Serial No. 09592

STATE OF NEVADA

PROOF OF APPROPRIATION OF WATER FOR STOCK WATERING OR WILDLIFE PURPOSES

(1) Name of claimant SLAGOWSKI RANCHES, INC., A Nevada corporation

HC 34, Box 46 of Carlin
Street and No. or P.O. Box No. City or town

Nevada 89822
State and Zip Code No.

(2) Source of water Cottonwood Creek, its tributaries and springs within its drainage basin
Name of natural water source.

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

(4) The water is diverted at the following point(s) See attached
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

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

(6) The construction of the ditch or other works was begun None
Date

and completed None
Date

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

(8) The claimant's water right ~~was~~ (was not) recorded in the office of the County Recorder of

_____ County, at Page _____ of Book _____ of _____

NOTE —Failure to record in the county in no way invalidates a water right, but if water right was so recorded, supply full information under (8).

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(9) The approximate number of animals watered by the claimant during the first year 1872
Date

was unknown cattle _____ horses _____ sheep or wildlife (describe) _____
Other

The watering was conducted during each of the following months _____

April 1 to December 1

(10) The approximate number of animals watered by the claimant in subsequent years was as follows:

200 head by the year of 1872, with the numbers varying as
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.

to the availability of water and forage each year.

(11) The amount of water which has been necessary to be diverted for this purpose has been

0.0063 cubic feet per second.
448.83 gallons per minute equals 1 cubic feet per second.

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

Remarks See attached

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Remarks _____

The undersigned, being first duly sworn, deposes and says that the facts relative to the appropriation of water by SLAGOWSKI RANCHES, INC., A Nevada corporation are full and correct to the best of his knowledge and belief.

President of the corporation
If proof is not made by claimant, deponent should state on this line by virtue of what authority he represents the claimant.

Slagowski Ranches, Inc.
Claimant

Telephone No. (____) _____

By Carl F. Slagowski
Carl F. Slagowski

HC 34, Box 36
Street and No., or P.O. Box No.

Carlin, Nevada 89822
City, State, Zip Code No.

Telephone No. (____) _____

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Subscribed and sworn to before me this 3rd day of May, 20 06

Walter I. Leberski

Notary Public in and for the County of Elko

My commission expires _____

WALTER I. LEBERSKI
NOTARY PUBLIC • STATE of NEVADA
Elko County • Nevada
CERTIFICATE # 92-0851-6
APPT. EXP. NOV. 1, 2008

$50 FILING FEE MUST ACCOMPANY PROOF

Section 14: W½ SE¼; SE¼ SE¼; N½ SW¼
Section 15: S½ NE¼; N½ NW¼; SE¼ NW¼; NE¼ SE¼
Section 16: NE¼ NE¼

Attachment to Proof of Appropriation - Slagowski Ranches, Inc.
Cottonwood Creek
Proof V-09592

Item 4. The water is diverted at the following points:

The diversion is throughout the reach of the channel beginning at the head of three tributaries described as follows:

(a) A point within the NW¼ SE¼ of Section 31, T 28N, R 50E, MDB&M from which the northwest corner of Section 7, T27N, R50E, MDB&M bears S 29° 04'12" W, a distance of 8.776.04 feet.

(b) A point within the NE¼ NW¼ of Section 31, T28N, R50E, MDB&M from which the northwest corner of Section 7 T27N, R50E, MDB&M bears S 16° 06'02" W, a distance of 9,817.86 feet.

(c) A point within Lot 2 of Section 6, T27N, R50E, MDB&M from which the northeast corner of Section 11, T27N, R49E MDB&M bears S 38° 30'06" W, a distance of 5,142.30 feet.

From the points of beginning the reaches of the three branches of Cottonwood Creek, the reach is down the tributary channels and the main channel to a point in SE¼ SE¼ of Section 14, T27N, R50E, MDB&M from which the northeast corner of Section 13, T27N, R50E bears N 50° 28' 30" E, a distance of 6,990.77 feet.

The reach described being that portion of the channel normally having surface flow during the grazing season.

Item 7. The nature of the claimant's title to the land upon which the source of water and place of use are located is:

The place of use is within public domain upon which the claimant holds a grazing permit described as follows:

T28N, R50E, MDB&M
Section 31: E½ W½; Lot 4; N½ SE¼; SE¼ SE¼

T27N, R50E, MDB&M
Section 5: Lot 1, SW¼ NW¼; W½ SW¼
Section 6: Lots 1, 2, 3, 4 & 5; SE¼ NW¼; SW¼ NE¼; E½ SW¼; W½ SE¼; SE¼ SE¼
Section 7: NE¼ NE¼
Section 8: NW¼ NE¼; S½ NE¼; NW¼; N½ SE¼
Section 9: SW¼; S½ SE¼

Attachment to Proof of Appropriation - Slagowski Ranches, Inc.
(Cottonwood Creek)

Remarks:

This claim is associated with two ranch properties, one being known as the Goodfellow or Cross Ranch and the other being known as the Knight Ranch, a portion of the JD Ranch. The Goodfellow Ranch was acquired by Floyd Slagowski, one of the original incorporators of the claimant in 1946 and the corporation acquired the Knight Ranch in 1993. (See chain of title attached to Affidavit of Walter I. Leberski filed herein).

The basis of this claim is documentation contained in old files of the Bureau of Land Management, copies of which are attached to the Affidavit of Walter I. Leberski.

George Goodfellow stated that he ran upon the range all the cattle that the hay crop would carry in his application for grazing permit dated March 27, 1935. He further states that at that time he owned 1,100 cattle which grazed in Pine Valley. This number of cattle is substantiated in a February 1870 issue of Elko Independent newspaper, which states that the Bradleys, predecessors to the claimant, ran rom 1,500 to 2,000 cattle beginning that operation in 1864. These numbers are further substantiated by tax records maintained in the Office of the Eureka County Treasurer as to numbers of livestock assessed to the owner of the ranch property. Paul Lane, a predecessor in interest, was assessed for numbers during the years specified as follows:

Year	Cattle	Horses
1895	725	100
1896	1,000	100
1897	900	100
1898	600	100
1899	600	100

As to priority, George Goodfellow states that the range had been used for 66 years prior to 1935 or starting at 1869 which date is comparable to the newspaper account referred to above.

As to season of use, Goodfellow states it is April 1 to December 1.

The claimant purchased property which is known as the Knight Ranch in 1993. The early owners of this ranch and additional property were Winzell and Cockrill. A chain of title attached to the Affidavit of Walter I. Leberski indicates that this property started using the range on or before 1887. This property was part of that ranch known as the JD Ranch, owned in the priority years by the Winzells and later by Winzell and Cockrill. The Eureka County Assessment Roll shows that by 1880, Joseph Winzell was assessed for 750 head of cattle. although this ranch is located some 24 miles from the Goodfellow property (also known as the Cross Ranch), the cattle from both ranches intermingled on the open range. (See Affidavit of E.r. Henderson attached to Affidavit of Walter I. Leberski). Therefore, upon acquisition of the Knight Ranch, the claimant's grazing use in the area of the source became a combination of othe Knight and the Goodfellow Ranch.

Grazing licenses issued by the Bureau of Land Management (formerly Grazing Service) show thatGeorge Goodfellow had a right for 415 cattle and horses, and Stephen Damele, successor to Winzell and Cockrill for 800 cattle. It is noted that only 50% of the 800 cattle were licensed in the Elko Grazing District, which would indicate 400 head of cattle from in the area of the source from the Knight Ranch. However, upon acquisition of the Knight Ranch the permit issued by the Bureau of Land Management to the claimant in the South Buckhorn Unit (being the area of the source herein), the numbers of livestock increased 320 cattle to 1080 cattle or 760 head of cattle increase. the predecessors to the Knight Ranch had acquired additional grazing privileges in the area which accounts for the increase of numbers for the Knight Ranch from 400 to 760 cattle. Therefore the total numbers of cattle making use within the area of the source became 1175 cattle. From experience in managing livestock in the area, it is the opinion of the claimant that 200 cattle use the source periodically during the grazing season.

For chain of title of the ranch properties, evidence of numbers of livestock and other references herein, refer to documents attached to Affidavit of Walter I. Leberski.