

THE STATE OF NEVADA
PROOF OF SUBSISTING RIGHT OF WATER FOR
STOCK WATERING PURPOSES

Pursuant to N.R.S. 533.492

(1) Name of Claimant PALISADE RANCH, INC., a Nevada corporation [Street and No. or P. O. Box No.] PO Box 236
of [City or town] Carlin [State and Zip Code No.] NV 89822.

(2) Source of water [Name of natural water source] HUMBOLDT RIVER

(3) The water is diverted by [Dam, ditch, pipe line, natural channel, spring area, etc.] Natural Channel

(4) The water is diverted at the following point(s) [Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land it should be stated. Diversion over a channel reach must be described by course and distance to a section corner for both the beginning and end of such reach.]

The water is diverted through the reach of the stream in 2 segments.

Segment 1

The beginning of the reach is located within the NW¼ SW¼ of Section 36, T 32N, R 51E, MDB&M from which the Northwest corner of Section 2, T 31N, R 51E, MDB&M bears S 44° 40' 36" W, a distance of 2,516.11 feet, thence down stream to the end of the reach within the SW¼ SW¼ of Section 36, T 32N, R 51E, MDB&M, from which the Northwest corner of Section 2, T 31N, R 51E, MDB&M bears S 83° 03' 45" W, a distance of 1,383.02 feet.

Segment 2

Beginning at a point within the NE¼ SE¼ of Section 3, T 31N, R 51E, MDB&M from which the northeast corner of said Section 3 bears N 05° 21' 04" E, a distance of 2664.56 feet, thence down the channel to the end of the reach at a point within the NW¼ NW¼ of Section 12, T 31N, R 50E, MDB&M, from which the East one-quarter corner of Section 12 bears S 70° 18' 48" E, a distance of 4,884.14 feet.

(5) The water is impounded in [Troughs, tanks, pools, reservoir, natural channel, etc.] Natural channel

(6) The construction of the ditch or other works was begun [Date] 0 and completed [Date] 0

(7) The nature of the claimant's title to the land upon which the source of water and place of use are located is [Patented, deeded, public domain with grazing permit, etc.]

The source and place of use is located on the open range upon public domain upon which claimant holds a grazing permit, unfenced private land and railroad right-of-way described as follows:

Public Domain & Railroad Right of Way

Township 31 North, Range 51 East, MDB&M
Section 8: SW¼ NE¼; S½ NW¼; N½ SE¼

SE-50

Section 9: SW $\frac{1}{4}$
Section 10: E $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$

Township 31 North, Range 50 East, MDB&M

Section 12: NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$

Private Land and Railroad Right-of-Way

Township 32 North, Range 51 East, MDB&M

Section 35: E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 36: W $\frac{1}{2}$ SW $\frac{1}{4}$

Township 31 North, Range 51 East, MDB&M

Section 3: NW $\frac{1}{4}$ SE $\frac{1}{4}$; Lots 8 & 10; SE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 7: Lots 3 & 4; NW $\frac{1}{4}$ SE $\frac{1}{4}$; S $\frac{1}{2}$ NE $\frac{1}{4}$
Section 9: S $\frac{1}{2}$ SE $\frac{1}{4}$

Township 31 North, Range 50 East, MDB&M

Section 1: S $\frac{1}{2}$ SE $\frac{1}{4}$

~~Section 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$~~ *1-17-2007 per letter dated Jan. 11, 2007*

(8) The claimant's water right was not recorded in the office of the County Recorder of _____ County, at Page ___ of Book ___ of _____.

(9) The items of evidence for the numbers of livestock and date of priority are _____

AFFIDAVIT OF WALTER I. LEBERSKI

(10) The approximate number of animals watered by the claimant during the first year [Date] 1879 was 220 cattle, 30 horses _____ sheep or [Other] _____. The watering was conducted during each of the following months March 1 to December 31.

(11) The approximate number of animals watered by the claimant in subsequent years was as follows: [If water was not used, or used in reduced quantity at any time, full information as to causes and duration of non-use should be given] 250 animals

(12) The amount of water which has been necessary to be diverted for this purpose has been [448.83 gal. per min. equals 1 cubic foot per second] 0.0078 cubic feet per second.

(13) The works are located at (Describe as being within a 40-acre subdivision, section, township and range of public survey. If on unsurveyed land, it should be stated. _____
None - natural channel

Remarks (Improvements, title, etc.)

SEE ATTACHED

PALISADE RANCH, INC.
A Nevada Corporation

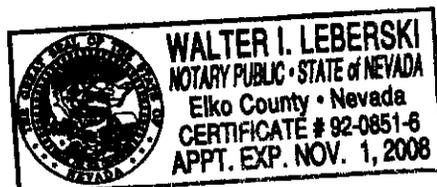
CLAIMANT:
Telephone No.: _____

By: Rita Stitzel
RITA STITZEL, PRESIDENT
Telephone No.: 775-754-6219

Subscribed and sworn to before me this

10th day of March, 2006.

Walter I. Leberski
NOTARY PUBLIC



REMARKS

This Proof is associated with improved ranch property which has vested and adjudicated water rights on the Humboldt River for irrigation, livestock and domestic use under Proof 00223 & 00225 and is for the purpose of evidencing use of water for stock purposes within the open range area as provided under NRS 533.492 and 533.493.

The basis of this claim is presented in the affidavit of Walter I. Leberski which is attached.

In the original grazing application of W.H. Blair to the Taylor Grazing Service he stated the ranch normally ran 400 head of range stock for a nine month period. However, he applied for 220 cattle and 30 head of horses on that application dated May 4, 1935. A sale of the ranch operation by Henry F. Ebert, et ux, to Charles S. Walker also had a Bill of Sale for 210 head of cattle and 25 horses. The license issued by Grazing Service in 1950 was for 220 cattle and 10 horses. The Bill of Sale referred to above, the original application of 1935 and the license of 1950 evidence a normal number of stock using the open range at 250 head and that is the number claimed on this source.

The period of use is between March 1 and December 31 of each year. Due to past practices of movement of livestock and present allotment management plans, the stock use other sources than the subject of this Proof during the grazing season. However, the total of 250 head make use of the source for at least a portion of the period of use.

W.H. Blair claims use upon the area of this source in 1876 which may be correct. However, predecessors to the claimant first acquired land by a patent from the State of Nevada in 1879. Therefore, a priority of 1879 is claimed.