street Address or P.O. Box) of GERLACH (City or Town)

NV 89412 (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.)

ORGANIZED IN NEVADA 12/07/2010, DOCUMENT NUMBER 20100915844-24, IN THE OFFICE OF THE NEVADA SECRETARY OF STATE.

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1. The source of water is BARE CREEK, LASSEN COUNTY, CALIFORNIA
   (Name of the stream, lake, underground, spring or other sources.)
2. The amount of water applied for is 3.0 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 IRRIGATION
   (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 127.96 ACRES
   (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 _____

Revised 07/09

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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 NE1/4NW1/4 OF SECTION 21, T38N, R17E, MDM, LASSEN COUNTY, CALIFORNIA, AT A POINT FROM WHICH THE NE CORNER OF SAID SECTION 21 BEARS N85°50'07"E, 3612.93'

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

WITHIN THE ~~THE~~ NW1/4NE1/4, THE SW1/4NE1/4, THE SE1/4NE1/4, THE NE1/4NW1/4, THE SE1/4NW1/4, THE NE1/4SW1/4, AND THE NW1/4SE1/4 OF SECTION 29, T38N, R18E, MDM, WASHOE COUNTY, NEVADA.

Sam 8/22/2011

7. Use will begin about MARCH 1 (Month and Day) and end about OCTOBER 31 (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 a pump and motor, etc.)

EXISTING DIVERSION, DITCH TO HOLDING POND, PIPE TO PIVOT SPRINKLER SYSTEM.

9. Estimated cost of works: $15,000

10. Estimated time required to construct works: ONE YEAR
(If the well is complete, describe works.)

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

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.)

EXCESS WATER PRESENTLY IN BARE CREEK, LASSEN COUNTY, CALIFORNIA, WILL BE DIVERTED USING THE SYSTEM DESCRIBED IN ITEM 8, ABOVE TO SUPPLY A PIVOT SPRINKLER APPROXIMATLEY 1,332 FEET IN DIAMETER.

13. Miscellaneous remarks:

APPLICANT PRESENTLY OWNS THE PROPOSED POD AND MOST OF THE LAND BETWEEN SAID POD AND LOWER (DRY) LAKE. ALL BARE CREEK WATER THAT COMES TO THE PROPOSED POD DISIPATES ON APPLICANT'S LAND BEFORE SEEPING INTO SAID DRY LAKE. THIS APPLICATION IS FOR EXCESS WATER IN THE SAME HYDROLOGIC BASIN, ADJACENT TO THE APPLICANT'S EXISTING USES.

ESTILL RANCHES, LLC By: John B. Estill, MANAGER
(Type or print name clearly)

John Estill
(Signature, applicant or agent)

ESTILL RANCHES, LLC
(Company Name)

P.O. BOX 320
(Street Address or PO Box)

GERLACH, NV 89412
(City, State, ZIP Code)

estill5@huges.net, bareranch@huges.net,
(E-mail Address)

775-333-0882
(Phone No.)

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

STATE ENGINEER'S OFFICE
2011 MAR 15 PM 12:47
RECEIVED

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