THE STATE OF NEVADA

PERMIT TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of applicant:	**FALCON CAPITAL, LLC**
Source:	**UNDERGROUND**
Basin:	**WASHOE VALLEY**
Manner of Use:	**IRRIGATION**
Period of Use:	**January 1st to December 31st**
Priority Date:	**08/20/1962**

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APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion and place of use of a portion of the waters of an underground source as heretofore granted under Permit 68111 is issued subject to the terms and conditions imposed in said Permit 68111 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permits 75136, 75137, 75138, 75139, 75140, and 75141 shall not exceed 30.72 acre-feet annually.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The total combined duty of water under Permits 75136, 75137, 75138, 75139, 75140, and 75141 and any water from Ophir Creek and Davis Creek, shall not exceed 4.0 acre-feet per acre for the irrigation of 7.68 acres within the described place of use. The surface waters must be used in their entirety before any groundwater can be pumped from the wells to complete the allocated duty of 4.0 acre-feet per acre.

Measuring devices must be installed, maintained and measured of all water diversions from Ophir and Davis Creeks and reported to the State Engineer within 15 days after the end of each calendar quarter.

The point of diversion and place of use is as described under items 5 & 7 respectively on the submitted application to support this permit.

(Continued on Page 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed **0.0377** cubic feet per second, **but not to exceed 27.338 acre-feet annually , and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:	**June 1, 2008**
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:	**June 1, 2010**
Map in support of proof of beneficial use shall be filed on or before:	**June 1, 2010**

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this **1st** day of **June,** A.D. **2007**

P.E.

For State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

No. 75136

APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office NOV 30 2006

Returned to applicant for correction

Corrected application filed

Map filed NOV 30 2006

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The applicant **Falcon, Capital, LLC, a Wyoming limited liability company** hereby makes application for permission to change the **Point of Diversion & Place of Use of a portion** of water heretofore appropriated under **Permit 68111**

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1. The source of water is **Underground**

2. The amount of water to be changed **27.338 acre feet along with a pro-rata portion of the diversion rate.**

3. The water to be used for **Irrigation**

4. The water heretofore permitted for **Unchanged**

5. The water is to be diverted at the following point **SE ¼ NE ¼, Section 34, T.17N., R.19E., M.D.B.&M., or at a point from which the E ¼ Corner of said Section 34, bears S. 78°30'00" E., a distance of 500 feet**

6. The existing permitted point of diversion is located within **NE ¼ NW ¼, Section 3, T.16N., R.19E., M.D.B.&M., or at at point from which the NE Corner of said Section 3 bears N. 81° 05' 15"E., a distance of 3150 feet. Refer to map filed under Permit 68101.**

7. Proposed place of use **portion of the SW ¼ SW ¼, Section 26; portion of the SE ¼ SE ¼, Section 27, portion of the NE ¼ NE ¼ and portion of the SE ¼ NE ¼, Section 34; portion of the NW ¼ NW ¼ and portion of the SW ¼ NW ¼, Section 35, all in T.17N., R.19E., M.D.B.&M. Please refer to supporting map accompanying this application.**

8. Existing place of use **See Attachment "A"**

9. Use will be from **January 1** to **December 31** of each year.

10. Use was permitted from **January 1** to **December 31** of each year.

11. Description of proposed works **Drilled and cased well equipped with pump, motor, meter and distribution system.**

12. Estimated cost of works **$150,000.00**

13. Estimated time required to construct works **Three (3) years**

14. Estimated time required to complete the application of water to beneficial use **Five (5) years**

75136

15. Remarks: **The total combined duty of Applications to Change portions of Permit 68111 through 68116 being filed by Falcon Capital, LLC is not to exceed 30.72 acre-feet annually. Water will continue to supplement decreed surface rights from Ophir and Davis Creeks.**

By **Gregory M. Bilyeu**
s/ **Gregory M. Bilyeu**
500 Damonte Ranch Parkway, #1056
Reno, NV 89521

Compared **mt/bk**

Protested

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ATTACHMENT "A"

8. Existing Place of Use – Permits 68111-68116

Portion of the NW ¼ SW ¼, Section 25, T.17N., R.19E., M.D.B. & M.
Portion of the NE ¼ SW ¼, Section 25, T.17N., R.19E., M.D.B. & M.

Portion of the SW ¼ SW ¼ East of U.S. 395, Section 26, T.17N., R.19E., M.D.B. & M.
Portion of the NW ¼ SW ¼, East of U.S. 395, Section 26, T.17N., R.19E., M.D.B. & M.
All of the NE ¼ SW ¼, Section 26, T.17N., R.19E., M.D.B. & M.
All of the SE ¼ SW ¼, Section 26, T.17N., R.19E., M.D.B. & M.

Portion of the SW ¼ SE ¼, Section 26, T.17N., R.19E., M.D.B. & M.
All of the NW ¼ SE ¼, Section 26, T.17N., R.19E., M.D.B. & M.
Portion of the NE ¼ SE ¼, Section 26, T.17N., R.19E., M.D.B. & M.
Portion of the SE ¼ SE ¼, Section 26, T.17N., R.19E., M.D.B. & M.

Portion of the SE ¼ NE ¼, Section 34, T.17N., R.19E., M.D.B. & M.

Portion of the SW ¼ NW ¼, Section 35, T.17N., R.19E., M.D.B. & M.
Portion of the NW ¼ NW ¼ East of U.S. 395, Section 35, T.17N., R.19E., M.D.B. & M.
All of NE ¼ NW ¼, Section 35, T.17N., R.19E., M.D.B. & M.
All of SE ¼ NW ¼, Section 35, T.17N., R.19E., M.D.B. & M.

Portion of the SW ¼ SW ¼ East of U.S. 395, Section 35, T.17N., R.19E., M.D.B. & M.
Portion of the NW ¼ SW ¼ East of U.S. 395, Section 35, T.17N., R.19E., M.D.B. & M.
All of NE ¼ SW ¼, Section 35, T.17N., R.19E., M.D.B. & M.
All of SE ¼ SW ¼, Section 35, T.17N., R.19E., M.D.B. & M.

Portion of the SW ¼ SE ¼, Section 35, T.17N., R.19E., M.D.B. & M.
Portion of the NW ¼ SE ¼, Section 35, T.17N., R.19E., M.D.B. & M.

Portion of the SW ¼ NE ¼, Section 35, T.17N., R.19E., M.D.B. & M.
Portion of the NW ¼ NE ¼, Section 35, T.17N., R.19E., M.D.B. & M.

Place of use is limited to those lands irrigated by portions of Proofs 02441 (Ophir Creek), 02754 (Davis Creek) and 02756 (Winters Creek).