

125755

Accommodation No. 88-132E
When recorded return to:
Lawyer's Title Insurance Corporation
975 One Allen Center
Houston, TX 88002

QUITCLAIM DEED

Attn: Carol Perry, National Service
Representative

THIS INSTRUMENT, made effective this 16 day of December 1988, has been executed by NL INDUSTRIES, INC., a New Jersey corporation (formerly known as National Lead Company), hereinafter called the "Grantor", in favor of BAROID DRILLING FLUIDS, INC., a Delaware corporation, hereinafter called the "Grantee".

WITNESSETH:

KNOW ALL MEN BY THESE PRESENTS that the Grantor, for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, does hereby remise, release and quitclaim unto the Grantee and its successors and assigns forever, all of the Grantor's right, title and interest in and to those water permits identified in the attached Exhibit "A", which is made a part of this Instrument and incorporated herein by this reference.

By executing this Instrument, the Grantor does further acknowledge, affirm and intend, and does hereby transfer and quitclaim unto the Grantee and its successors and assigns forever, all right, title and interest hereafter acquired by the Grantor in and with respect to the aforesaid water permits, and to this end, the Grantor agrees to execute such further agreements, conveyances and assurances as may be reasonably requested by the Grantee to properly effectuate the intent expressed herein.

TO HAVE AND TO HOLD the said water permits, together with all appurtenances and privileges thereunto belonging or in anywise appertaining unto the Grantee and its successors and assigns forever.

BOOK 102 PAGE 374

AMENDED
APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

No. 43698

Date of filing in State Engineer's Office..... MAY 8 1991
Returned to applicant for correction..... JUL 30 1991
Corrected application filed..... SEP 21 1991
Map filed..... SEP 21 1991 under 43697

The applicant..... N. L. Industries, Inc.
P.O. Box 414..... of Battle Mountain
Street and No. or P.O. Box No. City or Town
Nevada 89820..... hereby make application for permission to appropriate the public
State and Zip Code No.
waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)..... 1891 - New Jersey

1. The source of the proposed appropriation is..... Underground
Name of stream, lake or other source

2. The amount of water applied for is..... 2.5 cfs
Less amount that equals 640 cfs of the river flow second-feet
(a) If stored in reservoir give number of acre-feet..... acre-feet

3. The water to be used for..... Mining, Milling & Leaching
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.

4. If use is for:
(a) Irrigation (state number of acres to be irrigated).....
(b) Stockwater (state number and kinds of animals to be watered).....
(c) Other use (describe fully under "No. 12. Remarks").....
(d) Power:
(1) Horsepower developed.....
(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point.....
T. 37 N., R. 51 E., MDN, at a point 1/4 mile south of the corner of said Section 1 bearing
Directions as being either a direct subdivision of public waters and the same and divide on a system water. If an unappropriated land, it should be stated.
N 55° 14' E, 5,712.5 feet

6. Place of use: T. 37 N., R. 51 E., MDN; Section 1; 431; Section 2; 432; T. 38 N., R. 51 E., MDN;
Describe by legal subdivisions, if an unappropriated land it should be so stated
Section 35; SW 1/4, SE 1/4
Section 36; SW 1/4, SE 1/4

7. Use will begin about January 1..... and end about December 31..... of each year.
Month and Day Month and Day

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)..... ditch and pipe well, pump, motor, storage facilities and distribution system
State manner in which water to be diverted, i.e. diversion structure, ditch and dam, drawn with pump and canal, etc.

BOOK 108 PAGE 375

9. Estimated cost of works..... \$20,000.00

10. Estimated time required to construct works..... 5 years
If well completed, describe works.

11. Estimated time required to complete the application to beneficial use... 7 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

From any and all sources will not exceed 1,000 acre feet annually

Please send copies of all correspondence and notices to undersigned agent

By...s/William A. Nisbet
Agent

Signature, applicant or agent

Compared...sg/dh js/bc
421 Court
Elko, Nevada 89801

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 is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins, or before the Proof of Completion of work is filed. 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.

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

No perforations shall be put in the production casing less than level 50 feet.

The total combined duty of water under permits 4097 and 4098 shall not exceed 100,000,000 gallons annually.

Conditions of Permit:

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed cubic feet per second, but not to exceed..... million gallons annually.

Actual construction work shall begin on or before.....

Proof of commencement of work shall be filed before.....

Work must be prosecuted with reasonable diligence and be completed on or before November 12, 1987

Proof of completion of work shall be filed before... December 12, 1987

Application of water to beneficial use shall be made on or before November 12, 1989

Proof of the application of water to beneficial use shall be filed on or before... November 12, 1989

Map in support of proof of beneficial use shall be filed on or before.....

Commencement of work filed IN TESTIMONY WHEREOF, I THOMAS C. THORNS
Completion of work filed State Engineer of Nevada, have hereunto set my hand and the seal of
Proof of beneficial use filed my office, this 12th day of November
Original map filed
Certificate No.

Number 980

BOOK 102 PAGE 376

(PERMIT TERMS CONTINUED)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin. The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

EXHIBIT "A"

AMENDED

NO 42932

APPLICATION FOR PERMIT

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office..... DEC 9 1980
Returned to applicant for correction.....
Corrected application filed..... JAN 6 1981
Map filed..... JAN 6 1981 under 42931

The applicant..... Baroid Division NL Industries
P. O. Box 414..... of Battle Mountain
Street and No. or P.O. Box No. City or Town
Nevada 89820..... hereby make application for permission to appropriate the pub
Date and Zip Code No.
waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorpo
tion; if a copartnership or association, give names of members.)

1. The source of the proposed appropriation is Underground
Name of stream, lake or other source.
2. The amount of water applied for is 1.0 cfs second
One second-foot equals 448.83 gals. per min.
(a) If stored in reservoir give number of acre-feet 200 ac. ft. acre-
3. The water to be used for Mining, Milling & Domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Item limit to one use.
4. If use is for:
 - (a) Irrigation (state number of acres to be irrigated).....
 - (b) Stockwater (state number and kinds of animals to be watered).....
 - (c) Other use (describe fully under "No. 12. Remarks").....
 - (d) Power:
 - (1) Horsepower developed.....
 - (2) Point of return of water to stream.....
5. The water is to be diverted from its source at the following point: Within the NE¹/₄ NE¹/₄ of
Section 22, T37N, R49E, MDM, at a point from which the NE corner
Describe as being within a 40-acre subdivision of public survey, and by course and distance to a corner corner. If an unenclosed
of said Section 22 bears N 60° 42' E 1340 feet.
is shown to cross
6. Place of use: Within Section 15, E¹/₄ of Section 21, Sections 22, 27, 2
Describe by legal subdivision. If an unenclosed land it should be so stated.
34 and 35, all in T37N, R49E, MDM
7. Use will begin about JANUARY 1 and end about December 31 of each year.
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans
specifications of your diversion or storage works.) Drilled and cased well, submersible
pump, electric motor, distribution system to milling equipment
State location in each case to be diverted, i.e. descriptive structure, course and distance, drilled well with pump and motor, etc.
and water truck

BOOK 192 PAGE 378

Estimated cost of works..... \$10,000.00

Estimated time required to construct works..... 3 years

If well completed, describe works

11. Estimated time required to complete the application to beneficial use..... 4 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Total combined duty from wells under 42931, 42932, 42933,
and 42934 will not exceed 1,000 acre feet per year.

Please send copies of all correspondence to the undersigned agent

By..... s/William A. Nisbet

Signature, applicant or agent

Compared..... ha/bl

bt/gk

Agent

421 Court

Elko, Nevada 89801

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 is issued subject to all existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level at permittee's well due to other ground water development in the area. A measuring device must be installed and measurements of water use kept. The well shall be equipped with a 2-inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water granted herein at any and all times.

The total combined duty of water under this permit and Permits 42931, 42933, and 42934 shall not exceed 1,000 acre-feet annually.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0..... cubic feet per second, but not to exceed 724.0 acre-feet yearly.

Actual construction work shall begin on or before..... N/A

Proof of commencement of work shall be filed before..... N/A

Work must be prosecuted with reasonable diligence and be completed on or before September 10, 1982

Proof of completion of work shall be filed before..... October 10, 1982

Application of water to beneficial use shall be made on or before..... September 10, 1984

Proof of the application of water to beneficial use shall be filed on or before..... October 10, 1984

Map in support of proof of beneficial use shall be filed on or before.....

Commencement of work filed.....

Completion of work filed.....

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No.

Sealed.....

IN TESTIMONY WHEREOF, I, PETER G. MORROS

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 10th day of SEPTEMBER

A.D. 1981

Peter G. Morros
State Engineer

AMENDED

No. 42933

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office..... DEC 8 1930
Returned to applicant for correction.....
Corrected application filed..... JAN 6 1931
Map filed..... JAN 6 1931 under 42931

The applicant..... Baroid Division NL Industries
P. O. Box 414..... of Battle Mountain
Street and No. or P.O. Box No. City or Town
Nevada 89820..... hereby make^s application for permission to appropriate the public
State and Zip Code No.
waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

1. The source of the proposed appropriation is Underground
Name of stream, lake or other source.
2. The amount of water applied for is 1.0 cfs second-foot
One second-foot equals 448.83 gals. per min.
(a) If stored in reservoir give number of acre-feet 200 ac. ft. acre-feet
3. The water to be used for Mining, Milling & Domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:
 - (a) Irrigation (state number of acres to be irrigated).....
 - (b) Stockwater (state number and kinds of animals to be watered).....
 - (c) Other use (describe fully under "No. 12. Remarks").....
 - (d) Power:
 - (1) Horsepower developed.....
 - (2) Point of return of water to stream.....
5. The water is to be diverted from its source at the following point: within the SW 1/4 NE 1/4 of
Section 22, T37N., R49E., MDM., at a point from which the NE corner
Describe as being within a known subdivision of public survey, and by course and distance to a known corner, if on unappropriated land.
of said Section 22 bears N 42° 03' E 2223 feet.
It should be stated
6. Place of use within Section 15, E4 of Section 21, Sections 22, 27, 26,
Describe by legal subdivision, if on unappropriated land it should be so stated.
34 and 35, all in T37N., R49E., MDM.
7. Use will begin about January 1 Month and Day and end about December 31 Month and Day of each year.
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, submersible
pump, electric motor, distribution system to milling equipment
State account to which water is to be diverted, to describe structure, ditches and flumes, drilled well with pump and motor, etc.
and water truck

BOOK 192 PAGE 380

9. Estimated cost of works..... \$10,000.00
10. Estimated time required to construct works..... 3 years
If well completed, describe works
11. Estimated time required to complete the application to beneficial use..... 4 years
12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.
- Total combined duty from wells under 42931, 42932, 42933 and 42934 will not exceed 1,000 acre feet per year.

Please send copies of all correspondence to the undersigned agent

By..... s/William A. Nisbet
Signature, applicant or agent

Compared..... ha/ bl..... bt/gk..... Agent
 421 Court
 Elko, Nevada 89801

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 is issued subject to all existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level at permittee's well due to other ground water development in the area. A measuring device must be installed and measurements of water use kept. The well shall be equipped with a 2-inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water granted herein at any and all times.

The total combined duty of water under this permit and Permits 42931, 42932, and 42934 shall not exceed 1,000 acre-feet yearly.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 724.0 acre-feet annually.

Actual construction work shall begin on or before..... N/A

Proof of commencement of work shall be filed before..... N/A

Work must be prosecuted with reasonable diligence and be completed on or before..... September 10, 1982

Proof of completion of work shall be filed before..... October 10, 1982

Application of water to beneficial use shall be made on or before..... September 10, 1984

Proof of the application of water to beneficial use shall be filed on or before..... October 10, 1984

Map in support of proof of beneficial use shall be filed on or before.....

Commencement of work filed.....
 Completion of work filed.....
 Proof of beneficial use filed.....
 Cultural map filed.....
 Certificate No.

IN TESTIMONY WHEREOF, I PETER G. HORROS
 State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 10th day of SEPTEMBER

AD-19-81.

Peter G. Horros
 State Engineer of Nevada

BOOK 182 PAGE 381

AMENDED No. 42934
APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office..... DEC 9 1980
Returned to applicant for correction.....
Corrected application filed..... JAN. 6 1981
Map filed..... JAN. 6 1981 under 42931

The applicant Baroid Division NL Industries
P. O. Box 414 of Battle Mountain
Street and No. or P.O. Box No. City or Town
Nevada 89820, hereby make application for permission to appropriate the public
State and Zip Code No.
waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

1. The source of the proposed appropriation is Underground
Name of stream, lake or other source.
2. The amount of water applied for is 1.0 cfs second-feet
One second-foot equals 448.83 gals. per min.
(a) If stored in reservoir give number of acre-feet 200 ac.ft. acre-feet
3. The water to be used for Mining, Milling & Domestic
Irrigation, power, mining, manufacturing, domestic, or other use. Item back to one use.
4. If use is for:
 - (a) Irrigation (state number of acres to be irrigated).....
 - (b) Stockwater (state number and kinds of animals to be watered).....
 - (c) Other use (describe fully under "No. 12. Remarks").....
 - (d) Power:
 - (1) Horsepower developed.....
 - (2) Point of return of water to stream.....
5. The water is to be diverted from its source at the following point: within the NE 1/4 SE 1/4 of Section 15, T37N, R49E, MDM, at a point from which the SE corner
Describe as being within a 40-acre subdivision of public survey, and by words and distance to a section corner. If an unappropriated land of said Section 15 bears S 37° 33' E 2031 feet
is shown to cross.
6. Place of use within Section 15, E 1/4 of Section 21, Sections 22, 27, 26, 34 and 35, all in T37N, R49E, MDM
Describe by legal subdivision. If an unappropriated land it should be so stated.
7. Use will begin about January 1 Month and Day and end about December 31 Month and Day of each year.
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, submersible pump, electric motor, distribution system to milling equipment
State manner in which water is to be diverted, its diversion structure, ditches and flumes, drilled well with pump and motor, etc.
and water truck

Estimated cost of works..... \$10,000.00

10. Estimated time required to construct works..... 3 years
If well completed, describe works.

11. Estimated time required to complete the application to beneficial use..... 4 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

Total combined duty from wells under 42931, 42932, 42933,
and 42934 will not exceed 1,000 acre feet per year.

Please send copies of all correspondence to the undersigned agent

By..... s/William A. Nisbet
Signature, applicant or agent
Agent
421 Court
Elko, Nevada 89801

Compared ha/bl..... bt/gk

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 is issued subject to all existing rights on the source. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level at permittee's well due to other ground water development in the area. A measuring device must be installed and measurements of water use kept. The well shall be equipped with a 2-inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water granted herein at any and all times.

The total combined duty of water under this permit and Permits 42931, 42932, and 42933 shall not exceed 1,000 acre-feet yearly.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0..... cubic feet per second, but not to exceed 724.0 acre-feet annually.

Actual construction work shall begin on or before..... N/A

Proof of commencement of work shall be filed before..... N/A

Work must be prosecuted with reasonable diligence and be completed on or before..... September 10, 1982

Proof of completion of work shall be filed before..... October 10, 1982

Application of water to beneficial use shall be made on or before..... September 10, 1984

Proof of the application of water to beneficial use shall be filed on or before..... October 10, 1984

Map in support of proof of beneficial use shall be filed on or before.....

Commencement of work filed.....
Completion of work filed.....
Proof of beneficial use filed.....
Cultural map filed.....
Certificate No. Issued.....

IN TESTIMONY WHEREOF, I, PETER G. MORROS,
State Engineer of Nevada, have hereunto set my hand and the seal of
my office, this 10th day of SEPTEMBER

A.D. 1981
Peter G. Morros
State Engineer

BOOK 192 PAGE 83

AMENDED
APPLICATION FOR PERMIT

No. 43697

TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office..... MAY 8 1981
Returned to applicant for correction..... JUL 30 1981
Corrected application filed..... SEP 21 1981
Map filed..... SEP 21 1981

The applicant, NI. Industries, Inc.

P.O. Box 414, of Battle Mountain,
Nevada 89820

hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.) 1891 - New Jersey

1. The source of the proposed appropriation is..... Underground
Place of stream, lake or other source
2. The amount of water applied for is..... 2.5 cfs..... second-feet
One second-foot equals 448.831 gals. per min.
(a) If stored in reservoir give number of acre-feet..... acre-feet
3. The water to be used for..... Mining, Milling & Domestic
Irrigation, power, milling, manufacturing, domestic, or other use. Must item to use for.
4. If use is for:
(a) Irrigation (state number of acres to be irrigated) ..
(b) Stockwater (state number and kinds of animals to be watered).....
(c) Other use (describe fully under "No. 12. Remarks") ..
(d) Power:
(1) Horsepower developed.....
(2) Point of return of water to stream ..
5. The water is to be diverted from its source at the following point.....
38 N., R 51 E., T40 N., at a point from which the SW corner of said Section 36 bears
Describe as being within a 60-foot subdivision of public corner, and by course and distance to a section corner. If on unappropriated land, it should be stated.
S 63° 29' E 865 feet
6. Place of use.....
Describe by legal subdivision, if on unappropriated land it should be so stated.
R 51 E., T40 N., SW 1/4 of Section 36 and the S 1/2 of Section 35 of T. 40 N., R. 51 E., MDM and all of Section 1 and E 1/2 of Section 2, T. 37 N., R. 51 E., MDM
7. Use will begin about..... January 1..... and end about..... December 31..... of each year.
Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drill and case well, pump, motor, storage facilities and distribution system
State manner in which water is to be diverted, i.e. diversion structure, ditches and dikes, drilled well with pump and motor, etc.

9. Estimated cost of works.....\$29,000.00
10. Estimated time required to construct works.....5 years
If not completed, describe works.
11. Estimated time required to complete the application to beneficial use.....7 years
12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

...for any and all sources will not exceed 1,000 acre feet annually.

...Please send copies of all correspondence and notices to undersigned agent.

By: William A. Nisbet
Agent, Signatory, Applicant or Agent
421 Court
Las Vegas, Nevada 89801

Compared: ss/dh js/bc

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 is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. 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 water begins, or before the Proof of Completion of Work is filed. 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.

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

No perforations shall be put in the production casing from ground level to 100 feet.

The total combined duty of water under permits 43697 and 43698 shall not exceed 162.92 million gallons annually.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and

not to exceed 2.5 cubic feet per second that can be applied to 2.5

million gallons annually.

Actual construction work shall begin on or before.....

Proof of commencement of work shall be filed before.....

Work must be prosecuted with reasonable diligence and be completed on or before... November 12, 1937

Proof of completion of work shall be filed before... December 12, 1937

Application of water to beneficial use shall be made on or before... November 12, 1939

Proof of the application of water to beneficial use shall be filed on or before... December 12, 1939

Map in support of proof of beneficial use shall be filed on or before.....

Commencement of work filed..... IN TESTIMONY WHEREOF, I PETER G. MORRIS
Completion of work filed..... State Engineer of Nevada, have hereunto set my hand and the seal of
Proof of beneficial use filed..... my office, this 12th day of January
Cultural map filed.....
Certificate No. 43697 Issued 1935

18 10 19 0 001

Book 1 @ 2 PAGE 385

(PERMIT TERMS CONTINUED)

This permit is issued under the preferential use provisions of MS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin. The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

IN WITNESS WHEREOF, the parties hereto have caused this Instrument to be duly executed, effective as of the date first written above.

NL INDUSTRIES, INC.
3000 North Belt East
Houston, Texas 77205

By:

Robert J. Leidich
Robert J. Leidich
Vice President

SEAL
Affixed

STATE OF TEXAS)
) SS
COUNTY OF HARRIS)

On this 16 day of December 1988, before me, TERRI T. BURY, a Notary Public in and for the state and county aforesaid, personally appeared ROBERT J. LEIDICH, known to me to be a Vice President of NL INDUSTRIES, INC., a New Jersey corporation, who acknowledged that he executed the within Instrument on behalf of the said corporation for the purposes therein expressed.

TERRI T. BURY
Notary Public

SEAL
Affixed

TERRI T. BURY
Notary Public in and for State of Texas
My Commission Expires: 7/3/89

RECORDED AT THE REQUEST OF
KMS1040C Frontier Title Co
BOOK PAGE
192 374
'88 DEC 22 P221

OFFICIAL RECORDS
EUREKA COUNTY, CALIFORNIA
M.N. REBALLAN, RECORDER
FILE NO. FEE \$
125755 18.00

Documentary Transfer Tax is Exempt
NRS 375.080(10).
Under penalty of perjury:
Michael E. Hastings
Michael E. Hastings for Agent
for NL Industries, Inc.

BOOK 188 PAGE 387