THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee:	**KERNS ENTERPRISES, LLC**
Source:	**UNDERGROUND**
Basin:	**RUBY VALLEY**
Manner of Use:	**STOCKWATERING**
Period of Use:	**JANUARY 1ST THROUGH DECEMBER 31ST**
Priority Date:	**03/15/2013**

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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 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 total combined duty of water under Permit 68166, Certificate 16557; Permit 69365, Certificate 16558; Permit 69366, Certificate 16559; Permit 69367, Certificate 16560; Permit 69368, Certificate 16561; Permit 69369, Certificate 16562; Permit 69370, Certificate 16563 and Permit 82630 shall not exceed 13.44 acre-feet annually or sufficient to water 600 head of cattle.

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 0.02 cubic feet per second or 13.44 acre-feet annually, sufficient to water 600 head of cattle.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: **June 26 2014**

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before: **June 26 2016**

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 26th day of **June, 2013**

for State Engineer

Application No. 82630

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 15 2013

Returned to applicant for correction _____

Corrected Application filed _____ Map filed MAR 15 2013

The applicant Kerns Enterprises, LLC

HC 60, Box 681 (Street Address or P.O. Box) of Ruby Valley (City or Town)

Nevada 89833 (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.)

12-4-2006 Nevada

REC per e-mail

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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 0.02 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 stock watering
   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 600 cattle
   (c) Other use (describe fully in No. 12) _____
   (d) Power:
      (1) Horsepower developed _____
      (2) Point of return of water to stream _____

Revised 07/09

Ruby Valley 10-176 E1

82630

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 SW¼NE¼, Sec. 2, T.29N., R.58E., M.D.M. from which the N. quarter- corner of said Sec. 2 bears N.8°03'W., 2,026 feet distant.

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

the SW¼NE¼ Sec. 2, T.29N., R.58E., M.D.M.

7. Use will begin about January 1 (Month and Day) and end about December 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.)

drilled and cased well, submersible pump & motor powered by 24v.solar panels, with portable power backup generator, discharge to storage tank, then to several troughs within the described place of use.

9. Estimated cost of works: $22,000.00

10. Estimated time required to construct works: completed - under #82050T
(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: two 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 provided under this permit will be used at various seasons for cattle held in fenced fields.

13. Miscellaneous remarks:

Please send copies of notices and correspondence to undersigned agent.

RECEIVED 2013 MAR 15 AM 10:52 STATE ENGINEERS OFFICE

William A. Nisbet, agent
Type or print name clearly

William A. Nisbet
Signature, applicant or agent

Farr West Engineering
Company Name

421 Court Street
Street Address or PO Box

Elko, Nevada 89801-3527
City, State, ZIP Code

bill@farrwestengineering.com
E-mail Address

(775)738-2121
Phone No.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

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