

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 272.64 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201
State and Zip Code No.

hereby makes application for permission to change the
Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 60256
Identify existing right by Permit, Certificate, Proof or Claim No. If Decreed, give title of Decree
 and identify right in Decree.

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, 88.84 million gallons annually
Second foot, acre-foot. 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 domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the NW 1/4 of the SW 1/4 of Section 26, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by course
R.50E., M.D.M., or at a point from which the northwest corner of Section 2, T.21N., R.50E., M.D.M.,
bears South 10°28' West a distance of 6,760 feet. (Well 209)
and distance to a section corner. If on unsurveyed land, it should be stated.

6. The existing point of diversion is located within the NE 1/4 of the SE 1/4 of Section 26, T.22N., R.49E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point from which the NE corner of Section 27, T.22N., R.49E., M.D.M. bears North
59°59'54" East a distance of 6396.67 feet. Refer to map supporting Applications 60281 and 60282,
filed January 4, 1986, in the State Engineer's Office. Map filed under 49162

REL
 139-EL

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 that accompanied Application No. 72695.

8. Existing place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N.,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

R.49E., M.D.M., Refer to map supporting Application 61918, filed June 26, 1985. Portions of Sections 26

and/or member of use of irrigation permit, describe acreage to be removed from irrigation

& 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.,

R.50E., M.D.M. and portions of Sections 33 & 34, T.23N., R.50E., M.D.M., Refer to map supporting

Applications 54093 and 54094, filed December 19, 1989.

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

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

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.) Drilled well, pump and pipelines or truck to mine
State manner in which water is to be diverted, i.e. diversion structure;

and mill site.
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$3,000,000.

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

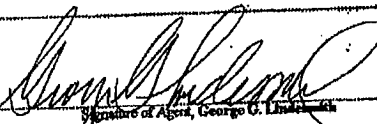
14. Estimated time required to complete the application of water to beneficial use 5 years

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

See attached addendum.

(775) 358-9481
Phone No.

By



Signature of Agent, George O. Lind

Tri State Surveying 1925 E. Prater Way
Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(7-1503A (Rev. 10-86))

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10
Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 174

JA5908

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 PM 3:45
- 1000 -

EXHIBIT "A", PROPOSED 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.

2007 JUN 29 PM 3:45
STATE OF MONTANA



Permit No. 75996

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 05/30/1997

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72580 is issued subject to the terms and conditions imposed in said Permit 72580 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

ROA SE 177

JA5911

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is approved for the entire 300.76 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 203.01 acre-feet, can be diverted annually. Additional diversion up to the total 300.76 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 203.01 acre-feet to be exceeded.

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The issuance of this permit expires Temporary Permit 80884T.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.45 cubic feet per second or 300.76 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

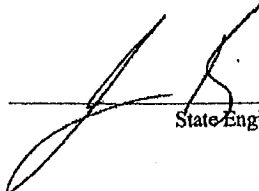
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 1 2012
N/A

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

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011

 P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75996

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 05/30/1997

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72580, is issued subject to the terms and conditions imposed in said Permit 72580 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 179

JA5913

Permits 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003 and 76004 are approved for the entire 6337.32 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 3643.96 acre-feet, can be diverted annually. Additional diversion up to the total 6337.32 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 3643.96 acre-feet to be exceeded.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.45 cubic feet per second or 300.76 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

11b

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane City or Town
Street and No. or P.O. Box No.
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 72580
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
 and identify right in Decree.

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.45 cfs, 300.76 acre feet annually
Second foot, acre-foot. 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 Irrigation and domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the SW 1/4 of the SW 1/4 of Section 21, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by course
R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 43°25' West a distance of 15,620 feet. (Well 204)
6. The existing point of diversion is located within the SE 1/4 of the SE 1/4 of Section 15, T.19N., R.47E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point which bears North 72°14'57" East, 4172.92 from the SW corner of said Section
15 (Well No. 4). Refer to map supporting Applications 72580 through 72585, filed April 12, 2005, in
the State Engineer's Office.

139-EL

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 that accompanied Application No. 72695.

8. Existing place of use within the S 1/2 of Section 15: the S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

NE 1/4 NE 1/4, and N 1/2 S 1/2 of Section 21; N 1/2 and SW 1/4 of Section 22; N 1/2 of Section 23 and

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

NW 1/4 of Section 24, all in T.19N., R.47E., M.D.M. Refer to map supporting Applications 72580 through

72588, filed April 12, 2005, in the State Engineer's Office.

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By



Signature of Agent, George C. Lindenberg

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

**APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT**

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C7-1025A (Rev. 10-86))

Protested by Eureka Co. 8/30/07

Protest overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Protest overruled 7/15/11 See Ruling #6127

ROA SE 182

JA5916

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

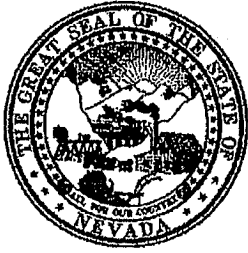
2007 JUN 29 11 34 AM
54-8 113 62 NDEP 1007

75996

EXHIBIT "A", PROPOSED 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.

2007 JUN 29 11:34:46
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Permit No. 75997

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 09/08/1972

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72581 is issued subject to the terms and conditions imposed in said Permit 72581 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

ROA SE 185

JA5919

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is approved for the entire 1,142.4 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 771.12 acre-feet, can be diverted annually. Additional diversion up to the total 1,142.40 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 771.12 acre-feet to be exceeded.

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 4.7 cubic feet per second or 1,142.4 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

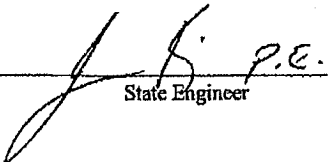
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75997

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/08/1972

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72581, is issued subject to the terms and conditions imposed in said Permit 72581 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 187

JA5921

Permits 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003 and 76004 are approved for the entire 6337.32 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 3643.96 acre-feet, can be diverted annually. Additional diversion up to the total 6337.32 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 3643.96 acre-feet to be exceeded.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 4.7 cubic feet per second or 1142.4 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 72581
Identify existing right by Permit, Certificate, Proof or Claim No. If Decreed, give title of Decree and identify right in Decree.

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 4.70 cfs, 1,142.4 acre feet annually
Second foot, acre-foot. 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 Irrigation and domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by course
R.61E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 41°50' West a distance of 18,260 feet. (Well 203)

6. The existing point of diversion is located within the NW 1/4 of the NE 1/4 of Section 23, T.19N., R.47E.,
South If point of diversion is not changed, do not answer.
M.D.M., or at a point which bears North 71°32'59" East, 4147.14 feet from the NW corner of said Section
23 (Well No. 1). Refer to map supporting Applications 72580 through 72585, filed April 12, 2005, in
the State Engineer's Office.

REL

139-EU

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 that accompanied Application No. 72686.

8. Existing place of use within the S 1/2 of Section 15; the S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

NE 1/4 NE 1/4, and N 1/2 S 1/2 of Section 21; N 1/2 and SW 1/4 of Section 22; N 1/2 of Section 23 and

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

NW 1/4 of Section 24, all in T.19N., R.47E., M.D.M. Refer to map supporting Applications 72580 through

72588, filed April 12, 2005, in the State Engineer's Office.

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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

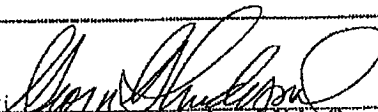
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By



Signature of Agent, George G. Lindsmith

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(7-1003A (Rev. 10-00))

Protested by Eureka Co. 8/30/07

Protest overruled 3/26/09 See Ruling #5966

Vacated by Court Order 4/10/10

Protest overruled 7/15/11 See Ruling #6127

ROA SE 190

JA5924

75997

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 11:11:46

75997

EXHIBIT "A", PROPOSED 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.

2011 JUN 29 PM 3:46
 9416 WA 63 HOF 1002



Permit No. 75998

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 09/08/1972

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72582 is issued subject to the terms and conditions imposed in said Permit 72582 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is approved for the entire 500.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 337.50 acre-feet, can be diverted annually. Additional diversion up to the total 500.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 337.5 acre-feet to be exceeded.

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 2.0 cubic feet per second or 500.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

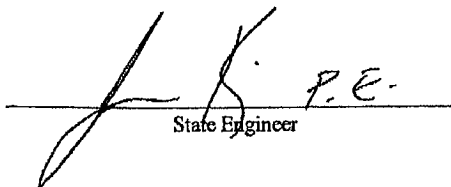
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75998

THE STATE OF NEVADA

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

Name of applicant: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/08/1972

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72582, is issued subject to the terms and conditions imposed in said Permit 72582 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 195

JA5929

Permits 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003 and 76004 are approved for the entire 6337.32 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 3643.96 acre-feet, can be diverted annually. Additional diversion up to the total 6337.32 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 3643.96 acre-feet to be exceeded.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 2.0 cubic feet per second or 500.0 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC
10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use
 of water heretofore appropriated under Permit No. 72582
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
 and identify right in Decree.

1. The source of water is underground
Name of stream, lake, underground, spring or other source.
2. The amount of water to be changed 2.0 cfs, 560.0 acre feet annually
Second foot, acre-foot. 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 Irrigation
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by corner
R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated
bears South 41°50' West a distance of 18,260 feet. (Well 203)

6. The existing point of diversion is located within the NW 1/4 of the NE 1/4 of Section 23, T.19N., R.47E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point which bears ^{South} North 71°32'59" East, 4147.14 feet from the NW corner of said Section
23 (Well No. 1). Refer to map supporting Applications 72580 through 72588, filed April 12, 2005, in
the State Engineer's Office.

REL

179-EU

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 that accompanied Application No. 72695.

8. Existing place of use within the S 1/2 of Section 15; the S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

NE 1/4 NE 1/4, and N 1/2 S 1/2 of Section 21; N 1/2 and SW 1/4 of Section 22; N 1/2 of Section 23 and

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

NW 1/4 of Section 24, all in T.19N., R.47E., M.D.M.. Refer to map supporting Applications 72580 through

72588, filed April 12, 2005, in the State Engineer's Office.

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

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

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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

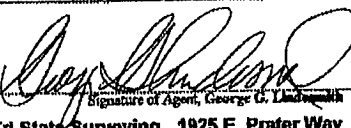
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Please No.

By



Signature of Agent, George C. Lindemann

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(BY-1053A (Rev. 10-95))

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 198

JA5932

75998

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 PM 3:46

75998

EXHIBIT "A", PROPOSED 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.

94116 001 621007 1002



Permit No. 75999

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 09/08/1972

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72583 is issued subject to the terms and conditions imposed in said Permit 72583 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is approved for the entire 211.25 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 142.59 acre-feet, can be diverted annually. Additional diversion up to the total 211.25 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 142.59 acre-feet to be exceeded.

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 211.25 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

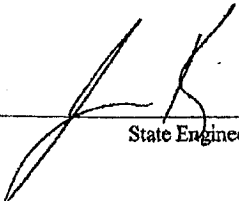
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75999

THE STATE OF NEVADA

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

Name of applicant: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/08/1972

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72583, is issued subject to the terms and conditions imposed in said Permit 72583 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 203

JA5937

Permits 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003 and 76004 are approved for the entire 6337.32 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 3643.96 acre-feet, can be diverted annually. Additional diversion up to the total 6337.32 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 3643.96 acre-feet to be exceeded.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 211.25 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC
10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.
Point of Diversion, Place and Manner of Use
 of water heretofore appropriated under Permit No. 72583
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
 and identify right to Decree.

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, 211.25 acre feet annually
Second foot, acre-foot. 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. Admit limit to one major use.
4. The water heretofore used for Irrigation and Domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the SW 1/4 of the SW 1/4 of Section 21, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by course
R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 43°28' West a distance of 15,620 feet. (Well 204)

6. The existing point of diversion is located within the SW 1/4 of the NW 1/4 of Section 23, T.19N., R.47E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point which bears South 43°41'48" East, 1908.68 feet from the NW corner of said Section
23 (Well No. 2). Refer to map supporting Applications 72580 through 72585, filed April 12, 2006, in
the State Engineer's Office.

139-EL

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 that accompanied Application No. 72695.

8. Existing place of use within the S 1/2 of Section 16; the S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

NE 1/4 NE 1/4, and N 1/2 S 1/2 of Section 21; N 1/2 and SW 1/4 of Section 22; N 1/2 of Section 23 and

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

NW 1/4 of Section 24, all in T.19N., R.47E., M.D.M.. Refer to map supporting Applications 72580 through

72585, filed April 12, 2005, in the State Engineer's Office.

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State measure in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By



Signature of Agent, George G. Madenich

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(D-1583A (Rev. 10-05))

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966

Pro. Overruled 7/15/11 See Ruling #6127

Decided by Court Order 4/10/10

ROA SE 206

JA5940

75999

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

RECEIVED

2007 JUN 29 PM 3:46

75999

EXHIBIT "A", PROPOSED 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.

STATE OF MONTANA
 2007 JUN 29 PM 3:46



Permit No. 76000

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 09/08/1972

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72584 is issued subject to the terms and conditions imposed in said Permit 72584 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

ROA SE 209

JA5943

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is approved for the entire 842.91 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 568.96 acre-feet, can be diverted annually. Additional diversion up to the total 842.91 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 568.96 acre-feet to be exceeded.

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.99 cubic feet per second or 842.91 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

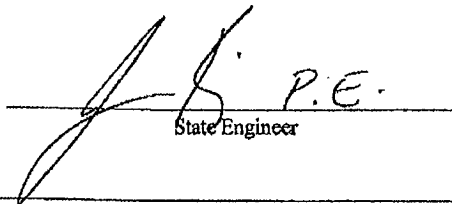
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 1 2012
N/A

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

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011

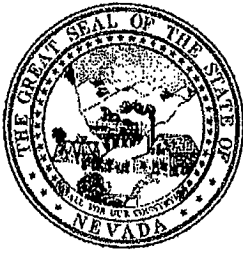

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 76000

THE STATE OF NEVADA

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

Name of applicant: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 09/08/1972

APPROVAL OF STATE ENGINEER *Vacated by Court Order 4/10/10*

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 72584, is issued subject to the terms and conditions imposed in said Permit 72584 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 211

JA5945

Permits 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003 and 76004 are approved for the entire 6337.32 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 3643.96 acre-feet, can be diverted annually. Additional diversion up to the total 6337.32 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 3643.96 acre-feet to be exceeded.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.99 cubic feet per second or 842.91 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

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 29 2007
Returned to applicant for correction _____
Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 72584
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.

1. The source of water is underground
Name of stream, lake, underground, spring or other source.
2. The amount of water to be changed 3.99 cfs, 842.91 acre feet annually
Second foot, acre-foot. 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 Irrigation and Domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within 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., and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 27°21' West a distance of 9,320 feet. (Well 206)

6. The existing point of diversion is located within the NE 1/4 of the SE 1/4 of Section 21, T.19N., R.47E., M.D.M., or at a point which bears South 01°14'21" West, 3911.35 feet from the NE corner of said Section 21 (Well No. 5). Refer to map supporting Applications 72580 through 72588, filed April 12, 2005, in the State Engineer's Office.

REL

139-5U

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 that accompanied Application No. 72695.

8. Existing place of use

within the S 1/2 of Section 15: the S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

NE 1/4 NE 1/4, and N 1/2 S 1/2 of Section 21; N 1/2 and SW 1/4 of Section 22; N 1/2 of Section 23 and

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

NW 1/4 of Section 24, all in T.19N., R.47E., M.D.M.. Refer to map supporting Applications 72580 through

72588, filed April 12, 2005, in the State Engineer's Office.

9. Use will be from

January 1

to

December 31

of each year.

Month and Day

Month and Day

10. Use permitted from

January 1

to

December 31

of each year.

Month and Day

Month and Day

11. Description of proposed works.

(Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structures,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works

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

See attached addendum.

(775) 358-9491

Phone No.

By

Signature of Agent, George G. Lindemann

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C7-1583A (Rev. 10-00))

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 214

JA5948

76000

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 PM 3:46
STATE ENGINEER 215/5

ROA SE 215

JA5949

76000

EXHIBIT "A", PROPOSED 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.

2007 JUN 29 PM 3:46
94-3 WA 62 HMC 1002

CERTIFICATE OF SERVICE

Pursuant to NRAP Rule 25(1)(c), I hereby certify that I am an employee of ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD., Attorneys at Law, and that on this date, I caused a CD-ROM version of same to be served to all parties to this action by:

_____	Placing a true copy thereof in a sealed postage prepaid envelope in the United States Mail in Carson City, Nevada
_____	Hand-delivery - via Reno/Carson Messenger Service
_____	Facsimile
_____	Federal Express, UPS, or other overnight delivery
<u> X </u>	E-filing pursuant to Section IV of District of Nevada Electronic Filing Procedures

fully addressed as follows:

Bryan L. Stockton	<u>bstockton@ag.nv.gov</u>
Senior Deputy Attorney General's Office	
Nevada Attorney General's Office	
100 North Carson Street	
Carson City, NV 89701	

Ross E. de Lipkau	<u>rdelipkau@parsonsbehle.com</u>
Parsons Behle & Latimer	
50 West Liberty Street, Ste 750	
Reno, NV 89501	

Therese A. Ure	<u>t.ure@water-law.com</u>
Laura A. Schroeder	<u>schoeder@water-law.com</u>
Schoeder Law Offices, P.C.	
400 Marsh Avenue	
Reno, NV 89509	

X Placing a true copy of a CD-ROM version thereof in a sealed postage prepaid envelope in the United States Mail in Carson City, Nevada

fully addressed as follows:

John R. Zimmerman jzimmerman@parsonsbehle.com
Parsons Behle & Latimer
50 West Liberty Street, Ste 750
Reno, NV 89501

Francis M. Wikstrom
Parsons Behle & latimer
201 South Main Street, Ste 1800
Salt Lake City, UT 84111

DATED this 21st day of December, 2012.

/s/ Nancy Fontenot



Permit No. 73552

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of applicant: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **January 1st to December 31st**
Priority Date: **12/05/2005**

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined duty of water under Permits 73551 and 73552 shall not exceed 5339.00 acre-feet annually.

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

(Continued on Page 2)

ROA SE 103

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 6.0 cubic feet per second or 2669.5 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADADate of filing in State Engineer's Office DEC 05 2005Returned to applicant for correction Corrected application filed Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NE¼ of the SE¼ of Section 23, T.21N., R.51E., M.D.M. or at a point from which the southeast corner of said Section 23 bears South 18° 26' East a distance of 2087 feet.**
6. Place of Use Refer to **EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of **\$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73552

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/

Protested ^{W/D} 2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by ^{W/D} Tim Halpin, Lloyd Morrison & Peter &/or Tom Dangle, 2-21-06 by Bobcat Ranch LLC, (Robert & Cathy Weise)
Protests Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Protests Overruled 7/15/11 See Ruling #6127

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 74587

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **08/02/2006**

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

(Continued on Page 2).

Permit No. 74587

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 3,223.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:


December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 109

JA5843

No. 74587

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

Date of filing in State Engineer's Office AUG.02 2006

Returned to applicant for correction _____

Corrected application filed _____

Map filed AUG 21 2006

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs / 10000 gpm** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NE ¼ of the NW ¼ of Section 7, T. 21 N., R.52E., M.D.M. or at a point from which the southwest corner of Section 18 T21N R52E MDM bears South 9°35'20" West a distance of 10,841 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works **in excess of \$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

ROA SE 110

JA5844

74587

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all twelve existing applications and this new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/ George G. Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, NV 89434

Compared gk/ dr _____

Protested _____

ROA SE 111

JA5845

74587

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 75988

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING AND MILLING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **10/17/1989**

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 54093 is issued subject to the terms and conditions imposed in said Permit 54093 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

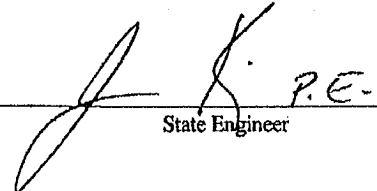
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75988

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 10/17/1989

~~APPROVAL~~ OF STATE ENGINEER *Vacated by Court Order 4/10/10*

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 54093, is issued subject to the terms and conditions imposed in said Permit 54093 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 115

JA5849

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water.

The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 11 2007 under 75979The applicant Kobeh Valley Ranch LLC10 North Post Street, Suite 610of Spokane

Street and No. or P.O. Box No.

City or Town

Washington 99201

State and Zip Code No.

hereby makes application for permission to change the

Point of Diversion, Place and Manner of Useof water heretofore appropriated under Permit No. 54093

Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

and identify right in Decree.

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, 235.906 million gallons annually

Second foot, acre-foot. 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 Domestic

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,

Describe as being within a 40-acre subdivision of public survey and by course

R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated.bears South 41°50' West a distance of 18,260 feet. (Well 203)6. The existing point of diversion is located within the NE 1/4 of the SW 1/4 of Section 35, T.22N., R.50E.,

If point of diversion is not changed, do not answer.

M.D.M., or at a point from which the SW corner of Section 34, T.22N., R.50E., M.D.M. bears South75°27'18" West a distance of 8022.03 feet. Refer to map supporting Applications 54093 and 54094,filed December 19, 1989, in the State Engineer's Office.

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 that accompanied Application No. 72695.

8. Existing place of use Portions of Sections 25 & 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

R.50E., M.D.M. Refer to map supporting Applications 54093 and 54094, filed December 19, 1989, in

the State Engineer's Office.

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

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

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491
Phone No.

By George C. Lindemann
Signature of Agent, George C. Lindemann

Tri State Surveying 1925 E. Prater Way
Street and No., or P.O. Box No.

Sparks, Nevada 89434
City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1502A (Rev. 10-05)

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10
Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 118

JA5852

75988

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2001 JUN 29 PM 3:43
STATE ENGINEER'S OFFICE

EXHIBIT "A", PROPOSED 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 1/2 N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2 N	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.

2007 JUN 22 PM 3:43
JANET L. W. L. L. C.



Permit No. 75989

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 10/17/1989

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 54094 is issued subject to the terms and conditions imposed in said Permit 54094 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

Permit No. 75989

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

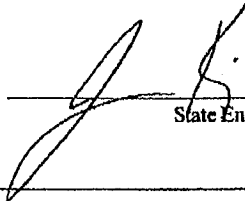
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011

 P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 122

JA5856



Permit No. 75989

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 10/17/1989

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 54094, is issued subject to the terms and conditions imposed in said Permit 54094 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water.

The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

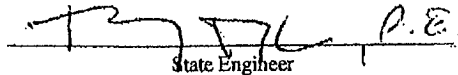
July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Section No. 75989

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 29 2007

Returned to applicant for correction _____

Corrected application filed _____

Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane

Street and No. or P.O. Box No.

City or Town

Washington 99201

State and Zip Code No.

hereby makes application for permission to change the

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 54084

Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

and identify right in Decree.

1. The source of water is underground

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

2. The amount of water to be changed 1.0 cfs, 235,000 million gallons annually

Second foot, acre-foot. 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 use or use.

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

If for stock, state number and kind of animals.

5. The water is to be diverted at the following point within the SE 1/4 of the NE 1/4 of Section 30, T.22N.,

Describe as being within a 40-acre subdivision of public survey and by course

R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,

and distance to a section corner. If on unsurveyed land, it should be stated.

bears South 27°21' West a distance of 9,320 feet. (Well 206)

6. The existing point of diversion is located within the SW 1/4 of the SW 1/4 of Section 22, T.22N., R.50E.,

If point of diversion is not changed, do not answer.

M.D.M., or at a point from which the S 1/4 corner of Section 28, T.22N., R.50E., M.D.M. bears South

27°58'39" West a distance of 6818.81 feet. Refer to map supporting Applications 54093 and 54084,

filed December 19, 1958, in the State Engineer's Office.

ROA SE 125

JA5859

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 that accompanied Application No. 72695.

8. Existing place of use Portions of Sections 25 & 26, T.22N., R.49E, M.D.M., portions of Sections 2, 3, 4,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N., R.50E., M.D.M. and portions of Sections 33 & 34, T.23N.,

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

R.50E., M.D.M. Refer to map supporting Applications 54083 and 54084, filed December 19, 1989, in
the State Engineer's Office.

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

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

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.) Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works In excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual
consumptive use.

See attached addendum.

(775) 358-8491

Phone No.

By



Signature of Agent, George C. Lindquist

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION.

(C) 1983A (Rev. 10-85)

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 126

JA5860

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 09:14

75989

EXHIBIT "A", PROPOSED 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.

CLERK OF DISTRICT COURT

JAN 13 1993



Permit No. 75990

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60281 is issued subject to the terms and conditions imposed in said Permit 60281 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

Permit No. 75990

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 272.64 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

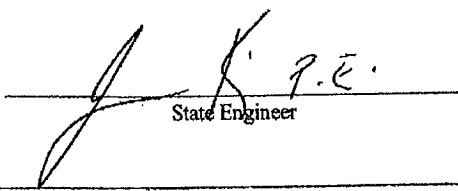
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 130

JA5864



Permit No. 75990

THE STATE OF NEVADA

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

Name of applicant: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/25/2005

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60281, is issued subject to the terms and conditions imposed in said Permit 60281 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 131

JA5865

Permit No. 75990

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water.

The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 272.64 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

ROA SE 132

JA5866

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 60281
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
 and identify right in Decree.

1. The source of water is underground
Name of stream, lake, underground, spring or other source.
2. The amount of water to be changed 1.0 cfs, 88.84 million gallons annually
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 domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the NW 1/4 of the SE 1/4 of unsurveyed Section
Describe as being within a 40-acre subdivision of public survey and by course
13, T.22N., R.50E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E.,
and distance to a section corner. If on unsurveyed land, it should be stated.
M.D.M., bears South 07°27' East a distance of 18,635 feet. (Well 207)

6. The existing point of diversion is located within the NW 1/4 of the SW 1/4 of Section 27, T.22N., R.49E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point from which the NE corner of Section 27, T.22N., R.49E., M.D.M. bears North
68°58'54" East a distance of 5396.67 feet. Refer to map supporting Applications 60281 and 60282,
filed January 4, 1985, in the State Engineer's Office. Map filed under 48442

REL

139.60

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 that accompanied Application No. 72696.

8. Existing place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N.,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

R.49E., M.D.M. Refer to map supporting Application 51918, filed June 26, 1985. Portions of Sections 25

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

& 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.,

R.50E., M.D.M. and portions of Sections 33 & 34, T.23N., R.50E., M.D.M. Refer to map supporting

Applications 54093 and 54094, filed December 19, 1989.

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By

Signature of Agent, George G. Libbesmith

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1583A (Rev. 10-96)

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling 5966 Vacated by Court Order 4/10/10

Pro. Overruled 7/15/11 See Ruling 6127

ROA SE 134

JA5868

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

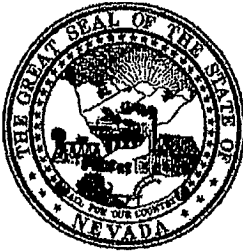
2007 JUN 29 PM 3:44
14110 113 62 1002

75990

EXHIBIT "A", PROPOSED 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.

2007 JUN 29 02:15:00
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Permit No. 75991

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60282 is issued subject to the terms and conditions imposed in said Permit 60282 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

ROA SE 137

JA5871

Permit No. 75991

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

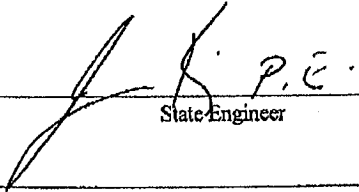
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 138

JA5872



Permit No. 75991

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/25/2005

~~APPROVAL OF STATE ENGINEER~~ Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60282, is issued subject to the terms and conditions imposed in said Permit 60282 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 139

JA5873

Permit No. 75991

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water.

The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009.

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 60282
Identify existing right by Permit, Certificate, Proof or Claim No. If Decreed, give title of Decree and identify right in Decree.

1. The source of water is underground

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

2. The amount of water to be changed 1.0 cfs, 86.64 million gallons annually 235.906 MGA
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

REL
per
fax

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 domestic
If for stock, state number and kind of animals.

5. The water is to be diverted at the following point within the NW 1/4 of the SE 1/4 of unsurveyed Section 13, T.22N., R.50E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E.,
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.

M.D.M., bears South 07°27' East a distance of 18,685 feet. (Well 207)

6. The existing point of diversion is located within the NW 1/4 of the SW 1/4 of Section 27, T.22N., R.49E.,
If point of diversion is not changed, do not answer.

M.D.M., or at a point from which the NE corner of Section 27, T.22N., R.49E., M.D.M. bears North

59°59'54" East a distance of 5398.87 feet. Refer to map supporting Applications 60281 and 60282,

filed January 4, 1985, in the State Engineer's Office. Filed under 48442.

REL

139-FW

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 that accompanied Application No. 72695.

8. Existing place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N.,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

R.49E., M.D.M., Refer to map supporting Application 51915, filed June 28, 1985. Portions of Sections 25

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

& 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.,

R.50E., M.D.M. and portions of Sections 33 & 34, T.23N., R.50E., M.D.M., Refer to map supporting

Applications 54093 and 54094, filed December 19, 1989.

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works in excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By

Signature of Agent, George C. Lindquist

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1583A (Rev. 10-89)

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Gurt Order 4/10/10

Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 142

JA5876

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 PM 3:44
STATE ENGINEER'S OFFICE

EXHIBIT "A", PROPOSED 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.

2007 JUN 29 10:34
JUL 10 10:00 AM '07



Permit No. 75992

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60283 is issued subject to the terms and conditions imposed in said Permit 60283 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 272.64 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

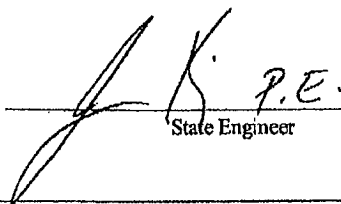
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of **December**, A.D. **2011**


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75992

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60283, is issued subject to the terms and conditions imposed in said Permit 60283 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 147

JA5881

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 272.64 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

T. Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 50263
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
 and identify right in Decree.

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, 55.84 million gallons annually
Second foot, acre-foot. 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 domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the NW 1/4 of the SW 1/4 of Section 26, T.22N., R.50E., M.D.M., or at a point from which the northwest corner of Section 2, T.21N., R.50E., M.D.M.,
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 10°25' West a distance of 6,760 feet. (Well 209)

6. The existing point of diversion is located within the NE 1/4 of the SE 1/4 of Section 26, T.22N., R.49E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point from which the NE corner of Section 27, T.22N., R.49E., M.D.M. bears North
69°58'54" East a distance of 6396.67 feet. Refer to map supporting Applications 60281 and 60282,
filed January 4, 1985, in the State Engineer's Office. Filed under 49162

REV
130-PL1

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 that accompanied Application No. 72695.

8. Existing place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N.,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

R.49E., M.D.M.. Refer to map supporting Application 51918, filed June 26, 1985. Portions of Sections 25

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

& 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.,

R.50E., M.D.M. and portions of Sections 33 & 34, T.23N., R.50E., M.D.M.. Refer to map supporting

Applications 54093 and 54094, filed December 19, 1989.

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

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

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.) Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site,

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works In excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual
consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By

Signature of Agent, George G. Lindholm

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1285A (Rev. 10-85)

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 150

JA5884

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2001 JUN 29 PM 3:44
STATE OF N.C. DEPT. OF ENVIRONMENT & NATURAL RESOURCES

75992

EXHIBIT "A", PROPOSED 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.

2007 JUN 29 PM 3:44
 2007 JUN 29 PM 3:44



Permit No. 75993

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEL VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEL VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60284 is issued subject to the terms and conditions imposed in said Permit 60284 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

Permit No. 75993

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

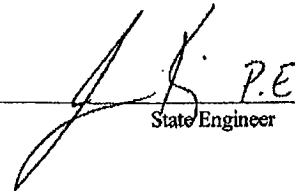
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of **December**, A.D. **2011**



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 154

JA5888



Permit No. 75993

THE STATE OF NEVADA

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

Name of applicant: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/25/2005

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60284, is issued subject to the terms and conditions imposed in said Permit 60284 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

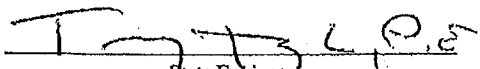
July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

Sc 75993

**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 29 2007
 Returned to applicant for correction _____
 Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 60284
Identify existing right by Permit, Certificate, Proof or Claim Not. If Decreed, give title of Decree
 and identify right in Decree.

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, 88.84 million gallons annually 235,906 MGA
Second foot, acre-foot. 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 domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the NW 1/4 of the SW 1/4 of Section 26, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by course
R.50E., M.D.M., or at a point from which the northwest corner of Section 2, T.21N., R.50E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 10°26' West a distance of 6,760 feet. (Well 209)
6. The existing point of diversion is located within the NE 1/4 of the SE 1/4 of Section 26, T.22N., R.49E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point from which the NE corner of Section 27, T.22N., R.49E., M.D.M. bears North
59°58'54" East a distance of 6396.67 feet. Refer to map supporting Applications 60281 and 60282,
filed January 4, 1985, in the State Engineer's Office. Filed under 49162

721.97AF & BZ

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173. ELI

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 that accompanied Application No. 72695.

8. Existing place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N.,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

R.49E., M.D.M.. Refer to map supporting Application 51918, filed June 26, 1985. Portions of Sections 25

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

& 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.,

R.50E., M.D.M. and portions of Sections 33 & 34, T.23N., R.50E., M.D.M.. Refer to map supporting

Applications 54093 and 54094, filed December 18, 1989.

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

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

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works In excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-8491
Phone No.

By

Signature of Agent, George G. Lindemann

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1583A (Rev. 10-88)

Protested by Eureka Co. 8/30/07

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 158

JA5892

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Appropriate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 PM 3:45

75993

EXHIBIT "A", PROPOSED 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.

2007 JUN 13 09:03 AM
 2007 JUN 13 09:03 AM



Permit No. 75994

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEL VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEL VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60285 is issued subject to the terms and conditions imposed in said Permit 60285 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

Permit No. 75994

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

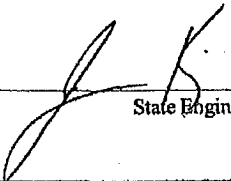
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011



State Engineer

Completion of work filed _____

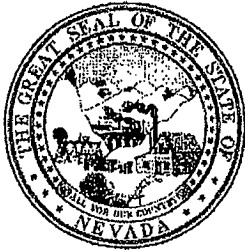
Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 162

JA5896



Permit No. 75994

THE STATE OF NEVADA

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

Name of applicant: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/25/2005

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60285, is issued subject to the terms and conditions imposed in said Permit 60285 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

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 29 2007
Returned to applicant for correction
Corrected application filed Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town
Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 60285
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

and identify right in Decree.

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, 48.84 million gallons annually 235,906 MGA
Second foot, acre-foot. 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 domestic
If for stock, state number and kind of animals.
5. The water is to be diverted at the following point within the NW 1/4 of the SW 1/4 of Section 26, T.22N.,
Describe as being within a 40-acre subdivision of public survey and by course
R.50E., M.D.M., or at a point from which the northwest corner of Section 2, T.21N., R.50E., M.D.M.,
and distance to a section corner. If on unsurveyed land, it should be stated.
bears South 10°26' West a distance of 6,760 feet. (Well 209)

REC
per
fax

6. The existing point of diversion is located within the NE 1/4 of the SE 1/4 of Section 28, T.22N., R.49E.,
If point of diversion is not changed, do not answer.
M.D.M., or at a point from which the NE corner of Section 27, T.22N., R.49E., M.D.M. bears North
59°59'54" East a distance of 6396.67 feet. Refer to map supporting Applications 60281 and 60282,
filed January 4, 1985, in the State Engineer's Office. Map filed under 49162

REL

139-EL

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 that accompanied Application No. 72685.

8. Existing place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N.,

Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of

R.49E., M.D.M., Refer to map supporting Application 51918, filed June 26, 1985. Portions of Sections 25

use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.

& 26, T.22N., R.49E., M.D.M., portions of Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.,

R.50E., M.D.M. and portions of Sections 33 & 34, T.23N., R.50E., M.D.M., Refer to map supporting

Applications 54093 and 54094, filed December 19, 1989.

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and

specifications of your diversion or storage works.)

Drilled well, pump and pipelines or truck to mine

State manner in which water is to be diverted, i.e. diversion structure,

and mill site.

divides and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works In excess of \$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. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

See attached addendum.

(775) 358-9491

Phone No.

By

Signature of Agent, George C. Lindemann

Tri State Surveying 1925 E. Prater Way

Street and No., or P.O. Box No.

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(CJ-1583A (Rev. 10-95))

Protested by Eureka Co. 8/30/07

Protest overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Protest overruled 7/15/11 See Ruling #6127

ROA SE 166

JA5900

Application No. _____

ADDENDUM TO ITEM 15 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with other Applications to Change filed simultaneously herewith. The Applications to Change are similarly intended to be utilized in conjunction with Applications to Approprate numbered 72695 through 72698, 73545 through 73552 and 74587, previously filed with the State Engineer.

Water in the maximum annual volume of 16,000 acre feet annually will be utilized for mining, milling and domestic purposes within the place of use. The mining and milling operations will operate 24 hours per day, 365 days per year. The life of the mine is anticipated to be 53 years. When the plant is fully operational, water consumed in the initial stages will be substantially less than 16,000 acre feet annually, increasing to approximately 16,000 acre feet annually for a period commencing in the year 2020 and ending in 2052. Thereafter, the volume of water will gradually decline until the ore body is exhausted and the mining property is reclaimed.

The liquid cycle is fully contained, under NDEP zero discharge permits. Water saving and conservation devices will be fully implemented.

2007 JUN 29 PM 3:45
STATE ENGINEER

EXHIBIT "A", PROPOSED 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.

54-0-00 62 APR 1992



Permit No. 75995

THE STATE OF NEVADA

PERMIT TO CHANGE THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING AND MILLING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 02/25/2005

APPROVAL OF STATE ENGINEER

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60286 is issued subject to the terms and conditions imposed in said Permit 60286 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

(Continued on Page 2)

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 272.64 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

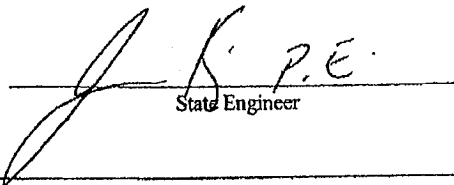
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 75995

THE STATE OF NEVADA

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

Name of applicant: KOBEL VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEL VALLEY
Manner of Use: MINING AND MILLING
Period of Use: January 1st to December 31st
Priority Date: 02/25/2005

~~APPROVAL OF STATE ENGINEER~~ Vacated by Court Order 4/10/10

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

This permit to change the point of diversion, place and manner of use of the waters of an underground source as heretofore granted under Permit 60286, is issued subject to the terms and conditions imposed in said Permit 60286 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030.

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

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

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The total combined duty of water under Permits 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,961.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

(Continued on Page 2)

ROA SE 171

JA5905

will use proven molybdenum mining and milling technologies that will conserve water through reuse and recycling methods.⁷²

The State Engineer has considered this statutory provision and hereby determines that requiring additional plans for water conservation is not necessary.

XII. ENVIRONMENTALLY SOUND

The interbasin transfer statute requires a determination of whether the use of water as proposed under the applications is environmentally sound as it relates to the basin from which the water is exported. The words environmentally sound have intuitive appeal, but the public record and discussion leading up to the enactment of NRS § 533.370(6)(c) do not specify any operational or measureable criteria for use as the basis for a quantitative definition. This provision of the water law provides the State Engineer with no guidance as to what constitutes the parameters of "environmentally sound;" therefore, it has been left to the State Engineer's discretion to interpret the meaning of environmentally sound.

The legislative history of NRS § 533.370(6)(c) shows that there was minimal discussion regarding the term environmentally sound. However, the State Engineer at that time indicated to the Subcommittee on Natural Resources that he did not consider the State Engineer to be the guardian of the environment, but rather the guardian of the groundwater and surface water. The State Engineer noted that he was not a range manager or environmental scientist. Senator Mark A. James pointed out that by the language 'environmentally sound' it was not his intention to create an environmental impact statement process for every interbasin water transfer application and that the State Engineer's responsibility should be for the hydrologic environmental impact in the basin of export.⁷³

The State Engineer finds that the meaning of 'environmentally sound' for basin of origin must be found within the parameters of Nevada water law and this means that whether the use of the water is sustainable over the long-term without unreasonable impacts to the water resources and the hydrologic-related natural resources that are dependent on those water resources. The State Engineer finds that in consideration of

⁷² Transcript, p. 118, December 2010.

⁷³ Nevada Legislature Seventieth Session, *Summary of Legislation*, Carson City, Nevada: 1999, Web, Mar. 2, 2011. <http://www.leg.state.nv.us/Division/Research/Library/LegHistory/LHs/1999/SB108,1999.pdf>.

whether a proposed project is environmentally sound there can be a reasonable impact on the hydrologic related natural resources in the basin of origin.

Existing water rights in Kobeh Valley, not owned or controlled by the Applicant, total around 1,100 afa, and if the water for the project is approved the committed groundwater resource from the basin would be about 12,400 afa, which is far less than the perennial yield of the Kobeh Valley Hydrographic Basin. A review of records in the Office of the State Engineer show that there are 71 water-righted springs within the Kobeh Valley Hydrographic Basin. Of these 71 water rights, 29 are un-adjudicated claims of reserved water right filed by the United States Bureau of Land Management (BLM). The BLM was a protestant to the initial applications in this matter, but withdrew its protests after reaching a stipulation on monitoring, management and mitigation with the Applicant. The State Engineer finds that none of the remaining water rights are owned by any of the Protestants in this matter. Most of the remaining springs are either located far away from the proposed well sites or will not be affected due to topography and geology. However, the Applicant's groundwater model does indicate that there may be an impact to several small springs located on the valley floor of Kobeh Valley near the proposed well locations. These small springs are estimated to flow less than 1 gallon per minute.⁷⁴ Because these springs exist in the valley floor and produce minimal amounts of water, any affect caused by the proposed pumping can be easily mitigated such that there will be no impairment to the hydrologic related natural resources in the basin of origin. The monitoring, management and mitigation plan will allow access for wildlife that customarily uses the source and will ensure that any existing water rights are satisfied to the extent of the water right permit.

The State Engineer finds that the Applicant is only requesting 11,300 afa for its mining project, which when combined with other existing water rights is less than the perennial yield of the Kobeh Valley Hydrographic Basin. The State Engineer finds that prior to the October 2008 hearing, the Applicant had acquired about 16,000 afa of previously permitted or certificated groundwater rights within the Kobeh Valley Hydrographic Basin. The State Engineer finds that the required monitoring, management and mitigation plan, that must be approved prior to the pumping of water for the project,

⁷⁴ Exhibit No. 116, Appendix B, October 2008.

will ensure that the proposed interbasin transfer of groundwater from the Kobeh Valley Hydrographic Basin remains environmentally sound throughout the life of the project.

**XIII.
LONG-TERM USE OF THE WATER AND FUTURE GROWTH AND
DEVELOPMENT IN THE BASIN OF ORIGIN**

Nevada has been known for containing vast deposits of minerals located throughout the state and mining has been a predominant economic force in Nevada since before statehood. Due to the availability of those mineral deposits, mining is one of the larger industries in Nevada and has traditionally provided many high-paying jobs for local communities and has contributed to the communities in other ways such as investing in infrastructure and services for those communities. It has had such an impact that the Nevada legislature declared mining and related activities to be recognized as a paramount interest of the state.⁷⁵ Mining operations are highly regulated by numerous governmental entities at the state and federal levels, including but not limited to regulation by Congress, the Secretary of Agriculture, the Secretary of the Interior, the United States Bureau of Land Management, the United States Forest Service, and the Nevada Department of Conservation and Natural Resources, which includes the Nevada Division of Environmental Protection, the Nevada Division of Minerals and the Nevada Division of Water Resources.

The proposed mining project is located within Eureka County. Eureka County's protest states in part:

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. 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.⁷⁶

Protestant Eureka County presented testimony that there could potentially be mining-related projects and other activities in Kobeh Valley as an example of future growth that may occur in Kobeh Valley; however, no water right applications have been

⁷⁵ NRS § 37.010 (f)(1).

⁷⁶ Exhibit No. 509, December 2010.

filed on these potential projects.⁷⁷ Protestant Eureka County also argues that the population of southern Eureka County may increase from 940 to over 2,000, although that includes an estimated 700 people from the mine assuming the Mount Hope project proceeds as planned.⁷⁸ A review of pumpage records submitted to the Office of the State Engineer shows that the Town of Eureka currently reports a usage of about 175 afa out of about 1,226 afa of available water rights.⁷⁹ It should be noted that there are no permitted municipal or quasi-municipal water users in the basin of origin, Kobeh Valley. The only existing groundwater uses permitted at this time in Kobeh Valley are mining and milling, irrigation, and stock watering.

The State Engineer finds that the water sought for appropriation in Kobeh Valley is less than the estimated perennial yield of the basin; therefore, substantial water remains within the basin for future growth and development. The State Engineer finds that the project will not unduly limit the future growth and development in the Kobeh Valley Hydrographic Basin. The State Engineer finds that the proposed mining project is the type of future growth and development that would be anticipated in this area of Nevada. The State Engineer finds that mining provides an economic base for Eureka County.

XIV. FORFEITURE

The Applicant has filed applications to change existing water rights. Once a certificate of appropriation for groundwater is issued, the owner is subject to the provisions of NRS § 534.090, which provides in part that the water right may be subject to forfeiture after five consecutive years of nonuse.⁸⁰

Protestant Eureka County provided testimony and evidence regarding the alleged forfeiture of the following water right certificates; note, the associated change application(s) is in parentheses: Certificates 2780 (App. 76989, 79223), 2880 (App. 76990, 79935), 2782 (App. 76483), 6457 (App. 76484, 77174), 8002 (App. 76485, 77175), 8003 (App. 76486) and 4922 (App. 76744). The certificates are associated with three separate areas:

⁷⁷ Transcript, pp. 749 and 750 and Exhibit No. 531, December 2010.

⁷⁸ Transcript, pp. 703 and 704, December 2010.

⁷⁹ See, Permit No. 76526, total combined duty of water not to exceed 1,226.22 afa, official records in the Office of the State Engineer.

⁸⁰ NRS § 534.090.

1. Bartine a.k.a. Fish Creek Ranch
 - a. Certificate 2780 (Permit 9682)
 - b. Certificate 2880 (Permit 11072)
2. Willow a.k.a. 3F Ranch
 - a. Certificate 2782 (Permit 10426)
 - b. Certificate 6457 (Permit 18544)
 - c. Certificate 8002 (Permit 23951)
 - d. Certificate 8003 (Permit 23952)
3. Bean Flat a.k.a. Damele Ranch
 - a. Certificate 4922 (Permit 13849)

All certificates were issued for irrigation and/or domestic purposes and the testimony and evidence indicates extensive periods of non-use. The Division has conducted crop inventories in Kobeh Valley and records from those pumpage inventories from 1983 to 2007 were introduced at the hearing.⁸¹ The following is a summary of the crop inventories that are available. There is no inventory data for any omitted years in the following Table 1.

Ranch & Cert./Year	1984	1985	1986	1993	1995	1998	2002	2003	2004	2005	2006	2007	2008	2010
Bartine Cert. 2780											65.54	65.54	15	59.5
Bartine Cert. 2880							20	20	20	20	0	0	45	45
Willow Cert. 2782											0	0	0	0
Willow Cert. 6457	0	0	0	0	0						0	0	0	0
Willow Cert. 8002	0	0	0	0	0	0					0	0	0	0
Willow Cert. 8003											0	0	0	
Bean Flat Cert. 4922											0	0	0	0

Table 1. Crop inventory summary (acres).

For the Bartine a.k.a. Fish Creek Ranch, the crop inventories indicate some usage of water in recent years. The Protestant has argued that the water is not used for active irrigation, rather the water flows uncontrolled from artesian wells on an area of pasture land and no crop has been planted and/or harvested; therefore, this use should not be counted as beneficial use as noted on the crop inventories. There was substantial

⁸¹ Exhibit No. 29, October 2008.

testimony stating that there was no irrigation of a crop on the property,⁸² but most of the witnesses appeared to agree that there was some artesian flow of water on the property. Certificate 2780 indicates that the proposed works include an artesian well, supporting structures and a small ditch. Certificate 2880 indicates that the proposed works consists of a groundwater well providing water to ditches. Both certificates irrigate the same acreage being 65.54 acres of land and are supplemental to each other by place of use. The crop inventories credit the entire acreage as irrigated pasture grass from an artesian well in 2006 and 2007, as seen in Table 1. The Protestant makes an argument that the artesian flow does not comply with the intent of the Certificates, does not constitute a beneficial use of water, and does not meet the definition of irrigate or irrigation water. However, because the Protestant's evidence of non-use conflicts with the 2006 and 2007 crop inventories, which show use on the entire place of use of 65.54 acres, and substantial use in 2008 and 2010, the State Engineer finds that there is not clear and convincing evidence of forfeiture for Certificates 2780 and 2880.

For the Willow Ranch, a.k.a. 3F Ranch, four witnesses testified that there has been no water use or irrigated land under the certificates, since the early 1980s, or at least 1989.⁸³ The witnesses consist of a resident who has hauled hay in the general area for 32 years and had assisted in harvesting crops on the ranch in 1980, a long-time resident that drove the area at least once a month between 1994-2003, the current Chairman of the Eureka County Board of Commissioners who was also the County Assessor for thirty years and visited the properties every five years as Assessor, and the Public Works Director for Eureka County who is a long-time resident and for a seven-year period was road superintendent. The available crop inventories corroborate the testimony of the witnesses as illustrated in Table 1. A review of the record shows no evidence was provided at the administrative hearing as to water use on the ranch from at least 1989 to 2010.

The evidence demonstrates that the water represented by Certificates 2782, 6457, 8002, and 8003 has not been placed to beneficial use for a period of time in excess of more than the statutory five-year period necessary to work a forfeiture. The State

⁸² Transcript, pp. 117, 118, 401, 423 and 484, October 2008.

⁸³ Transcript, pp. 113-114, 402, 422, 423 and 485, October 2008.

Engineer finds that the water under Certificates 2782, 6457, 8002 and 8003 is subject to forfeiture.

For Bean Flat, a.k.a. Damele Ranch, the crop inventories show no water use in 2006, 2007, 2008 and 2010.⁸⁴ Aerial photos from 1954, 1975 and 1981 compared to Google Earth today show no differences in the area and it appears the area has not changed significantly since at least 1954.⁸⁵ The Protestant's witness concluded that his review of the crop inventories and aerial photos show no beneficial use of water on this property.⁸⁶ The former Eureka County Assessor also testified that during his assessment duties he had never seen any water used for irrigation purposes at the ranch.⁸⁷ The evidence demonstrates that the water represented by Certificate 4922 (Permit 13849) has not been placed to beneficial use for more than the statutory five-year period necessary to work a forfeiture. The State Engineer finds that the water under Certificate 4922 is subject to forfeiture.

XV. CROP CONSUMPTIVE USE

The State Engineer defines the consumptive use of a crop as that portion of the annual volume of water diverted under a water right that is transpired by growing vegetation, evaporated from soils, converted to non-recoverable water vapor, or otherwise does not return to the waters of the state. Consumptive use does not include irrigation inefficiencies or waste. The net irrigation water requirement of a crop is equal to the consumptive use of the crop less the amount of effective precipitation that falls on the crop. Therefore, the net irrigation water requirement is the amount of the crop's consumptively used water that is provided by the water right, and is the quantity considered under NRS § 533.3703 in allowing for the consideration of a crop's consumptive use in a water right transfer.

The State Engineer's consumptive use estimate for the Kobeh Valley and Diamond Valley Hydrographic Basins is based on the Penman-Monteith short reference evapotranspiration and dual-crop coefficient approach for estimating crop evapotranspiration, similar to methods described by the American Society of Civil

⁸⁴ Crop/pumpage/well measurement data for Kobeh Valley (139), official records in the Office of the State Engineer.

⁸⁵ Transcript, pp. 169-170 and Exhibit No. 29, October 2008.

⁸⁶ Transcript, p. 171, October 2008.

⁸⁷ Transcript, p. 424, October 2008.

Engineers,⁸⁸ Food and Agriculture Organization of the United Nations,⁸⁹ and Allen et al., (2005).⁹⁰ Net irrigation water requirement estimates for each of Nevada's Hydrographic Basins are listed in the Evapotranspiration and Net Irrigation water Requirements for Nevada.⁹¹ For Kobeh Valley, the State Engineer finds that the net irrigation water requirement of both alfalfa and highly-managed pasture grass is estimated to be 2.7 feet per year. For Diamond Valley, the State Engineer finds that the net irrigation water requirement of both alfalfa and highly-managed pasture grass is estimated to be 2.5 feet per year.

XVI. GEOLOGIC ARGUMENT OF CHAMBERLAIN

Dr. Chamberlain is Protestant Cedar Ranches, LLC (Cedar), and testified on his own behalf and as the expert witness for Lloyd Morrison at the October 2008 hearing. Dr. Chamberlain was qualified as an expert in geology and as a petroleum geologist for the purposes of the 2008 hearing. Cedar Ranches is a Protestant to change Applications 76744, 76745, and 76746 in Kobeh Valley. The crux of this Protestant's argument was that the existing published geologic data is not adequate and without an accurate geologic model it is impossible for the Applicant to develop a hydrologic model of the area.⁹² A computer slide presentation was submitted in support of the Protestant's geologic theory and a shortened version of the presentation was given at the hearing.⁹³ The Protestant provided an exhibit for the December 2010 hearing, but as the Protestant did not appear at that hearing, the exhibit was not offered or admitted.

A review of the prior hearing testimony shows that the Protestant did a substantial amount of work as a petroleum geologist for the Placid Oil Company.⁹⁴ The Protestant also formed the Cedar Stratigraphic Corporation to generate geologic data for oil companies to use in their exploration programs.⁹⁵

⁸⁸ State Engineer's Office, *The ASCE Standardized Reference Evapotranspiration Equation*, 2005.

⁸⁹ State Engineer's Office, *Crop Evapotranspiration: Guidelines for Computing Crop Water Requirements*, FAO Irrigation and Drainage Paper No. 56, 1998.

⁹⁰ State Engineer's Office, Allen, R.G., Pereira, L.S., Smith, M., Raes, D., and Wright, J.L., *FAO-56 Dual Crop Coefficient Method for Estimating Evaporation from Soil and Application Extensions*, Journal of Irrigation and Drainage Engineering, 2005, pp. 131(1), 2-13.

⁹¹ *Evapotranspiration and Net Irrigation water Requirements for Nevada*, Huntington and Allen, 2010, available online at http://water.nv.gov/mapping/et/et_general.cfm

⁹² Transcript, p. 54, October 2008.

⁹³ Exhibit Nos. 75 and 84, October 2008; Transcript, pp. 49-93, October 2008.

⁹⁴ Transcript, p. 57, October 2008.

⁹⁵ Transcript, p. 53, October 2008.

The Protestant presented the results of some of the geological studies he has completed over the years; however, most of the studies were outside of the project area at issue in this case and their relevance appears tenuous at best.⁹⁶ One of his major points is that there is a hydrologic connection between Diamond Valley and Kobeh Valley, and that pumping in Kobeh Valley could impact water levels in Diamond Valley. The Protestant concluded by stating, "...this presentation establishes that an accurate geologic model is critical for the applicants to create an accurate hydrologic model..." and "[a]n accurate hydrologic model is necessary because the geology demonstrates there are huge horizontal and vertical conduits for the transfer of water from Diamond Valley to Kobeh Valley."⁹⁷ The existence of a hydrologic connection between Kobeh and Diamond Valleys, or between numerous other basins in the Diamond Valley Flow System, is generally accepted by hydrologists and the State Engineer. The Protestant provided documents stating, "Neither the State Engineer nor the BLM have the knowledge or necessary data to make major responsible resource or land use decisions concerning the eastern Great Basin Aquifer."⁹⁸ "The State of Nevada has yet to conduct a detailed and accurate State Geological Survey for proper land and resource decisions can be made."⁹⁹ "Meanwhile, Cedar Strat has already initiated a proprietary Great Basin Geological Survey that can be used for land and resource decisions and natural resource exploration."¹⁰⁰ "Cedar Strat's Great Basin Geological Survey has been recently valued at more than \$850 MM but it has only begun the work that needs to be done."¹⁰¹

The State Engineer finds the Protestant did not appear at the hearing on remand to support his protest. The State Engineer finds the basin and range extensional tectonics in the Great Basin is widely accepted by the scientific community in every peer-reviewed publication analyzed by the Office of the State Engineer and cannot be discounted based on this lone Protestant's contrary interpretation. The State Engineer finds that the Protestant is not an expert in hydrology or hydrogeology and any testimony or evidence provided by the Protestant in those areas of study carry no weight. The State Engineer

⁹⁶ Exhibit Nos. 75 and 84, October 2008; Transcript, pp. 49-93, October 2008.

⁹⁷ Transcript, p. 92, October 2008.

⁹⁸ Exhibit No. 75, October 2008.

⁹⁹ Exhibit No. 75, October 2008.

¹⁰⁰ Exhibit No. 75, October 2008.

¹⁰¹ Exhibit No. 75, October 2008.

finds that the Protestant failed to provide substantial evidence and testimony in support of his protests.

**XVII.
OTHER PROTEST ISSUES**

Nevada Revised Statute § 533.370(5) provides that the State Engineer shall reject an application where the proposed use conflicts with existing water rights. Witnesses testified to their various concerns primarily related to their respective water rights, business, farming, ranching and county interests.

The Eureka Producers Cooperative withdrew all protests prior to the remand hearing after reaching an agreement with the Applicant in August 2010. Lander County did not present a case at the December 2010 hearing. Tim Halpin, Lloyd Morrison and Cedar Ranches were represented by one attorney and presented a joint case at the 2008 hearing. Tim Halpin reached an agreement with the Applicant and withdrew his protests prior to the December 2010 hearing. Cedar Ranches did not attend the December 2010 hearing and did not present a case on remand.

Protestant Tackett attended the December 2010 hearing and indicated in testimony that he owns Klobe Hot Springs in the Northern part of Antelope Valley, south of Kobeh Valley, and expressed concern that the entire Diamond Valley flow system was not studied in its entirety. He asked that the Klobe Hot Springs be part of any monitoring efforts to protect his existing rights.¹⁰² The State Engineer finds that the entire flow system has been considered, specifically in 'Findings Section V.' of this ruling, and a monitoring, management and mitigation plan will be required. The State Engineer finds that the predicted groundwater drawdowns in the area of Klobe Hot Springs to be minimal to non-existent and no affects on the Hot Springs area are predicted.¹⁰³

Lloyd Morrison testified on his own behalf and raised concerns over impacts to his existing water rights. His property is located on the west side of Diamond Valley and is one of the closest properties to the proposed mine pit. He believes that a concise monitoring, management and mitigation plan must be in place before the permits are granted.¹⁰⁴ The State Engineer finds that an approved monitoring, management and mitigation plan will be required prior to diversion of water for the project. The State

¹⁰² Transcript, pp. 814-830, December 2010.

¹⁰³ Exhibit No. 39, Figures 4.4-12 to 4.4-16, December 2010.

¹⁰⁴ Transcript, pp. 428-430, December 2010.

Engineer has previously found, based on the scientific evidence, that there will be an impact of less than 2 feet on the water table at Mr. Morrison's wells in Diamond Valley due to the mine's proposed pumping. The State Engineer finds that this amount of drawdown over the 44-year life of the mine is not unreasonable and will not conflict with the Protestant's existing water rights.

Protestant Benson, through witness and son Craig Benson, offered testimony that the water level has been falling at a fairly steady rate of decline in Diamond Valley at the Benson agricultural properties.¹⁰⁵ He asked that the State Engineer consider impacts to the entire flow system and to existing rights in Diamond Valley.¹⁰⁶ The State Engineer finds that the entire flow system and impacts to existing rights are addressed throughout this ruling. Protestant Benson personally testified at the hearing of October 13-17, 2008, and again at the December 2010 hearing. Protestant Benson indicated that the water level in one of his wells has dropped 69 feet over a period of 49 years or about 1.4 feet per year.¹⁰⁷ The State Engineer finds that water level decline at Mr. Benson's well is due to agricultural pumping within Diamond Valley, and has found earlier in this ruling that there will not be unreasonable impacts to his water rights due to proposed mine pumping.

Protestant Conley testified that he acquired his property in Diamond Valley in 2007 and the water level has declined about two feet per year since that time.¹⁰⁸ Protestant Conley also believes pumping under these applications will have an adverse impact on his existing water rights. This claim is based on his belief in a hydrologic connection between Kobeh Valley and Diamond Valley. Protestant Conley stated that he believed the mine project should have acquired water from active water permits in Diamond Valley.¹⁰⁹ The Applicant has acquired 16,000 afa of existing water rights in Kobeh Valley and is seeking to develop 11,300 afa of water from the Kobeh Valley aquifer. The Applicant has also acquired substantial amounts of existing groundwater rights within Diamond Valley. A review of the record shows that the Applicant has justified the need for 11,300 afa of water from Kobeh Valley. The committed resources of the Kobeh Valley Hydrographic Basin are well below the estimated perennial yield, including the changes and appropriations sought by the Applicant in this ruling. The

¹⁰⁵ Transcript, pp. 771-772, December 2010.

¹⁰⁶ Transcript, p. 778, December 2010.

¹⁰⁷ Transcript, p. 796, December 2010.

¹⁰⁸ Transcript, p. 432, December 2010.

¹⁰⁹ Transcript, p. 437, December 2010.

scientific evidence, including hydrologic studies and groundwater modeling, estimated future effects and this evidence shows that no unreasonable impacts will occur. The State Engineer finds that the applications will not conflict with the Protestant's existing water rights.

XVIII.

Protestant Eureka County, through its closing brief, requests that the applications filed by the Applicant be denied because the proposed use or change conflicts with existing rights, a mitigation plan to prevent impacts to existing users has not been provided, the applications propose an interbasin transfer but the applicant has failed to provide evidence to satisfy the statutory requirements for the State Engineer to grant an interbasin transfer, there is a lack of water available to appropriate, and there is a lack of specificity in the applications. However, Protestant Eureka County also spoke in favor of mining.

In its protest, Eureka County states,

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. 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.¹¹⁰

In testimony, the Eureka County Natural Resource Manager indicated that Eureka County did not want to kill the project but wanted it done right.¹¹¹ He indicated that the monitoring, management and mitigation plan was very important and that Eureka County wants full participation in developing the plan.¹¹² In testimony, the Chairman of the Eureka County Board of Commissioners confirmed that to his knowledge no one representing Eureka County has ever directed its consultants, employees or attorneys to try and kill the mine project.¹¹³ The Chairman indicated that it was his understanding that Eureka County had to protest to maintain standing with the State Engineer and if there is

¹¹⁰ Exhibit No. 509, December 2010.

¹¹¹ Transcript, p. 755, December 2010.

¹¹² Transcript, p. 756, December 2010.

¹¹³ Transcript, p. 714, December 2010.

not a settlement with the Applicant that the County would be denied the right to participate in a monitoring, management and mitigation plan.¹¹⁴ The Chairman testified that mining is a life blood of Eureka County¹¹⁵ and that Eureka County has and always will be a mining and agricultural county.¹¹⁶ In addition, the mine will provide an economic benefit in the form of increased employment and tax revenue for the county.¹¹⁷

While substantial evidence exists that pumping 11,300 afa of water from Kobreh Valley, which is considerably less than the revised and more conservative perennial yield of 15,000 afa, can be safely carried out, the only way to fully ensure that existing water rights are protected is by closely monitoring hydrologic conditions while groundwater pumping occurs. The State Engineer has wide latitude and broad authority in terms of imposing permit terms and conditions. This includes the authority to require a comprehensive monitoring, management and mitigation plan prepared with assistance from Eureka County.

The State Engineer finds that a monitoring, management and mitigation plan prepared with input from Eureka County must be approved by the State Engineer prior to pumping groundwater for the project.

CONCLUSIONS

I.

The State Engineer has jurisdiction over the parties and the subject matter of this action and determination.¹¹⁸

II.

The State Engineer is prohibited by law from granting an application to appropriate or change the public waters where:¹¹⁹

- A. there is no unappropriated water at the proposed source;
- B. the change conflicts with existing rights;
- C. the proposed change conflicts with protectable interests in existing domestic wells as set forth in NRS § 533.024; or
- D. the proposed use or change threatens to prove detrimental to the public interest.

¹¹⁴ Transcript, p. 714 and pp. 716-717, December 2010.

¹¹⁵ Transcript, p. 715, December 2010.

¹¹⁶ Transcript, p. 438, October 2008.

¹¹⁷ Transcript, pp. 438-439, October 2008.

¹¹⁸ NRS Chapters 533 and 534.

¹¹⁹ NRS § 533.370(5).

III.

The evidence and testimony show that select springs on the floor of Kobeh Valley and one domestic well near Roberts Creek may be impacted by the proposed pumping in Kobeh Valley; however, any impacts can be detected and mitigated through a comprehensive monitoring, management and mitigation plan. The State Engineer has found that the domestic well and spring flow reduction can be adequately and fully mitigated by the Applicant should impacts to existing rights or the domestic well occur. To ensure funding exists for any required future mitigation, including mitigation after the cessation of active mining activities, the Applicant must demonstrate the financial capability to complete any mitigation work necessary in a monitoring, management, and mitigation plan prior to pumping groundwater for the project.

Based on substantial evidence and testimony, and the monitoring, management and mitigation plan requirement, the State Engineer concludes that the approval of the applications will not conflict with existing water rights, will not conflict with protectable interests in existing domestic wells as set forth in NRS § 533.024, and will not threaten to prove detrimental to the public interest.

IV.

The State Engineer concludes the Applicant provided proof satisfactory of its intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence, and its financial ability and reasonable expectation actually to construct the work and apply the water to the intended beneficial use with reasonable diligence.

V.

The State Engineer concludes that based on the findings the Applicant meets the additional statutory criteria required for an interbasin transfer of water from Kobeh Valley under NRS § 533.370(6); therefore, the applications filed within Kobeh Valley can be considered for approval. The State Engineer concludes any groundwater developed in Diamond Valley will be limited to use within Diamond Valley; therefore, the interbasin transfer statute is not applicable to these applications.

VI.

Concerns were raised at the administrative hearing that the State Engineer had not provided notice under NRS § 534.090 that the water right might be subject to forfeiture.

Nevada Revised Statute § 534.090 provides:

For water rights in basins for which the State Engineer keeps pumping records, if the records of the State Engineer indicate at least 4 consecutive years, but less than 5 consecutive years, of nonuse of all or any part of such a water right which is governed by this chapter, the State Engineer shall notify the owner of the water right, as determined in the records of the Office of the State Engineer, by registered or certified mail that he has 1 year after the date of the notice in which to use the water rights beneficially and to provide proof of such use to the State Engineer or apply for relief pursuant to subsection 2 to avoid forfeiting the water right.

The argument was raised that the State Engineer was required to notify the holders of the possible forfeiture one year before commencing the forfeiture proceeding. The statutory language quoted above was added to NRS § 534.090 in 1995 as Assembly Bill 435, which became effective on July 1, 1995. Accordingly, any water right for which there was more than five consecutive years of complete or partial non-use on the effective date of the notice provision, July 1, 1995, is not entitled to notice by the express terms of the statute. As to Certificates 2782, 4922, 6457, 8002, and 8003, the water rights had not been used for more than five consecutive years before the notice provision was enacted in 1995. Therefore, the holders of the water right were not entitled to notice of possible forfeiture. Such an interpretation is clear from the express provisions of the statute. The plain language of the statute lends itself to only one possible interpretation: any certificated underground water right or portion of water right that had not been put to beneficial use for five years or more when the notice provision became effective is not entitled to notice. The Applicant's argument can only be accepted if the phrase "but less than 5 consecutive years" is ignored.

Such an interpretation would not only be inconsistent with the express language of NRS § 534.090, but would give retroactive effect to the statute when the legislative history clearly intended the notice provision not apply retroactively. According to Assemblyman Neighbors, one of the sponsors of Assembly Bill 435, "there are not retroactive provisions in [A.B. 435]."¹²⁰ In testimony regarding A.B. 435, the State Engineer stated, "this office has

¹²⁰ *Hearing on A.B. 435 before the Senate Committee on Natural Resources*, 1995 Leg., 68th Sess. 2 (June 7, 1995).

taken the position that if 5 years have already past [sic], those non-users of water rights are not to be notified. Under the measure, it is only the ones where 4 years of non-use of water rights have occurred, but not yet 5."¹²¹ The reason A.B. 435 was not applied to existing rights that had not been used for five years or more was that such a requirement would have placed a tremendous burden on the Office of the State Engineer. The State Engineer commented that "probably 4,000 water rights in the state . . . are subject to forfeiture."¹²²

Accordingly, the Legislature understood from one of the drafters of A.B. 435 that the notice provision was not intended to be applied in situations where five years of non-use had already occurred prior to the enactment of the law and thereby resurrect rights that were already subject to forfeiture. Generally, a statute will only be interpreted to have prospective effect unless there is a clear expression of legislative intent that it applies retroactively.¹²³ Here not only has the Legislature not stated an intention that the notice provision of NRS § 534.090(1) apply retroactively, they specifically indicated in both the language of the statute and the legislative history that the notice provision was not intended to be retroactive.

The State Engineer concludes that since more than five consecutive years of non-use of water under Certificates 2782, 4922, 6457, 8002, and 8003, had passed prior to the enactment of the notice provision of NRS § 534.090, he was not required to provide one-year notice as set forth in NRS § 534.090.

VII.

The State Engineer concludes, based on the revised perennial yield of Kobeh Valley compared to committed resource, that the actual withdrawal of groundwater within the basin is well below the perennial yield and water is available for appropriation for the temporary manner of use contemplated under these applications.

VIII.

The protests of Eureka County and Benson cite that further applications for the mining project should not be considered until a United States Geological Survey (USGS) study is completed. There is nothing in Nevada water law that requires or compels applications to be held for an indefinite period of time while a third party not associated with the project completes a study of the area. The State Engineer concludes there is

¹²¹ *Id.* at Sess. 4.

¹²² *Ibid.*

¹²³ *See, Nevada Power Co. v. Metropolitan Development Co.*, 104 Nev. 684, 686, 765 P.2d 1162 (1988).

Ruling
Page 42

sufficient existing hydrologic information to proceed with these applications and this protest issue does not provide valid grounds for denial of the applications.

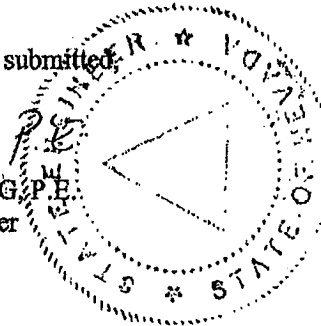
RULING

Certificates 2782, 4922, 6457, 8002 and 8003 are hereby declared forfeit; therefore, Applications 76483, 76484, 76485, 76486, 76744, 77174 and 77175 are denied. The remaining protests are overruled and 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, 76745, 76746, 76802, 76803, 76804, 76805, 76989, 76990, 77171, 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 are hereby granted subject to:

1. Existing rights;
2. Payment of the statutory permit fees;
3. A monitoring, management, and mitigation plan prepared in cooperation with Eureka County and approved by the State Engineer before any water is developed for mining;
4. All changes of irrigation rights will be limited to their respective consumptive uses;
5. No export of water from the Diamond Valley Hydrographic Basin;
6. A total combined duty of 11,300 afa.

Respectfully submitted,

JASON KING, P.E.
State Engineer



Dated this 15th day of
July, 2011.



Permit No. 72695

THE STATE OF NEVADA
PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 05/03/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

(Continued on Page 2)

Permit No. 72695

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 3.0 cubic feet per second or 2,000.00 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 45

JA5779

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

No. 72695

Date of filing in State Engineer's Office MAY 03 2005
Returned to applicant for correction MAY 24 2005
Corrected application filed DEC 05 2005
Map filed DEC 05 2005

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated.

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point within the SE ¼ of the SE ¼ of Section 35, T. 21 N., R. 51E., M.D.M. or at a point from which the southeast corner of said Section 35 bears South 45°00' East a distance of 933 feet.
6. Place of Use Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of **\$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

72695

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22,280 cfs or 10,000 gpm combined annual duty.

By s/ George G. Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared bk/sam

Protested ^{W/D} 2-9-06 by Roy R. Risi, ^{W/D} 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter & ^{W/D} ~~for~~ Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)

Protests Overruled 7/15/11 See Ruling 6127

ROA SE 47

JA5781

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 72696

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **05/03/2005**

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(Continued on Page 2)

Permit No. 72696

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.0 cubic feet per second or 2,000.00 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 50

JA5784

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

No. 72696

Date of filing in State Engineer's Office MAY 03 2005
Returned to applicant for correction MAY 24 2005
Corrected application filed DEC 05 2005
Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point within the NW ¼ of the NW ¼ of Section 35, T. 21 N., R. 51 E., M.D.M. or at a point from which the northeast corner of said Section 35 bears North 81° 52' East a distance of 4667 feet.
6. Place of Use Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of **\$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

72696

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by Roy R. Risi, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter &/or Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)

Protests Overruled 7/15/11 See Ruling #6127

ROA SE 52

JA5786

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	M.D.M.
All	34-36	22N	50E	M.D.M.
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All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
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All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
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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.



Permit No. 72697

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 05/03/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(Continued on Page 2)

Permit No. 72697

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.0 cubic feet per second or 2,000.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

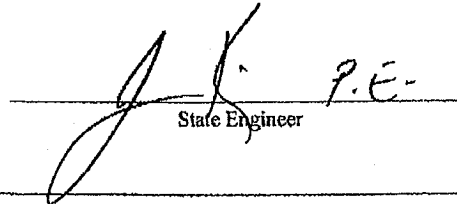
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 1 2012
N/A

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

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 55

JA5789

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

No. 72697

Date of filing in State Engineer's Office MAY 03 2005
Returned to applicant for correction MAY 24 2005
Corrected application filed DEC 05 2005
Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SW ¼ of the SW ¼ of Section 35, T. 21 N., R. 51 E., M.D.M. or at a point from which the southeast corner of said Section 35 bears South 81° 52' East a distance of 4667 feet.**
6. Place of Use Refer to **EXHIBIT "A"**. A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of **\$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

72697

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt., 2-13-06 by David S A Stine, 2-14-06 by Eureka City & Eureka Producers Coop., 2-16-06 by Tim Halpin, Lloyd Morrison & Peter ^{W/P} or Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)
Pro. Overruled 7/15/11 See Ruling#6127

ROA SE 57

JA5791

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 72698

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **05/03/2005**

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(Continued on Page 2)

Permit No. 72698

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

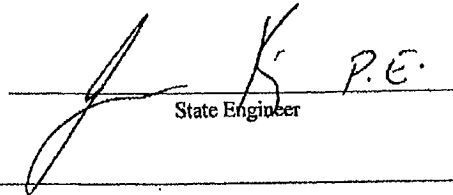
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 60

JA5794

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

No. 72698

Date of filing in State Engineer's Office MAY 03 2005
Returned to applicant for correction MAY 24 2005
Corrected application filed DEC 05 2005
Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22,280 cfs/10000 gpm** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NE ¼ of the NE ¼ of Section 35, T. 21 N., R. 51 E., M.D.M. or at a point from which the northeast corner of said Section 35 bears North 45° 00' East a distance of 933 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of **\$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

ROA SE 61

JA5795

72698

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/dr

Protested 2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter & Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)
Pro. Overruled 7/15/11 See Ruling #6127

ROA SE 62

JA5796

72698

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	21 1/2N	52E	M.D.M.
All	25-27	22N	50E	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	6-8	22N	52E	M.D.M.
All	13-36	22N	52E	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.



Permit No. 73545

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 12/05/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

(Continued on Page 2)

Permit No. 73545

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.0 cubic feet per second or 2,000.0 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

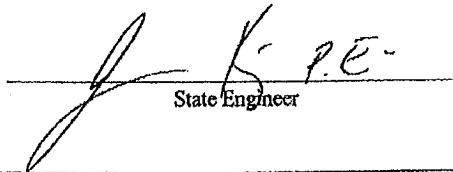
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 65

JA5799

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

Date of filing in State Engineer's Office DEC 05 2005
Returned to applicant for correction _____
Corrected application filed _____
Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SE¼ of the SE¼ of Section 10, T.20N., R.51E., M.D.M. or at a point from which the southeast corner of Section 35 T21N., R51E M.D.M. bears North 42° 18' East a distance of 7107 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works **in excess of \$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73545

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/ George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc _____

Protested ^{W/D} 2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt, ^{W/D} 2-13-06 by David S A Stine, 2-14-06 Eureka Cty & Eureka Producers Coop, ^{W/D} 2-16-06 by Tim Halpin, Lloyd Morrison, & Peter ^{W/D} & or Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise) Protests Overruled 7/15/11 See Ruling#6127

73545
73545

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 73546

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **12/05/2005**

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

(Continued on Page 2)

Permit No. 73546

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

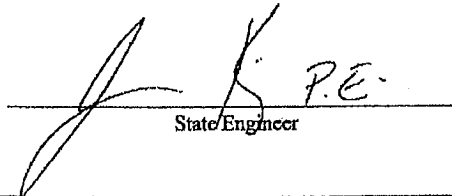
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 70

JA5804

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

Date of filing in State Engineer's Office DEC 05 2005

Returned to applicant for correction _____

Corrected application filed _____

Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm** second-feet
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SW¼ of the SE¼ of Section 11, T.20N., R.51E., M.D.M. or at a point from which the southeast corner of Section 35 T21N., R51E., M.D.M. bears North 08° 49' East a distance of 5360 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of **\$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73546

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/ George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter & Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)

Protests Overruled 7/15/11 See Ruling #6127

ROA SE 72

JA5806

73546

15245

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 73547

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 12/05/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(Continued on Page 2)

Permit No. 73547

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.0 cubic feet per second or 723.97 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

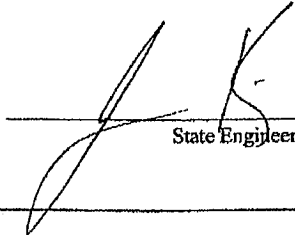
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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

Date of filing in State Engineer's Office DEC 05 2005

Returned to applicant for correction _____

Corrected application filed _____

Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22,280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the SE¼ of the NW¼ 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 3383 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works **in excess of \$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73547

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22.280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by ^{W/S}Roy R. Risi, 2-10-06 by ^{W/D}US Bureau of Land Mgmt, 2-13-06 by David S A
Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by ^{W/D}Tim Halpin, Lloyd
Morrison & Peter & ^{W/D}Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)

Protests Overruled 7/15/11 See Ruling #6127

73547
1924

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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 1/2 N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2 N	52E	M.D.M.
All	31	21 1/2 N	53E	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.



Permit No. 73548

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEH VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEH VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 12/05/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 73548, 73549, 73550, 79911, 79912, 79914, 79916, 79918, 79919, 79922, 79924, 79925, 79928, 79929, 79930, 79931, 79933, 79936, 79937, 79938, 79939 and 79940 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

(Continued on Page 2)

Permit No. 73548

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 3,223.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2013

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

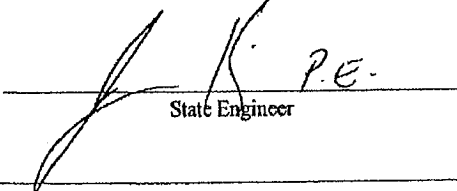
December 1 2016

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 80

JA5814

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

Date of filing in State Engineer's Office DEC 05 2005
Returned to applicant for correction _____
Corrected application filed _____
Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NE¼ of the SW¼ of Section 35, T.21N., R.51E., M.D.M.** or at a point from which the southeast corner of said Section 35 bears South 59° 02' East a distance of 3848 feet.
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works **in excess of \$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73548

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22,280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by Roy R Risj, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter & Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)

Pro. Overruled 7/15/11 See Ruling #6127

73548

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 73549

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 12/05/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 73548, 73549, 73550, 79911, 79912, 79914, 79916, 79918, 79919, 79922, 79924, 79925, 79928, 79929, 79930, 79931, 79933, 79936, 79937, 79938, 79939 and 79940 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

(Continued on Page 2)

Permit No. 73549

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 3223.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2013

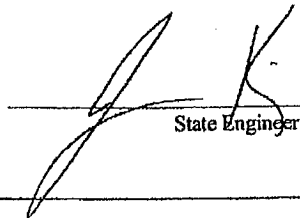
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

December 1 2016
N/A

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

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011

 P.E.

State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 85

JA5819

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

Date of filing in State Engineer's Office DEC 05 2005

Returned to applicant for correction _____

Corrected application filed _____

Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NE¼ of the NE¼ of Section 26, T.21N., R.51E., M.D.M. or at a point from which the northeast corner of said Section 26 bears North 45° 00' East a distance of 934 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **January 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works **in excess of \$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73549

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22,280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc _____

Protested ^{W/D} 2-9-06 by Roy R Risi, 2-10-06 by ^{W/D} US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka ^{W/D} Producers Coop, 2-16-06 by ^{W/D} Tim Halpin, Lloyd Morrison & Peter ^{W/D} & or Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)
Protests Overruled 7/15/11 See Ruling #6127

ROA SE 87

JA5821

73549
15245

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 73550

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **12/05/2005**

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 73548, 73549, 73550, 79911, 79912, 79914, 79916, 79918, 79919, 79922, 79924, 79925, 79928, 79929, 79930, 79931, 79933, 79936, 79937, 79938, 79939 and 79940 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of the above listed permits shall not exceed 11,300 acre-feet annually.

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

(Continued on Page 2)

ROA SE 89

JA5823

Permit No. 73550

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 3223.97 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2013

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

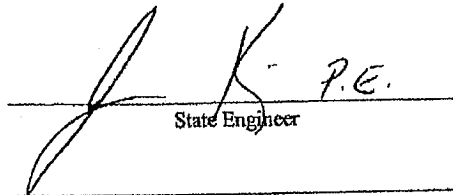
December 1 2016

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 90

JA5824

No. 73550

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

Date of filing in State Engineer's Office DEC 05 2005
Returned to applicant for correction _____
Corrected application filed _____
Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

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 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point **within the NW¼ of the NW¼ of Section 26, T.21N., R.51E., M.D.M. or at a point from which the northeast corner of said Section 26 bears North 81° 52' East a distance of 4667 feet.**
6. Place of Use **Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.**
7. Use will begin about **Janaury 1** and end about **December 31** of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works **in excess of \$3,000,000.**
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

ROA SE 91

JA5825

73550

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22,280 cfs or 10,000 gpm combined annual duty.

By s/ George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by Roy R Risi, 2-10-06 by US Bureau of Land Mgmt, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop, 2-16-06 by Tim Halpin, Lloyd Morrison & Peter & Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)
Protests Overruled 7/15/11 See Ruling #6127

ROA SE 92

JA5826

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 73551

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEB VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 12/05/2005

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(Continued on Page 2)

Permit No. 73551

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 6.0 cubic feet per second or 2,669.50 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

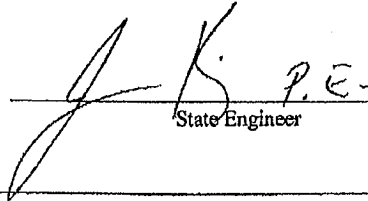
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



Permit No. 73551

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: KOBEL VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: KOBEL VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: January 1st to December 31st
Priority Date: 12/05/2005

~~APPROVAL~~ OF STATE ENGINEER Vacated by Court Order 4/10/10

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined duty of water under Permits 73551 and 73552 shall not exceed 5339.00 acre-feet annually.

The total combined duty of water under Permits 73551, 73552, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 11,300.00 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this temporary permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies, and is specifically issued contingent upon approval by the Nevada Division of Environmental Protection of the dewatering project.

(Continued on Page 2)

A monitoring, management and mitigation plan, approved by the State Engineer, is required prior to the diversion of any water. The State Engineer retains the right to require the applicant to perform additional monitoring. The permittee, on a schedule acceptable to the State Engineer, shall prepare and present an update on the activities of the mine and the monitoring on a periodic basis. The State retains the right to regulate pumping from the dewatering project and/or any other groundwater withdrawals herein authorized to protect the public interest and to protect existing rights.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 2,669.5 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

July 21, 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21, 2014

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

July 21, 2014

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 21st day of July, A.D. 2009

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

IIb

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

Date of filing in State Engineer's Office DEC 05 2005

Returned to applicant for correction _____

Corrected application filed _____

Map filed DEC 05 2005 under 72695

The applicant **Idaho General Mines, Inc.** hereby makes application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (attached)

1. The source of the proposed appropriation is **underground**
2. The amount of water applied for is **22.280 cfs/10000 gpm second-feet**
 - (a) If stored in reservoir give number of acre-feet
3. The water to be used for **Mining, Milling and Dewatering**
4. If use is for:
 - (a) Irrigation, state number of acres to be irrigated
 - (b) Stockwater, state number and kinds of animals to be watered
 - (c) Other use (describe fully under No. 12. "Remarks")
 - (d) Power:
 - (1) Horsepower developed
 - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point within the NE¼ of the SW¼ of Section 26, T.21N., R.51E., M.D.M. or at a point from which the northeast corner of said Section 26 bears North 45° 00' East a distance of 4667 feet.
6. Place of Use Refer to EXHIBIT "A". A maximum of approximately 90,000 acres within the described sections will be used to develop a mine and mill site. Exact location to be determined later.
7. Use will begin about January 1 and end about December 31 of each year.
8. Description of proposed works **Drilled well, pump and pipelines or truck to mine and mill site.**
9. Estimated cost of works in excess of \$3,000,000.
10. Estimated time required to construct works **3 years**
11. Estimated time required to complete the application of water to beneficial use **5 years**

73551

12. Remarks: Water will be diverted from well and will be used in mine development, dust control and milling. Aggregate total for water appropriated under all four existing applications and eight new applications shall not exceed 22,280 cfs or 10,000 gpm combined annual duty.

By s/George G Lindesmith
George G. Lindesmith
Tri State Surveying 1925 E. Prater Way
Sparks, Nevada 89434

Compared gkl/sc

Protested 2-9-06 by Roy R Risi ^{w/d}, 2-10-06 by Bureau of Land Mgmt. ^{w/d}, 2-13-06 by David S A Stine, 2-14-06 by Eureka Cty & Eureka Producers Coop. ^{w/d}, 2-16-06 by Tim Hahn, Lloyd Morrison & Peter & h/c Tom Damele, 2-21-06 by Bobcat Ranch LLC (Robert & Cathy Weise)
Protests Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/10/10

Protests Overruled 7/15/11 See Ruling #6127

ROA SE 99

JA5833

73551

EXHIBIT "A", PROPOSED PLACE OF USE, IDAHO GENERAL MINES, INC.

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	31	21 1/2N	53E	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.



Permit No. 73552

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**
Source: **UNDERGROUND**
Basin: **KOBEH VALLEY**
Manner of Use: **MINING, MILLING AND DEWATERING**
Period of Use: **JANUARY 1ST TO DECEMBER 31ST**
Priority Date: **12/05/2005**

APPROVAL OF STATE ENGINEER

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

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994 and 75995 shall not exceed 6,292.36 acre-feet annually.

The total combined duty of all of the above listed permits shall not exceed 11,300 acre-feet annually.

This permit is issued under the preferred use provisions of NRS Chapter 534. The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(Continued on Page 2)

Permit No. 73552

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

This permit is subject to the approval of a monitoring, management and mitigation plan by the State Engineer before any water is developed for mining.

The point of diversion and place of use are as described on the submitted application to support this permit.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 6.0 cubic feet per second or 2,669.50 acre-feet annually.**

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

December 1 2012

Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

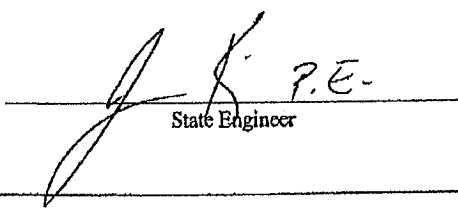
December 1 2012

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

N/A

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 1st day of December, A.D. 2011


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

ROA SE 102

JA5836

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,

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.

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 02:18 p.m.
Tracie K. Lindeman
Clerk of Supreme Court

JOINT APPENDIX

Volume 31

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 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
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
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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

JAN 26 2012

Eureka County Clerk
By *Glennan Carter*

KENNETH F. BENSON, an individual;
DIAMOND CATTLE COMPANY, LLC, a
Nevada limited liability company; MICHEL
AND MARGARET ANN ETCHEVERRY
FAMILY, LP, a Nevada registered foreign
limited partnership,

Petitioners,

vs

STATE ENGINEER OF NEVADA, OFFICE
OF THE STATE ENGINEER, DIVISION OF
WATER RESOURCES, DEPARTMENT OF
CONSERVATION AND NATURAL
RESOURCES,

Respondent.

EUREKA COUNTY, a political subdivision of
the State of Nevada,

Petitioner,

vs

THE STATE OF NEVADA, EX. REL.,
STATE ENGINEER, DIVISION OF WATER
RESOURCES,

Respondent.

KENNETH F. BENSON, an individual;
DIAMOND CATTLE COMPANY, LLC, a
Nevada limited liability company; and
MICHEL AND MARGARET ANN
ETCHEVERRY FAMILY, LP, a Nevada
registered foreign limited partnership,

Petitioners,

vs

STATE ENGINEER OF NEVADA, OFFICE
OF THE STATE ENGINEER, DIVISION OF
WATER RESOURCES, DEPARTMENT OF
CONSERVATION AND NATURAL
RESOURCES

Respondents.

Case No. CV1108-157
Dept. No. 2

Case No. CV1112-164
Dept. No. 2

Case No. CV1112-165
Dept. No. 2

ORDER GRANTING EXTENSION

GOOD CAUSE APPEARING, this Court will grant the Motion to Extend Time filed by
the State Engineer, and permit a two-week extension of time in which all Respondents may file
their Answering Briefs in this matter. The current deadline for Reply Brief to be filed by
Petitioners is also extended by two weeks.

1 IT IS HEREBY ORDERED that a two-week extension of time for the Answering Briefs
2 and Reply Briefs is GRANTED. Respondents' Answering Briefs will now be due on February
3 27, 2012, and Petitioners' Reply Briefs will now be due on March 28, 2012.

4 DATED: January 26, 2012.

5
6 
7 DISTRICT JUDGE

8 Submitted By:

9 Ross E. de Lipkau, NSB No. 1628
10 John R. Zimmerman, NSB No. 9729
11 PARSONS BEHLE & LATIMER
12 50 West Liberty Street, Suite 750
13 Reno, NV 89501
14 Ph: 775.323.1601
15 Em: rdelipkau@parsonsbehle.com

16 Francis M. Wikstrom, *Pro Hac Vice*
17 UT Bar No. 3462
18 201 South Main Street; Suite 1800
19 Salt Lake City, UT 84111
20 Ph: 801.532.1234
21 Em: fwikstrom@parsonsbehle.com
22 ecf@parsonsbehle.com

23 *Attorneys for Respondent*
24 KOBEN VALLEY RANCH, LLC
25
26
27
28

Ross E. de Lipkau, NSB No. 1628
John R. Zimmerman, NSB No. 9729
PARSONS BEHLE & LATIMER
50 West Liberty Street, Suite 750
Reno, NV 89501
Ph: 775.323.1601
Em: rdelipkau@parsonsbehle.com

Francis M. Wikstrom, *Pro Hac Vice*
UT Bar No. 3462
201 South Main Street; Suite 1800
Salt Lake City, UT 84111
Ph: 801.532.1234
Em: fwikstrom@parsonsbehle.com
ecf@parsonsbehle.com

Attorneys for Respondent
KOBEL VALLEY RANCH, LLC

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

EUREKA COUNTY, a political subdivision of
the State of Nevada,

Petitioner,

vs

THE STATE OF NEVADA, EX. REL.,
STATE ENGINEER, DIVISION OF WATER
RESOURCES,

Respondent.

Case No. CV1108-155
Dept. No. 2

CONLEY LAND & LIVESTOCK LLC, a
Nevada limited liability company; LLOYD
MORRISON, an individual,

Petitioners,

vs

THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA, DIVISION
OF WATER RESOURCES, DEPARTMENT
OF CONSERVATION AND NATURAL
RESOURCES, JASON KING, STATE
ENGINEER, KOBEL VALLEY RANCH,
LLC, REAL PARTY-IN-INTEREST

Respondents.

Case No. CV1108-156
Dept. No. 2

KENNETH F. BENSON, an individual;
DIAMOND CATTLE COMPANY, LLC, a
Nevada limited liability company; MICHEL
AND MARGARET ANN ETCHEVERRY
FAMILY, LP, a Nevada registered foreign
limited partnership,

Petitioners,

vs

STATE ENGINEER OF NEVADA, OFFICE
OF THE STATE ENGINEER, DIVISION OF
WATER RESOURCES, DEPARTMENT OF
CONSERVATION AND NATURAL
RESOURCES,

Respondent.

EUREKA COUNTY, a political subdivision of
the State of Nevada,

Petitioner,

vs

THE STATE OF NEVADA, EX. REL.,
STATE ENGINEER, DIVISION OF WATER
RESOURCES,

Respondent.

KENNETH F. BENSON, an individual;
DIAMOND CATTLE COMPANY, LLC, a
Nevada limited liability company; and
MICHEL AND MARGARET ANN
ETCHEVERRY FAMILY, LP, a Nevada
registered foreign limited partnership,

Petitioners,

vs

STATE ENGINEER OF NEVADA, OFFICE
OF THE STATE ENGINEER, DIVISION OF
WATER RESOURCES, DEPARTMENT OF
CONSERVATION AND NATURAL
RESOURCES

Respondents.

Case No. CV1108-157
Dept. No. 2

Case No. CV1112-164
Dept. No. 2

Case No. CV1112-165
Dept. No. 2

ANSWER TO PETITION FOR JUDICIAL REVIEW

COMES NOW, Kobreh Valley Ranch, LLC, the real party in interest (hereinafter "KVR")
and files its Answer to Eureka County's Petition for Judicial Review. Petitioner will hereinafter
be referred to as Eureka County.

- 1 1. KVR admits the allegations contained within paragraph 1 of Eureka County's
- 2 Petition for Judicial Review.
- 3 2. KVR admits the allegations contained within paragraph 2 of Eureka County's
- 4 Petition for Judicial Review.
- 5 3. KVR admits the allegations contained within paragraph 3 of Eureka County's
- 6 Petition for Judicial Review.
- 7 4. KVR admits the allegations contained within paragraph 4 of Eureka County's
- 8 Petition for Judicial Review.
- 9 5. KVR admits the allegations contained within paragraph 5 of Eureka County's
- 10 Petition for Judicial Review.
- 11 6. KVR admits the allegations contained within paragraph 6 of Eureka County's
- 12 Petition for Judicial Review.
- 13 7. KVR admits the allegations contained within paragraph 7 of Eureka County's
- 14 Petition for Judicial Review.
- 15 8. KVR admits the allegations contained within paragraph 8 of Eureka County's
- 16 Petition for Judicial Review.
- 17 9. KVR admits the allegations contained within paragraph 9 of Eureka County's
- 18 Petition for Judicial Review.
- 19 10. KVR admits the allegations contained within paragraph 10 of Eureka County's
- 20 Petition for Judicial Review.
- 21 11. KVR admits the allegations contained within paragraph 11 of Eureka County's
- 22 Petition for Judicial Review.
- 23 12. KVR admits the allegations contained within paragraph 12 of Eureka County's
- 24 Petition for Judicial Review.
- 25 13. KVR admits the allegations contained within paragraph 13 of Eureka County's
- 26 Petition for Judicial Review.
- 27 14. KVR denies the allegations contained within paragraph 14 of Eureka County's
- 28 Petition for Judicial Review.

1 15. KVR denies the allegations contained within paragraph 15 of Eureka County's
2 Petition for Judicial Review, but asserts that Respondent Nevada State Engineer has amended
3 permits 76005, 76006, 76007, 76008, 76009, 76802, 76803, 76804, 76805 and 78424 authorizing
4 KVR to develop a total combined duty of 11,300 afa and no more, from all permits granted by
5 Respondent State Engineer in this action.

6 16. KVR denies the allegations contained within paragraph 16 of Eureka County's
7 Petition for Judicial Review.

8 17. KVR denies the allegations contained within paragraph 17 of Eureka County's
9 Petition for Judicial Review.

10 18. KVR denies the allegations contained within paragraph 18 of Eureka County's
11 Petition for Judicial Review.

12 19. KVR denies the allegations contained within paragraph 19 of Eureka County's
13 Petition for Judicial Review.

14 20. KVR denies the allegations contained within paragraph 20 of Eureka County's
15 Petition for Judicial Review.

16 21. KVR asserts that the allegations contained within paragraph 21 of Eureka
17 County's Petition for Judicial Review are a matter of law, governed by Chapters 533 and 534 of
18 Nevada Revised Statutes and otherwise denies the same.

19 22. KVR agrees to Eureka County's request contained in paragraph 22 of the Petition
20 to consolidate this action with Case Nos. CV 1108-155; CV 1108-156; and CV 1108-157.

21 **AFFIRMATIVE DEFENSES**

22 1. Petitioners have failed to state a claim upon which relief may be granted.

23 2. Petitioners' relief is barred by the doctrines of laches, waiver, estoppel and
24 mootness.

25 3. Petitioners are barred from seeking relief pursuant to the applicable statute of
26 limitations.

1 4. Rulings of the Nevada State Engineer are deemed *prima facie* correct with the burden
2 lying upon Petitioners to overcome such burden.

3 5. Respondent Nevada State Engineer, in Ruling 6127, issued such ruling upon
4 substantial evidence with Petitioners being given the liberal right to present any and all
5 documents, and testimony they so chose during the administrative hearing.

6 6. Eureka County failed to produce at the October 2008; December 2010 and May
7 2011 hearings before the State Engineer, any credible or reliable evidence whatsoever in support
8 of its protests.

9 7. Petitioner owns no water rights in Kobeh Valley.

10 8. The Court cannot substitute its decision for that of the finder of fact, being
11 Respondent Nevada State Engineer.

12 9. Appeals from Rulings of the Nevada State Engineer are not *de novo*, but rather are
13 limited strictly to a determination of whether the State Engineer's decision was supported by
14 substantial evidence.

15 10. Petitioner cannot introduce new documentary evidence; bring up new issues,
16 through testimony or written document at the hearing before this court, which hearing date is
17 currently scheduled. Petitioner is limited to the issues set forth in the evidence at the Nevada
18 State Engineer's administrative hearings of December 2010 and May 2011, which administrative
19 hearings incorporate all prior rulings and evidentiary material.

20 11. Petitioner, not owning any water rights in Kobeh Valley, cannot even remotely be
21 affected by the granting of the subject permits, as petitioner can show no harm or injury.

22 12. Petitioner presented no evidence, issues or legal theories for relief at the
23 administrative hearings held before the State Engineer in December 2010 and May 2011.

24 WHEREFORE, Respondent KVR respectfully prays that this Court enter an Order as
25 follows:

26 1. Affirming, in its totality, Ruling 6127;

27 3. Awarding KVR costs of law suit and attorney's fees;

28 4. For such other and further relief as the Court deems just and proper.

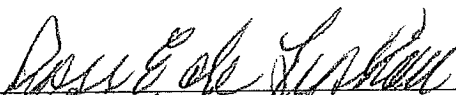
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AFFIRMATION

The undersigned hereby affirms that this document does not contain a social security number.

Dated: January 30, 2012

PARSONS BEHLE & LATIMER

By: 
Ross E. de Lipkau, NSB No. 1628
John R. Zimmerman, NSB No. 9729
50 West Liberty Street, Suite 750
Reno, NV 89501
Ph: 775.323.1601
Em: rdelipkau@parsonsbehle.com

Francis M. Wikstrom, *Pro Hac Vice*
UT Bar No. 3462
201 South Main Street, Suite 1800
Salt Lake City, UT 84111
Ph: 801.532.1234
Em: fwikstrom@parsonsbehle.com
ecf@parsonsbehle.com

Attorneys for Respondent
Kobeh Valley Ranch, LLC

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Parsons Behle & Latimer, and that on this 30th day of January, 2012, I served a true and correct copy of the foregoing **ANSWER TO PETITION FOR REVIEW (Case No. CV1112-164)** via U.S. Mail, at Reno, Nevada, in a sealed envelope, with first-class postage fully prepaid and addressed as follows:

Theodore Beutel, Esq.
EUREKA COUNTY DISTRICT ATTORNEY
701 S. Main Street
PO Box 190
Eureka, NV 89316
Email: tbeutel.ecda@eurekanv.org

Attorneys for Eureka County

Karen A. Peterson, Esq.
ALLISON & MACKENZIE
402 N. Division Street
Carson City, NV 89702
Email: kpeterson@allisonmackenzie.com

Attorneys for Eureka County

Therese A. Ure, Esq.
SCHROEDER LAW OFFICES, P.C.
440 Marsh Avenue
Reno, NV 89509
Email: therese@water-law.com

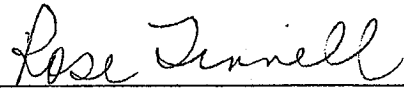
*Attorneys for Benson, Diamond Cattle
Company, and Etcheverry Family*

Bryan L. Stockton,
Senior Deputy Attorney General
NEVADA ATTORNEY GENERAL'S OFFICE
100 North Carson Street
Carson City NV 89701
EMail: bstockton@ag.nv.gov

Attorneys for Nevada State Engineer

Gordon H. DePaoli, Esq., and
Dale E. Ferguson, Esq.
WOODBURN AND WEDGE
6100 Neil Road; Suite 500
PO Box 2311
Reno, NV 89505
EMail: gdepaoli@woodburnandwedge.com

*Attorneys for Conley Land & Livestock, and
Morrison*


Employee of Parsons Behle & Latimer

Ross E. de Lipkau, NSB No. 1628
John R. Zimmerman, NSB No. 9729
PARSONS BEHLE & LATIMER
50 West Liberty Street, Suite 750
Reno, NV 89501
Telephone: (775) 323-1601
Em: rdelipkau@parsonsbehle.com

Francis M. Wikstrom, *Pro Hac Vice*
UT Bar No. 3462
201 South Main Street; Suite 1800
Salt Lake City, UT 84111
Ph: 801.532.1234
Em: fwikstrom@parsonsbehle.com
ecf@parsonsbehle.com

Attorneys for Respondent
KOBEL VALLEY RANCH, LLC

IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF EUREKA

EUREKA COUNTY, a political subdivision of
the State of Nevada,

Petitioner,

vs

THE STATE OF NEVADA, EX. REL.,
STATE ENGINEER, DIVISION OF WATER
RESOURCES,

Respondent.

Case No. CV1108-155
Dept. No. 2

CONLEY LAND & LIVESTOCK LLC, a
Nevada limited liability company; LLOYD
MORRISON, an individual,

Petitioners,

vs

THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA, DIVISION
OF WATER RESOURCES, DEPARTMENT
OF CONSERVATION AND NATURAL
RESOURCES, JASON KING, STATE
ENGINEER, KOBEL VALLEY RANCH,
LLC, REAL PARTY-IN-INTEREST

Respondents.

Case No. CV1108-156
Dept. No. 2

1 KENNETH F. BENSON, an individual;
2 DIAMOND CATTLE COMPANY, LLC, a
3 Nevada limited liability company; MICHEL
4 AND MARGARET ANN ETCHEVERRY
FAMILY, LP, a Nevada registered foreign
limited partnership,

Petitioners,

5 vs

6 STATE ENGINEER OF NEVADA, OFFICE
7 OF THE STATE ENGINEER, DIVISION OF
8 WATER RESOURCES, DEPARTMENT OF
CONSERVATION AND NATURAL
RESOURCES,

Respondent.

9 EUREKA COUNTY, a political subdivision of
10 the State of Nevada,

Petitioner,

11 vs

12 THE STATE OF NEVADA, EX. REL.,
13 STATE ENGINEER, DIVISION OF WATER
RESOURCES,

Respondent.

14 KENNETH F. BENSON, an individual;
15 DIAMOND CATTLE COMPANY, LLC, a
16 Nevada limited liability company; and
17 MICHEL AND MARGARET ANN
ETCHEVERRY FAMILY, LP, a Nevada
registered foreign limited partnership,

Petitioners,

18 vs

19 STATE ENGINEER OF NEVADA, OFFICE
20 OF THE STATE ENGINEER, DIVISION OF
21 WATER RESOURCES, DEPARTMENT OF
CONSERVATION AND NATURAL
RESOURCES

Respondents.

Case No. CV1108-157
Dept. No. 2

Case No. CV1112-164
Dept. No. 2

Case No. CV1112-165
Dept. No. 2

23 **ANSWER TO FIRST AMENDED PETITION FOR JUDICIAL REVIEW**

24 COMES NOW, Respondent Kobeh Valley Ranch, LLC, the real party in interest
25 (hereinafter "KVR") and files its Answer to Kenneth F. Benson, an individual, Diamond Cattle
26 Company, LLC, and Michel and Margaret Ann Etcheverry Family, LP's First Amended Petition
27 for Judicial Review. Petitioners will hereinafter be referred to as Benson, et al.
28

1 1. KVR admits the allegations contained within paragraph 1 of Benson, et al.'s First
2 Amended Petition for Judicial Review.

3 2. KVR does not have sufficient information or knowledge as to the truth or falsity of
4 the allegations contained within paragraph 2 of Benson, et al.'s First Amended Petition for
5 Judicial Review, so therefore denies the allegations therein.

6 3. KVR does not have sufficient information or knowledge as to the truth or falsity of
7 the allegations contained within paragraph 3 of Benson, et al.'s First Amended Petition for
8 Judicial Review, so therefore denies the allegations therein.

9 4. KVR admits the allegations contained within paragraph 4 of Benson, et al.'s First
10 Amended Petition for Judicial Review.

11 5. KVR admits the allegations contained within paragraph 5 of Benson, et al.'s First
12 Amended Petition for Judicial Review.

13 6. KVR admits the allegations contained within paragraph 6 of Benson, et al.'s First
14 Amended Petition for Judicial Review.

15 7. KVR admits the allegations contained within paragraph 7 of Benson, et al.'s First
16 Amended Petition for Judicial Review.

17 8. KVR asserts that the allegations contained within paragraph 8 of Benson, et al.'s
18 First Amended Petition for Judicial Review are a matter of law, governed by Chapters 533 and
19 534 of Nevada Revised Statutes and otherwise denies the same.

20 9. KVR admits the allegations contained within paragraph 9 of Benson, et al.'s First
21 Amended Petition for Judicial Review.

22 10. KVR admits the allegations contained within paragraph 10 of Benson, et al.'s First
23 Amended Petition for Judicial Review.

24 11. KVR admits the allegations contained within paragraph 11 of Benson, et al.'s First
25 Amended Petition for Judicial Review.

26 12. KVR admits the allegations contained within paragraph 12 of Benson, et al.'s First
27 Amended Petition for Judicial Review.
28

1 13. KVR admits the allegations contained within paragraph 13 of Benson, et al.'s First
2 Amended Petition for Judicial Review.

3 14. KVR admits the allegations contained within paragraph 14 of Benson, et al.'s First
4 Amended Petition for Judicial Review.

5 15. KVR admits the allegations contained within paragraph 15 of Benson, et al.'s First
6 Amended Petition for Judicial Review.

7 16. KVR admits the allegations contained within paragraph 16 of Benson, et al.'s First
8 Amended Petition for Judicial Review.

9 17. KVR admits the allegations contained within paragraph 17 of Benson, et al.'s First
10 Amended Petition for Judicial Review.

11 18. KVR denies the allegations contained within paragraph 18 of Benson, et al.'s First
12 Amended Petition for Judicial Review.

13 19. KVR denies the allegations contained within paragraph 19 of Benson, et al.'s First
14 Amended Petition for Judicial Review.

15 20. KVR denies the allegations contained within paragraph 20 of Benson, et al.'s First
16 Amended Petition for Judicial Review.

17 21. KVR denies the allegations contained within paragraph 21 of Benson, et al.'s First
18 Amended Petition for Judicial Review.

19 22. KVR admits the allegations contained within paragraph 22 of Benson, et al.'s First
20 Amended Petition for Judicial Review.

21 23. KVR denies that portion of paragraph 23 of Benson, et al.'s First Amended
22 Petition for Judicial Review, and asserts that all permits granted pursuant to change applications
23 is more particularly set forth in Ruling 6127 are based upon valid and current water rights.

24 24. KVR denies the allegations contained within paragraph 24 of Benson, et al.'s First
25 Amended Petition for Judicial Review.

26 **AFFIRMATIVE DEFENSES**

27 1. Petitioners have failed to state a claim upon which relief may be granted.

1 2. Petitioners' relief is barred by the doctrines of laches, waiver, estoppel and
2 mootness.

3 3. Petitioners are barred from seeking relief pursuant to the applicable statute of
4 limitations.

5 4. Rulings of the Nevada State Engineer are deemed *prima facie* correct with the
6 burden lying upon Petitioners.

7 5. Respondent Nevada State Engineer, in Ruling 6127, issued such ruling upon
8 substantial evidence with Petitioners being given the liberal right to present any and all
9 documents, and testimony they so chose during the administrative hearing.

10 6. Petitioners failed to produce at the October 2008, December 2010 and May 2011
11 hearings before the State Engineer, any evidence whatsoever in support of their protests.

12 7. The Court cannot substitute its decision for that of the finder of fact, being
13 Respondent Nevada State Engineer.

14 8. Appeals from Ruling of the Nevada State Engineer are not *de novo*, but rather, are
15 limited strictly to determination of whether the State Engineer's decision was supported by
16 substantial evidence the record made before the State Engineer.

17 9. Petitioners cannot introduce new documentary evidence, or testimony, at the
18 hearing held before this Court which hearing date is not yet schedule.

19 10. Petitioner Ken Benson protested only applications 79934-79939 and accordingly,
20 Benson's is prohibited from and estopped from appealing any other permits. The Petitioner Ken
21 Benson, owns no water rights with Kobeh Valley groundwater basin as the source.

22 11. Petitioners Etcheverry LP and Diamond Cattle did not protest any applications, nor
23 present any expert testimony at any administrative hearings before the State Engineer. They are
24 estopped from bringing this action.

25 WHEREFORE, Respondent KVR respectfully prays that this Court enter an Order as
26 follows:

27 1. Affirming, in its totality, Ruling 6127;

28 3. Awarding KVR costs of suit and attorney's fees;

4. For such other and further relief as the Court deems just and proper.

AFFIRMATION

The undersigned hereby affirms that this document does not contain a social security number.

Dated: January 31, 2012

PARSONS BEHLE & LATIMER

By: Ross E. de Lipkau
 Ross E. de Lipkau, NSB No. 1628
 John R. Zimmerman, NSB No. 9729
 50 West Liberty Street, Suite 750
 Reno, NV 89501
 Ph: 775.323.1601
 Em: rdelipkau@parsonsbehle.com

Francis M. Wikstrom, *Pro Hac Vice*
UT Bar No. 3462
201 South Main Street; Suite 1800
Salt Lake City, UT 84111
Ph: 801.532.1234
Em: fwikstrom@parsonsbehle.com
ecf@parsonsbehle.com

Attorneys for Respondent
Kobeh Valley Ranch, LLC

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of Parsons Behle & Latimer, and that on this 30th day of January, 2012, I served a true and correct copy of the foregoing **ANSWER TO FIRST AMENDED PETITION FOR REVIEW (Case No. CV1112-165)** via U.S. Mail, at Reno, Nevada, in a sealed envelope, with first-class postage fully prepaid and addressed as follows:

Theodore Beutel, Esq.
EUREKA COUNTY DISTRICT ATTORNEY
701 S. Main Street
PO Box 190
Eureka, NV 89316
Email: tbeutel.ecda@eurekanv.org

Attorneys for Eureka County

Karen A. Peterson, Esq.
ALLISON & MACKENZIE
402 N. Division Street
Carson City, NV 89702
Email: kpeterson@allisonmackenzie.com

Attorneys for Eureka County

Therese A. Ure, Esq.
SCHROEDER LAW OFFICES, P.C.
440 Marsh Avenue
Reno, NV 89509
Email: therese@water-law.com

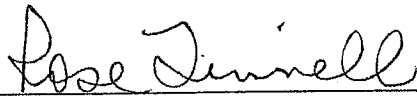
*Attorneys for Benson, Diamond Cattle
Company, and Etcheverry Family*

Bryan L. Stockton,
Senior Deputy Attorney General
NEVADA ATTORNEY GENERAL'S OFFICE
100 North Carson Street
Carson City NV 89701
EMail: bstockton@ag.nv.gov

Attorneys for Nevada State Engineer

Gordon H. DePaoli, Esq., and
Dale E. Ferguson, Esq.
WOODBURN AND WEDGE
6100 Neil Road; Suite 500
PO Box 2311
Reno, NV 89505
EMail: gdepaoli@woodburnandwedge.com

*Attorneys for Conley Land & Livestock, and
Morrison*


Employee of Parsons Behle & Latimer

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

NO. _____ FILED
JAN 31 2012
Eureka County Clerk
By *[Signature]*

Case No. CV1112-164

Dept. No. 2

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

EUREKA COUNTY,
a political subdivision of the State of Nevada,

Petitioner,

vs.

THE STATE OF NEVADA, EX. REL.,
STATE ENGINEER, DIVISION OF
WATER RESOURCES, and KOBEH
VALLEY RANCH, LLC, a Nevada
limited liability company,

Respondents.

**SUPPLEMENTAL
PETITION FOR JUDICIAL
REVIEW**

(Exempt from Arbitration:
Judicial Review of
Administrative Decision)

Petitioner, EUREKA COUNTY, a political subdivision of the State of Nevada, by and through its counsel ALLISON, MacKENZIE, PAVLAKIS, WRIGHT & FAGAN, LTD. and THEODORE BEUTEL, EUREKA COUNTY DISTRICT ATTORNEY, submits its Supplemental Petition for Judicial Review seeking judicial review of Amended Permits 76008, 76802, 76803, 76804, 76805 and 78424 issued by Respondent, STATE ENGINEER, on January 4, 2012.

1. This Petition is brought pursuant to the procedures authorized and provided for in NRS 533.450.

2. A Notice of this Supplemental Petition has been served on the STATE ENGINEER and all persons affected as required by NRS 533.450(3).

3. EUREKA COUNTY adopts and incorporates by reference the allegations of its Petition for Judicial Review filed December 29, 2011 in Case No. CV1112-164 in this Supplemental Petition for Judicial Review.

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 4. The substantial rights of EUREKA COUNTY have been prejudiced by the
2 STATE ENGINEER's action granting amended permits with terms and conditions different from
3 and/or inconsistent with Ruling 6127.

4 5. EUREKA COUNTY has already submitted its arguments and record on
5 appeal in support of this Supplemental Petition for Judicial Review in its Opening Brief filed
6 January 13, 2012 in consolidated Case Nos. CV1108-155, CV1108-156, CV1108-157, CV1112-164
7 and CV1112-165.

8 WHEREFORE, Petitioner prays for judgment on its Supplemental Petition for
9 Judicial Review as follows:

- 10 1. That the Court vacate the above-stated Amended Permits; and
11 2. That the Court award such other and further relief as seems just and proper in
12 the premises.

13 DATED this 31st of January, 2012.

14 KAREN A. PETERSON, ESQ.
15 Nevada State Bar No. 0366
16 JENNIFER MAHE, ESQ.
17 Nevada State Bar No. 9620
18 ALLISON, MacKENZIE, PAVLAKIS,
19 WRIGHT & FAGAN, LTD.
20 402 North Division Street
21 P.O. Box 646
22 Carson City, NV 89702

23 -and-

24 EUREKA COUNTY DISTRICT ATTORNEY
25 701 South Main Street
26 P.O. Box 190
27 Eureka, NV 89316

28 By: 

THEODORE BEUTEL, ESQ.
Nevada State Bar No. 5222

Attorneys for Petitioner,
EUREKA COUNTY

SEVENTH JUDICIAL DISTRICT COURT
COUNTY OF EUREKA, STATE OF NEVADA

AFFIRMATION
Pursuant to NRS 239B.030

The undersigned does hereby affirm that the preceding document, **Supplemental Petition for Judicial Review** filed in case number: CV1112-164

☒ Document does not contain the social security number of any person

-OR-

☐ Document contains the social security number of a person as required by:

☐ A specific state or federal law, to wit:

(State specific state or federal law)

-OR-

☐ For the administration of a public program

-OR-

☐ For an application for a federal or state grant

-OR-

☐ Confidential Family Court Information Sheet
(NRS 125.130, NRS 125.230 and NRS 125B.055)

Date: January 31, 2012.

EUREKA COUNTY DISTRICT ATTORNEY
701 South Main Street
P.O. Box 190
Eureka, NV 89316

By: _____

THEODORE BEUTEL, ESQ.
Nevada State Bar No. 5222

Attorneys for Petitioner,
EUREKA COUNTY

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 CASE NO.: CV-1202-170

2 DEPT. NO.: 2

3 SCHROEDER LAW OFFICES, P.C.
4 Laura A. Schroeder, Nevada State Bar #3595
5 Therese A. Ure, Nevada State Bar #10255
6 Cortney D. Duke, Nevada State Bar #10573
7 440 Marsh Ave.
8 Reno, Nevada 89509-1515
9 PHONE: (775) 786-8800, FAX: (877) 600-4971
10 counsel@water-law.com
11 Attorneys for the Petitioners

12 IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
13
14 IN AND FOR THE COUNTY OF EUREKA

15 KENNETH F. BENSON, an individual,
16 DIAMOND CATTLE COMPANY, LLC, a
17 Nevada Limited Liability Company, and
18 MICHEL AND MARGARET ANN
19 ETCHEVERRY FAMILY, LP, a Nevada
20 Registered Foreign Limited Partnership,
21
22 Petitioners,

23 v.

24 STATE ENGINEER, OF NEVADA,
25 OFFICE OF THE STATE ENGINEER,
26 DIVISION OF WATER RESOURCES,
DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES,

Respondent.

PETITION FOR JUDICIAL REVIEW

27 COME NOW Petitioners KENNETH F. BENSON, DIAMOND CATTLE COMPANY,
28 LLC, and MICHEL AND MARGARET ANN ETCHEVERRY FAMILY LIMITED
29 PARTNERSHIP (collectively referred to herein as "Petitioners"), by and through their attorneys
30 of record, Schroeder Law Offices, P.C., and file and petition this Court for judicial review.

31 ///



Petitioners petition and allege as follows:

JURISDICTION AND PARTIES

1. Kenneth F. Benson (“Benson”) is a water right holder in Diamond Valley, Nevada.

2. Diamond Cattle Company, LLC (“Diamond Cattle”), a Nevada limited liability company, is an agricultural operator in Diamond and Kobeh Valley, Nevada, whose managing members include Mark and Martin Etcheverry. Martin Etcheverry is a general partner in Michel and Margaret Ann Etcheverry Family LP.

3. Michel and Margaret Ann Etcheverry Family LP (“Etcheverry LP”), a foreign limited partnership registered in Nevada, is a landowner and water right holder in Kobeh Valley, Nevada, and in Diamond Valley, Nevada.

4. Respondent NEVADA STATE ENGINEER (“STATE ENGINEER”) is an agent of the State of Nevada who, together with the Office of the State Engineer, Division of Water Resources, Department of Conservation and Natural Resources, regulates the water use in the State.

5. A Notice of this Petition has been or will be served on the Nevada State Engineer and on all persons affected by permits issued in relation to Ruling #6127 of the State Engineer pursuant to NRS 533.450(3).

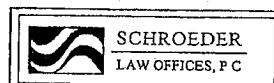
6. This Court has jurisdiction to address this petition under NRS 533.450 and NRS 233B.

7. Venue is proper under NRS 533.450. The Applications are appurtenant to lands in Eureka County.

8. Petitioners have exhausted their administrative remedies.

REQUEST FOR CONSOLIDATION

9. Petitioners seek to have this action consolidated with Case Nos. CV 1112-165, CV 1112-164, CV 1108-155, CV 1108-156, and CV 1108-157.



10. Petitioners submitted briefing that relates to the agency errors as stated and alleged herein on January 13, 2012 within the Petitioners Kenneth F. Benson, Diamond Cattle Company LLC, and Michel and Margaret Ann Etcheverry Family LP's Opening Brief filed under consolidated Case Nos. CV 1112-165, CV 1112-164, CV 1108-155, CV 1108-156, and CV 1108-157.

DECISIONS

11. Between May of 2005 and June of 2010, numerous applications to appropriate underground water and to change the point of diversion, place of use, and/or manner of use were filed by Idaho General Mines, Inc. and Kobre Valley Ranch LLC (collectively herein the "Applications"). The Applications filed by Idaho General Mines, Inc. were thereafter assigned to Kobre Valley Ranch LLC (the "Applicant"). The Applications were filed for a proposed molybdenum mine, known as the Mount Hope Mine Project, requiring underground water for mining and milling and dewatering purposes.

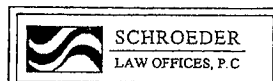
12. The Applications, a combination of applications for new appropriations of water and applications to change the point of diversion, place of use, and/or manner of use of existing water rights, requested a total combined duty under all of the Applications of 11,300 acre feet annually (afa).

13. Public administrative hearings were held on the Applications before the STATE ENGINEER on December 6, 7, 9, and 10, 2010, and May 10, 2011.

14. On July 15, 2011, the STATE ENGINEER issued Ruling 6127 granting the majority of the Applications subject to certain terms and conditions.

15. On August 11, 2011, Petitioners filed their Petition for Judicial Review challenging Ruling 6127, designated Case No. CV-1108-157, before this Court.

16. On December 1, 2011, the STATE ENGINEER issued the following permits to the Applicant: 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587, 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998,



1 75999, 76000, 76001, 76002, 76003, 76004, 76005, 76006, 76007, 76008, 76009, 76745, 76746,
2 76989, and 76990.

3 17. On December 13, 2011, the STATE ENGINEER issued the following permits to
4 the Applicant: 76802, 76803, 76804, 76805, 79911, 79912, 79913, 79914, 79915, 79916, 79917,
5 79918, 79919, 79920, 79921, 79922, 79923, 79924, 79925, 79926, 79927, 79928, 79929, 79930,
6 79931, 79932, 79933, 79934, 79935, 79936, 79937, 79938, 79939, 79940, 79941, and 79942.

7 18. On December 14, 2011, the STATE ENGINEER issued Permit 78424 to the
8 Applicant.

9 19. On December 30, 2011, Petitioners filed a Petition for Judicial Review on permit
10 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551, 73552, 74587,
11 75988, 75989, 75990, 75991, 75992, 75993, 75994, 75995, 75996, 75997, 75998, 75999, 76000,
12 76001, 76002, 76003, 76004, 76005, 76006, 76007, 76008, 76009, 76745, 76746, 76989, 76990,
13 76802, 76803, 76804, 76805, 79911, 79912, 79913, 79914, 79915, 79916, 79917, 79918, 79919,
14 79920, 79921, 79922, 79923, 79924, 79925, 79926, 79927, 79928, 79929, 79930, 79931, 79932,
15 79933, 79934, 79935, 79936, 79937, 79938, 79939, 79940, 79941, 79942, and 78424, designated
16 Case No. CV-1112-165, before this Court.

17 20. On January 12, 2012, Petitioners filed a First Amended Petition for Judicial
18 Review in Case No. CV-1112-165.

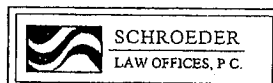
19 21. On January 4, 2012, the STATE ENGINEER issued Amended Permits 76008,
20 76802, 76803, 76804, 76805, and 78424. These permits are collectively referred to herein as
21 "Permits."

22 AGENCY ERROR(S)

23 22. The terms and conditions in the Permits issued by the STATE ENGINEER are
24 different from and/or inconsistent with Ruling 6127 issued by the STATE ENGINEER.

25 ///

26 ///

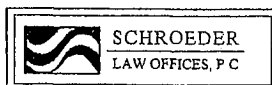


1 2. Award such other and further relief as seems just and proper.
2 Pursuant to NRS 233B.133(4), a hearing is requested in this matter.
3

4 DATED this 1st day of February, 2012.

SCHROEDER LAW OFFICE, P.C.

5 Courtney D. Duke
6 Laura A. Schroeder, NSB #3595
7 Therese A. Ure, NSB #10255
8 Cortney D. Duke, NSB #10573
9 440 Marsh Ave.
10 Reno, NV 89509
11 (775) 786-8800
12 FAX: (877) 600-4971
13 Email: counsel@water-law.com
14 *Attorneys for the Petitioners*
15
16
17
18
19
20
21
22
23
24
25
26




1 **AFFIRMATION**

2 Pursuant to NRS 239B.030, the undersigned does hereby affirm that the preceding
3 **PETITION FOR JUDICIAL REVIEW** does not contain the social security number of any
4 person.

5
6 DATED this 1st day of February, 2012.

SCHROEDER LAW OFFICE, P.C.

7
8 

Laura A. Schroeder, NSB #3595

9 Therese A. Ure, NSB #10255

10 Cortney D. Duke, NSB #10573

440 Marsh Ave.

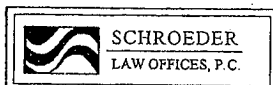
11 Reno, NV 89509

(775) 786-8800

12 FAX: (877) 600-4971

Email: counsel@water-law.com

13 *Attorneys for Petitioners*



1 CATHERINE CORTEZ MASTO
Attorney General
2 BRYAN L. STOCKTON
Deputy Attorney General
3 Nevada State Bar No. 4764
100 N. Carson Street
4 Carson City, Nevada 89701
Phone: (775) 684-1228
5 Fax: (775) 684-1103
bstockton@ag.nv.gov

6 *Attorneys for Defendant*
7 *State Engineer*

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

10 EUREKA COUNTY, a political
subdivision of the State of Nevada,

11
12 Petitioner,

12 vs.

13 STATE OF NEVADA, EX. REL.,
14 STATE ENGINEER, DIVISION OF
WATER RESOURCES,

15 Respondent.

Case No.: CV 1108-155
Case No.: CV 1112-164
Dept. No.: 2

17 CONLEY LAND & LIVESTOCK, LLC
a Nevada limited liability company
18 LLOYD MORRISON, an individual

19
20 Petitioners,

20 vs.

21 OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA,
22 DIVISION OF WATER RESOURCES,
DEPARTMENT OF CONSERVATION
23 AND NATURAL RESOURCES,
JASON KING, State Engineer, KOBEH
24 VALLEY RANCH, LLC, Real Party in
Interest,

25 Respondents.
26
27
28

Case No.: CV 1108-156
Dept. No.: 2

KENNETH F. BENSON, an individual,
DIAMOND CATTLE COMPANY, LLC,
A Nevada Limited Liability Company,
and MICHEL AND MARGARET ANN
ETCHEVERRY FAMILY, LP, a Nevada
Registered Foreign Limited Partnership,

Petitioners,

Vs.

STATE ENGINEER OF NEVADA,
OFFICE OF THE State Engineer,
DIVISION OF WATER RESOURCES,
DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES,

Respondent,

Case No.: CV 1108-157

Case No.: CV 1112-165

Dept. No.: 2

SUMMARY OF RECORD ON APPEAL

The Record on Appeal in this case is filed concurrently with this summary and consists of a copy of the following documents:

VOLUME I:

1. Certificate of Record, dated August 11, 2011. Bates stamped pages 1.
2. Ruling 6127. Bates stamped pages 2-43.
3. Permit 72695, Kobeh Valley Ranch, LLC. Bates stamped pages 44-48.
4. Permit 72696, Kobeh Valley Ranch, LLC. Bates stamped pages 49-53.
5. Permit 72697, Kobeh Valley Ranch, LLC. Bates stamped pages 54-58.
6. Permit 72698, Kobeh Valley Ranch, LLC. Bates stamped pages 59-63.
7. Permit 73545, Kobeh Valley Ranch, LLC. Bates stamped pages 64-68.
8. Permit 73546, Kobeh Valley Ranch, LLC. Bates stamped pages 69-73.
9. Permit 73547, Kobeh Valley Ranch, LLC. Bates stamped pages 74-78.
10. Permit 73548, Kobeh Valley Ranch, LLC. Bates stamped pages 79-83.
11. Permit 73549, Kobeh Valley Ranch, LLC. Bates stamped pages 84-88.
12. Permit 73550, Kobeh Valley Ranch, LLC. Bates stamped pages 89-93.
13. Permit 73551, Kobeh Valley Ranch, LLC. Bates stamped pages 94-100.
14. Permit 73552, Kobeh Valley Ranch, LLC. Bates stamped pages 101-107.
15. Permit 74587, Kobeh Valley Ranch, LLC. Bates stamped pages 108-112.

- 1 16. Permit 75988, Kobeh Valley Ranch, LLC. Bates stamped pages 113-120.
- 2 17. Permit 75989, Kobeh Valley Ranch, LLC. Bates stamped pages 121-128.
- 3 18. Permit 75990, Kobeh Valley Ranch, LLC. Bates stamped pages 129-136.
- 4 19. Permit 75991, Kobeh Valley Ranch, LLC. Bates stamped pages 137-144.
- 5 20. Permit 75992, Kobeh Valley Ranch, LLC. Bates stamped pages 145-152.
- 6 21. Permit 75993, Kobeh Valley Ranch, LLC. Bates stamped pages 153-160.
- 7 22. Permit 75994, Kobeh Valley Ranch, LLC. Bates stamped pages 161-168.
- 8 23. Permit 75995, Kobeh Valley Ranch, LLC. Bates stamped pages 169-176.
- 9 24. Permit 75996, Kobeh Valley Ranch, LLC. Bates stamped pages 177-184.
- 10 25. Permit 75997, Kobeh Valley Ranch, LLC. Bates stamped pages 185-192.
- 11 26. Permit 75998, Kobeh Valley Ranch, LLC. Bates stamped pages 193-200.
- 12 27. Permit 75999, Kobeh Valley Ranch, LLC. Bates stamped pages 201-208.
- 13 28. Permit 76000, Kobeh Valley Ranch, LLC. Bates stamped pages 209-216.

VOLUME II:

- 14 29. Permit 76001, Kobeh Valley Ranch, LLC. Bates stamped pages 217-224.
- 15 30. Permit 76002, Kobeh Valley Ranch, LLC. Bates stamped pages 225-232.
- 16 31. Permit 76003, Kobeh Valley Ranch, LLC. Bates stamped pages 233-240.
- 17 32. Permit 76004, Kobeh Valley Ranch, LLC. Bates stamped pages 241-248.
- 18 33. Permit 76005, Kobeh Valley Ranch, LLC. Bates stamped pages 249-256.
- 19 34. Permit 76006, Kobeh Valley Ranch, LLC. Bates stamped pages 257-264.
- 20 35. Permit 76007, Kobeh Valley Ranch, LLC. Bates stamped pages 265-272.
- 21 36. Permit 76008, Kobeh Valley Ranch, LLC. Bates stamped pages 273-282.
- 22 37. Permit 76009, Kobeh Valley Ranch, LLC. Bates stamped pages 283-290.
- 23 38. Permit 76483, Kobeh Valley Ranch, LLC. Bates stamped pages 291-296.
- 24 39. Permit 76484, Kobeh Valley Ranch, LLC. Bates stamped pages 297-303.
- 25 40. Permit 76485, Kobeh Valley Ranch, LLC. Bates stamped pages 304-310.
- 26 41. Permit 76486, Kobeh Valley Ranch, LLC. Bates stamped pages 311-316.
- 27 42. Permit 76744, Kobeh Valley Ranch, LLC. Bates stamped pages 317-323.
- 28 43. Permit 76745, Kobeh Valley Ranch, LLC. Bates stamped pages 324-332.
44. Permit 76746, Kobeh Valley Ranch, LLC. Bates stamped pages 333-341.

45. Permit 76802, Kobeh Valley Ranch, LLC. Bates stamped pages 342-351.
46. Permit 76803, Kobeh Valley Ranch, LLC. Bates stamped pages 352-361.
47. Permit 76804, Kobeh Valley Ranch, LLC. Bates stamped pages 362-371.
48. Permit 76805, Kobeh Valley Ranch, LLC. Bates stamped pages 372-381.
49. Permit 76989, Kobeh Valley Ranch, LLC. Bates stamped pages 382-390.
50. Permit 76990, Kobeh Valley Ranch, LLC. Bates stamped pages 391-399.
51. Permit 77171, (Amended) Kobeh Valley Ranch, Bates stamped pages 400-403.
52. Permit 77174, Kobeh Valley Ranch, LLC. Bates stamped pages 404-408.
53. Permit 77175, Kobeh Valley Ranch, LLC. Bates stamped pages 409-413.
54. Permit 77525, Kobeh Valley Ranch, LLC. Bates stamped pages 414-418.
55. Permit 77526, Kobeh Valley Ranch, LLC. Bates stamped pages 418-421.

VOLUME III:

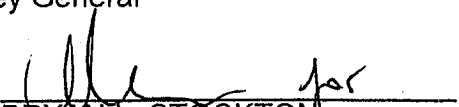
56. Permit 77527, Kobeh Valley Ranch, LLC. Bates stamped pages 422-425.
57. Permit 77553, Kobeh Valley Ranch, LLC. Bates stamped pages 426-429.
58. Permit 78424, (Amended) Kobeh Valley Ranch. Bates stamped pages 430-437.
59. Permit 79911, Kobeh Valley Ranch, LLC. Bates stamped pages 438-444.
60. Permit 79912, Kobeh Valley Ranch, LLC. Bates stamped pages 445-451.
61. Permit 79913, Kobeh Valley Ranch, LLC. Bates stamped pages 452-458.
62. Permit 79914, Kobeh Valley Ranch, LLC. Bates stamped pages 459-465.
63. Permit 79915, Kobeh Valley Ranch, LLC. Bates stamped pages 466-472.
64. Permit 79916, Kobeh Valley Ranch, LLC. Bates stamped pages 473-479.
65. Permit 79917, Kobeh Valley Ranch, LLC. Bates stamped pages 480-486.
66. Permit 79918, Kobeh Valley Ranch, LLC. Bates stamped pages 487-493.
67. Permit 79919, Kobeh Valley Ranch, LLC. Bates stamped pages 494-500.
68. Permit 79920, Kobeh Valley Ranch, LLC. Bates stamped pages 501-507.
69. Permit 79921, Kobeh Valley Ranch, LLC. Bates stamped pages 508-514.
70. Permit 79922, Kobeh Valley Ranch, LLC. Bates stamped pages 515-521.
71. Permit 79923, Kobeh Valley Ranch, LLC. Bates stamped pages 522-528.
72. Permit 79924, Kobeh Valley Ranch, LLC. Bates stamped pages 529-535.
73. Permit 79925, Kobeh Valley Ranch, LLC. Bates stamped pages 536-542.

74. Permit 79926, Kobeh Valley Ranch, LLC. Bates stamped pages 543-549.
75. Permit 79927, Kobeh Valley Ranch, LLC. Bates stamped pages 550-556.
76. Permit 79928, Kobeh Valley Ranch, LLC. Bates stamped pages 557-563.
77. Permit 79929, Kobeh Valley Ranch, LLC. Bates stamped pages 564-570.
78. Permit 79930, Kobeh Valley Ranch, LLC. Bates stamped pages 571-577.
79. Permit 79931, Kobeh Valley Ranch, LLC. Bates stamped pages 578-584.
80. Permit 79932, Kobeh Valley Ranch, LLC. Bates stamped pages 585-591.
81. Permit 79933, Kobeh Valley Ranch, LLC. Bates stamped pages 592-598.
82. Permit 79934, Kobeh Valley Ranch, LLC. Bates stamped pages 599-605.
83. Permit 79935, Kobeh Valley Ranch, LLC. Bates stamped pages 606-612.
84. Permit 79936, Kobeh Valley Ranch, LLC. Bates stamped pages 613-619.
85. Permit 79937, Kobeh Valley Ranch, LLC. Bates stamped pages 620-626.
86. Permit 79938, Kobeh Valley Ranch, LLC. Bates stamped pages 627-633.
87. Permit 79939, Kobeh Valley Ranch, LLC. Bates stamped pages 634-640.
88. Permit 79940, Kobeh Valley Ranch, LLC. Bates stamped pages 641-647.
89. Permit 79941, Kobeh Valley Ranch, LLC. Bates stamped pages 648-654.
90. Permit 79942, Kobeh Valley Ranch, LLC. Bates stamped pages 655-661.

DATED this 3rd day of February 2012.

CATHERINE CORTEZ MASTO
Attorney General

By:


BRYAN L. STOCKTON
Nevada State Bar #4764
Senior Deputy Attorney General
100 North Carson Street
Carson City, Nevada 89701-4717
*Attorneys for Defendant,
Nevada State Engineer*

CERTIFICATE OF MAILING

I, Sandra Geyer certify that I am an employee of the Office of the Attorney General, State of Nevada, and that on this 3rd day of February 2012, I deposited for mailing at Carson City, Nevada, postage prepaid, a true and correct copy of the foregoing **RECORD IN MEDIA FORMAT & SUMMARY OF RECORD ON APPEAL**, addressed as follows:

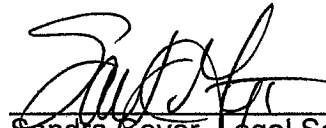
Allison, MacKenzie, Pavlakis,
Wright & Fagan, Ltd.
Karen Peterson, Esq.
Jennifer Mahe, Esq.
402 North Division Street
Carson City, Nevada 89703
*Attorneys for Petitioner
Eureka Count*

Eureka County District Attorney
Theodore Beutel, Esq.
P.O. Box 190
Eureka, Nevada 89316
*Attorneys for Petitioner
Eureka County*

Woodburn & Wedge
Dale E. Ferguson, Esq.
Gordon H. Depaoli, Esq.
6100 Neil Road, Suite 500
Reno, Nevada 89511
*Attorneys for Petitioners
Conley Land & Livestock
Lloyd Morrison*

Parsons Behle & Latimer
Ross E. de Lipkau
50 W. Liberty Street, Ste 750
Reno, Nevada 89501
*Attorneys for Respondents
Kobeh Valley Ranch
Real Party in Interest*

Schroeder Law Offices P.C.
Laura Schroeder, Esq.
Therese Ure, Esq.
440 Marsh Avenue
Reno, Nevada 89509
*Kenneth Benson, Diamond Cattle Co,
Michel & Margaret Ann Etcheverry Family
Trust LP*



Sandra Geyer, Legal Secretary II
Office of the Attorney General

1 IN THE SEVENTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

2 IN AND FOR THE COUNTY OF EUREKA

3 EUREKA COUNTY, a political
4 subdivision of the State of Nevada,

5 Petitioner,

6 vs.

7 STATE OF NEVADA, EX. REL.,
8 STATE ENGINEER, DIVISION OF
9 WATER RESOURCES,

10 Respondent.

Case No.: CV 1108-155
Case No.: CV 1112-164
Dept. No.: 2

11 CONLEY LAND & LIVESTOCK, LLC
12 a Nevada limited liability company
13 LLOYD MORRISON, an individual

14 Petitioners,

15 vs.

16 OFFICE OF THE STATE ENGINEER
17 OF THE STATE OF NEVADA,
18 DIVISION OF WATER RESOURCES,
19 DEPARTMENT OF CONSERVATION
20 AND NATURAL RESOURCES,
21 JASON KING, State Engineer, KOBEH
22 VALLEY RANCH, LLC, Real Party in
23 Interest,

24 Respondents.

Case No.: CV 1108-156
Dept. No.: 2

25 KENNETH F. BENSON, an individual,
26 DIAMOND CATTLE COMPANY, LLC,
27 A Nevada Limited Liability Company,
28 and MICHEL AND MARGARET ANN
ETCHEVERRY FAMILY, LP, a Nevada
Registered Foreign Limited Partnership,

Petitioners,

24 Vs.

25 STATE ENGINEER OF NEVADA,
26 OFFICE OF THE State Engineer,
27 DIVISION OF WATER RESOURCES,
28 DEPARTMENT OF CONSERVATION
AND NATURAL RESOURCES,

Respondent,

Case No.: CV 1108-157
Case No.: CV 1112-165
Dept. No.: 2

VOLUME I
Bates Stamped Pages
1-216

CERTIFICATE OF RECORD

STATE OF NEVADA)
) ss
CARSON CITY)

I, Kelvin Hickenbottom, Deputy 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.

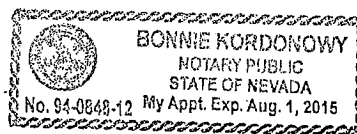
Kelvin Hickenbottom P.E.
Kelvin Hickenbottom, P.E.
Deputy State Engineer

1/13/12
Date

SUBSCRIBED AND SWORN to before me
by Kelvin Hickenbottom, P.E. this

13th day of January, 2012.

Bonnie Kordonowy
Notary Public



Record on Review
In the matter of Ruling 6127 (Kobeh Valley)

ROA SE 1

JA5735

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

IN THE MATTER OF 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 FILED TO APPROPRIATE OR TO)
CHANGE THE POINT OF DIVERSION, PLACE OF)
USE AND MANNER OF USE OF THE PUBLIC)
WATERS OF UNDERGROUND SOURCES WITHIN)
THE KOBEH VALLEY (139) AND DIAMOND)
VALLEY (153) HYDROGRAPHIC BASINS, LANDER)
COUNTY AND EUREKA COUNTY, NEVADA.)

RULING

#6127

GENERAL

I.

Applications 72695 thru 72698 were filed on May 3, 2005, by Idaho General Mines, Inc., later assigned to Kobeh Valley Ranch, LLC, to appropriate 22.28 cubic feet per second (cfs) each of underground water for mining and milling and dewatering purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by David A. Stine (Conley Land and Livestock, LLC), Eureka County and Lloyd Morrison.¹

Applications 73545 thru 73552 were filed on December 5, 2005, by Idaho General Mines, Inc., later assigned to Kobeh Valley Ranch, LLC, to appropriate 22.28 cfs each of underground water for mining, milling and dewatering purposes. The project is further described as the mining and processing of molybdenum ore at the proposed

¹ File Nos. 72695 thru 72698, official records in the Office of the State Engineer.

Mount Hope Mine. The applications were protested by David A. Stine (Conley Land and Livestock, LLC), Eureka County and Lloyd Morrison.²

Application 74587 was filed on August 2, 2006, by Idaho General Mines, Inc., later assigned to Kobeh Valley Ranch, LLC, to appropriate 22.28 cfs of underground water for mining, milling and dewatering purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. This application was not protested.³

Applications 75988 thru 76004 were filed on June 29, 2007, by Kobeh Valley Ranch, LLC, to change the point of diversion, place of use and manner of use of Permit 54093, Permit 54094, Permit 60281, Permit 60282, Permit 60283, Permit 60284, Permit 60285, Permit 60286, Permit 72580, Permit 72581, Permit 72582, Permit 72583, Permit 72584, Permit 72585, Permit 72586, Permit 72587, and Permit 72588. The proposed manner of use is mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.⁴

Applications 76005 thru 76009 were filed on June 29, 2007, by Kobeh Valley Ranch, LLC, to change the point of diversion, place of use and manner of use of Permit 57835, Permit 57836, Permit 57839, Permit 57840 and Permit 66062, respectively. The proposed manner of use is for mining, milling and dewatering purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.⁵

Applications 76483 thru 76486 were filed on November 14, 2007, by Kobeh Valley Ranch, LLC, to change the point of diversion, place of use and manner of use of Permit 10426 Certificate 2782, Permit 18544 Certificate 6457, Permit 23951 Certificate 8002 and Permit 23952 Certificate 8003, respectively. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.⁶

² File Nos. 73545 thru 73552, official records in the Office of the State Engineer.

³ File No. 74587, official records in the Office of the State Engineer.

⁴ File Nos. 75988 thru 76004, official records in the Office of the State Engineer.

⁵ File Nos. 76005 thru 76009, official records in the Office of the State Engineer.

⁶ File Nos. 76483 thru 76486, official records in the Office of the State Engineer.

Applications 76744, 76745, and 76746 were filed on February 13, 2008, by Kobeh Valley Ranch, LLC, to change the point of diversion, place of use and manner of use of portions of Permit 13849 Certificate 4922, Permit 35866, and Permit 64616, respectively. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. Application 76744 was protested by Cedar Ranches, LLC, and Eureka County and Applications 76745 and 76746 were protested by Cedar Ranches, LLC, Eureka County and Lander County.⁷

Applications 76802, 76803, 76804 and 76805 were filed on March 11, 2008, by Kobeh Valley Ranch, LLC, to change the point of diversion of Applications 76005, 76006, 76007, and 76009. The proposed manner of use is for mining, milling and dewatering purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.⁸

Applications 76989 and 76990 were filed on April 23, 2008, by Kobeh Valley Ranch, LLC, to change the point of diversion, place of use and manner of use of Permit 9682 Certificate 2780 and Permit 11072 Certificate 2880, respectively. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.⁹

Applications 77171, 77174 and 77175 were filed on June 20, 2008, by Kobeh Valley Ranch, LLC, to change the point of diversion of Applications 76003, 76485 and 76484, respectively. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.¹⁰

Applications 77525, 77526 and 77527 were filed on October 23, 2008, by Kobeh Valley Ranch, LLC, to change the point of diversion of Applications 75990, 75996 and 75997 (portion), respectively. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum

⁷ File Nos. 76744, 76745, and 76746, official records in the Office of the State Engineer.

⁸ File Nos. 76802, 76803, 76804 and 76805, official records in the Office of the State Engineer.

⁹ File Nos. 76989 and 76990, official records in the Office of the State Engineer.

¹⁰ File Nos. 77171, 77174 and 77175, official records in the Office of the State Engineer.

ore at the proposed Mount Hope Mine. The applications were protested by Eureka County.¹¹

Application 77553 was filed on November 3, 2008, by Kobeh Valley Ranch, LLC, to change the point of diversion of a portion of Application 75997. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The application was protested by Eureka County.¹²

Application 78424 was filed on April 30, 2009, by Kobeh Valley Ranch, LLC, to change the point of diversion of Application 76803. The proposed manner of use is for mining, milling and dewatering purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The application was protested by Eureka County.¹³

Applications 79911 thru 79942 were filed on June 15, 2010, by Kobeh Valley Ranch, LLC, to change the point of diversion, place of use and/or manner of use of Applications 73551, 73552, 76004, 72695, 76003, 72696, 75997, 72697, 75988, 75996, 75999, 75989, 76989, 75995, 72698, 76000, 76002, 73545, 75992, 75993, 75994, 75998, 73546, 76745, 76990, 75990, 75991, 74587, 73547, 74587, 76746, 76001. The proposed manner of use is for mining and milling purposes. The project is further described as the mining and processing of molybdenum ore at the proposed Mount Hope Mine. The applications were protested by Eureka County, Lloyd Morrison, Baxter Glenn Tackett (79914, 79918, 79925), and Kenneth Benson (79934, 79935, 79936, 79937, 79938, 79939).¹⁴

II.

Applications 72695 thru 72698 and Applications 73545 thru 73552 were timely protested by the following Protestants and on the following summarized grounds:

David Stine (Conley Land and Livestock, LLC, as Successor)^{1,2}

- The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Kobeh Valley provides recharge to Diamond Valley and therefore, Diamond Valley water levels will decrease at an accelerated rate.

¹¹ File Nos. 77525, 77526 and 77527, official records in the Office of the State Engineer.

¹² File No. 77553, official records in the Office of the State Engineer.

¹³ File No. 78424, official records in the Office of the State Engineer.

¹⁴ File Nos. 79911 thru 79942, official records in the Office of the State Engineer.

- The applications list dewatering as a manner of use, but the points of diversion are at least 7 miles from the pit location. Applicant should specify actual points of diversion for dewatering.
- The mine site straddles Kobeh Valley and Diamond Valley and dewatering may involve an interbasin transfer of groundwater.
- Any application approved should be assigned a temporary status.

Eureka County

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Impact to existing rights in Kobeh Valley, Pine Valley and Diamond Valley.
- Place of use is listed as 90,000 acres and is inconsistent with stated purpose.
- The points of diversion are within Basin 139 and the place of use includes Basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6) (Interbasin transfers).
- There is no unappropriated water at the proposed source of supply, the proposed use conflicts with or will impair existing rights and protectable interests in domestic wells and threatens to prove detrimental to the public interest.
- Applicant has failed to provide the State Engineer with all relevant information required by statute.

Lloyd Morrison

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Over-pumping in Kobeh could stop underground recharge of Diamond Valley.

III.

Applications 75988 thru 76009 were timely protested by Eureka County on the following summarized grounds:^{4,5}

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Direct conflict with forfeiture provisions of Nevada water law.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6).
- There is no unappropriated water at the proposed source of supply, the proposed use conflicts with or will impair existing rights and protectable interests in domestic wells and threatens to prove detrimental to the public interest.
- Applicant has failed to provide the State Engineer with all relevant information required by statute.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh will likely reduce that amount and affect prior existing water rights held by Eureka County and others.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.

IV.

Applications 76483 thru 76486 were timely protested by Eureka County on the following summarized grounds:⁶

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Direct conflict with forfeiture provisions of Nevada water law.
- Impact to existing rights in Kobeh Valley, Pine Valley and Diamond Valley.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6).
- Applicant has failed to provide the State Engineer with all relevant information required by statute.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh will likely reduce that amount and affect prior existing water rights held by Eureka County.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.

V.

Applications 76744, 76745, and 76746 were timely protested by the following Protestants and on the following summarized grounds:⁷

Eureka County

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Direct conflict with forfeiture provisions of Nevada water law.
- Impact to existing rights in Kobeh Valley, Pine Valley and Diamond Valley.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6).
- Applicant has failed to provide the State Engineer with all relevant information required by statute.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh will likely reduce that amount and affect prior existing water rights held by Eureka County.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.

Cedar Ranches, LLC

- There is no geologic and/or hydrologic evidence that the quantity of water exists in the mine region.

- New geologic data shows that eastern great basin carbonate aquifer ground-water system of Kobeh, Diamond, and Pine Valleys and other valleys of the region are interconnected.
- Water mining in Kobeh Valley will aggravate the over allocation of water permits in Diamond Valley.

Lander County (76745 and 76746 only)

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Direct conflict with forfeiture provisions of Nevada water law.
- Impact to existing rights in Kobeh Valley, Pine Valley and Diamond Valley.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6).
- Applicant has failed to provide the State Engineer with all relevant information required by statute.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh will likely reduce that amount and affect prior existing water rights held by Eureka County.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.
- Inter-basin and Inter-County transfer as proposed should be carefully examined.

VI.

Applications 76802, 76803, 76804 and 76805 were timely protested by Eureka County on the following summarized grounds:⁸

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Direct conflict with forfeiture provisions of Nevada water law.
- Impact to existing rights in Kobeh Valley, Pine Valley and Diamond Valley.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6).
- Applicant has failed to provide the State Engineer with all relevant information required by statute.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh will likely reduce that amount and affect prior existing water rights held by Eureka County.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.

VII.

Applications 76989 and 76990 were timely protested by Eureka County on the following summarized grounds:⁹

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-appropriate the basin.
- Direct conflict with forfeiture provisions of Nevada water law.
- Impact to existing rights in Kobeh Valley, Pine Valley and Diamond Valley.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Applicant has not shown compliance with NRS § 533.370(6).
- Applicant has failed to provide the State Engineer with all relevant information required by statute.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh will likely reduce that amount and affect prior existing water rights held by Eureka County.
- All applications filed for this project cannot be approved as the aggregate is greater than 16,000 afa.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.

VIII.

Applications 77171, 77174, 77175, 77525, 77526, 77527, 77553 and 78424 were timely protested by Eureka County on the following summarized grounds:^{10,11,12,13}

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-pump the basin.
- Existing USGS reports suggests that Kobeh Valley may provide underground flow to Diamond Valley and affect existing municipal rights.
- Impact to existing stockwater and irrigation rights in Kobeh Valley and domestic wells in Diamond Valley.
- Effective monitoring and mitigation plan is necessary prior to development of any water and Eureka County should be involved in additional study, modeling and plan.
- Impacts associated with sustained pumping at the proposed points of diversion are unknown.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Compliance with the requirements of NRS § 533.370(6) must be met.
- All applications filed for this project cannot be approved as the aggregate is greater than 11,300 afa the Applicant is seeking.
- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.

- Only consumptive portion of base rights should be subject to change.
- Any protest hearings to be held should be in Eureka.
- The Applicant's groundwater model is not technically adequate and cannot be used as a basis to approve the applications.
- The point of diversion for Application 77553 is 1,500 feet west of the boundary between Kobeh Valley and Diamond Valley. The proposed location may suggest significant secondary permeability exists in the rocks at this locale; the well may intercept flow from Kobeh Valley to Diamond Valley.
- Hydraulic properties of the proposed point of diversion are not known.
- Further applications for the mines project should not be considered until the USGS study is complete and additional data and analysis is complete.

IX.

Applications 79911 thru 79942 were timely protested by Eureka County and Lloyd Morrison on the following summarized grounds:¹⁴

- Perennial Yield - The basin is fully appropriated and the applications would substantially over-pump the basin.
- Existing USGS reports suggests that Kobeh Valley may provide underground flow to Diamond Valley and effect existing municipal rights.
- Impact to existing stockwater and irrigation rights in Kobeh Valley and domestic wells in Diamond Valley.
- Effective monitoring and mitigation plan is necessary prior to development of any water and Eureka County should be involved in additional study, modeling and plan.
- There are other pending applications to appropriate water and the applicant must withdraw these applications or a decision rendered on these applications prior to ruling.
- Not all of the proposed points of diversion have been explored. Impacts associated with sustained pumping at the proposed points of diversion are unknown.
- The applicant must prove that pumping will not impact any of the sources contributing to Pete Hanson Creek and Henderson Creek.
- The proposed place of use is larger than the mine's Plan of Operations project boundary.
- Further applications for the mines project should not be considered until the USGS study is complete and additional data and analysis is complete.
- Propagation of the cones of depression from pit dewatering in Diamond Valley must be determined.
- The points of diversion are within basin 139 and the place of use includes basins 153 and 53; Compliance with the requirements of NRS § 533.370(6) must be met.
- Kobeh Valley may provide underflow to Diamond Valley and sustained pumping in Kobeh Valley will likely reduce that amount and affect prior existing water rights held by Eureka County.
- All applications filed for this project cannot be approved as the aggregate is greater than 11,300 afa the Applicant is seeking.

- Applicant lacks ability to finance the proposed works.
- Any application approved should be assigned a temporary status.
- Only consumptive portion of base rights should be subject to change.
- Any protest hearings to be held should be in Eureka.
- The applicant holds notices filed with the BLM associated with water supply exploration activities within Diamond Valley.
- Monitoring, Management and Mitigation Plan must be developed prior to approval.
- The State Engineer should conduct a full and fair hearing.
- Forfeiture of existing rights.

X.

Applications 79934 thru 79939 were timely protested by Kenneth F. Benson on the following summarized grounds:¹⁵

- Forthcoming USGS studies could indicate a greater contribution from Kobeh Valley to Diamond Valley. Possible flow of 10,000 to 12,000 acre-feet annually, if substantiated, would diminish the water balance and the mining project applications could not be supported.

XI.

Applications 79914, 79918 and 79925 were timely protested by Baxter Glenn Tackett on the following summarized grounds:¹⁶

- In summary, I protest the Application based on an ill conceived interbasin 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 Valley and Antelope Valleys will be adversely affected.
- Protestant is owner and operator of Hot Springs Ranch in Antelope Valley and is concerned that artesian flows will be affected.

XII.

The applications at issue represent an attempt by the Applicant to procure sufficient water for a proposed molybdenum mine to be located near Mount Hope, approximately 25 miles northwest of the Town of Eureka, Eureka County, Nevada. The applications are a combination of new appropriations of water and change applications for existing water rights. The Applicant has amended its original request of 16,000 afa and is now requesting a total combined duty of 11,300 acre-feet annually (afa). The

¹⁵ File Nos. 79934 thru 79939, official records in the Office of the State Engineer.

¹⁶ File Nos. 79914, 79918 and 79925, official records in the Office of the State Engineer.

Applicant is Kobeh Valley Ranch, LLC; a company formed by General Moly, Inc. to handle, hold and control the water rights for the project.

On October 13-17, 2008, the State Engineer held an administrative hearing in the matter of applications filed to appropriate or change underground water to support the Mount Hope mining project. Some of the applications were approved and others were denied by State Engineer's Ruling No. 5966, issued March 26, 2009. The ruling was appealed to district court in accordance with NRS § 533.450. The Seventh Judicial District Court vacated Ruling No. 5966 in its Order entered April 21, 2010. Subsequently, change Applications 79911 thru 79942 were filed on applications subject to State Engineer's Ruling No. 5966. The State Engineer held a new administrative hearing on December 6, 7, 9 and 10, 2010, that included the additional Applications.

After all parties were duly noticed by certified mail, a public administrative hearing was held in Carson City, Nevada starting on December 6, 2010, in the matter of the above-referenced applications before representatives of the Office of the State Engineer.¹⁷ Protestant Benson filed a Motion to adopt the previous record from the hearing of October 13-17, 2008, and the motion was unopposed.^{18,19}

On May 10, 2011, an additional day of hearing was held to consider additional information regarding specific water usage at the proposed mining project. All parties were notified and additional testimony and exhibits were admitted as part of the record.²⁰

FINDINGS OF FACT

I.

STATUTORY STANDARD TO GRANT

The State Engineer finds that NRS § 533.370(1) provides that the State Engineer shall approve an application submitted in the proper form, which contemplates the application of water to beneficial use if the applicant provides proof satisfactory of his intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence, and his financial ability and reasonable

¹⁷ Exhibits and Transcript, public administrative hearing before the State Engineer, December 6, 7, 9, 10, 2010, official records in the Office of the State Engineer (Hereafter, Transcript, December 2010 and Exhibits, December 2010).

¹⁸ Exhibit No. 13, December 2010.

¹⁹ Exhibits and Transcript, public administrative hearing before the State Engineer, October 13-17, 2008, official records in the Office of the State Engineer (Hereafter, Transcript, October 2008 and Exhibits, October 2008).

²⁰ Transcript, May 10, 2011, and Exhibit Nos. 2, 3, 4 and 5.

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

II. APPLICATIONS SUBMITTED IN PROPER FORM

The protests allege that the applications should be denied because they fail to adequately describe the proposed points of diversion and place of use. The application form used by the Division of Water Resources (Division) requires a description of the proposed point of diversion by survey description and the description must match the illustrated point of diversion on the supporting map. If and when a well is drilled, it must be within 300 feet and within the same quarter-quarter section as described or an additional change application is required. Prior to an application being published, the Division reviews incoming applications and maps to ensure statutory compliance. Any application or map that does not meet the requirements for acceptance and that cannot be corrected during the review process is rejected and returned for correction with time limits for the applicant to re-submit. The State Engineer finds that the Applicant has met the requirements for describing the points of diversion and place of use on the application forms and supporting maps. The State Engineer finds that all applications subject to this ruling have been submitted in the proper form.

III. FINANCIAL ABILITY, BENEFICIAL USE AND REASONABLE DILIGENCE

Nevada water law requires the State Engineer to consider whether the Applicant has an intention in good faith to construct the work necessary to place any approved water to beneficial use. The Applicant also must show that it has the financial ability and reasonable expectation to construct the work necessary to apply the water to its beneficial use.²¹

The chief financial officer of General Moly, Inc. stated that the total expenditure of funds required for the project is \$1,154,000,000. The Applicant has expended about \$163,000,000 on such things as buying equipment, hydrology, drilling, engineering, permitting, land and water rights. General Moly, Inc. will provide 80% of the funding and partner POSCO, a Korean steel producer, will provide the remaining 20%. General Moly Inc. has arranged much of its financing through its Hanlong transaction. The

²¹ NRS § 533.370(1)(c).

Hanlong transaction includes a \$665,000,000 bank loan from a Chinese bank sourced and fully guaranteed by Hanlong Group. It also includes an \$80,000,000 purchase of 25% of General Moly's fully diluted shares, a \$20,000,000 bridging loan from Hanlong Group, and a molybdenum supply agreement. Hanlong is a private Chinese company headquartered in Sichuan Province in China with experience in mining projects. The financial ability of the Applicant is further detailed in the Applicant's financial exhibit and testimony.²²

The State Engineer finds the evidence presented demonstrates that the Applicant has a reasonable expectation of financial ability to construct the work and apply the water to the intended beneficial use with reasonable diligence.

IV. STATUTORY STANDARD TO REJECT

The State Engineer finds that NRS § 533.370(5) provides that the State Engineer shall reject an application and refuse to issue the permit where there is no unappropriated water in the proposed source of supply, or where the proposed use conflicts with existing rights or with protectable interests in existing domestic wells as set forth in NRS § 533.024, or where the proposed use threatens to prove detrimental to the public interest.

V. UNAPPROPRIATED WATER - PERENNIAL YIELD

Nevada Revised Statute § 533.370(5) provides that the State Engineer must reject an application where there is no unappropriated water in the proposed source of supply. In determining the amount of groundwater available for appropriation in a given hydrographic basin, the State Engineer relies on available hydrologic studies to provide relevant data to determine the perennial yield of a basin. The perennial yield of a groundwater reservoir may be defined as the maximum amount of groundwater that can be salvaged each year over the long term without depleting the groundwater reservoir. Perennial yield is ultimately limited to the maximum amount of natural discharge that can be salvaged for beneficial use. The perennial yield cannot be more than the natural recharge to a groundwater basin and in some cases is less. If the perennial yield is exceeded, groundwater levels will decline and steady-state conditions will not be achieved, a situation commonly referred to as groundwater mining. Additionally, withdrawals of groundwater in excess of the perennial yield may contribute to adverse

²² Exhibit No. 37 and Transcript, pp. 27-36, December 2010.

conditions such as water quality degradation, storage depletion, diminishing yield of wells, increase in cost due to increased pumping lifts, and land subsidence.²³

The perennial yields of hydrographic basins that are part of interbasin flow systems are often difficult to establish, and in the past, groundwater has sometimes been double counted, so that the sum of the perennial yields of the basins in the flow system is more than the sum of either the evapotranspiration (ET) discharge or natural recharge of the basins in the flow system. Such is the case with the Diamond Valley groundwater flow system. The Diamond Valley flow system is comprised of seven hydrographic basins: Monitor Valley South, Monitor Valley North, Kobeh Valley, Antelope Valley, Stevens Basin, Pine Valley, and Diamond Valley.²⁴ Diamond Valley is the terminus of the groundwater flow system. Groundwater flows from South Monitor Valley to North Monitor Valley, then to Kobeh Valley, and finally to Diamond Valley. Groundwater from Antelope Valley may flow to Kobeh Valley and then to Diamond Valley. Groundwater from Stevens Basin flows to Diamond Valley and/or Antelope Valley. Groundwater from the Garden Valley area, a part of the Pine Valley Hydrographic Basin, flows to Diamond Valley.²⁵ Monitor Valley, Antelope Valley, Kobeh Valley and Diamond Valley lose much of their annually recharged groundwater to ET, and the actual amount of subsurface flow between basins is uncertain. Previous publications have estimated the amount of subsurface flow,^{26,27,28} and the Applicant has also provided estimates of subsurface interbasin flow between selected basins.²⁹ While the estimated amount of subsurface interbasin flow may be uncertain or disputed, there is general agreement on the direction of flow. Figure 1, shown on page 16, shows basin water budgets and interbasin flows as estimated in the Reconnaissance Series reports, and for reference, also shows interbasin flow as computed by the Applicant's groundwater flow model. Monitor Valley South provides an estimated 2,000 afa of subsurface inflow to Monitor Valley North, which in turn supplies 6,000 afa of subsurface inflow to Kobeh Valley. The Applicant estimated 1,370 to 1,680 afa of subsurface flow

²³ State Engineer's Office, *Water for Nevada, State of Nevada Water Planning Report No. 3*, p. 13, October 1971.

²⁴ Exhibit No. 10, October 2008.

²⁵ Exhibit No. 13, October 2008.

²⁶ Exhibit No. 17, October 2008.

²⁷ Exhibit No. 16, October 2008.

²⁸ Exhibit No. 134, December 2010.

²⁹ Exhibit No. 39, Tables 3.5-2 and 4.1-13, December 2010.

from Northern Monitor Valley to Kobreh Valley.³⁰ Subsurface flow from Kobreh Valley to Diamond Valley was estimated by Harrill to be less than approximately 40 afa.³¹ The Applicant estimated 1,100 to 1,600 afa of subsurface flow from Kobreh to Diamond Valley.³² As can be seen from Figure 1, the established perennial yields of Monitor Valley North and South, and Kobreh Valley exceed both the recharge and the ET. In Reconnaissance Report 30,³³ Rush and Everett recognize that substantial development in one of the basins could affect the yields of adjacent basins. The Applicant's groundwater flow model simulates ET, and ET for each basin has been tabulated in its exhibit.³⁴ However, those tabulations do not represent the result of a specific study whose goal was to re-estimate groundwater ET, and will not be used in place of the existing published water budgets from the reconnaissance reports.

To resolve these issues with interbasin flow and to establish safe and conservative perennial yields in these basins, the perennial yield of each of the basins will be equal to the basin's groundwater ET. In this way, subsurface flow into or out of a basin will not be included in its perennial yield and there will be no double counting. Water that flows in the subsurface from Kobreh Valley to Diamond Valley, however much that may be, will not be part of Kobreh Valley's perennial yield. The State Engineer hereby establishes the perennial yield of the following six basins in the Diamond Valley Flow System as follows:

<u>Basin</u>	<u>Perennial Yield (acre-feet)</u>	
	<u>Previous</u>	<u>Revised</u>
Monitor Valley, Southern Part - Basin 140B:	10,000	9,000
Monitor Valley, Northern Part - Basin 140A:	8,000	2,000
Kobreh Valley, Basin 139:	16,000	15,000
Antelope Valley, Basin 151:	4,000	4,000
Stevens Basin, Basin 152:	100	100
Diamond Valley, Basin 153:	30,000	30,000

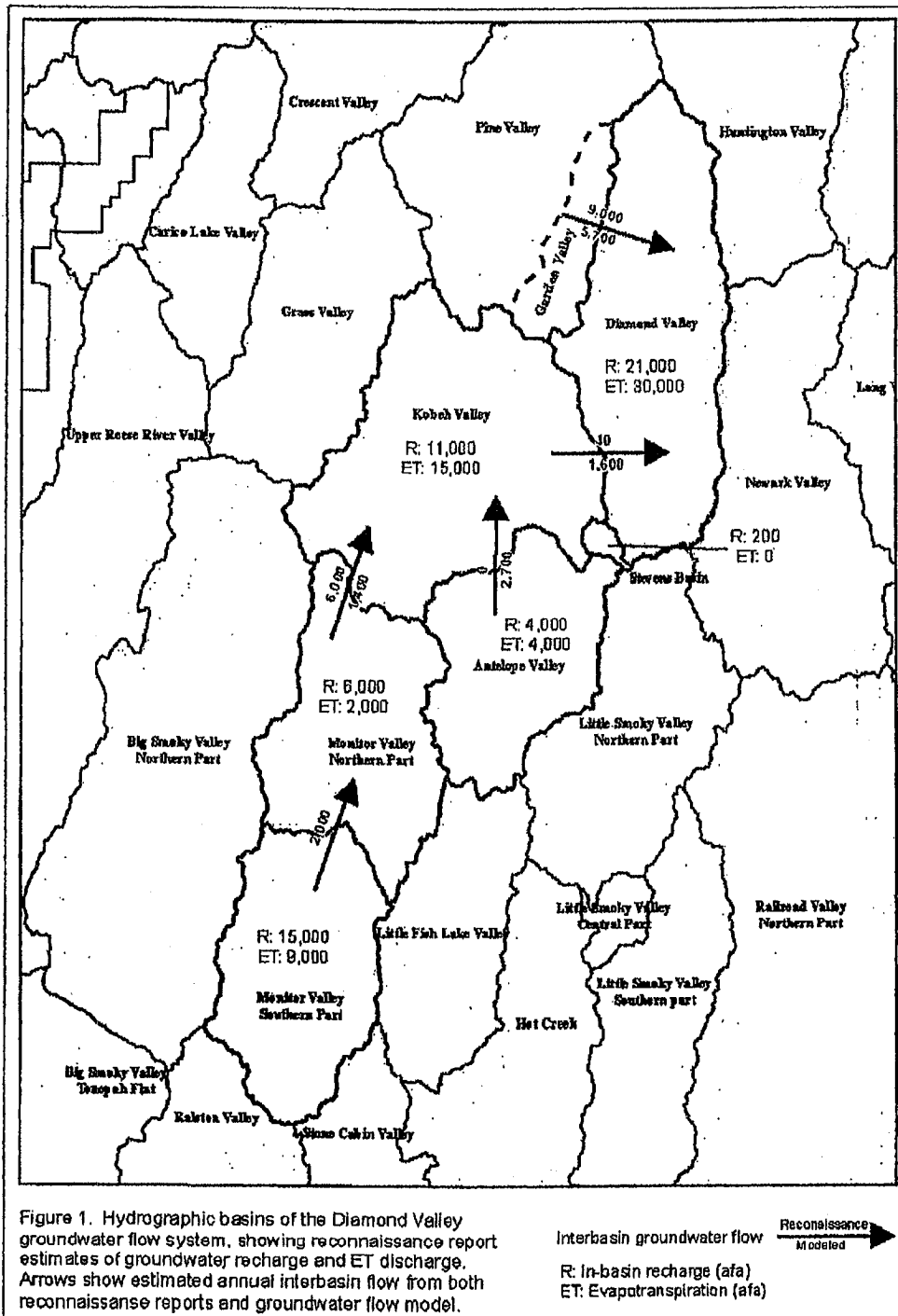
³⁰ Exhibit No. 39, Table 4.1-13, December 2010.

³¹ Exhibit No. 13, October 2008.

³² Exhibit No. 39, Table 4.1-13, December 2010.

³³ Exhibit No. 17, p. 26, October 2008.

³⁴ Exhibit No. 39, Table 4.1-12, December 2010.



Prior to the administrative hearing, the Applicant acquired nearly all of the existing groundwater rights within the Kobeh Valley Hydrographic Basin, excepting approximately 1,100 afa. The Applicant has filed new applications and change applications seeking a total combined duty of 11,300 afa from Kobeh Valley. If the subject applications were to be approved, the total committed groundwater resources in Kobeh Valley would be approximately 12,400 afa, which is less than the revised perennial yield of 15,000 afa. The State Engineer finds that there is sufficient water within the perennial yield of Kobeh Valley to satisfy the water appropriation requirements of the project. The State Engineer finds that no new appropriation of underground water is sought within Diamond Valley.

VI.

CONFLICT WITH EXISTING RIGHTS OR DOMESTIC WELLS

All of the Protestants raised the issue of potential conflicts with existing rights or domestic wells. They allege there could be potential impacts to water rights in Diamond Valley due to a reduction of subsurface flow from Kobeh Valley to Diamond Valley or due to drawdown from pumping. These potential impacts were evaluated by the Applicant in both its testimony and the groundwater flow model.³⁵ In Reconnaissance Series Report No. 6,³⁶ Eakin suggests minimal subsurface flow from Kobeh to Diamond Valley through the narrow alluvium-filled gap at Devil's Gate. Harrill suggests 40 afa through the same gap.³⁷ Rush and Everett concur on the minimal flow through Devil's Gate, and go on to state that flow from Kobeh to Diamond Valley through the carbonate bedrock is possible, but found no evidence to suggest such flow occurs.³⁸ Tumbusch and Plume did not provide a revised estimate of subsurface flow from Kobeh to Diamond Valley, but did pointedly recognize the potential for flow in the carbonate bedrock as evidenced by fault structures with solution cavities in carbonate outcrops at Devil's Gate.³⁹

The Applicant used Darcy's Law to develop a conceptual estimate of interbasin flow, and estimated 50 to 290 afa of subsurface flow from Kobeh Valley to Diamond Valley at Devil's Gate through alluvium and carbonate bedrock.⁴⁰ Its witnesses further estimated 810 to 1,050 afa of deep flow in bedrock from Kobeh Valley to Diamond

³⁵ Exhibit No. 39, December 2010.

³⁶ Exhibit No. 16, p. 18, October 2008.

³⁷ Exhibit No. 13, pp. 21-23, October 2008.

³⁸ Exhibit No. 17, p. 16, October 2008.

³⁹ Exhibit No. 10, p. 13, October 2008.

⁴⁰ Exhibit No. 39, Table 4.1-13, December 2010.

Valley in the area north of Whistler Peak.⁴¹ Next, they developed a numerical groundwater flow model to simulate both pre-development steady state conditions as well as the effects of pumping on groundwater levels and interbasin flow. With the groundwater flow model, it was estimated that pre-development flow was 1,583 afa from Kobeh to Diamond Valley.⁴² For the present-day conditions, the model indicates water table drawdown due to agricultural pumping in Diamond Valley has increased inflow from Kobeh Valley to 2,001 afa,⁴³ which is estimated to further increase to 2,365 afa in year 2055 without any mine pumpage. For its predictive analyses, the Applicant completed multiple model simulations. A 'no action' alternative simulated continued agricultural pumping through year 2105. The Applicant's 'cumulative action' alternative simulated continued agricultural pumping as in the 'no action' alternative, but also simulated the pumping of 11,300 afa in Kobeh and Diamond Valley for the 44-year mine life ending in 2055. The net effect of the mine's pumping on groundwater levels and interbasin flow is then computed as the difference between the two model simulations.^{44,45} The analyses of the future effects of pumping, by the Office of the State Engineer, used both the Exhibit No. 39 report as well as the computer model. The model results show a 15 afa increase in subsurface flow from Kobeh to Diamond Valley as a result of the mining project and its associated pumping.⁴⁶ The small increase in interbasin flow was explained as the net of a 40 afa increase in Kobeh to Diamond Valley flow at the site of the open pit due to dewatering, partially offset by a 25 afa decrease in Kobeh to Diamond Valley flow along the basin boundary at Whistler Mountain.⁴⁷

Water level drawdown due to simulated mine pumping is thoroughly documented.⁴⁸ Predicted drawdown due to mine pumping at the nearest agricultural well in Diamond Valley is estimated to be less than two feet at the end of mine life. However,

⁴¹ Exhibit No. 39, Table 4.1-13, December 2010.

⁴² Exhibit No. 39, Table 4.1-13, December 2010.

⁴³ Exhibit No. 39, Table 4.4-4, December 2010.

⁴⁴ Exhibit No. 39, pp. 177-178, December, 2010.

⁴⁵ There is a discrepancy in the naming of the alternatives. In Exhibit No. 39, pp. 177-178, the scenario that includes mine pumping is called 'cumulative action', however, the model files that simulate mine pumping are named 'base case'.

⁴⁶ Exhibit No. 39, Table 4.4-5 and 4.4-6, December 2010.

⁴⁷ Transcript, pp. 308-309, December 2010.

⁴⁸ Exhibit No. 39, Figures 4.4-12 to 4.4-17, and groundwater flow model data files, December 2010.

additional drawdown at that same location due solely to continuing agricultural pumping in Diamond Valley is predicted to be about 90 feet.⁴⁹

The model structure and simulation results were addressed by Protestant Eureka County's expert witnesses. Witness Bugenig testified that the model's predictive estimates of proposed mine pumping on Kobeh to Diamond Valley subsurface flow was at least approximately accurate.⁵⁰ Witness Oberholtzer authored a May 2010 report in which the model was described as not having fatal flaws,⁵¹ but in a November 2010 report she expressed concern that the model may not be accurate enough to be used as a predictive tool.⁵² Ms. Oberholtzer testified that calibration issues in Diamond Valley raised concern and the model had limited abilities as a predictive tool.⁵³ In general, the expert witnesses brought forward by Protestant Eureka County testified that the model has shortcomings, but failed to present convincing evidence that the model predictions are not substantially valid.

Because the groundwater flow model is only an approximation of a complex and partially understood flow system, the estimates of interbasin flow and drawdown cannot be considered as absolute values. However, the modeling evidence does strongly suggest that the proposed mine pumping under these applications will not measurably decrease subsurface groundwater flow from Kobeh to Diamond Valley and will not cause significant water level decline (less than 2 feet over entire mine life) at the points of diversion under existing water rights in Diamond Valley. The State Engineer finds the Applications will not conflict with existing rights in Diamond Valley by reducing the subsurface interbasin flow into the Diamond Valley hydrographic basin. Groundwater drawdown in Diamond Valley is not unreasonable at the locations of existing water rights and domestic wells, and meets the statutory requirements of NRS § 534.110. The State Engineer finds the applications will not conflict with existing rights or the protectable interest in domestic wells in Diamond Valley.

The Applicant's groundwater flow model indicates water level decline attributable to these applications is significant in the well field area in Kobeh Valley and at the open pit mine. The Applicant's water level drawdown maps only show drawdown of ten feet

⁴⁹ Exhibit 39, Groundwater flow model output data, December 2010.

⁵⁰ Transcript, p. 686, December 2010.

⁵¹ Exhibit No. 402, December 2010.

⁵² Exhibit No. 503, December 2010.

⁵³ Transcript, pp. 619-621, December 2010.

or more,⁵⁴ although the data files contain detailed information on drawdown to the fractions of a foot.⁵⁵ Many of the Protestants argued that water level declines of less than ten feet can cause impacts to surface waters in springs and streams, both in the mountains and on the valley floors. They point out that the model predicts drawdown of the water table below Henderson and Vinini Creeks and along the lower reaches of Roberts Creek. Since Henderson Creek is included in the Pete Hanson Creek Decree, they argue that these applications should be denied because they would conflict with existing rights. The Applicant's expert witnesses argue that these mountain springs and streams are not hydrologically connected to the saturated aquifer.⁵⁶ They argue that an unsaturated zone lies between these springs and streams and the aquifer; therefore, the relative level of the water table, so long as it is disconnected from the surface water feature, is immaterial, and no amount of decline in the water table could affect surface flows. This argument of the Applicant's expert witnesses is technically sound and is accepted by the State Engineer. In the testimony of Katzer, he refers to water levels in wells adjacent to Robert's Creek that demonstrate a disconnection between Robert's Creek and the groundwater aquifer that would prevent any decrease in stream flow due to the proposed pumping.⁵⁷ However, similar data is not available for Henderson and Vinini Creeks. Nevertheless, in the Henderson Creek area, Mr. Katzer argues that springs and streamflow are simply runoff from precipitation and draining of saturated soil, and are not directly connected to the groundwater aquifer. He argues that they are perched waters and similar to the Robert's Creek argument, could not be affected by a lowered water table. Mr. Katzer was asked about the depth to the water table relative to Henderson Creek and he stated that lower parts of Henderson Creek are probably close to the water table, but it would require drilling of monitor wells to know for certain.⁵⁸ As discussed above, the only way groundwater pumping could affect streamflow would be if the water table was in direct contact with the stream bed. It is important to note here that predicted groundwater level decline along Henderson Creek due to future agricultural pumping in Diamond Valley is greater than the predicted water level decline due to

⁵⁴ Exhibit No. 39, Figures 4.4-12 to 4.4-16, December 2010.

⁵⁵ Exhibit No. 30, groundwater flow model digital data, December 2010.

⁵⁶ Testimony of Katzer and Smith, Transcripts, December 2010.

⁵⁷ Exhibit No. 38, pp. 3-4, December 2010.

⁵⁸ Transcript, pp. 213-214, December 2010.

proposed mine pumping.⁵⁹ The State Engineer accepts the expert opinions of the Applicant that mine pumping is unlikely to affect streamflow in Roberts, Henderson or Vinini Creek and finds that the applications will not conflict with existing rights on those streams. However, because there are uncertainties with respect to the complex hydrogeology of the area and the ability of a model to accurately simulate future effects of pumping, the State Engineer will require a substantial surface and groundwater monitoring program to establish baseline groundwater and stream flow conditions to improve the predictive capability of the model and to increase the ability to detect future changes in the hydrologic regime.

Protestant Eureka County presented a comprehensive case with numerous witnesses and accompanying exhibits. In the 2008 hearing, Eureka County focused much of its argument on potential conflicts with Diamond Valley water rights. In the 2010 hearing, Eureka County stressed conflicts with existing rights in Kobeh and Pine Valleys. As discussed above, the State Engineer has found the applications will not conflict with existing rights in either Diamond or Pine Valley. Eureka County witnesses included the owners of the three largest ranches in the well field area in Kobeh Valley. Witnesses included Martin Etcheverry, owner of the Roberts Creek Ranch, Jim Etcheverry, owner of the 3-Bar Ranch, and John Colby, owner of the MW Cattle Company and the Santa Fe/Ferguson grazing allotment. Those three ranchers utilize available surface waters across the grazing allotments and own a variety of surface and groundwater rights in Kobeh Valley. The groundwater flow model predicts water table drawdown at the end of mine life of three feet or more in the general area of Kobeh Valley north of U.S. Highway 50 and east of 3-Bars Road. This includes the well field area, where drawdown is extensive. Drawdown of ten feet or less extends westerly to the Bobcat Ranch and southerly to the Antelope Valley boundary. Water rights that could potentially be impacted are those rights on springs and streams in hydrologic connection with the water table. That would include valley floor springs. Testimony from the Applicant's expert witnesses Katzer and Childress argue that faults at the base of the Robert's Mountains act as barriers to hydrologic flow and that surface water rights in the Roberts Mountains will not be impacted by proposed mine pumpage.⁶⁰ There was no expert testimony or

⁵⁹ Exhibit No. 39, Groundwater flow model output data, December 2010.

⁶⁰ Transcript, pp. 169-177 and 227-260.

evidence submitted that indicates surface water rights in the Simpson Park Mountains would be impacted by the proposed applications. In Eureka County's Exhibit Nos. 526, 527, 529 and 530, numerous spring and stream water rights are shown. Water rights that could potentially be impacted are those rights on the valley floor where there is predicted drawdown of the water table due to mine pumping. The Applicant recognizes that certain water rights on springs in Kobeh Valley are likely to be impacted by the proposed pumping.^{61,62} These springs produce less than one gallon per minute and provide water for livestock purposes.⁶³ The State Engineer finds that this flow loss can be adequately and fully mitigated by the Applicant should predicted impacts occur. To ensure funding exists for any required future mitigation, including mitigation after the cessation of active mining activities, the Applicant must demonstrate the financial capability to complete any mitigation work necessary in a monitoring, management, and mitigation plan. This monitoring, management, and mitigation plan must be approved by the State Engineer prior to diverting any water under these applications.

VII. PUBLIC INTEREST

Nevada Revised Statute § 533.370(5) provides that the State Engineer must reject an application if the proposed use of the water threatens to prove detrimental to the public interest. The State Engineer has found that the Applicant has demonstrated a need for the water and a beneficial use for the water and it does not threaten to prove detrimental to the public interest to allow the use of the water for reasonable and economic mining and milling purposes as proposed. The Applicant has acquired about 16,000 afa of existing water rights within Kobeh Valley and requires 11,300 afa for its project. The Applicant has confirmed its commitment to developing this project, has demonstrated the ability to finance the project, and will be required to monitor any groundwater development. Water level drawdown due to simulated mine pumping is thoroughly documented.⁶⁴ Predicted drawdown due to mine pumping at the nearest agricultural well in Diamond Valley is estimated to be less than two feet at the end of mine life. In regards to the importance of mining, Protestant Eureka County testified that mining is a life blood of

⁶¹ Transcript, pp. 163 and 187, December 2010.

⁶² Exhibit No. 39, pp. 189-190, December 2010.

⁶³ Exhibit No. 116, Appendix B, October 2008.

⁶⁴ Exhibit No. 39, Figures 4.4-12 to 4.4-17, and groundwater flow model data files, December 2010.

Eureka County⁶⁵ and that Eureka County has and always will be a mining and agricultural county.⁶⁶ In addition, Protestant Eureka County indicated that the mine will provide an economic benefit in the form of increased employment and tax revenue for the county.⁶⁷ The State Engineer finds under these facts and circumstances the proposed use of the water does not threaten to prove detrimental to the public interest.

VIII.

STATUTORY STANDARD FOR INTERBASIN TRANSFERS

Nevada Revised Statute provides that in determining whether an application for an interbasin transfer of groundwater must be rejected, the State Engineer shall consider: (a) whether the applicant has justified the need to import the water from another basin; (b) if the State Engineer determines a plan for conservation is advisable for the basin into which the water is imported, whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out; (c) whether the proposed action is environmentally sound as it relates to the basin from which the water is exported; (d) whether the proposed action is an appropriate long-term use, which will not unduly limit the future growth and development in the basin from which the water is exported; and (e) any other factor the State Engineer determines to be relevant. NRS § 533.370(6).

The Applicant is requesting an interbasin transfer of groundwater from both Kobeh Valley and Diamond Valley to a place of use that includes portions of the Kobeh Valley, Diamond Valley and Pine Valley Hydrographic Basins.

IX.

OTHER RELAVANT FACTORS

In Diamond Valley, the Applicant has acquired existing water rights and the water sought for transfer in this ruling totals about 616 afa (about 385 afa when adjusted for consumptive use reduction). This water is primarily needed to account for inflow of water into the mine pit. All applications in Diamond Valley (Applications 76005-76009, 76802-76805, and 78424) seek to change existing water rights acquired by the Applicant; no new water appropriations are being sought within the Diamond Valley Hydrographic Basin. Whether the groundwater is fully developed under the existing water rights or under the proposed changes to point of diversion, place of use and manner of use, there would be no increase in demand on the groundwater resource in Diamond Valley.

⁶⁵ Transcript, p. 715, December 2010.

⁶⁶ Transcript, p. 438, October 2008.

⁶⁷ Transcript, pp. 438-439, October 2008.

A review of the Diamond Valley Hydrographic Basin shows that there are more committed groundwater rights in the form of permits and certificates than the estimated perennial yield of the basin, while the Kobeh Valley Hydrographic Basin has excess groundwater available for this project. Unless additional restrictions are put in place through permit terms, a situation could exist where water from an over-allocated basin could be exported to a basin that is under-allocated and the State Engineer finds that this would be contrary to the proper management of the Diamond Valley Hydrographic Basin's groundwater resource at this time. The State Engineer finds that any permit issued for the mining project with a point of diversion within the Diamond Valley Hydrographic Basin must contain permit terms restricting the use of water to within the Diamond Valley Hydrographic Basin and any excess water produced that is not consumed within the basin must be returned to the groundwater aquifer in Diamond Valley. The State Engineer finds that any approval of Applications 76005-76009, 76802-76805, and 78424 will restrict the use of any groundwater developed to within the Diamond Valley Hydrographic Basin; therefore, there will be no interbasin transfer of water allowed and NRS § 533.370(6) will not be applicable to these applications.

X.

NEED TO IMPORT WATER

The interbasin transfer criteria were adopted in 1999. The impetus for the legislation was the proposed transfer of groundwater from rural hydrographic basins in eastern Nevada to the greater Las Vegas area to meet anticipated municipal growth; however, there is no exclusionary language for other manners of use. The requirements of NRS § 533.370(6) along with other statutory criteria are addressed in the following sections.

The groundwater developed for the project will come primarily from a well field located within Kobeh Valley. The mine project area straddles the basin boundary between Diamond Valley and Kobeh Valley and the proposed place of use also encompasses a small portion of Pine Valley. The Applicant presented evidence of its water requirements necessary to operate the project. Water use estimates were made for the operation of the mill and other ancillary uses such as dust control and potable water

supply.⁶⁸ The maximum water demand for the project is estimated at 7,000 gpm or about 11,300 afa, which is the amount of water requested by the Applicant.⁶⁹

The Mt. Hope mine straddles the Diamond Valley - Kobeh Valley basin boundaries. The amount of water needed to dewater the pit is less than ten percent of the amount needed for the entire mining operation. Most of the groundwater will be used in the mine's milling circuit. The mill is to be located within Diamond Valley and the tailings storage facility is to be located within Kobeh Valley. Water in the tailings facility will then evaporate from the tailings, be recycled back to the mill, or permanently stored in the tailings facility. A review of the Kobeh Valley Hydrographic Basin shows that there is sufficient unappropriated groundwater to satisfy the demands of the mining project without exceeding the perennial yield of Kobeh Valley. The State Engineer finds that the Applicant has justified the need to import water to Diamond Valley from points of diversion located within the Kobeh Valley Hydrographic Basin.

XI. PLAN FOR CONSERVATION OF WATER

If the State Engineer determines a plan for conservation is advisable for the basin into which the water is imported, the State Engineer shall consider whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out. Since July 1, 1992, water conservation plans are required for any supplier of municipal and industrial water uses based on the climate and living conditions of its service area.⁷⁰ The provisions of the plan must apply only to the supplier's property and its customers. The Applicant is not a municipal supplier of water, there are no municipal and industrial purveyors in Kobeh Valley or Pine Valley and the Applicant does not own or control the municipal water supply to the Town of Eureka in Diamond Valley or any other municipal or quasi-municipal water supply. Eureka County has a water conservation plan on file in the Office of the State Engineer for the Town of Eureka Water System, Devil's Gate GID District #1 and District #2, and Crescent Valley Town Water System.⁷¹ The Applicant

⁶⁸ Transcript, pp. 564-571, October 2008; Exhibit Nos. 105, 108 and 112, October 2008.

⁶⁹ Transcript, p. 106, December 2010.

⁷⁰ NRS § 540.131.

⁷¹ Eureka County - Joint Water Conservation Plan for Town of Eureka Water System, Devil's Gate GID District #1 and District #2, and Crescent Valley Town Water System, official records in the Office of the State Engineer.