

**IN THE OFFICE OF THE STATE ENGINEER  
OF THE STATE OF NEVADA**

IN THE MATTER OF PERMIT 18580, )  
CERTIFICATE 5590, FILED TO APPROPRIATE )  
THE UNDERGROUNDWATERS WITHIN THE )  
BLACK ROCK DESERT HYDROGRAPHIC )  
BASIN (28), HUMBOLDT COUNTY, NEVADA. )

**RULING**  
**#6191**

**GENERAL**

**I.**

Permit 18580 was issued December 14, 1960, to H. C. Crofoot to appropriate 3.0 cubic feet per second (cfs) of groundwater for mining, milling, manufacturing, and domestic purposes within the Black Rock Desert Hydrographic Basin, Humboldt County, Nevada. The point of diversion is identified as a well located within the NE¼ NE¼ of Section 34, T.35N., R.29E., M.D.B.&M.<sup>1</sup>

**FINDINGS OF FACT**

**I.**

On June 13, 1963, H. C. Crofoot submitted a Proof of Beneficial Use for Permit 18580 and Certificate 5590 was issued on August 19, 1963, for 0.96 cfs.

**II.**

There was no activity involving Permit 18580 until July 3, 1974, when Jack Hamson submitted quit claim deeds to change the ownership of Permit 18580. The deeds were returned to Mr. Hamson on October 9, 1974, because they failed to include a legal land description that tied the documents to place of use or point of diversion under Permit 18580.<sup>1</sup>

On May 23, 1989, a Deed of Trust, Assignment of Rents and Fixtures between Hycroft Resources and Development, Inc. and Hycroft Lewis Mine, Inc. to Shearson Lehman Commercial Corporation was filed in the Office of the State Engineer. It included Permit 18580 as a water right under Exhibit A-3. There was no additional documentation on how Hycroft obtained the water right. A Deed of Reconveyance was filed on May 8, 1992, to Stewart Title of Northern Nevada.

On September 15, 2009, the State Engineer checked the database for the Nevada Division of

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<sup>1</sup> File No. 18580, official records in the Office of the State Engineer.

Water Resources and there is no record of pending conveyance documents on file transferring the water rights to any other water right holder. The State Engineer finds no report of conveyance transferring ownership of Permit 18580 has ever been filed in the Office of the State Engineer.

### III.

On August 25, 2009, staff from the Division of Water Resources conducted an informal field investigation of the point of diversion under Permit 18580. The well casing appeared to have been buried, the platform used to pump water was still in place and a ten foot section of three inch black plastic pipe protruded from the well location.<sup>2</sup> Black plastic pipe was traced several hundred feet to the east in the direction of the Hycroft Mine where it was apparently used during the period 1989 to 1992. The pump and motor works have been removed. There are two places of use for Permit 18580; one is currently part of the reactivated Hycroft Mine and the other is at the town site of Sulphur, which no longer exists. There is no placer mining in the vicinity of the well or the described places of use and there are no valid mining claims in the name of H. C. Crofoot covering the place of use.<sup>3</sup>

Based on the evidence, that the permittee has failed to provide a current address for more than 16 years, on evidence that indicates the Applicant has passed away,<sup>4</sup> on the fact that the works of diversion have been dismantled and there is no indication of any water use and no entity or person has requested conveyance of the water right into the name of another water right holder in nearly 16 years, the State Engineer finds there is substantial evidence of an intent to abandon the water right.

### CONCLUSIONS

#### I.

The State Engineer has jurisdiction over the parties and the subject matter of this action and determination.<sup>5</sup>

#### II.

Nevada Revised Statute § 534.090(4) provides that a right to use groundwater may be lost by

<sup>2</sup> See, Field Investigation No. 1118, File No. 18580, official records in the Office of the State Engineer.

<sup>3</sup> U.S.D.I. Bureau of Land Management, Land and Mineral LR2000 database, August 17, 2009.

<sup>4</sup> See, letter from Hamson, dated July 3, 1974, describing a Decree of Distribution in the Estate of Henry Crofoot, File No. 18580, official records in the Office of the State Engineer.

<sup>5</sup> NRS Chapters 533 and 534.

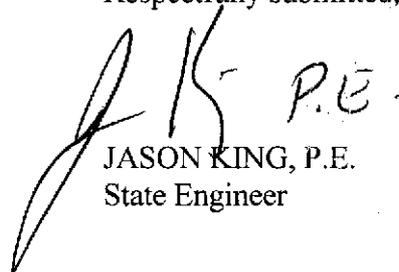
abandonment. Abandonment is a question of fact to be determined from all the surrounding circumstances. A water right holders non-use of a water right is some evidence of an intent to abandon the right and the longer the period of non-use, the greater the likelihood of abandonment.

The State Engineer concludes there is substantial evidence to support a declaration that Permit 18580, Certificate 5590, has been intentionally abandoned by the permit holder.

**RULING**

Permit 18580, Certificate 5590, is hereby declared abandoned.

Respectfully submitted,



JASON KING, P.E.  
State Engineer

Dated this 6th day of  
August, 2012.