Application No. 09881

STATE OF NEVADA

PROOF OF APPROPRIATION OF WATER FOR STOCK WATERING OR WILDLIFE PURPOSES

(1) Name of claimant Blue Diamond Oil Corporation

P.O. Box 150432 of Ely
Street Address or PO Box — City or Town

Nevada 89315
State and ZIP Code

(2) Source of water Sagehen Spring
Name of natural water source

(3) The water is diverted by:
Pipe into tank

Dam, ditch, pipe line, natural channel, spring area, etc.

(4) The water is diverted at the following point(s):
SE/4 SW/4 Section 16, T11N, R63E, M.D.B&.M., GPS NAD ~~83~~ 27, 38°48.661,7' N, 114°54.100,9' W
1/27/2010

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 Tank
Troughs, tanks, pools, reservoir, natural channel, etc.

(6) The construction of the ditch or other works was begun Prior to 1905
Date

completed Prior to 1905
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:
Inside Grazing Allotment

Patented, deeded, public domain with grazing permit, etc.

(8) The claimant's water right was 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).

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

was 568 cattle 3 horses 722 sheep or wildlife (describe) _____

The watering was conducted during each of the following months:
5/1 to 11/1

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180-WP

(10) The approximate number of animals watered by the claimant in subsequent years was as follows:
508 Cattle, 3 horses, 722 Sheep each year since 1974 by Claimant and predecessors going back to Adams McGill Co.

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.

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

.0203 cubic feet per second.

448.83 gallons per minute equals 1 cubic foot per second

(12) The works are located at:
SE/4 SW/4 Section 16, T11N, R63E, M.D.B&.M.

Describe as being within a 40-acre subdivision, section, township and range of public survey. If on unsurveyed land, it should be stated.

Remarks

The undersigned, being first duly sworn, deposes and says that the facts relative to the appropriation of water by Gary Sprouse are full and correct to the best of his/her knowledge and belief.

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

Blue Diamond Oil Corporation
Name of Claimant

By

Telephone No. (775) 289-3849

Gary Sprouse, President

Telephone No. (775) 289-3849

Subscribed and sworn to before me this 24th day of January, 20 10

CAROL E. FREEMAN
Notary Public, State of Nevada
Appointment No. 02-79070-17
My Appt. Expires Dec 9, 2010

Notary Public in and for the County of White Pine

Carol E Freeman

My commission expires 12-09-10

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$50 FILING FEE MUST ACCOMPANY PROOF