

STATE OF NEVADA
PROOF OF APPROPRIATION OF WATER FOR IRRIGATION

Source Spring "Y"
Name of natural water source (use separate proofs for each major source)

The water is diverted from its source Improved spring & ditches
Name of ditch, flume or pipe line

at the following point(s) (List all points of diversion from this source, appending a sheet if necessary. 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.)

NE 1/4, NW 1/4, Section 27, T.33N., R.22E., M.D.B. & M., or at a point from which the NW Corner of said Section 27 bears N. 55° 31' 48" W., a distance of 2,790.38 feet

(1) Name of claimant Deep Hole, LLC, a Nevada limited liability company

Address 6147 Lakeside Drive, Suite 104, Reno, County of Washoe

State of Nevada Telephone No. (775) 825-2226

(2) The means of diversion employed improved spring, ditches and headgates
Dam and ditch, pipe line, flume, etc.

(3) The date of the survey of ditch, canal, or pipe line was March 24, 2010

(4) The construction of the ditch or other works was begun 1889

and completed 1889

(5) The dimensions of the ditch or canal as originally constructed were: Width on bottom 1.5 feet, width on top 2.5 feet, depth 1 feet, on a grade of 4 feet per thousand feet.

(6) The conduit has (has not) been enlarged Note - If enlargement or extension of ditch was made, supply information under (7) and (8)

(7) The work of enlargement of the ditch or canal was begun _____
and completed _____

(8) The dimensions of the ditch or canal as enlarged are: Width on bottom _____ feet, width on top _____ feet, depth _____ feet, on a grade of _____ feet per thousand feet.

(9) The claimant is ~~(not)~~ the owner in the above-described conduit.

Patented land owned by Deep Hole, LLC, a Nevada limited liability company
If claimant is an owner in the conduit, state interest held on this line.

2-1-10

(10) The nature of the title to the land for which the water right is claimed is
Fee Simple

(11) Crops of Alfalfa, Pasture, Hay

have been grown upon the land irrigated. (e.g. alfalfa, native hay, grain, orchard, meadow or diversified pasture)

(12) The water has been used for irrigation from January 1 to December 31 of each year.
Day of month Day of month

(13) List the year of priority for acreages irrigated prior to March 1, 1905, from all points of diversion previously described, with corresponding subdivisions, appending extra sheets if necessary.

| | | | | | | | | | | | | | | |
|------|---|-------|--------------|-----------|--------|----|---|---|-----|---|---|----|---|----|
| 1889 | , | 21.44 | acres in the | NW ¼ NW ¼ | of Sec | 27 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 24.08 | acres in the | NE ¼ NW ¼ | of Sec | 27 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 26.73 | acres in the | SE ¼ NW ¼ | of Sec | 27 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 40.37 | acres in the | SW ¼ NW ¼ | of Sec | 27 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 38.41 | acres in the | NW ¼ SW ¼ | of Sec | 27 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 24.91 | acres in the | NE ¼ SW ¼ | of Sec | 27 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | .087 | acres in the | NE ¼ NE ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 37.26 | acres in the | SE ¼ NE ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 32.02 | acres in the | SW ¼ NE ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 34.77 | acres in the | NW ¼ SE ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 26.40 | acres in the | NE ¼ SE ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 22.84 | acres in the | SE ¼ NW ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| 1889 | , | 12.48 | acres in the | NE ¼ SW ¼ | of Sec | 28 | , | T | 33N | , | R | 22 | , | E. |
| | , | | acres in the | | of Sec | | , | T | | , | R | | , | E. |
| | , | | acres in the | | of Sec | | , | T | | , | R | | , | E. |
| | , | | acres in the | | of Sec | | , | T | | , | R | | , | E. |
| | , | | acres in the | | of Sec | | , | T | | , | R | | , | E. |
| | , | | acres in the | | of Sec | | , | T | | , | R | | , | E. |

(14) The maximum acreage irrigated in any year was 342.58 acres.

(15) The water claimed has ~~(1905)~~ been used for irrigation each and every year since the right was initiated.

(16) The years during which no water was used for irrigation or during which the full water right was not used were (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, appending a sheet if necessary.)

Unknown - water continues to flow and is diverted into ditches for distribution across the place of use

(17) The claimant's water right ~~was~~ (was not) recorded in the office of the County Recorder of _____
County, said record being at page _____ of Book _____ of _____, and being a claim for
_____ of water for the irrigation of
_____ acres of land in the following legal subdivisions:

Note - Failure to record in the county in no way invalidates a water right, but if ditch or right was so recorded, supply full information under (17)

(18) Water from the source given and through the works described is also used for the following purposes other than irrigation:

Stockwater, domestic and wildlife purposes

(19) The character of the soil is sandy/silty loam . A continuous flow of 0.25 cubic feet
Sandy, gravelly, loam
of water per second has been used to irrigate 342.58 acres of land and 4.0
acre-feet per acre per annum have been used to irrigate the crops.

(20) Remarks

The Deep Hole Ranch area was originally settled in 1852 as a stop on the Noble's Emigrant Trail between the Black Rock Desert and the Honey Lake Valley. Active agriculture of the lands irrigated on the Deep Hole Ranch was first noted in field notes of the 1873 U.S. General Land Office survey by Garside. By 1890, the Deep Hole Ranch had become the headquarters of the Louis Gerlach's livestock operations. For further information please refer to the chronology and documentation attached to this Proof.

A total of 342.58 acres is irrigated from all water sources on the Deep Hole Ranch property including Proofs 09071 through 09082 and 09087 through 09089. The acreage and culture claimed is as depicted on the map prepared by F.B. Stewart of the Nevada State Engineer's office in 1915.

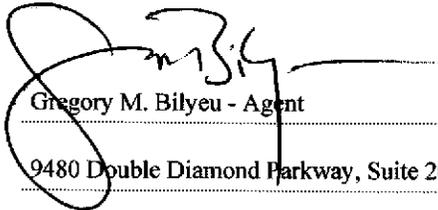
The undersigned, being first duly sworn, deposes and says that the facts relative to the appropriation of water by

Deep Hole, LLC, a Nevada limited liability company are full and correct to the best of his knowledge and belief.

Deponent is an employee of TEC Civil Engineering Consultants and has been hired by the Claimant to prepare this proof

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

Name


Gregory M. Bilyeu - Agent

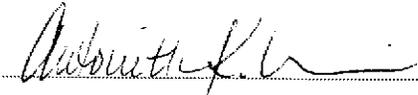
Address

9480 Double Diamond Parkway, Suite 200

Telephone Number

Reno, NV 89521

Subscribed and sworn to before me this 20 day of April, 2012



Notary Public in and for the County of Washoe

My commission expires February 8, 2012



\$100 FILING FEE MUST ACCOMPANY PROOF