

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

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WHEREAS, Pete Kerns, Agent, has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source, through a drilled flowing well (Mayhew Well) and distribution system for stockwater purposes. The point of diversion of water from the source is as follows:

SE¼ NW¼ Section 1, T.29N., R.58E., M.D.B. & M., or at a point from which the NE corner of Section 2, T.29N., R.58E. bears N. 43°52' W., a distance of 3,656 feet, situated in Elko County, State of Nevada.

NOW KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator:	Kerns Enterprises, LLC
Source:	Underground (Mayhew Well)
Manner of Use:	Stockwater
Amount of appropriation:	*0.01875 c.f.s. or sufficient to water 600 head of cattle
Period of use:	January 1st to December 31st of each year
Date of priority of appropriation:	December 5, 2002

Description of the works of diversion, manner and place of use:

Water is developed by means of a drilled well, 120 feet deep, 6 inch diameter casing, flowing into two 8-foot long, 24-inch deep troughs where 600 head of cattle water within the SE¼ NW¼ Section 1, T.29N., R.58E., M.D.B. & M.

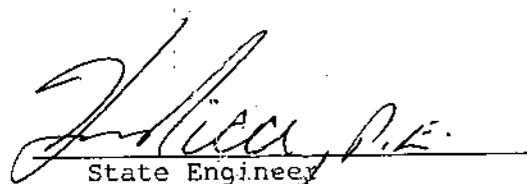
*The total combined duty of water under this certificate and Permit 68166, Certificate 16557; Permit 69365, Certificate 16558; Permit 69366, Certificate 16559; Permit 69367, Certificate 16560; Permit 69368, Certificate 16561; and Permit 69370, Certificate 16563; shall not exceed 4.38 million gallons annually or sufficient to water 600 head of cattle.

This certificate is issued subject to the terms of the permit.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E., State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 4th day of August, A.D., 2005.

gkl/mjw


State Engineer