

Table C - Summary of Hydrogeology Data Reports submitted to Eureka County for Review as a Cooperating Agency in Preparation of the Draft EIS

Date	Document
	Kobeh Valley Well Field Exploration Drilling and Aquifer Testing:
June, 2008	<i>Water Supply Exploration, Testing, and Evaluation</i> , prepared by T. S. Buqo, and testified to in the October 2008 Water Right Hearing
January 7, 2009	Draft – <i>Mount Hope Project Aquifer Characterization and Testing Summary</i> , prepared by Interflow Hydrology and T. S. Buqo
July 8, 2009	Draft - <i>Kobeh Valley Well Field Data Summary Report</i> , prepared by Interflow Hydrology with contributions from T. S. Buqo
March 8, 2010	Final Draft – <i>Kobeh Valley Well Field Data Summary Report</i> , prepared by Interflow Hydrology
	Mount Hope Pit-Area Hydrogeologic Drilling and Testing:
June, 2008	<i>Groundwater Flow Modeling of Mine Dewatering and Post-Closure Pit-Lake Formation</i> , General Moly, Inc., Mt. Hope Project, prepared by Montgomery & Associates - Document prepared for October 2008 Water Rights Hearing
November 14, 2008	Draft – <i>Summary of Pit-Area Piezometer Installation, Hydraulic Testing, Water Quality Analysis, and Regional Water Level Evaluation</i> , prepared cooperatively by Interflow Hydrology, Montgomery & Associates, and CGF Geologic Consultants
August 24, 2009	Draft - <i>Hydrogeologic Characterization of Pit Area, Mt. Hope Project</i> – compiled by Montgomery & Associates
March 26, 2010	Final Draft - <i>Hydrogeologic Characterization of Pit Area, Mt. Hope Project</i> , compiled by Montgomery & Associates

Mount Hope Mine Project

Water Resources Monitoring Plan

- 1) This Water Resources Monitoring Plan (WRMOP) has been developed by Eureka Moly, LLC (EMLLC). EMLLC proposes this WRMOP to provide a means to assess impacts to water resources from the Mt Hope Mine Project, currently the subject of an Environmental Impact Statement (EIS) being conducted in the Battle Mountain BLM Mount Lewis Field office (MLFO). As such, it is based on Mt Hope Mine impacts to BLM-administered resources as predicted by the groundwater modeling conducted to support the EIS. EMLLC may also have monitoring responsibilities associated with the Water Pollution Control Permit administered by Nevada Division of Environmental protection, water rights administered by the Nevada Division of Water Resources (NDWR), or other permit or regulatory programs. This WRMOP is intended to accompany the Plan of Operations (POO) and only addresses the POO and EIS requirements as administered by BLM.
- 2) Mitigation of project-related impacts may be required by BLM (or NDWR) based on the degree of impact identified by the data collected under this WRMOP. Potential mitigation elements and thresholds are not discussed in this document.
- 3) Revisions to the monitoring program may be warranted in the future. This WRMOP is considered to be a living document that will be modified to accommodate changes in the hydrologic understanding of the area, data collected, advances in monitoring methodology, and other reasons as appropriate.
- 4) EMLLC will be responsible for collecting, managing, and reporting monitoring data. EMLLC may propose modifications to the WRMOP based on the data collected under this plan.
- 5) EMLLC will provide monitoring data collected under this WRMOP on an annual basis to BLM and members of the Technical Review Panel. A written annual report will be provided and a meeting will be scheduled during which EMLLC will present the annual report data.
- 6) A Technical Review panel (TRP) is proposed to provide area stakeholders with access to hydrology monitoring data and to have a venue to bring forth their comments and concerns. The proposed TRP would:
 - Include representatives from EMLLC, BLM, NDWR, Nevada Department of Wildlife (NDOW), U.S. Geological Survey (USGS), Eureka County, and Diamond Valley Irrigators.
 - Provide technical review of monitoring plans to assess suitability in determining hydrologic responses from Mt Hope pumping, including impacts to BLM-administered environmental resources and pre-existing water rights holders.
 - Attend EMLLC presentations of data and model updates.

00-56

JA1240

- Review data provided by EMLLC, including reports that are submitted under the requirements of this WRMOP.
 - Review data collection methods and QA/QC protocol.
 - Review model updates prepared by EMLLC
 - Provide recommendations regarding modifications to the monitoring component of the WRMOPM, based on review of data, reports and model updates. It is anticipated that recommendations could be made to add or remove monitoring locations, increase or decrease monitoring frequency, add or remove monitoring parameters, modify the monitoring methods, modify the QA/QC protocol, other changes to the monitoring program, or that the monitoring program should not be changed.
 - Provide recommendations regarding model update methods and data. It is anticipated that the recommendations could be made to incorporate, modify, or remove model elements such as hydrogeologic features or hydrologic parameters, modify aquifer stress assumptions, or that the model methods and input should not be altered.
 - Provide recommendations regarding implementation of mitigation, based on data collected under this WRMOP.
 - Provide recommendations regarding adjustment of mitigation thresholds (to the extent that specific mitigation thresholds will or may have been established) based on review of data, model updates and potential changes to the hydrogeologic system and related resources that may occur independently of the Mt Hope project, or other reasons as appropriate.
 - Provide recommendations only on the basis of technical grounds, including regulatory factors.
 - Provide recommendations on an annual basis, following review of WRMOP monitoring reports provided by EMLLC.
 - Provide recommendations to EMLLC, BLM and/or NDWR, recognizing that WRMOP modifications, mitigation or other actions may be mandated only by the appropriate regulatory authority.
- 7) Peak groundwater extraction rates of up to 11,300 acre-feet annually (afa) are proposed, with the majority of groundwater coming from the Kobeh Valley wellfield and the remainder coming from pit dewatering operations. Water flowing to the pit is anticipated to come from Kobeh Valley and Diamond Valley, with the majority from Diamond Valley. Based on predicted dewatering rates, the Diamond Valley withdrawal rate will be approximately 460 gpm (740 afa) near the end of mining. The groundwater extracted for mining use will be consumptively used in processing activities of the Project (i.e. no water will be returned to the aquifer).
- 8) The purpose of this Monitoring Plan is to identify and characterize changes to the hydrologic environment that could be caused by groundwater withdrawals for the Mt Hope Mine. It is recognized that impacts to water resources may occur from natural processes, non-project related water resource development, and land management practices, as well as from the Mt Hope mining operation.
- 9) Specific objectives of this WRMOP plan are to:

- Confirm or improve the understanding of the hydro-geologic system.
- Measure changes to surface water flows and groundwater levels caused by the groundwater withdrawals for the project.
- Characterize impacts to streams, seeps and springs caused by the project.
- Evaluate impacts to vegetation and/or wildlife habitat caused by the project.
- Support periodic updates to the hydrologic model to improve the predictive quality of the model.
- Provide an early warning capability to detect adverse impacts before they become unmanageable

10) Monitoring elements include measuring water extraction, process reuse, surface water (streams and springs) flow, groundwater elevations, health and trends of wetland, riparian and phreatophyte vegetative communities, natural water quality, and meteorological data. Pre-development data will be collected to provide a baseline against which to assess data collected after the project pumping begins. The numeric model used to evaluate impacts from the proposed operations will be updated periodically to reflect data collected under this WRMOP.

11) Monitoring locations, parameters, and frequencies have been selected to facilitate identification and assessment of impacts. Thus, an overview of the predicted impacts is warranted:

- Significant ground water consumption in Kobeh Valley is expected to remove water from storage and lower groundwater elevations in portions of Kobeh Valley.
- Reduction of spring or surface water flows in portions of Kobeh Valley is possible as a result of the lowered groundwater levels.
- Groundwater drawdown in the extreme western portion of Diamond Valley, in the vicinity of Tyrone Gap, is predicted to occur as the open pit extends below the water table.
- Impacts to the core agricultural pumping area of Diamond Valley are not predicted (Current data suggests that the hydrologic interconnection between Kobeh Valley and Diamond Valley is minimal. Historical data document a significant reduction in water levels in Diamond Valley due to extensive agricultural uses of groundwater).
- As the cone of groundwater depression propagates to the north from the well field or to the north and northwest from the pit area, it could encroach upon the southernmost or south-easternmost portions of the Roberts Mountains. This could result in reduction of spring or surface water flows or lowering of shallow groundwater tables that support wet meadow complexes and associated wildlife habitat in these areas.
- Water rights within the cone of depression could be affected: Appropriated surface waters could experience diminished flows. Appropriated groundwater could experience groundwater elevation declines which could impact well efficiencies or pumping costs.
- In general, the potential for impacts increases both with proximity of a given resource to the proposed well field and with increased duration of pumping.
- Figure 1 shows the area that is predicted to experience groundwater drawdown in excess of ten feet at 5 years following project start-up, the water rights within this

area and the monitoring locations proposed for this WRMOP. Figure 2 provides this same information, except that it shows the area predicted to experience drawdown in excess of 10 feet at 44 years following project start-up. Figures 3 through 5 show a more detailed view of Kobeh, Diamond, and Roberts Mountains monitoring locations, respectively.

- 12) Data collection completed by EMLLC will be used by EMLLC to assist in defining baseline conditions. EMLLC has also collected and compiled available water resources data and information in Kobeh Valley, Diamond Valley, Pine Valley, and surrounding areas, including data collected by USGS and NDWR. This information includes location of existing supply and monitoring wells, groundwater extraction rates, groundwater level measurements, flow rates at springs and streams, water quality, and precipitation data.
- 13) To ensure adequate coverage of the potentially affected aquifer, EMLLC will construct nine monitoring wells and monitor their water levels on a quarterly basis. The preliminary proposed location of these wells is shown on Figure 6; actual locations may be adjusted in consultation with the BLM, NDWR, and/or TRP.
- 14) In addition to collecting data, EMLLC will compile data collected by USGS and NDWR that is made publicly available and use this data to refine and calibrate the numeric model. EMLLC will incorporate data from the monitoring sites shown on Figure 7, provided that this data continues to be collected and made available by USGS and NDWR.
- 15) The information collected pursuant to this WRMOP will be entered by EMLLC into a project database on a regular basis, generally reflecting the monitoring interval.
- 16) EMLLC has developed a numeric model to simulate the groundwater flow system and the model will be updated to incorporate the data collected for this WRMOP. EMLLC will update the model every third year for the first six years following the initiation of production-level wellfield pumping. Thereafter, EMLLC will update the model every five years.
- 17) EMLLC will analyze water chemistry to assist in evaluating water source contributions for the specific monitoring locations.
- 18) EMLLC will implement documented quality assurance and quality control procedures. Monitoring data will be recorded using a standardized (NDEP-compliant) protocol and format for each monitoring event. Laboratory analyses will be conducted by Nevada-certified laboratories using standard laboratory quality control procedures.
- 19) EMLLC will survey production wells, monitoring wells and surface water locations to establish ground surface and measuring point elevations.

20) Table 1, provided at the end of this document, lists the monitoring site locations, type of monitoring, and frequency. Some wells are located within pit limits that would be mined out as the project advances, and these locations would be dropped from the monitoring plan at that time. Site locations are shown on the attached figures. The monitoring sites in Table 1 are organized by locations corresponding to those shown on the attached figures. The monitoring sites were selected in consideration of the type of data to be collected and the potential impact they are designed to evaluate and assess, as described below.

- a. Production Wells: Extraction rates and groundwater levels will be measured in production wells.
- b. Monitor Wells: Monitoring wells provided in Figure 6, and as amended in the future under this plan will be monitored to determine depth to groundwater. This data is anticipated to assist in characterizing the extent of drawdown within the well field and open pit areas and the propagation of the drawdown away from those areas.
- c. Surface Waters: Selected springs and surface flow sites in Kobeh Valley, Diamond Valley, and Pine Valley will be monitored to determine flow rates. Continuous flow recording devices will be installed at Roberts Creek, Pete Hansen Creek, Birch Creek, Henderson Creek, Vinini Creek, and Tonkin Springs. For low flow conditions or where flow is diffuse on the ground surface, flow measurements may not be practicable, and flow would be estimated.
- d. Baseline chemistry analyses will be completed at all water monitoring sites provided within this plan. Future water chemistry analyses will be conducted as warranted.
- e. Vegetation monitoring will be conducted on transects to represent four wet meadow complexes in the Roberts Mountains to measure species diversity, vegetation diversity and plant vigor. Minimal impact (hand-augered) monitoring wells or other field assessment will be conducted to identify the source of water that supplies these meadows. The four wet meadow complexes include a pair relatively close to the open pit and well field, and a pair outside of the predicted area of drawdown.

Vegetation monitoring will also be conducted at representative transects in the lower portions of Kobeh Valley and in the lower portions of Roberts Creek. This detailed smaller-scale data will augment the larger-scale remote-sensing monitoring described in subsection “f” below.

- f. Low-level flight photogrammetry or satellite imagery will be conducted to assess the extent of phreatophytic vegetation in the lower portions of Kobeh Valley and in the lower portions of Roberts Creek. The remote sensing will allow the

relatively large areas to be monitored economically, provide a more extensive monitoring data set and reduce potential observer bias.

- g. Precipitation data will be collected hourly at the existing meteorological station located at Mt Hope.

Table 1 - Proposed Monitoring Sites, Parameters and Frequency

Area	Site Name(s)	Parameters	Frequency	Remarks
Diamond Valley Groundwater	GMI-PDT-1, 2, 3; IGM-152, 155, 156, 157, 158, 169; IGMI-226P, 228P, 230P, 232P, 233P, 236P IGMI-MH-246, 247, 248; NDWR-15462; Romano Well	Depth to Water (DTW) (except IGM 152 at which hydrostatic head will be monitored)	Quarterly	See Figure 3 See Figure 6 for monitor wells to be constructed on east flank of Whistler Range
Diamond Valley Springs	KV-059 (Stinking) KV-060 (Hash), KV-061 (Railroad), KV-062 (Trap Corral), DV -065 (Shipley) SP-1 (McBride) SP-2 (Garden pass) SP-3 (unnamed; near SP-2) SP-4 (Mt Hope) SP-7 (unnamed; N of IGM-157)	Flow	Quarterly	See Figure 3
Kobeh Valley Wellfield	All Production Wells	Pumping volumes, Depth to Water	Continuous	Not all locations have been determined – not shown on figures.
Kobeh Valley Groundwater	Atlas 1; Bartine Ranch Well 1, 2, 3; Big Windmill; Depco TNC; Etcheverry Windmill IGM-154, IGMI-234P, 235P, 237P; IGMI-MH-RWX-203 T; NDWR9211R RWX- 204, 205, 209; KFE, KFW; TM1-B Treasure Well	Depth to Water except that pressure or flow will be measured at artesian wells.	Monthly	See Figure 4 Additional wells completed during well field development will be added to this list. See Figure 6 for monitor wells to be constructed on west flank of Whistler Range
Kobeh Valley Springs	KV-002 (Potato Canyon) KV-026 (Rutabega) KV-034 (Mud) KV-035 (Lone Mtn) KV-044 (Hot)	Flow	Quarterly	See Figure 4.
Roberts Mountains				
Roberts Mountains Springs	KV-015 (Unnamed) KV-016 (Unnamed) KV-020 (Unnamed) OT-6 (Unnamed) PV-059 (Dry Creek headwater spring) PV-060 (middle fork Vinnini Creek headwater spring); PV-061 (north fork Vinnini Creek headwater spring); PV-062 (Pete Hanson Creek	Flow	Quarterly	See Figure 5

Area	Site Name(s)	Parameters	Frequency	Remarks
	headwater spring); PV-063 (Pete Hanson Creek headwater spring); PV-064 (Birch Creek headwater spring); PV-065 (south fork Vinnini Creek headwater spring ;			
Roberts Mountains Streams	LBC (Lower Birch Creek) UBC (Upper Birch Creek) MHC (Middle Henderson Creek) UHC (Upper Henderson Creek) MPHC (Middle Pete Hansen Creek) UPHC (Upper Pete Hansen Creek) LRC (Lower Roberts Creek) MRC (Middle Roberts Creek) Tonkin Springs LVC (Lower Vinini Creek) MVC (Middle Vinini Creek) WC (Willow Creek)	Flow Rate;	Continuous recorder	See Figure 5
Roberts Mountains Groundwater	LRCMW URCMW	Depth to water	Quarterly	See Figure 5
Biota				
Wet Meadow Complexes in Roberts Mountains	3 to 5 vegetation transects, locations to be determined;	Species diversity, vegetation density, and vegetation health.	Semi- Annually (May and July)	See Figure 5
Phreatophytic vegetation in lower Kober Valley	3 to 5 vegetation transects, locations to be determined; Remote sensing (Flight photo- grammetry or satellite imagery)	Species diversity, vegetation density, and vegetation health.	Transects - Semi- Annually (April and June); Remote sensing every two years	
Phreatophytic and riparian vegetation in lower Roberts Creek	3 to 5 vegetation transects, locations to be determined; Remote sensing (Flight photo- grammetry or satellite imagery)	Species diversity, vegetation density, and vegetation health.	Transects - Semi- Annually (April; June); Remote sensing every two years	
Other				
Meteorology	Existing Mt Hope met station	Temperature, precipitation, humidity, wind speed and wind direction	Hourly	

560000

570

580000

Explanation

- Mt. Hope Plan of Operations Boundary
- Private Land
- Patented
- Limit of Projected 10' Drawdown Contour at Project Year 44 Proposed Action

Phreatophytes

Mainly Rabbitbrush and Greasewood

Mainly Saltgrass and other Wet Meadow Grasses

Diamond Valley Monitoring Sites

- Spring
- Well

REF NO.	SITE_ID
0	DV 065
1	GMI-PDT-1
2	GMI-PDT-2
3	GMI-PDT-3
4	IGMI-152
5	IGMI-155
6	IGMI-156
7	IGMI-157
8	IGMI-158
9	IGMI-169
10	IGMI-226P
11	IGMI-228P
12	IGMI-230P
13	IGMI-232P
14	IGMI-233P
15	IGMI-236P
16	IGMI-MH-246
17	IGMI-MH-247
18	IGMI-MH-248
19	KV 059
20	KV 060
21	KV 061
22	KV 062
23	MH-2
24	Romano Well
25	SP-1
26	SP-2
27	SP-3
28	SP-4
29	SP-7

Digital Elevation Data from 11N
 Projection: NAD83, UTM, Zone 11N
 Projection: NAD83, UTM, Zone 11N

1:80,000

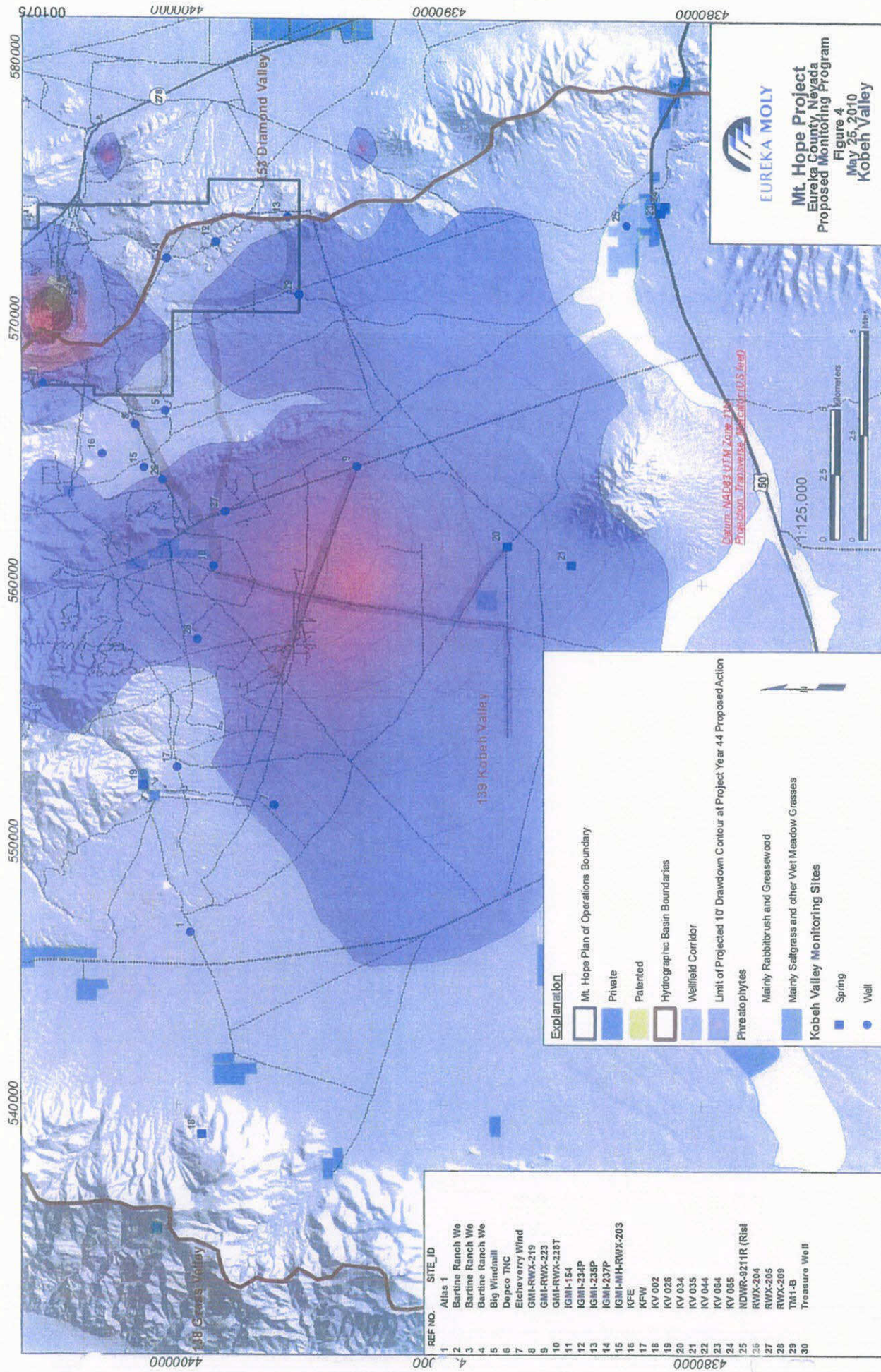


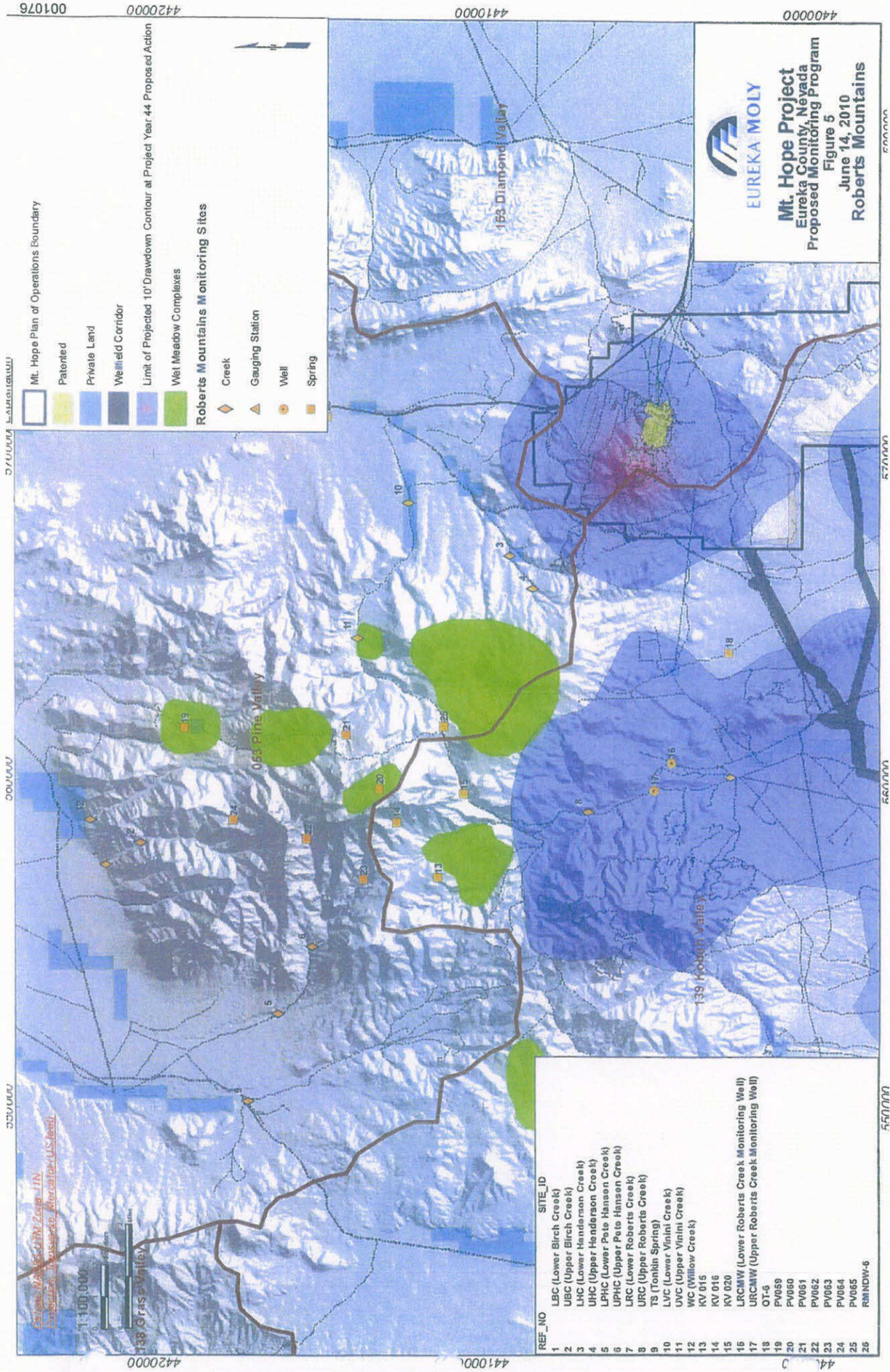
EUREKA MOLY

Mt. Hope Project
 Eureka County, Nevada
 Proposed Monitoring Program
 Figure 3
 May 25, 2010
 Diamond Valley

JA1250

001074





- Legend**
- Mt. Hope Plan of Operations Boundary
 - Patented
 - Private Land
 - Wellfield Corridor
 - Limit of Projected 10' Drawdown Contour at Project Year 44 Proposed Action
 - Wet Meadow Complexes
 - Roberts Mountains Monitoring Sites**
 - Creek
 - Gauging Station
 - Well
 - Spring

REF_NO	SITE_ID
1	LBC (Lower Birch Creek)
2	UBC (Upper Birch Creek)
3	LHC (Lower Henderson Creek)
4	UHC (Upper Henderson Creek)
5	LPHC (Lower Pete Hansen Creek)
6	UPHC (Upper Pete Hansen Creek)
7	LRC (Lower Roberts Creek)
8	URC (Upper Roberts Creek)
9	TS (Tonkin Spring)
10	LVC (Lower Vinini Creek)
11	UVC (Upper Vinini Creek)
12	WVC (Wallow Creek)
13	KV 015
14	KV 020
15	KV 026
16	LRCMW (Lower Roberts Creek Monitoring Well)
17	URCMW (Upper Roberts Creek Monitoring Well)
18	OT-6
19	PV059
20	PV060
21	PV061
22	PV062
23	PV063
24	PV064
25	PV065
26	RMNDW-6

EUREKA Moly

Mt. Hope Project
Eureka County, Nevada
Proposed Monitoring Program
Figure 5
June 14, 2010
Roberts Mountains

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

IN THE MATTER OF APPLICATION NUMBER 79914

FILED BY Kobeh Valley Ranch, LLC

ON JUNE 15, 2010, TO APPROPRIATE THE
WATERS OF Kobeh Valley Groundwater Basin

PROTEST

FILED

AUG 23 2010 *dy*

STATE ENGINEER'S OFFICE

Comes now Baxter Glenn Tackett

Printed or typed name of protestant

whose post office address is POB 695, EUREKA NV 89316

Street No. or PO Box, City, State and ZIP Code

whose occupation is Engineering Geologist, Outfitter and protests the granting

of Application Number 79914, filed on JUNE 15, 2010, 2010

by Kobeh Valley Ranch, LLC to appropriate the

waters of Kobeh Valley Groundwater Basin situated in EUREKA
Underground or name of stream, lake, spring or other source

County, State of Nevada, for the following reasons and on the following grounds, to wit:

see Addendum 1

THEREFORE the Protestant requests that the application be DENIED

Denied, issued subject to prior rights, etc., as the case may be

and that an order be entered for such relief as the State Engineer deems just and proper.

Signed

Baxter Glenn Tackett

Agent or protestant

BAXTER GLENN TACKETT

Printed or typed name, if agent

Address

POB 695

Street No. or PO Box

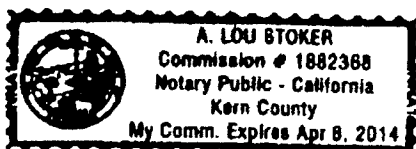
EUREKA NV 89316

City, State and ZIP Code

775-318-0100

Phone Number

Subscribed and sworn to before me this 20 day of August, 2010



A. Lou Stoker

Notary Public

State of CA

County of Kern

+ \$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

copy to 13
000027

ADDENDUM 1

August 20, 2010

State of Nevada
Department of Conservation & Natural Resources
Division of Water Resources

Jason King, PE
State Engineer
901 S. Stewart St., Suite 2002
Carson City, NV 89701

Re: Protest, Application Numbers 79914, ~~79918, 79925~~

Dear Sir:

I am writing as the President and Resident Agent of Hot Springs Ranch, Limited, (HSR), 181 Antelope Road, Eureka NV, 89316 to protest the applications filed by Kobeh Valley Ranch, LLC, (KVR) for the extraction of groundwater in the Kobeh Valley Groundwater Basin. My protest is in actuality for the entire water extraction project contained in 32 applications, Application Numbers 79911-79942, but lack of funds prevents me from protesting all individual applications.

In 2009, I attended hearings held before the State Engineer in Carson City, Nevada and provided public testimony regarding the detrimental effect the extraction of waters from Kobeh Valley could have on natural artesian hot springs owned and operated by Hot Springs Ranch, Limited. Per testimony of General Moly's (GMO), owners of KVR, contracted hydrologist, groundwater from Kobeh Valley, the

Monitor Valley, and Pine Valley, flowed subsurface under the Roberts Mountains, through Kobeh Valley, and subsequently down Antelope Valley, to source above ground at Fish Creek Ranch. Though vehemently protested by the citizens of Eureka County, the water rights and use were granted by the State to KVR and a random boundary for the project was drawn along US Highway 50, although to my knowledge random asphalt delineations on the surface of the earth do not control groundwater flows. Even though assurances made to me personally by the contract hydrologist that the springs at HSR were to be monitored regularly, thus providing background data in the event future flows were affected, no such sampling has occurred. This lack of due diligence by GMO/KVR is, I believe, directly linked to the random drawing of the project line upon US Highway 50 by the State Engineer.

Drawing down the Kobeh Valley aquifer will have a direct impact upon the flow of groundwater through Antelope Valley, and with that reduction of flows there is a distinct possibility that the artesian nature of the springs at HSR shall be adversely affected. This lack of artesian flow will impact greatly the business plans currently being implemented at HSR. These plans include HSR as the base of operations for adventure sports activities and various types of retreats. Without the flow of pure thermally heated waters at HSR these plans cannot be realized.

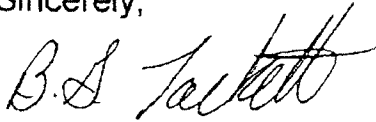
Applications made by GMO/KVR are false in that they are circumventing inter-basin transfer laws within the State. Per the application, GMO/KVR asserts, "the vast majority of waters will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley." This is a patently false assumption. The beneficial use of the waters gained from Kobeh Valley is directly linked to the extraction of molybdenum from ores mined from Mount Hope. As these waters are to be used to process ores at the future mill to be located on the eastern flank of Mount Hope in the Diamond Valley Groundwater Basin, DIAMOND VALLEY is where the beneficial use is to occur. Water carried BACK to Kobeh Valley via the tailings leaving the reduction plant is now effectively a waste product, and while the bulk of the waters may be "consumed" in Kobeh Valley, via,

I would assume, percolation and evaporation, the consumption of water is not now a beneficial use to the Kobeh Valley Groundwater Basin, directly. The professed beneficial use is simply a stopgap measure to allow inter-basin transfer. Too, in the event water is recycled from the said tailings pond, the recycling will be performed for use in the mill, again to process molybdenum from ores mined from Mount Hope, and again the beneficial use of water is occurring in the DIAMOND VALLEY Groundwater Basin. Where in GMO/KVR's application is a statement made regarding beneficial use in Kobeh Valley? There is none. And, how can water percolating into and evaporating from a tailings pond be beneficial, even while these same activities and the extraction of water from the Kobeh Valley Groundwater Basin eliminate existing, productive artesian flows? I fail to see the "benefit".

In summary, I protest the Application based on an ill conceived inter-basin transfer of water, an erroneous definition of beneficial use of those waters and consumption for beneficial use in Kobeh Valley, and the very real potential that artesian flows in both Kobeh and Antelope Valleys will be adversely affected. Too, in the case of Hot Springs Ranch, adequate studies have not been performed by GMO/KVR in Antelope Valley, even though promised by the consulting hydrologist, to establish baseline flows.

Should a reduction in flows occur from the springs at HSR over the course of the mine's life, they will be directly attributable to GMO/KVR per testimony made to the State Engineer by their own hired guns.

Sincerely,

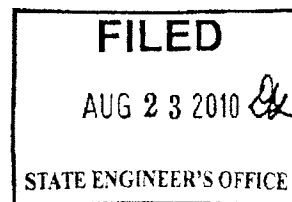
A handwritten signature in black ink, appearing to read "B.G. Tackett". The signature is fluid and cursive, with the first name "B.G." and the last name "Tackett" clearly distinguishable.

B.G. Tackett
President
Hot Springs Ranch

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

IN THE MATTER OF APPLICATION NUMBER 79918
FILED BY Kobeh Valley Ranch, LLC
ON June 15, 2010, TO APPROPRIATE THE
WATERS OF Kobeh Valley Groundwater Basin

PROTEST



Comes now Baxter Glenn Tackett

Printed or typed name of protestant

whose post office address is POB 695, EUREKA, NV 89316

Street No. or PO Box, City, State and ZIP Code

whose occupation is Engineering Geologist, Outfitter and protests the granting

of Application Number 79918, filed on June 15, 2010, 2010

by Kobeh Valley Ranch, LLC to appropriate the

waters of Kobeh Valley Groundwater Basin
Underground or name of stream, lake, spring or other source

situated in EUREKA

County, State of Nevada, for the following reasons and on the following grounds, to wit:

See Addendum 1

THEREFORE the Protestant requests that the application be DENIED

Denied, issued subject to prior rights, etc., as the case may be

and that an order be entered for such relief as the State Engineer deems just and proper.

Signed

Baxter Glenn Tackett

Agent or protestant

BAXTER GLENN TACKETT

Printed or typed name, if agent

Address

POB 695

Street No. or PO Box

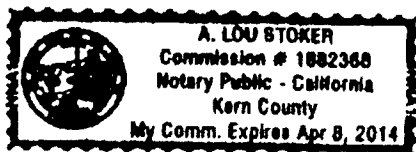
EUREKA, NV 89316

City, State and ZIP Code

775-318-0100

Phone Number

Subscribed and sworn to before me this 20th day of August, 2010



A. Lou Stoker

Notary Public

State of

CA

County of

Kern

+ \$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

00000001

JA1167

ADDENDUM 1

August 20, 2010

State of Nevada
Department of Conservation & Natural Resources
Division of Water Resources

Jason King, PE
State Engineer
901 S. Stewart St., Suite 2002
Carson City, NV 89701

2010 AUG 23 11:35
STATE ENGINEER

Re: Protest, Application Numbers 79914, 79918, 79925

Dear Sir:

I am writing as the President and Resident Agent of Hot Springs Ranch, Limited, (HSR), 181 Antelope Road, Eureka NV, 89316 to protest the applications filed by Kobeh Valley Ranch, LLC, (KVR) for the extraction of groundwater in the Kobeh Valley Groundwater Basin. My protest is in actuality for the entire water extraction project contained in 32 applications, Application Numbers 79911-79942, but lack of funds prevents me from protesting all individual applications.

In 2009, I attended hearings held before the State Engineer in Carson City, Nevada and provided public testimony regarding the detrimental effect the extraction of waters from Kobeh Valley could have on natural artesian hot springs owned and operated by Hot Springs Ranch, Limited. Per testimony of General Moly's (GMO), owners of KVR, contracted hydrologist, groundwater from Kobeh Valley, the

000000

JA1168

Monitor Valley, and Pine Valley, flowed subsurface under the Roberts Mountains, through Kobeh Valley, and subsequently down Antelope Valley, to source above ground at Fish Creek Ranch. Though vehemently protested by the citizens of Eureka County, the water rights and use were granted by the State to KVR and a random boundary for the project was drawn along US Highway 50, although to my knowledge random asphalt delineations on the surface of the earth do not control groundwater flows. Even though assurances made to me personally by the contract hydrologist that the springs at HSR were to be monitored regularly, thus providing background data in the event future flows were affected, no such sampling has occurred. This lack of due diligence by GMO/KVR is, I believe, directly linked to the random drawing of the project line upon US Highway 50 by the State Engineer.

Drawing down the Kobeh Valley aquifer will have a direct impact upon the flow of groundwater through Antelope Valley, and with that reduction of flows there is a distinct possibility that the artesian nature of the springs at HSR shall be adversely affected. This lack of artesian flow will impact greatly the business plans currently being implemented at HSR. These plans include HSR as the base of operations for adventure sports activities and various types of retreats. Without the flow of pure thermally heated waters at HSR these plans cannot be realized.

Applications made by GMO/KVR are false in that they are circumventing inter-basin transfer laws within the State. Per the application, GMO/KVR asserts, "the vast majority of waters will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley." This is a patently false assumption. The beneficial use of the waters gained from Kobeh Valley is directly linked to the extraction of molybdenum from ores mined from Mount Hope. As these waters are to be used to process ores at the future mill to be located on the eastern flank of Mount Hope in the Diamond Valley Groundwater Basin, DIAMOND VALLEY is where the beneficial use is to occur. Water carried BACK to Kobeh Valley via the tailings leaving the reduction plant is now effectively a waste product, and while the bulk of the waters may be "consumed" in Kobeh Valley, via,

I would assume, percolation and evaporation, the consumption of water is not now a beneficial use to the Kobeh Valley Groundwater Basin, directly. The professed beneficial use is simply a stopgap measure to allow inter-basin transfer. Too, in the event water is recycled from the said tailings pond, the recycling will be performed for use in the mill, again to process molybdenum from ores mined from Mount Hope, and again the beneficial use of water is occurring in the DIAMOND VALLEY Groundwater Basin. Where in GMO/KVR's application is a statement made regarding beneficial use in Kobeh Valley? There is none. And, how can water percolating into and evaporating from a tailings pond be beneficial, even while these same activities and the extraction of water from the Kobeh Valley Groundwater Basin eliminate existing, productive artesian flows? I fail to see the "benefit".

In summary, I protest the Application based on an ill conceived inter-basin transfer of water, an erroneous definition of beneficial use of those waters and consumption for beneficial use in Kobeh Valley, and the very real potential that artesian flows in both Kobeh and Antelope Valleys will be adversely affected. Too, in the case of Hot Springs Ranch, adequate studies have not been performed by GMO/KVR in Antelope Valley, even though promised by the consulting hydrologist, to establish baseline flows.

Should a reduction in flows occur from the springs at HSR over the course of the mine's life, they will be directly attributable to GMO/KVR per testimony made to the State Engineer by their own hired guns.

Sincerely,



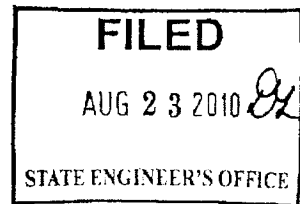
B.G. Tackett
President
Hot Springs Ranch

2010 AUG 23 AM 11:35
STATE

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

IN THE MATTER OF APPLICATION NUMBER 79925
FILED BY Kobeh Valley Ranch, LLC
ON June 15, 2010, TO APPROPRIATE THE
WATERS OF Kobeh Valley Groundwater BASIN

PROTEST



Comes now Baxter Glenn Tackett

Printed or typed name of protestant

whose post office address is POB 695, EUREKA, NV 89316

Street No. or PO Box, City, State and ZIP Code

whose occupation is Engineering Geologist, Outfitter

and protests the granting

of Application Number 79925, filed on June 15, 2010

by Kobeh Valley Ranch, LLC

to appropriate the

waters of Kobeh Valley Groundwater BASIN

situated in EUREKA

Underground or name of stream, lake, spring or other source

County, State of Nevada, for the following reasons and on the following grounds, to wit:

See Addendum 1

THEREFORE the Protestant requests that the application be

Denied

Denied, issued subject to prior rights, etc., as the case may be

and that an order be entered for such relief as the State Engineer deems just and proper.

Signed

Baxter Glenn Tackett

Agent or protestant

Baxter Glenn Tackett

Printed or typed name, if agent

Address

POB 695

Street No. or PO Box

EUREKA, NV 89316

City, State and ZIP Code

775-318-0100

Phone Number

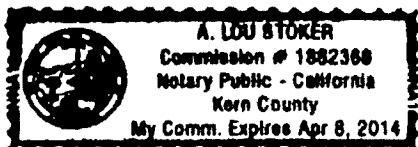
Subscribed and sworn to before me this

20

day of

August

2010



State of

CA

County of

Kern

**+ \$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.**

COPIES
OOC

JA1171

ADDENDUM 1

August 20, 2010

State of Nevada
Department of Conservation & Natural Resources
Division of Water Resources

Jason King, PE
State Engineer
901 S. Stewart St., Suite 2002
Carson City, NV 89701

Re: Protest, Application Numbers 79914, 79918, 79925

Dear Sir:

I am writing as the President and Resident Agent of Hot Springs Ranch, Limited, (HSR), 181 Antelope Road, Eureka NV, 89316 to protest the applications filed by Kobeh Valley Ranch, LLC, (KVR) for the extraction of groundwater in the Kobeh Valley Groundwater Basin. My protest is in actuality for the entire water extraction project contained in 32 applications, Application Numbers 79911-79942, but lack of funds prevents me from protesting all individual applications.

In 2009, I attended hearings held before the State Engineer in Carson City, Nevada and provided public testimony regarding the detrimental effect the extraction of waters from Kobeh Valley could have on natural artesian hot springs owned and operated by Hot Springs Ranch, Limited. Per testimony of General Moly's (GMO), owners of KVR, contracted hydrologist, groundwater from Kobeh Valley, the

Monitor Valley, and Pine Valley, flowed subsurface under the Roberts Mountains, through Kobeh Valley, and subsequently down Antelope Valley, to source above ground at Fish Creek Ranch. Though vehemently protested by the citizens of Eureka County, the water rights and use were granted by the State to KVR and a random boundary for the project was drawn along US Highway 50, although to my knowledge random asphalt delineations on the surface of the earth do not control groundwater flows. Even though assurances made to me personally by the contract hydrologist that the springs at HSR were to be monitored regularly, thus providing background data in the event future flows were affected, no such sampling has occurred. This lack of due diligence by GMO/KVR is, I believe, directly linked to the random drawing of the project line upon US Highway 50 by the State Engineer.

Drawing down the Kobeh Valley aquifer will have a direct impact upon the flow of groundwater through Antelope Valley, and with that reduction of flows there is a distinct possibility that the artesian nature of the springs at HSR shall be adversely affected. This lack of artesian flow will impact greatly the business plans currently being implemented at HSR. These plans include HSR as the base of operations for adventure sports activities and various types of retreats. Without the flow of pure thermally heated waters at HSR these plans cannot be realized.

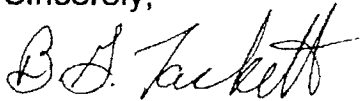
Applications made by GMO/KVR are false in that they are circumventing inter-basin transfer laws within the State. Per the application, GMO/KVR asserts, "the vast majority of waters will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley." This is a patently false assumption. The beneficial use of the waters gained from Kobeh Valley is directly linked to the extraction of molybdenum from ores mined from Mount Hope. As these waters are to be used to process ores at the future mill to be located on the eastern flank of Mount Hope in the Diamond Valley Groundwater Basin, DIAMOND VALLEY is where the beneficial use is to occur. Water carried BACK to Kobeh Valley via the tailings leaving the reduction plant is now effectively a waste product, and while the bulk of the waters may be "consumed" in Kobeh Valley, via,

I would assume, percolation and evaporation, the consumption of water is not now a beneficial use to the Kobeh Valley Groundwater Basin, directly. The professed beneficial use is simply a stopgap measure to allow inter-basin transfer. Too, in the event water is recycled from the said tailings pond, the recycling will be performed for use in the mill, again to process molybdenum from ores mined from Mount Hope, and again the beneficial use of water is occurring in the DIAMOND VALLEY Groundwater Basin. Where in GMO/KVR's application is a statement made regarding beneficial use in Kobeh Valley? There is none. And, how can water percolating into and evaporating from a tailings pond be beneficial, even while these same activities and the extraction of water from the Kobeh Valley Groundwater Basin eliminate existing, productive artesian flows? I fail to see the "benefit".

In summary, I protest the Application based on an ill conceived inter-basin transfer of water, an erroneous definition of beneficial use of those waters and consumption for beneficial use in Kobeh Valley, and the very real potential that artesian flows in both Kobeh and Antelope Valleys will be adversely affected. Too, in the case of Hot Springs Ranch, adequate studies have not been performed by GMO/KVR in Antelope Valley, even though promised by the consulting hydrologist, to establish baseline flows.

Should a reduction in flows occur from the springs at HSR over the course of the mine's life, they will be directly attributable to GMO/KVR per testimony made to the State Engineer by their own hired guns.

Sincerely,



B.G. Tackett
President
Hot Springs Ranch

Application No. **79938**

**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**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUN 15 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUN 15 2010 under 79911

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)

1726 Cole Blvd., Suite 115

of Lakewood

Street Address or PO Box

City or Town

Colorado 80401

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion

☒ Place of use

☒ Manner of use

☒ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Application No. 74587

1. The source of water is underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 1.0 cfs or 723.97 afa

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining and milling

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining, milling and dewatering

If for stock, state number and kind of animals

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the SW 1/4 of the NE 1/4 of Section 30, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M., bears South 22°07' West a distance of 8890 feet. Well 206 as shown on the map accompanying this Application.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

within the NE 1/4 of the NW 1/4 of Section 7, T.21N., R.52E., M.D.M., or at a point from which the southwest corner of Section 18, T.21N., R.52E., M.D.M., bears South 9°35'20" West a distance of 10,841 feet as shown on the map supporting Application No. 74587.

16620.001 // 4815-0397-2358

000000

JA1175

79938

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See attached EXHIBIT "A" and as shown on the map accompanying this Application.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

See attached EXHIBIT "B" and as shown on the map supporting Application No. 72695.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

If well completed, describe well

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

See attached remarks.

16. Miscellaneous remarks:

RdeLipkau@parsonsbehle.com

E-mail Address

(775) 323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Ross E. de Lipkau
Type or print name clearly
Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 West Liberty Street, Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

Revised 07/09

\$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: July 28, 2010, by Kenneth F. Benson, August 12, 2010, by Eureka County, August 20, 2010, by Tim Halpin, August 20, 2010, by D. Lloyd Morrison

W/D 9/30/10

001000

JA1176

79938

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
W 1/2	2	20N	50E	M.D.M.
All	3-5	20N	50E	M.D.M.
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
S 1/2	32 & 33	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	5-8	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

REL

79938

EXHIBIT "B", EXISTING PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

Remarks

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

Application No. 79 939

**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**

THIS SPACE FOR OFFICE USE ONLY	
Date of filing in State Engineer's Office	<u>JUN 15 2010</u>
Returned to applicant for correction	_____
Corrected application filed	Map filed <u>JUN 15 2010</u> under <u>79 911</u>

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)
1726 Cole Blvd., Suite 115 of Lakewood
Street Address or PO Box City or Town
Colorado 80401 hereby make(s) application for permission to change the
State and ZIP Code

☒ Point of diversion ☒ Place of use ☒ Manner of use ☒ of a portion
of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Application No. 73547

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 1.0 cfs or 723.97 afa
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining & milling
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use
4. The water heretofore used for Mining, milling, and dewatering
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)
within the SW 1/4 of the NE 1/4 of Section 30, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M., bears South 22°07' West a distance of 8890 feet. Well 206 as shown on the map accompanying this Application.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
within the SE 1/4 of the NW 1/4 of Section 11, T.20N., R.51E., M.D.M., or at a point from which the southeast corner of Section 35, T.21N., R.51E., M.D.M., bears North 39°06' East a distance of 3,383 feet. See the map supporting Application No. ~~73547~~ 72695 REL

16620.001 // 4823-4040-8326

001004

JA1180

79939

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)
See attached EXHIBIT "A" and as shown on the map accompanying this Application.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)
See attached EXHIBIT "B" and as shown on the map supporting Application No. 72695.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)
Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)
See attached remarks.

16. Miscellaneous remarks:

RdeLipkau@parsonsbehle.com

E-mail Address

(775) 323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED
 BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Type or print name clearly

Ross E. de Lipkau

Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 West Liberty Street, Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

Revised 07/09

\$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: July 28, 2010, by Kenneth F. Benson, August 12, 2010, by Eureka County, August 20, 2010, by Tim Halpin, August 20, 2010, by D. Lloyd Morrison
 W/D 9/30/10

001005

JA1181

79939

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEN VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
W 1/2	2	20N	50E	M.D.M.
All	3-5	20N	50E	M.D.M.
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
S 1/2	32 & 33	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	5-8	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-36	22N	51E	M.D.M. REL
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

79939

EXHIBIT "B", EXISTING PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

Remarks

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

The well, pursuant to this application, shall be utilized for construction purposes. The applicant intends, at the conclusion of construction, to change the point of diversion of this application to a production well.

Application No. 79940

**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**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUN 15 2010

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUN 15 2010 under 79911

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)

1726 Cole Blvd., Suite 115

of Lakewood

Street Address or PO Box

City or Town

Colorado 80401

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion

☒ Place of use

☒ Manner of use

☒ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Application No. 74587

1. The source of water is underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 5.0 cfs or 2,500 afa

Second feet, acre-feet One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining and milling

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining, milling and dewatering

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the SE 1/4 of the NW 1/4 of Section 3, T.21N., R.50E., M.D.M., or at a point from which the northeast corner of said Section 3 bears North 54°54' East a distance of 3635 feet. Well 220 as shown on the map accompanying this Application.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

within the NE 1/4 of the NW 1/4 of Section 7, T.21N., R.52E., M.D.M., or at a point from which the southwest corner of Section 18, T.21N., R.52E., M.D.M. bears South 9°35'20" West a distance of 10.841 feet as shown on the map supporting Application No. 74587.

16620.001 // 4825-6080-5894

001000

JA1185

79940

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See attached EXHIBIT "A" and as shown on the map accompanying this Application.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

See attached EXHIBIT "B" and as shown on the map supporting Application No. 72695.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

(If well completed, describe well.)

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

See attached remarks.

16. Miscellaneous remarks:

RdeLipkau@parsonsbehle.com

E-mail Address

(775) 323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Ross E. de Lipkau
Type or print name clearly

Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 West Liberty Street, Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

Revised 07/09

\$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: August 12, 2010, by Eureka County, August 20, 2010, by Tim Halpin, August 20, 2010, by D. Lloyd Morrison
w/d 9/30/10

001010

JA1186

79940

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
W 1/2	2	20N	50E	M.D.M.
All	3-5	20N	50E	M.D.M.
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
S 1/2	32 & 33	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	5-8	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

REL

79940

EXHIBIT "B", EXISTING PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

Remarks

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

Application No. **79941**

**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**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUN 15 2010

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 15 2010 under 79911

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)

1726 Cole Blvd., Suite 115

of Lakewood

Street Address or PO Box

City or Town

Colorado 80401

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion

☒ Place of use

☐ Manner of use

☐ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Application No. 76746

1. The source of water is underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 2.24 cfs or 819.24 afa

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining & milling

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining & milling

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the NW 1/4 of the NE 1/4 of Section 34, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M. bears South 76°53' West a distance of 19.200 feet. Well TSF-X5 West as shown on the map accompanying this Application.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

the SE 1/4 of the NE 1/4 of Section 30, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M. bears South 27°21' West a distance of 9.320 feet. Well 206 as shown on the map supporting Application No. 75979.

16620.001 // 4843-8886-7078

Copy to 74

139-EU
001014

JA1190

79941

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See attached EXHIBIT "A" and as shown on the map accompanying this Application.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

See attached EXHIBIT "B" and as shown on the map supporting Application No. 72695.

9. Proposed use will be from January 1 to December 31 of each year.
Month and Day Month and Day

10. Existing use permitted from January 1 to December 31 of each year.
Month and Day Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

See attached remarks.

16. Miscellaneous remarks:

RdeLipkau@parsonsbehle.com

E-mail Address

(775) 323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Ross Ende Lipkau

Ross Ende Lipkau
Type of user name (if any)

Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 West Liberty Street, Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

Revised 07/09

\$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: August 12, 2010, by Eureka County, August 20, 2010, by Tim Halpin, August 20, 2010, by D. Lloyd Morrison
w/ 9/30/10

001015

JA1191

79941

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEN VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
W 1/2	2	20N	50E	M.D.M.
All	3-5	20N	50E	M.D.M.
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
S 1/2	32 & 33	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	5-8	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

REC

79941

EXHIBIT "B", EXISTING PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

Remarks

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management. The well, pursuant to this application, shall be utilized for construction purposes. The applicant intends, at the conclusion of construction, to change the point of diversion of this application to a production well.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

Application No. 79942

**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**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUN 15 2010

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUN 15 2010 under 79911

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)

1726 Cole Blvd., Suite 115

of Lakewood

Street Address or PO Box

City or Town

Colorado 80401

State and ZIP Code

hereby make(s) application for permission to change the

☒ Point of diversion

☒ Place of use

☐ Manner of use

☐ of a portion

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Application No. 76001

1. The source of water is underground

Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 2.72 cfs or 1280.0 afa

Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining & milling

Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use

4. The water heretofore used for Mining & milling

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point (Describe as being within a 40-acre subdivision of public survey and by course and distance to a found section corner. If on unsurveyed land, it should be stated.)

within the NW 1/4 of the NW 1/4 of Section 35, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M. bears South 78°36' West a distance of 22,530 feet. Well TSF-X6 East as shown on the map accompanying this Application.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

Lot 4 of Section 2, T.21N., R.50E., M.D.M., or at a point from which the northwest corner of said Section 2 bears North 40° 40' West a distance of 580 feet. Well 208 as shown on the map supporting Application No. 75979.

16620.001 // 4834-8381-4918

001010

JA1195

79942

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

See attached EXHIBIT "A" and as shown on the map accompanying this Application.

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

See attached EXHIBIT "B" and as shown on the map supporting Application No. 72695.

9. Proposed use will be from January 1 to December 31 of each year.

Month and Day

Month and Day

10. Existing use permitted from January 1 to December 31 of each year.

Month and Day

Month and Day

11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e., diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.)

Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000

13. Estimated time required to construct works 3 years

If well completed, describe well

14. Estimated time required to complete the application of water to beneficial use 5 years

15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary): (Failure to provide a detailed description may cause a delay in processing.)

See attached remarks.

16. Miscellaneous remarks:

RdeLipkau@parsonsbehle.com

E-mail Address

(775) 323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Ross E. de Lipkau

Type of print name clearly

Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 West Liberty Street, Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

Revised 07/09

\$200 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: August 12, 2010, by Eureka County, August 20, 2010, by Tim Halpin, August 20, 2010, by D. Lloyd Morrison

W/D 9/30/10

001000
JA1196

79942

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
W 1/2	2	20N	50E	M.D.M.
All	3-5	20N	50E	M.D.M.
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
S 1/2	32 & 33	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	5-8	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

REL

79942

EXHIBIT "B", EXISTING PLACE OF USE, KOBEH VALLEY RANCH LLC

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

Remarks

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management. The well, pursuant to this application, shall be utilized for construction purposes. The applicant intends, at the conclusion of construction, to change the point of diversion of this application to a production well.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

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

In the Matter of Application No.
72695 et seq.

**SUBMISSION OF WITNESSES, A
SUMMARY OF THEIR TESTIMONY, AND
ACCOMPANYING EXHIBITS**

Pursuant to the State Engineer's Notice of Hearing dated September 21, 2010, the applicant Kobreh Valley Ranch LLC (hereinafter KVR) offers the following documents and list of witnesses.

LIST OF WITNESSES AND EVIDENTIARY MATERIAL

Michael K. Branstetter: Mr. Branstetter is the General Counsel and Secretary of General Moly Inc., (hereinafter General Moly) a Delaware corporation, the Member and Manager of KVR. Mr. Branstetter may testify to the following:

- Exhibit 26. Notice of Default and Election to Sell
- Exhibit 27. Warranty Deed (Cedar Ranches)
- Exhibit 28. Agreement with Eureka Producers' Cooperative
- Exhibit 29. Agricultural Sustainability Trust
- Exhibit 30. Request for Water Conservation Plan (NRS 533.370(6)(b))
- Exhibit 31. Halpin Stipulations

Patrick Rogers: Mr. Rogers is the Director of Environmental and Permitting for General Moly's Mt. Hope Project and is based in General Moly's Elko, Nevada office. Mr. Rogers is responsible for obtaining all permits required to place the Mt. Hope Project into production, interfacing with all applicable federal, state, and local officials. Mr. Rogers will testify to the following:

- Exhibit 32. Mt. Hope – Environmental Permit and Approval Matrix
- Exhibit 33. Table A – Summary of Eureka Moly, LLC -- Mount Hope Project-Regional Hydrogeology and Modeling Report Submittals to Eureka County
- Exhibit 34. Mount Hope Mine Project Water Resources Monitoring Plan
- Exhibit 35. Schematic of Water Cycle
- Exhibit 36. BLM acceptance letter of July 27, 2010

David A. Chaput: Mr. Chaput is the Chief Financial Officer of General Moly. Mr. Chaput will discuss the finances of the applicant and its ability to carry out the Mt. Hope Project. Mr. Chaput has many years of financial experience directly related to operating mining companies.

Exhibit 37. Financial "package" showing financial condition of Eureka Moly upon completion of the Hanlong Loan. Summary of Hanlong transaction

Terry Katzer: Mr. Katzer is the Principal Hydrogeologist with Cordilleran Hydrology, Inc. Mr. Katzer will provide expert testimony. Mr. Katzer has testified before the State Engineer many times as an expert in the field of groundwater hydrology. Mr. Katzer is part of a team whose task was to assemble data, both through public sources, on-site inspections, and actual monitoring of static and pumping levels, together with surface flows. Mr. Katzer is one of the co-authors of the report entitled *Hydrogeology and Numeric Flow Modeling of the Mount Hope Area, including Kobeh, Diamond and Pine Valleys, Eureka County, Nevada*. (Exhibit 116 in October 2008 Hearing.) Mr. Katzer as previously testified and will discuss evapotranspiration, recharge and discharge, consumptive uses, and the effect of pumping upon surrounding areas. The hydrologic conditions of both Diamond and Kobeh Valleys will be discussed; being both present conditions and future conditions. Mr. Katzer's testimony is intended to present evidence to the State Engineer that Mr. Katzer's testimony standing alone shall prove there is unappropriated water in the proposed sources supply, and the granting of the requested applications will not adversely affect or tend to impair existing rights.

Exhibit 38. Testimony of Terry Katzer, with attached Appendices A and B

Dwight L. Smith, P.E., P.G.: Mr. Smith is the principal hydrogeologist with Interflow Hydrology Inc. Mr. Smith will provide expert testimony. Mr. Smith has testified before the State Engineer many times as an expert in the field of groundwater hydrology. Mr. Smith has prepared, together with Mr. Katzer a document entitled Hydrology and Numerical Flow

Modeling Volume 1 and Volume 2; Figures and Appendices, Mt. Hope Project, Eureka County, Nevada. (Hydrology Report) Such flow model includes the pumping impact of the applicants' proposed groundwater withdrawals upon the surrounding areas, being Diamond, Kobeh, Pine and Antelope Valleys. Development of the numerical flow model was made with the assistance of others, being Messrs. Smith and Katzer. Mr. Smith will discuss the various hydrological items which are included in the Hydrology Report as well as the hydrologic effect of pumping within the area encompassed within the Report. Additionally, evapotranspiration, consumptive use, and recharge will be discussed. The testimony of Mr. Smith is intended to "stand alone," which means that if the prior testimony of Messrs. Katzer and Buco (deceased) was not utilized, the testimony of Mr. Smith would prove that the contemplated pumping by applicant would not adversely affect existing rights.

Exhibit 39. Volumes I and II of Hydrogeology and Numerical Flow Modeling Mt. Hope Project Eureka County, Nevada (July 2010)

Exhibit 40. Report entitled Kobeh Valley Well Field Data Summary Report dated March 8, 2010

James O. Rumbaugh, III, P.G.: Mr Rumbaugh is the President and Principal Hydrogeologist with Environmental Simulations, Inc. Mr. Rumbaugh may be presented to provide expert testimony on the 2010 Numerical Flow Model.

John R. Zimmerman: Mr. Zimmerman is an associate attorney employed by Parsons Behle & Latimer and will act as co-counsel in the Administrative Hearing scheduled to commence December 6, 2010. Mr. Zimmerman has prepared a summary of all water rights as depicted on the State Engineer's notice of September 21, 2010, and may discuss the summary.

Exhibit 41. KVR 2010 Hearing Applications Flow Chart

George Lindesmith: Mr. Lindesmith is the principal of Tri-State Surveying Inc., Sparks, Nevada and is a licensed water rights surveyor. Mr. Lindesmith has prepared the supporting

maps for all applications the subject of this hearing, as well as assisted in preparation of all applications. Mr. Lindesmith may testify at the upcoming hearing describing his various tasks.

Exhibit 42. Proposed Points of Diversion and Place of Use Map

Jarrad Miller: Mr. Miller is a licensed attorney in the State of Nevada, and represented several Protestants in the administrative hearing held before the State Engineer in October 2008. Mr. Miller represented the Eureka Producers' Cooperative and Tim Halpin with respect to settlements reached with Eureka Moly, LLC. Mr. Miller will discuss the Eureka Producers' Cooperative Agreement with Eureka Moly and the Agricultural Sustainability Trust.

Exhibit 28. Agreement with Eureka Producers' Cooperative

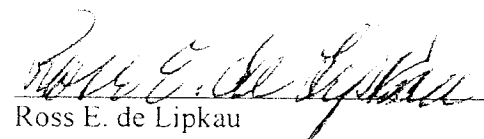
Exhibit 29. Agricultural Sustainability Trust

KVR expressly incorporates all testimony and evidentiary material it presented to the Hearing Officer at the October 2008 Administrative Hearing. KVR reserves the right to refer to and incorporate any of its prior witnesses' testimony and exhibits which they discussed at the October 2008 Administrative Hearing. KVR may utilize one or more witnesses to discuss the same exhibit.

Attached hereto are the evidentiary documents numbered 26 through 46 inclusive. The undersigned may call any or all of the above listed witnesses, and reserves the right to cross examine any Protestants, or their witnesses.

Dated: October 19, 2010

Respectfully submitted,



Ross E. de Lipkau
Parsons Behle & Latimer
50 W. Liberty St., Ste. 750
Reno, NV 89501
Telephone: 775-323-1601
Facsimile: 775-348-7250

INDEX OF EXHIBITS

EXHIBIT 26:	Notice of Default and Election to Sell
EXHIBIT 27:	Warranty Deed (Cedar Ranches)
EXHIBIT 28:	Agreement with Eureka Producers' Cooperative
EXHIBIT 29:	Agricultural Sustainability Trust
EXHIBIT 30:	Request for Water Conservation Plan (NRS 533.370(6)(b))
EXHIBIT 31:	Halpin Stipulations
EXHIBIT 32:	Mt. Hope – Environmental Permit and Approval Matrix
EXHIBIT 33:	Table A – Summary of Eureka Moly, LLC – Mount Hope Project- Regional Hydrogeology and Modeling Report Submittals to Eureka County
EXHIBIT 34:	Mount Hope Mine Project Water Resources Monitoring Plan
EXHIBIT 35:	Schematic of Water Cycle
EXHIBIT 36:	BLM acceptance letter of July 27, 2010
EXHIBIT 37:	Financial “package” showing financial condition of Eureka Moly upon completion of the Hanlong Loan. Summary of Hanlong transaction
EXHIBIT 38:	Terry Katzer’s Testimony, with attached Appendices A and B
EXHIBIT 39:	Volumes I and II of Hydrogeology and Numerical Flow Modeling Mt. Hope Project Eureka County, Nevada (July 2010)
EXHIBIT 40:	Report entitled Kober Valley Well Field Data Summary Report dated March 8, 2010
EXHIBIT 41:	KVR 2010 Hearing Applications Flow Chart
EXHIBIT 42:	Proposed Points of Diversion and Place of Use Map

DOC # 0213243

04/20/2009 01:45 PM
Official Record
Recording requested By
MICHAEL C. VAN

Eureka County - NV
Mike Rebaleati - Recorder
Fee: \$18.00 Page: 1 of 5
RPTT Recorded By: FES
Book: 0486 Page: 0341



Tax Parcel Nos.: 007-070-01, 006-360-03, 006-360-01
MASTER APN: 007-070-01
INCLUDING ALL WATER RIGHTS &
GRAZING RIGHTS ASSOCIATED THEREWITH.

WHEN RECORDED RETURN TO:

MICHAEL C. VAN, ESQ.
SHUMWAY VAN LAW, CHTD.
8985 S. Eastern Avenue, Suite 160
Las Vegas, NV 89123
Telephone: (702) 478-7770
Facsimile: (702) 478-7779

Space above for County Recorder's Use

NOTICE OF DEFAULT AND ELECTION TO SELL

NOTICE IS HEREBY GIVEN of the default of that certain Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing ("Deed of Trust"), together with the indebtedness secured thereby, which is dated August 5, 2008 and granted by CEDAR RANCHES, LLC, as trustor ("Trustor"), with MICHAEL C. VAN, ESQ., of the law firm of Shumway - Van Law, Chtd., whose address is 8985 S. Eastern Avenue, Suite 160, Las Vegas, Nevada 89123, as successor trustee ("Successor Trustee"), and those certain individuals/entities listed on the attached Exhibit "A", which is incorporated herein by this reference, by and through their servicing agent, PRIVATE CAPITAL GROUP, INC., a Utah corporation (collectively, the "Beneficiary"). The Deed of Trust was recorded on August 22, 2008, as Entry No. 0212284, in the Official Records of the County Recorder of Eureka County, State of Nevada. The property subject to the Deed of Trust is situated in Eureka County, and is more particularly described on the attached Exhibit "B", which is incorporated herein by this reference ("Trust Property").

FURTHER NOTICE IS HEREBY GIVEN that a breach of that certain Secured Promissory Note, dated August 5, 2008, ("Note"), between Trustor and Beneficiary, the obligation for which the Trust Property was given as security has occurred. The Beneficiary has elected to have Successor Trustee sell or cause the Trust Property to be sold to satisfy the obligations secured by the Deed of Trust, including, but not limited to, appropriate fees, charges, and expenses incurred by the Trustee, advances, if any, under the terms of the Deed of Trust, interest thereon, and the unpaid principal, accrued interest, late fees and charges, and attorneys fees and costs of the Note secured by the Deed of Trust.

The nature of such default and breach of the obligation secured by the Deed of Trust is the failure of the Trustor to pay amounts to Beneficiary when due as provided for in the Note and Deed of Trust. The Note and the principal sum of FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$550,000.00), together with any and all accrued interest, late fees and charges, and all costs and fees including attorneys' fees have been declared to be due and

copy ex 26

001000

JA1205

payable, subject to any rights the Trustor may have to cure the delinquency as provided by Nevada law.

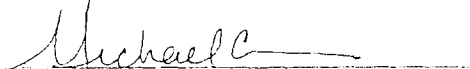
The purpose of this Notice is to collect a debt and any information obtained may be used for that purpose. Trustor is also notified of the following pursuant to the Fair Debt Collection Practices Act:

Unless you notify the Beneficiary or the Trustee, within thirty (30) calendar days after receiving this Notice, that you dispute the above-described debt or any portion thereof, we will presume that the debt is valid. If you dispute the debt in writing within thirty (30) calendar days from receiving this Notice, we will obtain verification of the debt and a copy of such verification will be mailed to you. Also, if you make a request to the Beneficiary or the Trustee in writing within thirty (30) calendar days after receiving this Notice, we will provide you with the name and address of the original creditor, if different from the current creditor.

You are further notified that during the 30-day period described above, this foreclosure proceeding will continue, except as provided by Nevada law.

DATED this 16 day of April, 2009

TRUSTEE:



MICHAEL C. VAN, ESQ.
SHUMWAY VAN LAW, CHTD.
8985 S. Eastern Avenue, Suite 160
Las Vegas, NV 89123
Telephone: (702) 478-7770
Facsimile: (702) 478-7779
Office Hours 8:30 a.m. to 5:00 p.m.

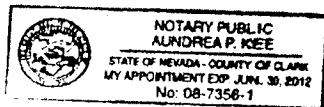
0213243 Book 486 04/20/2009
Page 342 Page 2 of 5

State of Nevada)

SS.

County of Clark)

On April 16 2009, before me, Andrea Kee, a notary public in and for said state, personally appeared MICHAEL C. VAN, ESQ., an active member of the Nevada State Bar residing in Las Vegas, Nevada, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within NOTICE OF DEFAULT AND ELECTION TO SELL and acknowledged to me that he executed the same in his authorized capacity as Successor Trustee under the aforementioned Deed of Trust, and that by his signature on the instrument, he acted and executed the NOTICE OF DEFAULT AND ELECTION TO SELL.



Andrea Kee
NOTARY PUBLIC

0213243 80pt 486 04/20/2009
Page 343 Page 3 of 5

EXHIBIT "A"

LIST OF BENEFICIARIES

- i. Michael & Beth Burke with a zero and fifty-five-million-nine-hundred-forty-seven-thousand-six-hundred-thirty-seven hundred millionths percent (0.55947637) interest;
- ii. Marvin & Pamela Clinch with a zero and ninety--million-nine-hundred-nine-thousand-ninety-one hundred millionths percent (0.90909091) interest;
- iii. Daniel Gerszewski with a zero and ninety-three-million-four-hundred-seventy-three-thousand-ninety-one hundred millionths percent (0.93473091) interest;
- iv. David Burke with a zero and ninety-eight-million-five-hundred-twenty-seven-thousand-ninety-one hundred millionths percent (0.98527091) interest;
- v. Peralta, LLC with a one and eight-million-one-hundred-eighty-one-thousand-eight-hundred-nineteen ten millionths percent (1.81818190) interest;
- vi. Corey & Brenda Enloe with a two and three-million-six-hundred-thirty-six-thousand-three-hundred-sixty-four ten millionths percent (2.36363640) interest;
- vii. Linette Rollins with a two and three-million-six-hundred-thirty-six-thousand-three-hundred-sixty-four ten millionths percent (2.36363640) interest;
- viii. Martin Daniels with a two and eight-million-four-hundred-eighty-four-thousand-eight-hundred-thirty-seven ten millionths percent (2.84848370) interest;
- ix. Gerald C. Cole with a three and six-million-three-hundred-sixty-three-thousand-six-hundred-thirty-seven ten millionths percent (3.63636370) interest;
- x. Tom A. Thomsen with a four and five-million-four-hundred-fifty-four-thousand-five-hundred-forty-six ten millionths percent (4.54545460) interest;
- xi. Brian S. Frederickson with a four and five-million-four-hundred-fifty-four-thousand-five-hundred-forty-six ten millionths percent (4.54545460) interest;
- xii. Cache Private Capital, LLC with a four and nine-hundred-nine-thousand-ninety-one millionths percent (4.90909100) interest;
- xiii. Gerszewski Living Trust, James Gerszewski, Trustee, with a five and nine-million-four-hundred-forty-seven-thousand-six-hundred-fifty-five ten millionths percent (5.94476550) interest;
- xiv. Beyond Expectations, LLC with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xv. Equity Trust Company Custodian FBO Maureen G. Muivancy IRA with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xvi. Charles & Margaret F. Cindric with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xvii. PJC Ventures, LLC with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xviii. Heather Nelson with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest, and
- xix. R.E.D. Inc with an eighteen and one-hundred-eighty-one-thousand-eight-hundred-nineteen millionths percent (18.18181900) interest.

0213243 kcor 486 04/23/2009
Page 344 Page 4 of 5

EXHIBIT "B"

DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION: TOWNSHIP 23 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 3: SW1/4NE1/4; Lot 4: S1/2NW1/4; S1/2;
Section 4: Lots 1, 2 and 3, S1/2N1/2; S1/2;
Section 9: NE1/4;
Section 10: N1/2NE1/4; SW1/4NE1/4; W1/2;

TOWNSHIP 24 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 22: W1/2NE1/4; S1/2NW1/4; N1/2SW1/4;
Section 27: S1/2SW1/4;
Section 34: E1/2NW1/4; W1/2SE1/4; E1/2SW1/4;

TAX ID NO.:

ASSESSOR PARCEL NOS.: 007-070-01, 006-360-03, 006-360-01
MASTER APN: 007-070-01

WATER RIGHTS

Basin	App	Cert	File Date	Status	Source	POD	POD	POD	POD	POD	Div	Type	Ann Duty	Units
47	1826	51	9/14/1910	CER	SPG	NW	NW	31	24N	54E	0.01	STK	3.55	AFA
153	6914	1147	6/13/1923	CER	SPR	SW	SW	1	23N	54E	0.025	STK	17.92238	AFS
153	V91114		7/6/1912	VST	SPR	SW	SW	11	23N	54E	0	IRR	4	AFA
153	V91115		7/6/1912	VST	SPR	NE	SE	3	25N	54E	0.12	IRR	4	AFA
153	V91219		7/16/1914	VST	SPR	SE	NW	31	24N	54E	0.025	STK		
153	V91521		11/1/1917	VST	SPR	NE	SW	13	23N	54E	0.025	STK	2.32	AFS
153	V92845		12/9/1974	VST	STR	NW	NW	2	23N	54E	0	IRR		
153	V92846		12/9/1974	VST	SPR	NW	SE	34	24N	54E	0	IRR		
153	V92847		12/9/1974	VST	STR	SW	NE	34	24N	54E	0	IRR		
153	13726	4116	5/18/1951	CER	UG	SW	SW	28	25N	54E	0.009	STK	9.31	AFA
153	13727	4117	5/18/1951	CER	UG	NW	SE	9	25N	54E	0.012	STK	9.68	AFA
153	7982	1885	1/19/2027	CER	SPR	NE	SE	11	25N	54E	0.013	STK	5.55	AFS
153	7983	1886	1/19/2027	CER	SPR	NW	SW	12	25N	54E	0.013	STK	5.55	AFS
153	7984	1887	1/19/2027	CER	SPR	NE	SW	12	25N	54E	0.013	STK	5.55	AFS
153	8006	1888	2/7/2027	CER	SPR	NE	SW	12	25N	54E	0.013	STK	5.55	AFS

MAIL TAX STATEMENTS TO
WHEN RECORDED RETURN TO:
c/o Private Capital Group, Inc.
160 West Canyon Crest Rd.
Alpine, Utah 84004
001-070-01
000-300-03
000-300-01

DOC # 0215431
08/30/2010 01:23 PM
Official Record
Recording requested By
PRIVATE CAPITAL GROUP
Eureka County - NV
Mike Rebaleati - Recorder
Fee \$41.00 Page 1 of 3
RPTT Recorded By FES
Book- 503 Page- 0019



WARRANTY DEED

For good consideration, CEDAR RANCHES, LLC, a Nevada limited liability company ("Grantor"), hereby bargains, deeds and conveys to the individuals/entities indicated in the attached Exhibit A, c/o Private Capital Group, Inc., a Utah corporation ("Grantees"), that certain land described in the attached Exhibit B, in Eureka County, Nevada, free and clear with WARRANTY COVENANTS.

Grantor, for itself and its heirs, hereby covenants with Grantees, their heirs, and assigns, that Grantor is lawfully seized in fee simple of the above-described premises; that it has a good right to convey; that the premises are free from all encumbrances; that Grantor and its heirs, and all persons acquiring any interest in the property granted, through or for Grantor, will, on demand of Grantees, or their heirs or assigns, and at the expense of Grantor, its heirs or assigns, execute any instrument necessary for the further assurance of the title to the premises that may be reasonably required; and that Grantor and its heirs will forever warrant and defend all of the property so granted to Grantees, their principals, agents, successors and assigns, against every person lawfully claiming the same or any part thereof.

WITNESS the hands and seal of said Grantors this 1 day of July 2010.

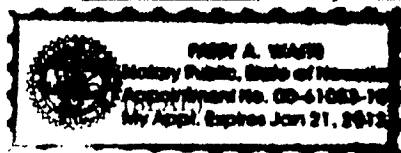
Grantor:
CEDAR RANCHES, LLC,
a Nevada limited liability company

Signature: [Signature]
By: Alan K. Chamberlain, its Manager

ACKNOWLEDGEMENT

STATE OF NEVADA }
COUNTY OF LANDER }

On the 01 day of July in the year 2010 before me, the undersigned, personally appeared Alan K. Chamberlain, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity, and that by his/her/their signatures on the instrument, the individual(s), or the persons upon behalf of which the individual(s) acted, executed the instrument, and that such individual made such appearance before the undersigned in the State of NEVADA, County of LANDER.



[Signature]
Notary Public

My commission expires: 1/21/2012

EXHIBIT "A"

LIST OF BENEFICIARIES

- i. Michael & Beth Burke with a zero and fifty-five-million-nine-hundred-forty-seven-thousand-six-hundred-thirty-seven hundred millionths percent (0.55947637) interest;
- ii. Marvin & Pamela Clinch with a zero and ninety--million-nine-hundred-nine-thousand-ninety-one hundred millionths percent (0.90909091) interest;
- iii. Daniel Gerszewski with a zero and ninety-three-million-four-hundred-seventy-three-thousand-ninety-one hundred millionths percent (0.93473091) interest;
- iv. David Burke with a zero and ninety-eight-million-five-hundred-twenty-seven-thousand-ninety-one hundred millionths percent (0.98527091) interest;
- v. Peralta, LLC with a one and eight-million-one-hundred-eighty-one-thousand-eight-hundred-nineteen ten millionths percent (1.81818190) interest;
- vi. Corey & Brenda Enloc with a two and three-million-six-hundred-thirty-six-thousand-three-hundred-sixty-four ten millionths percent (2.36363640) interest;
- vii. Linette Rollins with a two and three-million-six-hundred-thirty-six-thousand-three-hundred-sixty-four ten millionths percent (2.36363640) interest;
- viii. Martin Daniels with a two and eight-million-four-hundred-eighty-four-thousand-eight-hundred-thirty-seven ten millionths percent (2.84848370) interest;
- ix. Gerald C. Cole with a three and six-million-three-hundred-sixty-three-thousand-six-hundred-thirty-seven ten millionths percent (3.63636370) interest;
- x. Tom A. Thomsen with a four and five-million-four-hundred-fifty-four-thousand-five-hundred-forty-six ten millionths percent (4.54545460) interest;
- xi. Brian S. Frederickson with a four and five-million-four-hundred-fifty-four-thousand-five-hundred-forty-six ten millionths percent (4.54545460) interest;
- xii. Cache Private Capital, LLC with a four and nine-hundred-nine-thousand-ninety-one millionths percent (4.90909100) interest;
- xiii. Gerszewski Living Trust, James Gerszewski, Trustee, with a five and nine-million-four-hundred-forty-seven-thousand-six-hundred-fifty-five ten millionths percent (5.94476550) interest;
- xiv. Beyond Expectations, LLC with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xv. Equity Trust Company Custodian FBO Maureen G. Mulvaney IRA with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xvi. Charles & Margaret F. Cindric with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xvii. PJC Ventures, LLC with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest;
- xviii. Heather Nelson with a nine and nine-hundred-nine-thousand-ninety-one ten millionths percent (9.09090910) interest; and
- xix. R.E.D. Inc with an eighteen and one-hundred-eighty-one-thousand-eight-hundred-nineteen millionths percent (18.18181900) interest.



0215431

Block 503 08/30/2010
Page 20 Page 2 of 3

EXHIBIT "B"

DESCRIPTION OF THE PROPERTY

LEGAL DESCRIPTION: TOWNSHIP 23 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 3: SW1/4NE1/4; Lot 4; S1/2NW1/4; S1/2;

Section 4: Lots 1, 2 and 3, S1/2N1/2; S1/2;

Section 9: NE1/4;

Section 10: N1/2NE1/4; SW1/4NE1/4; W1/2;

TOWNSHIP 24 NORTH, RANGE 54 EAST, M.D.B.&M.

Section 22: W1/2NE1/4; S1/2NW1/4; N1/2SW1/4;

Section 27: S1/2SW1/4;

Section 34: E1/2NW1/4; W1/2SE1/4; E1/2SW1/4;

TAX ID No.:

ASSESSOR PARCEL NOS. : 007-070-01, 006-360-03, 006-360-01

MASTER APN: 007-070-01

WATER RIGHTS

Basin	App	Cert	File Date	Status	Source	POD	POD	POD	POD	POD	Div	Type	Ann Duty	Units
47	1820	51	9/14/1910	CER	SPG	NW	NW	31	24N	55E	0.01	STK	3.53	AFS
153	6914	1147	6/13/1923	CER	SPR	SW	SW	1	23N	54E	0.025	STK	17.92238	AFS
153	V01114		7/6/1912	VST	SPR	SW	SW	11	23N	54E	0	IRR	4	AFS
153	V01115		7/6/1912	VST	SPR	NE	SE	3	23N	54E	3.12	IRR	4	AFS
153	V01319		7/16/1914	VST	SPR	SE	NW	31	24N	55E	0.025	STK		
153	V01521		11/1/1917	VST	SPR	NE	SW	13	23N	54E	0.025	STK	2.52	AFS
153	V02845		12/9/1974	VST	STR	NW	NW	2	23N	54E	0	IRR		
153	V02846		12/9/1974	VST	SPR	NW	SE	34	24N	54E	0	IRR		
153	V02847		12/9/1974	VST	STR	SW	NE	34	24N	54E	0	IRR		
153	13726	4116	5/18/1951	CER	UG	SW	SW	28	25N	54E	0.009	STK	6.51	AFS
153	13727	4117	5/18/1951	CER	UG	NW	SE	9	25N	54E	0.012	STK	8.68	AFS
153	7982	1885	1/19/2027	CER	SPR	NE	SE	11	25N	54E	0.013	STK	5.55	AFS
153	7983	1886	1/19/2027	CER	SPR	NW	SW	12	25N	54E	0.013	STK	5.55	AFS
153	7984	1887	1/19/2027	CER	SPR	NE	SW	12	25N	54E	0.013	STK	5.55	AFS
153	8000	1888	2/7/2027	CER	SPR	NE	SW	12	25N	54E	0.013	STK	5.55	AFS

0215431 Book 503 08/30/2010
Page 21 Page 3 of 3

State of Nevada
Declaration of Value

DOC # DV-215431

08/30/2010 01:23 PM

Official Record

FOR

Docum

Book:

Date o

Notes:

Recording requested By
PRIVATE CAPITAL GROUP

Eureka County - NV

Mike Rebaleati - Recorder

Page 1 of 1 Fee \$41.00

Recorded By FES RPTT

Book- 503 Page- 0019

1. Assessor Parcel Number(s)

- a) 007-070-01
b) 006-360-03
c) 006-360-01
d) _____

2. Type of Property:

- a) ☒ Vacant Land b) ☐ Single Fam. Res.
c) ☐ Condo/Twnhse d) ☐ 2-4 Plex
e) ☐ Apt. Bldg. f) ☐ Comm'l/Ind'l
g) ☐ Agricultural h) ☐ Mobile Home
i) ☐ Other _____

3. Total Value/Sales Price of Property:

\$ 550,000.-

Deed in Lieu of Foreclosure Only (value of property)

\$ 615,000.-

Transfer Tax Value per NRS 375.010, Section 2:

\$ -65,000.-

Real Property Transfer Tax Due:

\$ _____

4. If Exemption Claimed:

a. Transfer Tax Exemption, per NRS 375.090, Section: _____

b. Explain Reason for Exemption: _____

5. Partial Interest: Percentage being transferred: _____ %

The undersigned declares and acknowledges, under penalty of perjury, pursuant to NRS 375.060 and NRS 375.110, that the information provided is correct to the best of their information and belief, and can be supported by documentation if called upon to substantiate the information provided herein. Furthermore, the disallowance of any claimed exemption, or other determination of additional tax due, may result in a penalty of 10% of the tax due plus interest at 1% per month.

Pursuant to NRS 375.030, the Buyer and Seller shall be jointly and severally liable for any additional amount owed.

Signature [Signature] Capacity Attorney

Signature _____ Capacity _____

SELLER (GRANTOR) INFORMATION

(REQUIRED)

Print Name: Cedar Ranches, LLC
Address: 511 West Robins St
City: Eureka
State: Nevada Zip: 89316

BUYER (GRANTEE) INFORMATION

(REQUIRED)

Print Name: See attached Exhibit A to Deed
Address: 56 PEG 160 W. Canyon Crest Rd
City: Alpine
State: Utah Zip: 84004

COMPANY REQUESTING RECORDING

(REQUIRED IF NOT THE SELLER OR BUYER)

Print Name: Private Capital Group Escrow # _____
Address: 160 W. Canyon Crest Road
City: Alpine State: UT Zip: 84004

(AS A PUBLIC RECORD THIS FORM MAY BE RECORDED/MICROFILMED)

AGREEMENT

This Agreement ("Agreement") is entered into this 18th day of August, 2010 by and between Eureka Moly, LLC, a Delaware limited liability company, of 1726 Cole Boulevard, Suite 115, Lakewood, Colorado, 80401(hereinafter "EMLLC") and the Eureka Producers' Cooperative, a Nevada domestic non-profit cooperative corporation, of P.O. Box 462, Eureka, Nevada, 89316 (hereinafter "EPC").

RECITALS:

- A. EMLLC means Eureka Moly, LLC and its parent, affiliates and subsidiaries including General Moly, Inc. ("GMI") and Kobre Valley Ranch, LLC ("KVR"), and their successors and assigns.
- B. EPC means the Eureka Producers' Cooperative, all of its members and its successors and assigns.
- C. EMLLC has filed Applications To Change ("Applications") with the Nevada State Engineer for water to be used at its Mount Hope Project.
- D. EPC has filed Protests to the Applications ("Protests") with the Nevada State Engineer and appealed the State Engineer's Ruling 5966 to the Seventh Judicial District Court of the State of Nevada in and for the County of Eureka (the "Appeal"). Some of the parties that filed protests with the State Engineer also appealed the Ruling (the "Appellants").
- E. EMLLC and EPC have reached an agreement resolving EPC's Appeal, Protests and concerns with EMLLC's Applications, settling their differences and enter into this Agreement to set forth their agreements.

WITNESSETH:

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- A. The Recitals set forth above are adopted as part of this Agreement of parties and the facts set forth therein are acknowledged and agreed to be true, accurate and complete.
- B. On or about June 28, 2010, the parties entered into a Confidentiality Agreement ("CA") prior to discussing a proposal from EMLLC entitled Settlement Points ("SP"). The parties affirm the CA and its terms and provisions.

C. It is the intent of EMLLC and EPC that this Agreement set forth the parties' obligations and responsibilities concerning the Appeal, Protests and Applications and all matters relating thereto and the Mount Hope Project.

D. Trust and Payments:

1. EMLLC shall contribute funds to an Agricultural Sustainability Trust (the "Trust"). The amounts to be paid and the dates of payment are subject to certain events occurring and subject to the performance of EPC's obligations. Both the triggering events and EPC's obligations are contained herein.

(a) The Trust shall be organized and established as required by Section D.3, before EMLLC is required to submit payment. If EMLLC has an obligation to submit payment in accordance with Section 2 herein and the Trust is still not organized and established, EMLLC's obligation to submit payment shall be delayed until such time as the Trust is organized and established as required under Section D.3.

2. The Amounts and Dates:

Payment Dates	Minimum Contribution to the Trust	Total maximum contributions to the Trust provided DEIS and ROD are received by the following dates	
	Basic Plan	Receipt of DEIS by 11/30/10 and ROD by 5/1/11	Receipt of DEIS by 1/15/11 and ROD by 8/1/11
a. Upon receipt Full Financing	\$4,000,000	\$6,000,000	\$5,000,000
b. Upon receipt of first production payment or upon commencement of Production, plus no more than 150 days	\$2,000,000	\$3,000,000	\$2,000,000
c. One year anniversary of b. above	\$2,000,000	\$3,000,000	\$2,000,000
Total	\$8,000,000	\$12,000,000	\$9,000,000

In addition to the above payments, concurrently with EPC withdrawing its protests as described in Section E. herein, EMLLC shall make an initial payment to EPC in the amount of \$25,000. The initial payment shall be used by EPC for purposes of organizing and establishing the above-referenced Trust. Invoices shall be provided and

any funds not utilized in the organization/establishment of the Trust shall be credited to EMLLC against its first contribution payment.

“Full Financing” means – minimum funding to start construction of the Mount Hope Project, including receipt of all permits necessary to commence construction and GMI Board of Directors’ approval to commence construction. For purposes of clarification, the payment required in part a, above shall be made before such time as substantial construction is actually commenced, excluding all pre-construction site preparation activities including but not limited to work such as land clearing, pad preparation, mobilization and cultural resources mitigation.

- (a) Provided however, in the event the proposed Hanlong transaction remains in effect and funding is provided within 120 days of receipt of ROD and the GMI Board of Directors approves the commencement of construction, the payment required in part a, above shall be due.

“Production” means – the making of molybdenum product in a quantity sufficient for shipment and sale.

“ROD” means – the Record of Decision issued by the Bureau of Land Management with respect to the Mount Hope Project and approval of the Plan of Operations.

“DEIS” means – Publication of the Notice of Availability of the draft Environmental Impact Statement of the Mount Hope Project by the Bureau of Land Management in the Federal Register.

3. EPC shall organize and establish the Trust according to applicable state and federal law consistent with the intent and purposes of this Agreement. The Trust shall:

- (a) Be administered by a five (5) member Board of Directors (the “Board”). EMLLC shall have one (1) representative on the Board. The remaining membership shall be comprised of two (2) members of EPC, one (1) person from the Diamond Valley farming community and one (1) additional person which at the discretion of the EPC may include a person designated by Eureka County (an employee or elected county official).
- (b) Be for the sole purpose of developing and implementing programs that will serve to enhance the sustainability and well being of the agricultural economy in the Diamond Valley Hydrographic Basin. The Board shall have discretion to develop programs it deems appropriate and said

programs may include purchasing and relinquishing water rights in Diamond Valley. In the event water rights are acquired by the Trust, adequate provisions shall be developed to insure the Trust obtains water rights with clear and marketable title.

- (c) Appropriate terms consistent with the above purposes shall regulate and/or govern the Trust and the Board shall take and perform all acts necessary to maintain its legal status in the State of Nevada.
- (d) Allow EMLLC to review and comment on the organizational documents and controlling terms of the Trust prior to finalizing the same.

E. EPC shall:

1. Withdraw its Protests, with prejudice, to EMLLC's Applications, not file any further protests to any change applications EMLLC may file in the future and take all steps necessary to allow all of EMLLC's Applications or future change applications to be granted and in effect, and if necessary, dismiss with prejudice and without fees and costs its Appeal.
2. Not file any further Protests, Appeals or contest in any manner, directly or indirectly, any efforts by EMLLC to secure 11,300 afa of water for the Mount Hope Project, including any change applications, extensions, waivers or other actions to be conducted to maintain and/or put the water to use.
3. Not oppose, directly or indirectly, any of EMLLC's mining and milling plans or operations as set forth in its Plan of Operations filed with the Bureau of Land Management or water applications for EMLLC's present water usage requirements and agrees not to participate in any way or manner, directly or indirectly, in any protests, petitions, or activities of others which are designed or intended to delay, adversely effect, or interfere with EMLLC's mining and milling plans or operations as set forth in the Plan of Operation, including EMLLC's efforts to obtain any regulatory approvals or permits for the Mount Hope Project from federal, state or local authorities and agencies.
 - (a) For purposes of clarification, it is the intent of the parties hereto, that EPC will not oppose in any way or manner EMLLC's efforts to place the Mount Hope Project into Production as contemplated by the Plan of

Operations. Further, EPC shall not protest or oppose in any way the issuance of the ROD or appeal the same.

- (1) It is acknowledged that Jim Gallagher and Andrew Marshall, members of EPC also serve on the Eureka County appointed NEPA Committee (the "Committee"). Those EPC members may continue to serve on the Committee and fulfill their duties and responsibilities to the Committee in a neutral and impartial manner without said service violating the terms and provisions of this Agreement. In fulfilling their duties to the Committee, the EPC members shall not represent that their comments and decisions represent the positions, comments or decisions of EPC.
 - (b) However, EPC shall not be precluded by this Agreement and EPC reserves the right to comment on or take appropriate action on matters relating to the operation of the Mount Hope Project after Production is commenced that EPC reasonably and in good faith believes is causing or will cause adverse impacts to EPC and which is not the subject of the purposes and intent of the Trust.
 4. EPC, by and through its officers, shall actively assist EMLLC in persuading any other protestants or Appellants, presently known to settle their protests, appeals or challenges to any water rights Applications required for the Mount Hope Project. EPC agrees to execute a letter or letters to be prepared by EMLLC, subject to EPC's reasonable and prompt approval, requesting all protests, challenges and/or appeals be settled.
 5. Supply a complete and accurate list of its membership.
- F. If Tim Halpin or Eureka County (two of the other Appellants to Ruling 5966), do not withdraw their protests, appeals and/or either harm or delay EMLLC's ability to (1) obtain any required approvals from federal or state regulatory authorities, or (2) obtain approvals from the State Engineer granting sufficient Applications for construction of the Mount Hope Project and said harm or delay causes material schedule delays for the Mount Hope Project, then EMLLC shall, subject to F.1 and F.2, below, be entitled, but

not obligated, to rescind this Agreement and dissolve and terminate the Trust and all funds in the Trust shall be returned to EMLLC.

1. If Tim Halpin or Eureka County do not withdraw their protests, appeals by the date first set for hearing with the State Engineer on EMLLC's pending applications, or before January 1, 2011 (whichever occurs first) and/or cause harm or delay, but EMLLC is successful in obtaining all required permits and approvals for the Mount Hope Project and EMLLC determines in its sole discretion to proceed with construction based on obtaining Full Financing, the payment Amounts required in Section D, 2 shall be reduced by one-half in all categories. (To make it clear, it is the intent of the parties that if the Mount Hope Project goes into Production, and EPC has not violated its obligations under this Agreement, regardless of the conduct of any third party, the Trust shall receive one-half of the amounts required in Section D, 2.)
2. Two of the members of EPC, to-wit: Kenneth Benson and Jim Benson ("Bensons"), have refused to approve this Agreement, will not abide by the terms, conditions and obligations set forth herein and have recently resigned as Members of EPC. If, following execution of this Agreement, the Bensons (i) file any protests with the Nevada State Engineer opposing EMLLC's Applications or any of its change applications, or fail to withdraw any pending protests within thirty (30) business days of execution of this Agreement, (ii) file any appeals or petitions with the Nevada District Court appealing any ruling of the Nevada State Engineer regarding EMLLC's Applications or any of its change applications, (iii) commit or engage in any of the acts precluded by this Agreement, including but not limited to the conditions in Section E, (specifically excepting the demands of E,4), or (iv) cause harm or delay to the Mount Hope Project, but EMLLC is successful in obtaining all required permits and approvals for the Mount Hope Project and EMLLC determines in its sole discretion to proceed with construction based on obtaining Full Financing, the payment Amounts required in Section D, 2 shall be reduced by one-fourth in all categories, or refunded, in the case where payments have been made, if:

- (a) EPC allows the Bensons or the Bensons once again become members of EPC at any time in the future.
 - (b) Bensons means—the individuals above named and also includes, but is not limited to all groups, organizations or business entities of any kind that either of them control or have an ownership interest in as a partner or shareholder or that either of them serve on as a director, officer, consultant, agent, employee, volunteer or in any capacity.
- 3. The total of all reductions or refunds of the Amounts shall not exceed 50% even if both events set forth in F, 1 and F, 2 occur. The provisions for possible reductions or refunds of the Amounts to be paid by EMLLC shall be incorporated into the Trust creation documents discussed in D. 3, above.
- G. Both parties shall, upon request, promptly execute any and all documents reasonably necessary to effectuate the terms and conditions of this Agreement.
 - 1. EPC shall concurrently with execution of this Agreement execute the stipulations attached hereto for presentment to the Nevada State Engineer and Nevada District Court to withdraw EPC's Protests and dismiss any Appeal.
 - (a) EMLLC shall determine the timing and procedure for presentation of the stipulations.
 - 2. EMLLC shall prepare and EMLLC and EPC shall execute a Waiver, subject to EPC's reasonable approval, of the CA authorizing the parties to announce and communicate the fact that the parties have resolved EPC's Protests and Appeal and have entered into this Agreement to the Board of Eureka County Commissioners (the "Commissioners") and the other Appellants, provided however, the financial contributions set forth in Section D. 2 shall not be disclosed. The Waiver shall be for the purpose of assisting and supporting EMLLC in its efforts to resolve all other protests and appeals to its Applications and objections to the Mount Hope Project.
 - 3. EMLLC is specifically authorized to prepare and disseminate a press release announcing this Agreement, subject to EPC's reasonable approval, including the amounts paid. The content of the press release shall be determined by EMLLC.

4. EMLLC shall submit the Waiver and press release to EPC and EPC shall have 24 hours to provide its approval. If no response is provided, EPC shall be deemed to have given its approval.
- H. If any portion of this Agreement is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the remaining covenants and restrictions or portions thereof shall remain in full force and effect.
- I. All notices given hereunder shall be in writing and shall be delivered in person or sent by registered mail or by facsimile transmission to the parties at their respective addresses set out in the preamble. The submittals of press releases or the Waiver for approval by EPC may be provided by electronic or facsimile transmission to:
- Fax no: (775) 237-5406
- E-mail address: andrewdeseri.marshall@gmail.com/nortoncritters@yahoo.com
- J. Both parties represent and warrant that it is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, has all requisite power and authority to execute, deliver and perform the terms and provisions of the Agreement and has taken all necessary actions to authorize the execution, delivery and performance of this Agreement.
- K. All questions relative to the execution, validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Nevada. The parties hereto agree that any action related to this Agreement shall be instituted and maintained in the courts of the County of Eureka, State of Nevada and each party hereto waives the right to change of venue.
- L. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF this Agreement has been executed as of the day and year first
above written.

EUREKA MOLY, LLC,
a Delaware limited liability company

By: Nevada Moly, LLC,
a Delaware limited liability company
its manager

By: /s/ Bruce D. Hansen
Printed Name: Bruce D. Hansen
Title: C.E.O.
Date: 8/19/10

EUREKA PRODUCERS' COOPERATIVE

By: /s/ William H. Norton
Printed Name: William H. Norton
Title: President
Date: Aug. 18. 2010

p. 12

[illegible]

AUG 17 2010 2:26PM ROBERTSON & BENEVENTO 7753400300 Page 11

above written.

By: Nevada Moly, LLC,
a Delaware limited liability company
its manager

By: Bruce D. Hansen
Printed Name: BRUCE D. HANSEN
Title: CEO
Date: 8/19/10

EUREKA PRODUCERS' COOPERATIVE

By: W. H. H. H.
Printed Name: William H. Norton
Title: President
Date: August 20, 1900



ROSS MILLER
Secretary of State
204 North Carson Street, Suite 4
Carson City, Nevada 89701-4520
(775) 684 5708
Website: www.nvsos.gov



040601

Nonprofit Articles of Incorporation

(PURSUANT TO NRS CHAPTER 82)

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

1. Name of Corporation:	DIAMOND VALLEY AGRICULTURAL SUSTAINABILITY TRUST
2. Registered Agent for Service of Process: (check only one box)	<input type="checkbox"/> Commercial Registered Agent: Name _____ <input checked="" type="checkbox"/> Noncommercial Registered Agent (name and address below) OR <input type="checkbox"/> Office or Position with Entity (name and address below) JAMES P. PACE, ESQ. Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity 448 HILL STREET RENO Nevada 89501 Street Address City State Zip Code Mailing Address (if different from street address) City State Zip Code
3. Names and Addresses of the Board of Directors/Trustees: (each Director/Trustee must be a natural person at least 18 years of age; attach additional page if more than four directors/trustees)	1) WILLIAM H. NORTON, JR. Name P.O. BOX 462 EUREKA NV 89316 Street Address City State Zip Code 2) _____ Name Street Address City State Zip Code 3) _____ Name Street Address City State Zip Code 4) _____ Name Street Address City State Zip Code
4. Purpose: (required; continue on additional page if necessary)	The purpose of the corporation shall be: SEE ATTACHED
5. Name, Address and Signature of Incorporator: (attach additional page if more than one incorporator)	JAMES P. PACE, ESQ. <input checked="" type="checkbox"/> Name Incorporator Signature 448 HILL STREET RENO NV 89501 Address City State Zip Code
6. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity. <input checked="" type="checkbox"/> Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity Date

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 82 Articles
Revised: 4-14-09

001
JA1224

PURPOSE

The Diamond Valley Agricultural Sustainability Trust is organized and operated exclusively as a nonprofit Corporation under the provisions of Chapter 82 of the Nevada Revised Statutes and is not organized for the private gain of any person. The Diamond Valley Agricultural Sustainability Trust shall be operated and organized exclusively for agricultural and general economic improvement purposes under section 501 (c) of the Internal Revenue Code. Subject to the restrictions set forth below, the objects and purposes of the Diamond Valley Agricultural Sustainability Trust and the nature of the business to be carried on by it are as follows:

- A. To develop and implement programs that will serve to enhance the sustainability and well being of the agricultural economy in the Diamond Valley Hydrographic Basin.
- B. The Board of Trustees shall have the discretion to develop programs it deems appropriate and said programs may include purchasing and relinquishing water rights in Diamond Valley.
- C. In the event that water rights are acquired by the Diamond Valley Agricultural Sustainability Trust, adequate provisions shall be developed to insure that the Diamond Valley Agricultural Sustainability Trust obtains water rights with clear and marketable title.
- D. To receive, maintain, and administer a fund, derived from all sources whatsoever, and to use, apply and distribute the income from and/or the principal of such fund exclusively too for the benefit of, or to carry out the purposes of the corporation;
- E. To do any and all acts that are necessary, proper, useful, incidental or advantageous to the foregoing purposes.

NO.

FILED

OCT 01 2010

Eureka County Clerk
BY Deanna M. Caudel Deputy

1 PARSONS BEHLE & LATIMER
2 Ross E. de Lipkau, NSB No. 1628
3 John R. Zimmerman, NSB No. 9729
4 50 W. Liberty Street, Ste. 750
5 Reno, NV 89501
6 Telephone: (775) 323-1601
7 Facsimile: (775) 348-7250

8 *Attorneys for Kobreh Valley Ranch, LLC*

9 IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
10 IN AND FOR THE COUNTY OF EUREKA

11 EUREKA COUNTY, a political
12 subdivision of the State of Nevada,
13 Petitioner,

14 v.

15 STATE ENGINEER, STATE OF
16 NEVADA, Nevada Division of Water
17 Resources.

18 Respondent

19 -and-

20 KOBEH VALLEY RANCH LLC,
21 a Nevada limited liability company,
22 Intervenor.

Case No.: CV0904-122

Dept. No.: 2

-AND-

23 TIM HALPIN; EUREKA
24 PRODUCERS' COOPERATIVE, a
25 Nevada non-profit CEDAR RANCHES,
26 LLC, a Nevada limited liability company,
27 Petitioners,

28 v.

STATE ENGINEER, STATE OF
NEVADA, Nevada Division of Water
Resources,

Respondent

-and-

KOBEH VALLEY RANCH LLC,
a Nevada limited liability company,
Intervenor.

Case No.: CV0904-123

Dept. No.: 2

-AND-

RECEIVED
OCT 01 2010
Clerk of Court

PARSONS
BEHLE &
LATIMER

1 EUREKA COUNTY, a political
2 subdivision of the State of Nevada,
3 Petitioner,
4 v.
5 STATE ENGINEER, STATE OF
6 NEVADA, and KOBEH VALLEY
7 RANCH LLC,
8 Respondents.

Case No.: CV0908-127

Dept. No.: 2

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

STIPULATION FOR DISMISSAL WITH PREJUDICE

This Stipulation is entered into this 29th day of September, 2010 between Tim Halpin, Petitioner, represented by Jarrad C. Miller of the firm of Robertson & Benevento, and Kobe Valley Ranch LLC, a Nevada limited liability company, intervenor, represented by Ross E. de Lipkau of the firm of Parsons Behle & Latimer, as follows:

That previously the parties have entered into a certain Agreement. Based upon such Agreement the parties agree that this Court may dismiss, with prejudice, Tim Halpin, from the above-entitled action.

This Stipulation shall have no effect upon remaining parties to this action

Each party to bear its own costs and fees.

AFFIRMATION

Pursuant to NRS 239B.030, the undersigned hereby affirms that the preceding document does not contain the Social Security number of any person.

Robertson & Benevento

*Attorneys for Eureka Producers' Cooperative a
Nevada non-profit*

DATED this 29th day of September, 2010

By: 

Jarrad C. Miller, Esq., NSB No. 7093

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PARSONS BEHLE & LATIMER
Attorneys for Kobeh Valley Ranch LLC

DATED this 21st day of September, 2010

By: *Ross E. de Lipkau*
Ross E. de Lipkau, NSB No. 1628
John R. Zimmerman, NSB No. 9729

1
2 **CERTIFICATE OF SERVICE**

3
4 Pursuant to NRCP 5, I hereby certify that I am an employee of Parsons Behle & Latimer
5 and perfected service of the foregoing document this date, by US Mail, postage prepaid, to the
6 following at his/her/their last known address:
7

8 **TIM HALPIN, EUREKA PRODUCERS'**
9 **COOPERATIVE, CEDAR RANCHES,**
10 **LLC**

11 c/o Jarrad C. Miller, Esq.
12 Robertson & Benevento
50 W. Liberty Street; Suite 600
Reno, NV 89501

13 **EUREKA COUNTY**

14 Attn: Karen Peterson, Esq.
15 Allison, MacKenzie, et al.
402 N. Division Street
Carson City, NV 89702

16 -and-

17 **EUREKA COUNTY DISTRICT**
18 **ATTORNEYS OFFICE**

19 Attn: Theodore Beutel
20 701 S. Main Street
PO Box 190
Eureka, NV 89316

NEVADA ATTORNEY GENERAL'S
OFFICE

Attn: Bryan L. Stockton
Deputy Attorney General
100 North Carson Street
Carson City, NV 89701

21
22 DATED this 29 day of September, 2010.

23 
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE NEVADA STATE ENGINEER

In the Matter of Water Right Applications filed by
Kobeh Valley Ranch, LLC, a Nevada limited liability company

**STIPULATION FOR WITHDRAWAL OF PROTEST,
AND COVENANT NOT TO PROTEST
FUTURE APPLICATIONS TO CHANGE**

This Stipulation for Withdrawal of Protest and Covenant Not to Protest Future Applications to Change is entered into this 29th day of September, 2010 between Kobeh Valley Ranch LLC (hereinafter "KVR") and Tim Halpin and Sandie L. Halpin, husband and wife (hereinafter "HALPIN").

RECITALS:

1. KVR has previously filed Applications to Appropriate, and Applications to Change with the Nevada State Engineer. The vast majority of the water sought has its source within the Kobeh Valley drainage basin (Basin 139 assigned by the Nevada State Engineer) and has filed a smaller number of applications to change existing Diamond Valley certificated ground water rights (assigned Basin 153 by the Nevada State Engineer).

2. HALPIN has lodged protests to previous applications filed by KVR, which applications were the subject of Ruling 5966 issued by the Nevada State Engineer on March 26, 2009.

3. HALPIN, pursuant to NRS 533.450, lodged an appeal from Ruling 5966 with the Seventh Judicial District Court, Case Nos. CV0904-122, CV0904-123 and CV0908-127

1 4. On January 7, 2010, oral argument was held before the Honorable Judge Papez, in
2 Eureka, Nevada. On April 21, 2010, an Order was entered by Judge Papez which remanded the
3 matter to the Nevada State Engineer.

4 5. KVR filed Applications 79911 through 79942, inclusive, with the Nevada State
5 Engineer on June 15, 2010.

6 6. KVR and HALPIN wish to resolve all water right issues involving Applications to
7 Appropriate, Applications to Change, and fully resolve all issues arising within State Engineer
8 Ruling 5966.

9 7. The parties hereto have previously entered into an agreement, which fully resolves
10 all water right issues between HALPIN, Eureka Moly LLC, a Delaware limited liability
11 company; General Moly, Inc.; and Kobeh Valley Ranch, LLC ("Settlement Agreement").

12 8. The parties hereto wish to resolve any and all water right issues involving those
13 Applications to Appropriate or Applications to Change previously filed by KVR and future
14 Applications to Change, if applicable, which may be filed in the future by KVR in accordance
15 with the terms of the Settlement Agreement.

16 NOW, THEREFORE, in consideration of the mutual covenants and conditions contained
17 herein and other good and valuable consideration, the receipt and sufficiency of which are hereby
18 acknowledged, the parties hereby agree as follows:

19 1 HALPIN does hereby withdraw, with prejudice, its previously lodged protests to
20 all Applications to Appropriate and Applications to Change the subject of State Engineer Ruling
21 5966 in accordance with the terms of the Settlement Agreement.

22 2. Subject to the terms of the Settlement Agreement, HALPIN does hereby agree not
23 to file with the Nevada State Engineer ("N.S.E.") any further protests to any change applications
24 KVR may file in the future and take all steps necessary to allow all of KVR's applications or

1 future change applications to be granted in accordance with the terms of the Settlement
2 Agreement.

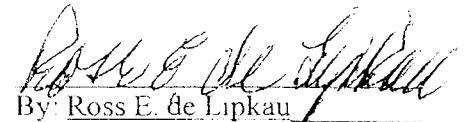
3 3. Subject to the terms of the Settlement Agreement, HALPIN hereby covenants and
4 authorizes the Nevada State Engineer to act upon Applications 79911 through 79942, inclusive, in
5 accordance with Chapters 533 and 534 of Nevada Revised Statutes, without administrative
6 hearing and protests of any kind by HALPIN.
7

8 4. Each party to bear its own costs and fees.

9 5. An original duly executed and notarized version of this Stipulation shall be lodged
10 with the Nevada State Engineer.

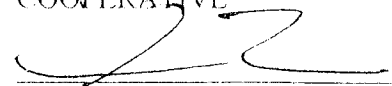
11 Dated: September 24th 2010

KOBEH VALLEY RANCH LLC

13 
14 By: Ross E. de Lipkau
15 Its: Attorney

16 Dated: September 29th, 2010

EUREKA PRODUCERS
COOPERATIVE

17 
18 By: Jarrad C. Miller
19 Its: Attorney

20 STATE OF NEVADA)
21) : ss
22 COUNTY OF WASHOE)

23 This instrument was acknowledged before me on

September 29, 2010, by Jarrad C. Miller.

24 Rosario Tinnell
25 Notary Public

ROSARIO TINNELL
Notary Public - State of Nevada
Term Expires in Washoe County
2010 Expires September 1, 2010

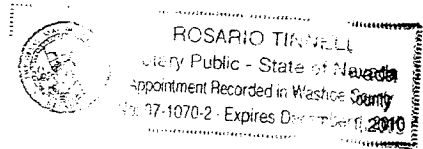
26 STATE OF NEVADA)
27) : ss
28 COUNTY OF WASHOE)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

This instrument was acknowledged before me on

September 29, 2010, by Ross E. deLipkau.

Rosario Tinnell
Notary Public



Mt Hope - Environmental Permit and Approval Matrix

Revision Date 05/27/10

Permit/Approval/Project	Granting Agency	Submittal Date (T = target)	Typical Agency Review / Processing Time	Planned Acquisition Time	Status	Notes	EMILC Lead	3rd Party Lead
1. Plan of Operations/Record of Decision	FEDERAL PERMITS BLM	POO originally submitted September 2006. Periodic revisions to refine design and information changes.	14 - 15 years following "submission of POO"	Mid 2011	POO was revised and submitted in June 2010 with minor updates requested by the BLM. BLM has approved and accepted the baseline studies and the Administrative Draft EIS was distributed in August. The applications were submitted in January 2008 and are considered complete (via verbal discussion with BLM) and do not have an "expiration date". BLM indication review is to be completed in 4Q 2010.	A revision to remove the 220 kV powerline from the Feo and to revise the RCE based on NDEP comments was submitted in June 2010. The final baseline studies (hydrology) were submitted to BLM in early July and incorporated the revisions to resolve the "contingent approval" from BLM in June. The PDES was submitted to BLM and CAs on Aug 18th and 25 day review period ended Sept 23rd.	P Rogers	SRK (PRO) / EnviroScientists (EIS)
2. ROW for 220 kV Transmission Line	BLM	January 08	Tracks with POO Review & ROD	Concurrent with ROD	The applications were submitted in January 2008 and are considered complete (via verbal discussion with BLM) and do not have an "expiration date". BLM indication review is to be completed in 4Q 2010.	Permitting process includes submittal of ROW Application form and Plan of Development (POD). Both documents were submitted to BLM in January 2008. Mitigation to be reviewed with BLM in 4Q 2010. The applications are considered complete (via verbal discussion with BLM) and do not have an "expiration date".	K Kinsella	Chuck Lane/BLM (775 635-4188)
3. ROW for Communications Tower	BLM	Complete	NA	Complete	Complete	Complete. No ROW. Communication Use Lease only. Verbal review.	K Kinsella	NA
4. Radio Frequency Authorization	FCC	Complete	NA	Complete	Complete	Complete. Permit filed. EnviroMT Hope/Other. "Permit/Projects 13 & FCC License"	K Kinsella	Serra Communications, Paul Bolton 800.874.7515
5. Explosives Permit	BATF	T 04 2010	3 - 6 months	Q1 2011 - Q2 2011	Application preparation in progress	Application preparation in progress. October 31st internal deadline for submittal.	C Dubray	Ben Albert
6. Hazardous Waste ID Number	EPA/NDP	Complete	NA	Complete	Complete. EPA ID# NVR000081348. Generator name is EMILC.	Complete. EPA ID# NVR000081348. Generator name is EMILC.	C Dubray	NA
7. Noise Level Exploration	BLM	As needed. 3 revisions due Mar/Apr 2011	1 - 2 months		5th "noise level" explorations have been obtained.	5th "noise level" explorations have been obtained for water exploration, mineral exploration and geotechnical testing. Additional notices are obtained as needed to support pre-development activities.	C Dubray	Varies
8. Section 7 Consultation	USFWS/BLM/NDP	Concurrent with DEIS	3-6 months	Concurrent with ROD	The Biological Assessment required by BLM and USFS is currently being prepared by EnviroScientists Inc. for submittal.	Revised Mountain hydrology evaluation by JBR to support biological assessment was completed and forwarded to BLM for review. BLM will be prepared by USFS. Submittal to USFWS. USFWS start of consultation.	P Rogers	JBR and EnviroScientists
9. Water Pollution Control Permit	NDP - Bureau of Mining Regulation and Reclamation	Oct 2009. Response to deficiencies submitted May 10 2010	6 - 12 months	Q1 2011	NDPCEP was revised and submitted in May 2010 with minor revisions. The application has been determined to be technically complete and review has resumed.	NDPCEP was revised and submitted in May 2010 with minor revisions. The application has been determined to be technically complete and review has resumed.	C Dubray	SRK (Application) / M3 & AMEC (Engineering Design)
10. Air Quality Permit	NDP - Bureau of Air Pollution Control	Submitted Feb 2010. Revision submitted August 2010	6 - 9 months	Q1 2011	Revised application submitted August 2010. Received comment letter from NDPCEP and currently drafting response letter.	NDPCEP completed initial review of permit application and issued a Request for Additional Technical Information. March 18th 2010. EMILC submitted additional information in May. Revised application submitted in August 2010. Received NDPCEP comments Sept 2010. Currently drafting response letter for Oct 2010. Submittal.	C Dubray	EnviroScientists
11. Reclamation Permit	NDP - Bureau of Mining Regulation and Reclamation	June 10	5 - 12 months	Approved in conjunction with ROD	Reclamation Permit was revised to reflect changes in the POO and submitted in June 2010 to NDPCEP.	Reclamation Permit was revised to reflect changes in the POO and submitted in June 2010 to NDPCEP.	Steve Boyce	SRK
12. Permit to Construct (Dam Safety Permit)	Nevada Division of Water Resources	Submitted April 13 2010	6 - 9 months	Q1 2010	Permit Application is currently under regulatory technical review.	AMEC completed Response to Comments. Currently under DWR technical review.	C Dubray	AMEC
13. Permit to Construct (Dam Safety Permit)	Nevada Division of Water Resources	Not	6 - 9 months	TBD	TSF pond designs currently under NDPCEP review. Additional ponds require design submittal and are pending engineering review.	Waring on M3 for sufficient design data to complete application. To be determined which ponds are subject to permitting requirements based on revised designs. On hold pending revised design.	C Dubray/Steve Boyce	KPM3
14. Potable Water System	Bureau of Safe Drinking Water	Draft submitted May 2010. Revision T following PDES publication	1 - 3 months	Q2 2011	Additional design requirements pending engineering review.	M3 completed preliminary design which was submitted in May 2010. Received comments back from NDPCEP. BSMV requesting additional engineering and detail in order to approve for construction. As the review process has received a quick turn-around and additional engineering is on hold pending the publishing of the PDES this is temporary on hold and on the schedule with the PDES.	C Dubray	KPM3

Expires 12/31/2018

Expires 11/13/2017

15	Hazardous Materials Storage Permit	Nevada Fire Marshal	T: 6/15/2011	Submit online Immediate approval	Q3 2010	Chemical inventory in progress to determine storage amounts and locations required by permit applicant.	As of Chemicals are currently being developed and will be reviewed to determine storage amounts and locations. Internal review of application and application requirements due by Nov. 30th.	C. Dubayak, K. Kinsella	Sarge, Wainio, John
16	Soil System Permit	Bureau of Water Pollution Control	TBD	2-3 months	TBD	Additional design requirements pending engineering start	Per class 3 report complete. Waiting on MD to complete engineering design. Should have design (MD) by mid 2011. On hold pending project restart	C. Dubayak	TBD
17	Radioactive Material License	Nevada State Health Division	TBD	3 - 4 months	TBD	Additional design requirements pending engineering start	MD is 75% complete with instrumentation design. Upon completion of instrumentation list and installation locations, permit application will be prepared. On hold pending project restart	C. Dubayak	TBD
18	Solid Waste Class III: Wholesaler Landfill Permit	NDEP - Bureau of Solid Waste	T: Q4 2010	2 - 4 months	Concurrent with RoD	Application requirements being evaluated	Site configuration and Management Plan needs to be developed as part of application. No disposal permitted until after RoD. Site is on BLM lands. (Obtain bid for design work). SB contacting SRK for info regarding permitting requirements by Oct 15th	S. Boyce	SRK?
19	Petroleum Contaminated Soils Plan/Permit	NDEP - Bureau of Mining Regulations and Reclamation	T: 9/15/2010	3 months	Q3 2010	Location and design to be developed using template developed by NDEP. Submitted as part of the APCP	Location and design to be developed using template developed by agency and other sites. Typically a single disposal site is selected within a WPOF and outline characterization is performed. A risk assessment is conducted to demonstrate that disposal at the selected site will not result in a release to groundwater or off-site. Need to review program to determine requirements	K. Kinsella	TBD
20	Liquefied Petroleum Gas License (Class 5)	Nevada Board Regulation of Liquefied Petroleum Gas (Eric Smith, Chief Inspector 1-775) 687-4890	TBD	5-7 days following the LPG Board Meeting (3 or 4 times of every 6 months)	TBD	Additional design requirements pending engineering start	Class 5 Application needed. Requires detailed engineering information with engineer stamp. Information forwarded to Modified OHS-10. Submit 11 days prior to monthly board meeting. On hold pending project restart	K. Kinsella	TBD
21	Industrial Artificial Pond Permits	Nevada Division of Wildlife	TBD	3 - 6 months	TBD	Additional design requirements pending engineering start	Design data is being developed to provide information to complete application. On hold pending project restart. CD: awaiting permit waiver options	C. Dubayak	NDOW
22	UEPA Permit	Nevada Public Utilities Commission	12/6/2008 resolution in 4Q 2010	30 - 45 days	Concurrent with RoD	Application submitted to EUC (October 15/2010). Resubmission of final application required within 30 days of FEIS being issued. Will update application with DEIS to ensure the final application is substantially complete and ready prior to FEIS	Application submitted to EUC (October 15/2010). Resubmission of final application required within 30 days of FEIS being issued. Will update application with DEIS to ensure the final application is substantially complete and ready prior to FEIS	J. Rogers	Crystal Kuntz Electrical Consultants Inc. 406-259-9933
23	Encroachment Permit	Nevada Department of Transportation	TBD	TBD	TBD	Additional design requirements pending engineering start	Design is 50% complete. 60-days to finish design. 45 days NDOT permit. 15-days set-up/bidding. 90-day construction period. Subsequent right-of-way to widen intersection. On hold pending project restart	N. Kinsella	F. Kinsella (Randy) Hestery NDOT
24	Permit to Drill Wells (includes requirement permit to drill well, Notice of Intent to Drill (submitted by driller), if pumped needs water right)	Division of Water Resources	As needed	2-3 weeks	As needed	Permits obtained as needed to support well field development and well testing	Permits obtained as needed to support well field development and well testing. BWPC has completed formalization of discharge permits for mining operations to BARRS (2009).	TBD	TBD
25	Temporary Discharge Permit	NDEP - Bureau of Mining Regulation and Reclamation	As needed	2-3 weeks	As needed	Permits obtained as needed to support well field development and well testing	Permits obtained as needed to support well field development and well testing. BWPC has completed formalization of discharge permits for mining operations to BARRS (2009).	TBD	TBD
26	Open Burn Waiver	Bureau of Air Pollution Control	As needed	1 week	As needed	Permits obtained as needed	Currently on hold pending need. Required for the winding or maintaining of an open fire or a fire on any public street, alley, road, or other public or private group.	TBD	TBD
28	Mine Registry Forms	Nevada Division of Minerals	30 days after mining begins	30 days after mining begins	Concurrent with RoD	Registry forms to be submitted 30 days after start-up of operations	30-days after start-up submit the Registry Form required by the Nevada Division of Minerals. Production reports annually thereafter.	K. Kinsella	George Bishop Nevada Division of Minerals
29	Stormwater NPDES General Permit Waiver	NDEP - BWPC	Concurrent with RoD	60 days	Concurrent with RoD	Application for Waiver to be submitted upon receiving RoD	Waiting to receive RoD	C. Dubayak	TBD
30	Water Appropriations	NDWR	T: Q3 2010	9-12 months	As needed	Point of diversion applications were submitted to the State Engineer's office June 2010. Waiting on approval	Point of diversion applications were submitted to the State Engineer's office June 2010. Waiting on approval	K. Kinsella	PBL
31	Fire and Life Safety	Fire Marshal	TBD	TBD	TBD	Architectural plans showing fire suppression systems of all structures are submitted by the fire suppression installation contractor. GMI is required to submit basic structure drawings showing egress locations for each structure	Architectural plans showing the suppression systems of all structures are submitted by the fire suppression installation contractor. GMI is required to submit basic structure drawings showing egress locations for each structure	K. Kinsella	Susan Riolo/State Fire Marshal's Office (775) 684-7530

Pending restart

Table A - Summary of Eureka Moly, LLC – Mount Hope Project - Regional Hydrogeology and Modeling Report Submittals to Eureka County

Date EMLLC Modeling Report Submittal	EMLLC Document Title	Date Technical Review Responses Received from Eureka County	Notes
June, 2008	<i>Hydrogeology and Numeric Flow Modeling of the Mount Hope Area</i>		Water Rights Hearing evidence exchange
September, 2008	<i>Draft - Hydrogeology and Numeric Flow Modeling of the Mount Hope Area</i>	November 12, 2008	Submitted to the BLM and Eureka County for review in association with EIS preparation on October __, 2008, prior to water right hearing held on October 13-17, 2008
		November 12, 2008	Review Comments on September 2008 Draft Hydrogeology and Modeling Report, comments prepared by Carol Oberholtzer, Steve Walker, and Dale C. Bugenig, prepared for the Eureka County Board of Commissioners
		December 4, 2008	Review Comments on September 2008 Draft Hydrogeology and Modeling Report, comments prepared by Carol Oberholtzer, Steve Walker, and Dale C. Bugenig, prepared for the Eureka County Board of Commissioners
January, 2009	<i>Draft - Hydrogeology and Numeric Flow Modeling Report for the Mount Hope Project</i>		Submitted for BLM and Eureka County review on January __, 2009
		March 5, 2009	Review Comments on January 2009 Draft Hydrogeology and Modeling Report, comments prepared by Carol Oberholtzer, Steve Walker, and Dale C. Bugenig, prepared for the Eureka County Board of Commissioners.

Table A, Continued

Date EMLLC Modeling Report Submittal	EMLLC Document Title	Date Technical Review Responses Received from Eureka County	Notes
October, 2009	Draft – Mount Hope Area Hydrogeology and Numeric Flow Modeling		Submitted to BLM and Eureka County for review on October 30, 2009
		November 25, 2009	Comments received from Eureka County on October 2009 Draft Hydrogeology and Modeling Report – signed by Leonard J. Fiorenzi
		December 30, 2009	Lahontan Geoscience Review Comments on Draft Hydrogeology and Modeling Report – October 2009 - prepared by Carol Oberholtzer, reviewed by Dale Bugenig (ECO:LOGIC), prepared for Eureka County
April, 2010	Final Draft - Hydrogeology and Numeric Flow Modeling for the Mount Hope Project		Submitted for BLM and Eureka County review on April 27, 2010
		May 28, 2010	ECO:LOGIC and Lahontan Geoscience review comments prepared by Carol Oberholtzer and Dale Bugenig for the Eureka County Board of Commissioners
July, 2010	Final Report – Hydrogeology and Numeric Flow Modeling for the Mount Hope Project		Issued July 9, 2001. Accepted as Final by BLM with addendum pages issued in September 7, 2010

Table B - Summary of Regional Groundwater Flow Modeling Update Presentations presented to Eureka County, and the Draft EIS Preparation Team including Eureka County as a Cooperating Agency

Date	Presentation
March 3, 2009	Updates to the Numeric Flow Models presented to BLM, EIS Third-Party Consultants, and Eureka County as a Cooperating Agency
March 3, 2009	Updates to the Numeric Flow Model and Predictions presented to Eureka County NEPA Committee
August 27, 2009	Updates to the Numeric Flow Models presented to BLM, EIS Third-Party Consultants, and Eureka County as a Cooperating Agency
October 29, 2009	Updates to the Numeric Flow Models presented to BLM, USFWS, EIS Third-Party Consultants, and Eureka County as a Cooperating Agency
November 5, 2009	Updates to the Numeric Flow Model and Predictions presented to Eureka County Commission
May 26, 2010	Updates to Numeric Flow Modeling presented to BLM, EIS Third-Party Consultants, Eureka County, and Growers Representatives – meeting in Battle Mountain

IN THE SUPREME COURT OF THE STATE OF NEVADA

EUREKA COUNTY, A POLITICAL
SUBDIVISION OF THE STATE OF
NEVADA; KENNETH F. BENSON,
INDIVIDUALLY; DIAMOND CATTLE
COMPANY, LLC, A NEVADA LIMITED
LIABILITY COMPANY; AND MICHEL
AND MARGARET ANN ETCHEVERRY
FAMILY, LP, A NEVADA REGISTERED
FOREIGN LIMITED PARTNERSHIP,

Case No. 61324

District Court Case Nos.
CV 1108-15; CV 1108-156;
CV 1108-157; CV 1112-164;
CV 1112-165; CV 1202-170

Electronically Filed
Dec 27 2012 09:21 a.m.
Tracie K. Lindeman
Clerk of Supreme Court

Appellants,

vs.

THE STATE OF NEVADA STATE
ENGINEER; THE STATE OF NEVADA
DIVISION OF WATER RESOURCES;
AND KOBEH VALLEY RANCH, LLC, A
NEVADA LIMITED LIABILITY
COMPANY,

Respondents.

JOINT APPENDIX

Volume 7

KAREN A. PETERSON, NSB 366
kpeterson@allisonmackenzie.com
JENNIFER MAHE, NSB 9620
jmahe@allisonmackenzie.com
DAWN ELLERBROCK, NSB 7327
dellerbrock@allisonmackenzie.com
ALLISON, MacKENZIE, PAVLAKIS,
WRIGHT & FAGAN, LTD.

402 North Division Street
Carson City, NV 89703
(775) 687-0202

and

THEODORE BEUTEL, NSB 5222
tbeutel@eurekanv.org
Eureka County District Attorney
702 South Main Street
P.O. Box 190
Eureka, NV 89316
(775) 237-5315

Attorneys for Appellant,
EUREKA COUNTY

**CHRONOLOGICAL APPENDIX TO
APPEAL FROM JUDGMENT**

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Petition for Judicial Review	08/08/2011	1	01-06
Notice of Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	07- 08
Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	09-59
Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/11/2011	1	60-62
Summons and Proof of Service, Jason King	08/11/2011	1	63-65
Affidavit of Service by Certified Mail	08/11/2011	1	66-68
Notice of Petition for Judicial Review	08/11/2011	1	69-117
Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/15/2011	1	118-120
Summons and Proof of Service, Jason King	08/15/2011	1	121-123
Summons and Proof of Service, The State of Nevada	08/17/2011	1	124-128
First Additional Summons and Proof of Service, State Engineer, Division of Water Resources	08/17/2011	1	129-133
Order Allowing Intervention of Kobeh Valley Ranch, LLC, to Intervene as a Respondent	09/14/2011	1	134-135

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Partial Motion to Dismiss, Notice of Intent to Defend	09/14/2011	1	136-140
Order Allowing Intervention of Kobeh Valley Ranch, LLC, as a Party Respondent	09/26/2011	1	141-142
Answer to Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/28/2011	1	143-149
Answer to Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/29/2011	1	150-154
Answer to Petition for Judicial Review by Kobeh Valley Ranch, LLC	09/29/2011	1	155-160
Order Directing the Consolidation of Action CV1108-156 and Action No. CV1108-157 with Action CV1108-155	10/26/2011	1	161-162
Summary of Record on Appeal	10/27/2011	2-26	163-5026
Request for and Points and Authorities in Support of Issuance of Writ of Prohibition and in Opposition to Motion to Dismiss	11/10/2011	27	5027-5052
Order Setting Briefing Schedule	12/02/2011	27	5053-5055
Reply in Support of Partial Motion to Dismiss and Opposition to Request for Writ of Prohibition	12/15/2011	27	5056-5061

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Kobeh Valley Ranch's Reply to Conley/Morrison's Request for and Points and Authorities in Support of Issuance of Writ of Prohibition and in Opposition to Motion to Dismiss	12/15/2011	27	5062-5083
Kobeh Valley Ranch's Joinder in the State of Nevada and Jason King's Partial Motion to Dismiss	12/15/2011	27	5084-5086
Petition for Judicial Review	12/29/2011	27	5087-5091
Petition for Judicial Review	12/30/2011	27	5092-5097
Summons and Proof of Service, The State of Nevada	01/11/2012	27	5098-5100
First Additional Summons and Proof of Service, State Engineer, Division of Water Resources	01/11/2012	27	5101-5103
First Amended Petition for Judicial Review	01/12/2012	27	5104-5111
Opening Brief of Conley Land & Livestock, LLC and Lloyd Morrison	01/13/2012	27	5112-5133
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Opening Brief	01/13/2012	27	5134-5177
Eureka County's Opening Brief	01/13/2012	27	5178-5243
Eureka County's Summary of Record on Appeal - CV1112-0164	01/13/2012	28	5244-5420
Eureka County's Supplemental Summary of Record on Appeal - CV1108-155	01/13/2012	29-30	5421-5701

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Order Granting Extension	01/26/2012	31	5702-5703
Answer to Petition for Judicial Review	01/30/2012	31	5704-5710
Answer to First Amended Petition for Judicial Review	01/30/2012	31	5711-5717
Supplemental Petition for Judicial Review	01/31/2012	31	5718-5720
Petition for Judicial Review	02/01/2012	31	5721-5727
Summary of Record on Appeal	02/03/2012	31	5728-5733
Record on Appeal, Vol. I, Bates Stamped Pages 1-216	02/03/2012	31	5734-5950
Record on Appeal, Vol. II, Bates Stamped Pages 217-421	02/03/2012	32	5951-6156
Record on Appeal, Vol. III, Bates Stamped Pages 422-661	02/03/2012	33	6157-6397
Answer to Petition to Judicial Review	02/23/2012	34	6398-6403
Answering Brief	02/24/2012	34	6404-6447
Respondent Kobeh Valley Ranch, LLC's Answering Brief	02/24/2012	34	6448-6518
Reply Brief of Conley Land & Livestock, LLC and Lloyd Morrison	03/28/2012	34	6519-6541
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Reply Brief	03/28/2012	34	6542-6565
Eureka County's Reply Brief	03/28/2012	34	6566-6638

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Transcript for Petition for Judicial Review	04/03/2012	35	6639-6779
Corrected Answering Brief	04/05/2012	35	6780-6822
Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/13/2012	36	6823-6881
Notice of Entry of Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/18/2012	36	6882-6944
Notice of Appeal	07/10/2012	36	6945-6949
Petitioners Benson, Diamond Cattle Co., and Etcheverry Family LP's Notice of Appeal	07/12/2012	36	6950-6951
Excerpts from Transcript of Proceedings	10/13/2008	36	6952-6964

**ALPHABETICAL APPENDIX TO
APPEAL FROM JUDGMENT**

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Affidavit of Service by Certified Mail	08/11/2011	1	66-68
Answer to Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review by Kobre Valley Ranch, LLC	09/28/2011	1	143-149
Answer to Petition for Judicial Review by Kobre Valley Ranch, LLC	09/29/2011	1	150-154
Answer to Petition for Judicial Review by Kobre Valley Ranch, LLC	09/29/2011	1	155-160
Answer to Petition for Judicial Review	01/30/2012	31	5704-5710
Answer to First Amended Petition for Judicial Review	01/30/2012	31	5711-5717
Answer to Petition to Judicial Review	02/23/2012	34	6398-6403
Answering Brief	02/24/2012	34	6404-6447
Corrected Answering Brief	04/05/2012	35	6780-6822
Eureka County's Supplemental Summary of Record on Appeal - CV1108-155	01/13/2012	29-30	5421-5701
Eureka County's Summary of Record on Appeal - CV1112-0164	01/13/2012	28	5244-5420
Eureka County's Opening Brief	01/13/2012	27	5178-5243
Eureka County's Reply Brief	03/28/2012	34	6566-6638
Excerpts from Transcript of Proceedings	10/13/2008	36	6952-6964

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/13/2012	36	6823-6881
First Additional Summons and Proof of Service, State Engineer, Division of Water Resources	08/17/2011	1	129-133
First Additional Summons and Proof of Service, State Engineer, Division of Water Resources	01/11/2012	27	5101-5103
First Amended Petition for Judicial Review	01/12/2012	27	5104-5111
Kobeh Valley Ranch's Reply to Conley/Morrison's Request for and Points and Authorities in Support of Issuance of Writ of Prohibition and in Opposition to Motion to Dismiss	12/15/2011	27	5062-5083
Kobeh Valley Ranch's Joinder in the State of Nevada and Jason King's Partial Motion to Dismiss	12/15/2011	27	5084-5086
Notice of Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	07- 08
Notice of Petition for Judicial Review	08/11/2011	1	69-117
Notice of Entry of Findings of Fact, Conclusions of Law, and Order Denying Petitions for Judicial Review	06/18/2012	36	6882-6944
Notice of Appeal	07/10/2012	36	6945-6949
Opening Brief of Conley Land & Livestock, LLC and Lloyd Morrison	01/13/2012	27	5112-5133

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Order Allowing Intervention of Kobeh Valley Ranch, LLC, to Intervene as a Respondent	09/14/2011	1	134-135
Order Allowing Intervention of Kobeh Valley Ranch, LLC, as a Party Respondent	09/26/2011	1	141-142
Order Directing the Consolidation of Action CV1108-156 and Action No. CV1108-157 with Action CV1108-155	10/26/2011	1	161-162
Order Setting Briefing Schedule	12/02/2011	27	5053-5055
Order Granting Extension	01/26/2012	31	5702-5703
Partial Motion to Dismiss, Notice of Intent to Defend	09/14/2011	1	136-140
Petition for Judicial Review	08/08/2011	1	01-06
Petition for Judicial Review	12/29/2011	27	5087-5091
Petition for Judicial Review	12/30/2011	27	5092-5097
Petition for Judicial Review	02/01/2012	31	5721-5727
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Opening Brief	01/13/2012	27	5134-5177
Petitioners Kenneth F. Benson, Diamond Cattle Company, LLC, and Michel and Margaret Ann Etcheverry Family LP's Reply Brief	03/28/2012	34	6542-6565
Petitioners Benson, Diamond Cattle Co., and Etcheverry Family LP's Notice of Appeal	07/12/2012	36	6950-6951

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Record on Appeal, Vol. II, Bates Stamped Pages 217-421	02/03/2012	32	5951-6156
Record on Appeal, Vol. I, Bates Stamped Pages 1-216	02/03/2012	31	5734-5950
Record on Appeal, Vol. III, Bates Stamped Pages 422-661	02/03/2012	33	6157-6397
Reply in Support of Partial Motion to Dismiss and Opposition to Request for Writ of Prohibition	12/15/2011	27	5056-5061
Reply Brief of Conley Land & Livestock, LLC and Lloyd Morrison	03/28/2012	34	6519-6541
Request for and Points and Authorities in Support of Issuance of Writ of Prohibition and in Opposition to Motion to Dismiss	11/10/2011	27	5027-5052
Respondent Kobeh Valley Ranch, LLC's Answering Brief	02/24/2012	34	6448-6518
Summary of Record on Appeal	10/27/2011	2-26	163-5026
Summary of Record on Appeal	02/03/2012	31	5728-5733
Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/11/2011	1	60-62
Summons and Proof of Service, Jason King	08/11/2011	1	63-65
Summons and Proof of Service, Jason King	08/15/2011	1	121-123
Summons and Proof of Service, Kobeh Valley Ranch, LLC	08/15/2011	1	118-120

<u>DOCUMENT</u>	<u>DATE</u>	<u>VOL</u>	<u>JA NO.</u>
Summons and Proof of Service, The State of Nevada	08/17/2011	1	124-128
Summons and Proof of Service, The State of Nevada	01/11/2012	27	5098-5100
Supplemental Petition for Judicial Review	01/31/2012	31	5718-5720
Transcript for Petition for Judicial Review	04/03/2012	35	6639-6779
Verified Petition for Writ of Prohibition, Complaint and Petition for Judicial Review	08/10/2011	1	09-59

CERTIFICATE OF APPENDIX (NRAP 30(g)(1))

In compliance with NRAP 30(g)(1) I hereby certify that this Appendix consists of true and correct copies of the papers in the District Court file.

DATED: December 21, 2012.

/s/ KAREN A. PETERSON

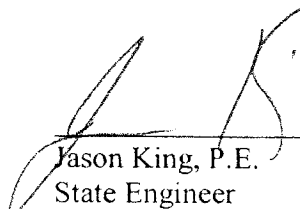
KAREN A. PETERSON, NSB #366
ALLISON, MacKENZIE, PAVLAKIS,
WRIGHT & FAGAN, LTD.
P.O. Box 646
Carson City, NV 89702

Attorneys for Appellant,
EUREKA COUNTY

CERTIFICATE OF RECORD

STATE OF NEVADA)
) ss
CARSON CITY)

I, JASON KING, State Engineer of the State of Nevada, duly appointed and qualified, having full charge of the records and files of the Office of the State Engineer, do hereby certify that any copies of originals provided herein are full, complete and true copies as appear in the records and files of the Office of the State Engineer of Nevada.

 P.E.

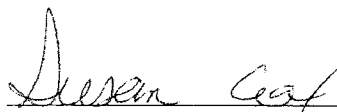
Jason King, P.E.
State Engineer

8-11-11

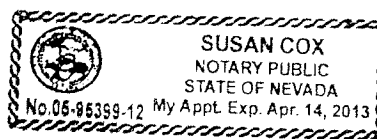
Date

SUBSCRIBED AND SWORN to before me
by Jason King, P.E. this

11 day of Aug, 2011.



Notary Public



Record on Review
In the matter of Eureka Co. v S.E. (Kobeh Valley Ranch Hearing)

EXHIBIT LIST

HEARING DESCRIPTION: Kobeh Valley Ranch

HEARING DATE: 6-Dec-10

na = not admitted

		OFF.	AD.
1	Notice of Hearing September 21, 2010	x	x
2	Notice of Additional Hearing April 22, 2011	x	x
3	Memorandum March 18, 2011	x	x
4	Affidavit of Dale Bugenig	x	x
5	Affidavit of Jake Tibbits	x	x
6			
	Administrative Notice of Permit 52921		
8			
9	Letter from Jarrad C. Miller withdrawing as counsel	x	x
10	Protestant Morrison submittal	x	x
11	Response to Motions by Applicant	x	x
12	Benson Procedural Motion to submit closing briefs	x	x
13	Benson Procedural Motion to adopt previous record	x	x
14	Benson Procedural Motion to hear testimony out of order	x	na
15	Power point slides Cedar Ranches Inc / Alan Chamberlain		
16	Representative protest of Cedar Ranches Inc from file 76744		
17	Representative protests of Lloyd Morrison from Files 79911 and 72695	x	x
18	Tackett Protest to Application 79914	x	x
19	Tackett Protest to Application 79918	x	x
20	Tackett Protest to Application 79925	x	x
21	Application 79938	x	x
22	Application 79939	x	x
23	Application 79940	x	x
24	Application 79941	x	x
25	Application 79942	x	x
26	Notice of Default and Election to sell	x	x
27	Warranty Deed (Cedar Ranches)	x	x
28	Agreement with Eureka Producer's Cooperative	x	x
29	Agricultural Sustainability Trust	x	x
30	Request for Water Conservation Plan	x	na
31	Halpin Stipulations	x	x
32	Mt. Hope - Environmental Permit and Approval Matrix	x	x
33	Table A Summary of Eureka Moly Hydrogeology and Modeling Reports	x	x
34	Mount Hope Mine Water Resources Monitoring Plan	x	x
35	Schematic of Water Cycle	x	x
36	BLM Acceptance letter of July 27, 2010	x	x
37	Financial "Package"	x	x
38	Terry Katzer's Testimony and Appendices A and B	x	x
39	Volumes 1 and 2 of Hydrogeology and Modeling	x	x
40	Report - Kobeh Valley Well Field Data Summary Report 3/8/2010	x	x
41	KVR 2010 Hearing Applications flow chart	x	na

94	Application 77525	x	x
95	Application 77526	x	x
96	Application 77527	x	x
97	Application 77553	x	x
98	Application 78424	x	x
99	Application 79911	x	x
100	Application 79912	x	x
101	Application 79913	x	x
102	Application 79914	x	x
103	Application 79915	x	x
104	Application 79916	x	x
105	Application 79917	x	x
106	Application 79918	x	x
107	Application 79919	x	x
108	Application 79920	x	x
109	Application 79921	x	x
110	Application 79922	x	x
111	Application 79923	x	x
112	Application 79924	x	x
113	Application 79925	x	x
114	Application 79926	x	x
115	Application 79927	x	x
116	Application 79928	x	x
117	Application 79929	x	x
118	Application 79930	x	x
119	Application 79931	x	x
120	Application 79932	x	x
121	Application 79933	x	x
122	Application 79934	x	x
123	Application 79935	x	x
124	Application 79936	x	x
125	Application 79937	x	x
126	Eureka Co. Proposed Monitoring.... Plan	x	x
127	CV Dale Bugenig	x	x
128	CV Carol Oberholtzer	x	x
129	USGS Report 99-4272		
130	USGS Open File Repot 95-107		
131	Scientific Investigations Report 2007-5099		
132	USGS Report 2004-5239		
133	USGS Report 96-4134		
134	Scientific Investigations Report 2006-5249		
135	Open File Report 2007-1156		
136	Water Resources Bulletin No. 12		
137	Water Resources Bulletin No. 35		
138	Reconnaissance Series Report 2		
139	Reconnaissance Series Report 6		
140	Reconnaissance Series Report 30		
141	Errol L. Montgomery & Assoc, Inc., April 20, 2007, Draft Report		
142	Bugo, T.S., February 2008. Draft Mount Hope Project, ...		
143	CV Steven K. Walker	x	x
144	Walker and Associates Report, October 15, 2010	x	x
145	Walker and Associates Memorandum	x	x

42	Proposed Points of Diversion and Place of Use Map	x	x
43	Application 72695	x	x
44	Application 72696	x	x
45	Application 72697	x	x
46	Application 72698	x	x
47	Application 73545	x	x
48	Application 73546	x	x
49	Application 73547	x	x
50	Application 73548	x	x
51	Application 73549	x	x
52	Application 73550	x	x
53	Application 73551	x	x
54	Application 73552	x	x
55	Application 74587	x	x
56	Application 75988	x	x
57	Application 75989	x	x
58	Application 75990	x	x
59	Application 75991	x	x
60	Application 75992	x	x
61	Application 75993	x	x
62	Application 75994	x	x
63	Application 75995	x	x
64	Application 75996	x	x
65	Application 75997	x	x
66	Application 75998	x	x
67	Application 75999	x	x
68	Application 76000	x	x
69	Application 76001	x	x
70	Application 76002	x	x
71	Application 76003	x	x
72	Application 76004	x	x
73	Application 76005	x	x
74	Application 76006	x	x
75	Application 76007	x	x
76	Application 76008	x	x
77	Application 76009	x	x
78	Application 76483	x	x
79	Application 76484	x	x
80	Application 76485	x	x
81	Application 76486	x	x
82	Application 76744	x	x
83	Application 76745	x	x
84	Application 76746	x	x
85	Application 76802	x	x
86	Application 76803	x	x
87	Application 76804	x	x
88	Application 76805	x	x
89	Application 76989	x	x
90	Application 76990	x	x
91	Application 77171	x	x
92	Application 77174	x	x
93	Application 77175	x	x

146	Eureka Co Public Works, Summary Report June 2008	x	x
147	Damale Power Point presentation	x	x
148	Eureka County Maps 3 water systems - 2 maps each	x	x
149	3 maps - Applications, points of diversion, place of use	x	x
150	USGS and Eureka Co Joint Funding Agreements 2005 to 2010	x	x
151	Map of Private land near Mount Hope Project	x	x
152	Wise Family Dev., LLC water applications 79962, 79963 and 79964	x	x
153	Portions of Eureka County Master Plan, 2010	x	x
154	Eureka Co Water Dedication Ordinance	x	x
155	State Engineer's Ruling 3569	x	x
156	Water Rights Spreadsheet	x	x
157	Decree - Pete Hanson Creek, October 8, 1976	x	x
158	BLM memorandum of understanding		
159	Letter to BLM regarding Eureka County's compliance with MOU		
160	Kobeh V Hydrographic summaries	x	x
161	Pine V Hydrographic summaries	x	x
162	Diamond V Hydrographic Summaries	x	x
163	General Moly Notices of Exploration	x	x
164	Testimony of Jim Gallagher, October 14, 2008	x	x
165	Testimony of Tim Halpin, October 13, 2008	x	x
166	CV of Rex Massey	x	x
167	Fiscal Impact Review ... December 2008		
168	Nevada County Population est. July 1, 1986 to July 1, 2009		
169	Minutes of Eureka Co Board of Commissioner's Meeting Jan 20, 2010		
170	Memorandum from Abigail C. Johnson June 7, 2010		
171	Gibellini Vanadium Project presentation Oct. 19, 2010		
172	Nevada Grazing Statistics Report and Economic Analysis, Mar 26, 2001		
173	Expanded statistics and data summary by counties		
174	Expanded statistics and data summary by water and years for water		
175	Updated economic linkages in the Economy of Eureka Co Report	x	x
176	Economic Development 2002 Eureka Co Ag Stats, Fact Sheet 03-62		
177	Eureka Co Ag Statistics, 1987-2007 with attachments	x	x
178	Map of water rights near the project		
179	USGS phase II report for Diamond V flow system when available		
300	Google Earth Map of Protestant's property	x	x
301	Transcript of Testimony of Ken Benson	x	x
302	Water Certificate Nos. 6358, 7874, and 10225	x	x
303	Benson Public Comment 11/14/2008		
304	Craig Benson Public Comment 11/14/2008		
305	Craig Benson, Water Certificates 6517 and 6518	x	x
306	Water Certificates 7520,6959,6960,6961,6962	x	x
307	Transcript of Testimony of Dale Bugenig		
308	Newspaper Articles		
309	USGS contracts evidencing study, FOIA Request	x	x
310	USGS study: Diamond V. Flow System -FOIA request		
311	State Engineer's Administrative Record in prior hearing		
312	Benson Protest to Application 79934	x	x
313	Benson Protest to Application 79935	x	x
314	Benson Protest to Application 79936	x	x
315	Benson Protest to Application 79937	x	x
316	Benson Protest to Application 79938	x	x
317	Benson Protest to Application 79939	x	x

401	Legal Memorandum		
402	Memorandum of May 28, 2010, Bugenig and Oberholtzer	x	x
403	Series of documents wherein the State Engineer traveled to Eureka	x	x
404	Ruling 2798, dated January 31, 1983	x	x
405	State Engineer publication of January 10, 2010, on consumptive use	x	x
406	Ruling 4848	x	x
407	Deed wherein KVR acquired Heard Ranch	x	x
408	Dwight Smith report utilizing the 2008 points of diversion - 2010 model	x	x
409	Letter dated October 1, 2010 addressed to the Eureka Co Comm	x	x
410	Exxon permits 44431 and 44436.	x	x
411	Resume of Jack M. Childress	x	x
412	Resume of Derek J. Blazer		
413	Corporate Charter and Articles of Incorporation	x	x
414	Protest to Application 78721, filed by Eureka County on July 10, 2009	x	x
415	Low, Dennis James, 1982, Geology of Whistler Mountain...	x	x
501	Walker & Associates, Nov 23, 2010, Technical Memorandum	x	x
502	Dale C. Bugenig, Consulting Hydrologist, LLC, Nov 24, 2010	x	x
503	Lahontan Geoscience, Inc, Nov 24, 2010, Technical Memorandum	x	x
504	Powerpoint of Walker & Associates	x	x
505	Powerpoint of Dale C. Bugenig, Consulting Hydrogeologist, LLC	x	x
506	Powerpoint of Lahontan GeoScience, Inc.	x	x
507	Jake Tibbitts, memorandum dated November 29, 2010	x	x
508	copy of Eureka Co Protest to Apps 72695-98, 73545-52	x	x
509	copy of Eureka Co Protest to Apps 75988-76009	x	x
510	copy of Eureka County's Amended Protest to Applications 76005-76009	x	x
511	copy of Eureka County's protest to Applications 76483-73486	x	x
512	copy of Eureka County's protest to Applications 76744-76746	x	x
513	copy of Eureka County's Protest to Applications 76802-76805	x	x
514	copy of Eureka County's Protest to Applications 76989 and 76990	x	x
515	copy of Eureka Co protest to Apps 77171, 77174, 77175, 77525-77527	x	x
516	copy of Eureka County's protest to Application 77553	x	x
517	copy of Eureka County's protest to Application 78424	x	x
518	copy of Eureka County's Protest to Applications 79911-79942	x	x
519	Mt. Hope Water Brochure	x	x
520	General Moly Mt. Hope Tour, October 18, 2010	x	x
521	Powerpoint of Rex Massey	x	x
522	State Engineer's Order 1169	x	x
523	Permit No 57527	x	x
524	Permit 78629	x	x
525	Map of Buckingham Land and Water rights	x	x
526	Map of Etcheverry Family Limited Partnership Land and Water Rights	x	x
527	Map of MW Cattle Co. Land and Water Rights	x	x
528	Map of Gary Garaventa Land and Water Rights	x	x
529	Map of Eureka Livestock Co Land and Water Rights	x	x
530	Map of Federal Reserved Water Rights - Stockwater and Domestic	x	x
531	Future Mining Growth and Development in Kobeh Valley	x	x

JIM GIBBONS
Governor

STATE OF NEVADA



LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

Re: Applications 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76005, 76006, 76007, 76008, 76009, 76483, 76484, 76485, 76486, 76744, 76745, 76746, 76802, 76803, 76804, 76805, 76989, 76990, 77171, 77174, 77175, 77525, 77526, 77527, 77553, 78424, 79911, 79912, 79913, 79914, 79915, 79916, 79917, 79918, 79919, 79920, 79921, 79922, 79923, 79924, 79925, 79926, 79927, 79928, 79929, 79930, 79931, 79932, 79933, 79934, 79935, 79936, 79937, 79938, 79939, 79940, 79941 and 79942

September 21, 2010

NOTICE OF HEARING

Kobeh Valley Ranch, LLC
c/o General Moly, Inc.
1726 Cole Boulevard, Suite 115
Lakewood, CO 80401
Certified Mail
#7106 7808 0630 0044 1568

Eureka County
P.O. Box 677
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0044 1582

Conley Land & Livestock, LLC
Beverly Conley
(successor to protestant David Stine)
P.O. Box 111
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0044 1575

Tim Halpin
P.O. Box 538
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0044 1599

Lloyd Morrison
P.O. Box 52
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0044 1605

copy to
000

JA1110

Re: Applications 72695 etc.
September 21, 2010
Page 2

Lander County
315 South Humboldt Street
Battle Mountain, Nevada 89820
Certified Mail
#7106 7808 0630 0044 1612

Ken Benson
P.O. Box 158
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0044 1636

Baxter Glenn Tackett
P.O. Box 695
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0044 1629

Cedar Ranches, LLC
P.O. Box 942
Eureka, Nevada 89316-0942
Certified Mail
#7106 7808 0630 0044 1643

Ladies and Gentlemen:

PLEASE TAKE NOTICE; pursuant to the authority set forth in NRS §§ 533.365, 533.370 and 533.375, the State Engineer hereby sets an administrative hearing to consider the matter of protested Applications 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76005, 76006, 76007, 76008, 76009, 76483, 76484, 76485, 76486, 76744, 76745, 76746, 76802, 76803, 76804, 76805, 76989, 76990, 77171, 77174, 77175, 77525, 77526, 77527, 77553, 78424, 79911, 79912, 79913, 79914, 79915, 79916, 79917, 79918, 79919, 79920, 79921, 79922, 79923, 79924, 79925, 79926, 79927, 79928, 79929, 79930, 79931, 79932, 79933, 79934, 79935, 79936, 79937, 79938, 79939, 79940, 79941 and 79942.

The applications at issue represent requests by the Applicant to procure sufficient water for a proposed molybdenum mine. The applications are a combination of applications for new appropriations of water and changes of existing water rights. The mine site is to be located near Mount Hope, which is approximately 25 miles northwest of the Town of Eureka, Eureka County, Nevada. The Applicant, Kobrech Valley Ranch, LLC, is a company formed by General Moly, Inc. to manage, hold and control the water rights for the project.

Applications 72695 through 72698 were filed on May 3, 2005, Applications 73545 through 73552 were filed on December 5, 2005, and Application 74587 was filed on August 2, 2006, to appropriate groundwater from the Kobrech Valley Hydrographic Basin for the project described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine.

Applications 75988 through 76009 were filed on June 29, 2007, Applications 76483 through 76486 were filed on November 14, 2007, Applications 76744 through 76746 were filed February 13, 2008, Applications 76989 and 76990 were filed April 23, 2008, and Applications 79911 through 79942 were filed June 15, 2010, all to change the point of diversion, place of use

Re: Applications 72695 etc.
September 21, 2010
Page 3

and manner of use of groundwater previously requested for appropriation by application or appropriated under existing permits and certificates and for the same project.

Applications 76802 through 76805 were filed March 11, 2008, Applications 77171, 77174 and 77175 were filed June 20, 2008, Applications 77525, 77526 and 77527 were filed October 23, 2008, Application 77553 was filed on November 3, 2008, and Application 78424 was filed April 30, 2009, to change the point of diversion of underground water previously requested for appropriation by application and for the same project.

The applications, excluding Application 74587, were protested by various persons and entities including David Stine (Beverly Conley), Eureka County, Tim Halpin, Lloyd Morrison, Cedar Ranches, Inc., Baxter Glenn Tackett, Ken Benson, and Lander County.

A public administrative hearing was previously held in this matter on October 13, 2008, through October 17, 2008, in Carson City, Nevada, before representatives of the Office of the State Engineer, which resulted in State Engineer's Ruling No. 5966 issued on March 26, 2009. Petitions for judicial review of Ruling No. 5966 were filed by Eureka County, Tim Halpin, Eureka Producers Cooperative and Cedar Ranches, LLC. On April 20, 2010, the Seventh Judicial District Court of the State of Nevada granted the petitions for judicial review and vacated State Engineer's Ruling No. 5966 remanding the matter to the State Engineer for further hearing. On May 24, 2010, a pre-hearing conference was held.

Accordingly, please take notice that pursuant to the order of remand, the hearing will begin promptly at 9:00 a.m., on Monday, December 6, 2010, continuing through Tuesday, December 7, 2010, and on Thursday, December 9, 2010, continuing through Friday December 10, 2010, to be held at the Tahoe Hearing Room, Nevada Division of Water Resources, 901 South Stewart Street, Second Floor, Carson City, Nevada. Please note that the hearing will be in recess on Wednesday December 8, 2010.

The exchange of documents, witness lists and descriptions of witness testimony will take place in two simultaneous exchanges.

Initial Evidentiary Exchange: The parties are hereby ordered to serve on each other and the State Engineer in Carson City, service meaning received by the party served, no later than Friday, October 22, 2010, an exhibit list, a witness list, a reasonably detailed summary of the testimony of each witness, and copies of any documentary evidence intended to be introduced into the hearing record. Computer presentations, such as power-point slides, must be copied on paper that is 8½" x 11", offered into evidence and exchanged.

If a witness is not identified in the exchanges as testifying on direct as to a certain topic, the witness may not be allowed to testify to the unidentified topic in his or her direct testimony. If a witness is to be presented to provide expert testimony, the evidentiary exchange shall include a written report prepared and signed by the witness, which shall contain a complete statement of

Re: Applications 72695 etc.
September 21, 2010
Page 4

all opinions to be expressed and the basis and reasons for those opinions, identification of the data or other information considered by the witness in forming the opinions, any exhibits to be used as a summary of or in support of the opinions and a statement of qualifications of the witness. The parties may choose to exchange documents via computer compact disk in PDF 20 x 20 dpi format.

Second Evidentiary Exchange: The parties are hereby ordered to serve on each other and the State Engineer in Carson City, no later than Monday, November 29, 2010, an additional exhibit list, witness list, witness testimony summaries or documentary evidence intended to be introduced at the administrative hearing that may be necessary in response to the other parties' first evidentiary exchange. This exchange is meant only to provide evidence that becomes necessary in rebuttal to the original exchange. It is not intended to be the first time a party presents evidence as to their case-in-chief. Again, the parties may choose to exchange documents via computer compact disk in PDF format. There will be no additional evidentiary exchanges or rebuttal cases allowed.

Nevada Administrative Code § 533.290 requires that exhibits introduced into evidence must be in a readily reproducible form, on paper that is 8½" x 11" or foldable to that size. Larger charts, maps, drawings and other material will not be admitted into evidence, but may be used for demonstrative purposes. The submission of exhibits submitted on computer compact disks or any other media, other than paper that is 8½" x 11" or foldable to that size, will be considered on a case-by-case basis. An original and one copy of each exhibit must be submitted to the State Engineer with exhibit numbers identified as provided below. Facilities are not available for copying documents during the hearing.

For the presentation of excerpts from large documents, the State Engineer will allow the submission of excerpts, but upon request, the person or entity serving such document must make the entire document available to whomever requests it. If excerpts for a larger document are served and the person upon whom it is served requests to have the entire document in either a hard copy or in a PDF format on a computer compact disk, the person serving said document has 10 days from the date of receipt of the request to place the requested copy in the U.S. Mail.

The parties can agree to document receipt in a digital format and the digital standard will be PDF 20 x 20 dpi files. Any document, report, power-point slides, etc. that any participant intends to refer to must be provided as an exhibit during the administrative hearing and served upon the other participants and the State Engineer in advance.

If any computer models are presented as evidence, the parties must provide the electronic data files necessary to run the model during the initial evidentiary exchange and the models must be completed in freely available codes, for example MODFLOW. Failure to provide this information will render any such evidence inadmissible.

Re: Applications 72695 etc.
September 21, 2010
Page 5

The use of any computer, projector or other type of equipment in the hearing room must be arranged in advance with the information technology staff of the Division of Water Resources.

The order for the administrative hearing will be as follows, noting that the order is subject to change as may be necessary during the course of the administrative hearing or if settlement is reached with any of the parties prior to the administrative hearing. The Applicant will present its case first followed by the Protestants. The Applicant will present its case on Monday and Tuesday and the Protestants will present their respective cases on Thursday and Friday.

Pursuant to NRS § 533.365(4), the technical rules of evidence do not apply to administrative hearings before the State Engineer.

The parties are assigned the following exhibit numbers for the initial evidentiary exchange:

State Engineer	1 - 25
KVR	26 - 125
Eureka County	126 - 225
All other Protestants	Exhibit numbers will be assigned as needed

The Applicant KVR is to provide copies of all Applications as part of its initial evidentiary submission. The Protestants are required to provide copies of all respective Protests for each application as part of their evidentiary submission.

The parties are assigned the following exhibit numbers for the secondary evidentiary exchange:

KVR	401 - 500
Eureka County	501 - 600
All other Protestants	Exhibit numbers will be assigned as needed

As set forth in Nevada Administrative Code § 533.220, the hearing will be reported by a certified court reporter. The court reporter will file an original and one copy of the transcripts with the State Engineer. Anyone wanting a copy of the transcript should make arrangements with the court reporter. The costs of the transcript will be borne by the Applicant and Protestants as set forth in the Nevada Administrative Code.

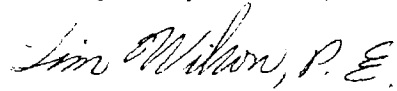
You or your designated representative should plan to attend the hearing for the purposes of presenting evidence or testimony in support of your position concerning the protested applications. Legal counsel not licensed to practice law in the State of Nevada is required to comply with Supreme Court Rule 42. The Verified Application to Associate form that needs to be filed with the Nevada State Bar can be found on the Nevada Division of Water Resources website found at <http://water.nv.gov>, Forms Room - Miscellaneous Forms.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the hearing. If special arrangements for the hearing are necessary,

Re: Applications 72695 etc.
September 21, 2010
Page 6

please notify the Hearings Section of the Nevada Division of Water Resources, 901 South Stewart,
Second Floor, Carson City, Nevada, 89701, or by calling (775) 684-2873.

Respectfully submitted,



Tim Wilson, P.E.
Hearings Officer

TW/jm

cc: Ross de Lipkau, Parsons, Behle & Latimer
Karen A. Peterson, Allison & McKenzie
Jared Miller, Robertson & Benevento
Josh Johnson, E-mail
Jason King, E-mail
Tracy Taylor, E-mail
Kelvin Hickenbottom, E-mail
Bob Conrad, E-mail
Mike Wolz, E-mail
Bryan Stockton, E-mail
Barbara Shand, E-mail
Cy Ryan, E-mail
Don Ham, E-mail
Ed Vogel, E-mail
Henry Brean, E-mail
Ian Russell, E-mail
J.C. Davis, E-mail
Jeff De Long, E-mail
Joe Sickings, E-mail
Josh Johnson, E-mail
Keith Rogers, E-mail
Ken Ritter, E-mail
Kent Harper, E-mail
Launce Rake, E-mail
Lisa Wolf, E-mail
Mary Manning, E-mail
Patty Henetz, E-mail
Patty Kaczmarek, E-mail
Ray Thompson, E-mail
Warren Bates, E-mail
Steve Del Soldato, E-mail
Elko Branch Office, E-mail
Southern Nevada Branch Office, E-mail
Capitol Reporters, E-mail

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

Re: Applications 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76005, 76006, 76007, 76008, 76009, 76483, 76484, 76485, 76486, 76744, 76745, 76746, 76802, 76803, 76804, 76805, 76989, 76990, 77171, 77174, 77175, 77525, 77526, 77527, 77553, 78424, 79911, 79912, 79913, 79914, 79915, 79916, 79917, 79918, 79919, 79920, 79921, 79922, 79923, 79924, 79925, 79926, 79927, 79928, 79929, 79930, 79931, 79932, 79933, 79934, 79935, 79936, 79937, 79938, 79939, 79940, 79941 and 79942

April 22, 2011

NOTICE OF ADDITIONAL HEARING

Kobeh Valley Ranch, LLC
c/o General Moly, Inc.
1726 Cole Boulevard, Suite 115
Lakewood, CO 80401
Certified Mail
#7106 7808 0630 0046 3041

Eureka County
P.O. Box 677
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0046 3065

Conley Land & Livestock, LLC
P.O. Box 111
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0046 3058

Lloyd Morrison
P.O. Box 52
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0046 3072

Copy 000000
JA1116

Re: Applications 72695 etc.
April 22, 2011
Page 2

Lander County
315 South Humboldt Street
Battle Mountain, Nevada 89820
Certified Mail
#7106 7808 0630 0046 3089

Ken Benson
P.O. Box 158
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0046 3102

Baxter Glenn Tackett
P.O. Box 695
Eureka, Nevada 89316
Certified Mail
#7106 7808 0630 0046 3096

Cedar Ranches, LLC
P.O. Box 942
Eureka, Nevada 89316-0942
Certified Mail
#7106 7808 0630 0046 3119

Ladies and Gentlemen:

PLEASE TAKE NOTICE; pursuant to the authority set forth in NRS §533.375, the State Engineer hereby sets an additional day of administrative hearing to consider the matter of the above-referenced protested applications.

Nevada Revised Statute §533.375 provides that before either approving or rejecting an application, the State Engineer may require such additional information as will enable the State Engineer to properly guard the public interest. On March 3, 2011, the Applicant was requested to provide additional information to the Office of the State Engineer, primarily related to clarification of Applicant's Exhibit No. 35, and was ordered to serve this information on the Protestants. The Protestants were given the opportunity to respond to any information submitted by the Applicant. The Applicant complied with the request for additional information and submitted a memorandum by Patrick Rogers, Manager Environmental and Permitting, EMLLC. After the information was served, Protestant Eureka County filed a response and requested, in part, that additional hearing time be provided to cross-examine Mr. Rogers on his memorandum. The Applicant stated that it has no objection to additional hearing time.

Accordingly, please take notice that the hearing will reconvene for one day beginning promptly at **9:00 a.m., on Tuesday, May 10, 2011, to be held at the Tahoe Hearing Room, Nevada Division of Water Resources, 901 South Stewart Street, Second Floor, Carson City, Nevada.**

As set forth in Nevada Administrative Code § 533.220, the hearing will be reported by a certified court reporter. The court reporter will file an original and one copy of the transcripts with the State Engineer. Anyone wanting a copy of the transcript should make arrangements with the court reporter. The costs of the transcript will be borne by the Applicant and Protestants as set forth in the Nevada Administrative Code.

The hearing will begin with Mr. Rogers presenting testimony and/or evidence regarding his memorandum, followed by cross-examination by any Protestants.

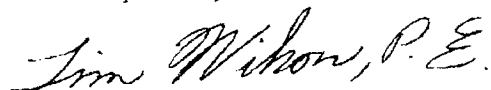
Re: Applications 72695 etc.

April 22, 2011

Page 3

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the hearing. If special arrangements for the hearing are necessary, please notify the Hearings Section of the Nevada Division of Water Resources, 901 South Stewart, Second Floor, Carson City, Nevada, 89701, or by calling (775) 684-2873.

Respectfully submitted,



Tim Wilson, P.E.
Hearings Officer

TW/dl

cc: Ross de Lipkau, Parsons, Behle & Latimer
Karen A. Peterson, Allison & McKenzie
Jason King, E-mail
Tracy Taylor, E-mail
Kelvin Hickenbottom, E-mail
Bob Conrad, E-mail
Mike Wolz, E-mail
Bryan Stockton, E-mail
Barbara Shand, E-mail
Cy Ryan, E-mail
Don Ham, E-mail
Ed Vogel, E-mail
Henry Brean, E-mail
Ian Russell, E-mail
J.C. Davis, E-mail
Jeff De Long, E-mail
Joe Sickings, E-mail
Josh Johnson, E-mail
Keith Rogers, E-mail
Ken Ritter, E-mail
Kent Harper, E-mail
Launce Rake, E-mail
Lisa Wolf, E-mail
Mary Manning, E-mail
Patty Henetz, E-mail
Patty Kaczmarek, E-mail
Ray Thompson, E-mail
Warren Bates, E-mail
Steve Del Soldato, E-mail
Elko Branch Office, E-mail
Southern Nevada Branch Office, E-mail
Capitol Reporters, E-mail

RECEIVED

Memorandum

2011 MAR 21 PM 2: 29

March 18, 2011

To: Nevada State Engineer

STATE ENGINEER

From: Patrick Rogers, Manager Environmental and Permitting, EMLLC

Subject: Summary of Inter-basin Water Uses

This memorandum provides a technical summary of the primary uses of groundwater for the proposed Mt. Hope project in response to the State Engineer letter of 3 March 2011 and specifically in regards to Nevada Revised Statute §533.364. The State Engineer letter requests more detail of the water uses in each hydrographic basin assuming peak water usage and identification of what uses are considered a source from one basin and consumed in another basin. Exhibit 35, as presented by Patrick Rogers in the December 2010 Hearing, provides a schematic of general uses.

Conclusions

1. Diamond Valley water from pit dewatering used in Kobeh Valley (the only transfer) is estimated to be a maximum of 129 afa and simply a result of the open pit mine situated across the basin divide.
 - a. Thus, NRS 533.364 is not applicable to Diamond Valley.
2. Kobeh Valley water used in the Diamond Valley side of the open pit to supplement the pit dewatering source is estimated to be a maximum of 188 afa and Kobeh Valley water consumed in the processing area located in Diamond Valley is estimated to be a maximum of 513 afa, for a total of 701 afa.
 - a. Thus, NRS 533.364 is applicable to Kobeh Valley.

Discussion

Water balances are provided in **Table 1** for open pit mining sources and uses and in **Table 2** for Kobeh Valley sources and uses for the process plant and tailings dam (non-open pit mining uses). This information is derived from the records and proceedings of the October 2008 and December 2010 Hearings, primarily Exhibits 39 and 105.

1. Diamond Valley Pit Inflow Source used in Kobeh Valley

The only interbasin transfer of Diamond Valley water would occur in the open pit mine for use as dust control water. This transfer is a result of the ore deposit sitting on top of the hydrographic divide and the resultant commingling of groundwater into the bottom of the open pit and collected and used for the wetting of haul roads, shovel pits, and stockpiles to reduce particulate dust emissions. The water flowing from the Diamond Valley hydrographic basin into the pit varies over the life of the mine depending on various parameters including pit geometry, hydrologic properties of exposed geologic strata and hydraulic gradient. The open pit is predominantly situated on the Diamond Valley side of the divide; hence the maximum inflow from Diamond Valley is estimated for 80% of the total pit inflow (20% contribution by Kobeh Valley) at ultimate pit size in Year 32. See **Figure A** and **Figure B** for the location of the divide relative to mining operations. The portions of water that will be utilized for dust control in the mine in

Kobeh Valley and Diamond Valley are estimated using the approach of estimating the water use based on the areas of the footprint of pit, haul roads, dumps and stockpile located in Kobeh Valley and Diamond Valley. As this water cannot be practically separated in the pit, the mixed Diamond Valley and Kobeh Valley pit inflows are pumped into water trucks and transported to where it is needed for dust control inside the open pit mining operation and on stockpiles. As stockpiles will be placed on both sides of the hydrographic divide between Kobeh Valley and Diamond Valley a transfer of this commingled water occurs across the divide to its place of consumptive use. All Diamond Valley pit inflow is consumed in the mining operation and no other transfer of Diamond Valley water occurs throughout the rest of the mining operation. The maximum transfer of Diamond Valley waters to Kobeh Valley is estimated to be 129 afa for the maximum use year (Year 30). This estimate is based upon the portion of disturbed area in Diamond Valley of 80%. See **Table 1** for the water balance for open pit mining sources and uses. The pit dewatering is tabulated by year to illustrate the inflows as presented in *Hydrogeology and Numerical Flow Modeling, Montgomery & Associates, et.al. July 2010* (Exhibit 39). **Table 1** also presents how this water is commingled and redistributed across the basin divide.

2. Kobeh Valley Pit Inflow Source used in Diamond Valley

In almost all project years there is a shortage of open pit dewatering water drained from the aquifer to cover the environmental dust control mining use (see Table 1). Water will be supplemented to the mine dust control system from the Kobeh Valley wellfield. This water would also be commingled with Diamond Valley and Kobeh Valley pit dewatering and redistributed across the hydrographic basin divide in water trucks. The maximum transfer of Kobeh Valley to Diamond Valley for dust control purposes is estimated at 188 afa in Year 0, the preproduction year, where no pit inflows occur from aquifer drainage (pit excavation is initially above the water table).

3. Other uses of Kobeh Valley wellfield water

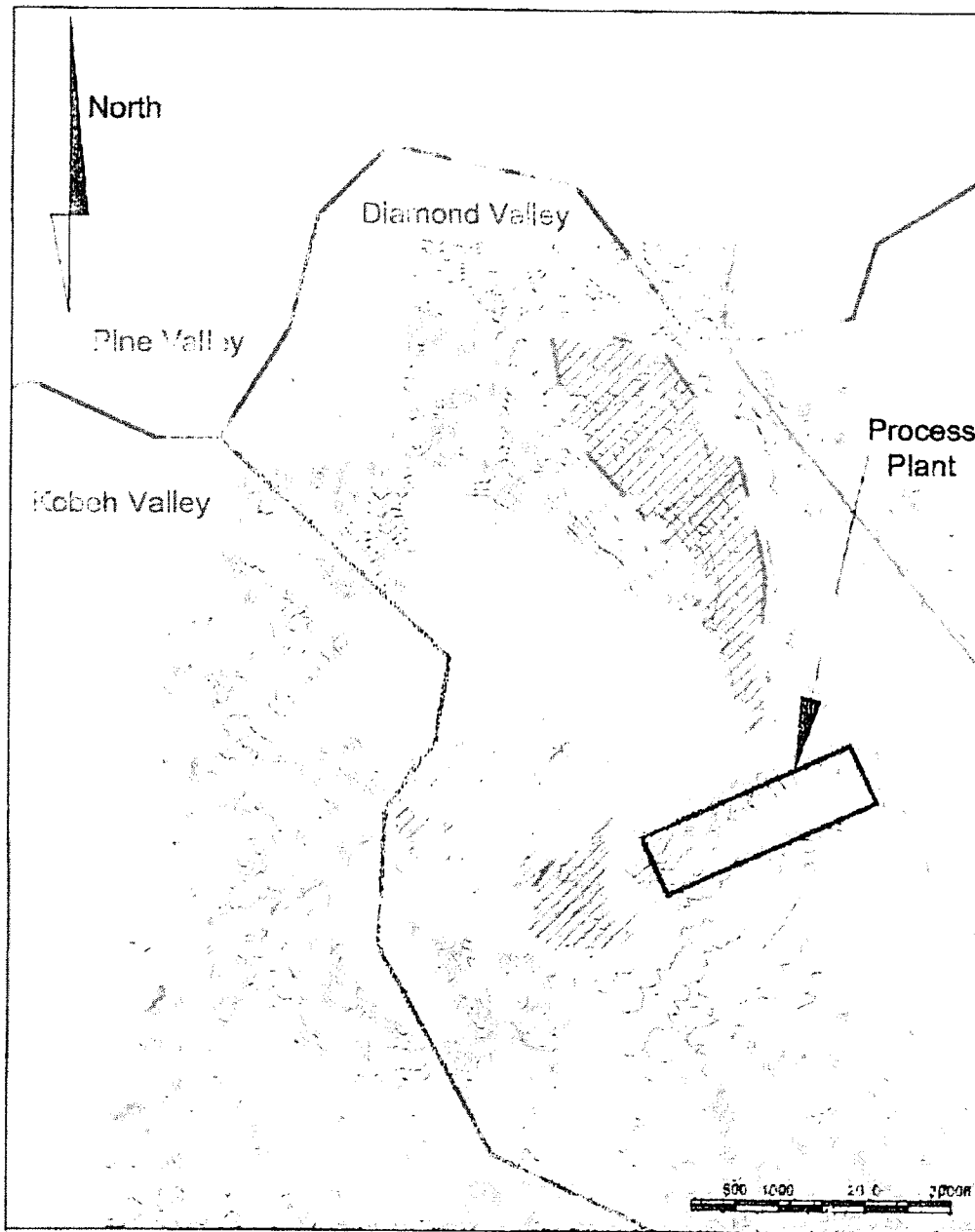
Additional Kobeh Valley water is consumed in Diamond Valley for use at the process plant. These uses are primarily dust control, evaporative losses and domestic water uses. Water losses used to suppress dust at the primary crusher and coarse ore conveyor, losses evaporated through the roaster stack and potable water uses (discharged from sanitary facilities to drain fields) comprise the majority of all uses (95%). The maximum use is estimated at 513 afa (see Table 2). This use is considered an interbasin transfer of Kobeh Valley wellfield water to the plant located in Diamond Valley.

4. General

The primary consumptive use of Kobeh Valley wellfield water occurs in the tailings dam in both retained water in tailings slimes and water lost to evaporation at the tailings impoundments, both impoundments being situated entirely in Kobeh Valley. These uses are not considered an interbasin transfer in that the source of water is derived in Kobeh Valley and the tailings impoundments are situated in Kobeh Valley.

The primary source of water for the project is from Kobeh Valley where 10 production wells are planned. Two additional wells located in Kobeh Valley will be used for a construction water source to be located west of the south tailings facility that is located in Kobeh Valley (Exhibit 39). Other sources of water include the currently held Diamond Valley water rights appurtenant to the Mt. Hope mine, comprising 543 afa and approximately 485 afa that is currently appurtenant to the Gale Ranch in Diamond Valley, but subject to change applications pending before the State Engineer. Application to change a portion of the

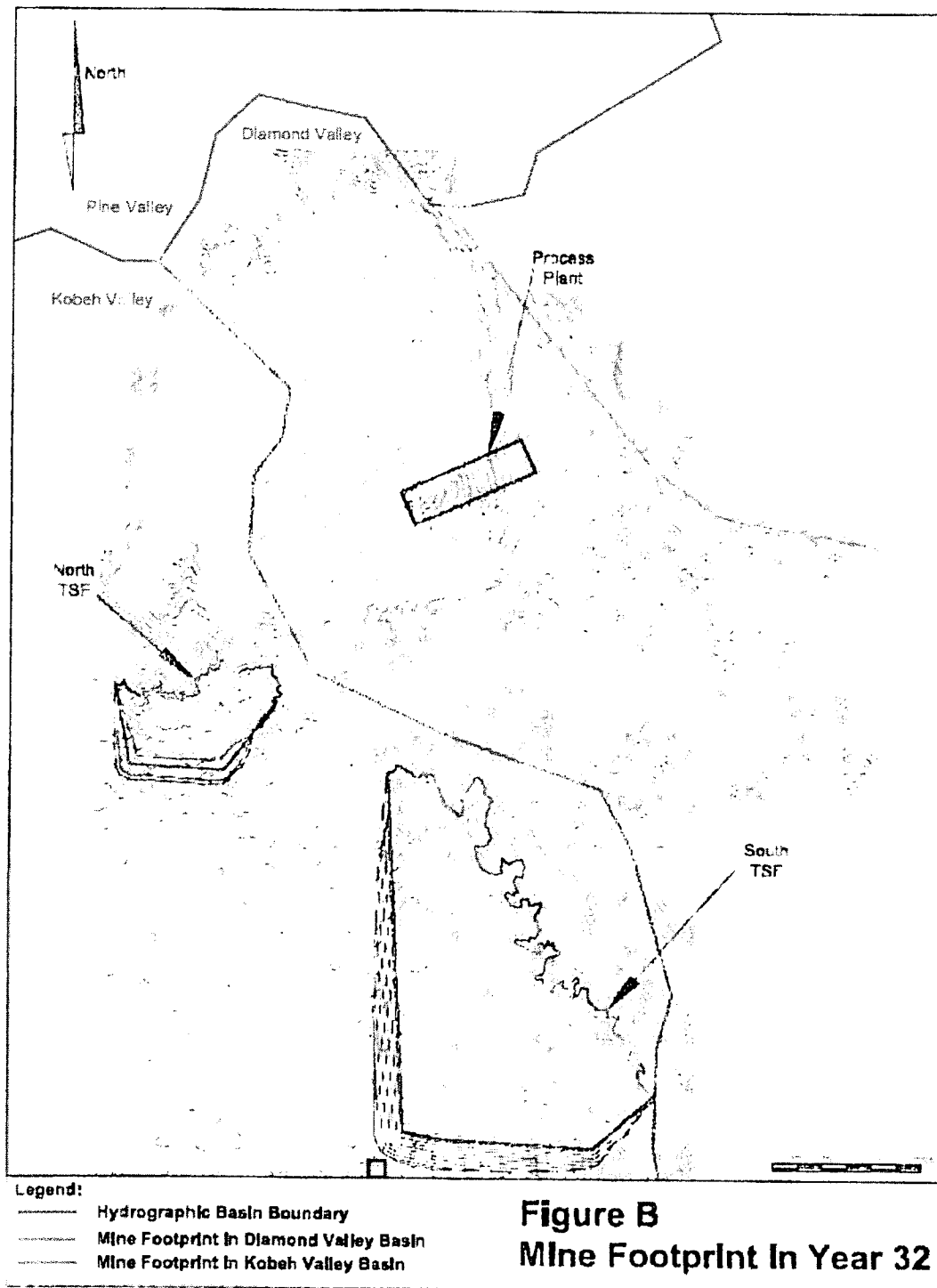
Gale Ranch water is currently pending before the State Engineer. These Diamond Valley sources would be used for pit dewatering. Total water consumption for the proposed Mt. Hope mine is estimated at 11,300 afa.



Legend:
 — Hydrographic Basin Boundary
 — Mine Footprint in Diamond Valley Basin
 — Mine Footprint in Kobeh Valley Basin

Figure A
Mine Footprint In Year 1

Represents a compilation based on Exhibit 39



Represents a compilation based on Exhibit 39

Table 1: Estimate of Pit Inflows (dewatering) compared to Water used for Mine Dust Control ⁽¹⁾

Mine Year	Water Sources (in afa) ⁽²⁾					Water Uses (in afa) ⁽³⁾			
	from Kobreh Valley		from Diamond Valley	Mixed Water	Ratio from KV	in Diamond Valley		in Kobreh Valley	
	Wellfield (makeup)	KV side of pit	DV side of pit	Pit + Makeup		total	sourced from KV	total	sourced from DV
Pre-prod 0	188	0	0	188	100%	188	188	0	0
1	108	0	94	202	54%	188	101	14	6
2	82	2	150	234	36%	210	76	24	15
3	149	3	113	265	57%	232	133	33	14
4	11	11	276	297	7%	253	18	43	40
5	95	11	222	328	32%	275	89	53	36
6	119	15	226	360	37%	297	111	63	40
7	125	20	247	392	37%	318	118	73	46
8	0	43	457	500	9%	340	29	83	76
9	130	32	292	455	36%	362	129	93	60
10	165	43	309	518	40%	405	163	113	67
15	148	57	355	560	37%	436	160	124	78
20	27	88	486	601	19%	466	89	135	109
25	8	107	527	643	18%	496	89	147	120
30	0	137	605	742	18%	526	97	159	129
End Mining 32	49	135	541	726	25%	555	141	171	127
Pit take offs 33	70	92	368	530	100%	70	70	0	0
water 34	70	87	349	507	100%	70	70	0	0
remains 35	70	85	340	496	100%	70	70	0	0
in pit after 36	70	83	333	487	100%	70	70	0	0
Year 32 37	70	82	327	479	100%	70	70	0	0
38	70	80	322	473	100%	70	70	0	0
39	70	79	317	467	100%	70	70	0	0
40	70	78	313	461	100%	70	70	0	0
41	70	77	309	456	100%	70	70	0	0
42	70	76	305	451	100%	70	70	0	0
43	70	75	301	447	100%	70	70	0	0
End of Project 44	70	74	298	442	100%	70	70	0	0
Average	80	60	314	454	63%	228	92	47	34
Maximum	188	137	605	742	100%	555	188	171	129

⁽¹⁾ Montgomery (2010) Exhibit 39

⁽²⁾ Projected pit surface: ultimate pit surface at year 32 is approximately 20% in KV and 80% in DV Dwight Smith testimony, December, 2010

⁽³⁾ Water for Mine Dust Control is based upon mine/stockpile footprint assuming a maximum use of 726 afa in year 32 at 4,177 acre footprint. Exhibit 105.

Table 2: Water uses (excluding pit use) with Source from Kobeh Valley wellfield
Mount Hope Water Demand and Consumption at Maximum Production Rate by Hydrographic Basin Location

Water Consumption	Used in KV (afa)	Used in DV (afa)	Total Used (afa)
Roaster	0	150	150
Potable Water Systems	0	182	182
TSF Liner Seepage	21	-	21
Retention in the TSF Solids	8,628	-	8,628
Evaporation at TSF	1,396	-	1,396
Evaporation at tails thickeners	-	4	4
Evaporation at concentrate thickener	-	0.02	0.02
Evaporation at crusher/ conveyor dust suppression	-	156	156
Evaporation at truck wash	-	20	20
	10,045	513	10,558
Add back maximum pit inflow (afa)			742
Water application amount for KV and DV			11,300
Interbasin Transfer KV to DV (afa)		513	

ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
E-Mail Address: law@allisonmackenzie.com

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES
BEFORE JASON KING, P.E., STATE ENGINEER

In the Matter of Application Nos:

72695, 72696, 72697, 72698, 73545, 73546,
73547, 73548, 73549, 73550, 73551, 73552,
74587, 75988, 75989, 75990, 75991, 75992,
75993, 75994, 75995, 75996, 75997, 75998,
75999, 76000, 76001, 76002, 76003, 76004,
76005, 76006, 76007, 76008, 76009, 76483,
76484, 76485, 76486, 76744, 76745, 76746,
76802, 76803, 76804, 76805, 76989, 76990,
77171, 77174, 77175, 77525, 77526, 77527,
77553, 78424, 79911, 79912, 79913, 79914,
79915, 79916, 79917, 79918, 79919, 79920,
79921, 79922, 79923, 79924, 79925, 79926,
79927, 79928, 79929, 79930, 79931, 79932,
79933, 79934, 79935, 79936, 79937, 79938,
79939, 79940, 79941 and 79942 to
appropriate the public waters of an
underground source.

AFFIDAVIT OF
DALE BUGENIG

RECEIVED
2011 APR -5 PM 4:04
STATE ENGINEER

STATE OF NEVADA)
CARSON CITY) ss

DALE BUGENIG, being first duly sworn, under penalty of perjury, deposes
and says that:

1. That he is the hydrogeologist for Eureka County, a Protestant in the
above-referenced matter.

2. That he researched and drafted the Memo, in collaboration with Jake
Tibbitts, to Jason King, P.E., State Engineer, and Tim Wilson, P.E., Hearing Officer, regarding
a Response to Eureka Moly, LLC's March 21, 2011 Submission to the State Engineer, a true

ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
E-Mail Address: law@allisonmackenzie.com

1 and correct copy of which is attached hereto as Exhibit "A" and incorporated herein by this
2 reference.

3
4 3. That he testified at the hearing on the above-referenced matter and that if
5 he were called to testify with regard to the subject matter of the memo, the memo is an accurate
6 representation of the sworn testimony, under penalty of perjury, that he would provide.

7 DATED this 4th day of April, 2011.

8
9
10 
11 DALE BUGENIG

12 On April 4, 2011, personally appeared before me, a notary
13 public, DALE BUGENIG, personally known (or proved) to me to be the person whose name is
14 subscribed to the Affidavit of Dale Bugenig, who acknowledged to me that he executed the
15 foregoing instrument.

16
17 
18 NOTARY PUBLIC

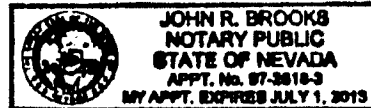


EXHIBIT "A"

000952

JA1128

Memo

To: Jason King, P.E., State Engineer
Tim Wilson, P.E., Hearing Officer

From: Jake Tibbitts and Dale Bugenig



cc: Eureka County Commission

Date: April 4, 2011

Re: Response to Eureka Moly, LLC's March 21, 2011 Submission to the State Engineer

Introduction

On March 3, 2011 Tim Wilson, P.E., Hearing Officer, issued a letter requesting additional information generally related to the Exhibit 35 produced by the Applicant and the application of NRS 533.384 to the pending applications. On March 21, 2011, Eureka County received the Applicant's response to Mr. Wilson's correspondence consisting of:

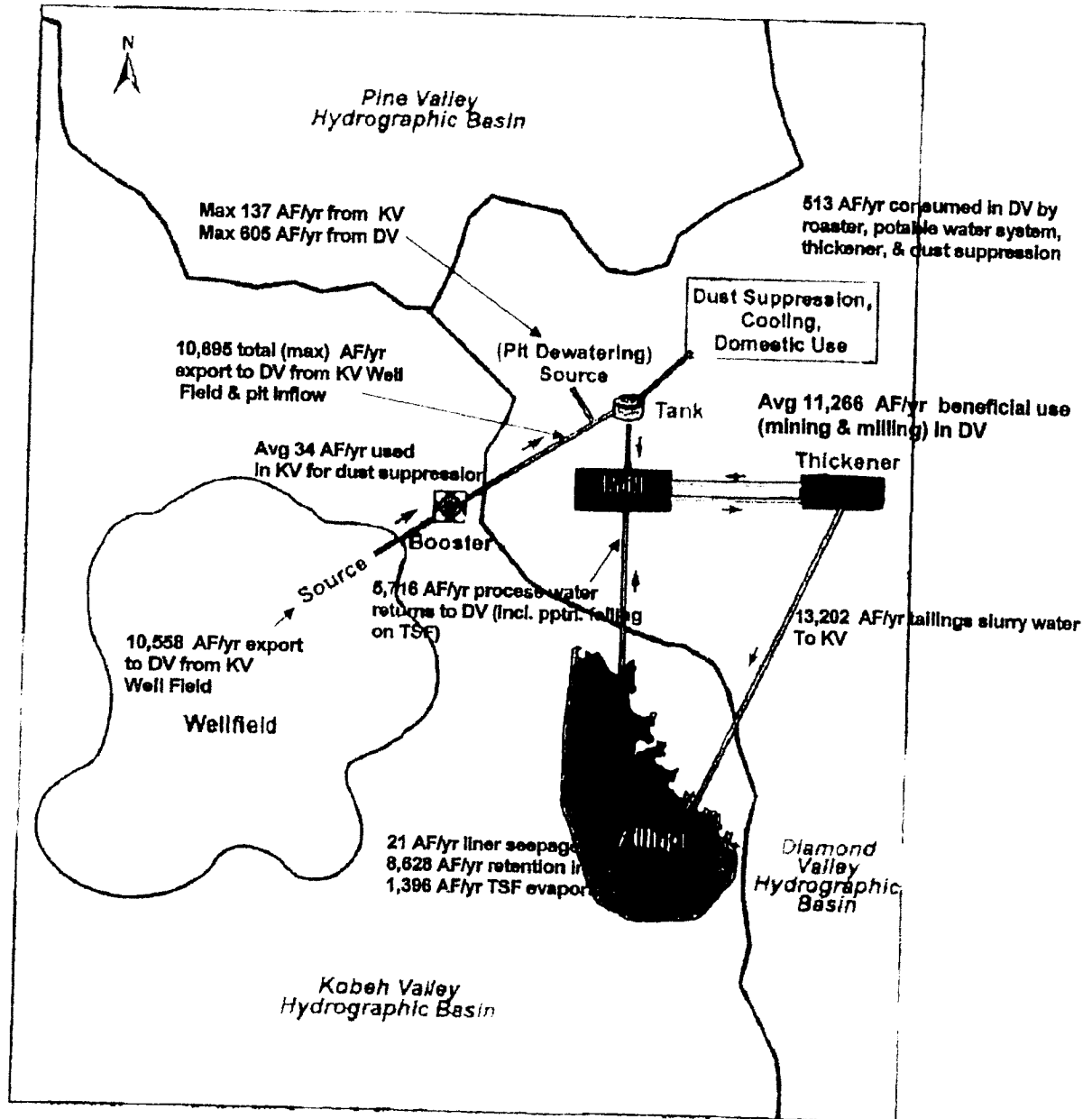
1. March 21, 2011 letter from Ross de Lipkau;
2. March 18, 2011 Memorandum to the Nevada State Engineer;
3. Exhibit A;
4. Exhibit B;
5. Exhibit C;
6. Exhibit D;
7. Exhibit E;
8. Plate 1(A); and
9. Plate 1(B).

We have had the opportunity to review both Tim Wilson's March 3, 2011 correspondence and the Applicant's submission and offer the following comments.

Inter-basin transfer of water from Kobeh Valley to Diamond Valley

The March 18, 2011 Memorandum prepared by Patrick Rogers, provides a discussion of the quantity of groundwater "consumed" in Diamond Valley as a result of Eureka Moly, LLC's inter-basin transfer from Kobeh Valley. Mr. Roger's Memorandum is apparently in response to the request for further detail regarding Applicant's Exhibit 35.

Below is a copy of Applicant's Exhibit 35 from the December 2010 administrative hearing before the Nevada State Engineer. We have annotated it with information from James Moore's testimony in the October, 2008 hearing, Applicant's Exhibits 108 and 112 from the October, 2008 hearing and Tables 1 and 2 of Mr. Rogers' March 18, 2011 Memorandum to help explain the beneficial use of water by the project. Of the approximately 11,300 acre-feet per year (AF/yr) of groundwater appropriations sought by Eureka Moly, LLC (EMLLC) for mining and milling purposes, approximately 10,695 acre-feet of groundwater is proposed to be diverted in Kobeh Valley (originating from the Kobeh Valley well field and as pit inflow) and exported to Diamond Valley for beneficial use at the mill which is located solely in Diamond Valley. The balance of the 11,300 AF/yr needed for





EUREKA MOLY
MT. HOPE PROJECT
 Water Flow Illustration
 Eureka County, Nevada
 October 12, 2010

Exhibit 35

mining and milling is estimated to originate from Diamond Valley as pit inflow. The water is put to beneficial use processing the ore (the manner of use) in Diamond Valley. The beneficial use in Diamond Valley includes use in the roaster and thickener and use as a source of water for the potable water system and for dust suppression.

After the water is beneficially used for mining and milling the ore in Diamond Valley, it becomes a slurry of mine wastes (tailings and process fluids). The slurry is thereafter exported to Kobeh Valley to the tailings storage facility (TSF). The slurry exported to Kobeh Valley, following its use in the mining and milling facilities, is no longer water which could be put to a beneficial use other than that water reclaimed in the mining circuit. At the TSF, approximately 1,396 AF/yr of the process water is evaporated; approximately 8,628 AF/yr is retained by the tailings and approximately 21 AF/yr seeps through the TSF liner. Approximately 68%-70% of the slurry water is reclaimed at the TSF by EMLLC and is thereafter exported again from Kobeh Valley into Diamond Valley to be put to beneficial use in the mining and milling operations, forming a circuit whereby water is removed from Kobeh Valley and exported to Diamond Valley for beneficial use.

Elsewhere in Nevada, such as at the lithium mining operations in Esmeralda County, the State Engineer has not recognized evaporation as a beneficial use. The Applicant's discussion of consumption of the water as opposed to the beneficial use has the effect of downplaying the amount of water exported from Kobeh Valley and put to beneficial use in Diamond Valley. It is an important distinction that the beneficial use of the water exported from Kobeh Valley takes place in Diamond Valley where the mill is located so that the full extent of the inter-basin transfer is clear.

EMLLC's response suggests the TSF was strategically placed in Kobeh Valley strictly because of the inter-basin water transfer issue in order to minimize the amount of water effectively transferred from Kobeh Valley. Note that multiple locations for the TSF were originally considered for location in Diamond Valley. The TSF was ultimately located in Kobeh Valley strictly for economic and engineering considerations so that its location had little bearing on planning where resources were to be put to beneficial use.

Pit Inflows

It is clear that the pit inflow amounts are estimates of the contributions of groundwater from Diamond and Kobeh Valleys and the actual inflow can be expected to vary from these estimates. In his letter, Mr. de Lipkau seems to allude to the contribution of water from Diamond Valley originating in the pit that will be used in Kobeh Valley as a concrete number, not an estimate. Conversely, Mr. Rogers acknowledges in his Memorandum that this quantity is simply an estimate. We agree with Mr. Rogers that, due to the complex geology and structure in the pit area of Mt Hope, there is a degree of uncertainty in these estimates. The actual amount of groundwater exported from Diamond Valley to Kobeh Valley cannot be known until pit dewatering actually occurs and will vary on a year-to-year or even daily basis. No discussion has been provided to describe the means to verify that the mine does not pump more water from Diamond Valley than the amount of the groundwater rights it currently holds in that basin or that it does not export more than 250 acre-feet per year from Diamond Valley.

Water Rights Inventory

The March 3, 2011 letter from Tim Wilson required additional information as to whether NRS 533.364 applied to the applications. EMLCC's response concedes that NRS 533.364 applies and attaches a print out of a portion of the basin abstract obtained from the State Engineer's website as the necessary inventory. There are several shortcomings to the inventory provided by Mr. de Lipkau:

- It is simply a printout of a query of the State Engineer's own web site. We were able to duplicate this effort in five minutes or less. A reading of NRS 533.364 highlights that the inventory shall include the amount and *location* of the water rights and water still available for appropriation. Little or no effort was expended to address the location of springs or groundwater resources potentially available for appropriation.

- The printouts from the State Engineer's website provided are stamped "Preliminary and Subject to Revision." Instead of the web-site information query, an adequate inventory would have provided data and information that were quality checked to ensure a complete and up-to-date inventory.
- The copy of the groundwater inventory provided as Exhibit A was missing the first two pages.
- A review of the abstract indicates that it is not a complete and accurate inventory. For example, it lists two water rights (Applications 4919 and 5047) as located in White Pine County. None of basin 139 (Kobeh Valley hydrographic basin) extends into White Pine County, calling into question the accuracy of the preliminary information provided by the Applicant and whether the Applicant reviewed the data it provided to the State Engineer. Application 4919 is in fact located in Eureka County and Application 5047 is located in White Pine County but not in Kobeh Valley. A thorough review of the information that provides the basis of the preliminary abstract is required to document its accuracy.
- An independent query of the State Engineer's website by Eureka County resulted in a slightly different listing of surface water rights, adding two additional rights omitted from the Applicant's inventory.
- The Applicant's inventory failed to include any current domestic wells in Kobeh Valley and future domestic wells that could come into existence. County code allows for one domestic well on each individual parcel. As testified to at the hearing and stated in Exhibit 521 at page 9, there are 7,471 acres of private land in Kobeh Valley that potentially could be sub-divided into smaller parcels and each parcel would be allowed a domestic well.
- During both the October 2008 and the December 2010 administrative hearings before the State Engineer, testimony was presented regarding vested water rights in Kobeh Valley. This testimony is part of the administrative records of the State Engineer, yet the Applicant's inventory ignores these specific vested rights and perhaps hundreds of other vested water rights in Kobeh Valley.

Water Speculation

The statutes related to inter-basin transfers prohibit inter-basin transfers that limit future growth and development in the source basin. Presumably to address this aspect of inter-basin transfer regulations, in his March 21, 2011 letter, Mr. de Lipkau stated "... the applicant has agreed to make groundwater available to third parties in order not to preclude future growth in Kobeh Valley." Pending applications for irrigation at Bobcat Ranch and Mr. de Lipkau's comments are in direct conflict with previous statements regarding the ranching aspect of KVR. During the 2008 hearing, KVR made it explicitly clear that it is not in the ranching or farming business and testified that its water needs were strictly for mining. Mr. de Lipkau's statements contradict the testimony of Mr. Rogers during the 2008 administrative hearing before the State Engineer where Mr. de Lipkau asked Mr. Rogers "What will happen to the Bobcat Ranch after the water is removed therefrom?" Mr. Rogers replied "It will be reclaimed or allowed to naturally return to a native vegetation community." (Vol. 3, pg. 610). At the 2010 hearing, one of the KVR witnesses acknowledged that KVR was not involved in the ranching or agricultural business. (Vol. 1, pg. 39, lines 17-20)." The water Mr. de Lipkau asserts will be available for other potential future uses has not been permitted by the State Engineer and is in direct conflict with previous statements leading to a conclusion that the current round of agricultural applications is simply water speculation.

ALLISON, MacKENZIE, P.A., J.S. WRIGHT & FAGAN, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
E-Mail Address: law@allisonmackenzie.com

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES
BEFORE JASON KING, P.E., STATE ENGINEER

In the Matter of Application Nos:

72695, 72696, 72697, 72698, 73545, 73546,
73547, 73548, 73549, 73550, 73551, 73552,
74587, 75988, 75989, 75990, 75991, 75992,
75993, 75994, 75995, 75996, 75997, 75998,
75999, 76000, 76001, 76002, 76003, 76004,
76005, 76006, 76007, 76008, 76009, 76483,
76484, 76485, 76486, 76744, 76745, 76746,
76802, 76803, 76804, 76805, 76989, 76990,
77171, 77174, 77175, 77525, 77526, 77527,
77553, 78424, 79911, 79912, 79913, 79914,
79915, 79916, 79917, 79918, 79919, 79920,
79921, 79922, 79923, 79924, 79925, 79926,
79927, 79928, 79929, 79930, 79931, 79932,
79933, 79934, 79935, 79936, 79937, 79938,
79939, 79940, 79941 and 79942 to
appropriate the public waters of an
underground source.

AFFIDAVIT OF
JAKE TIBBITTS

RECEIVED
2011 APR -5 PM 4:04
STATE ENGINEER

STATE OF NEVADA)
CARSON CITY) ss

JAKE TIBBITTS, being first duly sworn, under penalty of perjury, deposes and
says that:

1. That he is the Natural Resources Manager for Eureka County, a
Protestant in the above-referenced matter.

2. That he researched and drafted the Memo, in collaboration with Dale
Bugenig, to Jason King, P.E., State Engineer, and Tim Wilson, P.E., Hearing Officer,
regarding a Response to Eureka Moly, LLC's March 21, 2011 Submission to the State

ALLISON, MacKENZIE, PA\ JS, WRIGHT & FAGAN, LTD.
402 North Division Street, P.O. Box 646, Carson City, NV 89702
Telephone: (775) 687-0202 Fax: (775) 882-7918
E-Mail Address: law@allisonmackenzie.com

1 Engineer, a true and correct copy of which is attached hereto as Exhibit "A" and incorporated
2 herein by this reference.

3 3. That he testified at the hearing on the above-referenced matter and that if
4 he were called to testify with regard to the subject matter of the memo, the memo is an accurate
5 representation of the sworn testimony, under penalty of perjury, that he would provide.
6

7 DATED this 4 day of April, 2011.

8
9
10 
11 JAKE TIBBITTS

12 On April 4, 2011, personally appeared before me, a notary
13 public, JAKE TIBBITTS, personally known (or proved) to me to be the person whose name is
14 subscribed to the Affidavit of Jake Tibbitts, who acknowledged to me that he executed the
15 foregoing instrument.

16
17 
18 NOTARY PUBLIC

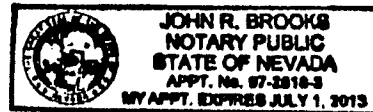


EXHIBIT "A"

00095a

JA1135

Memo

To: Jason King, P.E., State Engineer
Tim Wilson, P.E., Hearing Officer

From: Jake Tibbitts and Dale Bugenig

cc: Eureka County Commission

Date: April 4, 2011

Re: Response to Eureka Moly, LLC's March 21, 2011 Submission to the State Engineer



Introduction

On March 3, 2011 Tim Wilson, P.E., Hearing Officer, issued a letter requesting additional information generally related to the Exhibit 35 produced by the Applicant and the application of NRS 533.364 to the pending applications. On March 21, 2011, Eureka County received the Applicant's response to Mr. Wilson's correspondence consisting of:

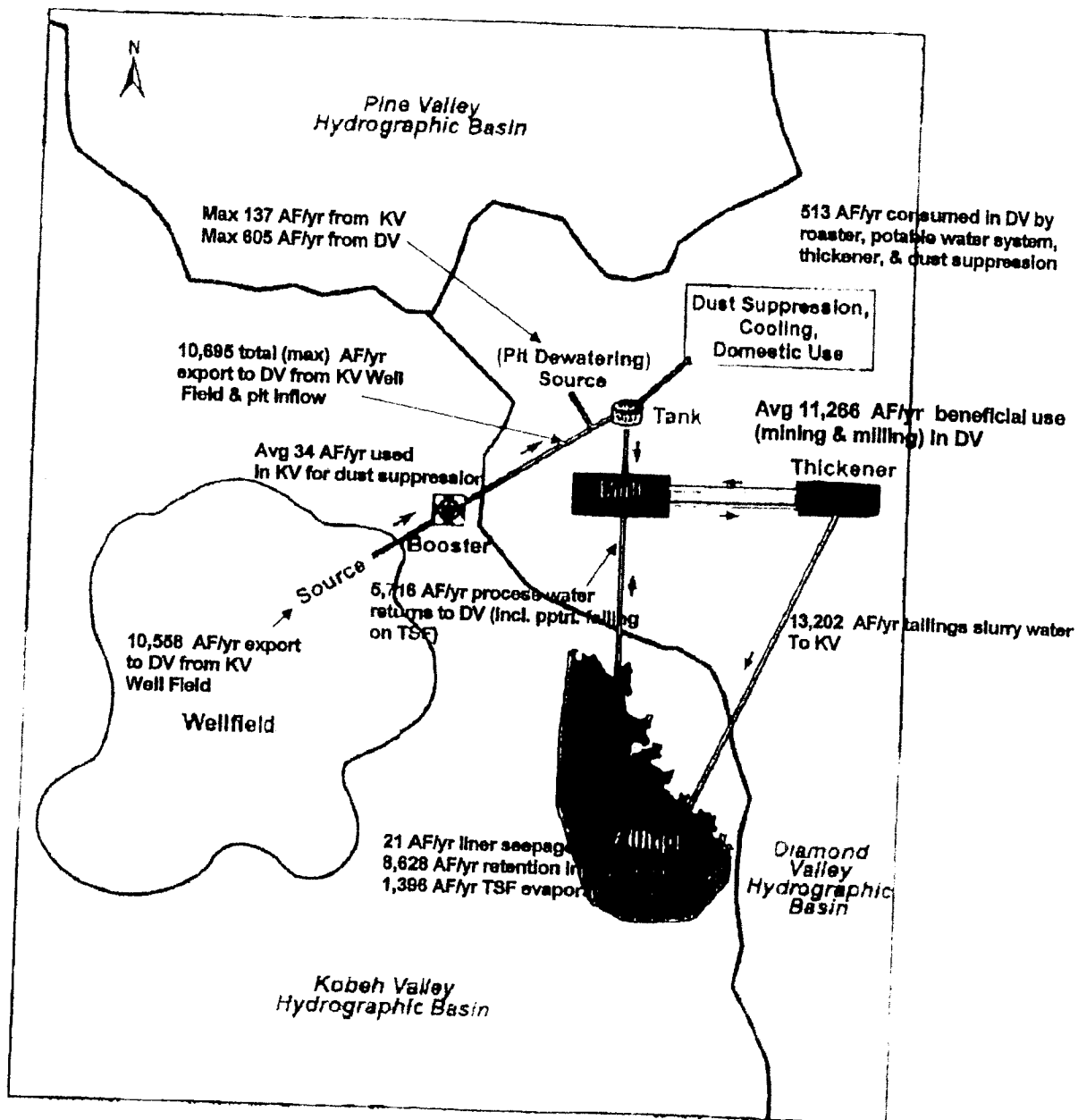
1. March 21, 2011 letter from Ross de Lipkau;
2. March 18, 2011 Memorandum to the Nevada State Engineer;
3. Exhibit A;
4. Exhibit B;
5. Exhibit C;
6. Exhibit D;
7. Exhibit E;
8. Plate 1(A); and
9. Plate 1(B).

We have had the opportunity to review both Tim Wilson's March 3, 2011 correspondence and the Applicant's submission and offer the following comments.

Inter-basin transfer of water from Kobeh Valley to Diamond Valley

The March 18, 2011 Memorandum prepared by Patrick Rogers, provides a discussion of the quantity of groundwater "consumed" in Diamond Valley as a result of Eureka Moly, LLC's inter-basin transfer from Kobeh Valley. Mr. Roger's Memorandum is apparently in response to the request for further detail regarding Applicant's Exhibit 35.

Below is a copy of Applicant's Exhibit 35 from the December 2010 administrative hearing before the Nevada State Engineer. We have annotated it with information from James Moore's testimony in the October, 2008 hearing, Applicant's Exhibits 108 and 112 from the October, 2008 hearing and Tables 1 and 2 of Mr. Rogers' March 18, 2011 Memorandum to help explain the beneficial use of water by the project. Of the approximately 11,300 acre-feet per year (AF/yr) of groundwater appropriations sought by Eureka Moly, LLC (EMLLC) for mining and milling purposes, approximately 10,695 acre-feet of groundwater is proposed to be diverted in Kobeh Valley (originating from the Kobeh Valley well field and as pit inflow) and exported to Diamond Valley for beneficial use at the mill which is located solely in Diamond Valley. The balance of the 11,300 AF/yr needed for





EUREKA MOLY
MT. HOPE PROJECT
 Water Flow Illustration
 Eureka County, Nevada
 October 12, 2019

Exhibit 35

mining and milling is estimated to originate from Diamond Valley as pit inflow. The water is put to beneficial use processing the ore (the manner of use) in Diamond Valley. The beneficial use in Diamond Valley includes use in the roaster and thickener and use as a source of water for the potable water system and for dust suppression.

After the water is beneficially used for mining and milling the ore in Diamond Valley, it becomes a slurry of mine wastes (tailings and process fluids). The slurry is thereafter exported to Kobeh Valley to the tailings storage facility (TSF). The slurry exported to Kobeh Valley, following its use in the mining and milling facilities, is no longer water which could be put to a beneficial use other than that water reclaimed in the mining circuit. At the TSF, approximately 1,396 AF/yr of the process water is evaporated; approximately 8,628 AF/yr is retained by the tailings and approximately 21 AF/yr seeps through the TSF liner. Approximately 68%-70% of the slurry water is reclaimed at the TSF by EMLLC and is thereafter exported again from Kobeh Valley into Diamond Valley to be put to beneficial use in the mining and milling operations, forming a circuit whereby water is removed from Kobeh Valley and exported to Diamond Valley for beneficial use.

Elsewhere in Nevada, such as at the lithium mining operations in Esmeralda County, the State Engineer has not recognized evaporation as a beneficial use. The Applicant's discussion of consumption of the water as opposed to the beneficial use has the effect of downplaying the amount of water exported from Kobeh Valley and put to beneficial use in Diamond Valley. It is an important distinction that the beneficial use of the water exported from Kobeh Valley takes place in Diamond Valley where the mill is located so that the full extent of the inter-basin transfer is clear.

EMLLC's response suggests the TSF was strategically placed in Kobeh Valley strictly because of the inter-basin water transfer issue in order to minimize the amount of water effectively transferred from Kobeh Valley. Note that multiple locations for the TSF were originally considered for location in Diamond Valley. The TSF was ultimately located in Kobeh Valley strictly for economic and engineering considerations so that its location had little bearing on planning where resources were to be put to beneficial use.

Pit Inflows

It is clear that the pit inflow amounts are estimates of the contributions of groundwater from Diamond and Kobeh Valleys and the actual inflow can be expected to vary from these estimates. In his letter, Mr. de Lipkau seems to allude to the contribution of water from Diamond Valley originating in the pit that will be used in Kobeh Valley as a concrete number, not an estimate. Conversely, Mr. Rogers acknowledges in his Memorandum that this quantity is simply an estimate. We agree with Mr. Rogers that, due to the complex geology and structure in the pit area of Mt Hope, there is a degree of uncertainty in these estimates. The actual amount of groundwater exported from Diamond Valley to Kobeh Valley cannot be known until pit dewatering actually occurs and will vary on a year-to-year or even daily basis. No discussion has been provided to describe the means to verify that the mine does not pump more water from Diamond Valley than the amount of the groundwater rights it currently holds in that basin or that it does not export more than 250 acre-feet per year from Diamond Valley.

Water Rights Inventory

The March 3, 2011 letter from Tim Wilson required additional information as to whether NRS 533.364 applied to the applications. EMLCC's response concedes that NRS 533.364 applies and attaches a print out of a portion of the basin abstract obtained from the State Engineer's website as the necessary inventory. There are several shortcomings to the inventory provided by Mr. de Lipkau:

- It is simply a printout of a query of the State Engineer's own web site. We were able to duplicate this effort in five minutes or less. A reading of NRS 533.364 highlights that the inventory shall include the amount and *location* of the water rights and water still available for appropriation. Little or no effort was expended to address the location of springs or groundwater resources potentially available for appropriation.

- The printouts from the State Engineer's website provided are stamped "Preliminary and Subject to Revision." Instead of the web-site information query, an adequate inventory would have provided data and information that were quality checked to ensure a complete and up-to-date inventory.
- The copy of the groundwater inventory provided as Exhibit A was missing the first two pages.
- A review of the abstract indicates that it is not a complete and accurate inventory. For example, it lists two water rights (Applications 4919 and 5047) as located in White Pine County. None of basin 139 (Kobeh Valley hydrographic basin) extends into White Pine County, calling into question the accuracy of the preliminary information provided by the Applicant and whether the Applicant reviewed the data it provided to the State Engineer. Application 4919 is in fact located in Eureka County and Application 5047 is located in White Pine County but not in Kobeh Valley. A thorough review of the information that provides the basis of the preliminary abstract is required to document its accuracy.
- An independent query of the State Engineer's website by Eureka County resulted in a slightly different listing of surface water rights, adding two additional rights omitted from the Applicant's inventory.
- The Applicant's inventory failed to include any current domestic wells in Kobeh Valley and future domestic wells that could come into existence. County code allows for one domestic well on each individual parcel. As testified to at the hearing and stated in Exhibit 521 at page 9, there are 7,471 acres of private land in Kobeh Valley that potentially could be sub-divided into smaller parcels and each parcel would be allowed a domestic well.
- During both the October 2008 and the December 2010 administrative hearings before the State Engineer, testimony was presented regarding vested water rights in Kobeh Valley. This testimony is part of the administrative records of the State Engineer, yet the Applicant's inventory ignores these specific vested rights and perhaps hundreds of other vested water rights in Kobeh Valley.

Water Speculation

The statutes related to inter-basin transfers prohibit inter-basin transfers that limit future growth and development in the source basin. Presumably to address this aspect of inter-basin transfer regulations, in his March 21, 2011 letter, Mr. de Lipkau stated "... the applicant has agreed to make groundwater available to third parties in order not to preclude future growth in Kobeh Valley." Pending applications for irrigation at Bobcat Ranch and Mr. de Lipkau's comments are in direct conflict with previous statements regarding the ranching aspect of KVR. During the 2008 hearing, KVR made it explicitly clear that it is not in the ranching or farming business and testified that its water needs were strictly for mining. Mr. de Lipkau's statements contradict the testimony of Mr. Rogers during the 2008 administrative hearing before the State Engineer where Mr. de Lipkau asked Mr. Rogers "What will happen to the Bobcat Ranch after the water is removed therefrom?" Mr. Rogers replied "It will be reclaimed or allowed to naturally return to a native vegetation community." (Vol. 3, pg. 610). At the 2010 hearing, one of the KVR witnesses acknowledged that KVR was not involved in the ranching or agricultural business. (Vol. 1, pg. 39, lines 17-20)." The water Mr. de Lipkau asserts will be available for other potential future uses has not been permitted by the State Engineer and is in direct conflict with previous statements leading to a conclusion that the current round of agricultural applications is simply water speculation.

Robertson & Benevento

ATTORNEYS AND COUNSELORS AT LAW

G. DAVID ROBERTSON (NV. & CA.)
SAM BENEVENTO (NV., CA. & AZ.)
KIRK C. JOHNSON (NV., AZ. & CO.)
JARRAD C. MILLER (NV. & CA.)

RICHARD D. WILLIAMSON (NV. & CA.)

BANK OF AMERICA PLAZA
50 W. LIBERTY ST. SUITE 600
RENO, NEVADA 89501
TELEPHONE: (775) 329-5800
FACSIMILE: (775) 348-8300
EMAIL: GDavid@NVLAWYERS.COM

LAS VEGAS OFFICE:
1945 EAST WARM SPRINGS RD
LAS VEGAS, NEVADA 89119
TELEPHONE: (702) 433-2000
FACSIMILE: (702) 266-8139
EMAIL: BEN@NEVLAWYERS.COM

October 20, 2010

Via Facsimile Only

Attn: Tim Wilson, Hearing Officer
Nevada Division of Water Resources
901 South Stewart Street, Suite 2002
Carson City, NV 89701

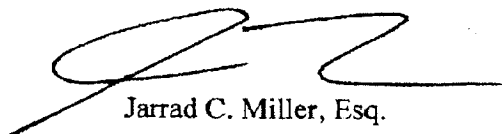
Re: *Kobeh Valley Ranch LLC – Remand Hearing December 6, 7, 9 and 10, 2010*

Dear Mr. Wilson:

As you know, our law firm submitted a Notice of Appearance on June 3, 2010, in connection with the remand of Ruling 5966. Please be advised that we no longer represent any Protestant in the above-scheduled remand hearing.

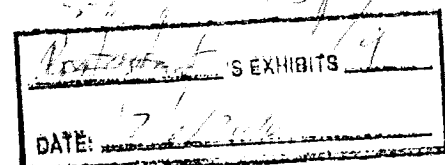
Thank you for your time and consideration.

Best regards,


Jarrad C. Miller, Esq.

JCM:md

cc: Eureka Producers Co-Op
Tim Halpin
Lloyd Morrison
Stewart Wilson, Esq.
Ross E. de Lipkau, Esq.
Karen Peterson, Esq.



October 21, 2010

Via Email Only: <http://water.nv.gov>

Mr. Tim Wilson, P.E.
Hearings Officer
Department of Conservation
and Natural Resources
Division of Water Resources
901 south Stewart Street, Suite 2002
Carson City, Nevada 89701-5250

Re: **Kobeh Valley Ranch, LLC/
Applications 72695 et al**

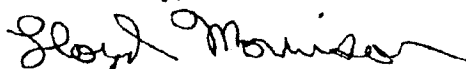
Dear Mr. Wilson:

As you are aware I am a Protestant in the above proceeding because I am the owner of the Certificates attached to this letter.

I do not expect to call any witnesses at the hearing, but I understand that I am listed as a potential witness by Eureka County. If I am called as a witness I expect that I would testify as to the history of water use for irrigation in Diamond Valley based upon my knowledge as a farmer, irrigator and water right owner for many years.

In giving my testimony I may be asked to refer to one or more of the Certificates, as well as other related documents, such as maps, in my file with the State Engineer. Since these documents are part of the public record I have not enclosed copies with this response.

Sincerely,



LLOYD MORRISON

appex 10

10/21/10	9 EXHIBITS 10
DATE: 2/1/11	

000065

JA1141

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS, Harmon Walker has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source through well, pump, and irrigation system for irrigation and domestic purposes. The point of diversion of water from the source is as follows: SW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 8, T.21N., R.53E., M.D.B.&M., or at a point from which the SW corner of said Section 8 bears S. 45° 39' W., a distance of 1,827.9 feet situated in Eureka County, State of Nevada.

Now KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator Harmon C. Walker

Post-office address Myrtle Creek, Oregon

Amount of appropriation 5.358 c.f.s., but not to exceed 1,272.0 acre-feet annually

Period of use, from January 1st to December 31st of each year

* Date of priority of appropriation April 22, 1960

Description of Land to which water is appurtenant:

39.0 acres in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, T.21N., R.53E., M.D.B.&M.

39.0 " " " NE $\frac{1}{4}$ NW $\frac{1}{4}$ " " " " " "

80.0 " " " S $\frac{1}{4}$ NW $\frac{1}{4}$ " " " " " "

160.0 " " " SW $\frac{1}{4}$ " " " " " "

318.0 Acres total

This certificate is issued subject to the terms of the permit and with the understanding that the total duty of water shall not exceed 4.0 acre-feet per acre annually from all sources.

* This certificate changes the point of diversion of permit No. 18748, hence the priority of appropriation of this certificate is the same as Permit 18748.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I, ROLAND D. WESTERGARD, State Engineer

Compared jw/js

of Nevada, have hereunto set my hand and the seal of my office, this

Recorded 5-22-69 Bk 22 Page 155

14th

day of

MAY

A.D. 19 69

Eureka

County Records.

[Signature]

THE STATE OF NEVADA CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS, Alan S. Boyack, Agent has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source through drilled well, pump and distribution system for Irrigation and Domestic purposes. The point of diversion of water from the source is as follows: NE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 8, T.21N., R.53E., M.D.B.&M., or at a point from which the W $\frac{1}{2}$ corner of said Section 8 bears S. 45° 04' 30" W., a distance of 1880.0 feet situated in Eureka County, State of Nevada.

Now Know Ye, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator D. Lloyd Morrison

Post-office address Eureka, Nevada

Amount of appropriation 3.0 c.f.s. but not to exceed 591.32 acre-feet per annum.

Period of use, from March 1st to November 30th of each year

* Date of priority of appropriation April 22, 1960

Description of land to which water is appurtenant:

37.97	acres	in the	NW $\frac{1}{4}$	NW $\frac{1}{4}$	of	Section	8,	T.21N.,	R.53E.,	M.D.B.&M.
29.86	"	"	"	"	"	"	"	"	"	"
40.00	"	"	"	"	"	"	"	"	"	"
40.00	"	"	"	"	"	"	"	"	"	"
147.83	Total	Acres								

This certificate is issued subject to the terms of the permit and with the understanding that the total duty of water shall not exceed 4.0 acre-feet per acre per annum from any and/or all sources.

*This certificate changes the point of diversion of a portion of Permit 24574, Certificate 7013, which changes Permit 18748, hence the priority of appropriation of this certificate is the same as Permit 18748.

The right to water hereby determined is limited to the amount which can be beneficially used; not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I, PETER G. MORROS, State Engineer

Compared, bc/bl of Nevada, have hereunto set my hand and the seal of my office, this 16th day of DECEMBER, A.D. 1981.
 Recorded, BK Page
 County Records.
 State Engineer

THE STATE OF NEVADA

CERTIFICATE OF APPROPRIATION OF WATER

~ ~ ~ ~ ~

WHEREAS, William A. Nisbet, Agent, has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from an underground source, through a drilled well, pump, and discharge line for stockwater and domestic purposes. The point of diversion of water from the source is as follows:

SW¹/₄ SW¹/₄ Section 8, T.21N., R.53E., M.D.B.&M., or at a point from which the SW corner of said Section 8 bears S. 45°39'00" W. a distance of 1827.9 feet, situated in Eureka County, State of Nevada.

NOW KNOW YE, That the State Engineer, under the provisions of NRS 533.425, has determined the date, source, purpose, amount of appropriation, and the place where such water is appurtenant, as follows:

Name of appropriator:	Lloyd Morrison & Belinda Faye Morrison
Source:	Underground
Manner of Use:	Stockwater and Domestic
Amount of appropriation:	0.009 c.f.s., or sufficient to water 300 head of cattle
Period of use:	January 1st to December 31st of each year
Date of priority of appropriation:	June 8, 2000

Description of the works of diversion, manner and place of use:

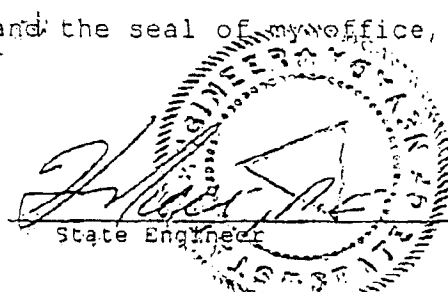
Water is developed by means of a drilled well, 164 feet deep, 18-inch diameter casing, equipped with a 2 HP Franklin submersible motor and Grundfos pump, through a 1 1/2-inch discharge line to a 300-gallon polyethylene stock tank where 300 head of cattle water within the SW¹/₄ Section 8, T.21N., R.53E., M.D.B.&M, Eureka County, Nevada.

This certificate is issued subject to the terms of the permit.

The right to water hereby determined is limited to the amount which can be beneficially used, not to exceed the amount above specified, and the use is restricted to the place and for the purpose as set forth herein.

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E., State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 2nd day of June, A.D., 2005.

gkl/mjw



50 West Liberty Street
Suite 750
Reno, Nevada 89501
Telephone 775.323.1601
Facsimile 775.348.7250



A PROFESSIONAL
LAW CORPORATION

Reno • Las Vegas • Salt Lake City

Ross E. de Lipkau

Direct Dial
(775) 789-6545
E-Mail
Rdelipkau@parsonsbehle.com

November 9, 2010

Jason King, P.E.
Nevada State Engineer
Division of Water Resources
901 S. Stewart Street; Suite 2002
Carson City, NV 89701

Re: Kobeh Valley Ranch, LLC -Applications 79911-79942 inclusive

Dear Mr. King:

Please find enclosed KVR's Response to Kenneth F. Benson's Motion to Admit State Engineer's Administrative Record; Motion to Hear Testimony of Craig Benson Out-of-Order; and, Motion to Submit Written Closing Arguments.

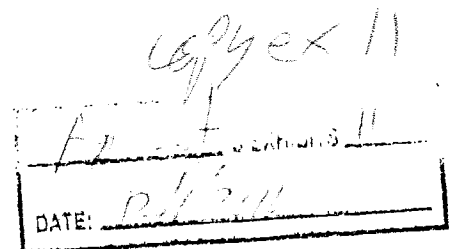
Very truly yours,

Parsons Behle & Latimer

A handwritten signature in cursive script, appearing to read "Ross E. de Lipkau".
Ross E. de Lipkau

RED/rt
Enclosure

cc: Parties of Record (w/encl.)



1 Parsons Behle & Latimer
2 Ross E. de Lipkau, Bar No. 1628
3 50 West Liberty Street, Suite 750
4 Reno, NV 89501
5 Telephone: (775) 323-1601
6 Facsimile: (775) 348-7250

7 Attorneys for Kobeh Valley Ranch, LLC

8 IN THE OFFICE OF THE NEVADA STATE ENGINEER
9 OF THE STATE OF NEVADA

10 IN THE MATTER OF KOBEH VALLEY
11 RANCH, LLC APPLICATIONS:

12 79934, 79935, 79936, 79937, 79938, and
13 79939

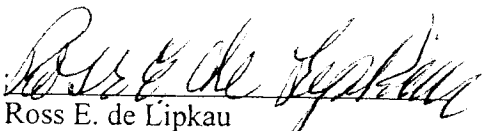
**RESPONSE TO MOTIONS OF KENNETH
F. BENSON'S MOTION TO ADMIT
STATE ENGINEER'S ADMINISTRATIVE
RECORD; MOTION TO HEAR
TESTIMONY OF CRAIG BENSON OUT-
OF-ORDER; AND, MOTION TO SUBMIT
WRITTEN CLOSING ARGUMENTS**

14
15 The Applicant, Kobeh Valley Ranch, LLC does hereby consent and agree to Protestant's
16 Kenneth F. Benson's Motion to Admit State Engineer's Administrative Record. Kobeh Valley
17 Ranch, LLC does further consent to the motion to hear the testimony of Craig Benson Out-of-
18 Order. Such request shall be made at the convenience of the State Engineer, and other parties.

19
20 The applicant KVR, LLC does hereby consent to the submission of post hearing briefs.
21 However, as occurred in the past, simultaneous briefs should be mailed on the 21st day after all
22 parties receive the transcript.

23 Dated: November 19, 2010

Respectfully submitted,

24
25 By: 
26 Ross E. de Lipkau
27 Parsons Behle & Latimer
28 50 W. Liberty St., Ste. 750
Reno, NV 89501
Telephone: 775-323-1601
Facsimile: 775-348-7250

CERTIFICATE OF SERVICE

I hereby certify that on this 10th day of November, 2010, I caused to be mailed, first class, postage prepaid, a true and correct copy of the foregoing **REPLY TO PROTESTANT KENNETH F. BENSON'S MOTION TO ADMIT STATE ENGINEER'S ADMINISTRATIVE RECORD; MOTION TO HEAR TESTIMONY OF CRAIG BENSON OUT-OF-ORDER; AND, MOTION TO SUBMIT WRITTEN CLOSING ARGUMENTS**, to:

Karen A. Peterson, Esq.
Allison & MacKenzie
402 N. Division Street
Carson City, NV 89702

Conley Land & Livestock, LLC
Attn: Beverly Conley
P.O. Box 111
Eureka, NV 89316

Theodore Beutel
Eureka County
P.O. Box 677
Eureka, NV 89316


Lloyd Morrison
P.O. Box 52
Eureka, NV 89316

William E. Schaeffer
Assistant District Attorney
Lander County
315 S. Humboldt
Battle Mountain, NV 89820

Baxter Glenn Tackett
P.O. Box 695
Eureka, NV 89316

Alan Chamberlain
Manager, Cedar Ranches LLC
245 Water Street
Austin, NV 89310

Therese A. Ure, Esq.
Schroeder Law Offices, P.C.
440 Marsh Ave.
Reno, NV 89509
Attorneys for Kenneth F. Benson



Employee of Parsons Behle & Latimer

1 LAURA A. SCHROEDER, NSB# 3595
THERESE A. URE, NSB# 10255
2 Schroeder Law Offices, P.C.
440 Marsh Avenue
3 Reno, NV 89509
PHONE (775) 786-8800; FAX (877) 600-4971
4 counsel@water-law.com

5 Attorneys for the Protestant Kenneth F. Benson

6
7
8 IN THE OFFICE OF THE NEVADA STATE ENGINEER
9 OF THE STATE OF NEVADA
10

11
12 IN THE MATTER OF KOBEH VALLEY
13 RANCH, LLC APPLICATIONS:

14 79934, 79935, 79936, 79937, 79938, and
15 79939

PROTESTANT KENNETH F. BENSON'S
MOTION TO SUBMIT WRITTEN
CLOSING ARGUMENTS

16 Laura A. Schroeder and Therese A. Ure, of Schroeder Law Offices, P.C., on behalf of
17 Kenneth F. Benson, Protestant ("Protestant Benson") herein to Kobeh Valley Ranch Application,
18 Numbers: 79934, 79935, 79936, 79937, 79938, and 79939, respectfully submit this Motion to
19 Submit Written Closing Arguments.

20 POINTS & AUTHORITIES

21 Protestant Benson makes this motion pursuant to the Adopted Regulation of the State
22 Engineer LCB File No. R129-08, which amends Chapter 533 of the Nevada Administrative
23 Code ("NAC"), at Section 2 and Section 28 (amendment to NAC 533.350)¹.

24 Protestant Benson moves the State Engineer to allow Closing Arguments to be written
25 and submitted thirty (30) days after the receipt of the written transcript for the hearing on
26

¹ The Adopted Regulation was effective February 11, 2009.



1 cross examination. Written closing will serve to expedite resolution by allowing the closing
2 arguments to be directed and concise.

3 The other attorneys in this matter have not been consulted at this time, however
4 Protestant Benson intends to do so.

5 **CONCLUSION**

6 Therefore, Protestant Benson moves that the closing arguments be submitted in
7 writing at a date to be determined by the State Engineer, though not less than thirty days after
8 the parties' receipt of the written transcript for the hearing on cross examination in this
9 matter.

10
11 DATED this 8th day of November, 2010.

12
13 SCHROEDER LAW OFFICES, P.C.

14 

15 LAURA A. SCHROEDER, NSB# 3595
16 THERESE A. URE, NSB# 10255
17 Schroeder Law Offices, P.C.
18 440 Marsh Avenue
19 Reno, NV 89509
20 PHONE (775) 786-8800; FAX (877) 600-4971
21 counsel@water-law.com
22 Attorneys for Protestant Kenneth F. Benson
23
24
25
26



CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of November, 2010, I caused a copy of the foregoing:
**PROTESTANT KENNETH F. BENSON'S MOTION TO SUBMIT WRITTEN CLOSING
ARGUMENTS** to be served as follows:

Via United States First Class Mail (with courtesy copies by electronic mail):

Baxter Glenn Tackett
1929 D Street #1
Bakersfield, CA 93301
Baxter.Tackett@conservation.ca.gov
bgtackett@gmail.com

Conley Land & Livestock, LLC
Beverly Conley
(successor to protestant David Stine)
HC 62 - Box 62646
Eureka, NV 89316
bkconley@gmail.com

Gene P. Etcheverry
Lander County
315 South Humboldt Street
Battle Mountain, NV 89820
getcheverry@landercountynv.org

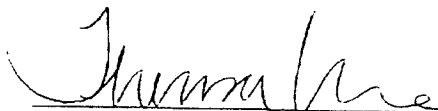
Alan K. Chamberlain
Cedar Ranches, LLC
948 Temple View Dr.
Las Vegas, NV 89110
alan@cedarstrat.com

Karen A. Peterson
Allision, Mackenzie, Pavlakis, Wright &
Fagan Ltd.
P.O. Box 646
Carson City, NV 89701
KPeterson@allisonmackenzie.com

D. Lloyd Morrison
P.O. Box 52
Eureka, NV 89316
lloyd@mwpower.net

Ross E. de Lipkau, Esq.
Parsons, Behle & Latimer
50 West Liberty Street, Suite 750
Reno, NV 89501
rde-lipkau@mhcl-law.com

Dated this 8th day of November 2010.



THERESE A. URE, NSB# 10255
Schroeder Law Offices, P.C.
440 Marsh Avenue
Reno, NV 89509
PHONE (775) 786-8800; FAX (877) 600-4971
counsel@water-law.com
Attorneys for Protestant Kenneth F. Benson



1 LAURA A. SCHROEDER, NSB# 3595
2 THERESE A. URE, NSB# 10255
3 Schroeder Law Offices, P.C.
4 440 Marsh Avenue
5 Reno, NV 89509
6 PHONE (775) 786-8800; FAX (877) 600-4971
7 counsel@water-law.com

8 Attorneys for the Protestant Kenneth F. Benson

9
10
11
12 IN THE OFFICE OF THE NEVADA STATE ENGINEER
13 OF THE STATE OF NEVADA
14

15
16
17
18 IN THE MATTER OF KOBEH VALLEY
19 RANCH, LLC APPLICATIONS:

20 79934, 79935, 79936, 79937, 79938, and
21 79939

22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

16 Laura A. Schroeder and Therese A. Ure, of Schroeder Law Offices, P.C., on behalf of
17 Kenneth F. Benson, Protestant ("Protestant Benson") herein to Kobeh Valley Ranch Application,
18 Numbers: 79934, 79935, 79936, 79937, 79938, and 79939, respectfully submit this Motion to
19 Admit the State Engineer's Administrative Record in this matter. Given the form of the
20 remand, it is not clear whether this hearing was ordered to be "de novo." Consequently,
21 there is some question as to whether the State Engineer would be permitted to include and
22 consider its decision to remand the earlier record in this proceeding. This motion is made to
23 clarify that Protestant Benson requests and supports the inclusion of the earlier record in this
24 proceeding.

25 ///

26 ///



440 Marsh Avenue
Reno, NV 89509
PHONE (775) 786-8800 FAX (877) 600-4971

1 **POINTS & AUTHORITIES**

2 Protestant Benson makes this motion pursuant to the Adopted Regulation of the State
3 Engineer LCB File No. R129-08, which amends Chapter 533 of the Nevada Administrative
4 Code ("NAC"), at Section 2 and Section 17 (amendment to NAC 533.180)¹.

5 In accordance with the Hearing Notice issued in this matter and Section 24
6 (amendment of NAC 533.280), Protestant Benson listed the administrative record as an
7 exhibit on his Witness List and Summary of Testimony, filed October 22, 2010. Exhibit 311
8 is described as "State Engineer's Administrative Record in this matter leading up to, but not
9 including Ruling 5966." In accordance with Section 2, Protestant Benson now submits the
10 present Motion to allow admittance of the State Engineer's previous Administrative Record
11 on the above protested applications.

12 Protestant Benson believes that the State Engineer's previous Administrative Record
13 is necessary for the development of the record in the instant case, and to aid the State
14 Engineer in making a sound decision, as outlined by Section 17 (amendment of NAC
15 533.180). Admission of the previous record will also serve to expedite the hearing on this
16 matter as many of the documents relied upon are already in the previous record. Further, the
17 previous record is relevant to the subject matter of the proceeding as required by Section 23
18 (amendment of NAC 533.260).

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 _____
¹ The Adopted Regulation was effective February 11, 2009.




1 **CONCLUSION**

2 For the reasons outlined above, Protestant Benson respectfully requests that the State
3 Engineer issue an Order admitting the State Engineer's previous Administrative Record in
4 this matter.

5 DATED this 8th day of November, 2010.

6
7 SCHROEDER LAW OFFICES, P.C.

8 

9 LAURA A. SCHROEDER, NSB# 3595
10 THERESE A. URE, NSB# 10255
11 Schroeder Law Offices, P.C.
12 440 Marsh Avenue
13 Reno, NV 89509
14 PHONE (775) 786-8800; FAX (877) 600-4971
15 counsel@water-law.com
16 Attorneys for Protestant Kenneth F. Benson
17
18
19
20
21
22
23
24
25
26



CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of November, 2010, I caused a copy of the foregoing:
**PROTESTANT KENNETH F. BENSON'S MOTION TO ADMIT STATE ENGINEER'S
ADMINISTRATIVE RECORD** to be served as follows:

Via United States First Class Mail (with courtesy copies by electronic mail):

Baxter Glenn Tackett
1929 D Street #1
Bakersfield, CA 93301
Baxter.Tackett@conservation.ca.gov
bgtackett@gmail.com

Conley Land & Livestock, LLC
Beverly Conley
(successor to protestant David Stine)
HC 62 - Box 62646
Eureka, NV 89316
bkconley@gmail.com

Gene P. Etcheverry
Lander County
315 South Humboldt Street
Battle Mountain, NV 89820
getcheverry@landercountynv.org

Alan K. Chamberlain
Cedar Ranches, LLC
948 Temple View Dr.
Las Vegas, NV 89110
alan@cedarstrat.com

Karen A. Peterson
Allision, Mackenzie, Pavlakis, Wright &
Fagan Ltd.
P.O. Box 646
Carson City, NV 89701
KPeterson@allisonmackenzie.com

D. Lloyd Morrison
P.O. Box 52
Eureka, NV 89316
lloyd@mwpower.net

Ross E. de Lipkau, Esq.
Parsons, Behle & Latimer
50 West Liberty Street, Suite 750
Reno, NV 89501
rde-lipkau@mhcl-law.com

Dated this 8th day of November 2010.



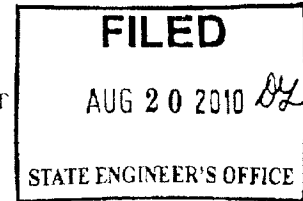
THERESE A. URE, NSB# 10255
Schroeder Law Offices, P.C.
440 Marsh Avenue
Reno, NV 89509
PHONE (775) 786-8800; FAX (877) 600-4971
counsel@water-law.com
Attorneys for Protestant Kenneth F. Benson



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

IN THE MATTER OF APPLICATION NUMBER 79911
FILED BY Kobeh Valley Ranch LLC
ON June 15, 20 10, TO APPROPRIATE THE
WATERS OF underground

PROTEST



Comes now D. Lloyd Morrison

Printed or typed name of protestant

whose post office address is Box 52 Eureka, Nevada 89316-0052 tel: (775)293-0166

Street No. or PO Box, City, State and ZIP Code

whose occupation is farmer

and protests the granting

of Application Number 79911, filed on June 15, 20 10

by Kobeh Valley Ranch LLC to appropriate the

waters of underground situated in Eureka

Underground or name of stream, lake, spring or other source

County, State of Nevada, for the following reasons and on the following grounds, to wit:

Protestant fully incorporates the attached "Exhibit A" (5 pages), as reasons for his protest.

STATE ENGINEER'S OFFICE
2010 AUG 25 11:10:43

THEREFORE the Protestant requests that the application be denied

Denied, issued subject to prior rights, etc., as the case may be

and that an order be entered for such relief as the State Engineer deems just and proper.

Signed

William A. Nisbet

Agent or protestant

William A. Nisbet, agent

Printed or typed name, if agent

Address

421 Court Street

Street No. or PO Box

Elko, Nevada 89801-3527

City, State and ZIP Code

(775)738-2121

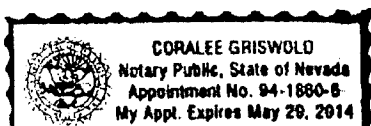
Phone Number

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

by *William A. Nisbet*

CoraLee Griswold

Notary Public



State of Nevada

County of Elko

+ \$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

CoraLee Griswold

JA1155

Exhibit "A"
Eureka County Protest to Kobeh Valley Ranch LLC
Application Nos. 79911 - 79942

1. The proposed use conflicts with or will impair and interfere with existing rights and protectable interests in existing domestic wells and threatens to prove detrimental to the public interest. Kobeh Valley is a designated basin. The perennial yield of Basin 139 based upon *Ground-Water Resources - Reconnaissance Series Report 30* by Rush and Everett (1964) is 16,000 acre feet annually (afa) and assumes that the natural groundwater discharge (phreatophyte evapotranspiration) from the basin can be captured. In Kobeh Valley, most naturally recharged groundwater is discharged by phreatophytic vegetation on the valley floor, with a reconnaissance-level evapotranspiration estimate by the USGS of 15,000 acre-feet per year. Hydrogeologic investigations and groundwater modeling by the applicant clearly conclude that the proposed use will take decades before it results in capture of a significant proportion of phreatophytic discharge. The valley floor phreatophytic vegetation will continue to occur notwithstanding the mine's pumping. The groundwater discharged in the Kobeh Valley hydrographic basin by phreatophytic vegetation and applicant's pumping will total approximately 26,300 acre-feet per year. These total amounts are in excess of the perennial yield of the basin and result in mining groundwater from the basin, which is specifically prohibited in Nevada. In addition, there is a consensus that underflow from Kobeh Valley to Diamond Valley does occur. In dispute is the quantity of interbasin flow. Predictive modeling studies by the applicant's consultants suggest pumping in Diamond Valley has a potential to cause water-level declines in Kobeh Valley, suggesting a hydrologic continuum between the two basins. Granting the change applications will cause the basin to be over pumped to the detriment of the basin and prior existing water rights holders.

The applicant's own investigations show most of the water sought to be appropriated by these applications will be derived from basin storage. The State Engineer has previously denied applications seeking to appropriate water from basin storage.

Diversion of groundwater above the annual recharge may unreasonably lower the static water in the subject basin and could negatively affect hydraulic gradient influences and adversely affect the quality of the remaining groundwater. Groundwater modeling by the applicant's consultants show that the effects of the applicant's groundwater extractions will continue for decades after mine operations cease.

2. Existing USGS reports suggest that Kobeh Valley may provide underground flow to Diamond Valley. However, it is USGS's opinion that data are currently insufficient with which to determine the amount of interbasin flow with any level of certainty. In light of the applicant's most recent groundwater model, there are regions of suspected high hydraulic conductivity in the mountains between Diamond Valley and Kobeh Valley that provide potential conduits for groundwater flow between the basins. Sustained over pumping in Kobeh Valley is likely to reduce that amount and affect prior existing municipal water rights held by Eureka County and the Devils Gate CID that supply the majority of the population in Diamond Valley.

Exhibit "A"
Eureka County Protest to Kobeh Valley Ranch LLC
Application Nos. 79911 - 79942

3. Currently, there are other pending applications to appropriate groundwater and pending change applications in the Kobeh Valley basin filed by this applicant pertaining to the Mt. Hope Mine Project. These outstanding applications seek to appropriate an additional approximately 16,120 acre-feet of water rights per year and seek changes to an additional 2,829.72 acre-feet of water rights per year. The applicant does not appear to intend to place the water sought to be appropriated in the other pending applications to beneficial use. The applicant must withdraw these applications or a decision must be rendered on these applications prior to ruling on change applications 79911 - 79942. If all the applicant's pending applications are approved, the quantity of water granted to the applicant would exceed the project needs. Change applications 79915, 79917, 79920 and 79936 seek to change the same water rights as other pending change applications currently on file by this applicant.
4. Sustained over-pumping in Kobeh Valley is likely to impact irrigation and stock watering water right holders, impact domestic well owners and surface water flows in Kobeh Valley. Sustained over-pumping in Kobeh Valley may impact irrigation and stock watering water rights, domestic well owners and surface water rights in Diamond Valley and Pine Valley. The owners of these rights contribute to the long-term economic viability of the greater Eureka community; therefore, unless adequately mitigated, such impacts will prove detrimental to the health and welfare of Eureka County.
5. Not all of the proposed points of diversion have been explored. Consequently, well yields and the hydrologic properties of the aquifer near some proposed points of diversion are purely hypothetical; therefore, impacts associated with pumping of substantial water rights at the proposed points of diversion are not known. Propagation of the cones of depression from each of the proposed points of diversion must be adequately determined prior to granting the applications. In accordance with the Eureka County Code and the Eureka County Master Plan, Eureka County requests the ability to continue to review all hydrologic data offered in support of the applications. The applicant has acknowledged that Eureka County should be involved in the review of all hydrologic data offered in support of its project and that Eureka County should be involved in the development of an effective monitoring, management and mitigation plan.
6. Groundwater modeling studies by the applicant show more than five feet of drawdown in southern Pine Valley attributable to the mine's groundwater withdrawals. This drawdown occurs near springs of regional significance. Some of these springs are located in the headwaters of streams with known populations of endangered Lahontan Cutthroat Trout and most of these waters have been fully adjudicated. For example, all waters of and contributing to Pete Hanson Creek and Henderson Creek have been fully adjudicated. On page 6 of the Pete Hansen and Henderson Creek decree, it is stated that "These proceedings adjudicate *all stream waters* (emphasis added) tributary to both Pete Hansen Creek and Henderson Creek. Henderson Creek, the principal east tributary to the drainage basin, transports stream waters from the east flank of the Roberts Mountains and the western

Exhibit "A"
Eureka County Protest to Kobeh Valley Ranch LLC
Application Nos. 79911 - 79942

slopes of the Sulphur Springs Range south of Table Mountain. Several perennial springs situated in the stream system as well as snow melt waters, contribute to the stream system flow." Considering that *all* water of and contributing to Pete Hanson Creek and Henderson Creek has been adjudicated, the applicant must prove that pumping will not impact any of the sources contributing to these creeks.

7. Eureka County recognizes that the custom and culture of mining is part of its history and appreciates the role mining plays in its local and regional economy. Eureka County welcomes new opportunity for mining in its communities as long as mine development is not detrimental to existing economic or cultural activity or the environment. This protest is aimed at ensuring that any development of water resources in Kobeh Valley is conducted in full accordance with Nevada law, the Eureka County Master Plan and related ordinances, and does not unduly threaten the health and welfare of Eureka County citizens. Eureka County encourages the proponents of these applications to engage its representatives and the Office of the State Engineer in dialogue that will result in a binding, mutually-beneficial agreement for development, management, monitoring, and mitigation of these groundwater resources.
8. The proposed place of use described in the applications is much larger than the mine's Plan of Operations project boundary.
9. The Diamond Valley Regional Flow System is being studied at the present time by the USGS. The grant of any further applications for the mine's project should be not be considered until the USGS study is complete.
10. The pit dewatering requires pumping of groundwater from Diamond Valley, currently over appropriated and over pumped. Propagation of the cones of depression from each of the proposed points of diversion must be adequately determined prior to granting the applications in light of the pit dewatering in Diamond Valley.
11. The proposed points of diversion for the applications lie in Basin 139 (Kobeh Valley), while the proposed place of use includes portions of Basin 153 (Diamond Valley) and Basin 53 (Pine Valley); therefore the applications involve a transfer of groundwater out of the source basin for use in another basin. As the applications state, the water will be placed to beneficial use in Diamond Valley. Compliance with the requirements of NRS 533.370(6) for interbasin transfers must be met.
12. The works necessary to achieve beneficial use of the subject water rights are substantial and costly. As the applications state, the applicant requires 11,300 afa of water rights to operate its Mt. Hope Mine Project. The applicant has not provided proof that there is a reasonable expectation of the applicant's financial ability to construct the work and apply the water to the intended beneficial use with reasonable diligence and of its good faith intention to construct any work necessary to apply the water to the intended beneficial use, to actually

Exhibit "A"
Eureka County Protest to Kober Valley Ranch LLC
Application Nos. 79911 - 79942

construct the work and apply the water to the intended beneficial use with reasonable diligence.

13. The manner of use of water under the subject application is by nature of its activity a temporary use. Because it is a temporary use, any permit granted should be subject to a restriction that at the end of the mining use, the water will revert back to the source. Previous reports issued by the applicant indicated that a majority of the water sought to be pumped would come from groundwater storage. The State Engineer has previously denied applications seeking to appropriate water from groundwater storage and recognized that water sought to be appropriated from groundwater storage is not a permanent water right.
14. The applicant holds notices filed with the BLM associated with water supply exploration activities for locations in Diamond Valley, which is over appropriated and over pumped. The notices associated with the water supply exploration activities in Diamond Valley are outside the Plan of Operations project boundary but within the proposed place of use listed in the applications.
15. Any further changes to points of diversion for a proposed future well field shall require the filing of additional change applications subject to the same regulatory process as the current applications, that is, they must be published in the local newspaper, are subject to protest, and must meet the statutory requirements for approval.
16. Some of the subject change applications seek to change a previously filed change application that changed the manner of use from irrigation at a consumptive use duty of 2.3 acre feet/acre. The limitation of the consumptive use duty of 2.3 acre-feet/acre should be maintained if the change applications to the base irrigation applications are granted.
17. Any proposed management, monitoring and mitigation plan to address potential impacts from the applicant's proposed pumping must be developed to a reasonable degree with supporting analytical data prior to any approval of the applications. A plan for monitoring and mitigation of potential impacts to water rights holders and threatened species must include specific, realistic measures to mitigate adverse impacts. The proposed mitigation measures must be clearly defined and demonstrated to have the desired affect. Overly broad proposals are not acceptable. Section 6.1.3 of Eureka County's Master Plan states "implementation of this Plan requires that...the Board of Eureka County Commissioners stay involved with analysis and evaluation through all stages of federal, state and local planning efforts... [through] review of data for scientific and factual soundness, plan development, implementation, monitoring, and evaluation of plan implementation." Section 6.2.6, the mining section of the Master Plan, states that the County will "Develop an evaluation program that relies upon and uses all available data, including, but not limited to reviewing existing data including hydrological data..." The Eureka County Code 9.060.C "mandates the use of peer-reviewed science in the assessment of impacts related to water resource development".

Exhibit "A"
Eureka County Protest to Kobeh Valley Ranch LLC
Application Nos. 79911 - 79942

18. Applications 79911 - 79942 seek to change water right applications previously protested by Eureka County and approved by the State Engineer in Ruling 5966 issued March 26, 2009. The Seventh Judicial District Court vacated Ruling 5966 in its Order entered April 21, 2010 and ordered a new hearing on the applications. Based upon the Court's Order entered April 21, 2010, the representations of the applicant that it was not opposed to a full, new hearing on the previously filed applications at the prehearing conference held on May 24, 2010, and the fact that these are new applications for which no hearing has ever been held, the State Engineer needs to conduct a full and fair hearing on change applications 79911 - 79942.

19. Previous hydrogeologic investigations and groundwater modeling undertaken by the applicant's consultants and entered into evidence during the prior hearing in support of the mine's groundwater rights applications concluded that the geologic materials comprising the mountains that separate the Kobeh Valley and Diamond Valley basins are characterized as relatively impermeable. Consequently, the groundwater flow from Kobeh Valley to Diamond Valley through the mountains was previously characterized as trivial.

The locations of some of the points of diversion for these change applications suggest that significant secondary permeability exists in the rocks separating Kobeh and Diamond Valleys, otherwise there would be little reason to propose constructing wells at these locations. Furthermore, the current iteration of the regional groundwater model developed by the Applicant's consultants shows a region of high hydraulic conductivity in the mountains north of Mount Whistler that is likely associated with the development of secondary permeability related to deformation of the rocks due to faulting. If the proposed points of diversion are based on new data that support moderate to high values for hydraulic conductivity in the mountains, as opposed to low hydraulic conductivity, the impacts of groundwater extractions so close to Diamond Valley need to be specifically assessed. Given the extent of the deformation of the rocks and multiple episodes of faulting, it is unlikely that high secondary permeability is limited only to one area in the mountains.

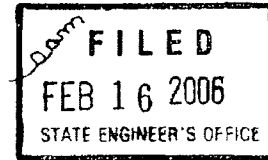
20. Granting change applications that are not supported by adequate proof of beneficial use will cause the basin to be over pumped to the detriment to the basin, prior water right holders and in direct conflict with the forfeiture provisions of Nevada water law.

21. Eureka County requests that the hearing on these applications be held in Eureka, Nevada to facilitate access by protestant, the water users in the area and interested citizens.

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

IN THE MATTER OF APPLICATION NUMBER 72695
FILED BY IDAHO GENERAL MINES INC.
ON MAY 3RD, 2005 TO APPROPRIATE THE
WATERS OF Basin 139 Underground

PROTEST



Comes now Lloyd Morrison
whose post office address is P.O. Box 52 EUREKA NEVADA 2.P 89316
whose occupation is FARMER and protests the granting
of Application Number 72695 filed on MAY 3rd, 2005
by IDAHO GENERAL MINES INC. to appropriate the
waters of Underground situated in EUREKA

County, State of Nevada, for the following reasons and on the following grounds, to wit:

See The ATTACHMENT

THEREFORE the Protestant requests that the application be Denied

and that an order be entered for such relief as the State Engineer deems just and proper.

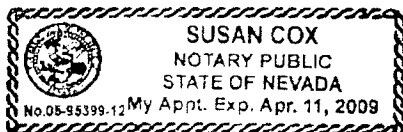
Signature Lloyd Morrison
Agent or protestant

Lloyd Morrison
Printed or typed name, if agent

Address P.O. Box 52
Street No. or P.O. Box No.

EUREKA NEVADA 89316
City, State and Zip Code No.

Subscribed and sworn to before me this 16 day of FEB, 2006



Susan Cox
Notary Public

State of Nevada

County of Carson city

\$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

dam
000005
JA1161

Attachment to the protests of water right application numbers 72695, 72696, 72697,
72698 and 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552
Submitted by Lloyd Morrison P.O. box 52 Eureka Nevada, 89316

This letter is to inform you that I wish to protest the recent filings for new water rights in Kobeh Valley. This basin does not have that much water available without being over allocated. A basin is considered designated when it is at or close to it's estimated recharge. The certificated and permitted diversions in Kobeh Valley (basin 139) are approximately 16,000 acre feet an additional 17,000 acre feet would substantially over allocate an already designated basin.

The drainage flowing through this valley was also allocated as part of the recharge system for Diamond Valley and reduction of the static head by over pumping in Kobeh Valley could stop the underground recharge of the Diamond Valley basin. This could have a severe impact on the farming district, which has been a stabilizing influence on the Economy of this area.

Sincerely, Lloyd Morrison