# 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 P	FOR OFFICE USE ONLY
Date of filt	ing in State Engin	eer's Office JUN	2 9 2007
Returned t	o applicant for co	rrection	
Corrected	application filed_	references from the last that the first terms	Map filed JUL 1 1 2007 under 75979
The applicant	Kobeh Valley	Ranch LLC	
10 North Po	st Street, Suite	<b>610</b>	of Spokene City or Town
<b>Vashington</b>	Street and No. or P.O. 99201	Box No.	hereby makes application for permission to change the
oint of Div	ersion, Place as	nd Manner of Use	
of water hereio	ofore appropriated	tender Permit N	ca. 54093 sculing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decre
ad ideally right	n Decree.	*******************************	
	nce of water is	Ne	unte of stream, lake, underground, spring or other sources.  236, 906 milltion gallons annually  second feet, acro-feet. One second foot equals 449,83 gallons per minute.
3. The wat	er to be used for		mercial, etc. If for stock state counter and kind of missals, bluss limit to one major usa.
4. The wat	ter heretofore used	for Mining, Milling	a and Damestic
			If for stock, siste nisother and kind of salenels.  Within the SE 1/4 of the NW 1/4 of Section 21, T.22N.  Describe as being within a 40-sace subdivision of public survey and by oner
R.61E., M.D	.M., or at a poir	x from which the so	outhwest corner of Section 31, T.22N., R.51E., M.D.M.,
		surveyed land, it should be state distance of 18,260 fo	
			the NE 1/4 of the SW 1/4 of Section 35, T.22N., R.50E.,
O. THE EXI	some home or man	REGIT IS INCREOR AND IT	Manifest of dispersion is not changed do not surror.
			If point of diversion is not consigned on the market.
M.D.M., or	at a point from	which the SW come	or of Section 34, T.22N., R.60E., M.D.M. bears South
M.D.M., or : 75°27'18" Y	at a point from Vest a distance	which the SW come	or of Section 34, T.22N., R.60E., M.D.M. bears South for to map supporting Applications 54093 and 54094,

139.60

7. ee	Proposed place of use attached Exhibit "A" a	Describe by legal on the ma	obdivisions. If for in p that accom	igation state number of eares to be in partied Application No. 7	2695.
, 1	0, 11, 14, 15, 21, 22, 27, of/or manner of use of irrigation pe	Describe by legal subd 28, 29 and 30, T.22N., F roll, describe excesse to be ressoved	ivisions. If permit is R.50E., M.D.M. I from irrigation.	.49E, M.D.M., portions of for integios, and marks of sorts to and portions of Section	rigated. If changing place o is 33 & 34, T.23N.,
	DE., M.D.M Refer to m State Engineer's Office		ions 64093 an	d 54064, filed December	19, 1989, in
 9.	Use will be from	January 1	to	December 31	of each year.
	Use permitted from	Month and Day		Munth and Day	of each year.
				Month and Day (O you many be required to se	brait plans and
	and mill site.  diches and fames, drilled well a Estimated cost of works  Estimated time required t	in excess of \$3,000,00	years	If well completed, discribe well.	
4.	Estimated time required (	o complete the application	of water to bene	icial use 5 years	
15.	Remarks: For use other ( sumptive use.	han irrigation or stock water	ring, state muni	er and type of units to be se	ved or annual
	attached addendum.	77 I			<b>3 3 3</b>
		at a comp game and comp depth form help a left page page, and a few has a black depth depth bench			왕
	***************************************			, <u>, , , , , , , , , , , , , , , , , , </u>	=
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N.P.	···		, hyp. 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997		<u> </u>
··	(775) 358-94 Phone No.	91	By LO	Signature of Agent, George C. L. Burveying 1925 E. Prate	
	PLICATION MUST BE S THE APPLICANT OR A		Sparts, I	Street and No., or P.O. Bex levada 89434 City, State, Zip Code No	

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1982A (Flor, 10-65)

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Washed by Court order 4/0/10
Pro. Overruled 7/15/11 See Ruling #6127

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, 385 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 les that 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 one 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.

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

Division	Section	Township	Range	Meridian
Ali	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
All	<del>22</del> -27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-38	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.
AB	34-36	22N	50E	M.O.M.
All	1-3	22N	51E	M.D.M.
АĦ	10-15	22N	51E	M.D.M.
ΑĦ	20-29	22N	51E	M.D.M.
Alt	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
Ali	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.
Alf	8 & 7	22N	53E	M.D.M.
Alt	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-38	23N	51E	M,D.M.
AN	31	21 1/2 N	53E	M.D.M.

2007 JUN 20 PH 3: 43

Page 1 of 1

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 2 , 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 2/ , 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 \_\_\_\_\_\_\_day of <u>July</u>, A.D. <u>2009</u>

	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
llb	



# 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:** 

10/17/1989

\*\*\*\*

-APPROVAL OF STATE ENGINEER Vacaded 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.

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:

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

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

December

2012

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 15th day of December, A.D. 2011

	State Engineer	
Completion of work filed		
Proof of beneficial use filed		_
Cultural map filed		
Certificate No.	Issued	



# 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.

Scrial 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 filling in State Engineer's Office	JUN 2 9 2007
Returned to applicant for correction	
Corrected application filed	Map filed JUL 1 1 2007 under 75979
The applicant Kobeh Valley Ranch LLC	
10 North Post Street, Suite 610	of Spokane
(4) - 1, V - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	t
Washington 99201 State and Zip Code No.	the state of the s
Point of Diversion, Place and Manner o	f Use
of water heretofore appropriated under	Permit No. 54064
a ware resentation appropriates areas	Identify existing right by Permit, Certificatie, Proof or Claim Nos. If Decreed, give title of Dec
and identify right in Decree.	
I. 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, 235.006 million gallons annually
3 mg	Becomd feet, acro-feet. One second foot equals 448.83 gallous per tricuite.
	niming, communical), etc. If for stock state number and kind of attimate. Must lead to date singer to
4. The water heretofore used fur Mining	If for stock, state member and kind of seamen.
5. The water is to be diverted at the following	ing point within the 3E 1/4 of the NE 1/4 of Section 30, T.22N.,  Describe as being within a 40-acre subdivision of public servey and by on
R.51E., M.D.M., or at a point from which	h the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section corner. If on unsurveyed lend, it she bears South 27°21' West a distance of	
Personal at 21 start a distance of	FACT FOR [179] COV
PWHITTHIN IN THE REPORT OF A SECTION AND A SECTION AND A SECTION AND A SECTION ASSESSMENT AND A SECTION ASSESSMENT AND A SECTION ASSESSMENT ASS	The state of the s
,	of within the SW 1/4 of the SW 1/4 of Section 22, T.22N., R.50E
	If point of deventage is not onergod, on not employ.
M.D.M., or at a point from which the &	
M.D.M., or at a point from which the 8	1/4 corner of Section 28, T.22N., R.58E., M.D.M. bears South

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١.	Proposed place of use	Pierwika ku laral w	hollesiana If for in	ignion state munber of screen to be in	Sujeq
ė.	attached Exhibit "A" a	ind as shown on the mag			
					100.00 property population (100 property popul
					, , , , , , , , , , , , , , , , , , , ,
_	Existing place of use P	ortions of Sections 25 &	26 T 22NR	AGE M.D.M., portions of	Sections 2, 3, 4,
		Describe by legal asheli	www. Humanila	for in idealogy, which similarly on service or	Carrier to company beans or
	), 11, 14, 15, 21, <i>22, 27</i> d/or marker of use of irrigation p	, 28, 29 and 30, T.22N., R	from impation.	and pordors or occur-	4000
	E., M.D.M Refer to n	nap supporting Applicati	ons 54093 an	d 64094, filed December	19, 1999, m
•	State Engineer's Offic	e.			
	<del>det indice i compresso</del> services e services de <del>descripto des la material</del> (441 641 641 641 641 641		414 IM IM IM IM IM IT	oor is historiaan seessa siisaad isissa saassa seessa yo baa gaa mad ofder 10 seesya	4.114
	Use will be from	January 1  Month and Day	to	December 31	of each year.
	Use permitted from	Mooth and Day  January 1	to	December 31	of each year.
		Jenuary 1 Month and Day	45.75.75.46.6	Month and Day	benit rilans and
	Description of proposed	works. (Under the provision			
	specifications of your div	version of storage works.)	Drilled wel	i, pump and pipelines or to maner is which water is to be dive	ried, i.e. diversion structure.
	and mill site.			4 . 401.200 man	18. page - 18. 18. 18. 18. 18. 18. 18. 18. 18. 18.
	disches and flumes, drilled well	with pump and motor, etc. in excess of \$3,000,00	•		
•	Estimated Cost of Works	III excess of \$2,000,00			en dan iki i jegi dan nar sişî yêşî îzen aren aren eren eren eren eren eren er
١,	Estimated time required	to construct works	years	If well completed, describe well.	
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	Estimated time required	to complete the application (	of water to bene	ficial use <b>6 years</b>	
					oved or surmal
	sumptive use.	than irrigation or stock water	andg, state som	net and type or onne to oc se	
×	attached addendum.				
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-		THE STATE OF THE PROPERTY OF THE STATE AND THE STATE S		n (1/)-	=======================================
		•			
_	(775) 358-9 Thoma No.		By	Semantic of Asset George C. I	
	THANK NO.		Tri State	Surveying 1925 E. Prai	er Way
				Street and No., or P.O. Box	No.
	•				
P	PLICATION MUST BE	SIGNED	Sparks,	Nevada 89434 Ciry, State, Zip Code N	),

Protested by Eureka Co. 8/30/07 Pro. Overruled 3/26/09 See <u>Rilling #5966</u> Vacated by Court octor 4/10/00 Pro. Overruled 7/15/11 See Ruling #6127

\$150 FILING FEE MUST ACCOMPANY APPLICATION...?

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 les that 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.

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

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
AB	10-15	21N	50€	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	<b>30 &amp;</b> 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - <b>36</b>	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
AI)	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
Ali	31-36	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
Ail	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 - 38	22N	52E	M.D.M.
All	6&7	22N	53E	M.D.M.
Ail	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.

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Page 1 of 1



# 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:** 

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.

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 annualty.

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

July 2 , 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 2/ , 2014

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

July 2/ , 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 215th day of July, A.D. 2009



# 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 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.

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:

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

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

December

2012

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

SPACE FOR OFFICE USE ONLY
JUN 2 9 2007
Map filed JUL I 1 2007 under 75979
of Spokane City or Town
hereby makes application for permission to change the
f Use
And I had had been seen seen seen seen seen seen seen
Portraft No. 60281  Identify scieting right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
Name of strain, lake, underground, spring or offer sources.
Name of stream, lake, underground, spring or other sources.  1.0 cfs, 88.84 million gailons annually  Second feet, sure-fied. One second feet equals 448.83 gallons per minute.
Name of stream, lake, underground, spring or other sources.  1.0 cfs, 88.84 million gailons annually  Second feet, sure-liest. One second foot equals 448.83 gallons per minute.  I milling  many, commercial, sic. If for stock state manber and kind of animals. Must limit to one major use.
Name of stream, lake, underground, upwing or other sources.  1.0 cfs, 88.84 million gations annually  Second feet, sure-fiest. One second foot equals 446.83 gallons per minute.  I milling  numing commercial, stc. If for stock state manifer and kind of animals. Must limit to one major use,  milling and domestic  If for stock, state number and kind of minutes.
Name of stream, lake, underground, spring or other sources.  1.0 cfs, 88.84 million gations annuality  Second feet, sure-fiest. One second feet equals 448.83 gallons per minute.  I milling  sourcest, str. If for stock state member and kind of animals. Must limit to one major use,  milling and domestic  If for stock, state number and kind of minute.  1. milling and domestic  1. for stock, state number and kind of minute.
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Name of stream, lake, underground, upwing or other source.  1.0 cfs, 88.84 million gations annually  Second fest, sure-fiest. One second foot equals 446.83 gallons per minute.  If milling many commercial, str. if for stock state member and kind of animals. Must limit to one major use, g., milling and domnestic  If for stock, state number and kind of minute.  If for stock, state number and kind of minute.  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 over it from which the southwest corner of Section 31, T.22N., R.51E., and be stated.
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139.60

LIENCENO I	1 1 1 2 2 2 2 10 for include state attropher of arms in his serious.
	by legal subdivisions. If for irrigation state number of arms to be arrigated.  The map that accompanied Application No. 72695.
*** (***) (***) ***********************	The state of the s
Existing place of use within Sections 22,	23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34, T.22N., opal subdivisions. If perset is for angeston, state panties of series intigated. If classifies place of
9E., M.D.M., Refer to map supporting Ap	plication 51918, filed June 25, 1985. Portions of Sections 25
od/or exemper of me of irrigation parent, describe screege to be 6, T.22N., R.49E., M.D.M., portions of Sec	tions 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N.
	B 34, T.23N., R.50E., M.D.M Refer to map supporting
plications 54093 and 54094, filed Decemb	
Use will be from January 1  Menth and Day	to December 31 of each year.  Month and Dey
Use permitted from Januar	y 1 to December 31 of each year.  y Moreh and Day
	rovisions of NRS 535.010 you may be required to submit plans and
_	ts.) Drilled well, pump and pipelines or truck to mine
	State memor in which water is to be diverted, i.e. diversion structure,
and mill site, diches and fluence, drilled well with pump and make, etc.	THE REAL PROPERTY AND ADDRESS OF THE PROPERTY
Estimated cost of works   In excess of \$3,	
	**************************************
Estimated time remired to construct works	5 <b>VAC</b> (3
Estimated time required to construct works	1945 mm marrows make 189 <del>0 mm mm marrows (1</del> 4-15-44-194-194-19-19-19-19-19-19-19-19-19-19-19-19-19-
Estimated time required to construct works	3 Years  If well completed, describe well.
	5 <b>VAC</b> (3
Estimated time required to complete the appli Remarks: For use other than irrigation or sto	3 Years  If well completed, describe well.
Estimated time required to complete the appli Remarks: For use other than irrigation or sto sumptive use.	3 years  If well completed, describe well.  cation of water to beneficial use 5 years
Estimated time required to complete the appli Remarks: For use other than irrigation or sto sumptive use.	3 years  If well completed, describe well.  cation of water to beneficial use 5 years
Estimated time required to complete the appli Remarks: For use other than irrigation or sto sumptive use.	3 years  If well completed, describe well.  cation of water to beneficial use 5 years
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Estimated time required to complete the appli Remarks: For use other than irrigation or sto sumptive use.	3 years  If well completed, describe well.  cation of water to beneficial use 5 years
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Estimated time required to complete the application or sto sumptive use.	if well completed, describe well.  Cation of water to beneficial use 5 years  ck watering, state number and type of units to be served or anamal  By Signature of Agent, Courge C. Lindsonth
Estimated time required to complete the application or sto sumptive use.  a citached addendum,  (775) 358-9491	Significant of Agent, Course C. Libbournith  Tri State Surveying 1925 E. Prater Way  Street and No. or P.O. Box No.
Estimated time required to complete the application or sto sumptive use.  a situached addendum,  (775) 358-9491	System or Agent, Course C. Hasserville  Tri State Surveying 1925 E. Prater Way

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1683A (Raw. 10-98)

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling 5966 Vacated by Gart Order 4/0/10
Pro. Overruled 7/15/11 See Ruling 6127

Application	No.	
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 les that 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 one body is exhausted and the mining property is rectaimed.

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

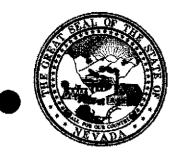
1月16日 - 20日本 1003 1月15日 - 63日前 1603

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

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
Ali	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
AII	1-36	21N	51 <b>E</b>	M.D.M.
All	647	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
All	38	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
Alt	34-35	22N	50E	M,D.M.
All	1-3	22N	51E	M.D.M.
Al!	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
Ali	31-38	22N	51E	M.Q.M.
Ali	1	22N	51 1/2 E	M.D.M.
Ali	12 & 13	22N	51 1/2 E	M,D,M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	38	22N	51 1/2 E	M.D.M.
AIF	1 - 36	22N	52E	M.D.M.
ΑĦ	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
Ali	34-38	23N	51E	M.D.M.
Ali	31	21 1/2 N	53E	M.Q.M

77:55 10 62 110 2002

Page 1 of 1



# 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 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.

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:

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

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

December

2012

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 15th day of <u>December</u>, A.D. 2011

		State Engineer	—
Completion of work filed	/_		
Proof of beneficial use filed			
Cultural map filed			
Certificate No.		Issued	



# 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.

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 Z , 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 2 , 2014 July 2 , 2014

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

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

Serial No. 75991

# 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

TE	is space for office use only
Date of filling in State Engineer's Office	JUN 2 9 2007
Returned to applicant for correction	
Connected application filed	Map filed JUL 1 1 2007 under 75979
Conected subression med	TAP THE
e applicant Kobeh Valley Ranch LL	<u>C</u>
North Post Street, Suite 610	of Spokene Cky a Town
Strept and No. or P.O. Box No. pshirington 99201	hereby makes application for permission to change the
State and Zip Code No.	
ant of Diversion, Place and Manner	r of Use
water heretofore appropriated under	Permit No. 60282  Identify existing right by Pennit, Certificate, Proof or Claim Nos. If Decreed, give hitle of Decree
	longry changings by roun, course, 1777
identify right in Decree.	
- AND THE COLUMN ASSESSMENT ASSES	
	HAIM HANN IN CONTRACTOR AND
. The source of water is undergrou	Name of stream, lake, underground, spring or other sources.
. The source of water is undergrou . The amount of water to be changed	Name of stream, lake, underground, spring or other sources.  1.0 cfs, 80.84 million yeathours mirrotally 235. 706 M.G.A.  Second first, scre-feet. One second foot equals 442.23 gallous per minute.
The source of water isundergrou  The emount of water to be changed	Name of stream, lake, underground, upring or other sources.  1.0 cfs, 50.54 millions gailtons surrountly 235.706 MGA  Second fiel, scre-feel. One second foot equals 442.83 gallons per rainate.
The source of water isundergrou  The amount of water to be changed  The water to be used forMining 4  Integriou, pos	Name of stream, lake, underground, spring or other sources.  1.0 cfs, \$6.64 million yeathours mirroratily 235.706 MGA  Second field, scre-feel. One second foot equals 442.23 gallous per means.  and milliong  w, mining, commercial, etc. If for stock state member and kind of animals, blant limit to one major use.
The source of water is undergrou  The amount of water to be changed  The water to be used for Mining a Intestion, pos	Name of stream, lake, underground, spring or other sources.  1.0 cfs, 30.34 millions yearlious surroughly 235. 70 6 M.G.A  Second fast, scre-feel. One second foot equals 442.83 gallions per minute.  and milling  w, mining, commercial, six. If for stock state member and kind of animals, blant limit to one major use, sing, milling and domestic.  If for stock, state number and kind of animals.
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ettached Exhibit "A" ar	Describe by logal s and ass shown on the ma	o that accompanie	d Application No.	72695.
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l Jed Irol 1981 lekstek <del>i Milikkà Şirikki, populariyayaya</del> me esa sur <b>1989</b> rayada 1		·		
Existing place of use _wit	thin Sections 22, 23, 26	, 27, NE 1/4 SE 1/4	Section 28 and Se	ction 34, T.22N., rrigated. If changing place of
9E., M.D.M., Refer to ma	ap supporting Applicati	on 51918, filed Ju	ne 26, 1985. Portio	ns of Sections 25
6, T.22N., R.49E., M.D.M			, 15, 21, 22, 27, 28,	29 and 30, T.22N.,
OE, M.D.M. and portion	s of Sections 33 & 34, 1	7.23N., R.50E., M.D	M., Refer to map	supporting
plications 54093 and 540	994, filed December 19,	1989.		
. Use will be from	January 1	to	December 31	of each year.
	January 1  Month and Dey	to	December 31	of each year,
Description of proposed w				ibmit plans and
specifications of your dive	arsion or storage works.)	Drilled well pur	np and pipelines o	r truck to mine
and mill site.		State muni	M. 11 Aduta Astron. p. C. te. Ca.	4100, 10. 074 E00 E1
etches and flumm, drilled well w Estimated cost of works		)O.		414
Estimated time required to				
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		If wel	completed, describe well.	
. Estimated time required to	o complete the application	If wel		. 22
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Estimated time required to Remarks: For use other timesumptive use, se attached addendum.  (775) 358-94 Proce No.	han irrigation or stock water	of water to beneficial ring, state number an	d type of units to be so	aved or akenal
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Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Vocabed by Gurt Order 4/0/10
Pro. Overruled 7/15/11 See Ruling #6127

Application No	
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# 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 les that 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 one 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.

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.
Αij	34-36	21N	50€	M.D.M.
All	1-36	21N	51E	M.D.M.
All	8 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
Alt	30 & 31	21N	52E	M.D.M.
All	38	21 1/2N	51 1/2 E	M.D.M.
All	31 - 38	21 1/2N	52E	M.D.M.
All	34-38	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
Alí	10-15	22N	51E	M.D.M.
Ali	20-29	22N	51E	M.D.M.
All	31-36	22N	51E	M.D.M.
Ali	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 €	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	38	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
AB	6&7	22N	53E	M.D.M.
All	18 & 19	22N	53 <b>E</b>	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-38	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

2001 JUN 29 FN 3+64

Dane 1 of 1

#### **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 2/5/2 day of July, A.D. 2009

Completion of work filed \_\_\_\_\_\_\_
Proof of beneficial use filed \_\_\_\_\_\_\_
Cultural map filed \_\_\_\_\_\_\_
Certificate No. \_\_\_\_\_\_\_ Issued \_\_\_\_\_\_\_
Ilb



# 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 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.

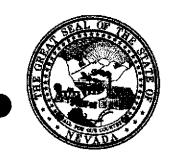
Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

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.



# 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.

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:

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

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

December 2012

2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this day of <u>December</u>, A.D. <u>2011</u>

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

# 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 2 9 2007
Corrected application filed	Map filed JUL 1 1 2007 under 75979
he applicant Kobeh Valley Ranch LLC	
0 North Post Street, Suite 610	of Spokane City of Town
Street and No. or P.O. Box No.	hereby makes application for permission to change the
Washington 99201 State and Zip Code No.	TELEGY Frances obliverance on Lands
Point of Diversion, Place and Manner o	y Use
000 to 100 to	
of water heretofore appropriated under	Permit No. 60283  Identify conting right by Permit, Cartificate, Proof or Claim Nos. If Decreed, give title of Decree
	market 1 standing 17gps of a many
nd identify right in Decree.	
The source of water isundarground	d Name of stream, lake, underground, spring or other sources.
<del></del>	Name of street, lake, underground, spring or other sources.
2. The amount of water to be changed	Name of streen, lake, underground, spring or cure volucies.  1.0 cfs, 88.84 million gailons annually.  Second Bot, some first. One second foot equals 448.83 gallons per manufe.
The amount of water to be changed     The water to be used for Mining an irrigation, poss.	Name of streen, lake, underground, spring or cour sources.  1.0 cfs., 88.84 million gations annually  Second flot, sore-first. One second foot equals 448.83 gallons per minute.  Id milling  mining, commercial, etc. If for stock state member and kind of animals. Most limit to one major use.
2. The amount of water to be changed	Name of streen, lake, underground, spring or cour sources.  1.0 cfs, 88.84 million gaillons annually  Second But, some first. One second foot equals 448.83 gallons per minute.  Id milling commercial, sic. if for stock spile member and kind of animals. Most limit to one major were stilling and determinants.
The amount of water to be changed  The water to be used for Mining an irrigation, power,  The water heretofore used for Mining  Mining	Name of streen, lake, underground, spring or cour sources.  1.0 cfs., 88.84 million gations annually  Second that, some first. One second foot equals 448.83 gallons per remain.  Id milling mining, compression, etc. if for stock state member and kind of estimate. Most limit to one major wer.  In far stock, state number and kind of animals.  If for stock, state number and kind of animals.
2. The amount of water to be changed 3. The water to be used for Mining an irrustion, pose, 4. The water heretofore used for Mining 5. The water is to be diverted at the follow	Name of streen, lake, underground, spring or cour sources.  1.0 cfs., 88.84 million gations annually  Second flot, some first. One second foot equals 448.83 gallons per manute.  Id milling mining, commercial, etc. if for stock space member and kind of minings. Most limit to one major use.  Ing, milling and domestic  If for stock, state member and kind of snimels.  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as being writin a 40-acre abdivision of public survey and by cour
2. The amount of water to be changed  3. The water to be used for Mining an irrigation, poss.  4. The water heretofore used for Mining  5. The water is to be diverted at the follow  R.50E., M.D.M., or at a point from which	Name of streen, lake, underground, spring of clear sources.  1.0 cfs, 88.84 million gallors annually  Second flot, some flot. One second flot equals 448.83 gallons per manufe, and milling  mining commercial, etc. if for stock state member and kind of miningle. Must be one major wenning, milling and domestic  If for stock, state number and kind of miningle.  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as being writin a 40-acre authinsism of public survey and by court  the northwest corner of Section 2, T.21N., R.88E., M.D.M.,
2. The amount of water to be changed  3. The water to be used for Mining an irrigation, poss.,  4. The water heretofore used for Mining  5. The water is to be diverted at the follow R.60E., M.D.M., or at a point from white and distance to a section corner. If or unsurveyed land, it	Name of streen, lake, underground, spring of clear sources.  1.0 cfs, 88.84 million gallors amoutably  Second flot, some first. One second foot equals 448.83 gallons per remails.  Id milling mining commercial, sic. If for stock state member and kind of miningle. Most limit to one major wenning, milling and domestic  If for stock, state number and kind of miningle.  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as being writin a 40-acre authinsism of public sorvey and by court chitse northwest corner of Section 2, T.21N., R.88E., M.D.M., should be stated.
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2. The amount of water to be changed  3. The water to be used for Mining an Irrigation, poss.,  4. The water heretofore used for Mining  5. The water is to be diverted at the follow R.50E., M.D.M., or at a point from whis and distance to a section corner. If on unsurveyed land, it is been South 10°26' West a distance of	Name of street, take, underground, spring of clear sources.  1.0 cfs, 88.84 million gallors amoutably  Second flot, some first. One second foot equals 448.83 gallons per remails, and milling mining comparedal, stc. if for stock state member and kind of minings. Most limit to one major wealing, milling and domestic  [If for stock, state member and kind of minings.]  [If for stock, state member and kind of minings.]  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as luring writim a 40-acre abblivation of public movey and by court of the northwest corner of Section 2, T.21N., R.86E., M.D.M., should be stated.  [6,780 feet. (Well 208)
2. The amount of water to be changed  3. The water to be used for Mining an Irrigation, poss.,  4. The water heretofore used for Mining  5. The water is to be diverted at the follow R.50E., M.D.M., or at a point from whis and distance to a section corner. If on unsurveyed land, it is been South 10°26' West a distance of	Name of streen, lake, underground, spring of clear sources.  1.0 cfs, 88.84 million gallors annually  Second Bot, sore-feet. One second foot equals 448.83 gallors per remain.  Id milling mining commercial, etc. if for stock state member and kind of animals. Must limit to one major we may, milling and domestic  If for stock, state number and kind of animals.  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as being writin a 40-acre authinsism of public sorrey and by cour ch the northwest corner of Section 2, T.21N., R.88E., M.D.M.,  should be stated.  1.6.760 feet. (Well 208)
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2. The amount of water to be changed  3. The water to be used for Mining an irrigation, poss.,  4. The water heretofore used for Mining.  5. The water is to be diverted at the follow R.50E., M.D.M., or at a point from white and distance to a section corner. If or unsurveyed land, it bears South 10°26' West a distance of the existing point of diversion is located.  6. The existing point of diversion is located.	Name of street, lake, underground, spring or clear sources.  1.0 cfs, 88.84 million gallors amoutably  Second But, some first. One second foot equals 448.83 gallons per manule.  Id milling  mining, commercial, sic. If for stock space member and kind of snimals. Most limit to one major welling, milling and domestic  If for stock, state number and kind of snimals.  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as being within a 40-acre abdivision of public movey and by court  on the northwest corner of Section 2, T.21N., R.88E., M.D.M.,  should be stated.  If 8,780 feet. (Well 208)  If point of diversion is not changed, do not asswer.  NE corner of Section 27, T.22N., R.48E., M.D.M., bears North
2. The amount of water to be changed  3. The water to be used for Mining an irrigation, poss.,  4. The water heretofore used for Mining.  5. The water is to be diverted at the following the water is to be diverted at the following distance to a section corner. If or unsurveyed land, it bears South 10°26' West a distance of the existing point of diversion is located.  6. The existing point of diversion is located.	Name of street, lake, underground, spring or clear sources.  1.0 cfs, 88.84 million gallors amoutably  Second But, some first. One second foot equals 448.83 gallons per manule.  Id milling  mining, commercial, sic. If for stock space member and kind of snimals. Most limit to one major welling, milling and domestic  If for stock, state number and kind of snimals.  Within the NW 1/4 of the SW 1/4 of Section 25, T.22N.,  Describe as being within a 40-acre abdivision of public movey and by court  on the northwest corner of Section 2, T.21N., R.88E., M.D.M.,  should be stated.  If 8,780 feet. (Well 208)  If point of diversion is not changed, do not asswer.  NE corner of Section 27, T.22N., R.48E., M.D.M., bears North
2. The amount of water to be changed  3. The water to be used for Mining an irrigation, poss.,  4. The water heretofore used for Mining.  5. The water is to be diverted at the following the water is to be diverted at the following distance to a section corner. If or unsurveyed land, it bears South 10°26' West a distance of the existing point of diversion is located.  6. The existing point of diversion is located.	Name of street, lake, underground, spring of clare sources.  1.0 cfs, 88.84 million gallors annutally  Second Bot, sore feet. One second foot equals 448.83 gallors per remain.  Id milling mining commercial, etc. if for stock state member and kind of animals. Must limit to one major welling, milling and domestic  If for stock, state number and kind of animals.  Within the NW 1/4 of the SW 1/4 of Section 26, T.22N.,  Describe as being writin a 40-acre abdrivision of public sorvey and by court of the northwest corner of Section 2, T.21N., R.88E., M.D.M.,  should be stated.  If 6,760 feet. (Well 208)  It point of diversion is not changed, do not answer.  NE corner of Section 27, T.22N., R.49E., M.D.M. bears North  feet. Refer to map supporting Applications 60281 and 60282,

135000

Proposed place	of use	a an ann a na na na <u>na na an an an an</u> an	igation state number of stree to be i	
attached Exhi	Decine by le bit "A" and as shown on the	egal publications. If for an man that accome	senied Application No. 1	7 <b>2695</b> .
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Existing place of	of use within Sections 22, 23	26 27 NF 1/4 S	F 1/A Section 28 and Se	ction 34, T.22N.,
	Describe by logal	amplications. If permit is	for irrigation, state somber of earth	irrigated, If changing place of
49E., M.D.M., R	efer to map supporting Appli migrice pend, describe acrege to be rep	cation 51915, file	d June 26, 1985. Portic	ons of Sections 25
	E., M.D.M., portions of Section		1, 14, 15, 21, 22, 27, 28	, 29 and 30, T.22N.,
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SUE., M.U.M. an	d portions of Sections 33 & 3	4, T.23N., R.50E.	M.D.M., Refer to map	supportany
pplications 6409	3 and 54094, filed December	19, 1989.	en leadad I hay by shown a margin processed that sides bid before the process	
9 Hee will be from	n Jánuary 1	to.	December 31	of each year.
	m Járnuáry 1 Mozili and Day	to	Month and Day	
0. Use permitted f	from January †  Month and Day	to	December 31  Menth and Day	of each year.
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r. rescribiton of	proposed works. (Under the provi	ISIONS OF NKS 333.U	to Add titik oc terimten m s	former barres town
specifications of	f your diversion or storage works.	) Drilled wel	, pump and pipelines o	or truck to mine
	•	91	te maceer in which water is to be di	verted, i.e. diversion structure
and mill site.	drilled well with pump and motor, etc.			
	of works in excess of \$3,00			
7. Essentiated Cost	or works In excess of 3700	U_UUU,	. wygry pur hannel tot en av 1965 gry (waaruu veren veren gegent (Ad. 166 (46 PM) 21	Harter
3. Estimated time	required to construct works	3 years		
	· ·		If well completed, describe well.	
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4. Estimated time	required to complete the applicat	ion of water to bene	ficial use 5 years	
5. Remarks: For	use other than irrigation or stock	watering etale numi	her and twee of units to be a	erved or angual
onsumptive use.	and America and Histogram of Stocker	maiornie, aidro nucc		2891
See attached add	endum			
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(77	5) 35 <del>8-9491</del>	- WW	Male Much March	MO( )
	Phone No.	BYXXXX	Signature of Agent, George G.	
		Tri State	Surveying 1925 E. Pra	der Way
		neminimizer	Street and No., or P.O. Be	nt No.
		Sparks, I	Vevada 59434	وجوو ابدع المدار الداء المدار مدار مدار مدار مدار المدار المدار المدار المدار المدار المدار المدار المدار المدار
APPLICATION M		Manual grant responses on you	City, State, Zip Code 1	√a.
BY THE APPLICA	ANT OR AGENT			

SISO FILING FEE MUST ACCOMPANY APPLICATION

(C)-1683A (Rev. 10-85)

Protested by Eureka Co. 8/30/07 Pro. Overruled 3/26/09 See <u>Ruling #5966</u> Vacaded by Court Order 4/مرام Pro. Overruled 7/15/11 See Ruling #6127

Application	No.	
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### 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 les that 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 one 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.

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCHILLO

Division	Section	Township	Range	Meridian
Aff	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.O.M.
Ali	<b>22-2</b> 7	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-38	21N	51E	M.D.M.
All	8 & 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 - 38	21 1/2N	52E	M.D.M.
Ail	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51 È	M.D.M.
All	20-28	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.
Ali	24 & 25	22N	51 1/2 E	M.D.M.
All	38	22N	51 1/2 E	M.D.M.
1IA	1 - 36	22N	52E	M.D.M.
Alf	6 & 7	22N	53E	M.D.M.
Αll	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	<b>53</b> E	M.D.M.
All	34-38	23N	51E	M,D,M.
AD	31	21 1/2 N	53E	M.D.M.

Page 1 of 1



# 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 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.

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 215+ day of July, A.D. 2009

Completion of work filed \_\_\_\_\_\_\_
Proof of beneficial use filed \_\_\_\_\_\_
Cultural map filed \_\_\_\_\_\_
Certificate No. \_\_\_\_\_\_\_ Issued \_\_\_\_\_\_
Ilb



# 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 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.

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:

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

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

December 2012

2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this state day of <u>December</u>, A.D. <u>2011</u>

	State Engineer	-
Completion of work filed		
Proof of beneficial use filed		
Cultural map filed		
Certificate No.	Issued	

Serial No. 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

Date of filing in State Engineer's Office	
	JUN 2 9 2007
Returned to applicant for correction	
	Map filed JUL 1 1 2007 under 75979
	•
he applicant Kobeh Valley Ranch LLC	
D North Post Street, Suite 610	of Spokene City or Tosta
Street and No. or P.O. Box No.	hereby makes application for permission to change the
Vashington 99201 State and Zip Code No.	ALL CONTRACTOR CONTRAC
cint of Diversion, Place and Manner	of Use
	Permit No. 60284
Tweeter handston provinciated rather	
f water beretofore appropriated under	Interest No. 10204  Identify scienting right by Persuit, Cortificate, Proof or Claim Nos. If Decreed, give title of Decree
	Identify existing right by Perseit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
	Identify sciening right by Perusit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
of water berelulione appropriated under	Identify sciening right by Poresit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
	Identify scienting right by Pennit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
	Mentisty existing right by Persuit, Certificate, Front or Claim Nos. If Decreed, give title of Decree
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ad identify right in Decree.  1. The source of water isundergroun	Mentily science right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  12.3  Name of transport late, underground, spring or other sources.
ad identify right in Decree.  1. The source of water isundergroun	Mentally existing right by Fermil, Certificate, Front or Claim Nos. If Decreed, give title of Decree  A control of Street, Lake, underground, spring or other sources.  A control of Street, Lake, underground, spring or other sources.
1. The source of water isunderground 2. The amount of water to be changed	Mentisty existing right by Persuit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  Identisty existing right by Persuit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  A 1.0 cfs, 48.84 million gallone annually 2.35, ?o.c. M. G.A.  Becomb for, scre-feet. One manual foot equals 448.83 gallors per minute.
1. The source of water is undergroun 2. The amount of water to be changed 3. The water to be used for Mining &	Name of stream, lake, underground, spring or other sources.  1.0 cfs, 48.84 suillien gettone amount for equals 448.83 gallors per minute.  and milling, commercial, etc. If for stock state number and kind of samula. Must finnt to one major use.
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1. The source of water is underground 2. The amount of water to be changed 3. The water to be used for Mining an Irrigation power 4. The water heretofore used for Mining	Mentify existing right by Persuit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  Name of stream, lake, underground, spring or other sources.  1.0 cfs, 48.84 actilion gettone annuality 2.35, 706 MGA  Become feet, ecre-feet. One summed foot equals 448.83 gallers per minute.  Ind milling  making, commercial, etc. If for stock state number and kind of annuals. Must limit to one state under the state of the State of State State State of State
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1. The source of water is underground 2. The amount of water to be changed 3. The water to be used for Mining an Arrivation, page 4. The water heretofore used for Mining St. 5. The water is to be diverted at the follow.	Identify existing right by Persuit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  Identify existing right by Persuit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  Identify existing right by Persuit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  1.0 cfs, 48.84 million gallome annuality 2.35, ?oc. M.G.A.  Becond for, scre-feet. One manual foot equals 448.83 galloms per minute.  In milling commercial, cir. If for stock state number and kind of annuals.  If for stock, state number and kind of annuals.  Within the NW 1/4 of the SW 1/4 of Section 26, T.22N.,  Describe as being within a 40-cure middivision of public survey and by counter the northwest corner of Section 2, T.21N., R.50E., M.D.M.,
1. The source of water is underground 2. The amount of water to be changed 3. The water to be used for Mining an Integration, power 4. The water heretofore used for Mining 5.  5. The water is to be diverted at the follo	Mentally existing right by Persait, Certificate, Proof or Claim Nos. If Decreed, give title of Decree  A 1.0 cfs. 48.84 million gallone annually 2.35, ? C. M. G.A.  Becond for, scre-feel. One manual foot equals 448.83 gallons per minute.  In milling and domestic  If for stock, state number and kind of annuals.  Within the NW 1/4 of the SW 1/4 of Section 26, T.22N.,  Describe as being within a 40-core middle is survey and by countered.  Ich the northwest corner of Section 2, T.21N., R.50E., M.D.M.,

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3. Existing place of us	e within Sections 22, 23, 2	8. 27. NE 1/4 S	E 1/4 Section 28 and Se	ection 34, T.22N.,
	Describe by legal sal to map supporting Applica	odivletora, Li permut m	for irrigation, state member of scree	sufficient II changing beaut
o wad/or commoner of time of irriga	tion penuit, describe acreage to be remov	ed from inrigation.		
	M.D.M., portions of Sections	para una dia propinsi adiam rivare rid 11 tr		
.50E., M.D.M. and po	ortions of Sections 33 & 34,	T.23N., R.60E.	, M.D.M Rafer to map	supporting
pplications 64093 ar	nd 54094, filed December 11	1989.		
9. Use will be from	January 1 Month and Day	to	December 31	of each year.
0. Use permitted from	-			of each year.
1. Description of prom	Month and Day oned works, (Under the provision			about plans and
	· -		_	
specifications of you	or diversion or storage works.)	Driffed wei	N, pump and pipelines ( to make in which water is to be di	verset i.e. diversine struction
and mill site.	d well with pump and motor, etc.	***************************************		
	orks in excess of \$3,000,0	000.		
Estimated time rem	pired to construct works 3	l watere		
	- manufall		If well completed, describe well.	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
4				
4. Estimated time requ	nired to complete the application	of water to bene	ficial use 5 years	j 
<ol> <li>Remarks: For use of consumptive use.</li> </ol>	other than irrigation or stock wa	tering, state mum	her and type of units to be a	erved or anautal
See attached addend	um. '			
	717 (1881)	######################################		17 <b>(=</b>
III Maria (Maria da Carala (Maria da Argania) ang	<del>26   P. C.   18   18   18   18   18   18   18   1</del>	aga y kot ga raman gaan ram rui (Ol LEFS 1940)	# \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	7-0 - <u>C</u> 3
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÷		Tri State	Surveying 1925 E. Pra	iter Way
NOTES A Trans.		Sparks, I	Nevada 89434	
APPLICATION MUST BY THE APPLICANT			City, State, Zip Code !	Mar.

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(O)-1583A (Rav. 10-86)

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/0/10
Pro. Overruled 7/15/11 See Ruling #6127

Application I	No.	
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## 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 les that 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 one 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.

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

Division	Section	Township	Range	Meridian
Ali	1-3	21N	50E	M.D.M.
Al⊧	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.
Ali	30 & 31	21N	52E	M,D,M,
All	38	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
Ali	34-36	22N	50E	M.D.M.
Atl	1-3	22N	51E	M.D.M.
Alt	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
Alj	31-38	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
Α'n	12 & 13	22N	51 1/2 E	M.D.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
All	38	22N	51 1/2 E	M.D.M.
All	1 - 38	22N	52E	M,D,M.
All	6&7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
Аħ	30 & 31	22N	53E	M.D.M.
All	34-36	23N	51E	M.D.M.
Ali	31	21 1/2 N	53E	M.D.M.

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Page 1 of 1



# 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 Courtorder 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.

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:

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

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

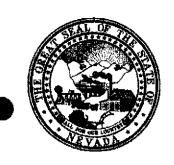
July 2) , 2014 July 21 , 2014

July Z(, 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

		my "the C	. ح <u>ي رب</u>
		State Engineer	1.
Completion of work filed	· · · · · · · · · · · · · · · · · · ·	<u> </u>	
Proof of beneficial use filed			
Cultural map filed	<del> </del>		
Certificate No.		Issued	
llb			



# 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 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.

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:

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

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

December

2012

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 \(\frac{1}{2}\) \(\frac{1}{2}\) day of \(\frac{December}{2}\), A.D. \(\frac{2011}{2}\)

	P.E. State Engineer	-
Completion of work filed		
Proof of beneficial use filed		
Cultural map filed		
Certificate No.	Issued	_

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

Date of filing in State Engineer's OfficeJUN  Returned to applicant for correction  Corrected application filed	
Remmed to amblicant for correction	
Corrected application filed	when right library in man are man and are man and are man are a common and a common
Corrected application filed	Map filed JUL 1 1 2007 under 75979
	NEW 1114
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e applicant Kobeh Valley Ranch LLC	
	of Spokane
Street and No. or F.O. Box No.	hereby makes application for permission to change the
sehington 99201 State and Zip Code No.	minimum and and a second of E
oint of Diversion, Place and Manner of Use	
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water heretofore appropriated under Perruit N	to. 60285  conting right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
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2. The amount of water to be changed 1.0 cfs.,  3. The water to be used for Mining and milling irrigation, poat, mining, com  4. The water heretofore used for Mining, milling.  5. The water is to be diverted at the following point R.60E., M.D.M., or at a point from which the recent distance to a rection come: If on unanaveyed land, in should be easily bears South 10°28' West a distance of \$,780 fermal content of the conten	### Second feet, sore-feet. One recond foot equals ### 355, 702 // 100 // 100    Becond feet, sore-feet. One recond foot equals ### 33 gallow per minute.  Becond feet, sore-feet. One recond foot equals ### 33 gallow per minute.  If for stock, state number and kind of animals. Must limit to one major use.  If for stock, state number and kind of animals.  Within the NW 1/4 of the SW 1/4 of Section 28, T.22N.,  Describe as being within a 40-acre subdivision of public servey and by course orthwest corner of Section 2, T.21N., R.50E., M.D.M.,  and. (Well 209)  the NE 1/4 of the SE 1/4 of Section 28, T.22N., R.49E.,  If noist of diversion is not changed, do not server.
2. The amount of water to be changed 1.0 cfs.,  3. The water to be used for Mining and milling irrigation, poat, mining, com  4. The water heretofore used for Mining, milling.  5. The water is to be diverted at the following point R.60E., M.D.M., or at a point from which the recent distance to a rection come: If on unanaveyed land, in should be easily bears South 10°28' West a distance of \$,780 fermal content of the conten	### Second feet, sore-feet. One recond foot equals ### 355, 702 // 100 // 100    Becond feet, sore-feet. One recond foot equals ### 33 gallow per minute.  Becond feet, sore-feet. One recond foot equals ### 33 gallow per minute.  If for stock, state number and kind of animals. Must limit to one major use.  If for stock, state number and kind of animals.  Within the NW 1/4 of the SW 1/4 of Section 28, T.22N.,  Describe as being within a 40-acre subdivision of public servey and by course orthwest corner of Section 2, T.21N., R.50E., M.D.M.,  and. (Well 209)  the NE 1/4 of the SE 1/4 of Section 28, T.22N., R.49E.,  If noist of diversion is not changed, do not server.
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Proposed place of use	Describe by legal s		and a second of second to be 1	ng pang salah salah salah dapat dapa
e attached Exhibit "/	\" and as shown on the ma	p that accomp	panied Application No.	72695.
and the last of th			popy tipp and and account the process were the little handle heart or the process with the little handle heart or the process will be a process with the little handle heart or the process will be a process with the little handle heart or the process will be a process with the little handle heart or the process will be a process with the little handle heart or the process will be a process with the little heart of the process will be a process with the little heart of the process will be a process with the little heart of the process will be a process with the little heart of the little heart of the process will be a process with the little heart of the littl	
	within Sections 22, 23, 26 Describe by legal subs	divenues. Il permit e	for exignition, state manifer of ware	Hardinger II complaint heres or
and/or manner of use of irrigati	o map supporting Applicat	र्व तिराम्न अग्रह्म <b>ा</b> ००.		
	D.M., portions of Sections			
60E., M.D.M. and por	tions of Sections 33 & 34,	T.23N., R.50E.	M.D.M., Refer to map	supporting
plications 54093 and	1 54094, filed December 19,	1989.		
. Use will be from	January 1 Mooth and Day	to	December 31	of each year.
. Use permitted from	Month and Day  January 1  Merith and Day	16	December 31  Morth and Day	of each year.
. Description of propor	sed works. (Under the provision	ns of NRS 535.0	10 you may be required to s	ubmit plans and
specifications of your	r diversion or storage works.)	Drilled wel	pump and pipelines (	or truck to mine vered, i.e. diversion direction,
and mill site.	well with pump and motor, etc.		-i in m m m de	
	rks in excess of \$3,000,00	00.		
3. Estimated time requi	an i aprage gereifing i berieft a generalfibblit beforer and gen finn breien, were	years	AND 1177	
. Torring An Paris Yardin	THE IS SHIRTING WORDS		If well completed, describe well.	
Estimated time requi	ired to complete the application	of water to bene	ficial use 5 years	A COMPANY THE PROPERTY OF THE
5. Remarks: For use of onsumptive use.	ther than irrigation or stock wat	ering, state num	ber and type of units to be a	erved or animal
ee attached addendu	en.			
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g ber gerland (oppositely of the Charles and Charles of the copy species	eppe approximately to the time and hid oper one ord to Libble Deliberable Deliberations who re	***************************************	pipilikan denot ni bengup pup ya ewis bi kulumi di dupan ya a samusak in	<u></u>
M1000000			<u> </u>	
			1/1/1	77
(775) 35	i8-9491	By	Whilen	
Phone	No.	7.1 0.1.1	Surveying 1925 E. Pri	ter Way
		***************************************	Street and No., or P.O. B	on No.
PPLICATION MUST	BE SIGNED	Sparks,	Nevada 89434 City, State, Zip Code	No.
Y THE APPLICANT				

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-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

Application No	)
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### 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 les that 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 one body is exhausted and the mining property is rectaimed.

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

2001 101 53 ML 31 r2

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

Division	Section	Township	Range	Meridian
Ail	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
ΑIJ	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.O.M.
All	1-36	21N	51E	M.D.M.
<b>A</b> II	6 & 7	21N	52E	M.D.M.
Αſ	18 & 19	21N	52E	M.D.M.
All	<b>30 &amp; 31</b>	21N	52E	M.O.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
AN	31 - 38	21 1/2N	52E	M.D.M.
AJI	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
Ali	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 & 2 <del>5</del>	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.
Alf	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.

84:8 kg 62 bul 1663

Page 1 of 1



# 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 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.

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:

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

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

July 2 | 2012

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 215+ day of July, A.D. 2009

Completion of work filed \_\_\_\_\_\_\_

Proof of beneficial use filed \_\_\_\_\_\_\_

Cultural map filed \_\_\_\_\_\_\_

Certificate No. \_\_\_\_\_\_\_ Issued \_\_\_\_\_\_\_



# 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 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.

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:

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

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

December

2012

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 15th day of <u>December</u>, A.D. 2011

Completion of work filed	State Engineer		
Proof of beneficial use filed			
Cultural map filed	·		
Certificate No.	Issued		

## 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

THE	S SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 2007
Returned to applicant for correction	
Corrected application filed	Map filed JUL 1 1 2007 under 75979
ie applicant Kobeh Valley Ranch LLC	
North Post Street, Suite 610 Security of P.O. Box No.	of Spokane Cay or Town
Surper sum No. or P.O. Box No.	hereby makes application for permission to change the
estrington 99201 State and Zap Code No.	EUCO HELEO SPIENNES DE PERSONAL DE LA CONTRACTOR DE LA CO
	of Use
water heretofore appropriated under	Period: No. \$0226  Identify assisting right by Permit, Cartificate, Proof or Claim Nos. If Decreed, give title of Decree  Identify assisting right by Permit, Cartificate, Proof or Claim Nos. If Decreed, give title of Decree
d identify right in Decree.	والمناورة والمراورة والمناورة والمنا
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The source of water isundergroun  The amount of water to be changed	Name of stream, lake, underground, spring or other sources.  1.0 cfs, 38.84 million gallons arrayally  Second fee, scre-feel, One second feel squals 448.83 gallons per missite.
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The source of water isundergroun  The amount of water to be changed	Name of stream, lake, underground, spring or other sources.  1.0 cfs, 36.84 million onlines annuality  Becord feet, acre-feet. One second feet squals 448.83 gallous per minute.  Ind million  The stream of the stream of the stream of the squals between the stream of th
The source of water is undergroun  the amount of water to be changed  The water to be used for Mining as Irigation, posset  The water heretofore used for Mining	Name of stream, lake, underground, spring or other sources.  1.0 cfs, 38.84 million gallons annually  Becond feet, sore-feet. One second foot squals 448.83 gallons per migute.  Ind milling , sinking, consecuted, etc. If for stock state number and kind of annuals, bleat limit to one major use.  If for stock, state number and kind of annuals.  If for stock, state number and kind of annuals.
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1. The source of water is undergroun 2. The amount of water to be changed 3. The water to be used for Mining as Irigation, power 4. The water heretofore used for Minin 5. The water is to be diverted at the followater is to be diverted at the followater is a section corner. If on unwarveyed land, it bears South 10°26' West a distance of the existing point of diversion is located. 6. The existing point of diversion is located. M.D.M., or at a point from which the	Name of stream, lake, underground, spring or other scarces.  1.0 cfs, 86.84 million gallons annually  Becord feet, acre-feet. One second feet squals 448.83 pallons per minute.  Ind milling  , smiling, commercial, etc. If for stock state number and kind of animals. Must limit to one major use.  If for stock, state mamber and kind of animals.  writing point  writing the NW 1/4 of the SW 1/4 of Section 26, T.22N.,  Describe at being writing a 40-acre subdivision of public savey and by course ich the rhorthwest corner of Section 2, T.21N., R.60E., M.D.M.,  initially be stated.  of 6,760 feet. (Well 208)  If soint of diversion is not changed, do not survey.
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				gation state number of scree to be	irriosad.
•	ettached Exhibit "A" a	Describe by legal and as shown on the ma			
••		\$4.64 Mg = \$4.4 mp; opt-amming his for final \$44600000 displaying mg 1759 F1 176 971 se	1000 T 904 PHYSIA	hagist for 24-17 (d) his 2 years row and the side his history spring property.	
		ithin Sections 22, 23, 20 Decrite by legal sub sep supporting Applicat	divisions. If permit is:	for brigation, state passabat of acro	it titikater 11 ennefink here o
	Man commer of use of irrigation po	rest, describe screeps to be remove A., portions of Sections	d flom impulor.		
		rs of Sections 33 & 34,			
Y.	lications 64093 and 64	094, filed December 19	, 1989.		4179
).	Use will be from	January 1 Month and Day	10	December 31  Month and Day	of each year.
0.	Use permitted from	January 1 Month and Day	to	December 31  Month and Day	of each year.
۱.	Description of proposed v	works. (Under the provision			
	specifications of your divi	ersion or storage works.)	Drilled wei	i, pump and pipelines water in which water is to be	or truck to mine directed, i.e. direction structure
	and mill site.	with name and motor sic			1201 (201 (13 (12 (13) ppr per per pint the thirt the the the till the the
٧.	CSUITEMENT COST OF WOLK?	in excess of \$3,000,0	<i>6</i> 0.		. and their little light opposite with which little
	Estimated time required		years	if well completed, describe well	
3.	Estimated time required		years	and the state of t	
.3. .4. 15.	Estimated time required Estimated time required Remarks: For use other	to construct works3	years	ficial use 5 yea	18
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13. 14.	Estimated time required Estimated time required Remarks: For use other samptive use.	to construct works 3	years	ficial use 5 yea	served or manal
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13. 14.	Estimated time required  Estimated time required  Remarks: For use other numptive use.  attached addendum.	to complete the application than irrigation or stock was	years of water to bene tering, state mum	ficial use 5 years ber and type of units to be	served or manal
13. 14. 15.	Estimated time required  Estimated time required  Remarks: For use other samptive use.  estimated addendum.	to complete the application than irrigation or stock was	years of water to bene tering, state mum  By  Tri State	ficial use 5 yea	served or manal

Protested by Eureka Co. 8/30/07 Pro. Overruled 3/26/09 See <u>Ruling #5966</u> Vacated by Court المحادث ال

Application	No.	
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## 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 les that 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.

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	50€	M.D.M.
Ail	22-27	21N	50E	M.D.M.
All	34-38	21N	50E	M.D.M.
AJI	1-38	21 <b>N</b>	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
HA.	30 & 31	21N	52E	M.D.M.
All	36	21 1/2N	51 1/2 É	M.D.M.
Ali	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.
Ali	12 & 13	22N	51 1/2 E	M.D.M.
Ali	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 38	22N	52 <b>E</b>	M.D.M.
All	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
Ail	30 & 31	22N	53E	M.D.M.
AJI	34-38	29N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

2011 W 22 W 3: 45

Page 1 of 1



# 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 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.

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 \_\_Z/ 5 the day of July, A.D. 2009

	The P.C.
	State Engineer (
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No	Issued
llb	



# 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

\*\*\*\*\*\*

### <u>APPROVAL</u> 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.

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:

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

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

December

2012

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 15th day of <u>December</u>, A.D. 2011

	State Engineer	
Completion of work filed		
Proof of beneficial use filed	<u> </u>	
Cultural map filed		
Certificate No.	Issued	

## 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

ТНЕ	5 SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 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
	Cay a Town
Washington 99201	hereby makes application for permission to change the
Point of Diversion, Place and Manner (	
of water heretofore appropriated under	Permit No. 72550  Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decread, give title of Decree
and identify right in Discree.	
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AND THE PERSON NAMED OF PARTY OF PARTY OF THE PERSON OF TH	
.;-;444:-;;;	
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The source of water isundergroup	Name of street, lake, underground, spring or other sources.
O The second of the standard	A AR TOP TO Seed SHOULD !!!
2. The amount of water to be changed	0.46 cfs, 360.76 acre feet annually Second feet, sere-feet. One second fact equals 443.23 gallons per semasts.
3. The water to be used for Mining an	ed million
3, The water to be insert for manifed and	mining, commercial, etc. If for stock state number and kind of azimale, Must limit to one major use.
4. The water heretofore used for kriga	tion and domastic
<del>-</del>	If for stock, state number and ichis of america.
5. The water is to be diverted at the follow	wing 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
DECE NOM or at a point from whi	ch the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section occurs. If on taxayyeyed hand, it	should be stated
bears South 43°28' West a distance of	
THE POPULATION OF THE PROPERTY OF	1 13 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
	A STATE OF THE PROPERTY OF THE
6. The existing point of diversion is local	and mishing the RE 1/4 of the RE 1/4 of Section 15, T.19N., R.47E.,
	II book of districting a six considers on the same
M.D.M., or at a point which bears Nor	th 72°14'57" East, 4172.92 from the SW corner of said Section
	ting Applications 72580 through 72588, filed April 12, 2085, in
	the state of the s
the State Engineer's Office.	

139-60

	Proposed place of use	Describe by legal s	obdivisions. If for an	galion state guarder of acres to be sended Appelication Mo.	T2695.
,					
E	Existing place of use will 1/4 NE 1/4, and N 1/2 8	Describe by legal eated 1/2 of Section 21: N 1/2	ivisions. If pormit is: and SW 1/4 o	he irrigation, state member of acros	irrigated. If changing place of
W	1/4 of Section 24, all in	T.19N., R.47E., M.D.M.	Refer to maj	supporting Application	ns 72580 through
20	\$\$, filed April 12, 2005,	in the State Engineer's	Office.		ر الإدائة بالحالة الإدائة الدائة ا
9.	Use will be from	Month and Day	to	December 31  Month and Day	of each year.
0,	Use permitted from	January 1 Month and Day	to	December 31	of each year.
1.	Description of proposed w	orks. (Under the provision	s of NRS 535.01		obouit plans and
	specifications of your dive	rsion or storage works.)	Drilled well	, pump and pipelines (	or truck to mine vend, i.e. diversion structure
	and mill site. daths and Dupler, drilled well w	The manufacture of		pp good opper and constructions the Britain Market of Construction of Street or Street	• 40 + 60 + 60 + 60 + 60 + 60 + 60 + 60 +
9,	Estimated cost of works		Q.		a cando e h o cert e de de ser e e e e e e e e e e e e e e e e e
13.	Estimated time required to	construct works 3 t	<b>Mars</b>		
		· 4 mm-m-m		If well completed, describe well.	
4,	Estimated time required to	complete the application (	of water to benci	icial use 5 years	
	Remarks: For use other th				
XOIL	rumptive use.		eng, sens name	<b>223</b> 5, <b>p</b> • 4	2007
Sec	attached addendum,	n yer yer had bee hed bee his his his his an and large manages and he he			
		er dar, dan jumi bası kırı adır adıklı m 6 bildiği Maşıpıyı geleşiyin geliği geleşiye dirili dirili dirili kir	-		
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	(775) 358-949	91	By Wal	Joen Adu Su	
	Phone No.	MAN LAND LA CAPTAN COMPANIENT COMPANIENT CAPTAN A		Signature of Agent, George G.	,
			Tri State	Surveying 1925 E. Pra Street and No., or P.O. Bo	
A ID	07 T.C.A. WYCHAY B. E. T. CON		Sparks, N	evada 89434	
AY By	PLICATION MUST BE S THE APPLICANT OR A	igned Gent		City, State, Zip Codo N	10.

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1685A (Rav. 10-99)

Application	No.	
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## 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 les that 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 one body is exhausted and the mining property is rectaimed.

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

\$1:01 TEN 53 TEL 3: P2

# 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	50 <b>€</b>	M.D.M.
All	22-27	21N	50É	M.D.M.
All	34-36	21N	50E	M.D.M.
AR	1-36	21N	51E	M.D.M.
All	8&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	51 É	M.D.M.
Ali	31- <b>36</b>	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.
Ali	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.

5001 0011 58 111 3: 11**9** 

Page 1 of 1



# 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:** 

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.

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:

Water must be placed to beneficial use and proof of the application of water to

beneficial use shall be filed on or before: Map in support of proof of beneficial use shall be filed on or before: July 2/ , 2012

July 21 , 2014 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

<u>-</u>	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
lib	



# 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.

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:

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

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

December

2012

N/A

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

	P.E. State-Engineer	
Completion of work filed		
Proof of beneficial use filed		- · · · · ·
Cultural map filed		
Certificate No.	Issued	

# 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

	HIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 2007
Returned to applicant for correction	
Corrected application filed	Мар filed <u>Ліл. 11 2007 under 75979</u>
applicant Kobeh Valley Ranch LL	LC .
	of Spokene
Stress and No. or P.Q. Box No. uhinction 99201	Cay or Town  hereby makes application for permission to change the
State and Zip Code No. nt of Diversion, Place and Mannie	r of Use
ater heretofore appropriated under	Permit No. 72581  Identify axisting right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
	Libertry colling fight by rouse, Campion, 1900
maily right in Doctor.	
handel had further opposed processes were and exacted to hand had been described an amount paint and the same of	
The source of water is undergrou	and
	Negrae of stream, 1884, supergramm, opening or
	Nezze of stream, lake, underground, opring or other sources.  4.70 cfs., 1,142.4 scree feest annuality  Second Ret, acre-tiest One second foot equals 448.83 gallous per minute.
The amount of water to be changed	4.70 cfs, 1,142.4 scre feet annually  Second feet, acre-feet One second foot equals 448.83 gallous per minute.
The amount of water to be changed  The water to be used for Mining Integritor, po	A.70 cfs. 1,142.4 more feet annuality  8-cond feet, acre-feet annuality  8-cond feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, minute, commercial, etc. If for stock state number and kind of minutes, Must limit to one major use.
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The amount of water to be changed  The water to be used for Mining brigation, po  The water herenofore used for Irri  The water is to be diverted at the following the change of the cha	A.70 cfs. 1,142.4 scre feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  set, mining, commercial, etc. If for sock state number and kind of sminute. Must limit to one major use, ignation and domestic  If for stock, state member and kind of seconds.  Within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,
The amount of water to be changed  The water to be used for Mining  Integration, po  The water heretofore used for Irri  The water is to be diverted at the following to a section corner. If or unsurveyed lead	4.70 cfs. 1,142.4 scree feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis.  If for stock, state member and kind of existatis.  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 which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,  It should be stated.
The amount of water to be changed  The water to be used for Mining  Integration, po  The water heretofore used for Irri  The water is to be diverted at the following to a section corner. If or unsurveyed lead	4.70 cfs. 1,142.4 scree feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis.  If for stock, state member and kind of existatis.  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 which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,  It should be stated.
The amount of water to be changed  The water to be used for Mining  Integration, po  The water heretofore used for Irri  The water is to be diverted at the following to a section corner. If or unsurveyed lead	4.70 cfs. 1,142.4 scree feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis.  If for stock, state member and kind of existatis.  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 which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,  It should be stated.
The amount of water to be changed  The water to be used for Minning Inguism, po  The water heretofore used for Irri  The water is to be diverted at the following Minning  StE., M.D.M., or at a point from water to a section corner. If or unsurveyed traders South 41°50° West a distance	4.70 cfs. 1,142.4 scre feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  set, mining, commercial, etc. If for stock state number and kind of enterests, Most first to one major use.  If for stock, state number and kind of seconds. Most first to one major use.  If for stock, state number and kind of seconds.  If lowing 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 which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  If should be stated.  If of 18,280 feet. (Well 203)
The amount of water to be changed  The water to be used for Minning Integration, po  The water heretofore used for Irri  The water is to be diverted at the following to a metion corner. If or unsurveyed lead  are South 41°50' West a distance  The existing point of diversion is k	4.70 cfs. 1,142.4 scree feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis.  If for stock, state member and kind of existatis.  Within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,  Describe as being within a 40-acre middlysico of patidle survey and by course which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,  If doubt be stated as of 18,260 feet. (Well 203)  Coated within the NW 1/4 of the NE 1/4 of Section 23, T.18M., R.47E.,
The amount of water to be changed  The water to be used for Minning Integration, po  The water heretofore used for Irri  The water is to be diverted at the following to a metion corner. If or unsurveyed lead  are South 41°50' West a distance  The existing point of diversion is k	4.70 cfs. 1,142.4 scree feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis.  If for stock, state member and kind of existatis.  Within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,  Describe as being within a 40-acre middlysico of patidle survey and by course which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,  If doubt be stated as of 18,260 feet. (Well 203)  Coated within the NW 1/4 of the NE 1/4 of Section 23, T.18M., R.47E.,
The amount of water to be changed  The water to be used for Mining Integration, po  The water heretofore used for Irri  The water is to be diverted at the following to a motion corner. If on unsurveyed land  are Bouth 41°50' West a distance  The existing point of diversion is to  S.  D.M., or at a point which bears is	A.70 cfs. 1,142.4 scree feet annuality  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of emissis. Must first to one major use.  If for stock, state member and kind of emissis. Must first to one major use.  If for stock, state member and kind of emissis.  Within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,  Describe as being within a 40-sero mixidvarion of public survey and by course which the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  If should be stated as of 18,260 feet. (Well 203)  Describe of the NE 1/4 of Section 23, T.19N., R.47E.,  If point of diversion is not changed, do not answer.  Health 71°32′59° East, 4147.14 feet from the NW corner of said Section
The amount of water to be changed  The water to be used for Mining brigation, po  The water heresofore used for Irri  The water is to be diverted at the foll  SIE., M.D.M., or at a point from with the second corner. If or unsurveyed lead  are South 41°50' West a distance  The existing point of diversion is keeper and the second corner. If or unsurveyed lead  The existing point of diversion is keeper and the second corner. If or unsurveyed lead  The existing point of diversion is keeper and the second corner.	4.70 cfs. 1,142.4 scree feet annually  Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and smilling  see, missag commercial, etc. If for stock state number and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis. Must first to one major use.  If for stock, state member and kind of existatis.  If for stock, state member and kind of existatis.  Within the SE 1/4 of the NW 1/4 of Section 21, T.22N.,  Describe as being within a 40-acre middlysico of patidle survey and by course which the southwest corner of Section 31, T.22N., R.61E., M.D.M.,  If doubt be stated as of 18,260 feet. (Well 203)  Coated within the NW 1/4 of the NE 1/4 of Section 23, T.18M., R.47E.,

(39.EU

٠.	Proposed place of use				
Describe by legal subdivisions. If for irrigation state number of series to be irrigated.  ee attractived Exhibit "A" and as shown on the map that accompanied Application No. 72696.					
•		<del>rana maping ung</del> pad kalu mapinga wan ara ula kali badi badi dala dala badi badi	<del>/</del>	ant page years on the side of the state of the same same same same same same same sam	u. a. <u></u>
	***************************************	Describe by legal sub	divisions. Il permit is	N 1/2, a portion of the h bringgion, side number of acres by 7 Section 22; N 1/2 of Se	rignost. If changing place o
9 84	nd/or mazner of was of irrigation per	mit, describe acronge to be ressore	el from sylphics.	supporting Application	
	88, filed April 12, 2005,				
******	ppt Darfons par palatien von yn yr y podd weddi gdyddion gag yg gy <u>alwy mae'i bada inn</u> .	<del>1988) and a graphic plane manus</del> are post by men manus and a bake a bak	alielo aleko kardar M PDI PRVIDOROPP	ppy-make-makers had blobd ball betty howely depleted a colo before the series	a ann ann a deisimh pèigh-iad Mai 11 M aill bhí an ann air
9,	Use will be from	January 1  Morsh and Day		December 31	of each year.
0,	Use permitted from	January 1 Month and Day	to	December 31  Month and Day	of each year.
1.	Description of proposed w	orks. (Under the provision	ns of NRS 535.0	0 you may be required to su	bmit place and
	specifications of your dive	reion or storage works.)	Drilled wel	, pump and pipelines of	truck to mine
	and mill site.				N 1947 A 1454
9.	district and flumes, drilled well w Estimated cost of works		00.		
	Estimated time required to	A STATE OF THE PERSON AND PROPERTY OF THE PARTY OF THE PA	a registration parameter and design particular registration of the second section of the section o		
	rannace time tedanica b	CONSTITUTE MOURT 3	years	if well completed, describe well.	
14.	Estimated time required to	complete the application	of water to bene	icial use 6 years	
				er and type of units to be se	ved or same)
	samptive ase.	<b>J</b>			를 <u>함</u> 할
še	e ettached addendum.				: P
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	printed the area and area area described outside and described the second				<del></del>
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·	(776) 388-94	04	12 M	n An Sin	
	Phone No.	T TO THE SECRET SECTION AND ADMINISTRATION OF THE SECTION OF THE S	PL XXXXX	Surveying 1925 E. Prat	er Way
				Street and No., or P.O. Box	No.
AP	PLICATION MUST BE S	IGNED	Sperics, i	isvada 89434 City, State, Zip Code No	<u>, , , , , , , , , , , , , , , , , , , </u>
BY	THE APPLICANT OR A	GENT			

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1583A (Rev. 10-95)

Protested by Eureka Co. 8/30/07
Protest overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/0/0
Protest overruled 7/15/11 See Ruling #6127

<b>Application</b>	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 les that 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 one 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.

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94:8 HJ 62 HM 1007

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCHILLO

Division	Section	Township	Range	Meridian
All	1-3	21N	50Ë	M.D.M.
All	10-15	21N	50E	M.D.M.
Ali	22-27	21N	50E	M.D.M.
All	34-35	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
Ail	8 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
RA.	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	51É	M.D.M.
Ali	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 <b>&amp;</b> 25	22N	51 1/2 E	M.D.M.
Ail	38	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.
Ali	30 & 31	22N	53E	M.D.M.
All	34-38	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

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Page 1 of 1



# 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 Gurt 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.

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:

Water must be placed to beneficial use and proof of the application of water to

July Z, 2012

beneficial use shall be filed on or before:

July Z , 2014 July Z , 2014

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

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this \_Z/S \_ day of <u>July</u>, A.D. <u>2009</u>



# 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:** 

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.

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:

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

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

December 2012

2012

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 15th day of <u>December</u>, A.D. 2011

	State Engineer		
Completion of work filed		-	
Proof of beneficial use filed		-	
Cultural map filed		_	
Certificate No.	Issued		

# 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

11110	SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 2007
Returned to applicant for correction	The state of the s
<del></del>	Map filed JUL 11 2007 under 75979
Land Mahah Mallan Banah I I C	
he applicant Kobeh Valley Ranch LLC	
0 North Post Street, Suite 610 Street and No. or P.O. Box No.	of Spokane City or Town
Vashington 99201	hereby makes application for permission to change the
State and Zip Code No. Foint of Diversion, Place and Manner o	f Use
	is transferred to the first and the first of the second se
f water heretofore appropriated under	Permit No. 72582 Identify cristing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree
ad identify right in Decree.	
The source of water isunderground     The amount of water to be changed	Name of streets, lake, underground, spring or other sounds.
2. The amount of water to be changed	Name of stream, lake, underground, spring or other secrets.  2.0 cfs, 500.0 acre feet arrayship  Second feet, scre-feet. One second feet equals 448.83 gallers per careate.
The amount of water to be changed     Mining an irrigation poer,	Name of stream, lake, underground, spring or other seasons.  2.6 cfs, 500.0 acre feet arrayship  Second feet, scre-feet. One second font equals 448.33 gallers per carraite.  d Milling  scring, commercial, sc. if for stock state member and kind of salmais. Must limit to one major see
The amount of water to be changed  The water to be used for Mining and Invited posts, posts, it.  The water heretofure used for Irrigan	Name of stream, take, underground, spring or other scenes.  2.0 cfs., 500.0 acree feet arrangely  Second feet, scre-feet. One second feet equals 448.83 gallors per carrate.  d Milling  retring, commercial, etc. if for stock state member and kind of animals. Must binst to one major section.  If for stock, state member and kind of animals.
The amount of water to be changed  The water to be used for Mining and Invited posts, posts, it.  The water heretofure used for Irrigan	Name of stream, take, underground, spring or other scients.  2.0 cfs., 500.0 acree feet arrangably  Second feet, scre-feet. One second feet equals 448.33 gallers per careate.  d Milling  nothing, commercial, etc. if for stock, state member and kind of animals. Must bend to one major use.  tion  if for stock, state member and kind of animals.
2. The amount of water to be changed  3. The water to be used for Mining animation, poer,  4. The water heretofore used for irrigation.  5. The water is to be diverted at the follow.	Name of stream, take, underground, spring or other secrets.  2.0 cfs., 500.0 acree feet arrangely  Second feet, scre-feet. One second fent equals 448.83 gallors per carraite.  d Milling  mining, commercial, etc. If for stock, state marrier and kind of animals. Must bind to one major use, tion  if for stock, state marrier and kind of animals.  within the 8E 1/4 of the NW 1/4 of Section 21, T.22N.,  Describe as being within a 40-acre middivision of guidic survey and by course.
2. The amount of water to be changed  3. The water to be used for Mining and Interesting point, if  4. The water heretofore used for Invigat  5. The water is to be diverted at the followed at the following point from white and distinct to a section corner. If on assurveyed land, it is	Name of stream, take, underground, spring or other secrets.  2.0 cfs., 500.0 acre feet annually  Scoots fiet, scre-fiet. One accord fint equals 448.83 gallors per caratte.  d Milling  roung, commercial, on. If for stock state number and kind of admissis. Must limit to one major section  If for stock, state number and kind of animals.  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 th the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  heads be stated.
2. The amount of water to be changed  3. The water to be used for Mining and Interesting point,  4. The water heretofore used for Integral  5. The water is to be diverted at the follower.  R.51E., M.D.M., or at a point from which	Name of stream, take, underground, spring or other secrets.  2.0 cfs., 500.0 acre feet annually  Scoots fiet, scre-fiet. One accord fint equals 448.83 gallors per caratte.  d Milling  roung, commercial, on. If for stock state number and kind of admissis. Must limit to one major section  If for stock, state number and kind of animals.  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 th the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  heads be stated.
2. The amount of water to be changed  3. The water to be used for Mining and Interesting point, if  4. The water heretofore used for Invigat  5. The water is to be diverted at the followed at the following point from white and distinct to a section corner. If on assurveyed land, it is	Name of stream, take, underground, spring or other seasons.  2.0 cfs, 500.0 acre feet annuality  Second feet, scre-feet. One second font equals 448.33 gallors per careate.  d Millling  mining, commercial, etc. If for stock, state number and kind of animals. Must bind to one major use, fillion  if for stock, state number and kind of animals.  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 count the southwest corner of Section 31, T.22N., R.51E., M.D.M., should be stated.  18,280 feet. (Well 203)
2. The amount of water to be changed  3. The water to be used for Minting and Introduced power.  4. The water heretofore used for Intigates.  5. The water is to be diverted at the following the water is to be diverted at the following materials.  R.51E., M.D.M., or at a point from which and distance to a section corner. If on unsurveyed land, it is bear a South 41°50' West a distance of	Name of stream, take, underground, spring or other security.  2.0 cfs., 500.0 acre feet annually  Second feet, scre-feet. One second feet equals 448.83 gallors per carraite.  d Milling ranning, commercial, co. If for stock state number and kind of satirates. What limit to one major section  If for stock, state number and kind of satirates. What limit to one major section  If for stock, state number and kind of satirates. What limit to one major section  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 servey and by court th the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  leveld be stated.  18,280 feet. (Well 203)
2. The amount of water to be changed  3. The water to be used for Mining and Interesting point, if  4. The water heretofore used for Integral  5. The water is to be diverted at the following the water	Name of stream, take, underground, spring or other security.  2.0 cfs., 500.0 acre feet annually.  Scoots fiet, scre-fue. One accord fint equals 448.83 gallors per carrate.  d Milling roung, commercial, on. If for stock state number and kind of animals. Must limit to one major section  If for stock, state number and kind of animals.  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 the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  hould be stated.  18,280 feet. (Well 203)  Out within the NW 1/4 of the NE 1/4 of Section 23, T.19N., R.47E.,
2. The amount of water to be changed  3. The water to be used for Mining and Interesting point, if  4. The water heretofore used for Integral  5. The water is to be diverted at the following the water	Name of stream, take, underground, spring or other security.  2.6 cfs, 500.0 acre feet annuality.  Second feet, scre-fact. One second font equals 448.3 gallors per carrate.  d Millling reming, commercial, etc. If for stock state member and kind of animals. Must bind to one major use, thorn  if for stock, state member and kind of animals.  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 servey and by course the southweest corner of Section 31, T.22N., R.51E., M.D.M., should be stated.  18,280 feet. (Well 203)
2. The amount of water to be changed  3. The water to be used for Mining and Integration power,  4. The water heretofore used for Invigat  5. The water is to be diverted at the follower.  R.51E., M.D.M., or at a point from which and distance to a section corner. If on heart would let it a beart South 41°50' West a distance of  6. The existing point of diversion is locate South.  M.D.M., or at a point which bears. Not	Name of stream, take, underground, spring or other security.  2.0 cfs., 500.0 acre feet annually.  Scoots fiet, scre-fue. One accord fint equals 448.83 gallors per carrate.  d Milling roung, commercial, on. If for stock state number and kind of animals. Must limit to one major section  If for stock, state number and kind of animals.  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 the southwest corner of Section 31, T.22N., R.51E., M.D.M.,  hould be stated.  18,280 feet. (Well 203)  Out within the NW 1/4 of the NE 1/4 of Section 23, T.19N., R.47E.,

(39-EV)

7.	Proposed place of use		· · · · · · · · · · · · · · · · · · ·	rigation state currents of screet to be in	
89	attached Exhibit "A" an	Describe by legal at the man	phivisions. If for m p that accome	panied Application No. 7	2695.
	PAM blog region des Palabala had had belle and the second copy beyon.	· PPEPP BOTO OF POPPER FOR PART IN JEWEST PROGRAMME MANAGEMENT AND ADMINISTRATION OF PART AND ADMINIST	144   144   1-1	ر مورد و مورد و مورد و در و مورد الأعلام و مورد الأعلام المورد و مورد و مورد و مورد و مورد و مورد و	, mar ann had haf I en seg s <del>ressent y e e sy</del> ysams hein had had bet 1 s
8.	Existing place of use with	hin the S 1/2 of Section	n 15: the S 1/2	2 N 1/2, a portion of the ?	N 1/4 NE 1/4,
E.	1/4 NE 1/4, and N 1/2 S 1	/2 of Section 21; N 1/2	and 8W 1/4 o	for arigation, state parabat of across in If Section 22; N 1/2 of Se	ction 23 and
	d/or manner of two of irrigation pers	uit, describe excesse to be removed	from erigation.	p supporting Application	
	88, filed April 12, 2006, i				
				Marie	الله المعادلة
9,	Use will be from	January 1	to	December 31	of each year.
	Use permitted from		to		of each year.
1.	Description of proposed w	orks. (Under the provision	us of NRS 535.0	10 you may be required to su	bruit plans and
	specifications of your diver	rsion or storage works.)	Drilled we	ii, pump and pipalines o	r truck to mine
	and mill site.		#	nd dammaran dyn new ympyggiggy Mrhadan i Afd i ân i berhaef hag bid nafweg a	egya symbol 10 (10 ty rév 104 ) é ( jél lá Lidh 18m 160 ) 71 ( 190 )
9.	Estimated cost of works	•	00.		
13	Estimated time required to	a de la composició de l		, as a series (10 - 10 - 10 - 10 - 10 - 10 - 10 - 10	
. J.	rangaled time required to	CONSCIUCI WORLS	years	If well completed, describe well.	
14.	Estimated time required to	complete the application	of water to beau	eficial use 5 years	
15.	Remarks: For use other th	an irrigation or stock wate	ering, state sum	ber and type of units to be se	rved or annual
	samptive use.				3
<b>5</b> c	attached addendum.	==		THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY OF THE PARTY.	
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					9.
	(775) 358-94:	M		au Mar lin	
	7170) 300-94:	¥ 1		Signature of Agent, George C.	
			Tri State	Surveying 1925 E. Pra	ier Way
			****	Nevada 89434	V PAP
	PLICATION MUST BE S		opers,	City, State, Zip Code N	Q.

\$150 FILING FEE MUST ACCOMPANY APPLICATION

KD-1655A (Res. 10-95)

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

Application	No.	
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#### 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, milting and domestic purposes within the place of use. The mining and milting 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 les that 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 one 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.

94:8 MA 63 FM LMZ

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

Division	Section	Township	Range	Meridian
AI)	1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
Alf	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-35	21N	51E	M.D.M.
All	8 & 7	21N	52E	M.D.M.
Afl	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
Alt	36	21 1/2N	51 1/2 E	M.D.M.
Alt	31 - 36	21 1/2N	52E	M.D.M.
All	34-38	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
Ali	10-15	22N	51E	M.D.M.
AJI	20-29	22N	51E	M.D.M.
Ali	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.
ΑΠ	36	22N	51 1/2 E	M.D.M.
ΑĦ	1 - 36	22N	52E	M.D.M.
All	647	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.

200 JULY 2012 PH 3: 46

Page 1 of 1



# 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.

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

July Z , 2014

beneficial use shall be filed on or before:

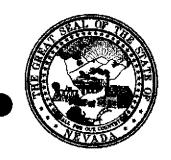
July Z/ , 2014

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

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 215th day of July, A.D. 2009

<u>:</u>	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
<u>llb</u>	



# 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:

09/08/1972

\*\*\*\*\*\*

#### <u>APPROVAL</u> 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.

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:

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

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

December 201:

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 \_\_\_\_\_\_ day of <u>December</u>, A.D. <u>2011</u>

•	State Engineer
Completion of work filed	V
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued

# 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

THU	IS SPACE FOR OFFICE USE ONLY
Date of filling in State Engineer's Office	JUN 2 9 2007
Corrected application filed	Map filed JUL 11 2007 under 75979
The applicant Kobeh Valley Ranch LL	
10 North Post Street, Suite 610	af Spokane City or Town
Street Britis No. on 1.40. Date 1.44	
Washington 99201 State and Zip Code No.	DESCO.À ITTERES SPATISMESS SE L'ASSESSE DE L
Point of Diversion, Place and Manner	of Use
	TAPAS
of water heretofore appropriated under	Permit No. 72583  Identify existing right by Permit, Cartificate, Proof or Claim Nos. If Decreed, give title of Decree
and identify right in Dacree.	
ци шиму пра и очен.	
The source of water isundergrou	Ind
2. The amount of water to be changed	1.0 cfs, 211.25 acre feet annually  Becoad feet, sch-fiet. One second foot equals 448.83 gallions per manute.
a managaratakan diningan	
The water to be used for Mining a irrigation, post	or, mining, commercial, etc. If for stock wise number and min or seminar west and
4. The water heretofore used for <u>living</u>	11 live about 1 man and a man or services.
5. The water is to be diverted at the follo	owing point within the SW 1/4 of the SW 1/4 of Section 21, T.22N.
R.61E., M.D.M., or at a point from wh	hich the southwest corner of Section 31, T.22N., R.51E., M.D.M.,
and distance to a section corner. If on meanwayed land, I	a mould be princed.
bears South 43°28' West a distance	0f 15,429 Feet (994)
	The second section of the section
	1/4 of Section 23, T.19N., R.47E.,
M.D.M. or at a point which bears Sc	puth 43"41"45" East, 1908.85 feet from the NW corner of said Section
	orting Applicatione 72580 through 72588, filed April 12, 2006, in
23 (Year No. 2). Kerer to map suppo	MINI WHILESON I TORK HILLS THE THE PROPERTY OF
	•

139-62

	Proposed place of use	Describe by legal :	rabdivisions. If for its	ignion time number of scree to be	підші.
	attached Exhibit "A" a	nd as shown on the ma	p that accom	namied Application No.	72696.
8.	Existing place of use wh	thin the 8 1/2 of Section	n 15: the 5 1/2	N 1/2 a portion of the	NW 1/4 NE 1/4,
łΕ	1/4 NE 1/4, and N 1/2 S	Describe by legal nate  1/2 of Section 21: N 1/2	Evisions. If permit is: and SW 1/4 o	for irrigation, state member of scree	irrigated. If changing place
	of or seemed of two of trigation per 1/4 of Section 24, all in			supporting Applicatio	ns 72580 through
25	88, filed April 12, 2006, i	in the State Engineer's	Office.	ne del l'agricultura de l'agricultura de l'agricultura de l'agricultura de l'agricultura de l'agricultura de l	
9.	Use will be from	January 1 Mosth and Day	to	Decamber 31  Month and Day	of each year
10.	Use permitted from		to	Oecember 31  Mosth and Day	of each year
	Description of proposed w			10 you may be required to s	shmit plans and
	specifications of your dive	raion or storage works.)	Drilled wei	, pump and pipelines o	r truck to mine
	and mill site.		Stat	E AUTONO DE AUTON DE SO DE CO.	ACTUAL LO. GIVER SIGNIFICATION
9.	diches and flumes, drilled well w Estimated cost of works		1 <b>6</b>	MAN PROMISE PROPERTY OF THE PR	
		7777 Fres 17 ( 5.5 - 77 1-224.4 (MATALANA) )		MINE IN COLUMN 1	
L.J.	Estimated time required to	o construct works3	years	If well completed, describe well.	<u> </u>
14,	Estimated time required to	o complete the application	of water to bene	icial use 5 years	
15.	Remarks: For use other ti	han irrigation or stock water	ring, state numb	er and type of units to be s	rved or annual
	sumptive use. attached addendum.				
		(v) (			
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( <del>lene,</del>	(775) 358-94	91	By Du	u Dady	na
	rume No.		Tri State	Surveying 1925 E. Pra	ier Way
				Street and No., or P.O. Bo	E No.
	PLICATION MUST BE S		Sparks,	Cky, State, Zay Code N	

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1589A (Rev. 10-65)

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

7	5	9	9	9
	-	•	•	•

Application	No.	
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#### 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 les that 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 one 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.

94:8 M 63 M 1007 -

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.
Ali	22-27	21N	50E	M.D.M.
All	34-38	21N	50E	M.D.M.
All	1-36	21 <b>N</b>	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
ΑП	30 & 31	21N	5 <b>2E</b>	M.D.M.
Ali	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M.D.M.
Ali	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 - 35	22N	52E	M.D.M.
All	647	22N	53E	M.D.M.
Ali	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
All	34-38	23N	51E	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

94:0 Mg 63:001:008

Page 1 of 1



# 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.

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:

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

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

July 2 , 2012

July 2 , 2014 July 2 , 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

Completion of work filed \_\_\_\_\_\_\_
Proof of beneficial use filed \_\_\_\_\_\_

Cultural map filed \_\_\_\_\_\_

Certificate No. \_\_\_\_\_\_ Issued \_\_\_\_\_\_

Ilb



# 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:

09/08/1972

\*\*\*\*\*

#### <u>APPROVAL</u> 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.

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:

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

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

December 201

N/

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15th 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 PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

CE FOR OFFICE USE ONLY
JUN 2 9 2007
Map filed Hill. 11 2007 under 75979
of Spokane  Cky or Town  Leading the condition for nermission to change the
hereby makes application for permission to change the
ht No. 72584 striy existing right by Persist, Certificate, Proof or Claim Nos. If Doorsed, give title of Duorse
ورور وروان المساور و مساور المساور و
Name of stream, lake, underground, spring or other sources.
cfs, 842.91 acre feet annually
Second feet, acrothet. One second foot equals 449.83 gallons per minute.
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Second feet, acre-thet. One second root equals to a spinal to a second living  [living]  [commercial, etc. If for stock state number and kind of animals. Must limit to one major the.  and Doesnestic  [Commercial, state number and kind of spinals.]
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Second feet, acre-feet. One second root equals 1.0.5 given the second feet, acre-feet. One second root equals 1.0.5 given to one major the and Domessic  If for stock, state number and kind of seconds.  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 se southwest corner of Section 31, T.22N., R.51E., M.D.M.,
Second feet, acre-feet. One second root equals 14.0 Square limit to one major the card Domestic  If for stock, state number and kind of seconds.  Within the SE 1/4 of the NE 1/4 of Section 30, T.22N.,  Describe as being within a 40-acre public/size of public survey and by course se southwest corner of Section 31, T.22N., R.51E., M.D.M., be stated.
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Second feet, acre-feet. One second root equals 14.0 Square limit to one major the card Domestic  If for stock, state number and kind of seconds.  Within the SE 1/4 of the NE 1/4 of Section 30, T.22N.,  Describe as being within a 40-acre public/size of public survey and by course se southwest corner of Section 31, T.22N., R.51E., M.D.M., be stated.
Second feet, acre-feet. One second root equals 1-15.0 gilling  incommercial, etc. If for stock state number and kind of animals. Must limit to one major that  and Doenestic  If for stock, state number and kind of satimals.  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 the southweest corner of Section 31, T.22N., R.51E., M.D.M.,  be stated.  20 foet. (Well 206)
Second feet, acre-feet. One second root equals 14.0 g grants. Must limit to one major the card Doesestic  If for stock, state number and kind of sammals. Must limit to one major the and Doesestic  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 so southwest corner of Section 31, T.22N., R.51E., M.D.M., be stated.  20 foet. (Well 206)
Second feet, ecre-feet. One second root equals 1.5.5 gives a process for equals 1.5.5 gives a process for example and kind of animals. Must limit to one major that and Doenestic  If for stock, state number and kind of animals.  Describe as being writins a 40-acro subdivision of public survey and by course so southwest corner of Section 31, T.22N., R.51E., M.D.M., be stated.  20 foet. (Well 206)  West from of diversion is not changed, do not server.  1*14*21* East, 3911.35 feet from the NE corner of said Section
Second feet, acre-thet. One second root equals — and properly of the second root equals — and postessite.  If for stock, state number and kind of animals.  Describe as being writins a 40-acre subdivision of public survey and by course as southwest corner of Section 31, T.22N., R.51E., M.D.M., be stated.  20 foet. (Well 206)  Within the NE 1/4 of the SE 1/4 of Section 21, T.19N., R.47E.,

139-50

7. Proposed place of usc  Describe by legal subdivisions. If the arrigation state number of scree to be impated.  Bee attached Exhibit "A" and as shown on the map that accompanied Application No. 72695.					
E ·	1/4 NE 1/4, and N 1/2 S	Hihim the S 1/2 of Section  Describe by legst subd  1/2 of Section 21; N 1/2 mail, describe screaps to be removed	Evisions if permit is and SW 1/4 c	for irrigation, state number of screa	irrigated. If changing place
		n T.19N., R.47E., M.D.M.		p supporting Applicatio	ns 72580 through
9.	Use will be from	January 1  Mooth and Dey	to	December 31  Month and Day	of each year.
0.	Use permitted from	January 1 Month and Day	to	December 31	of each year.
11.		works. (Under the provision			ubmit plans and
	specifications of your div	cision or storage works.)	Drilled wel	ii, pump and pipelines (	er truck to mine veried, i.e. diversion structu
	and mill site.	With current and makes are		a) transcensor hat his abstract makes the definite sheefel & bibble true to a hand	
9.		in excess of \$3,000,00	)O.	o Mariado Desgraya wegayaya jiga anga cina anga hadi bada Pagi akan man man man anga man	
13.	Estimated time required	io construct works3	years	If well completed, describe wall.	
14.	Estimated time required	to complete the application	of water to bene	ficial use <b>5 years</b>	
15.	Remarks: For use other	than irrigation or stock water	ering, state mum	her and type of units to be s	erved or annual
	sumptive use.		-		20
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\$150 FILING FEE MUST ACCOMPANY APPLICATION

(C)-1923A (Park, 10-95)

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Vacaded by Good Order 4/0/10
Pro. Overruled 7/15/11 See Ruling #6127

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Application No	
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# 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.

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

99:8:14 52100 9:46

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCHILLC

Division	Section 8	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	21 <b>N</b>	50E	M.D.M.
All	1-36	21N	51 <b>E</b>	M.D.M.
Ail	8 & 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 - 38	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
Ali	10-15	22N	51E	M,D,M.
All	20-29	22N	51E	M.O.M.
All	31-36	22N	51E	M.D.M.
AI?	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.Q.M
All	36	22N	51 1/2 E	M.D.M.
All	1 - 38	22N	52E	M.D.M.
Ali	8 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
Ali	30 & 31	22N	53E	M.D.M.
Ali	34-36	23N	51E	M.D.M.
AJI	31	21 1/2 N	53E	M.D.M.

94 :8 (M) 52 MM 1007

Page 1 of 1



# 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.

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 2 , 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 Z , 2014

beneficial use shall be fried off of before.

July Z. , 2014

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

#### 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	



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

Name of Permittee:

KOBEH VALLEY RANCH, LLC

Source:

**UNDERGROUND** 

Rasin:

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**

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.

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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.

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:

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

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

December

2012

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 15th 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 PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

	HIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	e JUN 2 9 2007
Corrected application filed	Map filed JUL 11 2007 under 75979
he applicant Kobeh Valley Ranch L	
0 North Post Street, Suite 610	of Spokene Cay of Town
Street and No. or P.O. Box No.  ***********************************	hereby makes application for permission to change the
Point of Diversion, Place and Manne	er of Use
f water heretofore appropriated under	
H Water teretcaure appropriated maker	Permit No. 72585  Identify costing right by Permit, Certificate, Proof or Claim Nos. If Decreted, give title of Decre
ad identify right in Decree.	
The source of water is undergro	
	Name of stream, take, underground, spring or other squaces.
2. The amount of water to be changed	4 74 44 4 486 A sect 1967 BRITISHY
	2.72 cfs, 1,280.0 acre feet annually  Second feet, sore-feet. One second feet comin 448.83 gallors per minute.
3. The water to be used for Mining	Second fact, note-feet. One second fool equals 444.83 galacte per management
Irrigation, p	and midling  corr, mirring, commercial, etc. If for stock state number and kind of animals, Nami limit to our major to
Irrigation, p  4. The water heretofore used for III	Second fact, core-feet. One second foot equals 448.45 galaxies part and and middling communities, etc. If for stock state number and kind of animals. Must limit to one major us rigation and Donnestic.  If for stock state number and kind of animals.
4. The water heretofore used for 117  5. The water is to be diverted at the fo	second fort, sore-feet. One second foot equals 444.45 gaints yet in and milling one major us one, mirring, commercial, etc. If for stock state number and kind of animals. Must live to one major us rigartion and Domestic  If for stock, state number and kind of animals.  If the stock, state number and kind of animals.  Within Lot 4 of Section 2, T.21N., R.56E., M.D.M.,
The water heretofore used for 117  The water is to be diverted at the form at a point from which the northy	Second fort, acre-feet. One second foot equals 448.8 galaxis part and an armony and militing communities, etc. If for stock state number and kind of animals. Must limit to one major us rigation and Domestic  If for stock, state number and kind of animals.  Within Lot 4 of Section 2, T.21N., R.56E., M.D.M.,  Describe as being within a 40-acre subdivision of public survey and by covered corner of said Section 2 bears North 40°40' West a distance
4. The water heretofore used for 117  5. The water is to be diverted at the fo	Second fort, sore-feet. One second foot equals 444.5 galaxis part and and militing communities, etc. If for stock state number and kind of animals. Must limit to one major us rigation and Domestic  If for stock state number and kind of animals. What limit to one major us rigation and Domestic  Within Lot 4 of Section 2, T.21N., R.59E., M.D.M.,  Describe as being within a 40-sere subdivision of public survey and by one west corner of said Section 2 bears North 40°40' West a distance
The water heretofore used for 117  The water is to be diverted at the form at a point from which the northy	Second fort, sore-feet. One second foot equals 444.5 galaxis part and and militing communities, etc. If for stock state number and kind of animals. Must limit to one major us rigation and Domestic  If for stock state number and kind of animals. What limit to one major us rigation and Domestic  Within Lot 4 of Section 2, T.21N., R.59E., M.D.M.,  Describe as being within a 40-sere subdivision of public survey and by one west corner of said Section 2 bears North 40°40' West a distance
The water heretofore used forirr 5. The water is to be diverted at the for or at a point from which the northy and distance to a section corner. If on unanawayed has	sand milling corr, mirring, communicat, etc. If for stock state number and kind of animals. Must limit to one major in figation and Domestic  If for stock, state number and kind of animals.  If for stock, state number and kind of animals.  If for stock, state number and kind of animals.  Within Lot 4 of Section 2, T.21N., R.59E., M.D.M.,  Describe as being within a 40-acre subdivision of public survey and by on ment correct of said Section 2 bears North 40°40' West a distance d, it should be sured.
The water heretofore used forirr 5. The water is to be diverted at the for or at a point from which the morthward distance to a section corner. If on unsurveyed has of 580 feet. (Well 208)	Second fort, sore-feet. One second fool equals 448.5 galaxis part in a second fool equals 448.5 galaxis part in a second fool equals 448.5 galaxis part in a second fool equals 448.6 galaxis part in a second fool equals and kind of animals. Next limit to one major us rigation and Domestic  If for stock, state number and kind of animals.  Within Lot 4 of Section 2, T-21N., R-59E., M.D.M.,  Describe as being within a 40-acre subdivision of public survey and by one west corner of said Section 2 bears North 40°40° West a distance d, it should be masse.
The water heretofore used for 183  The water is to be diverted at the form at a point from which the north and distance to a section corner. If on unarrayed has of 880 feet. (Well 208)	Second fort, sore-feet. One second fool equals 448.5 galaxis part in an and milling one, mirring, communist, etc. If for stock state number and kind of animals. Must limit to one major us rigation and Domestic.  If for stock, state number and kind of animals. Must limit to one major us rigation and Domestic.  Within Lot 4 of Section 2, T.21N., R.59E., M.D.M.,  Describe as being within a 40-acre subdivision of public sorvey and by on west corner of said Section 2 bears North 40°40° West a distance of it should be mared.  Octated within the SW 1/4 of the SW 1/4 of Section 22, T.19N., R.47E
The water heretofore used for 183  The water is to be diverted at the form at a point from which the north and distance to a section corner. If on unarrayed has of 880 feet. (Well 208)	Second fort, sore-feet. One second fool equals 448.5 galaxis part in an and milling one, mirring, communist, etc. If for stock state number and kind of animals. Must limit to one major us rigation and Domestic.  If for stock, state number and kind of animals. Must limit to one major us rigation and Domestic.  Within Lot 4 of Section 2, T.21N., R.59E., M.D.M.,  Describe as being within a 40-acre subdivision of public sorvey and by on west corner of said Section 2 bears North 40°40° West a distance of it should be mared.  Octated within the SW 1/4 of the SW 1/4 of Section 22, T.19N., R.47E
The water heretofore used for iff  The water is to be diverted at the form at a point from which the northward distinct to a section corner. If on unsurveyed his of 580 feet, (Well 208)  6. The existing point of diversion is in M.D.M., or at a point which bears:	send first, acre-feet. One second foot equals 444.8 galaxis partially and milling over, mirring, communicat, etc. If for stock state number and kind of animals. Must limit to one major is rigation and Domestic  If for stock, state number and kind of animals.  Within Lot 4 of Section 2, T.21N., R.56E., M.D.M.,  Describe as being within a 40-acre subdivision of public sorvey and by on west corner of said Section 2 bears North 40°40° West a distance of it should be mared.  Octated within  the SW 1/4 of the SW 1/4 of Section 22, T.19N., R.47E  If point of diversion is not changed, do not scorer.  Bouth 18°99'28" East, 4223.74 feet from the NW corner of said Section
The water heretofore used for	Second fost, acre-feet. One second foot equals 444.5 gallets per land and milling over, mining, communicat, etc. If for stock state number and kind of animals. Must limit to one major is rigation and Domestic  If for stock, state number and kind of animals.  Within Lot 4 of Section 2, T.21N., R.50E., M.D.M.,  Describe as being within a 40-acre subdivision of public survey and by on the state of s

(39EV

•	Proposed place of use	Malentification of the control of th	outstingsions of So in	ignium state member of screen to be in	Tiested
<b></b>	attached Exhibit "A" a	nd as shown on the m	ep that accom	panied Application No. 1	/2698.
					NA 4/4 NE 4/4
1	I/4 NE 1/4, and N 1/2 S	Describe by legal sub	divisions. If permit is 2 amed SW 1/4 o	N 1/2, a portion of the for impains, each marker of sore of Section 22; N 1/2 of Se	trifficiery of expendent lapace o
				p supporting Application	ns 72588 through
251	88, filed April 12, 2006,	in the State Engineer's	Office.	the section of the se	<del>lpid (1995) da 1900 pag pag pag pag ma</del> n ama kan kan bah Mah ka
 },	Use will be from	January 1 Month and Day	to	December 31  Meath and Day	of each year.
0.	Use permitted from	January 1 Mode and Day	to	December 31  Month and Day	of each year.
l,	Description of proposed v	works. (Under the provisio	ns of NRS 535.0	10 you may be required to s	abmit plans and
	specifications of your div	craios or storage works.)	Drilled we	I, pump and pipelines o	r truck to mine and, i.e. diversion dracks
	and mill site.			Maria mandata de como recurso e e de Maria de Como de	***************************************
Q	disches and flumes, drilled well	with pump and motor, atc. in excess of \$3,000,0	•••		
7.	rounded odd fit works	III excess of 93,000,0		به چون مین مین در	**************************************
13.	Estimated time required	to construct works3	years	If well completed, describe well.	and the second s
4.	Estimated time required	to complete the application	of water to bene	ficial use 5 years	**************************************
	Remarks: For use other a	than irrigation or stock wat	tering, state num	her and type of units to be so	
	attached addendum.				<b>2007</b> .
				the state of the s	Ç
	o resident der er er state de la filo franche de ser de séction franches		hadd i da 110 ha dhagaga bar har nar naisteacha		TS.
				. <u>12 /2017-11   11   12   13   14   14   14   14   14   14   14</u>	
					٠ <u>د</u> ي
		<del></del>		***   1000   100	
	(778) 358-94	191	By Sue	1/2 Mu Class  Signature of Agent George G. 1	
	A EPOLIN L'MO.		Tri State	Surveying 1925 E. Pra	ter Way
			10 mm m m m m m m m m m m m m m m m m m		
				Street and No., or P.O. Box Vervacia \$9434	

\$150 FILING FEE MUST ACCOMPANY APPLICATION

(O)-1583A (Res 10-65)

Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See <u>Rüling #5966</u> Vacated by Gartorder 4/10/10
Pro. Overruled 7/15/11 See Ruling #6127

Application	No.	
MUDICANO		

### 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 les that 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 one 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.

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.
Ali	1-36	21N	51E	M.D.M.
All	647	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	5 <b>2E</b>	M.D.M.
All	38	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52E	M,D.M.
Alf	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.
Ali	31- <del>36</del>	22N	51E	M.G.M
Ali	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 - 38	22N	52E	M.D.M.
AJÍ	6 & 7	22N	53E	M.D.M.
Alt	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.O.M.

14 © 13 SZ HILLING

William Borner Co

Page 1 of 1



# 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:** 

05/27/1980

\*\*\*\*\*\*\*\*

- APPROVAL OF STATE ENGINEER Vocated 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 72585, is issued subject to the terms and conditions imposed in said Permit 72585 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.

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 2.72 cubic feet per second or 1280.0 acre-feet annually.

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

July Z 1, 2012

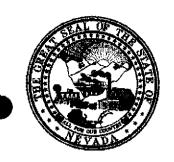
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21,2014
July 21,2014

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

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 215th day of July, A.D. 2009



# 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:** 

05/27/1980

\*\*\*\*\*

<u>APPROVAL</u> 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 72585 is issued subject to the terms and conditions imposed in said Permit 72585 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.

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 1,280.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 864.0 acre-feet, can be diverted annually. Additional diversion up to the total 1,280.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 864.00 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 2.72 cubic feet per second or 1280.0 acre-feet annually.

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

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

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

December

2012

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 15th day of December, A.D. 2011

	P. E - State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	lssued

Serial No. 76002

# 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 SP.	ACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 2007
Returned to applicant for correction	
Corrected application filed	Map filed <u>JUL 11 2007 under 75979</u>
The applicant Kobeh Valley Ranch LLC	
10 North Post Street, Suits 610 Street and Ne. or P.O. Box No.	of Spokane
WAXNINONN 992U1	hereby makes application for permission to change the
State and Zip Code No.	
Point of Diversion, Place and Manner of U	
of water heretofore appropriated under Pen	melt. No., 72586 Sanisty societing right by Permit, Comitionia, Proof or Chean Nos. If Decread, give title of Decree
I.	dentify existing right by Permit, Continues, Proof or Cham Not. If Decrees, give time or Decrees
and identify right in Docree.	
444444	
1. The source of water is underground	•
The source of water isunderground	Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed0.8.	
3. The water to be used for Mining and m	
	Illling ng, commercial, etc. If for stock state number and kind of animals, black hant to one major was:
4. The water heretofore used for irrigation	and Comestic
5. The water is to be diverted at the following	point suithin Lat A of Section 2, T.21N., R.59E., M.D.M.,
	Describe as being when a 40-acre publication or public actively and by control
or at a point from which the northwest co	rner of said Section 2 bears North 40°40' West a distance
of 560 feet. (Well 206)	
6. The existing point of diversion is located w	rithin the SW 1/4 of the SW 1/4 of Section 22, T.19N., R.47E., If point of diversion is not changed, do act answer.
M C M or at a point which hears South 4	If point of diversion is not changed, so are times.  8*09*28** East, 4223.74 feet from the NW corner of said Section
22 (Well No. 3). Refer to map supporting	Applications 72580 through 72588, filed April 12, 2005, in
the State Engineer's Office.	

149,60

Proposed place of us	Describe by least only	drymora. If for irregation state manber of screen	o he irrigated
attached Exhibit "		that accompanied Application I	
77.77		1999 ( parents 1 vs s rypyrity field field to blab ) Ad Lidd to 1 that W I Classifier you will be a second of the property field field field field to 1 that we will be a second of the property field	
OPING SOLVEN BOARD AND AND AND AND AND AND AND AND AND AN	منا المناسبية عند حمومته المناسبية والمناسبية والمناسبة والمناسبة والمناسبة والمناسبة والمناسبة والمناسبة والمناسبة		
9 7			
s. Existing place of use	Within the S 1/2 of Section	15: the S 1/2 N 1/2, a portion of size. If permit is for irrigation, state number of	acres sriguted. If changing place
E 1/4 NE 1/4, and N 1	/2 S 1/2 of Section 21; N 1/2 a	nd SW 1/4 of Section 22; N 1/2 (	of Section 23 and
	ion permit, describe acreage to be removed in		selana 7 <b>2550 (b</b> oosed)
ity in or Section 24,	BU III 1,1879., R.47E., M.D.M I	Refer to map supporting Applic	ander i zace de comi
2588, fited April 12, 2	005, in the State Engineer's O	піса.	
		***************************************	
9. Use will be from	January 1 Month and Day	to December 31  Month and Day	of each year
.0. Use permitted from	Month and Day  Library 4	10 December 31	of each year
		10 December 31 Month and Day	
<ol> <li>Description of propo</li> </ol>	sed works. (Under the provisions of	of NRS 535.010 you may be required	to submit plans and
marifications of san	r diversion or storage works.)	Drilled well, pump and pipelin	es or truck to mine
specimentors or you	myersion or storage works.)	State present in which water is to	be diverted, i.e. diversion structu
and mill site.			
	well with pump and motor, etc.		
9. Estimated cost of wo	rks in excess of \$3,000,000.	yel liby kan han han ang ang ang ang ang ang ang ang ang a	
3. Estimated time requ	ired to construct works 3 we	art	
•	***************************************	II well completed, describe v	
	***************************************	Table 100 -	·
4. Estimated time requ	ired to complete the application of	water to beneficial use 5 y	ears
			he consider commit
Onsumptive use,	TOCK CORE FLUESTION OF STOCK AMPIECU	ng, state number and type of units to	
See attached addend			2067
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PERSONAL MARKET MARKET CONTRACTOR OF PARTIES AND A			
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(775) 34	8-8491	By Wally Shull	
Phone	NO.	Exemplare of Agest, Georg	
1.0	***	Tri State Surveying 1925 E. Sheet and No., or P.	
		Sparks, Ngvada 89434	
APPLICATION MUST		City, State, Zip C	Code No.
	OR AGENT	."*	

SISO FILING FEE MUST ACCOMPANY APPLICATION

(CI)-1563A (Raw. 10-85)

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

Application	No.	
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# 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 les that 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 one body is exhausted and the mining property is rectaimed.

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

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

Division	Section	Township	Range	Meridian
Ali	1-3	21N	50E	M,D.M.
All	10-15	21N	50E	M.D.M.
Ali	<b>22-2</b> 7	21N	50E	M.D.M.
Alf	34-36	21N	50E	M.D.M.
Alf	1-36	21N	51E	M,O,M.
All	847	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.
Alf	31 - 38	21 1/2N	52E	M.D.M.
Alt	34-36	22N	50E	M.O.M.
ΑIJ	1-3	22N	51E	M.D.M.
All	10-15	22N	51 <b>E</b>	M.D.M.
All	20-29	22N	51Ê	M.D.M.
AB	31-38	22N	51E	M.D.M.
AJI	1	22N	51 1/2 E	M.D.M.
Alf	12 & 13	22N	51 1/2 E	M.D.M.
AJI	24 & 25	22N	51 1/2 E	M.D.M.
All	38	22N	51 1/2 E	M.D.M.
Alī	1 - 36	22N	52E	M.D.M.
AJ!	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.

Page 1 of 1



# 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:** 

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 72586, is issued subject to the terms and conditions imposed in said Permit 72586 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,  $75992,\, 75993,\, 75994,\, 75995,\, 75996,\, 75997,\, 75998,\, 75999,\, 76000,\, 76001,\, 76002,\, 76003,\, 76004,\, 76745,\, 76004,\, 7600$ 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.

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 0.82 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:

Water must be placed to beneficial use and proof of the application of water to

July 2 , 2012

beneficial use shall be filed on or before:

July 21, 2014
July 21, 2014

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

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

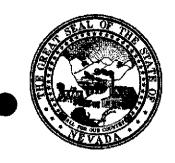
State Engineer of Nevada, have hereunto set my hand and the seal of my office, this ZIST day of July, A.D. 2009

Completion of work filed \_\_\_\_\_\_\_
Proof of beneficial use filed \_\_\_\_\_\_

Cultural map filed \_\_\_\_\_\_

Certificate No. \_\_\_\_\_\_ Issued \_\_\_\_\_\_

Ilb



# 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

\*\*\*\*\*

## <u>APPROVAL</u> 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 72586 is issued subject to the terms and conditions imposed in said Permit 72586 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.

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 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 0.82 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:

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

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

December

201

N/2

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15th day of **December**, A.D. 2011

		State Engineer	7.E.	
Completion of work filed				_
Proof of beneficial use filed	<u> </u>			
Cultural map filed			······································	
Certificate No.		Issued		

# 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

In	IS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 2007
Corrected application filed	Map filed JUL 11 2007 under 75979
The applicant Kobeh Valley Ranch LL	<b>C</b>
0 North Post Street, Suite 610	of Spokans
Vashington 99201 State and Zap Code No.	hereby makes application for permission to change the
coint of Diversion, Place and Manner	r of Use
of water beretofore appropriated under	Permit No. 72587  Identify existing right by Permit, Cartiflosts, Proof or Claim Nos. If Decreed, give title of Decree
ad clausify right in Detree.	والمراقب والم
The source of water isundergrou	Name of stream, lake, underground, spring or other sources.
	Name of stream, lake, underground, spring or other sources.
The source of water isundergrou  The amount of water to be changed	Name of stream, lake, underground, spring or other sources.  5.00 cfs., 1,280.0 acre feet annually Second feet, acre-feet. One second foot equals 448.83 gallous per mustle.
The source of water isundergrou  The amount of water to be changed  The water to be used forMining : irrigation, por	Name of stream, lake, underground, spring or other sources.  5.00 cfs, 1,280.0 acre feet annually  Second Red, acro-feet. One second foot equals 448.33 galloes per seconds.  and milling  ser, mining, commercial, ste. If for sock state number and kind of animals. Must laint to one major to
The source of water isundergrou  The amount of water to be changed  The water to be used forinitiation, por  The water heretofore used forinitiation, por  Initiation, por  Initiation, por  Initiation, por	Name of stream, take, underground, spring or other sources.  5.00 cfs. 1,280.0 acre feet annually Second feet, acro-feet. One second foot equals 448.83 gallous per munito.  and milling or, making, commercial, etc. If for sock state number and kind of animals. Must limit to one major us gation and Dormestic.  We do do to take number and kind of animals.
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1. The source of water is undergroup 2. The amount of water to be changed 3. The water to be used for Mining a irregation, por 4. The water heretofore used for Irrigation, por 5. The water is to be diverted at the foll RLSTE., M.D.M., or at a point from water distance to a section corner. If on unsurveyed land,	Name of stream, take, underground, spring or other sources.  5.00 cfs., 1,280.0 acre feet annually Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and milling ser, mering, convenercial, ste. If for stock date number and kind of animals. Must land to one major to gation and Domestic If for stock, state number and kind of animals.  Within the SW 1/4 of the SW 1/4 of Section 21, T.22N. Describs as being within a 40-acre subdivision of public survey and by one faich the Southwest conver of Section 31, T.22N., R.51E., M.D.M., it should be stated.
1. The source of water isundergrou 2. The amount of water to be changed 3. The water to be used forMining a irrestice, por 4. The water heretofore used forlriv 5. The water is to be diverted at the following the country of the country o	Name of stream, take, underground, spring or other sources.  5.00 cfs., 1,280.0 acre feet annually Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and milling ser, mering, convenercial, ste. If for stock date number and kind of animals. Must land to one major to gation and Domestic If for stock, state number and kind of animals.  Within the SW 1/4 of the SW 1/4 of Section 21, T.22N. Describs as being within a 40-acre subdivision of public survey and by one faich the Southwest conver of Section 31, T.22N., R.51E., M.D.M., it should be stated.
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1. The source of water is undergroup 2. The amount of water to be changed 3. The water to be used for Mining a irregation por 4. The water heretofore used for Irrigation por 5. The water is to be diverted at the following the water is to be dive	Name of circum, take, underground, spring or other sources.  5.00 cfs., 1,280.0 acre feet annually Second feet, acre-feet. One second foot equals 448.83 gallous per minute.  and milling ser, mining, convenient, ste. If for stock date number and kind of animals. Must lank to one major to gation and Domestic If for stock, state number and kind of animals.  Notice the SW 1/4 of the SW 1/4 of Section 21, T.22M.  Describe as being within a 40-acre subdivision of public survey and by one taken the southwest corrier of Section 31, T.22M., R.81E., M.D.M., it should be stated.  of 15,520 feet. (Well 204)  Cated within the SW 1/4 of the NW 1/4 of Section 23, T.19N., R.47E.
1. The source of water is undergroup 2. The amount of water to be changed 3. The water to be used for Minking a irrestion, por 4. The water heretofore used for Irriv 5. The water is to be diverted at the following distance to a sedien corner. If on unsurveyed land, bears South 43°28' West a distance 6. The existing point of diversion is loom. D.M., or at a point which bears 8.	Name of stream, lake, underground, spring or other sources.  5.00 cfs., 1,280.0 acre feet annually Second feet, acre-feet. One second foot equals 448.33 gallous per stimute.  and milling ser, maining, conversal, ste. If for sock date number and kind of animals. Must limit to one major us gation and Domestic  If for stock, state number and kind of animals.  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 or thich the southwest corrier of Section 31, T.22N., R.51E., M.D.M., it should be stated.  of 15,520 feet. (Well 204)  cated 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 asswer.  Guith 43°41'48" East, 1908.68 feet from the NW corner of Salid Section
1. The source of water is undergroup 2. The amount of water to be changed 3. The water to be used for Minking a irrestion, por 4. The water heretofore used for Irriv 5. The water is to be diverted at the following the water is to be diverted at the following distance to a senior corner. If on unsurveyed land, bears South 43°25' West a distance 6. The existing point of diversion is low. M.O.M., or at a point which bears 8.	Name of stream, lake, underground, spring or other sources.  5.00 cfs. 1.280.0 acre feet annually Second feet, acre-feet. One second foot equals 448.83 gallous per stanto.  and militing ser, mention, compressed, six. If for stock date number and kind of annuals. Must limit to one major to gation and Domestic  If for stock, state number and kind of annuals.  It for stock, state number and kind of annuals.  It for stock, state number and kind of annuals.  It for stock, state number and kind of annuals.  It for stock, state number and kind of annuals.  It for stock 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 or Talch the southwest corrier of Section 31, T.22N, R.81E., M.D.M., it should be stated.  of 15,520 feet. (Well 204)  Under of decription is not charged, do not server.

139-50

. Proposed place of use			
Describe by legal subdivisions. If for an interest is a subdivision and Exhibit "A" and an shown on the map that accompanied Application No. 72695.			
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Existing place of use within the \$ 1/2 o	f Section 15: the \$ 1/2 N	1/2 a portion of the l	OW 1/4 NE 1/4.
Describe	by legal subdivisions. If permit is for i	rrigation, state mamber of screet in	rapited. If changing place of
1/4 NE 1/4, and N 1/2 8 1/2 of Section 2 and/or master of use of prigation permit, describe acrosps t	by removed from irrigation.		
N 1/4 of Section 24, all in T.19N., R.47E.	M.D.M. Refer to map s	upporting Application	is 72580 through
588, filed April 12, 2005, in the State En	gineer's Office.		
)	95   1941   1642   1642   1644   1644   1644   1644   1644   1644   1644   1644   1644   1644   1644   1644	Miles and that the charge specifies are a second section of the contract of th	pro proprio anni del territorio del territorio del territorio del territorio del territorio del territorio del
. Use will be from January 1		December 31	of each year.
	#ry 1 toto		of each year.
			Lucis along and
Description of proposed works, (Under the	•	,	
specifications of your diversion or storage v	rorks.) Drilled well, p	oump and pipelines of	truck to mine
and mill site.	<u></u>		
ditches and fluxes, drilled well with pressp and motor, a Estimated cost of works in excess of	a 2 000 000	1710117	
	- MANAGEMENT AND A CONTROL OF THE CO	7 pag 1494 (\$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10	
. Estimated time required to construct works		well completed, describe well.	
	ar ann an		
. Estimated time required to complete the ap-	olication of water to benefici	aluse 5 years	المساورة المساورة المساورة والمساورة والمساورة والمساورة والمساورة والمساورة والمساورة والمساورة والمساورة
Remarks: For use other than irrigation or s			ved or autom
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Secretary secretary and the part of the latest secretary and the latest			
	A	11/1	
	11	W Class	1
(775) 358-9491 Phose No.	By (1) (1)	against of Agent, Goorge G. Li	Market Mark
	Tri State Su	rveying 1925 E. Prati	
	Sparks, Nev	Street and No., or P.O. Box andre 89434	No.
PLICATION MUST BE SIGNED	Chair and the A	City, State, Zip Code No	
Y THE APPLICANT OR AGENT			

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

\$150 FILING FEE MUST ACCOMPANY APPLICATION

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 les that 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 one 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.

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

Division	Section	Township	Range	Meridian
Ali	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.
AH	6 & 7	21N	52E	M.D.M.
AJI	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
Alf	36	21 1/2N	51 1/2 E	M.D.M.
Ail	31 - 36	21 1/2N	52E	M.D.M.
AH	34-36	22N	50E	M.D.M.
Ali	1-3	22N	51E	M.D.M.
ΑIJ	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M,D,M.
All	31-36	22N	51 <b>E</b>	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
AH	24 & 25	22N	51 1/2 E	M.O.M.
All	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
Ali	8 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
Ali	30 & 31	22N	53E	M.D.M.
Ali	34-36	23N	51E	M.D.M.
Ali	31	21 1/2 N	53E	M.D.M.

2601 JUSE 29 Fit 3: 4.7

Page 1 of 1



# 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:

05/27/1980

\*\*\*\*\*

- APPROVAL OF STATE ENGINEER Vacaded by Gurtorder 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 72587, is issued subject to the terms and conditions imposed in said Permit 72587 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.

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 5.0 cubic feet per second or 1280.0 acre-feet annually.

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

Water must be placed to beneficial use and proof of the application of water to

beneficial use shall be filed on or before: Map in support of proof of beneficial use shall be filed on or before: July 2/ ,2012

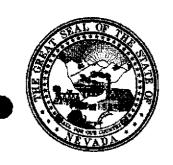
July 21 , 2014

July 2/ ,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 <u>Z|St</u> day of **July**, A.D. **2009** 

	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	lssued
llb	



# 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:** 

05/27/1980

\*\*\*\*\*

#### **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 72587 is issued subject to the terms and conditions imposed in said Permit 72587 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.

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 1,280.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 864.0 acre-feet, can be diverted annually. Additional diversion up to the total 1,280.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 864.0 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 5.0 cubic feet per second or 1,280.0 acre-feet annually.

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

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

December 2012

December 2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this \_\_\_\_\_ day of <u>December</u>, A.D. <u>2011</u>

	State Engineer
Completion of work filed	
Proof of beneficial use filed	<i>V</i>
Cultural map filed	
Certificate No.	Issued

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

Serial No. 75004

# 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

тнк	S SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Office	JUN 2 9 2007
Corrected application filed	Map filed <u>Jul 11 2007 under 75979</u>
be applicant Kobeh Valley Ranch LLC	
O North Post Street, Suite 610	
	hereby makes application for permission to change the
Washington 99201 Suite and Zip Code No.	THE PERSON NAMED AND PARTY OF THE PE
Point of Diversion, Place and Manner	
of water heretofore appropriated under	Permit No. 72568 Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Dec
	March & Crained Light A. Letters' comments and a second se
	والمراجع والم
nd identify right in Decret.	
	MINISTER ME PT SPECIFIC ME - 1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-
	W. W. C.
<sup>en de</sup> n en	
The second secon	-d
1. The source of water is undergroun	Name of stream, lake, underground, spring or other sources.
a see a second	a an an a good a name fact annuality
2. The amount of water to be changed	Second flot, exte-fiert. One second foot equals 448.83 gallons per sainate.
3. The water to be used for Mining at	nd milling
Inigation, poss	nd milling r, mining, commercial, sp. If for stock state number and kind of materia. Must limit to one major u
4. The water heretofore used for trrig	
•	A few whole state interest and when or a second
<ol><li>The water is to be diverted at the follow</li></ol>	within Lot 4 of Section 2, T.21N., R.50E., M.D.M., Describe as being within a 40-acre subdivision of public survey and by or
or at a point from which the northwe	st corner of said Section 2 bears North 40°40' West a distance
and distance to a section corner, it on wanterwised land, i	U MINORIA DE MARCA.
of \$80 feet. (Well 286)	بر برور میں میں میں میں برور ہوتا ہوتا ہے۔ اس میں میں اس میں ہوتا ہوتا ہوتا ہوتا ہوتا ہوتا ہوتا ہوتا
W	•
6 The existing point of diversion is loca	eled within the SW 1/4 of the SW 1/4 of Section 22, T.19N., R.47
o. I so comme pour a service a ser	If point of diversion is not changed, do not server.
M.D.M., or at a point which bears So	uth 18"09'28" East, 4223.74 feet from the NW corner of said Sect
22 (Well No. 3). Refer to map suppo	rting Applications 72580 through 72588, filed April 12, 2005, in
paid to the contract of the co	<del></del>
the State Engineer's Office.	

ربي وور

	Proposed place of use				
	Misched Fyhibu "A" an	Describe by legal	subdivisions. If for	reguline state number of scree to be in uponied Application No. 7	rigated.
	PARTIE A ALI	d as shown on the Mi	ap mar accom	pamed Application No. /	
**		daşlikanın dayı oy əy təbi gərə pişi il də vəlikirin in haydık başı sıd yeş yeş ye		pappy ( 1 y a par 1 mar a bar a stade <b>stade stade mental sta</b> ME Prof.	MP 17 17 17 17 17 17 17 17 17 17 17 17 17
8.	Existing place of use with	hin the B 1/2 of Section	n 15: the S 1:	2 N 1/2, a portion of the F	IW 1/4 NE 1/4.
	•	Describs by logal sub-	divisions. If comit is	s for irregation, state member of acres is	rigated. If changing place of
H 100	For manner of the of irrigation pers	nit, describe acreage to be remove	ed from irrigation.	of Section 22; N 1/2 of Se	
IW 1	/4 of Section 24, all in	T.19N., R.47E., M.D.N.	Refer to me	p supporting Application	15 72580 through
258	8, filed April 12, 2005, in	n the State Engineer's	Office.		
<b>J</b> .	Use will be from	January 1  Month and Day	to	December 31  Month and Day	of each year.
0.	Use permitted from	January 1  Month and Day	10	December 31	of each year.
1.				Month and Day 10 you may be required to sui	bmit plans and
	specifications of your diver	SION OF Storage works.)	Drilled we	II, pump and pipelines or	Truck to mikie ried, 10. diversion structure,
	and mill site. dictos and fluxos, drilloi well wi	emandous a mana spek kay dayan pagambanda kalikka masaan ang kay kayaba ad	- 18-18-18-18-18-18-18-18-18-18-18-18-18-1		6
	Estimated cost of works		no		
			<b>SP 100 q</b> • Fibindel herbyren plantyr ar vinda Med beer be	e martine ( part \$ \$ property ( \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	(1945-1944 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 - 1946 -
IJ.	Estimated time required to	construct works 3	yeare	If well completed, describe well.	
l <b>4</b> .	Estimated time required to	complete the application	of water to bene	eficial use 6 years	
					4
ODSU	ricinalis. Por use outer in Implive use.	an irrigation or stock water	tring, state mu	ber and type of units to be see	Act of success
iee i	ettached addendum.				
		هرد والأول المداركة الأول في ويوجه على لها بها بعد بالأفلاد (1944-1944)			PO
*****	***************************************	*	re-er senegr per der ser middleit idt titt		: 0
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441111	er i fryslânder fûn de de fan de fan de de fan de	and annual print higher spines to separate providencial same and that he is.	N. H.   Landers   W. W.   St.   St	141   N 185   M 186	<del></del>
*******					
		•	/	n nell	
				1 1/11/1	' ( )
	(775) 358-949 <sup>-</sup>	1	By	and will	m –
	Phone No.		Tri Cinto	Signature of Agent, George G. Li	nderumin or Minor
			ा। अखाउ	Surveying 1925 E. Prate Street and No., or P.O. Box	No.
			Sparks, I	Veyada 89434	
	LICATION MUST BE SIGNED AC			City, State, Zip Code No.	
ΥT	HE APPLICANT OR AC	SENT			

S150 FILING FEE MUST ACCOMPANY APPLICATION

(O)-1585A (Raw. 10-05)

Protested by Eureka Co. 8/30/07 Pro. Overruled 3/26/09 See <u>Ruling #5966</u> Vacaded by Gowd Order المرابع المرا

7	6	0	0	4

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 les that 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.

mina na arkasimb

LA SE THE COMPLESS

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

Division	Saction	Township	Range	Meridian
All	1-3	21N	50€	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.
Αl	34-38	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
Ali	10-15	22N	51E	M.D.M.
All	20-29	22N	51 E	M.D.M.
All	31 <b>-36</b>	22N	51Ē	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
All	12 & 13	22N	51 1/2 E	M.D.M.
Ali	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	61 1/2 E	M.D.M.
Ali	1 - 36	22N	52E	M.D.M.
All	6&7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M,D.M.
Ali	<b>30 &amp; 31</b>	22N	53E	M.D.M.
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All	31	21 1/2 N	53E	M.D.M.

84:8 88 62 886 图8

Page 1 of 1



# 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:** 

05/27/1980

\*\*\*\*

APPROVAL OF STATE ENGINEER Vacated by Gurt 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:

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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.

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

July ZI , 2012

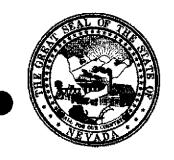
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 2 , 2014 July 2 , 2014

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

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

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



# 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:** 05/27/1980

\*\*\*\*\*\*

#### **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 72588 is issued subject to the terms and conditions imposed in said Permit 72588 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.

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The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.0 cubic feet per second or 1,280.0 acre-feet annually.

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

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

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

NA

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

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

L	E	ы	n	E:	r

Serial No.	76000

# 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

י	THIS SPACE FOR OFFICE USE ONLY
Date of filing in State Engineer's Offi	DE JUN 29 2007
Returned to applicant for correction	JUL 16 2007
Corrected application filed	SEP 1 4 2007 Map filed SEP 1 4 2007
he applicant Kobeh Valley Ranch I	LEC
0 North Post Street, Suite 610	of Spokane Cayor Towa
Street and No. or P.O. Box No. Vashington 99201	hereby makes application for permission to change the
State and Zip Code No.	
oint of Diversion, Place and Mann	WY OF USE
water heretofore appropriated under	Permit No. 57840  Identify existing right by Permit, Cartificate, Proof or Claim Nos. If Document, give title of Deer
	Identify existing right by Permit, Certificate, Front or Calmin team in Section 1988.
ad identify right in Decree.	19 1 19 1 19 1 19 1 19 1 19 1 19 1 19
	Name of stream, lake, underground, spring or other stanton.  1 0.435 cfs, 164 acre feet arintually  Second feet, scre-feet. One second feet squade 448.83 gallous per manules.
<ol> <li>The water to be used for Minutes.</li> </ol>	g, milling and dewatering poser, manne, commercial, etc. If for stock state custober and kind of animals, bleat limit to one states us
4. The water heretofore used forIr	rigation  If for each, state amober and kind of salmeds.
5. The water is to be diverted at the fi	The second state of the SE 1/4 of unsurveyed
	Describe as being within a 40-acre inhibition of public survey and by our at a point from which the west 1/4 corner of Section 13, T.22N.,
Section 12, 1.22N., K.51E., W.D.M.	of at a point from which the wood has been a
R.61-1/2E., M.D.M. bears North 23'	°02'49" East a distance of 2183,38 feet.
6. The existing point of diversion is	located within the SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52E.
	SW comer of said Section 13 bears South 66'40'37" West, 2140.00
	plications 67835 through 67840, filed July 10, 1992, in the State
reet. Reset to map supporting Ap	PRESENTE OF OND HITCHIST OF ONE A STREET OF THE PROPERTY OF TH
State Engineer's Office.	

Morth and Day  January 1 to December 31 of each  Morth and Day  State manual particulation of NRS 535.010 you may be required to submit plants and  specifications of your diversion of states and particulation and	e attached Exhibit "A" and			rigation state number of acres to be imp partied Application No. 72	
23N., R.53E., M.D.M Refer to map supporting Applications 57835 through 57846, filed July 10, 19 23N., R.53E., M.D.M Refer to map supporting Applications 57835 through 57846, filed July 10, 19 23N., R.53E., M.D.M Refer to map supporting Applications 57835 through 57846, filed July 10, 19 24. The State Engineer's Office.  25. Use will be from January 1 to December 31 of each Month and Day Month and Da	ection 25, T.23N., R.52E., M	Describe by legal subs LD.M.; the W 1/2 W 1/2	fivision, if permit is 2 of Section 1	for irrigation, state number of mixed ith	Strict it counting broce .
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	Phone No.	30111001737	Tri State		
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Protested by Eureka Co. 8/30/07
Pro. Overruled 3/25/09 See Ruling #5965
Pro. Overruled 7/15/11 See Ruling #6127

#### 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 wift 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 les that 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 one body is exhausted and the mining property is rectaimed.

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

07 JUN 29 PH 3: 49

SECEIVED OFFICE

Division	Section	Township	Range	Meridian
All	1-3	21N	50E	M.D.M.
All	10-15	21N	50€	M.D.M.
All	22-27	21N	50€	M.D.M.
AH	34-36	21N	50 <b>€</b>	M.D.M.
All	1-36	21 N.	51E	M.D.M.
All	8 & 7	21N	52E	M.D.M.
Alt	18 & 19	21N	52E	M.D.M.
All	30 ♣ 31	21N	52E	M.D.M.
Ali	36	21 1/2N	51 1/2 E	M.D.M.
AN	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
Ail	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
Ali	31- <b>36</b>	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
Ali	12 & 13	22N	51 1/2 E	M.D.M.
Ali	24 & 25	22N	51 1/2 E	M.D.M.
All	36	22N	51 1/2 E	M,D.M.
All	1 - 38	22N	52E	M.D.M.
Ali	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
Ali	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 ENGINEERS OFFICE STATE ENGINEERS OFFICE STATE ENGINEERS

Page 1 of 1

2007 JUN 29 Fil 3: 49 JUNE 2 Hold To Book



# 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

January 1st to December 31st

**Priority Date:** 

06/03/1960

\*\*\*\*\*\*

-APPROVAL OF STATE ENGINEER Vacaded 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 57840, is issued subject to the terms and conditions imposed in said Permit 57840 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for the total combined duty of 616.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base rights, 354.2 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 354.2 acre-feet to be exceeded. (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 Engineer 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 0.435 cubic feet per second or 164.0 acre-feet annually.

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

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

Jul

July 2 , 2014 July 21 , 2014

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

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 2154 day of July, A.D. 2009



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

Name of Permittee:

KOBEH VALLEY RANCH, LLC

Source:

UNDERGROUND

Basin:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

JANUARY 1ST TO DECEMBER 31ST

**Priority Date:** 

06/03/1960

\*\*\*\*\*

#### **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 57840 is issued subject to the terms and conditions imposed in said Permit 57840 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for a total combined duty of 616.0 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.0 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.0 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

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 76005 is approved for the entire 164.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 102.5 acre-feet, can be diverted annually. Additional diversion up to the total 164.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 102.5 acre-feet to be exceeded.

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 0.435 cubic feet per second or 164.0 acre-feet annually.

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

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

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

December

201

N/2

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

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

		State Engineer	
Completion of work filed			•
Proof of beneficial use filed	<u></u>		
Cultural map filed			
Certificate No.		Issued	

#### AMENDED

## 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 Off	ice JUN 29 2007	
Returned to applicant for correction	JUL 16 2007	
Corrected application filed	SEP 1 4 2007	Map filed SEP 1 4 2007 under 76005
he applicant Kobeh Valley Ranch		
O North Post Street, Suite 610 Street and No. or P.O. But No.	of	Spokane City or Town
Washington 99201	d par es into high the high the State of State o	hereby makes application for permission to change the
State and Zip Code No.	may ad I los	
Point of Diversion, Place and Man		(to refer to the second se
of water heretofore appropriated under	Permit No.	57839
	identify exact	og right by Parmet, Certificate, Proof or Claim Nos. If Decreed, give title of Decr
ed identify right in Decree.		
<del>)</del>		AND THE RESERVE OF THE PERSON
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1. The source of water is undergr	Name	of stream, lake, underground, spring or other sources.
2. The amount of water to be change	4 0.438 -6- 4	&4 oces fast annually
o. The comment of which the out the same	Secon	ad feet, scre-feet. One second font equals 448.83 gallons per names.
3. The water to be used for Minin	g, milling and d	ewatering
irigation,	power, mining, commerc	erwester (179) and, etc. If for stock state number and load of annuals. Must limit to one major use
4. The water heretofore used for	migation	N for stock, stric manber and kend of summels.
		within the SE 1/4 of the SE 1/4 of unsurveyed
5. The water is to be diverted at the i	ollowing point	Describe as being within a 40-acre subdivision of public survey and by cour
		om which the west 1/4 corner of Section 13, T.22N.,
and distance to a section corner. If on unsurveyed is	., or at a ponte to	Cit Allici de age 114 agente
R.51-1/2E., M.D.M. bears North 23		letance of 2183.38 feet.
R.D I/ZE., M.D.M. DOMS ROTH ZO	AT AA CESTON	INTING AL FIRE SALES SALES
6. The existing point of diversion is	located within t	he SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52E.,
		he SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52E., If point of diversion is not changed, do not asserter.
		If point of diversion is not consigned to the manner.
M.D.M., at a point from which the	8W comer of s	If point of diversion is not cauged, to the action 13 bears South 68°40'37" West, 2140.08
M.D.M., at a point from which the	8W comer of s	If leading on disconnects in most committee, one care comment.
M.D.M., at a point from which the	8W comer of s	If point of diversion is not cauged, to the action 13 bears South 68°40'37" West, 2140.08

e attach	ed Exhibit "A" an	Describe by legal said d as shown on the map	that accomp	action state number of sores to be irrig antied Application No. 720	196.
		Describe by level cultility	resone. Il necode la N	tion 24; the NE 1/4 & E 1/4 irrigation, state standard of acres irrig	p
23N., R.	niv of the of irrivation near	er to map supporting A	mm emerijum.	and the W 1/2 NW 1/4 of 836 through 57840, filed	
9. Use w	rill be from	January 1	to	December 31	of each year.
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l5. Remu consumpti	arks: For use other ti ve use.	nan irrigation or stock water	ring, state mumb	er and type of units to be serv	red or annual
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Protested by Eureka Co. 8/30/07
Pro. Overruled 3/26/09 See Ruling #5966 Vacaded by Gust Order 4/10/10
Pro. Overruled 7/15/11 See Ruling #6127

## 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 les that 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.

MECELVED
STATE ENGINEERS OFFISE

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# 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.
Ali	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
Alt	1-36	21N.	51E	M.D.M.
All	8&7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
All	30 & 31	21N	52E	M.D.M.
Ali	36	21 1/2N	51 1/2 E	M.D.M.
Alt	31 - 36	21 1/2N	52E	M.D.M.
All	34-36	22N	50E	M.D.M.
AU	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.Q.M.
Ali	20-29	22N	51E	M.D.M.
A	31-38	22N	<b>5</b> 1€	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
∙All	12 & 13	22N	51 1/2 E	M.D.M.
Ali	<b>24 &amp; 25</b>	22N	51 1/2 €	M.D.M.
ΑΠ	36	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M,D.M.
ΑII	<b>8</b> & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
All	30 & 31	22N	53E	M.D.M.
Ail	34-38	23N	51E	M.D.M.
Alt	31	21 1/2 N	53E	M.D.M.

STATE ENGINEERS OFFICE STATE ENGINEERS OFFICE STATE ENGINEE

Page 1 of 1

2007 JUN 29 Fil 3: 45



## 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

January 1st to December 31st

**Priority Date:** 

06/03/1960

\*\*\*\*\*\*

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 57839, is issued subject to the terms and conditions imposed in said Permit 57839 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for the total combined duty of 616.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base rights, 354.2 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 354.2 acre-feet to be exceeded. (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 Engineer 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 0.435 cubic feet per second or 164.0 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

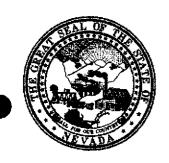
Map in support of proof of beneficial use shall be filed on or before:

July 2/ , 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 \_\_\_\_\_\_ day of \_\_\_\_\_\_ day of \_\_\_\_\_\_ A.D. 2009

	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	lssued
<u>11b</u>	



## 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: DIAMOND VALLEY

Manner of Use: MINING, MILLING AND DEWATERING

Period of Use: JANUARY 1ST TO DECEMBER 31ST

**Priority Date:** 06/03/1960

\*\*\*\*\*\*\*

### **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 57839 is issued subject to the terms and conditions imposed in said Permit 57839 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,

Permits 76005, 76006, 76007, 76008 and 76009 are approved for a total combined duty of 616.0 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.0 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.0 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

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 76006 is approved for the entire 164.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 102.5 acre-feet, can be diverted annually. Additional diversion up to the total 164.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 102.5 acre-feet to be exceeded.

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 0.435 cubic feet per second or 164.0 acre-feet annually.

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

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

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

December

2012

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 15th day of <u>December</u>, A.D. 2011

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

ial	No.	7600

#### **AMENDED**

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

Date of filing in State Engineer's Off		
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Corrected application filed	SEP 1 4 200	Map filed SEP 1 4 2007 under 76005
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		r Sookana
D North Post Street, Suite 610 Street and No. or P.O. Dura No.		City or Town
daehimatan 99981		hereby makes application for permission to change the
State and Zip Code No.		
oint of Diversion, Place and Man	ner or USA	**************************************
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2. The amount of water to be change 3. The water to be used for Minim Irregation, 4. The water heretofore used for h 5. The water is to be diverted at the section 12, T.22N., R.51E., M.D.M. and distance to a action cover. If on unsurveyed is	Naze  d 0.66 cfs, 14 Secong, milling and d pear, sining, commer rrigation  following point  or at a point find, it should be stated.	17.6 acre feet annually ad first, scredist. One second foot equals 448.83 gallers per minute.  iewatering init, etc. If for stock state number and kind of animals, letter light to one reaso  if for stock, state number and kind of animals.  within the SE 1/4 of the SE 1/4 of unsurveyed  Describe as being within a 40-acre subdivision of public servey and by  rome which the west 1/4 corner of Section 13, T.226
2. The amount of water to be change 3. The water to be used for Minin Irregular, 4. The water heretofore used for	Name  d 0.66 cfs, 14 Second, milling and d pear, similar, common rrigation  following point  or at a point fi set, a should be stated  "02'49" East a d  located within	17.6 acre feet annually ad Sct, scredist. One second hos equals 448.83 gallers per minute.  (ewatering int, etc. If for stock state number and kind of namesh. Mest light to one respon  If for stock, cute washer and kind of namesh.  within the SE 1/4 of the SE 1/4 of unsurveyed  Describe as being within a 40-acre subdivision of public convey and by o  rome which the west 1/4 corner of Section 13, T.22N.,  listance of 2183.38 feet.  the SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52E
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7. Proposed place of use	Describe by logal i	addivisions. If for it	igation state samples of scale to be im-	gricd
See attached Exhibit 7	* and as shown on the ma	p that accom	sanied Application No. 72	CO CO.
Section 25, T.23N., R.5	within the E 1/2 & the E 1  Describe by legal subsets  ZE., M.D.W.; the W 1/2 W 1/2  pormal, describe acrouge to be removed	livisions. If partner is 2 of Section 1	for irrigation, state moreber of scree irr	iBates: 11 caparding bises of
	Refer to map supporting /		7835 through 57849, filed	1 July 10, 1982,
9. Use will be from	January 1	to provided	December 31	of each year.
10. Use permitted from	Mowh and Day January 1	to		of each year.
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and mill site.	omd gallegen a	MYN STREET		**************************************
	well with pump and moker, etc. rks in excess of \$3,000,00	30.		
13. Estimated time requi	red to construct works 3		If well completed, describe well.	
14. Estimated time requi	red to complete the application	of water to bene		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
15. Remarks: For use of consumptive use.	her than irrigation or stock water	ering, state mun	ber and type of units to be ser	ved or annual
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Protested by Eureka Co. 8/30/07 Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Gourt Order 4/10/10 Pro. Overruled 7/15/11 See Ruling #6127

#### 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 les that 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 one 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.

STATE ENGINEERS OFFICE STATE ENGINEERS 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.
AJI	22-27	21N	50E	M.D.M.
All	34-36	21N	50E	M.D.M.
All	1-36	21N,	51É	M.D.M.
All	8 & 7	21N	52E	M.D.M.
All	18 & 19	21N	52E	M.D.M.
Ali	30 & 31	21N	5 <b>2E</b>	M.D.M.
All	36	21 1/2N	51 1/2 E	M.O.M
All	31 - 36	21 1/2N	52E	M.D.M.
Ail	34-38	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
Ali	10-15	22N	51E	M.D.M.
Alf	20-29	22N	51E	M.D.M.
All	31-38	22N	51E	M.D.M.
All	1	22N	51 1/2 E	M.D.M.
Ali	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	8 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
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2001 JUN 29 PN 3:49



## 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

January 1st to December 31st

**Priority Date:** 

09/19/1961

\*\*\*\*\*

-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 57836, is issued subject to the terms and conditions imposed in said Permit 57836 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for the total combined duty of 616.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base rights, 354.2 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 354.2 acre-feet to be exceeded. (Continued on Page 2)

(Communa on Fage 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 Engineer 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 0.66 cubic feet per second or 147.6 acre-feet annually.

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

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

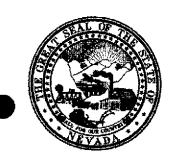
July 21

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

July 21 , 2014 July 21 , 2014

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

_	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
llb	



### 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

JANUARY 1ST TO DECEMBER 31ST

Priority Date:

09/19/1961

\*\*\*\*\*\*\*

#### **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 57836 is issued subject to the terms and conditions imposed in said Permit 57836 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for a total combined duty of 616.0 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.0 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.0 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

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 76007 is approved for the entire 147.6 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 92.25 acre-feet, can be diverted annually. Additional diversion up to the total 147.6 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 92.25 acre-feet to be exceeded.

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 0.66 cubic feet per second or 147.6 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before: Water must be placed to beneficial use and proof of the application of water to

December | 2012

beneficial use shall be filed on or before:

December | 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 15th day of December, A.D. 2011

	State Engineer
Completion of work filed	
Proof of beneficial use filed	·
Cultural map filed	
Certificate No.	Issued

**AMENDED** 

Serial	No.	76008
سمبيب		

## 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 Off	ice JUN 29 2007	
Returned to applicant for correction	JUL 16 2007	
Corrected application filed	SEP 1 4 2007	Map filed SEP 1 4 2007 under 76005
· · · · · · · · · · · · · · · · · · ·		
e applicant Kobeh Valley Ranch	ЩС	The street of th
North Post Street, Suite 510	of	Spokane City of Town
Street and No. or P.O. Box No. lashington 99201		hereby makes application for permission to change the
State and Zip Code No.	andre and the second and a second	
oint of Diversion, Place and Man	ner of Use	the first that the property of the first that the property designed by the property of the pro
water heretofore appropriated under	Permit No. 8	7 <b>83</b> 5
water indications appropriated taken	Identify exists	of 830 graphs by Permit, Certificate, Proof or Chaint Nes. If Decreed, give title of E
		The second secon
. The source of water is undergr	Name o	f stram, lake, underground, spring or other sources.
the amount of water to be change	G V.00 CIS, 10	d fest, acre-fact. One second fact equals 448.83 gallons per minute.
The water to be used for Minin	g, milling and de	ewatering at ote If for stock mate number and kind of eximals. Most limit to one major
The water heretofore used for	migation	If for stock, state namber and kind of animals.
5. The water is to be diverted at the f	following naint \	ee 4/4 of the SF 4/4 of timeurveved مطد منظمين
	The state of the s	Describe at being within a 40-acre subdivinest of public survey and by
lection 12, T.22N., R.51E., M.D.M.	, or at a point fr	om which the west 1/4 corner of Section 13, T.22N
nd distance to a section corner. If on unsurveyed is	end, it whereld be stated.	
1.51-1/2E., M.D.M. bears North 23	UZ 44 EAST B CI	SCHOOL OF STREET
6. The existing point of diversion is	located within th	ne SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52
		II DOUBLE OF GRANAGES IN THE COMMENT OF THE COMMENT
	OTT CUITION OF BE	ld Section 13 bears South 55°40'37" West, 2140.00
		id Section 13 bears South 68°40'37" West, 2140.00
		ild Section 13 bears South 68*40'37" West, 2149.0 through 57840, filed July 10, 1992, in the State

Bee	Proposed place of use attached Exhibit "A" ar	Describe by legal at all as shown on the ma	obdivisions. If for h p that accom	rigation state number of acres to be in partied Application No. 7	2895.
Sec	tion 25, T.23N., R.52E., of a manus of use of strigation per	Describe by legal subs M.D.M.; the W 1/2 W 1/2 ml, describe acreage to be remove	Princes If permit in 2 of Section 1 3 from prigation.	ection 24; the NE 1/4 & E for imprior, sale number of ears in 8 and the W 1/2 NW 1/4 or 17835 through 57840, filed	fgand If changing place of f Section 30,
	he State Engineer's Offi		7 .		ray amini, ki ini iliku muunuu ki iin mara sara sa
9.	Use will be from	January 1	ю	December 31	of each year.
10.	Use permitted from	January 1	to	December 31	of each year.
				10 you may be required to suf	mit plans and
	specifications of your dive	rsion or storage works.)	Drilled we	II, pump and pipelines at	mine
	and mill site.		34	no resoner in which water is to be dive	red, i.e. diversion messar,
9.	ditches and flumes, drilled well w Estimated cost of works		<b>₩</b>		
III 141	Estimated time required to  Estimated time required to		engang pag pag (2 2 2 3 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	if well completed, downton well.	
nox	Remarks: For use other the sumptive use.	an irrigation or stock water	ering, state num	ber and type of units to be ser	ved or annual
See a see a	(775) 358-94; Phone No.	1	By LL	W June Composite Land	
		ENGINEERS OFFICE		Street and No., or P.O. Hox	
ΑP	PLICATION MUST BE S	ICN€Z +OE HV 11 d35	Sparks,	Vevada 89434 City, State, Zip Code No.	
ВY	THE APPLICANT OR A	ECEINED THE	น		

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

#### 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 les that 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 one 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 PH 3: 49

STATE ENGINEERS OFFIGE
SMISEP IN PH 1:21

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	34-35	21N	50E	M.D.M.
All	1-36	21N.	51E	M.D.M.
All	6 & 7	21N	52E	M.D.M.
A	18 & 19	21N	52E	M.D.M.
A	30 & 31	21N	5 <b>2E</b>	M.D.M.
All	36	21 1/2N	51 1/2 E	M.D.M.
Alt	31 - 36	21 1/2N	52E	M.D.M.
Alf	34-36	22N	50E	M.D.M.
Αň	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.
ΑΠ	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.
ΑĦ	38	22N	51 1/2 E	M.D.M.
All	1 - 36	22N	52E	M.D.M.
Α#	6 & 7	22N	53E	M.D.M.
All	18 & 19	22N	53E	M.D.M.
AP	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.

SINJE ENGINEERS OFFICE RECEIVED

Page 1 of 1



### 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

January 1st to December 31st

**Priority Date:** 

09/19/1961

\*\*\*\*\*

-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 57835, is issued subject to the terms and conditions imposed in said Permit 57835 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for the total combined duty of 616.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base rights, 354.2 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 354.2 acre-feet to be exceeded.

(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 Engineer 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 0.66 cubic feet per second or 155.48 acre-feet annually.

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

July 2 , 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

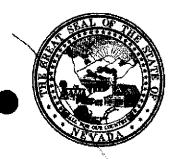
Map in support of proof of beneficial use shall be filed on or before:

July 2/ , 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 21 5 day of July, A.D. 2009

: - -	State Eligineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
<u>llb</u>	



See amended

## 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: DIAMOND VALLEY

Manner of Use: MINING, MILLING AND DEWATERING

Period of Use: JANUARY 1ST TO DECEMBER 31ST

Priority Date: 09/19/1961

\*\*\*\*\*\*\*

## **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 57835 is issued subject to the terms and conditions imposed in said Permit 57835 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.

Permits 76008, 76802, 76803, 76804, 76805 and 78424 are approved for a total combined duty of 616.0 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.0 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.0 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

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 76008 is approved for the entire 155.48 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 97.18 acre-feet, can be diverted annually. Additional diversion up to the total 155.48 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 97.18 acre-feet to be exceeded.

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 0.66 cubic feet per second or 155.48 acre-feet annually.

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

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

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

December | 2013 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016 | 2016

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15th day of <u>December</u>, A.D. <u>2011</u>

P. E - State Engineer
Issued



# **AMENDED**

### 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: DIAMOND VALLEY

Manner of Use: MINING, MILLING AND DEWATERING

Period of Use: JANUARY 1ST TO DECEMBER 31ST

Priority Date: 09/19/1961

\*\*\*\*\*\*\*

#### **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 57835 is issued subject to the terms and conditions imposed in said Permit 57835 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,

Permits 76008, 76802, 76803, 76804, 76805 and 78424 are approved for a total combined duty of 616.0 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.00 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.00 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

(Continued on Page 2)

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 in Kobeh Valley and Permits 76008, 76802, 76803, 76804, 76805 and 78424 in Diamond Valley 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 in Kobeh Valley 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.

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.

This permit is approved for the entire 155.48 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 97.18 acre-feet, can be diverted annually. Additional diversion up to the total 155.48 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 97.18 acre-feet to be exceeded.

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 0.66 cubic feet per second or 155.48 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 444 day of January, 2012

	State Engineer	
Completion of work filed		
Proof of beneficial use filed	<u> </u>	
Cultural map filed		
Certificate No.	Issued	

rial ?	ło.	76099

#### AMENDED

## 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 IUN 29 2007
Returned to applicant for correction   JUL 16 2007
Corrected application filed SEP 1 4 2007 Map filed SEP 1 4 2007 under 76005
The applicant Kobeh Valley Ranch LLC
10 North Post Street, Suite 610 of Spokene Seret and No. or P.O. Box No. City or Town
Servet and No. or P.O. Box No.  Washington 99201 hereby makes application for permission to change the  State and Zip Code No.
Some and Zip Code No.  Point of Diversion, Place and Manner of Use
of water heretofore appropriated under Permit No. 66962  Identity entaining right by Permit, Certificate, Proof or Claim Ness. If Decreed, give title of Decree
and identify right in Decree.
AND AND INCOME OF THE PARTY OF THE WAY AND
1 The control of the
The source of water is underground     Name of stream, take, underground, spring or other source.
2. The amount of water to be changed 1.02 cfs, 303.08 acre feet annually
Second fost, acro-first, Case second foot equals 448.83 gallons per minute.  3. The water to be used for Mining, milling and dewastering.
3. The water to be used for Mining, milling and dewatering brigation, poss, mixing, commercial, etc. If for mock state number and kind of anisosla. Must limit to our major use.
4. The water heretofore used for irrigation and domestic
If for stock, that member and lend of animals.  The protection is to be discussed as the following point, which is the SE 4/4 of the SE 4/4 of animals.
5. The water is to be diverted at the following point within the SE 1/4 of the SE 1/4 of unsurveyed  Describe as being within a 40-acre achdivision of public survey and by course
Section 12, T.ZZN., R.51E., M.D.M., or all a point from which the west 1/4 corner of Section 13, T.22N.,
and distance to a section corner. If on massreeped bend, it should be stated.  R.51-1/2E., M.D.M., bears North 23°02'49" East a distance of 2183.38 feet.
TOTALE, M.D.M. Best North & 42 49 East 8 Histories of 2100.00 feet
6. The existing point of diversion is located within the SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52E.,
If point of diversion is not changed, do not admiss.
M.D.M., at a point from which the SW corner of said Section 13 bears South 68°49'37" West, 2140.00
feet. Refer to map supporting Applications 57835 through 57840, filed July 10, 1992, in the State

7,	Proposed place of use				aan ka saarah ka sa
		Describe by legal :	subdivisions. If for migut	on state number of acres to be into	geled. Se O.S.
	auached Exhibit "A" a	nd as shown on the ma	p that accompan	ied Application No. //	(980.
	an Adding any address of the first of the second of the se		namening appareit lifer (the per tre to more) exceptan		
8,	Existing place of use	ithin the \$ 1/2 SW 1/4 or Describe by legal sets:	f Section 12; the	NE 1/4 NW 1/4 & 5 1/2	NW 1/4 of igsted, if changing place of
ec	tion 13; the E 1/2 NW 1.	4, NE 1/4, E 1/2 8W 1/4	& SE 1/4 of Sect	ion 24; the E 1/2 NW 1	4 & NE 1/4
		R.52E., M.D.M The W	•	on 19 and the W 1/2 W	V 1/4 of
3ec	tion 30. all in T.23N R	.53E., MLD.M Refer to	man sunporting	Applications 57835 th	rough 57840,
		State Engineer's Office.			
9.	Use will be from	January 1  Month and Day	то	December 31  Month and Day	of each year.
		January 1 Month and Day			of each year.
		Month and Day vorks. (Under the provision			omit plans and
		-			
	specifications of your dive	ersion of storage works.)	Oritied well, p	nump and pipelines at the bedies what it is bedien	ried, i.e. diversion structure,
	and mill site.	Property and the designation of the party of			type yee me one me sin the the two
9.		vith pump and sector, etc. In excess of \$3,000,00	no.		
		and the state of t			
13.	Estimated time required (	o construct works3	years	well completed, describe well.	
bbd bq = = -		dy fry fly ryd fys in 1 m 200 panels Ebberhall Milliob prayings bos 2	had menung menjaup perjabanya panadan dia dia bida salah		wawa na ngaya daa aa daa daa daa daa daa daa daa d
14,	Estimated time required t	o complete the application	of water to benefici	al use 5 years	
15,	Remarks: For use other t	han irrigation or stock wate	ering, state mumber	and type of units to be ser	ved or annual
	sumptive use.	mange and an opposite white		— <b>VF</b>	
8ec	attached addendum.		and the state of t		
		10 (100 ft least of third (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	ennes in description sentent de la la participat de la pa		
	**************************************	To the state of th		Marillion 9 4 7 5 9 am marines and 8 and 4 200 foll from 19 19 19 19 19 19 19 19 19 19 19 19 19	nen kamad kad jepi Mada spra pravirus (net kasada hali 6844401)
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<b></b> ,	(775) 358-94 Phone No.	91	By KAN	goathe of Agent, George G. La	
		ZE ENGINEERO OFFIGE	Tri State Su	rveying 1925 E. Prate	
			Cardo Nor	Street and No., or P.O. Box :	No.
AP	PLICATION MUST BE S	Deet where	IZ Charles	City, State, Zap Code No.	پوروپوروپوروپوروپوروپوروپوروپوروپوروپور
ВY	THE APPLICANT OR A	RECEIVED			
	\$1	50 FILING FEE MUST A	ACCOMPANY AP	PLICATION	(C)-1583A (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

#### 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 les that 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 one 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.

ZONSEPIL PH I: ZI STATE ENGINEERS OFFICE

BECEINED

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7007 JUN 29 PH 3:49

EXHIBIT "A", PROPOSED PLACE OF USE, KOBEH VALLEY RANCHILLC

Division	Section	Township	Range	Meridian	•
Ali	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.	
Alf	6&7	21N	52E	M.D.M.	
Alf	18 & 19	21N	5.2E	M.D.M.	
Ail	30 & 31	21N	52E	M.D.M.	
All	36	21 1/2N	51 1/2 E	M.D.M.	
Ail	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.	
ΑĦ	10-15	22N	51E	M.D.M.	
Ali	20-29	22N	51E	M.D.M.	
Alf	31-38	22N	51E	M.D.M.	
ΑII	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.	
Αħ	1 - 38	22N	52E	M.D.M.	
All	647	22N	53E	M.D.M.	
AJI	18 & 19	22N	53E	M.D.M.	
All	30 & 31	22N	53E	M,D.M.	
Alf	34-36	23N	51E	M.D.M.	
Ali	31	21 1/2 N	53E	M.D.M.	
					2007 JUN 29 374) E 201466
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Page 1 of 1

**SE SUPP 174** 



#### 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

January 1st to December 31st

**Priority Date:** 

06/03/1960

APPROVAL OF STATE ENGINEER Vacated by Gurt 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 66062, is issued subject to the terms and conditions imposed in said Permit 66062 and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

The 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for the total combined duty of 616.0 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base rights, 354.2 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 354.2 acre-feet to be exceeded. (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 Engineer 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 1.02 cubic feet per second or 303.08 acre-feet annually.

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

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

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

July 21 ,2012

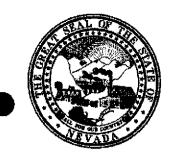
July 21, 2014

<u>N/</u>

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 215± day of July, A.D. 2009

·	State Engineer
Completion of work filed	•
Proof of beneficial use filed	·
Cultural map filed	
Certificate No.	Issued
llh	



## 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:

DIAMOND VALLEY

Manner of Use:

MINING, MILLING AND DEWATERING

Period of Use:

JANUARY 1ST TO DECEMBER 31ST

**Priority Date:** 

06/03/1960

\*\*\*\*\*\*

## **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 66062 is issued subject to the terms and conditions imposed in said Permit 66062 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.

Permits 76005, 76006, 76007, 76008 and 76009 are approved for a total combined duty of 616.0 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.0 acre-feet, can be diverted annually. Additional diversion up to the total 616.0 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.0 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

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 76009 is approved for the entire 303.08 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 189.43 acre-feet, can be diverted annually. Additional diversion up to the total 303.08 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 189.43 acre-feet to be exceeded.

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 1.02 cubic feet per second or 303.08 acre-feet annually.

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

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

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

December 1 2012

December 2012

N/.

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15th 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

Application No. **7674 5** 

## 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 FO	OR OFFICE USE ONLY	
Date of filing in	n State Enginee	r's Office FEB 1	3 2008	<del></del> _
Returned to app	plicant for conv			
Corrected appl	ication filed _	М	apfiled JUL 1 1 2007 under	75979
The applicant	Kobeh Valley	Ranch LLC		
	vd., Suite 115	· · · · · · · · · · · · · · · · · · ·	of Lakewood	
Calarada Bi	Shorest Address on P.D.	Воя	City or Town	
Colorado BO	State and Elp (3:	<u> </u>	, hereby make(s) application for	heisessen sy crampo an
Point of dive	nsion	Place of use	Manner of use	🛛 of a portion
1. The source	of water is Uf	derground		
			National street, lake, and retained, gazages other sen 10, 24 serves, front annually	
			19.24 scre-feet annually	
3. The water	to be used for _	Mining and milling	communical, etc. ); fire about, data manages, and firms of a	reals. Het had to one major est.
4. The water	heretofore used	for <u>Irrigation and do</u>	mestic	
5. The vester	is to be diverted	at the following point	(Describe as being within a 40-acre subdivision of states)	public servey and by course and
southwes	at comer of Se	ction 31, T.22N., R.5	0, T.22N., R.51E., M.D.M., or at i1E., M.D.M. bears South 27"21"	a point from which the West a distance of
			ting Application No. 75979.	
6. The existing	ng pomi oi dive	rsion is located within	(If point of diversion is not changed, do not seawer.	,
the SW	1/4 of the SW	1/4 of Section 16, T.:	19N., R.47E., M.D.M., or at a pol	nt from which the West

1/4 corner of said Section 16 bears North 04\*04'42" West a distance of 1423.52 feet. Refer to map

supporting Application No. 35866.

139-EU

	Proposed place of use (Describe by in			
	See attached Exhibit "A" and	38 shown on the ma	p that accompanied A	pplication No. 72695.
	Existing place of use (Describe by log reserved from irrigation.)	ni subdivisions. If dinniging plu		
	See attached Exhibit "B" and	as shown on the ma	p supporting App	ication5 76680 \$76681
	Proposed use will be from	anuary 1 Month and Day	to December 31	of each year.
0.	Existing use permitted from	anuary 1	to December 31	of each year.
1.	Description of proposed works. ( specifications of your diversion of turns or drifted wall, pump and motor, etc.)	r storage works.)(sub-	NRS 535.010 year may	be required to substit plans and and in drawing strains, thehas, pipe and
	Drilled well, pump and pipelin		nd mill site.	
2.	Estimated cost of works \$3,000	0,000.00		
3.	Estimated time required to constr	noct works 3 years	(f well completed	
4.	Estimated time required to compl	lete the application of	•	
5.	Provide a detailed description of (Failure to provide a detailed description may own	the proposed project a	nd its water usage (use :	ittachments if necessary):
	See attached addendum,			
				•,
				<b>20</b> 23
				Zery:
				TEAST.
	See attached addendum,			anera io e
16.	See attached addendum,  Miscellaneous remarks:			
16.	See attached addendum,	By <u>(</u>	George/G. Lindesmith	
16. -(7	See attached addendum, Miscellaneous remarks:  775) 358-9491 Plane No.	Ву <u>(</u>	George/G. Lindesmith	
16. <u>(</u> 7	See attached addendum, Miscellaneous remarks:  775) 358-9491	ير	Tri State Surveying Liv	ASPARS (S)
16. <u>(</u> 7	See attached addendum, Miscellaneous remarks:  775) 358-9491 Plane No.	<u>.</u>	Tri State Surveying Liv	ASPARS (S)
16. -(7	See attached addendum, Miscellaneous remarks:  775) 358-9491 Plane No.		Tri State Surveying Liv	HILDE

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: April 17, 2008, by Cedar Ranches, LLC; April 21, 2008, by Eureka County; May 15, 2008, by Lander County, Nevada

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

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

BY THE APPLICANT OR AGENT

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

Division	Section	Township	Range	Meridian
Ail	1-3	21N	50E	M.D.M.
AH.	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M.D.M.
Аļŧ	34-36	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	6 & 7	21N	5 <b>2</b> E	M.D.M.
ÀΙΙ	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	51 <u>/</u> E	M.O.M.
All	10-15	22N	51E	M.D.M.
AB	20-29	22N	51E	M.D.M.
Ali	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.
Ali	1 - 38	22N	52E	M.D.M.
Ali	6 & 7	22N	53E	M.D.M.
Ali	18 & 19	22N	53 <b>E</b>	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.

Page 1 of 1

"FY TIRMY

Item #8, EXISTING PLACE OF USE UNDER PERMIT 35868

	Li	egal Descript	ion	
Twp.	Rng.	Section	1/4 1/4	Acres
19N.	47E.	16	SW SW	40.00
19N,	47E.	16	NW SE SW	10.00
19N.	47E.	16	SW SE SW	10.00
19N.	47E.	16	NE SE SW	10.00
19N	47E.	16	N1/2 SW SE	20.00
19N.	47E.	16	SE SE	40.00
19N.	47E.	21	NW NW	40.00
19N.	47E.	21	NW NE NW	10.00
19N.	47E.	21	SW NE NW	10.00
19N.	47E.	21	SE NE NW	10.00
19N.	47E.	21	NW NE	4,81

204.81

Page 1 of 1

# 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 les that 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.



# 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:** 

05/30/1997

\*\*\*\*\*

-APPROVAL OF STATE ENGINEER Vacated by Gurt Order 410/10

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 a portion of the waters of an underground source as heretofore granted under Permit 35866, is issued subject to the terms and conditions imposed in said Permit 35866 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.

Permits 76745 and 76746 are approved for the entire 819.24 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 471.1 acre-feet, can be diverted annually. Additional diversion up to the total 819.24 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 471.1 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 1.22 cubic feet per second or 819.24 acre-feet annually.

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

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

beneficial use shall be filed on or before:

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

July 21, 2012

July 2) , 2014

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 21 54 day of July, A.D. 2009



# 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 a portion of the waters of an underground source as heretofore granted under Permit 35866 is issued subject to the terms and conditions imposed in said Permit 35866 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.

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.

Permits 76745 and 76746 are approved for the entire total combined duty of 819.24 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 552.99 acre-feet, can be diverted annually. Additional diversion up to the total 819.24 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 552.99 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 1.21 cubic feet per second or 819.24 acre-feet annually.

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

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

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

December 1 2012

2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this | State 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 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	S SPACE FOR OFFICE USE ONLY	
Dete of filing in	State Engineer's Office	FEB 1 3 2008	
	licant for correction		
		Map filed <b>201</b> 1 1 2007 und	ler 75979
he applicant	Cobeh Valley Ranch LLC	c	
	vd., Suite 115	of Lakewood	
Colorado 80	Neof Address of P.O. Box 401	hereby make(s) application for	
	State and Zip Cods		Rofa portion
Point of dive	mion 🖾 Place		
f water heretofo mith right in Docco	ore appropriated under (sa-	ce of uses Manner of uses untify existing right by Pozsoli, Cartificata, Proof or Claim Nos. If I	
f water heretofo mith right in Docco	ore appropriated under (sa-	_	
f water heretofo mity right in Decem Permit No. 64	ore appropriated under (tal.) 	actify existing right by Pecasis, Certificits, Proof or Claim Nos. If I	Document, give tigle of Document
f water heretofe with right in Decess Permit No. 644	ore appropriated under (sa) 596 of water is underground	nchify existing right by Pouncit, Cartificata, Proof or Claim Nos. If I	Document, give tigle of Document
f water heretofe with right in Decess Permit No. 644	ore appropriated under (sa) 596 of water is underground	actify existing right by Pecasis, Certificits, Proof or Claim Nos. If I	Document, gir e tigle of Discrete sund
f water heretofe with right in Decessor Permit No. 644  The source	or appropriated under (44) \$16  of water is underground of water to be changed	tablify existing right by Pecania, Certificate, Proof or Chaire Nos. If I  Nose of directs, Value, multipleous, quing or other a  2.24 cfs, 819.24 page-feet anniquely  Beautified, sec-leaf on prival feet	Document, gire tigle of Document
f water heretofe mith right in Deces Permit No. 649  The source The succuri	of water in underground tof water to be changed to be used for	Mains of shream, blue, much ground, general food  Name of shream, blue, much ground, quarry or other a  2.24 cfs, 819.24 pare-feet annually  Second Bel, sero-bed One period food in milling	Document, gire tigle of Document
f water beretofe with right in Decree Permit No. 646  The source The success. The water to the w	ore appropriated under (and) 516 of water is underground of water to be changed to be used for Mining and	Mine of steeds, Take, multipooned, queing or other a  2.24 cfs, 819.24 acre-feet annually  Second Sal, serviced Conservat and East of the steeds, take pushed and task of the steed of the steeds and task and task of the steeds and task and task of the steeds and task and task of the steeds and task of the steeds and task and task of the steeds and task of the steed of the steeds and task of the steed of the steeds and task of the steed of the steeds and task of the steed of the steeds and task of the	Documents, gir o tigle of Documen speed  Opposes.  Topinals (48.15) gillionis par mirrory.  Topinals. Marie Smill, to care stallor are.
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of water beretofs twatty right in Decree Permit No. 64t  1. The source 2. The supound 3. The water to 4. The water to distance to a few Within the southwest	of water is underground to water to be changed to be used for Mining and peretofore used for Irrigation to be diverted at the folice of section cover. If on conversal to be SE 1/4 of the NE 1/4 of t	Manus of shreat, this, underground, query or other a 2.24 cfs, 819.24 acros-feet annually securities and find of the annually securities and find of the annual to the ann	Document, girle tiple of Discrete world  copies.  Copies (ACC) gibbons per mirror.  Formula. Maint back to one singler we.  Formula.  Of public survey and by course and  it a point from which the
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the NE 1/4 of the NE 1/4 of Section 21, T.19N., R.47E., M.D.M., or at a point from which the NE 4/4

Application No. 64616.

corner of said Section 21 bears North 00°54' East a distance of 1280 feet. Refer to map supporting

139-50

	Proposed place of use (Describe b	y legal subdivisions. If for its	ngation, state	manther of sures to be insignful	<b>)</b>
	See attached Exhibit "A" an	id as shown on the	map th	at accompanied App	lication No. 72695.
	Existing place of use (Describe by removed from irrigation)	lago) azlidiviniera. II chargi	ing place of t		
	See attached Exhibit "B" ar	nd as shown on the	e uspen	apporting Applic	ation5 76680 \$ 7666
	Proposed use will be from	January 1	to	December 31	of each year.
0.	Existing use permitted from _	January t	to	December 31	of each year.
ŧ.	Description of proposed works specifications of your diversion flows or dilled well, pump and mater, see	n or storage works.);	on of NR	S 535.010 you may be r in which water in to be director	required to submit plans and tie disease structure, diction, piper or
	Drilled well, pump and pipe		ine and I	mili alte.	
2.	Estimated cost of works \$3,0	000,000.00			
3.	Estimated time required to con	nstruct works 3 yes	91S	If wat completed de	
4.	Estimated time required to cor	mplete the application	n of wate		
5.	Provide a detailed description (Falter to provide a detailed description may	of the proposed projects a delay in proceeding.)	ect and it	is water usage (one ath	chments if necessary):
	See attached addendum.				'
6.	Miscellaneous remarks:				
			,	~	
(	75) 358-9491	E	sv Geø	be G. Lindesmith, F	SMBS
	Paces No.	<del>-</del>		101	Jano!
Ģ	Lindesmith@TriStateLtd.com	<u>m</u>		Signatur, appeared	. 0
	C-780		Ins	State Surveying Ltd.	-
			1925	5 E. Prater Way	.c.
			Spa	rks, NV 89434	05
$A_{I}$	PPLICATION MUST	BE SIGNED		City, State, Zip Code	

BY THE APPLICANT OR AGENT

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: April 17, 2008, by Cedar Ranches, LLC; April 21, 2008, by Eureka County; May 15, 2008, by Lander County, Nevada

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by court order 4/10/10

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

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

Division	Section	Township	Range	Meridian
All	1-3	21N	50É	M.D.M.
Alt	10-15	21N	50E	M.D.M.
All	22-27	21N	50E	M,D.M.
All	34-36	21N	60E	M.D.M.
All	1-36	21N	51E	M.D.M.
Ali	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	52É	M.D.M.
All	34-36	22N	50E	M.D.M.
All	1-3	22N	51E	M.D.M.
AJ!	10-15	22N	51E	M.D.M.
All	20-29	22N	51E	M.D.M.
AH	31-36	22N	51E	M.D.M.
Ali	1	22N	51 1/2 E	M.D.M.
Alt	12 & 13	22N	51 1/2 E	MLD.M.
All	24 & 25	22N	51 1/2 E	M.D.M.
Ali	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.

Page 1 of 1

EXHIBIT "B"

Item #8, EXISTING PLACE OF USE UNDER PERMIT 64618

	Ļ	egal Descript	ion	
Twp.	Rng.	Section	1/4 1/4	Acres
19N.	47E.	16	SW SW	40.00
19N.	47E.	16	NW SE SW	10.00
19N.	47E.	16	SW SE SW	10.00
19N.	47É,	16	NE SE SW	10.00
19N.	47E.	18	N1/2 SW SE	20.00
19N.	47E.	16	SE SE	40.00
19N.	47E.	21	NW NW	40.00
19N.	47E.	21	NW NE NW	10.00
19N	47E.	21	SW NE NW	10.00
19N.	47E.	21	SE NE NW	10.00
19N.	47E.	21	NW NE	4.81

204.81

### 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 les that 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 one body is exhausted and the mining property is rectaimed.

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



# 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:** 

05/30/1997

\*\*\*\*\*\*

APPROVAL OF STATE ENGINEER Vacated by Court Order Wolo

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 a portion of the waters of an underground source as heretofore granted under Permit 64616, is issued subject to the terms and conditions imposed in said Permit 64616 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.

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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.

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

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

beneficial use shall be filed on or before:

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

July 2 , 2012

July Z , 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 ZIST day of July, A.D. 2009

	State Engineer
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
llb	



# 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

\*\*\*\*\*

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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 a portion of the waters of an underground source as heretofore granted under Permit 64616 is issued subject to the terms and conditions imposed in said Permit 64616 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.

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

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

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

December | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15+ day of <u>December</u>, A.D. 2011

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

Application No. **76989** 

# 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 P	OR OFFICE USE ONLY	
Det	e of filing in State Engineer	o OfficeAPR_	2 3 2008	<del></del> ,
	nmed to applicant for correc			
AMEU			tap filed JUL 1 1 2007 unde	- 75070
Cor	rected application filed	N	tap filed JUL I I 2007 unde	1 73979
The	applicant Kobeh Valley R	anch LLC (c	/o General Moly, Inc.)	
17	26 Cole Blvd., Suite 115		of Lakewood	
Cc	Norado 80401	<del></del>	hereby make(s) application for	permission to change the
<b>Z</b> P	Sin and Esp Code mint of diversion	Place of use	Manner of use	of a portion
	The source of water is <u>und</u>		Negros of streets, labe, analoguement apping or other more	<del> </del>
			Nation of streets, lake, insulinguoused, spring, or other sour 6, 474.0 acre-feet, surroually Second Set, sent-But, One research lock on	
2.		hanged 0.6554 cfs	. 474.0 acre-feet armually	unis 44.33 gallions per mismin.
2. 3.	The amount of water to be o	hanged 0.6554 cfs lining and milling	(474.0) acre-feet armually  Found list, each but One second lock of	und (AC 15) gall can par militake.
2. 3. 4.	The amount of water to be of The water to be used for M.  The water heretofore used for	thanged 0.6554 cfs liming and milling limited power many or Imagetion and de at the following point	(474.0 acre-feet armually  second list, earlibs, Our record list of an  commission, do. If for plack, while standard and lists of an  armestic  If for stock, while standard and Stanf of anion  (Commission as being, within a 40-secon subdivision of p	unis 448, 30 gallions per visionis.
2. 3. 4.	The amount of water to be a The water to be used for M The water heretofore used for The water is to be diverted a distance to a found motion corner. If or within the SE 1/4 of the I	thanged 0.6554 cfs lining and milling marks, power, miles, or Irrigation and de set the following point managed land, it should be NE 1/4 of Section 3	to 474.0 acre-feet armually  from this, one but One count lock of  commercial, dr. If for shock, while standard and lock of on  armeestic  If or shock, while standard and band of units  (Consertion as busing within a 40-core subdivision of p  a spand.)  (O, T. 22N., R. 51E., M.D. M., or at 8	min 44 to gallous per minute.  The base base of the course and points from which the
2. 3. 4.	The amount of water to be a The water to be used for M The water heretofore used for The water is to be diverted a distance to a found motion corner. If or within the SE 1/4 of the I	thanged 0.6554 cfs lining and milling marks, power, miles, or Irrigation and de set the following point managed land, it should be NE 1/4 of Section 3	(474.0 acre-feet armually  second list, earlibs, Our record list of an  commission, do. If for plack, while standard and lists of an  armestic  If for stock, while standard and Stanf of anion  (Commission as being, within a 40-secon subdivision of p	min 44 to gallous per minute.  The base base of the course and points from which the
2. 3. 4. 5.	The amount of water to be of The water to be used for M. The water heretofore used if The water is to be diverted distance to a found water corner. If or within the SE 1/4 of the I southwest corner of Sec 9,320 feet. (Well 206) S	thanged 0.6554 cfs liming and milling limition power milities or Imagetion and de at the following point transmipted land it should be NE 1/4 of Section 3 tion 31, T.22N., R.5 isee map supporting	474.0 acre-feet annually  formulate, see the Owner and lock of  comments.  If or shall, the combined find of see  ( Overrise as being within a 40-see subdivision of paramet.)  10, T.22N., R.51E., M.D.M., or at a 51E., M.D.M. bears South 27°21' V papplication 75979.	point from which the Vest a distance of
<ol> <li>3.</li> <li>4.</li> <li>5.</li> </ol>	The amount of water to be of The water to be used for M. The water heretofore used if The water is to be diverted distance to a found water corner. If or within the SE 1/4 of the I southwest corner of Sec 9,320 feet. (Well 206) S	thanged 0.6554 cfs liming and milling limition power milities or Imagetion and de at the following point transmipted land it should be NE 1/4 of Section 3 tion 31, T.22N., R.5 isee map supporting	474.0 acre-feet annually  formation, on Formatic, who student and lead of an  annually.  (Committee to being within a 40-sen subdivision of p  assent).  (O, T. 22N., R. 51E., M.D.M., or at a  51E., M.D.M. bears South 27°21' V	point from which the Vest a distance of
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<ol> <li>3.</li> <li>4.</li> <li>5.</li> </ol>	The amount of water to be a The water to be used for M The water heretofore used if The water is to be diverted a distance to a found section corner. If or within the SE 1/4 of the II southwest corner of Sect 9,320 feet. (Well 206) S The existing point of divers the SE 1/4 of the NE 1/4 northwest corner of Sec	thanged 0.6554 cfs lining and milling linguistic, power, militing Irrigation and de set the following point waterwood land, it should be the 1/4 of Section 31, T.22N., R.4 lies map supporting ion is located within I of Section 17, T.1 tion 19, T.19N., R.4	474.0 acre-feet annually  formulate, see the Owner and lock of  comments.  If or shall, the combined find of see  ( Overrise as being within a 40-see subdivision of paramet.)  10, T.22N., R.51E., M.D.M., or at a 51E., M.D.M. bears South 27°21' V papplication 75979.	point from which the

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	Proposed place of use (Describe)	by legal subdivisions. If for its	igation, som	remiter of seem to be intiger	ed)	
	See attached Exhibit "A" as	nd as shown on the	map the	at accompanied Ap	oplication No. 728	95.
	Existing place of use (tenario by removed from integration)	y legal aubdivisions. If shappi	ing place of e	an mad/or <b>कालाव र्थ</b> ( <b>क</b> ा है	गंदु सांच्या कृतकारों, वेक्स <b>ारोज स्ट</b>	ad ox agent
	See attached Exhibit "B" a	nd as shown on the	map a	companying this a	application.	
	Proposed use will be from	January 1	to	December 31	of cach year.	
	Existing use permitted from	January 1	to	December 31	of each year.	
l,	Description of proposed work specifications of your diversion of your diversion of dilled well, pump and mater, a	on or storage works.)	on of NR	,\$ 535,010 you may l y in which were is to be direc	be required to subm and in discontinuous,	it plans and , diaba, pipe est
	Drilled well, pump and pip	•	ne and	mill site.		
	Estimated cost of works _\$3,	,000,000				
	Estimated time required to co	nstruct works 3 year	ile			
				I well complaint.	_	
	Estimated time required to co	• ••				1.,
•	Provide a detailed description (Februs to provide a detailed description may	of the proposed projection and starting of the proposed projection of the p	ect and i	is water usage (use a	ttachments if necça	sery);
	See attached addendum.					:
						·= **
						ζ
j.	Miscellaneous remarks;					
				<b>.</b>	$\sim$	
(7	75) 358-9491		зу Сер	rge/G. Lindesmith	P(SMRS)	
	Phone No.		K	Janus Hall	Land-	
g	indesmith@tristatelld.com		- Marie 1995	September 4 pp Sons	H OF THE	
_	E-rospel	_	Tri S	State Surveying Ltd	<u>.                                    </u>	
			192	5 E. Prater Way	**	
			- Sna	16s, NV 89434	P.O. Box	
Ĺ	PPLICATION MUST	BE SIGNED	- Ope	City, State, Zip Co	zio	<del></del>
	THE APPLICANT					

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: June 27, 2008, by Eureka County

Pro. Overruled 3/26/09 See Ruling #5966 Vacated by Court Order 4/0% Pro. Overruled 7/15/11 See Ruling #6127

#### 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 les that 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 rectaimed.

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

EYHIRIT "A"

Legal Description - Proposed Place of Use

Division	Section	Township	Range	Meridian
All	- 1-3	21N	50E	M.D.M.
All	10-15	21N	50E	M.D.M.
Ali	<b>22-</b> 27	21N	50E	M.Q.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.
AJ}	18 & 19	21N	52E	M.D.M.
Άll	30 & 31	21N	52E	M.D.M.
All	38	21 1/2N	51 1/2 E	M.D.M.
All	31 - 36	21 1/2N	52⋿	M.D.M.
All	34-36	22N	50€	M.D.M.
All	1-3	22N	51E	M.D.M.
All	10-15	22N	51E	M.D.M.
Aff	20-29	22N	51E	M.D.M.
All	31-35	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.
AJI	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.
АII	6 & 7	22N	53E	M.D.M.
Αlf	18 & 19	22N ·	53E	M.D.M.
All	30 & 31 .	22N	53E	M.D.M.
All	34-36	23N	51 <b>E</b>	M.D.M.
All	31	21 1/2 N	53E	M.D.M.

Page 1 of

# EXHIBIT "B"

# TRANSFER TABLE PERMIT NO. 9682

TOWNSHIP	RANGE	SECTION	1/4 1/4	ACRES
19N.	50E.	17	SE NE	18.47
19N.	50E.	17	NE SE	6.64
19N.	50E.	16	NW SW	1.22
19N,	50E.	16	SW NW	39,21
TOTAL				65.54



# 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:** 

07/25/1933

\*\*\*\*\*\*\*\*\*

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 9682, Certificate 2780, is issued subject to the terms and conditions imposed in said Permit 9682, Certificate 2780, 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.

Permits 76989 and 76990 approved for the entire 796.5 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 458.0 acre-feet, can be diverted annually. Additional diversion up to the total 796.5 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 458.0 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 0.6554 cubic feet per second or 474.0 acre-feet annually.

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

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

July 21,2012

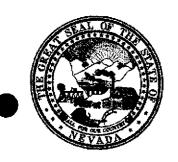
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

July 21 ,2014 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 P.35. Completion of work filed \_\_\_\_\_ Proof of beneficial use filed \_\_\_\_\_ Cultural map filed \_\_\_\_\_ Certificate No. \_\_\_\_\_ Issued llb



# 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:** 

07/25/1933

\*\*\*\*\*

#### **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 9682, Certificate 2780, is issued subject to the terms and conditions imposed in said Permit 9682, Certificate 2780 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.

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 474 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 176.96 acre-feet, can be diverted annually. Additional diversion up to the total 474 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 176.96 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 0.6554 cubic feet per second or 474.0 acre-feet annually.

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

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

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

December

2012

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 15th 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 PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

1				ICE USE ONLY	
Da	te of filing in State Engi	neer's Office <u>APR</u>	2 3 200	98	
Rø	turned to applicant for co	orrection			
Co	rrected application filed		Map filed	JUL 1 1 2007 um	der 75979
The	applicant Kobeh Vall	ey Ranch LLC	(c/o Gen	eral Moly, Inc.)	
- 17	726 Cole Blvd., Suite 1		of	Lakewood	
C	Post Addissor	F.O. Box	. b	areby make(s) application i	
	Superand Zi Point of diversion	o Code Place of use		Magner of use	<b>⊠</b> of a por
of v	water heretofore appropri	intered product of a last, which			
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Pe	if right in Danne.)  which No. 11072, Certifi  The source of water is	icate 2880 = underground	Num of t	reas labe, undersound, spring or other	v.
	if right in Danne.)  That No. 11072, Certifi  The source of water is  The amount of water to	underground  be changed 0.76 cfs	Numiors 9, 322.5 B	reas labe, undersound, spring or other	Kara.
1.	if right in Danne.)  which No. 11072, Certifi  The source of water is	underground  be changed 0.76 cfs	Numore 9, 322 5 8	was, labs, underground, spring or other	nterves.
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1. 2. 3. 4. 5.	The source of water is. The source of water is. The sanount of water is. The water to be used for The water is to be diversed to a found eatien come within the SE 1/4 of southwest corner of 9,320 feet. (Well 20 The existing point of d the NE 1/4 of the SI M.D.M., or at a point	underground  be changed 0.76 cfs  mining and milling  migration and  sed for Irrigation and  ried at the following pr  the NE 1/4 of Section 17 a  throm which the west  that the following pr  the Section 31, T.22N.,  the Section 17 a  throm which the west	Magnetic State of the State St	reas, lab., undersound, group or other pro-feet annually second for second for second for the property of the	of pattie envey entry correct to a point from which the point from which the point of patties are a distance of each and the point from which the point of patties are a point from which the point of patties are a point from which the point of patties are a point from which the point of patties are point from which the patties are point from the patties are patties are point from the patties are p

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See attached Exhibit "A" and as shown on the map  Existing place of use (Decribe by light additionar. If changing place removed from integration.)  See attached Exhibit "B" and as shown on the map	: ೧೯ ಬಂ ಪನೆಗಿದ ಸಾವಾರ್ಯ ೧೯೮೨ ರ ೯	irjigatlon parinit, disonibe a	
removed from irrigation.)			normages to be
removed from irrigation.)			normage to be
removed from irrigation.)			у ре
See attached Exhibit "B" and as shown on the map	accompanying this	application.	
· ·			
Proposed use will be from January 1  Meeting Day	to December 31	of each year.	
Existing use permitted from April 1	to November 1	of each year.	
Description of proposed works. (Under the provision of I specifications of your diversion or storage works.)(Sust an fluxes or dilect well purposed rector, etc.)	NRS 535.010 you may	be required to substants in boss	mit plazas end n, dicher, piper end
Driffed well, pump and pipelines or truck to mine an	nd mill site.		
Estimated cost of works \$3,000,000			
Estimated time required to construct works 3 years	I mil combine	dennike well.	
. Estimated time required to complete the application of w		_	
i. Provide a detailed description of the proposed project an (Falms to provide a detailed description may came a delay in processing.)	d its water usage (use:	uttachments if nece	ssery):
See attached addendum,			<u>.</u>
			t.
5. Miscellamous remarks:			
. INISCENSISANS ICINOTES:			
		$\sim$	_
(775) 358-9491 By G	experior G. Lindesynitty	ALSWES) /	
Phone No.	bount I	history	
glindesmith@tristateltd.com	Signature, applica		<del></del>
	n State Surveying Lt	· · · · · · · · · · · · · · · · · · ·	
1	925 E. Prater Way	P.O. Box	
	parks, NV 89434		· · · · ·
APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT	City, State, Zip C	A.S.	* : . •

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Protested: June 27, 2008, by Eureka County

Pro. Overruled 3/26/2009 See Ruling #5966 Vacated by Court order 4/10/10 Pro. Overruled 7/15/11 See Ruling #6127

#### 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 les that 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 recialmed.

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

EXHIBIT "A"

Legal Description - Proposed Place of Use

Division	Section	Township	Range	Meridian
ΑΠ	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.
Ail	18 & 19	21N	52E	M.D.M.
Alf	30 & 31	21N	52E	M.D.M.
AH	36	21 1/2N	51 1/2 E	M.D.M.
All	31 - 3 <del>8</del>	21 1/2N	52E	M.D.M.
All ·	34-35	22N	50E	M.D.M.
Ail	1-3	22N	51E	M.D.M.
Ail	10-15	22N	51E	M.D.M.
ΑIΓ	20-29	22N	51É	M.D.M.
, IIA	31-36	22N	51E	M.D.M.
Aft	1	22N	51 1/2 E	M.D.M.
AB	12 & 13	22N	51 1/2 E	M,D.M.
ΑD	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.
Ail	8 & 7	22N	53E	M.D.M.
Ali	18 & 19	22N	53E	M.D.M.
Aff	30 & 31 .	22N	5 <b>3</b> E	M.D.M.
A1ì	34-38	23N	51E	M.D.M.
Ail	31	21 1/2 N	53E	M.D.M.

Page 1 of 1

# EXHIBIT "B"

# TRANSFER TABLE PERMIT NO. 11072

TOWNSHIP	RANGE	SECTION	1/4	1/4	ACRES
19N.	50E.	9	SE	SE	0.93
19N.	50E.	9	SW	SE	10.21
19N.	50E.	10	SW	SW	9.76
19N.	50E.	15	NE	NW	16.42
19N.	50E,	15	NW	NW	18.33
19N.	50E.	16	NW	NW	18.38
19N.	50E.	16	NE	NW	32.76
19N.	50E.	16	SE	NW	8. 16
19N	50E.	16	NW	NE	19.10
TOTAL		4			134.05



# 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:** 

02/25/1944

\*\*\*\*\*\*

-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 a portion of the waters of an underground source as heretofore granted under Permit 11072, Certificate 2880, is issued subject to the terms and conditions imposed in said Permit 11072, Certificate 2880, 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.

July 2

, 2014

Permits 76989 and 76990 approved for the entire 796.5 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 458.0 acre-feet, can be diverted annually. Additional diversion up to the total 796.5 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 458.0 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 0.76 cubic feet per second or 322.5 acre-feet annually.

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

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, 2012

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 (P. E.
Completion of work filed	
Proof of beneficial use filed	
Cultural map filed	
Certificate No.	Issued
llb	

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



# 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:** 

02/25/1944

\*\*\*\*\*

#### **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 a portion of the waters of an underground source as heretofore granted under Permit 11072, Certificate 2880, is issued subject to the terms and conditions imposed in said Permit 11072, Certificate 2880 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.

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 322.5 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount for 65.54 acres of the base right, 176.96 acre-feet, can be diverted annually. Additional diversion up to the total 322.5 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 176.96 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 issuance of this permit totally abrogates 132.76 acres and 322.5 acre-feet in the name of Kobeh Valley Ranch from the base right, Permit 11072, Certificate 2880.

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 0.76 cubic feet per second or 322.5 acre-feet annually.

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

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

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

December | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012 | 2012

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 15th day of December, A.D. 2011

	State Engineer	
Completion of work filed		
Proof of beneficial use filed	V	_
Cultural map filed		_
Certificate No.	Issued	_

# 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,
                                                       RULING
76804, 76805, 76989, 76990, 77171, 77174, 77175,
77525, 77526, 77527, 77553, 78424, 79911, 79912,
                                                       #6127
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.
                                              )
```

#### **GENERAL**

T

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.<sup>1</sup>

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

<sup>&</sup>lt;sup>1</sup> 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.<sup>2</sup>

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.<sup>3</sup>

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.<sup>4</sup>

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.<sup>5</sup>

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.<sup>6</sup>

<sup>&</sup>lt;sup>2</sup> File Nos. 73545 thru 73552, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>3</sup> File No. 74587, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>4</sup> File Nos. 75988 thru 76004, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>5</sup> File Nos. 76005 thru 76009, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>6</sup> 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.

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.<sup>8</sup>

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.<sup>9</sup>

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. <sup>10</sup>

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

<sup>&</sup>lt;sup>7</sup> File Nos. 76744, 76745, and 76746, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>8</sup> File Nos. 76802, 76803, 76804 and 76805, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>9</sup> File Nos. 76989 and 76990, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>10</sup> 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.<sup>12</sup>

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.<sup>13</sup>

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

11.

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)<sup>1,2</sup>

- The basin is fully appropriated and the applications would substantially overappropriate the basin.
- Kobeh Valley provides recharge to Diamond Valley and therefore, Diamond Valley water levels will decrease at an accelerated rate.

<sup>11</sup> File Nos. 77525, 77526 and 77527, official records in the Office of the State Engineer.

File No. 77553, official records in the Office of the State Engineer.
 File No. 78424, official records in the Office of the State Engineer.

<sup>&</sup>lt;sup>14</sup> 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:<sup>4,5</sup>

- 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:<sup>6</sup>

- 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:<sup>7</sup>

### 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:<sup>8</sup>

- 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:<sup>9</sup>

- 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:<sup>14</sup>

- 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 I1,300 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

File Nos. 79934 thru 79939, official records in the Office of the State Engineer.
 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.<sup>17</sup> Protestant Benson filed a Motion to adopt the previous record from the hearing of October 13-17, 2008, and the motion was unopposed.<sup>18,19</sup>

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.<sup>20</sup>

# 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

<sup>&</sup>lt;sup>17</sup> 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).

<sup>&</sup>lt;sup>18</sup> Exhibit No. 13, December 2010.

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)

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.<sup>21</sup>

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

<sup>&</sup>lt;sup>21</sup> 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 Sichaun 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.<sup>22</sup>

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

<sup>&</sup>lt;sup>22</sup> 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.<sup>23</sup>

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.<sup>24</sup> 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.<sup>29</sup> 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

<sup>&</sup>lt;sup>23</sup> State Engineer's Office, Water for Nevada, State of Nevada Water Planning Report No. 3, p. 13, October 1971.

<sup>&</sup>lt;sup>24</sup> Exhibit No. 10, October 2008.

<sup>&</sup>lt;sup>25</sup> Exhibit No. 13, October 2008.

<sup>&</sup>lt;sup>26</sup> Exhibit No. 17, October 2008,

<sup>&</sup>lt;sup>27</sup> Exhibit No. 16, October 2008.

<sup>&</sup>lt;sup>28</sup> Exhibit No. 134, December 2010.

<sup>&</sup>lt;sup>29</sup> Exhibit No. 39, Tables 3.5-2 and 4.1-13, December 2010.

from Northern Monitor Valley to Kobeh Valley.<sup>30</sup> Subsurface flow from Kobeh Valley to Diamond Valley was estimated by Harrill to be less than approximately 40 afa.<sup>31</sup> The Applicant estimated 1,100 to 1,600 afa of subsurface flow from Kobeh to Diamond Valley.<sup>32</sup> As can be seen from Figure 1, the established perennial yields of Monitor Valley North and South, and Kobeh Valley exceed both the recharge and the ET. In Reconnaissance Report 30,<sup>33</sup> 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.<sup>34</sup> 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 Kobeh Valley to Diamond Valley, however much that may be, will not be part of Kobeh 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:

Basin	Perennial Yield (acre-feet)			
<u>Daşın</u>	<u>Previous</u>	Revised		
Monitor Valley, Southern Part - Basin 140B:	10,000	9,000		
Monitor Valley, Northern Part - Basin 140A:	8,000	2,000		
Kobeh 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		

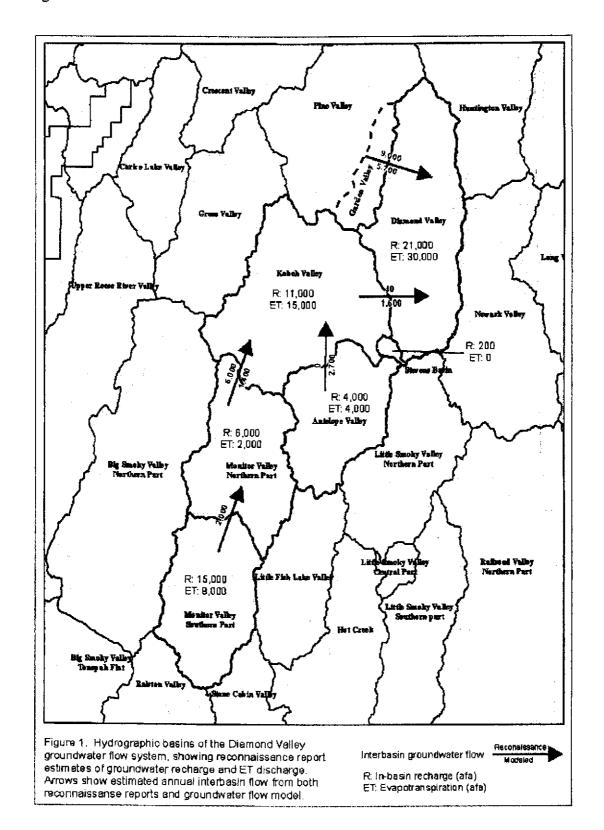
<sup>&</sup>lt;sup>30</sup> Exhibit No. 39, Table 4.1-13, December 2010.

<sup>31</sup> Exhibit No. 13, October 2008.

<sup>32</sup> Exhibit No. 39, Table 4.1-13, December 2010.

<sup>33</sup> Exhibit No. 17, p. 26, October 2008.

<sup>34</sup> 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. In Reconnaissance Series Report No. 6, 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. 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. 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. Gate.

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.<sup>40</sup> Its witnesses further estimated 810 to 1,050 afa of deep flow in bedrock from Kobeh Valley to Diamond

<sup>&</sup>lt;sup>35</sup> Exhibit No. 39, December 2010.

<sup>&</sup>lt;sup>36</sup> Exhibit No. 16, p. 18, October 2008.

<sup>&</sup>lt;sup>37</sup> Exhibit No. 13, pp. 21-23, October 2008.

<sup>38</sup> Exhibit No. 17, p. 16, October 2008.

<sup>&</sup>lt;sup>39</sup> Exhibit No. 10, p. 13, October 2008.

<sup>&</sup>lt;sup>40</sup> Exhibit No. 39, Table 4.1-13, December 2010.

Valley in the area north of Whistler Peak.<sup>41</sup> 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.<sup>47</sup>

Water level drawdown due to simulated mine pumping is thoroughly documented.<sup>48</sup> 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,

<sup>41</sup> Exhibit No. 39, Table 4.1-13, December 2010.

<sup>&</sup>lt;sup>42</sup> Exhibit No. 39, Table 4.1-13, December 2010. <sup>43</sup> Exhibit No. 39, Table 4.4-4, December 2010.

<sup>44</sup> Exhibit No. 39, pp. 177-178, December, 2010.

<sup>&</sup>lt;sup>45</sup> 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'.

<sup>46</sup> Exhibit No. 39, Table 4.4-5 and 4.4-6, December 2010.

<sup>&</sup>lt;sup>47</sup> Transcript, pp. 308-309, December 2010.

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.<sup>49</sup>

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. Witness Oberholtzer authored a May 2010 report in which the model was described as not having fatal flaws, but in a November 2010 report she expressed concern that the model may not be accurate enough to be used as a predictive tool. Ms. Oberholtzer testified that calibration issues in Diamond Valley raised concern and the model had limited abilities as a predictive tool. 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

<sup>&</sup>lt;sup>49</sup> Exhibit 39, Groundwater flow model output data, December 2010.

<sup>&</sup>lt;sup>50</sup> Transcript, p. 686, December 2010.

<sup>&</sup>lt;sup>51</sup> Exhibit No. 402, December 2010.

<sup>52</sup> Exhibit No. 503, December 2010.

<sup>&</sup>lt;sup>53</sup> 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 aguifer that would prevent any decrease in stream flow due to the proposed pumping.<sup>57</sup> 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.<sup>58</sup> 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

<sup>&</sup>lt;sup>54</sup> Exhibit No. 39, Figures 4.4-12 to 4.4-16, December 2010.

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.

<sup>&</sup>lt;sup>58</sup> Transcript, pp. 213-214, December 2010.

proposed mine pumping.<sup>59</sup> 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 However, because there are uncertainties with respect to the complex streams. 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. There was no expert testimony or

Exhibit No. 39, Groundwater flow model output data, December 2010.
 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. These springs produce less than one gallon per minute and provide water for livestock purposes. 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.<sup>64</sup> 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

<sup>&</sup>lt;sup>61</sup> Transcript, pp. 163 and 187, December 2010.

<sup>62</sup> Exhibit No. 39, pp. 189-190, December 2010.

<sup>63</sup> Exhibit No. 116, Appendix B, October 2008.

<sup>&</sup>lt;sup>64</sup> Exhibit No. 39, Figures 4.4-12 to 4.4-17, and groundwater flow model data files, December 2010.

Eureka County<sup>65</sup> 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.<sup>67</sup> 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.

## 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.

<sup>Transcript, p. 715, December 2010.
Transcript, p. 438, October 2008.
Transcript, pp. 438-439, October 2008.</sup> 

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.

## 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.<sup>21</sup> The Applicant

™ NRS § 540.131.

 <sup>&</sup>lt;sup>68</sup> Transcript, pp. 564-571, October 2008; Exhibit Nos. 105, 108 and 112, October 2008.
 <sup>69</sup> Transcript, p. 106, December 2010.

<sup>&</sup>lt;sup>71</sup> 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.

will use proven molybdenum mining and milling technologies that will conserve water through reuse and recycling methods.<sup>72</sup>

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.<sup>73</sup>

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

<sup>&</sup>lt;sup>72</sup> Transcript, p. 118, December 2010.

<sup>&</sup>lt;sup>73</sup> 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,

<sup>74</sup> 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. 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. <sup>76</sup>

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

<sup>&</sup>lt;sup>75</sup> NRS § 37.010 (f)(1).

<sup>&</sup>lt;sup>76</sup> Exhibit No. 509, December 2010.

filed on these potential projects.<sup>77</sup> 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.<sup>78</sup> 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.<sup>79</sup> 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.<sup>80</sup>

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:

<sup>78</sup> Transcript, pp. 703 and 704, December 2010.

<sup>80</sup> NRS § 534.090.

<sup>&</sup>lt;sup>77</sup> Transcript, pp. 749 and 750 and Exhibit No. 531, December 2010.

<sup>&</sup>lt;sup>79</sup> 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.

- 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.<sup>81</sup> 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

<sup>81</sup> 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

 <sup>&</sup>lt;sup>82</sup> Transcript, pp. 117, 118, 401, 423 and 484, October 2008.
 <sup>83</sup> 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

<sup>&</sup>lt;sup>84</sup> Crop/pumpage/well measurement data for Kobeh Valley (139), official records in the Office of the State

<sup>&</sup>lt;sup>85</sup> Transcript, pp. 169-170 and Exhibit No. 29, October 2008.

Transcript, p. 171, October 2008.
 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 arca. 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.<sup>93</sup> 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.<sup>94</sup> The Protestant also formed the Cedar Stratigraphic Corporation to generate geologic data for oil companies to use in their exploration programs. 95

<sup>88</sup> State Engineer's Office, The ASCE Standardized Reference Evapotranspiration Equation, 2005.

<sup>89</sup> State Engineer's Office, Crop Evapotranspiration: Guidelines for Computing Crop Water Requirements, FAO Irrigation and Drainage Paper No. 56, 1998.

<sup>90</sup> 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.

<sup>91</sup> Evapotranspiration and Net Irrigation water Requirements for Nevada, Huntington and Allen, 2010, available online at http://water.nv.gov/mapping/et/et\_general.cfm

<sup>92</sup> Transcript, p. 54, October 2008.
93 Exhibit Nos. 75 and 84, October 2008; Transcript, pp. 49-93, October 2008.

Transcript, p. 57, October 2008.
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." 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." "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." <sup>101</sup>

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

<sup>&</sup>lt;sup>96</sup> Exhibit Nos. 75 and 84, October 2008; Transcript, pp. 49-93, October 2008.

<sup>&</sup>lt;sup>97</sup> Transcript, p. 92, October 2008.
<sup>98</sup> Exhibit No. 75, October 2008.

<sup>&</sup>lt;sup>99</sup> Exhibit No. 75, October 2008.

Exhibit No. 75, October 2008.
 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.<sup>104</sup> 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

 <sup>&</sup>lt;sup>102</sup> Transcript, pp. 814-830, December 2010.
 <sup>103</sup> Exhibit No. 39, Figures 4.4-12 to 4.4-16, December 2010.
 <sup>104</sup> 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.<sup>105</sup> He asked that the State Engineer consider impacts to the entire flow system and to existing rights in Diamond Valley.<sup>106</sup> 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.<sup>107</sup> 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. 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

<sup>105</sup> Transcript, pp. 771-772, December 2010.

<sup>106</sup> Transcript, p. 778, December 2010.

<sup>107</sup> Transcript, p. 796, December 2010.

<sup>108</sup> Transcript, p. 432, December 2010.

<sup>109</sup> 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. <sup>110</sup>

In testimony, the Eureka County Natural Resource Manager indicated that Eureka County did not want to kill the project but wanted it done right. He indicated that the monitoring, management and mitigation plan was very important and that Eureka County wants full participation in developing the plan. 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. 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

<sup>&</sup>lt;sup>110</sup> Exhibit No. 509, December 2010.

Transcript, p. 755, December 2010.

Transcript, p. 756, December 2010.

<sup>113</sup> 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 County<sup>115</sup> 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 Kobeh 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**

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.

<sup>&</sup>lt;sup>114</sup> Transcript, p. 714 and pp. 716-717, December 2010.

<sup>115</sup> Transcript, p. 715, December 2010.

<sup>116</sup> Transcript, p. 438, October 2008.

117 Transcript, pp. 438-439, October 2008.

118 NRS Chapters 533 and 534.

119 NRS § 533,370(5).

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.

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]." In testimony regarding A.B. 435, the State Engineer stated, "this office has

<sup>&</sup>lt;sup>120</sup> Hearing on A.B. 435 before the Senate Committee on Natural Resources, 1995 Lcg., 68<sup>th</sup> 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."<sup>121</sup> 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."<sup>122</sup>

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. 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

<sup>121</sup> Id. at Sess. 4.

<sup>122</sup> Ibid.

<sup>&</sup>lt;sup>123</sup> See, Nevada Power Co. v. Metropolitan Development Co., 104 Nev. 684, 686, 765 P.2d 1162 (1988).

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. State Engineer

Dated this \_15th day of

July 2011

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

IN THE MATTER OF PROTESTED )
APPLICATIONS 85573 THROUGH 85604, )
INCLUSIVE, 86149 THROUGH 86153, )
INCLUSIVE, 86157 THROUGH 86161 )
INCLUSIVE, FILED TO APPROPRIATE )
THE UNDERGROUND WATERS OF )
KOBEH VALLEY (139) AND DIAMOND )
VALLEY (153) HYDROGRAPHIC )
BASINS, EUREKA COUNTY, NEVADA. )

ORDER VACATING
PRE-HEARING CONFERENCE

On July 26, 2016, the State Engineer issued a Notice of Pre-Hearing conference on the above-captioned protested applications for August 25, 2016. *Inter alia*, a protest issue raised by Eureka County was that the State Engineer was without jurisdiction to consider these applications while orders by the Seventh Judicial District Court of Nevada concerning State Engineer Ruling No. 6127 were on appeal before the Nevada Supreme Court in Case No. 70157. The Applicant filed an Answer to the Protests on May 20, 2016, including responding to Eureka County's jurisdiction protest issue. The State Engineer has not ruled on this protest issue.

On August 22, 2016, Eureka County filed a Verified Petition for Writ of Prohibition or in the Alternative, Writ of Mandamus in the Nevada Supreme Court, Case No. 71090. In the Petition, Eureka County requests that a writ issue precluding the State Engineer from taking action on these applications pending the ongoing appeal in Case No. 70157. Eureka County also questions the authority of the State Engineer taking any action on these applications prior to Eureka County's pending Application 83948. The State Engineer intends to Answer the Petition, if so directed by the Supreme Court.

Accordingly, IT IS HEREBY ORDERED that the pre-hearing conference in the above-referenced matter currently scheduled for August 25, 2016, is hereby VACATED pending any decision by the Nevada Supreme Court on Eureka County's *Petition*.

KRISTEN GEDDES Chief, Hearings Section

Dated this 23rd day of

August, 2016.

Order Vacating Pre-hearing Conference

Re: Applications 85573 - 85604, inclusive, 86149 - 86153, inclusive, 86157 - 86161 inclusive Page 2

### SERVICE LIST

# Order Vacating Pre-hearing Conference in the matter of protested Applications 85573 through 85604, inclusive, 86149 through 86153, inclusive, 86157 through 86161, inclusive.

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Taggart & Taggart
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J.J. Goicoechea, Chairman Eureka County Board of Commissioners P.O. Box 694 Eureka, Nevada 89316 Certified Mail #7106 7808 0630 0063 9491

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KYLE A. WINTER



August 23, 2016

GEORGE V. ALLISON ANDREW MACKENZIE PATRICK V. FAGAN CHARLES P. COCKERILL JOAN C. WRIGHT OF COUNSEL

MIKE SOUMBENIOTIS (1932-1997)

### **VIA HAND-DELIVERY**

Jason King, P.E. Nevada State Engineer 901 South Stewart Street Carson City, NV 89701 Kristen Geddes, Chief, Hearings Section Nevada State Engineer's Office 901 South Stewart Street Carson City, NV 89701

Re:

In the Matter of Protested Applications 85573 through 85604, inclusive, 86149 through 86153, inclusive, 86157 through 86161, inclusive

Dear Mr. King and Ms. Geddes:

Eureka County respectfully requests that the Pre-Hearing Conference currently set for this Thursday, August 25, 2016 at 9:00 a.m. in the above-referenced matter be postponed pending the Supreme Court's action on the Verified Writ of Prohibition or in the Alternative, Writ of Mandamus filed in Case No. 71090 before the Nevada Supreme Court entitled Eureka County vs. King, P.E. (Kobeh Valley Ranch, LLC) or a final determination on the State Engineer's and KVR's appeal in Nevada Supreme Court Case No. 70157 entitled State Engineer vs. Eureka Ctv.

If you have any questions regarding this matter, please do not hesitate to contact my office. Thank you.

COELVE.

Sincerely,

ALLISON MacKENZIE, LTD.

By:

KAREN A. PETERSON, Esq.

KAP/nf

cc: Micheline N. Fairbank, Esq. (via email: mfairbank@ag.nv.gov)

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Theodore Beutel, Esq. (via email: tbeutel@eurekacountynv.gov)

### IN THE SUPREME COURT OF THE STATE OF NEVADA

EUREKA COUNTY,

Petitioner,

vs.

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

Respondent,

and

KOBEH VALLEY RANCH, LLC; ETCHEVERRY FAMILY LTD. PARTNERSHIP; DIAMOND CATTLE CO., LLC; and DIAMOND NATURAL RESOURCES PROTECTION & CONSERVATION ASSOCIATION,

Real Parties in Interest.

Electronically Filed Oct 06 2016 02:32 p.m. Tracie K. Lindeman Clerk of Supreme Court

Case No. 71090

RESPONDENT JASON KING, P.E., NEVADA STATE
ENGINEER, DIVISION OF WATER RESOURCES,
DEPARTMENT OF CONSERVATION AND NATURAL
RESOURCES' SUPPLEMENTAL APPENDIX

DATE	DOCUMENT DESCRIPTION	Vol. No.	Bates Nos.
02/13/08	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 for Application and Permit for Nos. 76745-76746 (Kobeh Valley Ranch)	I	179-196
06/29/07	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 for Application and Permit for Nos. 75988-76009 (Kobeh Valley Ranch)	I	1-178
04/23/08	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 for Application and Permit for Nos. 76989-76990 (Kobeh Valley Ranch)	I	197-205
08/23/16	Letter from Council for Eureka County to State Engineer	I	259
08/23/16	Order Vacating Pre-Hearing Conference (State Engineer)	I	257-258

DATE	DOCUMENT DESCRIPTION	Vol. No.	BATES Nos.
07/15/11	Ruling No. 6127 (State Engineer)	I	215-256

### RESPECTFULLY SUBMITTED this 6th day of October, 2016.

ADAM PAUL LAXALT Attorney General

By: /s/ Micheline N. Fairbank

MICHELINE N. FAIRBANK Senior Deputy Attorney General

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Attorney for State of Nevada,
Department of Conservation
and Natural Resources,

State Engineer

### CERTIFICATE OF SERVICE

I certify that I am an employee of the Office of the Attorney General and that on this 6th day of October, 2016, I served a copy of the foregoing RESPONDENT JASON KING, P.E., NEVADA STATE ENGINEER, DIVISION OF WATER RESOURCES, DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES' SUPPLEMENTAL APPENDIX, by electronic service to:

Paul G. Taggart, Esq. David H. Rigdon, Esq. TAGGART & TAGGART, LTD. THEODORE BEUTEL, ESQ. Eureka Co. District Attorney

Ross E. De Lipkau, Esq. Gregory H. Morrison, Esq. PARSONS BEHLE & LATIMER Karen A. Peterson, Esq. Dawn Ellerbrock, Esq. Kyle A. Winter, Esq. ALLISON, MACKENZIE, LTD.

Francis M. Wikstrom, Esq. PARSONS BEHLE & LATIMER

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Laura A. Schroeder, Esq. Therese A. Ure, Esq. SCHROEDER LAW OFFICES

/s/ Dorene A. Wright