

24 A. No. It's only been dirt work to this point.  
25 Q. Do you know about when this dirt work started?

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1 A. Five weeks ago, six weeks ago.  
2 Q. Has the work been steady?  
3 A. Steady?  
4 Q. Yes.  
5 A. Yes.  
6 Q. Has the work been performed in accordance with  
7 the lease agreement to your knowledge?  
8 A. Yes.  
9 Q. Again the work is being performed in preparation  
10 for worker housing?  
11 A. Yes.  
12 Q. And workers are of course the employees,  
13 contracts, subcontractors who will be constructing the mine?  
14 A. That's correct.  
15 Q. How do you reconcile the fact that Eureka County  
16 allows without compensation Eureka Moly to build temporary  
17 housing on 164 acres, yet seek to prevent the State Engineer  
18 from granting water right applications for mining and milling  
19 purposes?  
20 A. Would you state that again, please?  
21 MR. De LIPKAU: Would you read that back, please?  
22 (The record was read.)  
23 THE WITNESS: I don't think we want to deny the  
24 water applications, we want to make sure it's done correctly,  
25 with no impact or minimum.

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1 BY MR. De LIPKAU:  
2 Q. Would it be a true statement that you don't

3 really want him to deny the applications, rather you want him  
4 to grant them with minimum impact?  
5 A. If it's done correctly.  
6 Q. Are you at all aware of the funds spent by Eureka  
7 Moly in development of the 164 acres?  
8 A. Pardon me?  
9 Q. Are you aware of the funds spent by Eureka Moly?  
10 A. I have not seen that.  
11 Q. You don't know that figure?  
12 A. Yes.  
13 Q. What is that?  
14 A. They've told us it's between 17 and \$18 million  
15 for this.  
16 Q. For development of the 164 acres?  
17 A. Yes.  
18 Q. What percent of the county revenue is derived  
19 from mining operations within the county?  
20 A. Approximately?  
21 Q. Yes.  
22 A. When I left I knew it was about 81 percent from  
23 mining related industries.  
24 Q. Do you know the life or approximate life of the  
25 mines in the northern part of the state?

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1 A. Do I know the approximate life of them?  
2 Q. Yes.  
3 A. They're good for ten years and that was back in  
4 the '70s and they're still there today.  
5 Q. Eureka County is not inherently against mining,  
6 is it?  
7 A. We are a mining and agricultural county. Have  
8 been and always will be.  
9 Q. What's the unemployment in your county, do you  
10 know?

11 A. I do not know that.  
12 Q. Do you know the approximate number of  
13 construction workers that will be employed during the  
14 construction phase of the mine?  
15 A. We have heard numbers from four to 600.  
16 Q. And do you know the number of employees that will  
17 be employed by the mine when it's up and running?  
18 A. I've seen so many figures out there, sir, I don't  
19 know if I can really answer that. It's around 400, I know  
20 that.  
21 Q. Do you believe the influx of temporary employees  
22 later followed by permanent employees will add to the  
23 economic benefit of Eureka and Eureka County?  
24 A. Yes.  
25 Q. There will be a financial benefit to the

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1 businesses?  
2 A. Yes.  
3 Q. There will be a benefit to sales taxes to be  
4 awarded to the county?  
5 A. Yes.  
6 Q. There will be a net proceeds taxes?  
7 A. Yes.  
8 Q. Are you aware of application 74584?  
9 MS. PETERSON: Is that one of your applications?  
10 MR. De LIPKAU: I'm sorry, 54587.  
11 MS. PETERSON: I'm sorry, what was that number?  
12 MR. De LIPKAU: 74587, Exhibit 154.  
13 MS. PETERSON: Do you have an extra copy of that  
14 exhibit?  
15 MR. De LIPKAU: There's no protest for that  
16 application.  
17 MS. PETERSON: That's what I thought. Eureka  
18 County did not protest that application.

19 HEARING OFFICER WILSON: That's correct.  
20 MS. PETERSON: So if you're going to ask the  
21 witness about it, I'd like him to have a copy of that  
22 application.

23 BY MR. De LIPKAU:

24 Q. Mr. Ithurralde, I'm handing you a copy of  
25 application 74587. Have you seen that before?

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1 A. No.

2 Q. Why didn't you protest it, you being Eureka  
3 County?

4 A. I was not on the board at that time, sir.

5 Q. I see. Do you know whether anyone else protested  
6 that application?

7 A. I do not know that.

8 Q. Do you know the size of the land holding owned or  
9 controlled by Eureka Moly?

10 A. Could you repeat that again, please?

11 Q. Do you know the size of the land holding owned or  
12 controlled by Eureka Moly?

13 A. The land that they own?

14 Q. Yes, or control.

15 A. More or less.

16 Q. Have you looked at their mining claim map?

17 A. Their unpatented claims?

18 Q. Yes.

19 A. I have not. I used to keep up on that in the  
20 assessor's office but since I left there I haven't.

21 Q. So you don't know how many unpatented mining  
22 claims are owned by the company?

23 A. I do not know.

24 Q. Do you know if the mining company owns or  
25 controls unpatented mining claims in Diamond valley?

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21 that in mind. Thank you.

22

23 (The proceedings recessed at 5:27 p.m.)

24

25

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1 STATE OF NEVADA, )  
2 CARSON CITY. ) ss.

3 I, MARY E. CAMERON, Official Court Reporter for the  
4 State of Nevada, Department of Conservation and Natural  
5 Resources, Division of Water Resources, do hereby certify:

6 That on Wednesday, the 15th day of October, 2008, I  
7 was present at 901 South Stewart Street, Second Floor, Carson  
8 City, Nevada, for the purpose of reporting in verbatim  
9 stenotype notes the within-entitled public hearing;

10 That the foregoing transcript, consisting of pages  
11 404 through 652, inclusive, includes a full, true and correct  
12 transcription of my stenotype notes of said public hearing.

13

14 Dated at Carson City, Nevada, this day  
15 of November, 2008.

16

17

18

19

20 MARY E. CAMERON, CCR, RPR

21 Nevada CCR #98

22

23

24

25

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## LEASE AGREEMENT

This Lease Agreement ("Lease") made and entered into this 11<sup>th</sup> day of March, 2015 by and between Kobeh Valley Ranch, LLC, a Nevada limited liability company of 1726 Cole Boulevard, Suite 115, Lakewood, Colorado, 80401, ("KVRLLC" or "Lessor") and Young Brothers, a Nevada partnership of HC65 Box A, Austin, Nevada, 89310 ("Young" or "Lessee").

### RECITALS:

1. KVRLLC owns Real Property (the "Real Property"), water Permits (the "Permits") and equipment (the "Equipment") in Lander County, Nevada, which collectively may be referred to as the Premises or Bobcat Ranch.

2. Young, a resident of Austin, Nevada, desires to lease KVRLLC's Real Property and Equipment pursuant to the terms set forth herein.

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

#### A. Description of Real Property, Permits and Equipment.

1. KVRLLC hereby leases to Young the Real Property and such improvements thereon situated in the County of Lander, State of Nevada, as described in Exhibit "A", including a map for illustrative purposes only, attached hereto and by this reference made a part hereof and the Equipment set forth in Exhibit "B" attached hereto and by this reference made a part hereof.

2. The Permits. KVRLLC hereby leases to Young the Permits described herein. Lessee shall place to beneficial use the water the subject of the Permits for irrigation water to irrigate 1,584.33 acres and described as Permit numbers 78272, 78273, 78274, and 78275.

3. Lessee further acknowledges KVRLLC entered in a Cattle Grazing Agreement with Peter Joe Damele and Tom G. Damele ("Dameles") on or about June 4, 2014 which allows for Dameles' use of the Bobcat Ranch for cattle grazing purposes. The Cattle Grazing Lease expires on March 31, 2015. Dameles, under the terms and provisions of the Cattle Grazing Lease, have leased all of the Real Property, but said Cattle Grazing Lease provides KVRLLC may, in its sole discretion, limit the quantity of acreage which may be leased and occupied by Dameles. Upon execution of this Lease, KVRLLC shall notify Dameles of the acreage to be leased herein and communicate with Dameles to make the Real Property available to Young. The parties herein agree the Cattle Grazing Lease shall not be terminated solely by reason of execution of this Lease.

B. Term and Termination. The term of this Lease shall commence on the Effective Date and terminate as follows:

1. The Effective Date: The Effective Date of this Lease Agreement shall be the date the Lease is executed by both parties and the Lease Term shall be for Ten (10) years from the Effective Date.

2. Early Termination:

a. KVRLLC may terminate this Lease, without cause, at any time by providing thirty (30) days written notice of cancellation. Provided however, no cancellation shall be effective until the end of the Lander County, Nevada growing season in the year of any cancellation and Lessee shall be entitled to harvest and remove all crops that are in place when notice has been provided. Additional provisions regarding rights of termination are set forth in Section G 2, below.

b. Young may terminate this Lease, without cause, at any time by providing thirty (30) days written notice of cancellation.

c. Either party may terminate this Lease for a material breach of this Lease, which shall constitute a termination for cause.

C. Rent. Lessee shall not be required to pay rent to KVRLLC and KVRLLC agrees the obligations to be performed by Lessee are adequate consideration in lieu of rent payments.



D. Taxes, Assessments and Charges. Lessor shall pay the real property taxes and assessments which are levied upon the land. Any increases in taxes caused by improvements made or placed on the Real Property by Lessee and any taxes of any kind for the sale and production of agricultural commodities or attributable to or for the pivots, irrigation equipment or Equipment shall be paid by Lessee.

E. Use of Real Property.

1. Use: Agricultural. Lessee is entitled to use the Premises for agricultural purposes only. Lessee shall be solely responsible for ensuring that all fences, gates and structures upon the Premises are adequately maintained. Lessor shall have the right to visit the Premises at all reasonable times for inspection purposes. Lessee shall assist Lessor in maintaining the agricultural property tax exemption, if necessary.

2. Approval of Improvements. The location and installation of any permanent improvements upon the Real Property by Lessee shall be subject to prior written approval of Lessor.

3. Water: Lessor shall be responsible for filing all reports required under Nevada water law and the Nevada State Engineer.

a. Lessee shall promptly and timely furnish Lessor with all the information required for filing crop and related water usage reports and for maintaining the Permits in good standing, including without limitation, application of all water the subject of the Permits to beneficial use as required by Nevada water law and the NSE. Specifically, the water the subject of the Permits must be placed to beneficial use within five (5) years of August 27, 2014.

b. Lessor, with the assistance and cooperation of Lessee, shall be responsible for the filing of those matters required by the laws of the State of Nevada to maintain and perfect the water rights, including but not limited to filing proofs of completion and beneficial use and/or extensions of time to complete the same. Copies of all filings made by Lessor shall be provided to Lessee.

c. The obligations of Lessee in this Section E, 3 are material and bargained for provisions and Lessor would not have entered into this Lease but for the provisions. A failure of Lessee to comply with the provisions will cause economic loss and hardship to Lessor.

4. Buildings. Lessee may use the structures located upon the Real Property, subject to the following:

a. Shop/Storage Building. Lessee may use the Shop Building for all agricultural related purposes and keep and maintain it in a good state of repair. Lessor makes no representations or warranties concerning its current condition and Lessee accepts it "as is".

b. Mobile Homes. Three (3) mobile homes are located upon the Real Property which Lessor believes are in a bad state of repair, are uninhabitable and Lessee accepts them "as is". Lessee may use and improve the mobile homes at Lessee's sole risk and expense. Lessee agrees Lessor shall not be required to reimburse Lessee for any costs of improving the mobile homes for any purpose and Lessee agrees not to make any claims against Lessor under any landlord – tenant statutes or laws. To be clear, the mobile homes are not intended for human occupancy and are not leased to Lessee for occupancy purposes.

F. Lessee cooperation. The Parties fully understand and agree that Lessor, or its parents, affiliates or subsidiaries have been granted and may be filing additional application(s) to appropriate water or to change the points of diversion, manner of use and place of use of groundwater in connection with the Mount Hope Mine. Lessee agrees to cooperate fully with Lessor in this regard and not protest or oppose any applications or applications to change or otherwise that may be filed by Lessor. Lessee will not oppose, directly or indirectly, any of Lessor's, or Lessor's subsidiaries, affiliates or parent, mining plans of operation and agrees not to participate in any way or manner, in any protests, petitions, or activities of others which are designed or intended to delay, adversely effect or interfere with Lessor's, or Lessor's affiliates or parent, mining plans or rights to use water, including but not limited to Lessor's efforts to obtain any regulatory approvals or permits from federal, state or local authorities and agencies.



G. Maintenance of Improvements and Equipment. Lessee shall, through the Term of this Lease keep and maintain the Premises, including all structures, fences, gates, improvements and Equipment of any kind which may be a part thereof, and all appurtenants thereto in good condition and repair.

1. Lessee shall also be responsible for all repairs and replacements for any irrigation system on or which may be installed on the Premises and all Equipment, pumps and wells, which includes but is not limited to tires, valves, sprinkler heads, meters, gauges, bearings, hoses and pipelines. Lessee shall be responsible for normal and customary maintenance and operating supplies and keep all Equipment in good working order and condition. Lessee acknowledges the Equipment is used, has been out of service for a number of years and Lessee accepts the Equipment in its present and "as is" condition.

2. Lessee shall purchase and install pivots and related irrigation equipment upon the Real Property and once installed shall become part of the Equipment and this Lease, subject to the following, which Lessee specifically agrees are fair and reasonable and constitute additional consideration for Lessor entering into this Lease:

a. If Lessee terminates this Lease, with or without cause, Lessee may remove any pivots and related irrigation equipment which Lessee purchased and installed upon the Real Property. However, at the sole discretion of the Lessor, the Lessor shall have the right to purchase the pivots and related irrigation equipment for the Purchase Price as determined in c.(1) and (2) below.

b. If Lessor terminates this Lease prior to the expiration of the Term, with cause, Lessee may remove any pivots and related irrigation equipment which Lessee purchased and installed upon the Real Property. However, at the sole discretion of the Lessor, the Lessor shall have the right to purchase the pivots and related irrigation equipment for the Purchase Price as determined in c.(1) and (2) below.

c. If Lessor terminates this Lease prior to the expiration of the Lease Term, without cause, Lessor shall purchase from Lessee the pivots and related irrigation equipment which Lessee purchased and

installed upon the Real Property for the Purchase Price as determined in (1) and (2), below.

(1). The purchase price (the "Purchase Price") shall be Lessee's actual capital cost of the pivots and related irrigation equipment, less depreciation (utilizing straight line 10 year depreciation measured from Lessee's date of purchase for such equipment). The Purchase Price shall be paid in cash within ninety (90) days of the date of notice of termination provided by Lessor to Lessee.

(2). Lessor, however, shall not be required to pay more than the fair market value or depreciated value of the pivots and related irrigation equipment, whichever is less. Lessee and Lessor shall meet in January of each year to mutually agree on the Purchase Price for the ensuing year but if mutual agreement cannot be made, the forgoing formula for determining the Purchase Price shall control.

(3). Lessor and Lessor shall also meet in January of each year to mutually agree on the number and cost of pivots and related irrigation equipment to be installed in the ensuing year. In the first year of this Lease, a maximum of three (3) pivots and related irrigation equipment shall be purchased and installed upon the Real Property by Lessee at a cost not to exceed \$300,000. During the next four (4) years commencing with the second year following the Effective Date, up to three (3) pivots and related irrigation equipment shall be purchased and installed upon the Real Property by Lessee at an annual cost not to exceed \$150,000. Following the fifth year of this Lease, both parties shall meet and examine capital expenditures and, if necessary, adjust the annual expenditure.

d. Lessee shall provide an annual report of the previous year's capital costs by January 15<sup>th</sup> to Lessor which provides, in reasonable detail, including Bills of Sale for all equipment, the actual capital cost of pivots and related irrigation equipment purchased and placed upon the Premises by Lessee. Lessor shall be entitled to review and comment on the report but in receiving and commenting on the



report, Lessor shall not be deemed to have accepted the report as being reliable or accurate.

e. Upon expiration of the Lease Term, any pivots and related equipment purchased and installed upon the Real Property by Lessee may be removed by Lessee. However, at the sole discretion of Lessor, the Lessor shall have the right to purchase the pivots and related equipment for the Purchase Price as determined in c.(1) and (2), set forth above. Lessor shall provide Notice to the Lessee within fifteen (15) days of expiration of the Lease Term of its intention to exercise the right to purchase and the Purchase Price shall be paid in cash within ninety (90) days of the date of Notice provided to Lessee.

3. Lessee may also make and install improvements ("Other Improvements") to the Real Property with Lessor's prior written consent. If Other Improvements are made and are affixed to the Real Property, the same shall become Lessor's at the expiration or termination of the Lease, at no cost to Lessor.

#### H. Compliance with Law/Waste.

1. Applicable Laws. During the terms of this Lease, Lessee shall comply with all county, state and federal and other applicable statutes, ordinance, laws and regulations affecting the Premises and any Permits which may become available to Lessee as provided herein, including in particular those the breadth of which might result in penalty to Lessor or encumbrance on Lessor's title to the Premises and Permits.

2. Lessee shall maintain the Premises in good condition using standards and practices of land stewardship and management common to the agricultural industry, including but not limited to, dry land planting of perennial grasses on non-irrigated lands which are a part of the Real Property and control and eradication of noxious weeds, rodents and pests.

3. Waste, Nuisance or Unlawful Activities. Lessee shall not commit, or allow to be committed, any waste on the Premises, or use or allow the Premises to be used for any unlawful purpose.

#### I. Utilities.



1. Payment by Lessee. Lessee shall pay for all diesel fuels, utilities, and the endeavors contemplated within the Lease including, but not limited to telephone, electricity, or any other public utility service used or furnished on the Premises during the Term hereof.

J. Prohibition Against Liens. Lessee shall keep the Premises free and clear from all mechanics and materialmen's and other liens for work or labor done, service performed, materials, appliances, power contributed, used or furnished or to be used in or about the Premises for or in connection with any operation of Lessee or any alteration, improvements, repairs or additions which Lessee may make or permit or cause to be made or any work or constructed by, for, or permitted by Lessee on or about the Premises.

K. Indemnification of Lessor and Insurance.

1. Indemnification. In connection with the use or occupancy of the Premises by the Lessee, Lessee hereby covenants and agrees to defend, indemnify, save and hold harmless the Lessor and any of Lessor's affiliates, subsidiaries, parent companies or their respective officers, agents or employees and the Premises free, clear and harmless from any and all liability, accident, injury, damage, loss, expense, including attorney's fees, judgments, claims, liens and demands of any kind whatsoever in connection with, arising out of, or by reason of any acts, omissions or negligence of the Lessee, its employees, contractors, volunteers or invitees while in, upon, about or in any way connected with the use and occupancy of the Premises.

2. Insurance. The Lessee agrees to procure and maintain in full force during the term of this Lease, and any extension thereof, at its expense and naming Lessor as an additional insured, public liability insurance on the business operation of said property and upon the Premises, adequate to protect against liability for damage arising out of accidents occurring in or around the Premises, in the minimum amount of One Million Dollars and 00/100 (\$1,000,000.00) for personal injury and property damage. The policy and renewals thereof shall be delivered to Lessor for inspection.

Lessee shall be required to procure and maintain insurance against damage or loss by fire.

L. Assignment and Subletting. Lessee shall not sublet or assign any part of the Premises, or any of Lessee's rights under this Lease without the express

written consent of Lessor, which consent may be withheld in Lessor's sole discretion. Lessor may assign this Lease and all of its rights under the Lease.

M. Dispute Resolution - Arbitration.

1. If there shall be any dispute, controversy, or claim (hereinafter "dispute") between the Lessee and Lessor, arising out of, relating to, or connected with this Lease or any matter related thereto including the interpretation, enforceability, performance, breach, termination, or validity thereof, including without limitation, this arbitration clause, the parties shall use their best efforts to resolve the matter on the amicable basis and in a manner fair and equitable to all parties. If the parties are unable to resolve any dispute, the dispute may be referred, at the election of any party, to arbitration, except that any party may bring an action before a court of competent jurisdiction for the adoption of provisional or protective measures.

2. Selection of Arbitrators

a. Initial Selection of Two Arbitrators.

(1). The party seeking a remedy through arbitration shall select one arbitrator. If more than one party is seeking such remedy, such group of remedy seekers shall select one arbitrator. In the event the parties seeking a remedy through arbitration cannot agree within thirty (30) days of the deemed receipt of the dispute notice on the selection of an arbitrator, such parties shall make application to the court for the appointment of an arbitrator.

(2). The party who is not bringing the arbitration action shall select one arbitrator. If there is more than one party who is not bringing the arbitration action, and such parties do not agree within thirty (30) days of the deemed receipt of the dispute notice on the selection of an arbitrator, such parties shall make application to the court for the appointment of an arbitrator.

b. Selection of Third Arbitrator. Within ten (10) days of their selection, the two arbitrators selected above in a., shall select a



third arbitrator to complete the three person panel and to serve as the presiding arbitrator.

c. Default Selection of Arbitrators. If either the party bringing the arbitration action or the party defending such action fails in a timely fashion to nominate an arbitrator as set forth in (1), above; or in the case of multiple moving or defending parties, a multiple party fails to nominate an arbitrator as set forth in a., above; or the two arbitrators appointed by the parties fail or are unable to appoint a third arbitrator within the stated periods, then the arbitrators up to the required number of three (3) shall be appointed by the court.

d. Optional Use of One Arbitrator. In lieu of the above procedure for selecting three arbitrators the parties may, initially or at any time, agree upon only one arbitrator.

e. Costs of Arbitration. Each party shall be responsible for the cost charged by the arbitrator selected by that party. If a third arbitrator (presiding arbitrator) is selected, the parties shall each pay one-half (1/2) of the third arbitrator's cost. If the parties agree to the use of only one arbitrator, the parties shall each pay one-half (1/2) of the sole arbitrator's cost.

### 3. Rules of Arbitration

a. Time and Place of Proceedings. All arbitrations under this Lease shall occur in Elko, Nevada.

b. Hearing Procedure. At a hearing, any relevant evidence may be presented by either party, and the formal rules of evidence applicable to judicial proceedings shall not govern. Evidence submitted by the parties may be admitted or excluded in the sole discretion of the arbitrators. In the discretion of and within the limits specified by the arbitrators, a party may be permitted to pose questions or cross examine a witness for an opposing party.

c. No Award of Attorneys' Fees and Costs. The panel of arbitrators shall not award attorneys' fees to any party, or any other expenses incurred by the parties therein.

4. Award. The panel of arbitrators shall render a decision with respect to the arbitration dispute in writing with copies to each of the parties, within ninety (90) days of the date of provision of the dispute notice or as soon thereafter as is practicable. The arbitrators have no authority and may not make any award for punitive or consequential damages and any award must be consistent with this Lease.

5. Court Enforcement of Arbitration Award. The decision of the arbitrators and any award of damages shall be binding upon the parties. The award of the arbitration shall be final and enforceable and may be confirmed by the judgment of a court of competent jurisdiction.

N. Miscellaneous Provisions.

1. Binding Effect. This Lease shall be binding upon, and inure to the benefit of and apply to the respective heirs, successors and permitted assigns of the parties hereto.

2. Time of Essence. Time is of the essence of this Lease and all of its provisions.

3. Counterparts; Facsimile; Electronic Transmission. This Lease may be executed in one or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument. This Lease and any counterpart thereof may be executed by facsimile or electronic transmission and when delivered shall be deemed to be an original

4. Lessee shall not record, or file, this Lease with any public entity or agency without Lessor's prior written consent.

5. Confidentiality. The terms, provisions, and agreements set forth in this Lease are to remain strictly confidential between the parties hereto. Lessee agrees to maintain strict and absolute confidentiality regarding this Lease during the Term hereof and for a period of five (5) years from Termination or expiration. Lessor, in its sole discretion, may release any information concerning this Lease and Lessor is not required to keep any information concerning this Lease confidential. To the extent Lessor releases any information, Lessee is no longer required to keep the same information confidential.



6. Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing, by facsimile, by overnight courier or by registered or certified mail, postage prepaid and return receipt requested, and shall be deemed to have duly give or made upon: (I) delivery by hand, (II) on business day after being sent by overnight courier, (III) three business days after being deposited in the United States Mail, postage prepaid; or (IV) in the case of transmission by facsimile, when confirmation of receipt is obtained. Notices, demands and communications to SELLER and BUYER will, unless another address is specified in writing, be sent to the address indicated below:

Lessor:

Kevin Kinsella, Manager Land and Water  
General Moly, Inc.  
2215 N. 5<sup>th</sup> Street  
Elko, NV 89801

With copies to (which shall not constitute notice):

Michael K. Branstetter, attorney  
Hull & Branstetter Chartered  
P.O. Box 709  
Wallace, ID 83873

Lessee:

Young Brothers, a Nevada partnership  
HC 65 Box A  
Austin, NV 89310

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

KOBEH VALLEY RANCH, LLC,  
a Nevada limited liability company

YOUNG BROTHERS,  
a Nevada partnership

By: General Moly, Inc.  
a Delaware corporation,  
its manager

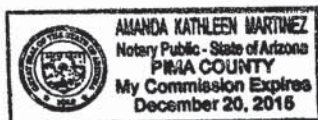
By: R Pennington  
Printed Name: Robert I. Pennington  
Title: Chief Operating Officer

By: Ralph Young  
Printed Name: Ralph Young  
Title: Managing Partner of Young  
Brothers

STATE OF ARIZONA )  
County of PIMA ) ss.

On this 26<sup>th</sup> day of March, 2015, before me, the undersigned, a  
Notary Public in and for the state aforesaid, personally appeared Robert I. Pennington  
known or identified to me to be the Chief Operating Officer of General Moly, Inc.,  
that he executed the foregoing instrument on behalf of said company, and  
acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
Notarial seal the day and year in this certificate first above written.



Amanda Kathleen Martinez  
Notary Public in and for the State of AZ  
Residing at: Pima County  
My Commission expires: December 20, 2015

STATE OF NEVADA                    )  
  ) ss.  
County of Carson                    )

On this 08 day of APRIL, 2015, before me, the undersigned, a Notary Public in and for the state aforesaid, personally appeared Ralph Young, known or identified to me to be the managing partner of Young Brothers, that he executed the foregoing instrument on behalf of said company, and acknowledged to me that such company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year in this certificate first above written.



Patsy A. Waits  
Notary Public in and for the State of Nevada,  
Residing at: Hc65 Box 8 Austin, NV. 89310  
My Commission expires: 1/21/2016



Exhibit "A"

PARCEL I:

PARCELS 1, 2, 3, 4 AND 5 AS SHOWN ON THAT CERTAIN PARCEL MAP FOR EVERETTE W. ARTIS FILED IN THE OFFICE OF THE COUNTY RECORDER OF LANDER COUNTY, STATE OF NEVADA, ON MARCH 3, 1982, AS FILE NO. 111756, BEING THE NORTHEAST QUARTER (NE 1/4) OF SECTION 22 AND THE NORTHWEST QUARTER (NW 1/4) OF SECTION 23, TOWNSHIP 19 NORTH, RANGE 47 EAST, M.D.B. & M.

PARCEL II:

THE NORTHEAST QUARTER (NE 1/4) OF SECTION 23 AND THE NORTHWEST QUARTER (NW 1/4) OF SECTION 24, IN TOWNSHIP 19 NORTH, RANGE 47 EAST, M.D.B. & M.

EXCEPTING THEREFROM ONE-HALF (1/2) OF ANY MINERAL, GAS OR OIL RIGHTS LYING IN AND UNDER SAID LAND AS RESERVED BY T.C. ROWAN, IN DEED RECORDED FEBRUARY 22, 1980, IN BOOK 174, PAGE 278, OFFICIAL RECORDS, LANDER COUNTY, NEVADA.

PARCEL III:

PARCEL 1 AS SHOWN ON THAT CERTAIN PARCEL MAP FOR G. TED SOWLAKIS FILED IN THE OFFICE OF THE COUNTY RECORDER OF LANDER COUNTY, STATE OF NEVADA, ON MARCH 3, 1982, AS FILE NO. 111754, BEING THE NORTHWEST QUARTER (NW 1/4) OF THE NORTHWEST QUARTER (NW 1/4) OF SECTION 22, TOWNSHIP 19 NORTH, RANGE 47 EAST, M.D.B. & M.

PARCEL IV:

PARCELS 2, 3, 4 AND 5 AS SHOWN ON THAT CERTAIN PARCEL MAP FOR G. TED SOWLAKIS FILED IN THE OFFICE OF THE COUNTY RECORDER OF LANDER COUNTY, STATE OF NEVADA, ON MARCH 3, 1982, AS FILE NO. 111754, BEING THE NORTHEAST QUARTER (NE 1/4) OF THE NORTHWEST QUARTER (NW 1/4); SOUTH HALF (S 1/2) OF THE NORTHWEST QUARTER (NW 1/4) AND SOUTHWEST QUARTER (SW 1/4) OF SECTION 22, TOWNSHIP 19 NORTH, RANGE 47 EAST, M.D.B. & M.

PARCEL V:

PARCELS 1, 2, 3, 4, 5, 6, 7 AND 8 AS SHOWN ON THAT CERTAIN PARCEL MAP FOR RICHARD H. GUELICH, III, FILED IN THE OFFICE OF THE COUNTY RECORDER OF LANDER COUNTY, STATE OF NEVADA, ON MARCH 23, 1982, AS FILE NUMBER 111757, BEING THE SOUTH HALF (S 1/2) OF SECTION 15, TOWNSHIP 19 NORTH, RANGE 47 EAST, M.D.B. & M.

PARCEL VI:

PARCELS 1, 2, 3, 4 AND 5, AS SHOWN ON THAT CERTAIN PARCEL MAP FOR SHELBY K. GUELICH, FILED IN THE OFFICE OF THE COUNTY RECORDER OF LANDER COUNTY, STATE OF NEVADA, ON MARCH 23, 1982, AS FILE NUMBER 111753, BEING THE SOUTH HALF (S 1/2) OF THE NORTH HALF (N 1/2) AND NORTH HALF (N 1/2) OF THE SOUTH HALF (S 1/2) OF SECTION 21, TOWNSHIP 19 NORTH, RANGE 47 EAST, M.D.B. & M.



# Exhibit "A"

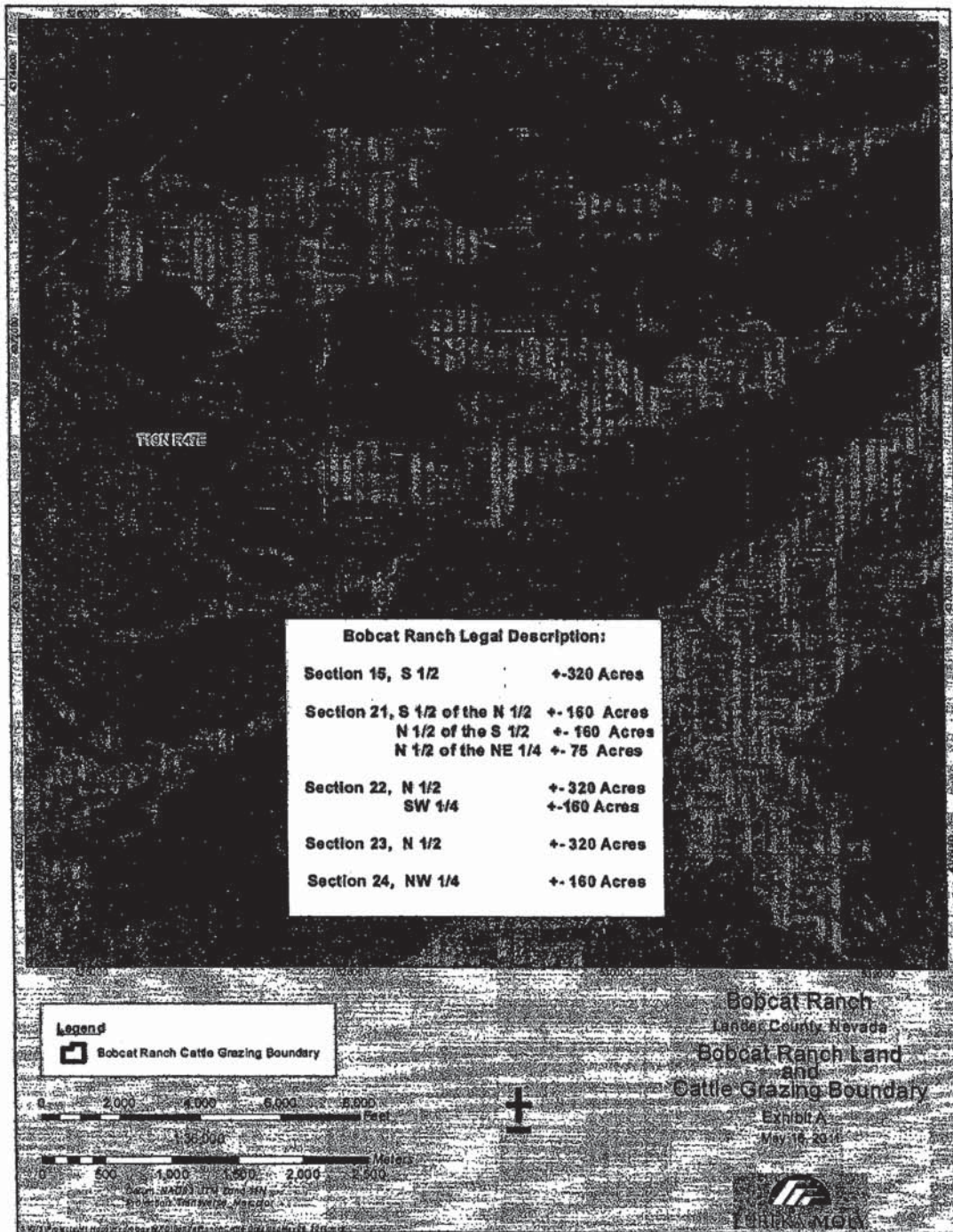


Exhibit "B"

Equipment

**Bobcat Ranch Diesel Engines**

Type	Model/Serial Number
Detroit Diesel Power Engine Series 60	6064TK33/6RE117073
Detroit Diesel Power Engine Series 60	6064TK33/6RE115789
Reliablilt Power Choice Series 60/Detroit	6063HK33/110366
Deutz 1013 Series Engine	BF 6M 103FC/01059498
John Deere Power Tech Engine #1	4045DF150D.158/PE4045D323378
John Deere Power Tech Engine #2	4045DF150D.158/PE4045D338491

Therese A. Ure, NSB 10255  
Laura A. Schroeder, NSB 3595  
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counsel@water-law.com  
*Attorneys for Protestants*

Affirmation: This document does  
not contain the social security  
number of any person.

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

In the Matter of Protested Application Nos.  
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.

**PROTESTANTS ETCHEVERRY  
FAMILY LP, AND DIAMOND CATTLE  
COMPANY, RESPONSE AND  
OBJECTION TO APPLICANT'S  
MOTION FOR RECONSIDERATION,  
OR IN THE ALTERNATIVE, TO  
RESCHEDULE PROCEEDINGS**

COMES NOW, Protestants, ETCHEVERRY FAMILY LIMITED PARTNERSHIP, and  
DIAMOND CATTLE COMPANY ("Protestants"), by and through their counsel, Laura A.  
Schroeder and Therese A. Ure, of Schroeder Law Offices, P.C., to respond and object to  
Applicant's KOBEH VALLEY RANCH, LLC ("KVR"), Motion for Reconsideration, or in the  
Alternative, to Reschedule Proceedings.

**RESPONSE AND OBJECTION**

Without waiving any argument on the merits, Protestants object to KVR's Motion as it is  
improperly before the Office of the State Engineer.



The Office of the State Engineer vacated the Pre-Hearing Conference *sua sponte*. The State Engineer's Order Vacating Pre-Hearing Conference<sup>1</sup> was not a granting of Eureka County's Verified Petition for Writ of Prohibition or in the Alternative, Writ of Mandamus<sup>2</sup> ("Petition for Writ") filed in the Nevada Supreme Court, nor was it made by direction from the Supreme Court in response to the Petition for Writ to vacate the hearing.

The Office of the State Engineer was correct in vacating the pre-hearing conference because many of the applications before the State Engineer include the same underlying rights before the Supreme Court. The ingeminate applications currently before Supreme Court and the State Engineer include Applications 85575, 85577, 85579, 85581 through 85586, 85588, 85589, 85591 through 85599, 85603, 85604, 86149 through 86152, and 86157 through 86161.

KVR asserts that Eureka County's Petition for Writ is procedurally deficient. *See* Motion at Argument II(A). Arguments as to procedure in the Supreme Court are not properly before the State Engineer. The State Engineer holds no jurisdiction to consider procedural deficiencies in a Supreme Court filing under the Nevada Rules of Appellate Procedure.

More importantly, subject matter jurisdiction in these matters, is properly with the Nevada Supreme Court at this time. It would be improper for an administrative agency such as the Nevada Department of Water Resources ("NDWR") to undertake subject matter jurisdiction until the Nevada Supreme Court finished its review or unless the NDWR was directed to do by the Nevada Supreme Court over essentially the same requests for water uses. KVR's attempt to seek a better or faster outcome by forum shopping should not be permitted, particularly against Nevada's highest court.

Protestants object to KVR's request to the State Engineer to schedule the hearing in this matter. No hearing on the protested applications should proceed until the Supreme Court has

---

<sup>1</sup> See State Engineer Order Vacating Pre-Hearing Conference dated August 23, 2016.

<sup>2</sup> See Eureka County's Verified Petition for Writ of Prohibition or in the Alternative, Writ of Mandamus dated August 22, 2016 filed before the Nevada Supreme Court in Case No. 71090.





ruled on KVR's appeal dealing with the same underlying applications. Regardless, should NDWR continue despite its lack of subject matter jurisdiction at this time, any scheduled hearing ought to consider the calendars of the other parties. Protestant's counsel will be out of the country for the entire month of November 2016, traveling to/from and presenting before the World Irrigation Forum in Thailand, and are unavailable.

### CONCLUSION

Based on the foregoing, Protestants object to KVR's Motion for Reconsideration, and In the Alternative, to Reschedule Proceedings.

DATED this 1st day of September, 2016.

SCHROEDER LAW OFFICES, P.C.



Laura A. Schroeder, NSB #3595

Therese A. Ure, NSB #10255

Email: [counsel@water-law.com](mailto:counsel@water-law.com)

440 Marsh Ave.

Reno, NV 89509

Phone: (775) 786-8800

Fax: (877) 600-4971

*Attorneys for Protestants*



## CERTIFICATE OF SERVICE

I certify that on September 1, 2016, I caused a copy of the foregoing *PROTESTANTS ETCHEVERRY FAMILY LP, AND DIAMOND CATTLE COMPANY, RESPONSE AND OBJECTION TO APPLICANT'S MOTION FOR RECONSIDERATION, OR IN THE ALTERNATIVE, TO RESCHEDULE PROCEEDINGS* to be served on the following persons as outlined below:

### ***VIA FEDEX:***

Kristen Geddes, Chief, Hearings Section  
Nevada Division of Water Resources  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

### ***VIA U.S. MAIL:***

Paul G. Taggart, Esq.  
Taggart & Taggart, LTD.  
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Debbie Leonard, Esq.  
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100 W. Liberty St., 10<sup>th</sup> Floor  
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Karen A. Peterson, Esq.  
Allison MacKenzie, Ltd.  
402 North Division Street  
Carson City, NV 89703

Theodore Beutel  
Eureka County District Attorney  
701 South Main Street  
P.O. Box 190  
Eureka, NV 89316

Dated this 1st day of September, 2016.



Laura A. Schroeder, NSB # 3595  
Therese A. Ure, NSB # 10255  
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*Attorneys for Protestants*



1 IN THE OFFICE OF THE STATE ENGINEER  
2 OF THE STATE OF NEVADA  
3

4 IN THE MATTER OF PROTESTED  
5 APPLICATIONS 85573 THROUGH 85604,  
6 INCLUSIVE. 86149 THROUGH 86153,  
7 INCLUSIVE. 86157 THROUGH 86161,  
8 INCLUSIVE. FILED TO APPROPRIATE  
9 THE UNDERGROUND WATERS OF  
10 KOBEL VALLEY (139) AND DIAMOND  
11 VALLEY (153) HYDROGRAPHIC  
12 BASINS, EUREKA COUNTY, NEVADA.  
13

14 EUREKA COUNTY'S RESPONSE TO  
15 MOTION FOR RECONSIDERATION, OR IN THE ALTERNATIVE,  
16 TO RESCHEDULE PROCEEDINGS  
17

18 EUREKA COUNTY, by and through its counsel of record, ALLISON MacKENZIE,  
19 LTD. and THEODORE BEUTEL, ESQ., EUREKA COUNTY DISTRICT ATTORNEY, submits its  
20 response pursuant to NAC 533.142(6) to the Motion for Reconsideration. Or In The Alternative, To  
21 Reschedule Proceedings filed by KOBEL VALLEY RANCH, LLC ("KVR") on or about August  
22 25, 2016. The STATE ENGINEER correctly vacated the pre-hearing conference pending any  
23 decision on EUREKA COUNTY's *Verified Petition for Writ of Prohibition or in the Alternative,*  
24 *Writ of Mandamus* filed in the Nevada Supreme Court, Case No. 71090. The STATE ENGINEER  
25 does not have authority to take any action on KVR's applications pending the ongoing appeal in  
26 Case No. 70157. *See Westside Charter Service, Inc. v. Gray Line Tours of Southern Nevada*, 99  
27 Nev. 456, 459, 664 P.2d 351, 353 (1983). KVR's Motion for Reconsideration, Or In The  
28 Alternative, To Reschedule Proceedings should be denied.

23 ///

24 ///

25 ///

26 ///

27 ///

28 ///

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

1 DATED this 1<sup>st</sup> day of September, 2016.

2 ALLISON MacKENZIE, LTD.  
3 402 North Division Street  
4 Carson City, Nevada 89703

5 BY:   
6 KAREN A. PETERSON, ESQ.  
7 Nevada State Bar No. 0366

8 -and -

9 THEODORE BEUTEL, ESQ.  
10 Nevada State Bar No. 5222  
11 EUREKA COUNTY DISTRICT ATTORNEY  
12 701 South Main Street  
13 Post Office Box 190  
14 Eureka, Nevada 89316

15 Attorneys for EUREKA COUNTY  
16  
17  
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CERTIFICATE OF SERVICE

Pursuant to NRCP Rule 5(b), I hereby certify that I am an employee of ALLISON MacKENZIE, LTD., Attorneys at Law, and that on this date, I caused the foregoing document to be served to all parties to this action by:

☒ Placing a true copy thereof in a sealed postage prepaid envelope, in the United States Mail in Carson City, Nevada [NRCP 5(b)(2)(B)]

☐ Electronic transmission

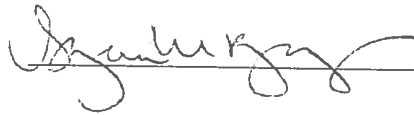
Paul G. Taggart, Esq.  
David H. Rigdon, Esq.  
Rachel L. Wise, Esq.  
Taggart & Taggart  
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P.O. Box 2670  
Reno, NV 89505-2670

Ross E. De Lipkau, Esq.  
Gregory H. Morrison, Esq.  
Parsons Behle & Latimer  
50 West Liberty Street, Suite 750  
Reno, NV 89501

DATED this 16 day of September, 2016.

  
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**BEFORE THE STATE ENGINEER, STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL  
RESOURCES, DIVISION OF WATER RESOURCES**

\*\*\*

IN THE MATTER OF APPLICATION  
NUMBERS 85575, 85577, 85579, 85581  
THROUGH 85586, 85588, 85589, 85591  
THROUGH 85594, 85596 THROUGH 85599,  
85603, 85604, 86149 THROUGH 86153, 86157  
THROUGH 86161, FILED TO CHANGE  
EXISTING RIGHTS IN THE KOBEH VALLEY  
(139) AND DIAMOND VALLEY (153)  
HYDROGRAPHIC BASINS, LANDER  
COUNTY AND EUREKA COUNTY, NEVADA

RECEIVED  
2016 SEP 15 PM 4:53  
STATE ENGINEERS OFFICE

**REPLY TO EUREKA COUNTY AND THE ETCHEVERRY/DIAMOND PARTIES  
RESPONSE AND OBJECTION TO KVR'S MOTION FOR RECONSIDERATION**

KOBEH VALLEY RANCH, LLC ("KVR"), by and through its attorneys of record, PAUL G. TAGGART, ESQ. RACHEL L. WISE, ESQ., and DAVID H. RIGDON, ESQ., of the law firm of TAGGART & TAGGART, LTD., hereby replies to the Response to KVR's Motion for Reconsideration filed by Eureka County and the Response and Objection to KVR's Motion for Reconsideration filed by Etcheverry Family, L.P. and Diamond Cattle Company (Collectively the "Etcheverry/Diamond Parties").

**I. PROCEDURAL BACKGROUND**

In the interest of brevity, KVR hereby incorporates the procedural background contained in its motion, and supplements that motion as follows to reflect subsequent events.

On August 24, 2016, KVR submitted to the State Engineer a Motion for Reconsideration or, in the Alternative, to Reschedule Proceedings in the above-captioned case. The motion requested the State Engineer reconsider its order vacating the August 25, 2016 pre-hearing conference and: (1) schedule a hearing in this matter for the third week in December, (2) require that evidence be submitted to the State Engineer no later than 30 days prior to the date of the hearing, and (3) schedule a pre-hearing conference for no later than 30 days prior to the close of the period to submit evidence.

1 In the alternative, KVR requested that the State Engineer schedule the proceedings as described above  
2 conditioned upon the Nevada Supreme Court's denial of Eureka County's writ petition.

3 On September 1, 2016, the Etcheverry/Diamond Parties filed a Response and Objection to  
4 KVR's motion. On September 6, 2016, Eureka County filed as Response to KVR's motion. Both  
5 Responses assert that the State Engineer does not have the authority to take any action on KVR's  
6 applications based on an ongoing appeal in Nevada Supreme Court Case No. 70157. In making their  
7 arguments, Eureka County and the Etcheverry/Diamond Parties misinterpret and misapply the  
8 exclusive jurisdiction doctrine enunciated in the *Westside Charter* case.<sup>1</sup>

9 **II. ARGUMENT**

10 **A. The exclusive jurisdiction doctrine of *Westside Charter* is not applicable here.**

11 At issue in the *Westside Charter* case was whether an administrative agency may take action  
12 while an appeal of that agency's order is pending before an appellate court. The Nevada Supreme  
13 Court properly held that in situations where the agency's order is before it on appeal, the appellate  
14 court maintains exclusive jurisdiction over the subject matter of the appealed order, precluding further  
15 action by the administrative agency.<sup>2</sup>

16 In *Westside Charter*, the district court had issued a judgment that upheld certain portions of the  
17 Westside certificate and limited other substantive rights that had been granted by PSC. During the  
18 appeal to the Supreme Court, a stay was entered to maintain the status quo.<sup>3</sup> Therefore, at the time the  
19 case was pending before the Supreme Court, a certificate existed for Westside. Substantive rights  
20 existed and the Supreme Court has jurisdiction over consideration of those substantive rights. Since  
21 the validity of that certificate, and the substantive rights it issued, was being considered by the  
22 Supreme Court, the PSC could not consider whether to grant the same rights in a separate certificate.

23  
24 <sup>1</sup> *Westside Charter Service, Inc. v. Gray Line Tours of Southern Nevada*, 99 Nev. 456, 644 P.2d 351 (1983).

25 <sup>2</sup> *Id.* at 459, P.2d at 353.

26 <sup>3</sup> *Id.* at 458, P.2d at 352. The existence of the stay was a key factor in the Supreme Court's decision. *See Id.* at 459, P.2d  
27 353 ("It is also clear that the district court's stay of judgment while the case was under appeal did not allow PSC to deal  
28 with the subject matter of the judgment until a final decision had been rendered. The purpose of a stay is to preserve the  
*status quo ante*. It does not allow further modifications on the subject matter of the judgment . . . In this case, the stay of  
judgment pending appeal effectively prevented any further administrative proceedings on the subject matter of the appeal  
while the order denying the NRCP 60(b) motion was on appeal. Thus, PSC was without jurisdiction to act when it did in  
regard to Westside's second application.") (internal citations omitted).

1 Here, the applications that KVR filed have been denied, and a stay does not exist. KVR does  
2 not have substantive rights in an application that is before the Supreme Court. The State Engineer will  
3 not be considering whether to grant rights that exist in a case before the Supreme Court. If the  
4 Supreme Court reverses the district court's denial of KVR's permits, that will make the current  
5 applications before the State Engineer moot. There is no jurisdictional conflict.

6 In addition, water rights are much different in nature than the tariff rights granted by the PSC  
7 in *Westside Charter*. When KVR's change application were vacated, the water associated with them  
8 reverted to the certificated base right. By contrast, when Westside's tariff was ordered to be partially  
9 vacated, there was no residual right remaining. Since KVR's retained its interest in the base rights, it  
10 retained all rights that come with that interest including the right to seek a change in the place of  
11 diversion or the place and manner of use of the water.

12 Protestants insist on using the term "ingeminated" to describe KVR's new applications in an  
13 attempt to challenge their validity. This is grammatically and factually incorrect. Ingeminate is an  
14 archaic verb which means to "stress or make more forceful by repeating."<sup>4</sup> When used in its proper  
15 context it describes an oratorical style in which the speaker repeats what he said to provide emphasis.<sup>5</sup>  
16 KVR's new applications were not filed with the intent of adding emphasis to anything. The change  
17 applications at issue in this case are newly filed applications to change the place of diversion and place  
18 and manner of use of KVR's base water rights. They have no different status than any of the hundreds  
19 of other change applications regularly filed with the State Engineer.

20 The Supreme Court's jurisdiction in case no. 70157 does not extend to the new KVR change  
21 applications that were filed after the Court's opinion in *Eureka County v. State Engineer*. The district  
22 court's order on appeal in case no. 70157 is quite different than the new change applications that are  
23 the subject matter the State Engineer was considering before Eureka County filed its writ petition.  
24 Accordingly, the exclusive jurisdiction rule is inapplicable and does not prevent the State Engineer  
25 from scheduling a hearing to consider approval of the applications as requested by KVR.

27 <sup>4</sup> Webster's New Twentieth Century Dictionary 941 (unabridged 2d ed. 1956).

28 <sup>5</sup> For example, it would be grammatically proper, if somewhat archaic, for a reporter to state: "Today, Donald Trump  
ingeminated his proposal to build a wall on the Mexican border."

1           **B.     Until and unless the Supreme Court grants Eureka County's writ petition, the**  
2           **State Engineer is not barred from conducting proceedings in this matter.**

3           The Etcheverry/Diamond Parties claim that KVR's assertions related to the deficiencies in  
4           Eureka County's writ petition are irrelevant since the State Engineer has no jurisdiction to consider  
5           procedural deficiencies in a Supreme Court filing. While the Etcheverry/Diamond Parties are correct.  
6           But KVR pointed out those deficiencies to indicate it is highly unlikely that the Supreme Court will  
7           grant the petition. Absent the issuance of a writ from the Supreme Court suspending proceedings in  
8           this matter, the State Engineer retains the authority and the obligation under Nevada law to timely  
9           process KVR's applications.

10          The Supreme Court has issued no ruling or opinion, or taken any other action, asserting subject  
11          matter jurisdiction over KVR's new change applications. Until and unless such action is taken, there  
12          is nothing to bar the State Engineer from proceeding with its consideration of the KVR applications.  
13          If the State Engineer is troubled by the possibility that the Supreme Court will take such an action, the  
14          most prudent course is to proceed with the scheduled hearing, conditioned on the Supreme Court's  
15          denial of Eureka County's writ petition. This will avoid unnecessary delay and harm to KVR, but also  
16          give the State Engineer a "safety valve" that he can use to shut off consideration of KVR's  
17          applications in the unlikely event that the Supreme Court chooses to intervene.

18          This approach is also a fair middle ground in this situation. An immediate schedule for  
19          hearings is needed because, as illustrated by the Etcheverry/Diamond Parties' response, the longer the  
20          State Engineer delays the scheduling of a hearing, the more probable it is that counsel will have  
21          conflicts. Counsel for Etcheverry/Diamond is already unavailable for the entire month of November.  
22          A hearing can still take place in late December if it is scheduled quickly. Cancellation of a hearing is  
23          also easier than waiting to schedule a new one. Accordingly, the State Engineer should immediately  
24          schedule the hearing in this matter. That hearing can always be cancelled or postponed with little  
25          difficulty if subsequent events so require.

26          Halting the proceedings is inherently unfair to an applicant, sets a dangerous precedent, and  
27          effectively allows any protestant to halt consideration of an application by filing a writ petition with  
28          the courts – regardless of the efficacy of that petition and without having to prove any of the

1 contentions contained therein. This violates the applicant's due process right to have their application  
2 considered in a timely manner. If the State Engineer's order stands, KVR will suffer an unnecessary  
3 and costly delay in developing the Mt. Hope project.

4 **III. CONCLUSION**

5 Based on the foregoing, KVR respectfully requests the State Engineer reconsider the Order  
6 Vacating Pre-Hearing Conference, or, in the alternative, schedule proceedings conditioned upon the  
7 Nevada Supreme Court's denial of the Eureka County's writ petition.

8  
9 DATED this 15<sup>th</sup> day of September, 2016.

10 TAGGART & TAGGART, LTD.  
11 108 North Minnesota Street  
12 Carson City, Nevada 89703  
13 (775) 882-9900 – Telephone  
14 (775) 883-9900 – Facsimile

15 By: 

16 PAUL G. TAGGART, ESQ.  
17 Nevada State Bar No. 6136  
18 RACHEL L. WISE, ESQ.  
19 Nevada State Bar No. 12303  
20 DAVID H. RIGDON, ESQ.  
21 Nevada State Bar No. 13567  
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**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I hereby certify that I am an employee of TAGGART & TAGGART, LTD., and that on this date I served, or caused to be served, a true and correct copy of the foregoing, as follows:

[X] By U.S. POSTAL SERVICE: I deposited for mailing in the United States Mail, with postage prepaid, an envelope containing the above identified document, at Carson City, Nevada, in the ordinary course of business, addressed as follows:

Debbie Leonard, Esq.  
McDonald Carano Wilson LLP  
100 W. Liberty St., 10th Floor  
PO Box 2670  
Reno, NV 89501  
Attorney for Diamond Natural Resources Protection & Conservation Association

Therese A. Ure, Esq.  
Schroeder Law Offices, P.E.  
440 Marsh Ave.  
Reno, Nevada 89509  
Attorney for Diamond Cattle Co., LLC and Etcheverry Family Limited Partnership

Karen A. Peterson, Esq.  
Allison, Mackenzie, Pavlakis,  
Wright & Fagan, Ltd.  
402 N. Division Street  
Carson City, Nevada 89703-4168  
Attorney for Eureka County

DATED this 15<sup>th</sup> day of September, 2016.

  
\_\_\_\_\_  
Employee of TAGGART & TAGGART, LTD.



### *Depreciation and Amortization*

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Property and equipment are depreciated using the following estimated useful lives:

Field equipment	Four to ten years
Office furniture, fixtures, and equipment	Five to seven years
Vehicles	Three to five years
Leasehold improvements	Three years or the term of the lease, whichever is shorter
Residential trailers	Ten to twenty years
Buildings and improvements	Ten to twenty seven and one-half years

At June 30, 2016 and December 31, 2015, accumulated depreciation and amortization was \$2.2 and \$2.1 million, respectively, of which \$1.9 and \$1.9 million, respectively, was capitalized.

### *Senior Convertible Promissory Notes and other Long-Term Debt*

As discussed in Note 2, in December 2014, the Company sold and issued \$8.5 million in units consisting of the Convertible Notes and the Notes Warrants to accredited investors, including several directors and each of the named executive officers of the Company, pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 thereunder. The Convertible Notes are unsecured obligations and are senior to any of the Company's future secured obligations to the extent of the value of the collateral securing such obligations.

The Convertible Notes bear interest at a rate of 10.0% per annum, payable in cash quarterly in arrears on each March 31, June 30, September 30, and December 31. The Convertible Notes are convertible at any time in an amount equal to 80% of the greater of (i) the average VWAP for the 30 Business Day period ending on the Business Day prior to the date of the conversion, or (ii) the average VWAP for the 30 Business Day period ending on the original issuance date of the Convertible Notes. Each Note will convert into a maximum of 100 shares per note, resulting in the issuance of up to 8,535,000 shares. General Moly's named executive officers and board of directors who participated in the offering are restricted from converting at a price less than \$0.32, the most recent closing price at the time that the Convertible Notes were issued. The Convertible Notes are mandatorily redeemable at par plus the present value of remaining coupons upon (i) the availability of cash from a financing for the Mt. Hope Project or (ii) any other debt financing by the Company. In addition, 50% of any proceeds from the sale of assets cumulatively exceeding \$250,000 will be used to prepay the Convertible Notes at par plus the present value of remaining coupons. The Company has the right to redeem the Convertible Notes at any time at par plus the present value of remaining coupons. The Private Placement was negotiated by independent members of General Moly's board of directors, none of whom participated in the transaction. As of June 30, 2016, an aggregate of \$2.6 million of Convertible Notes had been converted into 2,625,000 shares of common stock and \$1.3 million of non-convertible Senior Promissory Notes, resulting in a \$0.2 million annual reduction in interest payments made by the Company in the servicing of the Convertible Notes, as further discussed in Note 6 below.

The Company evaluates its contracts for potential derivatives. See Note 6 for a description of the Company's accounting for embedded derivatives and the Convertible Notes.

The Company additionally has certain debt related to a land mortgage, which is allocated between long-term and current based on payments contractually required to be made within the next twelve months.

Debt issuance costs are costs incurred in connection with the Company's debt financings that have been capitalized and are being amortized over the stated maturity period or estimated life of the related debt, using the effective interest method.

### *Provision for Taxes*

Income taxes are provided based upon the asset and liability method of accounting. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. In accordance with authoritative guidance under Accounting Standards Codification ("ASC") 740, Income Taxes, a valuation allowance is recorded against the deferred tax asset if management does not believe the Company has met the "more likely than not" standard to allow recognition of such an asset.



### *Reclamation and Remediation*

Expenditures for ongoing compliance with environmental regulations that relate to current operations are expensed or capitalized as appropriate. Future obligations to retire an asset, including reclamation, site closure, dismantling, remediation and ongoing treatment and monitoring, are recorded as a liability at fair value at the time of construction or development. The fair value determination is based on estimated future cash flows, the current credit-adjusted risk-free discount rate and an estimated inflation factor. The value of asset retirement obligations is evaluated on a quarterly basis or as new information becomes available on the expected amounts and timing of cash flows required to discharge the liability. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount will be depreciated or amortized over the estimated life of the asset upon the commencement of commercial production. An accretion cost, representing the increase over time in the present value of the liability, is also recorded each period as accretion expense. As reclamation work is performed or liabilities are otherwise settled, the recorded amount of the liability is reduced.

### *Stock-based Compensation*

Stock-based compensation represents the fair value related to stock-based awards granted to members of the Board, officers and employees. The Company uses the Black-Scholes model to determine the fair value of stock-based awards under authoritative guidance for Stock-Based Compensation. For stock-based compensation that is earned upon the satisfaction of a service condition, the cost is recognized on a straight-line basis (net of estimated forfeitures) over the requisite vesting period (up to three years). Awards expire five years from the date of vesting.

Further information regarding stock-based compensation can be found in Note 9 — “Equity Incentives.”

### *Warrants*

The Company has issued warrants in connection with several financing transactions and uses the Black-Scholes model or a lattice to determine the fair value of these transactions based on the features included in each.

### *Recently Issued Accounting Pronouncements*

#### *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*

In March 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-09, Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting. The update aims to simplify several aspects of the accounting for share-based payment transactions, including income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The company is currently reviewing the standard to determine the impact on its financial statements.

#### *Leases (Topic 842)*

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The update aims to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. The company is currently reviewing the standard to determine the impact on its financial statements.

## **NOTE 4 — MINING PROPERTIES, LAND AND WATER RIGHTS**

We currently have interests in two mining properties that are the primary focus of our development, the Mt. Hope Project and the Liberty Project. We also have certain other, non-core, mining properties that are being evaluated for future development or sale.

**The Mt. Hope Project.** We are currently continuing our efforts associated with the future opportunity to develop the Mt. Hope Project. In January 2014, the Company published an updated Technical Report on the Mt. Hope Project using Canadian Instrument NI 43-101 guidelines, which provided data on the viability and expected economics of the project. Based on the findings in the study, on a 100% basis, we reported 1.4 billion pounds of contained (1.2 billion pounds recoverable) molybdenum in proven and probable reserves.

**Liberty Project.** We are currently continuing to evaluate the Liberty Project. In July 2014, the Company published an updated NI 43-101 compliant pre-feasibility study, which more closely examined the use of existing infrastructure and the copper potential of the property.

**Other Mining Properties.** We also have mining claims and land purchased prior to 2006 which consist in part of (a) approximately 107 acres of fee simple land in the Little Pine Creek area of Shoshone County, Idaho, (b) six patented mining claims known as the Chicago-London group, located near the town of Murray in Shoshone County, Idaho, (c) 34 unpatented mining claims in Marion County, Oregon, known as the Detroit property and (d) 83 unpatented mining claims in Sanders and Madison County, Montana.

**Summary.** The following is a summary of mining properties, land and water rights at June 30, 2016 and December 31, 2015 (in thousands):

	At June 30, 2016	At December 31, 2015
<b>Mt. Hope Project:</b>		
Development costs	\$ 170,227	\$ 169,735
Mineral, land and water rights	11,324	11,324
Advance Royalties	30,300	29,800
<b>Total Mt. Hope Project</b>	<b>211,851</b>	<b>210,859</b>
<b>Total Liberty Project</b>	<b>9,692</b>	<b>9,695</b>
<b>Other Properties</b>	<b>81</b>	<b>81</b>
<b>Total</b>	<b>\$ 221,624</b>	<b>\$ 220,635</b>

Development costs of \$170.2 million include hydrology and drilling costs, expenditures to further the permitting process, capitalized salaries, project engineering costs, and other expenditures required to fully develop the Mt. Hope Project. Deposits and/or final payments on project property, plant and equipment of \$87.1 million represent ongoing progress payments on equipment orders for the custom-built grinding and milling equipment, related electric mill drives, and other processing equipment that require the longest lead times.

#### NOTE 5 — ASSET RETIREMENT OBLIGATIONS

Asset retirement obligations (“ARO”) arise from the acquisition, development, construction and normal operation of mining property, plant and equipment due to government controls and that protect the environment, and are primarily related to closure and reclamation of mining properties. The exact nature of environmental issues and costs, if any, which the Company or the LLC may encounter in the future are subject to change, primarily because of the changing character of environmental requirements that may be enacted by governmental authorities.

The following table shows asset retirement obligations for future mine closure and reclamation costs in connection with the Mt. Hope Project and within the boundaries of the Plan of Operations (“PoO”):

	(in thousands)
At January 1, 2015	\$ 1,077
Accretion Expense	72
Adjustments*	(92)
At December 31, 2015	\$ 1,057
Accretion Expense	40
Adjustments*	(106)
At June 30, 2016	\$ 991

\* Includes additions, annual changes to the escalation rate, the market-risk premium rate, or reclamation time periods.

The estimated future reclamation costs for the Mt. Hope Project have been discounted using a rate of 8%. The total inflated and undiscounted estimated reclamation costs associated with current disturbance under the PoO at the Mt. Hope Project were \$6.6 million at June 30, 2016, inclusive of \$2.1 million for mitigation of sage grouse habitat that would be affected by development of the Mt. Hope Project. Increases in ARO liabilities resulting from the passage of time are recognized as accretion expense.

The LLC is required by federal and state laws in the U.S. to provide financial assurance sufficient to allow a third party to implement approved closure and reclamation plans if the LLC is unable to do so. The laws govern the determination of the scope and cost of the closure, and the amount and forms of financial assurance. As of December 31, 2015, the LLC had provided the appropriate regulatory authorities with \$75.1 million in reclamation financial guarantees through the posting of surety bonds for reclamation of the Mt. Hope Project as approved in the ROD. As of December 31, 2015, we had \$4.6 million in cash deposits associated with these bonds, which are specific to the PoO disturbance and accounted for as restricted cash and are unrelated to the inflated and undiscounted liability referenced above.

As a result of delays in financing for the construction of the Mt. Hope Project, we submitted a revised proposal to NDEP and the BLM to reduce our reclamation liability to current surface disturbance. On December 21, 2015, NDEP and the BLM accepted our revised estimates approving a reduction of the reclamation cost estimate to approximately \$2.8 million. Thereafter, we worked with the LLC's reclamation surety underwriters to satisfy the reduced \$2.8 million financial guarantee requirements for the Mt. Hope Project. As of June 30, 2016, the surety bond program is funded with a cash collateral payment of \$0.3 million, a reduction from the \$4.6 million established in November 2014, resulting in a \$4.3 million return of collateral received by the LLC in February 2016.

The LLC has a smaller liability at the Mt. Hope Project for disturbance associated with exploration drilling which occurred outside the PoO boundaries shown, in the table below. The LLC has not discounted this reclamation liability as the total amount is less than \$0.1 million.

Total restricted cash for surety bond collateral requirements and other long-term reclamation obligations at the Mt. Hope Project equal \$0.8 million. Another \$0.2 million in cash collateral is associated with surety bonds at the Liberty Project.

The Company's Liberty Project is currently in the exploration stage. The Company has not discounted the reclamation liability incurred at the Liberty Project as the total is approximately \$0.1 million, also shown in the table below.

	Mt. Hope Project outside PoO boundary		Liberty	
	(in thousands)			
At January 1, 2015		81		118
Adjustments *		(59)		—
At December 31, 2015	\$	22	\$	118
Adjustments *		—		—
At June 30, 2016	\$	22	\$	118

\* Includes reduced / reclaimed disturbance

#### NOTE 6 — SENIOR CONVERTIBLE PROMISSORY NOTES

In December 2014, the Company sold and issued 85,350 Units consisting of the Convertible Notes and the Notes Warrants to qualified buyers pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, of which 23,750 Units were sold and issued to related parties, including several directors and each of our named executive officers. The Convertible Notes are unsecured obligations and are senior to any of the Company's future secured obligations to the extent of the value of the collateral securing such obligations.

The transaction value of \$8.5 million was allocated between debt for the Convertible Notes and equity for the Notes Warrants based on the relative fair value of the two instruments. This resulted in recording \$0.8 million in Additional Paid In Capital for the relative fair value of the Notes Warrants and \$7.7 million as Convertible Notes. The Company received net proceeds from the sale of the Convertible Notes of approximately \$8.0 million, after deducting offering expenses of approximately \$0.5 million, which was allocated between debt and equity. As a result, the Company recognized \$0.4 million as Debt Issuance Costs to be amortized over the expected redemption period, and \$0.1 million recognized as a reduction to Additional Paid in Capital. Net proceeds from the sale are being used to fund ongoing operations until the Company's portion of project financing is obtained.

The Convertible Notes bear interest at a rate of 10.0% per annum, payable in cash quarterly in arrears on each June 30, June 30, September 30, and December 31. The Notes mature on December 26, 2019 unless earlier redeemed, repurchased or converted. The Company may redeem the Convertible Notes for cash, either in whole or in part, at any time, in exchange for the



sum of (i) a cash payment equal to the unpaid principal plus all accrued but unpaid interest through the date of redemption and (ii) the present value of the remaining scheduled interest payments discounted to the maturity date at the annual percentage yield on U.S. Treasury securities with maturity similar to the notes plus 25 basis points (the "Optional Redemption"). The Notes are mandatorily redeemable at par plus the present value of remaining coupons upon (i) the availability of cash from a financing for Mt. Hope and (ii) any other debt financing by the Company. In addition, 50% of any proceeds from the sale of assets cumulatively exceeding \$250,000 will be used to prepay the Convertible Notes at par plus the present value of remaining coupons (the "Mandatory Redemption").

The Notes are convertible at any time in an amount equal to 80% of the greater of (i) the average VWAP for the 30 Business Day period ending on the Business Day prior to the date of the conversion, or (ii) the average VWAP for the 30 Business Day period ending on the original issuance date of the Convertible Notes. Each Note will convert into a maximum of 100 shares per note, resulting in the issuance of 8,535,000 shares, or 9.3% of shares outstanding as of December 31, 2014 (the "Conversion Option"). General Moly's executive management team and board of directors who participate in the offering will be restricted from converting at a price less than \$0.32, the most recent closing price at the time that the Convertible Notes were issued.

If the Company undergoes a "fundamental change", the Convertible Notes will be redeemed for cash at a repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased plus accrued and unpaid interest, including contingent interest and additional amounts, if any. Examples of a "fundamental change" include the reclassification of the common stock, consolidation or merger of the Company with another entity or sale of all or substantially all of the Company's assets.

During the year ended December 31, 2015, certain holders of the Convertible Notes, including both directors and named executive officers of the Company, elected to convert notes totaling \$2.6 million, reducing the principal balance of the Convertible Notes to \$5.9 million. Upon conversion, the Convertible Notes holders received 2,625,000 shares of common stock, at conversion prices ranging from \$0.3462 to \$0.5485, and were issued non-convertible Senior Promissory Notes ("Promissory Notes") of \$1.3 million, pursuant to the terms of the share maximum provision of the Conversion Option. The Promissory Notes have identical terms to the Convertible Notes, with the exception that the holder no longer has a Conversion Option. Accordingly, the Promissory Notes bear interest equal to 10.0% per annum, payable in cash quarterly in arrears on each June 30, June 30, September 30, and December 31 and mature on December 26, 2019. The conversions resulted in a \$0.2 million annual reduction in interest payments made by the Company in the servicing of the Notes.

Based on the redemption and conversion features discussed above, the Company determined that there were embedded derivatives that require bifurcation from the debt instrument and accounted for under ASC 815. Embedded derivatives are separated from the host contract, the Convertible Notes, and carried at fair value when: (a) the embedded derivative possesses economic characteristics that are not clearly and closely related to the economic characteristics of the host contract; and (b) a separate, stand-alone instrument with the same terms would qualify as a derivative instrument. The Company has concluded that the Mandatory Redemption and Conversion Option features embedded within the Convertible Notes meet these criteria and, as such, must be valued separate and apart from the Convertible Notes as one embedded derivative and recorded at fair value each reporting period (the "Embedded Derivatives").

A probability-weighted calculation was utilized to estimate the fair value of the Mandatory Redemption.

The Company used a binomial lattice model in order to estimate the fair value of the Conversion Option in the Convertible Notes. A binomial lattice model generates two probable outcomes, arising at each point in time, starting from the date of valuation until the maturity date. A lattice was initially used to determine if the Convertible Notes would be converted or held at each decision point. Within the lattice model, the Company assumes that the Convertible Notes will be converted early if the conversion value is greater than the holding value.

As of June 30, 2016 and December 31, 2015, respectively, the carrying value of the Convertible Notes, absent the embedded derivatives, was \$5.4 million and \$5.3 million inclusive of an unamortized debt discount of \$0.5 million and \$0.6 million, all of which is considered long term debt. The fair value of the Convertible Notes was \$7.5 million and \$7.5 million at June 30, 2016 and December 31, 2015, respectively. As of June 30, 2016, the carrying value of the Promissory Notes was \$1.3 million. The fair value of the Promissory Notes was \$1.1 million at June 30, 2016.

The embedded derivatives recorded in Convertible Notes at fair value were \$0.2 million and \$0.2 million at June 30, 2016 and December 31, 2015, respectively. The changes in the estimated fair value of the embedded derivatives during the six months ended June 30, 2016 resulted in a net gain of approximately \$30,000. Gain or loss on embedded derivatives is recognized as Interest Expense in the Statement of Operations.

The Company has estimated the fair value of the Convertible Notes, embedded derivatives, and Promissory Notes based on Level 3 inputs. Changes in certain inputs into the valuation models can have a significant impact on changes in the estimated fair value. For example, the estimated fair value of the embedded derivatives will generally decrease with: (1) a decline in the stock price; (2) increases in the estimated stock volatility; and (3) an increase in the estimated credit spread.

The following inputs were utilized to measure the fair value of the embedded derivatives: (i) price of the Company's common stock; (ii) Conversion Rate (as defined in the Note); (iii) Conversion Price (as defined in the Notes); (iv) maturity date; (v) risk-free interest rate; (vi) estimated stock volatility; (vii) estimated credit spread for the Company; (viii) default intensity; and (ix) recovery rate.

The following tables set forth the inputs to the models that were used to value the embedded derivatives:

	June 30, 2016	December 31, 2015
Stock Price	\$ 0.35	\$ 0.20
Maturity Date	December 31, 2019	December 31, 2019
Risk-Free Interest Rate	0.79%	1.54%
Estimated Stock Volatility	40.00%	40.00%
Default Intensity	2.00%	2.00%
Recovery Rate	30.00%	30.00%

Type of Event	Expected Date	Probability of Event
Mandatory Redemption	April 17, 2018	80%
Conversion Option	September 30, 2018	10%
Note Reaches Maturity	December 31, 2019	10%

#### NOTE 7 — COMMON STOCK UNITS, COMMON STOCK AND COMMON STOCK WARRANTS

During the three months and six months ended June 30, 2016, we issued 1,042 and 1,269,926 shares of common stock pursuant to stock awards under the 2006 Equity Incentive Plan, respectively.

During the year ended December 31, 2015, 1,139,403 shares of common stock were issued pursuant to stock awards under the 2006 Equity Incentive Plan. Additionally, we issued 2.6 million shares upon the conversion of certain Convertible Notes in February and April 2015 and 13.3 million shares of common stock to AMER upon closing of the amended AMER Investment Agreement in November 2015.

On December 26, 2014, the Company issued 8.5 million Notes Warrants in connection with the private placement of its Convertible Notes described in Note 6 at a price of \$1.00 per share and having a relative fair value of \$0.8 million. In addition, the \$0.8 million value placed on the Notes Warrants was considered a debt discount and is being amortized over the expected redemption period.

On November 24, 2015, the Company issued 80.0 million AMER warrants in connection with the closing of the amended AMER Investment Agreement at a price of \$0.50 per share and a relative fair value of \$0.5 million, resulting in an entry to additional paid-in capital.

Of the warrants outstanding at June 30, 2016, 8.5 million Notes Warrants are exercisable at \$1.00 per share at any time through their expiration on December 26, 2019, 1.0 million warrants are exercisable at \$5.00 per share once General Moly has received financing necessary for the commencement of commercial production at the Mt. Hope Project and will expire one year thereafter, and the 80.0 million AMER Warrants become exercisable upon availability of the Bank Loan prior to April 17, 2017, as described in Note 1 above. Should the vesting condition not be met on the AMER Warrants prior to April 17, 2017, pending potential renegotiation of the AMER Investment Agreement, the warrants will expire.

Pursuant to our amended Certificate of Incorporation, approved by the stockholders at the general meeting of June 30, 2015, we are authorized to issue 650.0 million shares of \$0.001 par value common stock. All shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. The Certificate of Amendment was filed in Delaware on July 14, 2015.

Additionally, on June 30, 2015, the Company's stockholders approved an amendment to the Company's certificate of incorporation providing the Board with the flexibility to effect a reverse stock split of the Company's common stock within twelve months of that date. As this amendment was not implemented by the Board within the twelve month period following approval, it has expired and is no longer available to the Company.

#### **NOTE 8 — PREFERRED STOCK**

Pursuant to our Certificate of Incorporation we are authorized to issue 10,000,000 shares of \$0.001 per share par value preferred stock. The authorized but unissued shares of preferred stock may be issued in designated series from time to time by one or more resolutions adopted by the Board. The Board has the authority to determine the preferences, limitations and relative rights of each series of preferred stock. At June 30, 2016, and December 31, 2015, no shares of preferred stock were issued or outstanding.

#### **NOTE 9 — EQUITY INCENTIVES**

In 2006, the Board and shareholders of the Company approved the 2006 Equity Incentive Plan ("2006 Plan") that replaced the 2003 Equity Incentive Plan ("2003 Plan"). In May 2010, our shareholders approved an amendment to the 2006 Plan increasing the number of shares that may be issued under the plan by 4,500,000 shares to 9,600,000 shares. In June 2016, our shareholders approved an additional amendment to the 2006 Plan increasing the number of shares that may be issued under the plan by 5,000,000 shares to 14,600,000 shares. The 2006 Plan authorizes the Board, or a committee of the Board, to issue or transfer up to an aggregate of 14,600,000 shares of common stock, of which 6,007,152 remain available for issuance as of June 30, 2016. Awards under the 2006 Plan may include incentive stock options, non-statutory stock options, restricted stock units, restricted stock awards, and stock appreciation rights ("SARs"). At the option of the Board, SARs may be settled with cash, shares, or a combination of cash and shares. The Company settles the exercise of other stock-based compensation with newly issued common shares.

Stock-based compensation cost is estimated at the grant date based on the award's fair value as calculated by the Black-Scholes option pricing model and is recognized as compensation ratably on a straight-line basis over the requisite vesting/service period. As of June 30, 2016, there was \$0.9 million of total unrecognized compensation cost related to share-based compensation arrangements, which is expected to be recognized over a weighted-average period of 2.3 years.

##### *Stock Options and Stock Appreciation Rights*

All stock options and SARs are approved by the Board prior to or on the date of grant. Stock options and SARs are granted at an exercise price equal to or greater than the Company's closing stock price on the date of grant. Both award types vest over a period of zero to three years with a contractual term of five years after vesting. The Company estimates the fair value of stock options and SARs using the Black-Scholes valuation model. Key inputs and assumptions used to estimate the fair value of stock options and SARs include the grant price of the award, expected option term, volatility of the Company's stock, the risk-free rate and the Company's dividend yield.

At June 30, 2016, the aggregate intrinsic value of outstanding and exercisable (fully vested) options and SARs was nil and had a weighted-average remaining contractual term of 1.7 years. No options or SARs were exercised during the six months ended June 30, 2016.

##### *Restricted Stock Units and Stock Awards*

Grants of restricted stock units and stock awards ("Stock Awards") have been made to Board members, officers, and employees. Stock Awards have been granted as performance based, earned over a required service period, or to Board members and the Company Secretary without any service requirement. Time based grants for officers and employees generally vest and stock is received without restriction to the extent of one-third of the granted stock for each year following the date of grant. Performance based grants are recognized as compensation based on the probable outcome of achieving the performance condition. Stock Awards issued to members of the Board of Directors and the Company Secretary that are fully vested at the time of issue are recognized as compensation upon grant of the award.

The compensation expense recognized by the Company for Stock Awards is based on the closing market price of the Company's common stock on the date of grant. For the six months ended June 30, 2016, the weighted-average grant date fair value for Stock Awards was \$0.18. The total fair value of stock awards vested during the six months ended June 30, 2016 is \$0.3 million.



### Summary of Equity Incentive Awards

The following table summarizes activity under the Plans during the six months ended June 30, 2016:

	Stock Options		SARs		Stock Awards	
	Weighted Average Exercise Price	Number of Shares Under Option	Weighted Average Strike Price	Number of Shares Under Option	Weighted Average Grant Price	Number of Shares
Balance at January 1, 2016	\$ 8.36	45,002	\$ 2.93	1,402,186	\$ 1.73	1,658,673
Awards Granted	—	—	—	—	0.18	801,986
Awards Exercised or Earned	—	—	—	—	0.44	(1,300,339)
Awards Forfeited	—	—	1.15	(583)	—	—
Awards Expired	8.56	(38,334)	1.18	(105,166)	—	—
Balance at June 30, 2016	\$ 7.17	6,668	3.08	1,296,437	2.11	1,160,320
Exercisable at June 30, 2016	\$ 7.17	6,668	2.47	238,584		

A summary of the status of the non-vested awards as of June 30, 2016 and changes during the six months then ended is presented below:

	Stock Options		SARs		Stock Awards	
	Weighted Average Fair Value	Number of Shares Under Option	Weighted Average Fair Value	Number of Shares Under Option	Weighted Average Fair Value	Number of Shares
Balance at January 1, 2016	\$ —	—	\$ 3.21	1,058,436	\$ 1.73	1,658,673
Awards Granted	—	—	—	—	0.18	801,986
Awards Vested or Earned	—	—	—	—	0.44	(1,300,339)
Awards Forfeited	—	—	1.15	(583)	—	—
Balance at June 30, 2016	\$ —	—	3.22	1,057,853	2.11	1,160,320

### Taxes

A portion of the Company's granted options are intended to qualify as incentive stock options ("ISO") for income tax purposes. As such, a tax benefit is not recorded at the time the compensation cost related to the options is recorded for book purposes due to the fact that an ISO does not ordinarily result in a tax benefit unless there is a disqualifying disposition. Stock option grants of non-qualified options result in the creation of a deferred tax asset, which is a temporary difference, until the time that the option is exercised. Any excess tax benefits from non-qualified stock option exercises are not recorded until the tax deduction reduces income tax payable.

### NOTE 10 — CHANGES IN CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST AND EQUITY

Changes CRNCI (Dollars in thousands)	Activity for Six Months Ended	
	June 30, 2016	June 30, 2015
Total CRNCI December 31, 2015 and 2014, respectively	\$ 173,265	\$ 210,317
Capital Contributions Attributable to CRNCI	243	(684)
Return of Contributions	—	(36,000)
Return of Contributions Attributable to CRNCI	—	2,116
Net Loss Attributable to CRNCI	(8)	(885)
Total CRNCI June 30, 2016 and 2015, respectively	\$ 173,500	\$ 174,864

\* See Note 1 for additional discussion of the Return of Contributions and associated Capital Contributions Attributable to CRNCI.

Changes in Equity	Activity for Six Months Ended	
	June 30, 2016	June 30, 2015
<b>Common stock:</b>		
At beginning of period	109	92
Stock Awards	2	1
Shares Issued upon Conversion of Senior Convertible Promissory Notes	—	3
At end of period	111	96
<b>Additional paid-in capital:</b>		
At beginning of period	281,562	275,648
Share Issuance upon conversion of convertible debt	—	2,396
Issuance of non-convertible senior notes	—	(1,340)
Restricted stock net share settlement	(59)	(72)
Loss on Extinguishment of Senior Convertible Promissory Notes	—	930
Stock based compensation	239	731
At end of period	281,742	278,293
<b>Accumulated deficit:</b>		
At beginning of period	(164,269)	(149,047)
Consolidated net loss	(4,063)	(10,586)
At end of period	(168,332)	(159,633)
<b>Total Equity June 30, 2016, and 2015, respectively</b>	<b>\$ 113,521</b>	<b>\$ 118,756</b>

#### NOTE 11 — INCOME TAXES

At June 30, 2016 and December 31, 2015 we had deferred tax assets principally arising from the net operating loss carry-forwards for income tax purposes multiplied by an expected rate of 35%. As management of the Company cannot determine that it is more likely than not that we will realize the benefit of the deferred tax assets, a valuation allowance equal to the net deferred tax asset has been established at June 30, 2016 and December 31, 2015.

As of June 30, 2016 and December 31, 2015, the Company had no unrecognized tax benefits. There was no change in the amount of unrecognized tax benefits as a result of tax positions taken during the year or in prior periods or due to settlements with taxing authorities or lapses of applicable statutes of limitations. The Company is open to federal and state tax audits until the applicable statutes of limitations expire.

#### NOTE 12 — COMMITMENTS AND CONTINGENCIES

##### Mt. Hope Project

The Mt. Hope Project is owned/leased and will be operated by the LLC under the LLC Agreement. The LLC currently has a lease ("Mt. Hope Lease") with MHMI for the Mt. Hope Project for a period of 30 years from October 19, 2005 and for so long thereafter as operations are being conducted on the property. The lease may be terminated earlier at the election of the LLC, or upon a material breach of the agreement and failure to cure such breach. If the LLC terminates the lease, termination is effective 30 days after receipt by MHMI of written notice to terminate the Mt. Hope Lease and no further payments would be due to MHMI. If MHMI terminates the lease, termination is effective upon receipt of a notice of termination due to a material breach, representation, warranty, covenant or term contained in the Mt. Hope Lease and followed by failure to cure such breach within 90 days of receipt of a notice of default. MHMI may also elect to terminate the Mt. Hope Lease if the LLC has not cured the non-payment of obligations under the lease within 10 days of receipt of a notice of default. In order to maintain the Lease Agreement, the LLC must pay certain minimum advance royalties as discussed below.

The Mt. Hope Lease requires a royalty advance ("Construction Royalty Advance") of 3% of certain construction capital costs, as defined in the Mt. Hope Lease. The LLC is obligated to pay a portion of the Construction Royalty Advance each time capital is raised for the Mt. Hope Project based on 3% of the expected capital to be used for those certain construction capital costs defined in the Mt. Hope Lease. Through June 30, 2016, we have paid \$24.1 million of the total Construction Royalty Advance. Based on our Mt. Hope Project capital budget we estimate that a final reconciliation payment on the Capital Construction Cost

Estimate (the “Estimate”) will be due following the commencement of commercial production, after as-built costs are definitively determined. The Company estimates, based on the revised capital estimate discussed above and the current timeline for the commencement of commercial production, that an additional \$4.2 million will be due approximately 20 — 24 months after the commencement of construction. This amount was accrued as of June 30, 2016. The capital estimates may be subject to escalation in the event the Company experiences continued delays in achieving full financing for the Mt. Hope Project.

The LLC is also obligated to make a minimum annual advance royalty payment (“Annual Advance Royalty”) of \$0.5 million each year for any year wherein commercial production has not been achieved or the MHMI Production Royalty (as hereinafter defined) is less than \$0.5 million. As commercial production is not anticipated to commence before late-2019, the Company has also accrued \$2.0 million in Annual Advance Royalty payments which will be due in four \$0.5 million installments in October 2016, 2017, 2018, and 2019, respectively. The Estimate and the Annual Advance Royalty are collectively referred to as the “Advance Royalties.” All Advance Royalties are credited against the MHMI Production Royalties once the mine has achieved commercial production. After the mine begins production, the LLC estimates that the MHMI Production Royalties will be in excess of the Annual Advance Royalties for the life of the Mt. Hope Project. Until the advance royalties are fully credited, the LLC will pay one half of the calculated Production Royalty annually. Assuming a \$12 molybdenum price, the Annual Advance Royalties will be consumed within the first five years of commercial production.

### **Deposits on project property, plant and equipment**

As discussed in Note 2, the LLC has active orders with varying stages of fabrication on milling process equipment comprised of two 230kV primary transformers and substation, a primary crusher, a semi-autogenous mill, two ball mills, and various motors for the mills with remaining cash commitments of \$2.2 million due on these orders.

### **Equipment and Supply Procurement**

Through June 30, 2016, the LLC has made deposits and/or final payments of \$87.1 million on equipment orders and has spent approximately \$196.9 million for the development of the Mt. Hope Project, for a total Mt. Hope Project inception-to-date spend of \$284.0 million.

In 2012, the LLC issued a firm purchase order for eighteen haul trucks. The order provides for delivery of those haul trucks required to perform initial mine development, which will begin several months prior to commercial production. Non-refundable down-payments of \$1.2 million were made in 2012, with pricing subject to escalation as the trucks were not delivered prior to December 31, 2013. During January 2016, the LLC renegotiated the timelines for truck delivery and delayed deliveries into December 2016. The contract is cancellable with no further liability to the LLC.

Also in 2012, the LLC issued a firm purchase order for four mine production drills with a non-refundable down-payment of \$0.4 million, and pricing was subject to escalation if the drills were not delivered by the end of 2013. In the fourth quarter of 2015, the LLC accepted a change order which delayed delivery into December 2016. The contract remains cancellable with no further liability to the LLC.

On June 30, 2012, the LLC’s contract to purchase two electric shovels expired. On July 11, 2012, we signed a letter of intent with the same vendor providing for the opportunity to purchase the electric shovels at prices consistent with the expired contract, less a special discount in the amount of \$3.4 million to provide credit to the LLC for amounts paid as deposits under the expired contract. The letter of intent provides that equipment pricing will remain subject to inflation indexes and guarantees production slots to ensure that the equipment is available when required by the LLC. In January 2016, the parties agreed to extend the letter of intent through December 31, 2016.

Based on our current forecast, the Company does not anticipate taking delivery of the haul trucks, drills, and electric shovels in 2016 and will again work with the respective vendors to extend these agreements annually as in prior years, until we obtain financing for construction of the Mt. Hope Project.

### **Obligations under capital and operating leases**

We have contractual operating leases that will require a total of \$0.1 million in payments over the next three years. Operating leases consist primarily of rents on office facilities and office equipment. Our expected payments are \$46,000, \$86,000, and nil for the years ended December 31, 2016, 2017, and 2018, respectively.



### **Creation of Agricultural Sustainability Trust**

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers' Cooperative ("EPC") whereby the LLC will fund a \$4.0 million Sustainability Trust ("Trust") in exchange for the cooperation of the EPC with respect to the LLC's water rights and permitting of the Mt. Hope Project. The Trust will be tasked with developing and implementing programs that will serve to enhance the sustainability and well-being of the agricultural economy in the Diamond Valley Hydrographic Basin through reduced water consumption.

The Trust may be funded by the LLC over several years based on the achievement of certain milestones, which are considered probable, and as such \$4.0 million has been accrued in the Company's financial statements and is included in mining properties, land, and water rights.

### **Permitting Considerations**

In the ordinary course of business, mining companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. The LLC was required to obtain approval from the BLM to implement the Mt. Hope Project Plan of Operations ("PoO"). This approval, in the form of a ROD was obtained only after successful completion of the process of environmental evaluation, which incorporates substantial public comment. The LLC was also required to obtain various state and federal permits including, but not limited to, water protection, air quality, water rights and reclamation permits. In addition to requiring permits for the development of the Mt. Hope Project, we will need to obtain and modify various mining and environmental permits during the life of the Mt. Hope Project. Maintaining, modifying, and renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and substantial expenditures. The duration and success of the LLC's efforts to obtain, modify or renew permits will be contingent upon many variables, some of which are not within the LLC's control. Increased costs or delays could occur, depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. All necessary permits may not be obtained and, if obtained, may not be renewed, or the costs involved in each case may exceed those that we previously estimated. In addition, it is possible that compliance with such permits may result in additional costs and delays.

On November 16, 2012, the BLM issued its ROD authorizing development of the Mt. Hope Project. On April 23, 2015, the BLM issued a Finding of No Significant Impact ("FONSI") supporting their Decision to approve an amendment to the PoO. The ROD and FONSI/Decision approve the PoO and amended PoO, respectively, for construction and operation of the mining and processing facilities and also grant the Right-of-Way, and amended Right-of-Way, respectively, for a 230kV power transmission line, discussed below. Monitoring and mitigation measures identified in the ROD and FONSI, developed in collaboration with the regulatory agencies involved throughout the permitting process, will avoid, minimize, and mitigate environmental impacts, and reflect the Company's commitment to be good stewards of the environment.

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project ("Plaintiffs") filed a Complaint against the U.S. Department of the Interior and the BLM ("Defendants") in the U.S. District Court, District of Nevada, seeking relief under the National Environmental Policy Act ("NEPA") and other federal laws challenging the BLM's issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

On August 22, 2013, the District Court denied, without prejudice, Plaintiffs' Motion for Preliminary Injunction based on a Joint Stipulation to Continue Preliminary Injunction Oral Argument, which advised the District Court that as a result of economic conditions, including the Company's ongoing financing efforts, all major ground disturbing activities had ceased at the Mt. Hope Project.

On July 23, 2014, the U.S. District Court denied Plaintiffs' motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

On September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit ("Ninth Circuit") of the U.S. District Court's dismissal. Both parties completed their respective briefing to the Ninth Circuit on May 1, 2015. The ROD remains in effect as we await a decision from the Ninth Circuit. The Company is confident in the BLM's process and will continue to vigorously defend this subsequent appeal of the ROD.

On June 17, 2014, the LLC submitted an amendment to the approved PoO to reflect minor design changes that were identified during continued engineering and the initial phases of construction, and on November 6, 2014, submitted minor revisions

to the amendment. The BLM prepared an Environmental Assessment (“EA”) to evaluate the environmental impacts of the PoO amendment, and on April 23, 2015, issued a Finding Of No Significant Impact (“FONSI”) supporting their Decision to approve the PoO amendment. Ongoing changes to permits and the PoO during the life of mining operations are typical as design evolves and operations are optimized.

Environmental regulations related to reclamation require that the cost for a third party contractor to perform reclamation activities on the minesite be estimated. The original \$75.1 million reclamation cost estimate was the basis for the required financial guarantee amount, and represents the reclamation obligation for the first phase (approximately equivalent to the first 3 years) of operations. The LLC was required to post a financial instrument held by the BLM to provide a guarantee that this amount will be available to BLM and NDEP for use in conducting reclamation should we become insolvent or default on our reclamation obligations. As a result of delays in financing for the construction of the Mt. Hope Project, we submitted a second PoO amendment to BLM in October, 2015, to reduce our reclamation liability to current surface disturbance. Simultaneously, we submitted an application to NDEP-BMRR to modify the Reclamation Permit to reflect this reduced reclamation liability. On October 26, 2015, NDEP-BMRR approved the proposed permit modification, including the reduced reclamation liability amount. On December 21, 2015, BLM approved the PoO amendment, including the reduction of the reclamation liability to approximately \$2.8 million. Thereafter, we worked with the LLC’s reclamation surety underwriters to satisfy the reduced \$2.8 million financial guarantee requirements for the Mt. Hope Project. As of June 30, 2016, the surety bond program is funded with a cash collateral payment of \$0.3 million, a reduction from the \$4.6 million established in November 2014, resulting in a \$4.3 million return of collateral received by the LLC in February 2016.

### **Water Rights Considerations**

In July 2011 and June 2012, respectively, the Nevada State Engineer (“State Engineer”) granted all water permits and approved a Monitoring, Management and Mitigation Plan (“3M Plan”) for the Mt. Hope Project. Eureka County, Nevada and two other parties comprised of water rights holders in Diamond Valley and Kobeh Valley appealed the State Engineer’s decision granting the water permits to the Nevada State District Court (“District Court”) and then filed a further appeal to the Nevada Supreme Court challenging the District Court’s decision affirming the State Engineer’s decision to grant the water permits. In June 2013, the appeal was consolidated by the Nevada Supreme Court with an appeal of the State Engineer’s approval of the 3M Plan filed by two water rights holders. The District Court previously upheld the State Engineer’s approval of the 3M Plan and the two parties subsequently appealed the District Court’s decision to the Nevada Supreme Court. While the appeals were pending, the 3M Plan had been implemented to collect information on background conditions and aquifer responses to the Mt. Hope Project’s pumping, as well as to address mitigation measures for impacted third-party water rights.

On September 18, 2015, the Nevada Supreme Court issued an Order that reversed and remanded the cases to the District Court for further proceedings consistent with the Order. On October 29, 2015, the Nevada Supreme Court issued the Order as a published Opinion. The Nevada Supreme Court ruled that the State Engineer did not have sufficient evidence in the record at the time he granted the water permits to demonstrate that successful mitigation may be undertaken so as to dispel the threat to existing water rights holders.

On November 23, 2015, the Nevada Supreme Court issued its Remittitur to the District Court for the County of Eureka for further proceedings consistent with its Opinion. On March 14, 2016, we received the District Court’s Order vacating the 3M Plan, denying the applications and vacating the permits issued by the State Engineer. The State Engineer has filed an appeal to the Nevada Supreme Court concerning the District Court’s interpretation of the Supreme Court’s Opinion and has also argued that the District Court acted in excess of its executive authority in violation of Nevada’s Constitution and Statutes. The Company has filed a similar appeal to the Nevada Supreme Court. The Company filed a Motion to Alter or Amend Judgment with the District Court, requesting the District Court amend its Order and remand the water permits and 3M Plan to the State Engineer to allow further proceedings to address the mitigation issues raised by the Nevada Supreme Court. The District Court denied the Motion on June 1, 2016.

Notwithstanding the pendency of the appeals to the Nevada Supreme Court, the Company will move forward as expeditiously as possible in 2016 to reobtain its water permits with the new change applications that it has filed with the State Engineer, following the Nevada Supreme Court’s September Order. In hearings to be held before the State Engineer, the Company will provide additional evidence of its ability to successfully mitigate any potential impacts to water rights in Kobeh Valley that could result from the Mt. Hope Project’s new change applications for water use.

## **Environmental Considerations**

Our mineral property holdings in Shoshone County, Idaho include lands contained in mining districts that have been designated as “Superfund” sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act. This “Superfund Site” was established to investigate and remediate primarily the Bunker Hill properties of Smelterville, Idaho, a small portion of Shoshone County where a large smelter was located. However, because of the extent of environmental impact caused by the historical mining in the mining district, the Superfund Site covers the majority of Shoshone County including our Chicago-London and Little Pine Creek properties as well as many small towns located in Northern Idaho. We have conducted a property environmental investigation of these properties, which revealed no evidence of material adverse environmental effects at either property. We are unaware of any pending action or proceeding relating to any regulatory matters that would affect our financial position due to these inactive mining claims in Shoshone County.

## **ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

References made in this Quarterly Report on Form 10-Q to “we,” “our,” “us,” or the “Company,” refer to General Moly, Inc.

The following discussion and analysis of our financial condition and results of operations constitutes management’s review of the factors that affected our financial and operating performance for the three months ended June 30, 2016, and 2015. This discussion should be read in conjunction with the consolidated financial statements and notes thereto contained elsewhere in this report and in our Annual Report on Form 10-K for the year ended December 31, 2015, which was filed on March 11, 2016.

We routinely post important information about us on our Company website. Our website address is [www.generalmoly.com](http://www.generalmoly.com).

### **Overview**

The Company conducted exploration and evaluation activities from January 1, 2002 until October 4, 2007, when our Board of Directors (“Board”) approved the development of the Mt. Hope molybdenum property (“Mt. Hope Project”) in Eureka County, Nevada. The Company is continuing its efforts to both obtain financing for and develop the Mt. Hope Project. However, the combination of depressed molybdenum pricing and legal challenges to our water rights has further delayed ongoing development at the Mt. Hope Project. We also continue to evaluate our Liberty molybdenum and copper property (“Liberty Project”) in Nye County, Nevada.

### **Mt. Hope Project**

In August, 2007, we completed a Bankable Feasibility Study (“Bankable Feasibility Study” or “BFS”) that provided data on the viability, expected economics, and production and cost estimates of the project. Since publication of the BFS, we have revised several estimates, based primarily on engineering progress, which is approximately 65% complete at June 30, 2016. Our current estimates for the Mt. Hope Project capital cost requirements are referred to as the “Project Capital Estimate” and our current estimates for the Mt. Hope Project operating costs are referred to as the “Project Operating Cost Estimate”. On January 16, 2014, we filed a technical report (the “January 2014 Technical Report”) prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects of the Canadian Securities Administration (“NI 43-101”) for the Mt. Hope Project. The NI 43-101 is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada. The completed report estimates molybdenum reserves and resources, production, capital and operating cost parameters, along with project economics.

### ***Project Ownership***

From October 2005 to January 2008, we owned the rights to 100% of the Mt. Hope Project. Effective as of January 1, 2008, we contributed all of our interest in the assets related to the Mt. Hope Project, including our lease of the Mt. Hope Project, into Eureka Moly, LLC (“the LLC”), and in February 2008 entered into an agreement (“LLC Agreement”) for the development and operation of the Mt. Hope Project with POS-Minerals Corporation (“POS-Minerals”) an affiliate of POSCO, a public company based in the Republic of Korea and one of the world’s largest producers of steel. POSCO was ranked the 162<sup>nd</sup> largest corporation by revenues in the world in the Fortune Global 500 for 2015. Under the LLC Agreement, POS-Minerals owns a 20% interest in the



LLC and General Moly, through Nevada Moly, LLC ("Nevada Moly"), a wholly-owned subsidiary, owns an 80% interest. In this report, POS-Minerals and Nevada Moly are also referred to as the "members." The ownership interests and/or required capital contributions under the LLC Agreement can change as discussed below.

Pursuant to the terms of the LLC Agreement, POS-Minerals made its first and second capital contributions to the LLC totaling \$100.0 million during the year ended December 31, 2008 ("Initial Contributions"). Additional amounts of \$100.7 million were received from POS-Minerals in December 2012, following receipt of major operating permits for the Mt. Hope Project, including the Record of Decision ("ROD") from the U.S. Bureau of Land Management ("BLM").

In addition, under the terms of the original LLC Agreement, since commercial production at the Mt. Hope Project was not achieved by December 31, 2011, the LLC will be required to return to POS-Minerals \$36.0 million, since reduced to \$33.6 million as discussed below, of its capital contributions ("Return of Contributions"), with no corresponding reduction in POS-Minerals' ownership percentage. Effective January 1, 2015, as part of a comprehensive agreement concerning the release of the reserve account described below, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be due to POS-Minerals on December 31, 2020; provided that, at any time on or before November 30, 2020, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2021; and if the due date has been so extended, at any time on or before November 30, 2021, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2022. If the repayment date is extended, the unpaid amount will bear interest at a rate per annum of LIBOR plus 5%, which interest shall compound quarterly, commencing on December 31, 2020 through the date of payment in full. Payments of accrued but unpaid interest, if any, shall be made on the repayment date. Nevada Moly may elect, on behalf of the Company, to cause the Company to prepay, in whole or in part, the Return of Contributions at any time, without premium or penalty, along with accrued and unpaid interest, if any.

The original Return of Contribution amount of \$36.0 million due to POS-Minerals is reduced, dollar for dollar, by the amount of capital contributions for equipment payments required from POS-Minerals under approved budgets of the LLC, as discussed further below. As of June 30, 2016, this amount has been reduced by \$2.4 million, consisting of 20% of an \$8.4 million principal payment made on milling equipment in March 2015, a \$2.2 million principal payment made on electrical transformers in April 2015, and a \$1.2 million principal payment made on milling equipment in April 2016, such that the remaining amount due to POS-Minerals is \$33.6 million. If Nevada Moly does not fund its additional capital contribution in order for the LLC to make the required Return of Contributions to POS-Minerals set forth above, POS-Minerals has an election to either make a secured loan to the LLC to fund the Return of Contributions, or receive an additional interest in the LLC estimated to be 5%. In the latter case, Nevada Moly's interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid Return of Contributions over the aggregate amount of deemed capital contributions (as determined under the LLC Agreement) of both parties to the LLC ("Dilution Formula"). At June 30, 2016, the aggregate amount of deemed capital contributions of both parties was \$1,080.3 million.

Furthermore, the LLC Agreement authorizes POS-Minerals to put/sell its interest in the LLC to Nevada Moly after a change of control of Nevada Moly or the Company, as defined in the LLC Agreement, followed by a failure by us or our successor company to use standard mining industry practice in connection with the development and operation of the Mt. Hope Project as contemplated by the parties for a period of twelve (12) consecutive months. If POS-Minerals exercises its option to put or sell its interest, Nevada Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals' total contributions to the LLC, which, if not paid timely, would be subject to 10% interest per annum.

In November 2012, the Company and POS-Minerals began making monthly pro rata capital contributions to the LLC to fund costs incurred as required by the LLC Agreement. The interest of a party in the LLC that does not make its monthly pro rata capital contributions to fund costs incurred is subject to dilution based on the Dilution Formula. The Company and POS-Minerals consented, effective July 1, 2013, to Nevada Moly accepting financial responsibility for POS-Minerals' 20% interest in costs related to Nevada Moly's compensation and reimbursement as Manager of the LLC, and certain owners' costs associated with Nevada Moly's ongoing progress to complete project financing for its 80% interest, resulting in \$2.9 million paid by Nevada Moly on behalf of POS-Minerals during the term of the consensual agreement, which ended on June 30, 2014. From July 1, 2014 to December 31, 2014, POS-Minerals once again contributed its 20% interest in all costs incurred by the LLC. Subject to the terms above, all required monthly contributions have been made by both parties.

Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC Agreement under which a separate \$36.0 million belonging to Nevada Moly, held by the LLC in a reserve account established in December 2012, is being released for the mutual benefit of both members related to the jointly approved Mt. Hope Project expenses through 2020. In January 2015, the reserve account funded a reimbursement of contributions made by the members during the fourth quarter of 2014, inclusive of \$0.7 million to POS-Minerals and \$2.7 million to Nevada Moly. The funds are now being used quarterly to pay



ongoing expenses of the LLC until the Company obtains full financing for its portion of the Mt. Hope Project construction cost, or until the reserve account is exhausted. Any remaining funds after financing is obtained will be returned to the Company. The balance of the reserve account was \$14.7 million and \$16.6 million at June 30, 2016 and December 31, 2015, respectively.

### *Permitting Completion and Project Restart*

On November 16, 2012, the BLM issued its ROD authorizing development of the Mt. Hope Project. On April 23, 2015, the BLM issued a Finding of No Significant Impact ("FONSI"), supporting their Decision to approve an amendment to the PoO. The ROD and FONSI/Decision approve the Plan of Operations ("PoO") and amended PoO, respectively, for construction and operation of the mining and processing facilities and also grant the Right-of-Way, and amended Right-of-Way, respectively, for a 230kV power transmission line, discussed below. Monitoring and mitigation measures identified in the ROD and FONSI, developed in collaboration with the regulatory agencies involved throughout the permitting process, will avoid, minimize, and mitigate environmental impacts, and reflect the Company's commitment to operate the Mt. Hope Project to the highest environmental standards.

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project ("Plaintiffs") filed a Complaint against the U.S. Department of the Interior and the BLM (the "Defendants") in the U.S. District Court ("District Court"), District of Nevada, seeking relief under the National Environmental Policy Act ("NEPA") and other federal laws challenging the BLM's issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

On August 22, 2013, the District Court denied, without prejudice, Plaintiffs' Motion for Preliminary Injunction based on a Joint Stipulation to Continue Preliminary Injunction Oral Argument, which advised the District Court that as a result of economic conditions, including the Company's ongoing financing efforts, all major ground disturbing activities had ceased at the Mt. Hope Project.

On July 23, 2014, the U.S. District Court denied Plaintiffs' motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

On September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit ("Ninth Circuit") of the U.S. District Court's dismissal. Both parties completed their respective briefing to the Ninth Circuit on May 1, 2015. The ROD remains in effect as we await a decision from the Ninth Circuit. The Company is confident in the BLM's process and will continue to vigorously defend this subsequent appeal of the ROD.

On June 17, 2014, the LLC submitted an amendment to the approved PoO to reflect minor design changes that were identified during continued engineering and the initial phases of construction, and on November 6, 2014, submitted minor revisions to the amendment. The BLM prepared an Environmental Assessment ("EA") to evaluate the environmental impacts of the amendment, and on April 23, 2015, issued a Finding of No Significant Impact ("FONSI") supporting their Decision to approve the PoO amendment. Ongoing changes to permits and the PoO during the life of mining operations are typical as design evolves and operations are optimized.

Environmental regulations related to reclamation require that the cost for a third party contractor to perform reclamation activities on the minesite be estimated. The original \$75.1 million reclamation cost estimate was the basis for the required financial guarantee amount, and represents the reclamation obligation for the first phase (approximately equivalent to the first 3 years) of operations. The LLC was required to post a financial instrument held by the BLM to provide a guarantee that this amount will be available to BLM and NDEP for use in conducting reclamation should we become insolvent or default on our reclamation obligations. As a result of delays in financing for the construction of the Mt. Hope Project, we submitted a second PoO amendment to BLM in October, 2015, to reduce our reclamation liability to current surface disturbance. Simultaneously, we submitted an application to NDEP-BMRR to modify the Reclamation permit to reflect this reduced reclamation liability. On October 26, 2015, NDEP-BMRR approved the proposed permit modification, including the reduced reclamation liability amount. On December 21, 2015, BLM approved the PoO amendment, including the reduction of the reclamation liability to approximately \$2.8 million. We worked with the LLC's reclamation surety underwriters to satisfy the reduced \$2.8 million financial guarantee requirements for the Mt. Hope Project. As of June 30, 2016, the surety bond program is funded with a cash collateral payment of \$0.3 million, a reduction from the \$4.6 million established in November 2014, resulting in a \$4.3 million net return of collateral received by the LLC in February 2016.

On May 29, 2012, NDEP issued a Class II Air Quality Operating Permit for the Mt. Hope Project. This permit establishes operating restrictions and monitoring requirements associated with specific air emission points and remains in effect.

On November 26, 2012, NDEP issued a Water Pollution Control Permit (“WPC”) for the Mt. Hope Project. The WPC also approves the operational and closure plans for the Mt. Hope Project, establishes monitoring requirements, and remains in effect.

The LLC initiated cultural clearance activities at the Mt. Hope Project in early December 2012 upon receipt of an Archaeological Resource Protection Act Permit issued by the State Archeologist at the Nevada State Office of the BLM. Cultural clearance is an important component of the LLC’s commitment to environmental protection and will be completed before major earthworks are done in any of the construction areas. The LLC has cleared priority areas for initial construction and will continue mitigation throughout the disturbance footprint. Use of this phased approach is intended to allow the LLC to maintain uninterrupted construction progress once construction resumes.

On January 2, 2013, the Public Utilities Commission of Nevada (“PUCN”) issued the LLC a permit to construct a 230kV power line that interconnects with Nevada Energy’s transmission system at the existing Machacek Substation located near the town of Eureka, Nevada and extend it approximately 25 miles to the planned Mt. Hope Substation. In addition, the BLM approved the LLC’s surety bonds of \$1.3 million for reclamation of disturbance associated with construction of the 230kV power transmission line. As construction activities were halted and there has been no ground disturbance associated with the 230kV powerline, the Company requested that the BLM defer the bonding requirements for this permit on June 15, 2016. On June 29, 2016, the BLM agreed to release this bond until such time as construction is re-initiated.

The PUCN permit allows the LLC to build the transmission infrastructure in a timely manner and provide the necessary capacity to power construction activities and Mt. Hope Project operations. Construction of the transmission line will also include upgrades to the existing Machacek Substation near Eureka that will improve the reliability of electrical power to the community. At full production the Mt. Hope Project will have a total electrical demand load of approximately 75 megawatts. Transmission capacity will be secured using a network services agreement and the LLC will negotiate for generating capacity prior to Mt. Hope Project commissioning activities, which will be available once the power line is constructed and energized.

The LLC initiated preliminary construction activities on the Mt. Hope Project in early January 2013 during a period in which market conditions were conducive to construction financing, including early wellfield development and clearing and grubbing of terrain. Completion of the wellfield and water distribution systems are key items necessary to begin major construction activities. Preliminary work also included clearing the open pit minesite, millsite, tailings dam and administrative office areas. All preliminary construction activity was halted in the spring of 2013 and remains suspended as a result of the current molybdenum market, which along with the October 2015 decision of the Nevada Supreme Court, has affected our ability to obtain financing for construction of the Mt. Hope Project.

#### ***Capital & Operating Cost Estimates***

The development of the Mt. Hope Project has a Project Capital Estimate of \$1,312 million, which includes development costs of approximately \$1,245 million and \$67 million in cash financial guaranty/bonding requirements, advance royalty payments, and power pre-payment estimates. These capital costs were updated in the third quarter of 2012, and were then escalated by approximately 3% in the third quarter of 2013, for those items not yet procured or committed to by contract. The Mt. Hope Project has not materially changed in scope and remains currently designed at approximately 65% engineering completion, with solid scope definition. The pricing associated with this estimate remains subject to escalation associated with equipment, construction labor and commodity price increases, and project delays, which will continue to be reviewed periodically. The Project Capital Estimate does not include financing costs or amounts necessary to fund operating working capital and potential capital overruns, is subject to additional holding costs as financing activities for construction of the Mt. Hope Project are delayed, and may be subject to other escalation and de-escalation as contracts and purchase arrangements are finalized at then current pricing. From October 2007 through the quarter ended June 30, 2016, the LLC spent approximately \$284.0 million of the estimated \$1,312 million on development of the Mt. Hope Project.

The LLC’s Project Operating Cost Estimate forecasts molybdenum production of approximately 40 million pounds per year for the first five years of operations at estimated average direct operating costs of \$6.28 per pound based on \$90 per barrel oil equivalent energy prices. The Costs Applicable to Sales (“CAS”) per pound, including anticipated royalties calculated at a market price of \$15 per pound molybdenum, are anticipated to average \$7.00 per pound for the first 5 years. For a reconciliation of direct operating costs, a non-GAAP measure, to CAS, see “—Description of the Mt. Hope Project—Reserves and Mineralized Material—

*Production and Operating Cost Estimates*” below. These cost estimates are based on 2013 constant dollars and are subject to cost inflation or deflation.

### ***Equipment and Supply Procurement***

Through June 30, 2016, the LLC has made deposits and/or final payments of \$87.1 million on equipment orders.

In 2012, the LLC issued a firm purchase order for eighteen haul trucks. The order provides for delivery of those haul trucks required to perform initial mine development, which will begin several months prior to commercial production. Non-refundable down-payments of \$1.2 million were made in 2012, with pricing subject to escalation as the trucks were not delivered prior to December 31, 2013. During January 2016, the LLC renegotiated the timelines for truck delivery and delayed deliveries into December 2016. The contract is cancellable with no further liability to the LLC.

Also in 2012, the LLC issued a firm purchase order for four mine production drills with a non-refundable down-payment of \$0.4 million, and pricing was subject to escalation if the drills were not delivered by the end of 2013. In the fourth quarter of 2015, the LLC accepted a change order which delayed delivery into December 2016. The contract remains cancellable with no further liability to the LLC.

On June 30, 2012, the LLC’s contract to purchase two electric shovels expired. On July 11, 2012, we signed a letter of intent with the same vendor providing for the opportunity to purchase the electric shovels at prices consistent with the expired contract, less a special discount in the amount of \$3.4 million to provide credit to the LLC for amounts paid as deposits under the expired contract. The letter of intent provides that equipment pricing will remain subject to inflation indexes and guarantees production slots to ensure that the equipment is available when required by the LLC. In January 2016, the parties agreed to extend the letter of intent through December 31, 2016.

Based on our current forecast, the Company does not anticipate taking delivery of the haul trucks, drills, and electric shovels in 2016 and will again work with the respective vendors to extend these agreements annually as in prior years until we obtain financing for construction of the Mt. Hope Project.

### **Molybdenum Market Update**

The worldwide molybdenum price fluctuated between \$5.33 per pound in 2003 to over \$40.00 per pound in 2005 and traded in the mid-\$30s per pound prior to October 2008, when prices fell from approximately \$33.50 per pound to \$7.70 per pound in April 2009 as a result of the global financial crisis. Subsequent to April 2009, prices slowly rose finishing 2009 at \$12.00 per pound and further increasing to finish 2010 at \$16.40 per pound. By the end of 2011, prices had pulled back to \$13.30 per pound, then decreased further to \$9.75 per pound at the conclusion of 2013, and fell further to \$9.13 per pound by the end of 2014. Beginning in September 2014, molybdenum price experienced a sharp pullback reflecting softening spot market molybdenum demand and a strengthening U.S. dollar, amongst other factors. Weekly molybdenum prices trended downward during 2015 from a high of \$9.60 per pound in January 2015 to a low of \$4.63 per pound in November 2015, according to *CRU Ryan’s Notes*. The November 2015 low represented a retracement to a level last seen in 2003. The continued weak molybdenum market mirrored a general softening in commodities across the board.

During 2015, molybdenum demand remained weak as end-use industries of steel and energy were impacted by slowing global economies. The CPM Group noted that molybdenum supply from mine production decreased in 2015 and is expected to continue to contract in 2016, especially in primary molybdenum mine production. A slow price recovery since year end 2015 has produced a range between \$5.18 and \$8.10 per pound during the first half of 2016, according to *CRU Ryan’s Notes*.

According to *CRU Ryan’s Notes*, the current molybdenum price as of July 1, 2016 is at \$7.75 per pound, a 50% increase over the November 2015 low price. In February 2016, the CPM Group forecasted higher molybdenum prices, ranging between \$6.60 and \$10.90 per pound through 2019, \$11.45 in 2020, \$12.00 in 2021, \$15.20 in 2022, \$15.95 in 2023, and \$17.15 in 2024.

### **Outlook**

In spite of the current low prices, we view the long-term outlook for our business positively, supported by limitations on supplies of molybdenum, the requirements for molybdenum in the steel industry, and a potential recovery in the oil and gas industry. World market prices for molybdenum and other commodities have fluctuated historically and are affected by numerous factors beyond our control. We believe the underlying long-term fundamentals of the molybdenum business remain positive, supported by the significant role of molybdenum in the steel industry and a challenging long-term supply environment attributable



to difficulty in replacing existing and high cost large mines' output with new production sources. Future molybdenum prices are expected to be volatile and are likely to be influenced by demand from China and emerging markets, as well as economic activity in the U.S. and other industrialized countries, the timing of the development of new supplies of molybdenum, and production levels of mines and molybdenum milling.

## **Liquidity, Capital Resources and Capital Requirements**

*For the period from December 31, 2015 to June 30, 2016*

Our total consolidated cash balance at June 30, 2016 was \$12.3 million compared to \$13.0 million at December 31, 2015, representing a decrease of \$0.7 million due to a variety of cash inflows and outflows. Inflows included funds released from the reserve account of \$1.9 million and a return of \$4.3 million in surety bond collateral. Outflows included \$2.4 million in long-lead equipment deposits and development costs for the Mt. Hope Project, \$0.8 million related to retention incentives paid to our employees and Chief Executive Officer under the terms of their agreements dated 2014 and 2015, \$0.6 million at the Liberty Project and \$3.1 million in general and administrative costs.

The \$36.0 million reserve account established in December of 2012, at the direction of the LLC management committee was payable to Nevada Moly upon release, at which time the funds would have become available for use by the Company. Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC agreement under which \$36.0 million owed to Nevada Moly and held by the LLC in the reserve account are being released over the next few years, but only for the mutual benefit of both members related to jointly approved Mt. Hope Project expenses as discussed above. The balance of the reserve account was \$14.7 million and \$16.6 million at June 30, 2016 and December 31, 2015, respectively.

The cash needs for the development of the Mt. Hope Project are significant and require that we arrange for financing to be combined with funds anticipated to be received from POS-Minerals in order to retain its 20% membership interest. The Company estimates the go-forward capital required for the Mt. Hope Project, based on 65% completed engineering, to be approximately \$1,028 million, of which the Company's 80% capital requirement is \$822 million.

In April 2015, the Company and AMER entered into a private placement for 40.0 million shares of the Company's common stock and warrants ("the AMER Warrants") to purchase 80.0 million shares of the Company's common stock, priced using the trailing 90-day volume weighted average price ("VWAP") of \$0.50 on April 17, 2015, the date the Investment and Securities Purchase Agreement ("AMER Investment Agreement") was signed. General Moly received stockholder approval of the transaction at its 2015 Annual Meeting.

On November 2, 2015, the Company and AMER entered into an amendment to the AMER Investment Agreement, utilizing a three-tranche investment strategy. The first tranche of the amended AMER Investment Agreement closed on November 24, 2015 for a \$4.0 million private placement representing 13.3 million shares, priced at \$0.30 per share, and the AMER Warrants, which will become exercisable upon availability of an approximately \$700.0 million senior secured loan ("Bank Loan"). Receipt of the \$4.0 million private placement has been divided evenly between general corporate purposes and an expense reimbursement account available to both AMER and the Company to cover anticipated Mt. Hope financing costs and other jointly sourced business development opportunities. In addition, AMER and General Moly entered into a Stockholder Agreement allowing AMER to nominate a director to the General Moly Board of Directors, additional directors following the close of Tranche 3, discussed below, and drawdown of the Bank Loan. The Stockholder Agreement also governs AMER's acquisition and transfer of General Moly shares. Prior to closing, the parties agreed to eliminate certain conditions to closing. Following the closing, AMER nominated Tong Zhang to serve as a director of the Company, and he was appointed to the Board of Directors on December 3, 2015.

The second tranche of the amended AMER Investment Agreement will include a \$6.0 million private placement representing 12.0 million shares, priced at \$0.50 per share. \$5.0 million of the \$6.0 million will be used for general corporate purposes and \$1.0 million will be set aside for the expense reimbursement account discussed above. Closing of the second tranche is contingent on the Nevada State Engineer restoring permits for the Mt. Hope Project's water rights and for the price of molybdenum to average in excess of \$8/lb for a 30 consecutive calendar day period.

The third tranche of the amended AMER Investment Agreement will include a \$10.0 million private placement representing 14.7 million shares, priced at \$0.68 per share. Execution of the third tranche is contingent on a final adjudication of the Mt. Hope Project's water rights through the Nevada courts or settlement, if further protests and appeals result from the issuance of the water permits, and for the price of molybdenum to average in excess of \$12/lb for a 30 consecutive calendar day period. After the third tranche of the agreement is executed, AMER will nominate a second director to General Moly's Board of Directors.



The amended AMER Investment Agreement creates a strategic partnership between the Company and Amer to assist obtaining full financing for the Mt. Hope Project. The issuance of shares in connection with the second and third tranches of the AMER Investment Agreement may be subject to General Moly stockholder approval.

In addition to the AMER Investment Agreement, the Company and AMER are jointly evaluating other potential opportunities, ranging from outright acquisitions, privatizations, or significant minority interest investments. The current focus is on base metal prospects in North America, where the Company would benefit from management fees, minority equity interests, or the acquisition of both core and non-core assets. Through June 30, 2016, the Company has spent approximately \$0.4 million from the expense reimbursement account described above in connection with such evaluations.

There is no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

In October 2015, the Company announced a management restructuring and cost reduction program, which included a 25% reduction in workforce, compensation reductions for senior executives, and a reduction of engineering, administrative, and consulting expenses. The program is focused on maintaining liquidity and sustainability during a continuing period of challenging market conditions in the mining industry.

The State of Nevada Division of Environmental Protection (“NDEP”) issued a Reclamation Permit for the Mt. Hope Project on November 19, 2012, which authorizes surface disturbance and construction of facilities. The Reclamation Permit originally approved the Phase 1 reclamation cost estimate of approximately \$75.1 million. As a result of delays in financing for the construction of the Mt. Hope Project, we submitted a revised proposal to NDEP to reduce our reclamation liability to current surface disturbance estimates. In December 2015, NDEP and the BLM accepted our revised estimates approving a reduction of the reclamation estimate to approximately \$2.8 million. We worked with the LLC’s reclamation surety underwriters to satisfy the reduced \$2.8 million financial guarantee requirements for the Mt. Hope Project. As of June 30, 2016, the surety bond program is funded with a cash collateral payment of \$0.3 million, a reduction from the \$4.6 million established in November 2014, resulting in a \$4.3 million return of collateral received by the LLC in February 2016. Total restricted cash for surety bond collateral requirements and other long-term reclamation obligations at the Mt. Hope Project equal \$0.8 million. Another \$0.2 million in cash collateral is associated with surety bonds at the Liberty Project.

With our cash conservation plan, our Corporate and Liberty related cash requirements have declined to approximately \$1.7 million per quarter, while all Mt. Hope Project related funding is payable out of the aforementioned reserve account. Accordingly, based on our current cash on hand and our ongoing cash conservation plan, the Company expects it will have adequate liquidity in order to fund our working capital needs into early 2018. Additional potential funding sources include public or private equity offerings, including tranches 2 and 3 of the \$20.0 million investment from AMER described above, or sale of other assets owned by the Company. There is no assurance that the Company will be successful in securing additional funding. This could result in further cost reductions, contract cancellations, and potential delays which ultimately may jeopardize the development of the Mt. Hope Project.

When financing becomes available, the additional funding will allow us to restart equipment procurement, and agreements that were suspended or terminated will be renegotiated under current market terms and conditions, as necessary. In the event of an extended delay related to availability of the Company’s portion of full financing for the Mt. Hope Project, the Company will make its best efforts to revise procurement and construction commitments to preserve liquidity, our equipment deposits and pricing structures.

Total assets as of June 30, 2016 decreased to \$341.7 million compared to \$346.3 million as of December 31, 2015 primarily due to net loss attributable to General Moly.

#### **Other Capital Requirements**

We also require additional capital to maintain our mining claims and other rights related to the Liberty Project, as well as continue payment of ongoing general and administrative costs associated with supporting our planned operations.

## Results of Operations

### *Three Months Ended June 30, 2016 Compared to Three Months Ended June 30, 2015*

For the three months ended June 30, 2016, we had a consolidated net loss of \$1.9 million compared with a net loss of \$7.7 million in the same period for 2015. The 2015 net loss includes a \$4.3 million write down of the power transmission account upon termination of the agreement in place for power transmission services at the LLC.

For the three months ended June 30, 2016 and 2015, exploration and evaluation expenses were \$0.1 million and \$0.3 million, respectively due to leach pad maintenance and repair performed at our Liberty property in early 2016 as well as ongoing care and maintenance.

For the three months ended June 30, 2016 and 2015, general and administrative expenses were \$1.5 million and \$2.0 million, respectively, with lower salaries and professional and consulting fees incurred during 2016. Approximately \$0.4 million of the spend in 2016 was associated with due diligence efforts assessing value-accretive acquisition opportunities in base metal projects jointly with our long-term strategic partner AMER.

Interest expense for the three months ended June 30, 2016 and 2015 was \$0.3 million and \$0.3 million, respectively, due primarily to lower interest incurred as a result of Convertible Notes which were converted in 2015. Additionally, the non-cash mark to market adjustment related to the Convertible Notes was larger in 2015 than 2016.

### *Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015*

For the six months ended June 30, 2016, we had a consolidated net loss of \$4.1 million compared with a net loss of \$11.5 million in the same period for 2015. The 2015 net loss includes a \$4.3 million write down of the power transmission account upon termination of the agreement in place for power transmission services at the LLC.

For the six months ended June 30, 2016 and 2015, exploration and evaluation expenses were \$0.7 million and \$0.4 million, respectively due to leach pad maintenance and repair performed at our Liberty property in early 2016 as well as ongoing care and maintenance.

For the six months ended June 30, 2016 and 2015, general and administrative expenses were \$2.9 million and \$5.0 million, respectively, with lower salaries and professional and consulting fees incurred during 2016. Approximately \$0.4 million of the spend in 2016 was associated with due diligence efforts assessing value-accretive acquisition opportunities in base metal projects jointly with our long-term strategic partner AMER.

Interest expense for the six months ended June 30, 2016 and 2015 was \$0.5 million and \$0.8 million, respectively, due primarily to lower interest incurred as a result of Convertible Notes which were converted in 2015. Additionally, the non-cash mark to market adjustment related to the Convertible Notes was larger in 2015 than 2016.

## Contractual Obligations

Our contractual obligations as of June 30, 2016 were as follows:

Contractual obligations *	Payments due by period (in millions)			
	Total	2016	2017 - 2018	2019 & Beyond
Operating Lease Obligations	0.1	—	0.1	—
Agricultural Sustainability Trust Contributions	4.0	—	2.0	2.0
Senior Convertible Promissory Notes**	5.9	—	5.9	—
Senior Promissory Notes**	1.3	—	1.3	—
Equipment Purchase Contracts	2.2	—	2.2	—
Advance Royalties	6.2	0.5	1.0	4.7
Return of Contributions to POS-Minerals	33.6	—	—	33.6
3M Plan Contributions	1.0	—	0.3	0.7
<b>Total</b>	<b>\$ 54.3</b>	<b>\$ 0.5</b>	<b>\$ 12.8</b>	<b>\$ 41.0</b>

\* With the exception of the operating lease obligations, senior convertible promissory notes, senior promissory notes and return of contributions to POS-Minerals, all amounts are commitments of the LLC, and as a result of the agreement between Nevada Moly and POS-Minerals are to be funded by the \$36.0 million reserve account, now \$14.7 million, until such time that the Company obtains financing for its portion of construction costs at the Mt. Hope Project or until the reserve account balance is exhausted, and thereafter are to be funded 80% by Nevada Moly and 20% by POS-Minerals.

\*\* The Senior Convertible Promissory Notes and Senior Promissory Notes carry a contractual maturity date of December 31, 2019. The Company has elected to show maturity at the date it anticipates the Term Loan will be received, thereby triggering mandatory redemption of the notes.

In 2012, the LLC issued a firm purchase order for eighteen haul trucks. The order provides for delivery of those haul trucks required to perform initial mine development, which will begin several months prior to commercial production. Non-refundable down-payments of \$1.2 million were made in 2012, with pricing subject to escalation as the trucks were not delivered prior to December 31, 2013. During January 2016, the LLC renegotiated the timelines for truck delivery and delayed deliveries into December 2016. The contract is cancellable with no further liability to the LLC.

Also in 2012, the LLC issued a firm purchase order for four mine production drills with a non-refundable down-payment of \$0.4 million, and pricing was subject to escalation if the drills were not delivered by the end of 2013. In the fourth quarter of 2015, the LLC accepted a change order which delayed delivery into December 2016. The contract remains cancellable with no further liability to the LLC.

On June 30, 2012, the LLC's contract to purchase two electric shovels expired. On July 11, 2012, we signed a letter of intent with the same vendor providing for the opportunity to purchase the electric shovels at prices consistent with the expired contract, less a special discount in the amount of \$3.4 million to provide credit to the LLC for amounts paid as deposits under the expired contract. The letter of intent provides that equipment pricing will remain subject to inflation indexes and guarantees production slots to ensure that the equipment is available when required by the LLC. In January 2016, the parties agreed to extend the letter of intent through December 31, 2016.

Based on our current forecast, the Company does not anticipate taking delivery of the haul trucks, drills, and electric shovels in 2016 and will again work with the respective vendors to extend these agreements annually as in prior years until we obtain financing for construction of the Mt. Hope Project.

If the LLC does not make the payments contractually required under these purchase contracts, it could be subject to claims for breach of contract or to cancellation of the respective purchase contract. In addition, the LLC may proceed to selectively suspend, cancel or attempt to renegotiate additional purchase contracts if necessary to further conserve cash. See "*Liquidity, Capital Resources and Capital Requirements*" above. If the LLC cancels or breaches any contracts, the LLC will take all appropriate action to minimize any losses, but could be subject to liability under the contracts or applicable law. The cancellation of certain key contracts could cause a delay in the commencement of operations, and could add to the cost to develop the Mt. Hope Project.

Through June 30, 2016, the LLC has made deposits and/or final payments of \$87.1 million on equipment orders. Of these deposits, \$70.3 million relate to fully fabricated items, primarily milling equipment, for which the LLC has additional contractual commitments of \$2.2 million noted in the table above. The remaining \$16.8 million reflects both partially fabricated milling equipment, and non-refundable deposits on mining equipment. As discussed in Note 12 to the consolidated financial statements contained elsewhere in this report, the mining equipment agreements remain cancellable with no further liability to the LLC. The underlying value and recoverability of these deposits and our mining properties in our consolidated balance sheets are dependent on the LLC's ability to fund development activities that would lead to profitable production and positive cash flow from operations, or proceeds from the disposition of these assets. There can be no assurance that the LLC will be successful in obtaining project financing, in generating future profitable operations, disposing of these assets or the Company securing additional funding in the future on terms acceptable to us or at all. Our audited consolidated financial statements do not include any adjustments relating to recoverability and classification of recorded assets or liabilities.

#### **Obligations under capital and operating leases**

We have contractual operating leases that will require a total of \$142,000 in payments over the next three years. Operating leases consist primarily of rents on office facilities and office equipment. Our expected payments are \$46,000, \$86,000, and nil for the years ended December 31, 2016, 2017, and 2018, respectively.

#### **Creation of Agricultural Sustainability Trust**

On August 19, 2010, the LLC entered into an agreement with the Eureka Producers' Cooperative (the "EPC") whereby the LLC will fund a \$4.0 million Sustainability Trust (the "Trust") in exchange for the cooperation of the EPC with respect to the LLC's water rights and permitting of the Mt. Hope Project. The Trust will be tasked with developing and implementing programs that will serve to enhance the sustainability and well-being of the agricultural economy in the Diamond Valley Hydrographic Basin through reduced water consumption.

The Trust may be funded by the LLC over several years based on the achievement of certain milestones, which are considered probable, and as such \$4.0 million has been accrued in the Company's June 30, 2016, financial statements and is included in mining properties, land, and water rights.

#### **Permitting Considerations**

In the ordinary course of business, mining companies are required to seek governmental permits for expansion of existing operations or for the commencement of new operations. The LLC was required to obtain approval from the U.S. Bureau of Land Management ("BLM") to implement the Mt. Hope Project Plan of Operations ("PoO"). This approval, in the form of a Record of Decision ("ROD") was obtained only after successful completion of the process of environmental evaluation, which incorporates substantial public comment. The LLC was also required to obtain various state and federal permits including, but not limited to, water protection, air quality, water rights and reclamation permits. In addition to requiring permits for the development of the Mt. Hope Project, we will need to obtain and modify various mining and environmental permits during the life of the Mt. Hope Project. Maintaining, modifying, and renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions and often involving public hearings and substantial expenditures. The duration and success of the LLC's efforts to obtain, modify or renew permits will be contingent upon many variables, some of which are not within the LLC's control. Increased costs or delays could occur, depending on the nature of the activity to be permitted and the interpretation of applicable requirements implemented by the permitting authority. All necessary permits may not be obtained and, if obtained, may not be renewed, or the costs involved in each case may exceed those that we previously estimated. In addition, it is possible that compliance with such permits may result in additional costs and delays.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

#### **Commodity Price Risk**

We are in the business of the exploration, development and mining of properties primarily containing molybdenum. As a result, upon commencement of production, our financial performance could be materially affected by fluctuations in the market price of molybdenum and other metals we may mine. The market prices of metals can fluctuate widely due to a number of factors. These factors include fluctuations with respect to the rate of inflation, the exchange rates of the U.S. dollar and other currencies, interest rates, global or regional political and economic conditions, banking environment, global and regional demand, production costs, and investor sentiment. See "*Management's Discussion and Analysis of Financial Condition and Results of Operation — Molybdenum Market Update*" for a discussion of molybdenum prices.



In order to better manage commodity price risk and to seek to reduce the negative impact of fluctuations in prices, we will seek to enter into long-term supply contracts for our portion of the Mt. Hope production. On December 28, 2007, we entered into a molybdenum supply agreement with ArcelorMittal S.A. ("ArcelorMittal"), the world's largest steel company, that provides for ArcelorMittal to purchase 6.5 million pounds of molybdenum per year, plus or minus 10%, once the Mt. Hope Project commences commercial operations at minimum specified levels. The supply agreement provides for a floor price along with a discount for spot prices above the floor price and expires five years after the commencement of commercial production at the Mt. Hope Project. Both the floor and threshold levels at which the percentage discounts change are indexed to a producer price index. According to public filings, on January 25, 2011, the boards of directors of ArcelorMittal S.A. and APERAM each approved the transfer of the assets comprising ArcelorMittal's stainless and specialty steels businesses from its carbon steel and mining businesses to APERAM, a separate entity incorporated in the Grand Duchy of Luxembourg. This transfer did not include the supply agreement the Company had in place with ArcelorMittal. The shares of the Company's common stock previously owned by ArcelorMittal were transferred to APERAM.

Additionally, on May 14, 2008, we entered into a molybdenum supply agreement with SeAH Besteel Corporation ("SeAH Besteel"), Korea's largest manufacturer of specialty steels, which provides for SeAH Besteel to purchase 4.0 million pounds of molybdenum per year, plus or minus 10%, once the Mt. Hope Project commences commercial operations at minimum specified levels. Like the APERAM supply agreement, the supply agreement with SeAH Besteel provides for a floor price along with staged discounts for spot prices above the floor price and expires five years from the date of first supply under the agreement. Both the floor and threshold levels at which the percentage discounts change are indexed to a producer price index. On July 22, 2015, the Company and SeAH Besteel entered into a first amendment to the molybdenum supply agreement, which provides that the agreement will terminate on December 31, 2020, if commercial operations at the minimum specified levels have not commenced by that date.

On August 8, 2008, the Company entered into a molybdenum supply agreement ("Sojitz Agreement") with Sojitz Corporation ("Sojitz"). The Sojitz Agreement provides for the supply of 5.0 million pounds per year of molybdenum for five years, beginning once the Mt. Hope Project reaches certain minimum commercial production levels. One million annual pounds sold under the Sojitz Agreement will be subject to a per-pound molybdenum floor price and is offset by a flat discount to spot molybdenum prices above the floor. The remaining 4.0 million annual pounds sold under the Sojitz Agreement will be sold with reference to spot molybdenum prices without regard to a floor price. The Sojitz Agreement includes a provision that allows Sojitz the option to cancel in the event that supply from the Mt. Hope Project had not begun by January 1, 2013. The described option is available up to ten days following the achievement of certain production levels at the Mt. Hope Project. As commercial production at the Mt. Hope Project has not commenced, Sojitz currently has the option to cancel its contract or participate in the molybdenum supply agreement as described above.

The long-term supply agreements provide for supply only after commercial production levels are achieved, and no provisions require the Company to deliver product or make any payments if commercial production is never achieved or declines in later periods and have floor prices ranging from \$13.00 to \$13.75 per pound and incremental discounts above the floor price. The agreements require that monthly shortfalls be made up only if the Company's portion of Mt. Hope production is available for delivery, after POS-Minerals has taken its 20% share. In no event do these requirements to make up monthly shortfalls become obligations of the Company if production does not meet targeted levels.

Furthermore, each of the agreements remain as contractual obligations and have take-or-pay provisions that require the buyers to either take delivery of product made available by the Company, or to pay as though they had taken delivery pursuant to the term of the agreements. In the event that our contract parties choose not to honor their contractual obligations or attempt to terminate these agreements as a result of the continuing delay in achieving production, our profitability may be adversely impacted. We may be unable to sell any product our contract parties fail to purchase in a timely manner, at comparable prices, or at all.

While we have not used derivative financial instruments in the past, we may elect to enter into derivative financial instruments to manage commodity price risk. We have not entered into any market risk sensitive instruments for trading or speculative purposes and do not expect to enter into derivative or other financial instruments for trading or speculative purposes.

#### **Interest Rate Risk**

As of June 30, 2016, we had a balance of cash and cash equivalents of \$12.3 million and restricted cash of \$17.3 million. Interest rates on short term, highly liquid investments have not changed materially since 2010, and continue to be 1% or less on an annualized basis.

#### **ITEM 4. CONTROLS AND PROCEDURES**

An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the foregoing, our management concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

There was no change in our internal control over financial reporting that occurred during the quarter ended June 30, 2016 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

#### **PART II - OTHER INFORMATION**

#### **ITEM 1. LEGAL PROCEEDINGS**

##### ***Water Rights***

In July 2011 and June 2012, respectively, the Nevada State Engineer (“State Engineer”) granted all water permits and approved a Monitoring, Management and Mitigation Plan (“3M Plan”) for the Mt. Hope Project. Eureka County, Nevada and two other parties comprised of water rights holders in Diamond Valley and Kobeh Valley appealed the State Engineer’s decision granting the water permits to the Nevada State District Court (“District Court”) and then filed a further appeal to the Nevada Supreme Court challenging the District Court’s decision affirming the State Engineer’s decision to grant the water permits. In June 2013, the appeal was consolidated by the Nevada Supreme Court with an appeal of the State Engineer’s approval of the 3M Plan filed by two water rights holders. The District Court previously upheld the State Engineer’s approval of the 3M Plan and the two parties subsequently appealed the District Court’s decision to the Nevada Supreme Court. While the appeals were pending, the 3M Plan had been implemented to collect information on background conditions and aquifer responses to the Mt. Hope Project’s pumping, as well as to address mitigation measures for impacted third-party water rights.

On September 18, 2015, the Nevada Supreme Court issued an Order that reversed and remanded the cases to the District Court for further proceedings consistent with the Order. On October 29, 2015, the Nevada Supreme Court issued the Order as a published Opinion. The Nevada Supreme Court ruled that the State Engineer did not have sufficient evidence in the record at the time he granted the water permits to demonstrate that successful mitigation may be undertaken so as to dispel the threat to existing water rights holders.

On November 23, 2015, the Nevada Supreme Court issued its Remittitur to the District Court for the County of Eureka for further proceedings consistent with its Opinion. On March 14, 2016, we received the District Court’s Order vacating the 3M Plan, denying the applications and vacating the permits issued by the State Engineer. The State Engineer has filed an appeal to the Nevada Supreme Court concerning the District Court’s interpretation of the Supreme Court’s Opinion and has also argued that the District Court acted in excess of its executive authority in violation of Nevada’s Constitution and Statutes. The Company has filed a similar appeal to the Nevada Supreme Court. The Company filed a Motion to Alter or Amend Judgment with the District Court, requesting the District Court amend its Order and remand the water permits and 3M Plan to the State Engineer to allow further proceedings to address the mitigation issues raised by the Nevada Supreme Court. The District Court denied the Motion on June 1, 2016.

Notwithstanding the pendency of the appeals to the Nevada Supreme Court, the Company will move forward as expeditiously as possible in 2016 to reobtain its water permits with the new change applications that it has filed with the State Engineer, following the Nevada Supreme Court’s September Order. In hearings to be held before the State Engineer, the Company will provide additional evidence of its ability to successfully mitigate any potential impacts to water rights in Kobeh Valley that could result from the Mt. Hope Project’s new change applications for water use.

##### ***Permitting***

On February 15, 2013, Great Basin Resource Watch and the Western Shoshone Defense Project (“Plaintiffs”) filed a Complaint against the U.S. Department of the Interior and the BLM (the “Defendants”) in the U.S. District Court (“District Court”), District of Nevada, seeking relief under the National Environmental Policy Act (“NEPA”) and other federal laws

challenging the BLM's issuance of the ROD for the Mt. Hope Project, and on February 20, 2013 filed a Motion for Preliminary Injunction. The District Court allowed the LLC to intervene in the matter.

On August 22, 2013, the District Court denied, without prejudice, Plaintiffs' Motion for Preliminary Injunction based on a Joint Stipulation to Continue Preliminary Injunction Oral Argument, which advised the District Court that as a result of economic conditions, including the Company's ongoing financing efforts, all major ground disturbing activities had ceased at the Mt. Hope Project.

On July 23, 2014, the U.S. District Court denied Plaintiffs' motion for summary judgment in its entirety and on August 1, 2014 the Court entered judgment in favor of the Defendants and the LLC, and against Plaintiffs regarding all claims raised in the Complaint.

On September 22, 2014, the Plaintiffs filed their notice of appeal to the U.S. Court of Appeals for the Ninth Circuit ("Ninth Circuit") of the U.S. District Court's dismissal. Both parties completed their respective briefing to the Ninth Circuit on May 1, 2015. The ROD remains in effect as we await a decision from the Ninth Circuit. The Company is confident in the BLM's process and will continue to vigorously defend this subsequent appeal of the ROD.

#### **ITEM 1A. RISK FACTORS.**

Our Annual Report on Form 10-K for the year ended December 31, 2015, including the discussion under the heading "Risk Factors" therein, and this report describe risks that may materially and adversely affect our business, results of operations or financial condition. The risks described in our Annual Report on Form 10-K and this report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operations.

#### **Special Note Regarding Forward-Looking Statements**

Certain statements in this report may constitute forward-looking statements, which involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of our Company, the Mt. Hope Project, Liberty Project and our other projects, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We use the words "may," "will," "believe," "expect," "anticipate," "intend," "future," "plan," "estimate," "potential" and other similar expressions to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those in the forward looking statements. Such risks, uncertainties and assumptions are described in the "Risk Factors" section included in our Annual Report on Form 10-K for the year ended December 31, 2015, and this report, and include, among other things:

- our investors may lose their entire investment in our securities;
- we may be unable to obtain re-authorized water rights and permits, which may be subject to further judicial appeals, and may further delay the development of the Mt. Hope Project;
- our profitability depends largely on the success of the Mt. Hope Project, the failure of which would have a material adverse effect on our financial condition;
- we have not obtained, and may not obtain, alternative project financing, which could cause additional delays or expenses in developing the Mt. Hope Project;
- certain conditions under the AMER transaction documents may not be met, further delaying our ability to begin construction of the Mt. Hope Project;
- substantial additional financing may be required in order to continue to fund the operations of the Company and the LLC and if we are successful in raising additional capital, it may have dilutive and other adverse effects on our stockholders;
- POS-Minerals' right under the LLC Agreement to approve certain major decisions regarding the Mt. Hope Project could impair our ability to quickly adapt to changing market conditions;
- Maintaining effectiveness of current molybdenum supply agreements;
- fluctuations in the market price of, and demand for, molybdenum and other metals;
- counter party risks;
- the timing and changes to cost estimates for the exploration, development and production activities and estimated future production, if any;
- estimates related to costs of production, capital, operating and exploration expenditures;
- the estimation and realization of mineral reserves and production estimates, if any;

- inherent operating hazards of mining;
- title disputes or claims;
- climate change and climate change legislation for planned future operations;
- government regulation of mining operations, environmental conditions and risks, reclamation and rehabilitation expenses;
- compliance/non-compliance with the Mt. Hope Lease Agreement;
- losing key personnel and contractors or the inability to attract and retain additional personnel;
- reliance on independent contractors, experts, technical and operational service providers over whom we have limited control;
- increased costs can affect our profitability;
- shortages of critical parts, equipment, and skilled labor may adversely affect our development costs;
- legislation may make it difficult to retain or attract officers and directors and can increase costs of doing business; and
- provisions of Delaware law and our charter and bylaws may delay or prevent transactions that would benefit stockholders.

You should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. These forward-looking statements are based on our current expectations and are subject to a number of risks and uncertainties, including those set forth above. Although we believe that the expectations reflected in these forward-looking statements are reasonable, our actual results could differ materially from those expressed in these forward-looking statements, and any events anticipated in the forward-looking statements may not actually occur. Except as required by law, we undertake no duty to update any forward-looking statements after the date of this report to conform those statements to actual results or to reflect the occurrence of unanticipated events. We qualify all forward-looking statements contained in this report by the foregoing cautionary statements.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

None.

**ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
10.1	Amendment to General Moly, Inc. 2006 Equity Incentive Plan, as Amended (Filed as Annex A to our Definitive Proxy Statement on Schedule 14A filed on April 18, 2016.)
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	The following XBRL (Extensible Business Reporting Language) materials are filed herewith: (i) XBRL Instance; (ii) XBRL Taxonomy Extension Schema; (iii) XBRL Taxonomy Extension Calculation; (iv) Taxonomy Extension Labels, (v) XBRL Taxonomy Extension Presentation, and (vi) XBRL Taxonomy Extension Definition.



## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: August 8, 2016

GENERAL MOLY, INC.

By: /s/ Lee M. Shumway  
Lee M. Shumway  
Chief Financial Officer and Duly Authorized Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY  
ACT OF 2002**

I, Bruce D. Hansen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Moly, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2016

By: /s/ Bruce D. Hansen  
Name: Bruce D. Hansen  
Title: Chief Executive Officer

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY  
ACT OF 2002**

I, Lee M. Shumway, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of General Moly, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 8, 2016

By: /s/ Lee M. Shumway  
 Name: Lee M. Shumway  
 Title: Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Bruce D. Hansen, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of General Moly, Inc. for the quarter ended June 30, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of General Moly, Inc.

Dated: August 8, 2016

By: /s/ Bruce D. Hansen

Name: Bruce D. Hansen

Title: Chief Executive Officer  
(Principal Executive Officer)



**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lee M. Shumway, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of General Moly, Inc. for the quarter ended June 30, 2016 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of General Moly, Inc.

Dated: August 8, 2016

By: /s/ Lee M. Shumway  
Name: Lee M. Shumway  
Title: Chief Financial Officer



STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES  
DIVISION OF WATER RESOURCES

In the Matter of Application Nos.:

70181, 70819, 70820, 70821, 70822, 70823,  
70824, 70825, 70826, 70827, 72695, 72696,  
72697, 72698, 73545, 73546, 73547, 73538,  
73549, 73550, 73551, 73552, 74587, 75979,  
75980, 75981, 75983, 75983, 75984, 75985,  
75986, 75987, 75988, 75989, 75990, 75991,  
75992, 75993, 75994, 75995, 75996, 75997,  
75998, 75999, 76000, 76001, 76002, 76003,  
76004, 76005, 76006, 76007, 76008, 76009,  
76364, 76365, 76483, 76484, 76485, 76486,  
76744, 76745, 76746, 76802, 76803, 76804,  
76805, 76989 and 76990 to appropriate the  
public waters of an underground source  
within Kobeh Valley Hydrographic Basin  
(#139), Diamond Valley Hydrographic Basin  
(#153) and Pine Valley Hydrographic Basin  
(#053).

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VOLUME III - TRANSCRIPT OF PROCEEDINGS

PUBLIC HEARING

WEDNESDAY, OCTOBER 15, 2008

CARSON CITY, NEVADA

Reported by:

CAPITOL REPORTERS  
Certified Shorthand Reporters  
BY: MARY E. CAMERON, CCR, RPR  
Nevada CCR #98  
410 East John Street, Ste. A  
Carson City, Nevada 89706  
(775) 882-5322

CAPITOL REPORTERS (775) 882-5322  
404

♀

APPEARANCES:

For the Division:

TIM WILSON, Hearing Officer  
JASON KING, Deputy State  
Engineer  
KELVIN HICKENBOTTOM, Deputy  
State Engineer  
RICK FELLING, Chief  
Hydrogeologist

For the Applicant: PARSONS, BEHLE & LATIMER  
Attorneys at Law  
BY: ROSS E. De LIPKAU  
50 West Liberty Street  
Suite 750  
Reno, Nevada  
MICHAEL BRANSTETTER  
General Moly General Counsel

For the Protestant - ALLISON, MacKENZIE, PAVLAKIS,  
Eureka County: WRIGHT & FAGAN  
Attorneys at Law  
BY: KAREN PETERSON  
402 North Division Street  
Carson City, Nevada  
THEODORE BEUTEL  
District Attorney  
701 South Main Street  
Eureka, Nevada

For the Protestants - ROBERTSON & BENEVENTO  
Halpin, Morrison & Cedar Attorneys at Law  
Ranches, LLC: BY: JARRAD C. MILLER  
50 West Liberty Street  
Suite 600  
Reno, Nevada

For the Protestants - GEORGE N. BENESCH  
Eureka Producers Co-Op: Attorney at Law  
190 West Huffaker Lane  
Reno, Nevada

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1 CARSON CITY, NEVADA, WEDNESDAY, OCTOBER 15, 2008, 8:33 A.M.

2 -ooo-

3

4 HEARING OFFICER WILSON: Let's be on the record.  
5 we left off with Mr. Jim Gallagher last night and you had two  
6 more witnesses; is that correct?

7 MS. PETERSON: Yes. We call Chairman Ithurralde.

8

9 JAMES ITHURRALDE  
10 called as a witness on behalf of Eureka  
11 County, having been first duly sworn,  
12 was examined and testified as follows:

13

14 DIRECT EXAMINATION

15 BY MS. PETERSON:

16 Q. would you please state your name for the record  
17 and spell your last name?

18 A. Yes. James Ithurralde, I-T-H-U-R-R-A-L-D-E.

19 Q. Are you the Chairman of the Eureka County Board  
20 of Commissioners?

21 A. Yes, I am.

# EXHIBIT 1

# EXHIBIT 1

**Analysis in Support of Protests to "Mitigation" Applications  
81825, 82570, 82571, 82572 and 82573 (Venturacci)  
and  
81719, 81720 and 82268 (Sadler Ranch)**

September 13, 2013

**Prepared for:**

Eureka County, Nevada  
P.O. Box 694  
Eureka, NV 89316

and

Etcheverry Family Limited Partnership  
P.O. Box 1093  
Eureka, NV 89316

**Prepared by:**

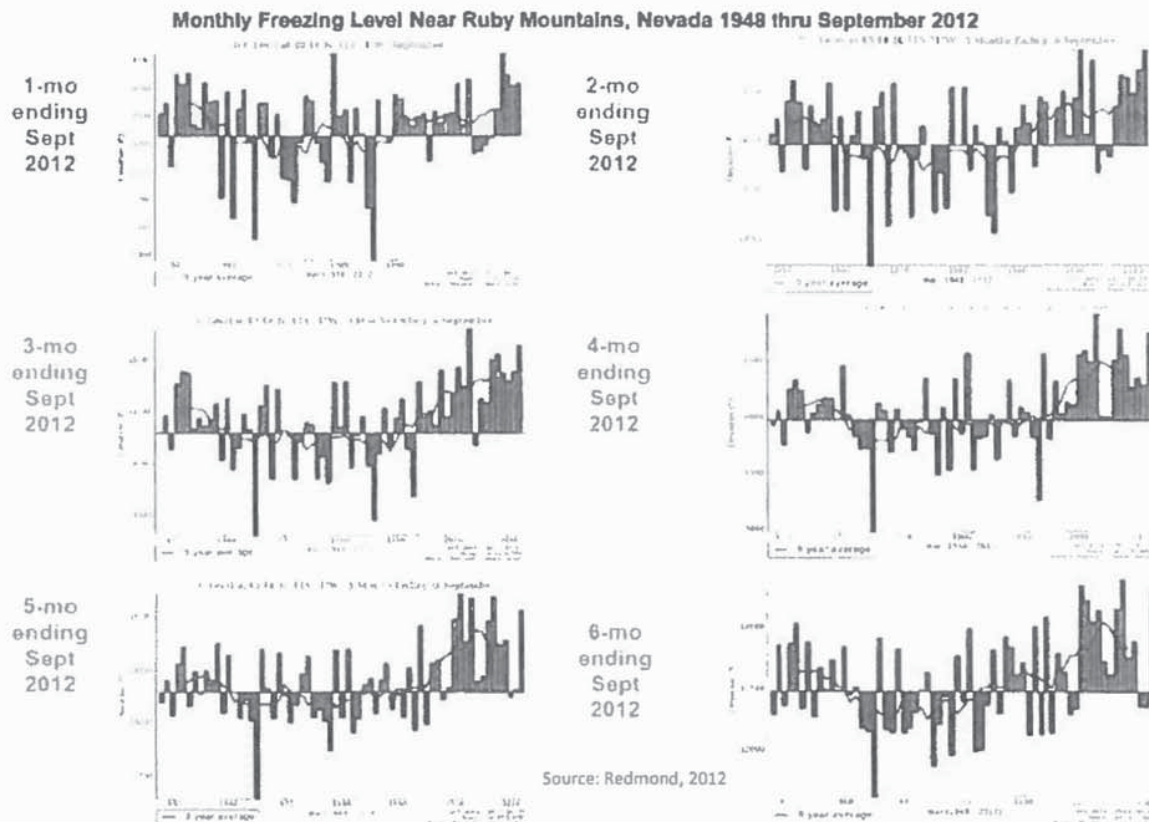
Dale C. Bugenig  
Dale C. Bugenig Consulting Hydrogeologist, LLC  
12290 Westridge Dr.  
Reno, NV 89511

Mary L. Tumbusch  
1512 Goldfield Ave.  
Carson City, NV 89701

  
Dale C. Bugenig

  
Mary L. Tumbusch

change has had on groundwater recharge and spring discharge is unknown, but it is undeniable the climate is changing.



**Figure 3. Monthly Freezing Level near the Ruby Mountains, Nevada.**

In Eureka County, there are several examples of spring discharge decline. A comparison of spring water use Certificates to current measurements of spring discharge evidence this decline. This evidence is confirmed by Eureka County's Natural Resource Manager, Jake Tibbitts who has compared many springs' flow with flows listed in certificated water rights and virtually all show a flow reduction (Jacob Tibbitts, 2013; personal communication). Table 1 provides a sampling of springs where the current measurements indicate a decrease in spring discharge. Most of the springs identified and evidenced in Table 1 are located above the valley floor, thus the springs are not expected to be influenced by pumping in the alluvial aquifer. Due to the springs relatively small catchment areas, they are more likely influenced by the vagaries of weather and climate.



Table 1.

## Springs in Eureka County Showing Decreased Spring Flow

Spring Name	Certificate	Historical Discharge <sup>a</sup>	Recent Discharge
Hash	1439	0.059 cfs (26.5 gpm)	Water present, no measureable flow <sup>b</sup> 0 cfs <sup>c</sup>
Railroad	1440	0.059 cfs (26.5 gpm)	Water present, no measureable flow <sup>b</sup> 0 cfs <sup>c</sup>
Trap Corral	1441	0.05 cfs (22.4 gpm)	Water present, no measureable flow <sup>b</sup> 0 cfs <sup>c</sup>
Mud (located in the alluvium)	5880	0.015 cfs (6.7 gpm)	Water present, no measureable flow <sup>b</sup> 0 cfs <sup>c</sup>
Unnamed Spring No.3 (Diamond Springs Ranch)	14026	0.0713 cfs (320.0 gpm)	0.529 cfs (237.4 gpm) <sup>b</sup>
Notes <div> a. Discharge documented on the Certificate of Appropriation approved by the NSE or <a href="http://webmap.water.nv.gov/data/permit">webmap.water.nv.gov/data/permit</a>  b. SRK, 2007  c. <a href="http://water.nv.gov/data/streamflow">http://water.nv.gov/data/streamflow</a>, 2013 measurement. </div>			

Climate change was, and continues to be, one of several explanations offered for water level declines in Kobeh Valley, southwest of Shipley Hot Springs (Interflow Hydrology, 2012). Historical data for Shipley Hot Springs shows substantial variability in the spring discharge, confirming the relationship of flows to the vagaries of weather and climate. Because the exemption to Order 1226 that allows the applicants seek to mitigate the decline in spring flow arising from the pumping by junior appropriators, the NSE is obligated to separate out declines due to climate change, as well as other causes unrelated to groundwater pumping.

#### 2.2.1.c Self-Inflicted Impacts

In the Sadler Ranch LLC instance, it is possible that pumping by Sadler Ranch LLC and their predecessors caused some of the observed decline in spring discharge. This impact is discussed in detail in a later section.

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BEFORE THE STATE ENGINEER, STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL  
RESOURCES, DIVISION OF WATER RESOURCES

\*\*\*

IN THE MATTER OF APPLICATION NUMBERS  
85575, 85577, 85579, 85581 THROUGH 85586,  
85588, 85589, 85591 THROUGH 85594, 85596  
THROUGH 85599, 85603, 85604, 86149  
THROUGH 86153, 86157 THROUGH 86161,  
FILED TO CHANGE EXISTING RIGHTS IN THE  
KOBEL VALLEY (139) AND DIAMOND  
VALLEY (153) HYDROGRAPHIC BASINS,  
LANDER COUNTY AND EUREKA COUNTY,  
NEVADA

RECEIVED  
2016 AUG 24 PM 4:50  
STATE ENGINEERS OFFICE

**MOTION FOR RECONSIDERATION,**  
**OR IN THE ALTERNATIVE,**  
**TO RESCHEDULE PROCEEDINGS**

KOBEL VALLEY RANCH, LLC ("KVR"), by and through its attorneys of record, PAUL G. TAGGART, ESQ. and RACHEL L. WISE, ESQ., of the law firm of TAGGART & TAGGART, LTD., hereby requests that the State Engineer reconsider its Order Vacating Pre-Hearing Conference and: (1) schedule a hearing in this matter for the third week in December, (2) require that evidence in the matter be submitted to the State Engineer no later than 30 days prior to the date of the hearing, and (3) schedule a pre-hearing conference for no later than 30 days prior to the close of the period to submit evidence. In the alternative, KVR requests that the State Engineer schedule proceedings, as described above, that are conditioned upon the Nevada Supreme Court's denial of the Eureka County's Writ Petition (Supreme Court Case No. 71090).

**I. PROCEDURAL BACKGROUND**

On July 26, 2016, the State Engineer issued a Notice of Pre-Hearing conference in the above-entitled matter. The pre-hearing conference was scheduled for August 25, 2016. On August 23, 2016, almost a month after the Notice of Pre-Hearing Conference was issued and a mere two days before the scheduled conference, Eureka County filed its Writ Petition in the Supreme Court. The Writ Petition requested the Court to: (1) prohibit the State Engineer from having the pre-hearing conference on

Taggart & Taggart, Ltd.  
108 North Minnesota Street  
Carson City, Nevada 89703  
(775)882-9900 - Telephone  
(775)883-9900 - Facsimile



1 August 25 regarding KVR's change applications, and (2) enjoin the State Engineer from taking any  
2 further action with respect to the KVR applications.

3 Also on August 23, 2016, at 1:36pm, Eureka County sent a letter to the State Engineer  
4 requesting that the August 25, 2016 conference be "postponed pending the Supreme Court's action" on  
5 the Writ Petition. On August 23, 2016, within an hour of receiving Eureka County's letter, and  
6 without consulting the other parties in the case, the State Engineer granted Eureka County's request  
7 and issued its Order Vacating Pre-Hearing Conference. The Order vacates the pre-hearing conference  
8 pending a decision of the Supreme Court on Eureka County's Writ Petition.

9 **II. ARGUMENT**

10 Eureka County's Writ Petition is procedurally and legally deficient, as well as factually  
11 inaccurate. Because of this, it will, in all likelihood, be denied by the Supreme Court. Accordingly,  
12 KVR asserts that the State Engineer should not delay the proceedings in this matter.

13 **A. Eureka County's Writ Petition is Procedurally Deficient.**

14 Eureka County's Writ Petition was filed in violation 21(a)(6) which requires any petition "that  
15 requests the court to grant relief in less than 14 days" to "comply with the requirements of Rule 27(e)."  
16 Eureka County's Writ Petition was filed on August 22, 2016 and specifically requested that the August  
17 25, 2016 pre-hearing conference be enjoined. Because Eureka County requests relief that had to occur  
18 within 14 days, the petition is not in compliance with the requirements of NRAP 27(e).

19 Rule 27(e)(1) requires that the Petitioner, before filing the Petition, "make every practical effort  
20 to notify . . . opposing counsel and to serve the motion at the earliest possible time." Eureka County  
21 waited almost a month after the State Engineer issued his Notice of Pre-Hearing Conference to file its  
22 Petition. It filed the Petition a mere two days before the conference was scheduled to begin. In  
23 addition, Eureka County failed to consult with opposing counsel or provide any notification of its  
24 intention to file the Writ Petition. Rather, Eureka County sprung its motion upon KVR at the last  
25 possible moment and after KVR had made travel and other arrangements in order to appear at the  
26 conference. These actions violate both the spirit and letter of Rule 27(e)(1) and render the Writ  
27 Petition procedurally deficient.  
28

1 Rule 27(e)(2) requires the Writ Petition to include the title “Emergency Motion Under NRAP  
2 27(e)” within the caption of the pleading. This is to provide all parties, and the Court, with notice that  
3 the Petition is seeking relief within the fourteen day period. Eureka County’s failure to follow the  
4 directive of Rule 27(e)(2) means that its Petition failed to provide proper notice to Court and the other  
5 parties in the proceeding, and renders it procedurally deficient. In addition Rule 27(e)(3) requires that  
6 the Writ Petition include the telephone numbers and addresses of the attorneys for the parties. The  
7 purpose of this rule is to allow the Court to contact the parties to schedule any needed emergency  
8 proceedings. Eureka County failed to provide the Court this information in its Writ Petition.

9 Had Eureka County properly complied with Rule 21, the Supreme Court would have known  
10 from the title of the writ that the Court needed to promptly address the request, and would have before  
11 the hearing date. Since Eureka County did not include that information, the Writ Petition may not  
12 have been considered as promptly, and may not have been ruled upon before the hearing date. In  
13 either event, there was no reason to vacate the hearing unless the Supreme Court acted before the  
14 hearing date. By vacating the hearing without waiting for the Supreme Court to act, the State Engineer  
15 also removed the urgency that existed for the Supreme Court to act, and now KVR is prejudiced  
16 because its ability to move forward with its applications is delayed indefinitely.

17 **B. Eureka County’s Writ Petition is Legally Deficient.**

18 The extraordinary relief that Eureka County requests is only available when there is no plain,  
19 speedy, and adequate remedy at law.<sup>1</sup> The only argument advanced by Eureka County on this point is  
20 that “[w]aiting until a final determination in the underlying proceedings involving KVR’s ingeminated  
21 Applications would take many *months*.”<sup>2</sup>

22 The Supreme Court has routinely denied similar writ petitions in cases involving water rights.  
23 For example, in *SNWA v. Seventh Judicial Dist. Ct.*<sup>3</sup>, the Court recently denied a writ petition filed by  
24 the Southern Nevada Water Authority. The Court held that “petitioners have an adequate legal remedy  
25 in the form of a petition for judicial review, or subsequent appeal, from any adverse decision on  
26

27 <sup>1</sup> *Int’l Game Tech., Inc. v. Second Judicial Dist. Ct.*, 124 Nev. 193, 197, 179 P.3d 556, 558 (2008).

28 <sup>2</sup> August 23, 2016, Petition for Writ of Prohibition or, in the Alternative, Writ of Mandamus at 19, *Eureka County v. State Engineer*, Nevada Supreme Court Docket No. 71090 (emphasis added).

<sup>3</sup> Nevada Supreme Court Docket No. 65775.



1 remand.”<sup>4</sup> In their writ petition SNWA had argued, among other things, that the issuance of the writ  
2 would save time by preventing the case from bouncing back and forth between the State Engineer  
3 and the district court.<sup>5</sup> However, the Court was unpersuaded that the administrative review procedures  
4 of NRS 533.450 did not provide SNWA with a plain, speedy, and adequate remedy.

5 Likewise in *State Engineer v. Third Judicial Dist. Ct.*,<sup>6</sup> the Court denied a writ petition filed by  
6 the State Engineer. The petition challenged a district court ruling that allowed the parties to present  
7 testimony on certain issues.<sup>7</sup> In denying the petition, the Court cited to *Pan v. Eighth Judicial Dist.*  
8 *Ct.*,<sup>8</sup> which holds that a right to appeal a decision is generally an adequate legal remedy. Since NRS  
9 533.450 provides such a remedy, the Court denied the petition within two days.<sup>9</sup>

10 Just as in the *SNWA* and *State Engineer* cases, in Eureka County’s Writ Petition case, an  
11 adequate and speedy remedy at law exists. NRS 533.450 allows it to appeal any “order or decision” of  
12 the State Engineer. In addition, Eureka County has acknowledged in the Writ Petition that the alleged  
13 delay it will suffer before it is allowed to appeal the State Engineer’s determination will be only a  
14 matter of mere months.<sup>10</sup> Given this, it is highly unlikely that the Supreme Court will issue Eureka  
15 County’s requested writ in this case.

16 **C. Eureka County’s Writ Petition is Factually Inaccurate.**

17 Eureka County’s Writ Petition argues that it is improper for the SE to act on KVR’s  
18 applications before ruling on other pending applications which have an earlier priority date.<sup>11</sup> Eureka  
19 County alleges that the SE is proceeding out of order and that KVR’s applications are junior in priority  
20  
21  
22

23 <sup>4</sup> May 21, 2015, Order Denying Petition for Writ of Mandamus, *State Engineer v. Seventh Judicial Dist. Ct.*, Nevada  
Supreme Court Docket No. 65775.

24 <sup>5</sup> May 30, 2014, Petition for Writ of Prohibition or, in the Alternative, Writ of Mandamus, *State Engineer v. Seventh*  
*Judicial Dist. Ct.*, Nevada Supreme Court Docket No. 65775.

25 <sup>6</sup> Nevada Supreme Court Docket No. 69921.

26 <sup>7</sup> March 11, 2016, Order Denying Petition for Writ of Prohibition or Mandamus, *State Engineer v. Third Judicial Dist. Ct.*,  
Nevada Supreme Court Docket No. 69921.

27 <sup>8</sup> 120 Nev. 222, 224, 228, 88 P.3d 840, 841, 844 (2004).

28 <sup>9</sup> March 11, 2016, Order Denying Petition for Writ of Prohibition or Mandamus, *State Engineer v. Third Judicial Dist. Ct.*,  
Nevada Supreme Court Docket No. 69921.

<sup>10</sup> August 23, 2016, Petition for Writ of Prohibition or, in the Alternative, Writ of Mandamus at 19, *Eureka County v. State*  
*Engineer*, Nevada Supreme Court Docket No. 71090.

<sup>11</sup> *Id.* at 20-22.

1 to the County's applications for an appropriation of 6,000 afa from Kobeh Valley.<sup>12</sup> Eureka County is  
2 wrong.

3 KVR's applications are requesting to change the piont of diversion and manner and place of  
4 use of *existing* appropriations. By contrast, Eureka County's applications are for *new* appropriations.  
5 It is well-established that when a change application is filed, it carries with it the priority date of the  
6 underlying base right. Since KVR's base rights are senior in priority to Eureka County's applications,  
7 KVR's proposed change applications are not junior to the County's applications for new  
8 appropriations and it is proper for the State Engineer to act on them first.

9 **D. Request to Schedule Hearing**

10 One of the results of Eureka County's Writ Petition and the State Engineer's decision to vacate  
11 the prehearing conference is that if the Supreme Court denies Eureka County's petition, the  
12 consideration of KVR's change applications will be delayed indefinitely. This delay is unfair and  
13 prejudicial. The delay will be heightened if the parties do not block out times on their calendars for a  
14 hearing now. To avoid further delay, KVR requests the State Engineer to (1) schedule a hearing in this  
15 matter for the third week in December, (2) require that evidence in the matter be submitted to the State  
16 Engineer no later than 30 days prior to the date of the hearing, and (3) schedule a pre-hearing  
17 conference, if necessary, for no later than 30 days prior to the close of the period to submit evidence.  
18 In the alternative, KVR requests that the State Engineer schedule the proceedings as described above,  
19 but conditioned upon the Nevada Supreme Court's denial of the Writ Petition.

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<sup>12</sup> *Id.*

1 **III. CONCLUSION**

2 KVR respectfully requests the State Engineer reconsider the Order Vacating Pre-Hearing  
3 Conference or, in the alternative, schedule proceedings conditioned upon the Nevada Supreme Court's  
4 denial of the Writ Petition.

5 DATED this 24<sup>th</sup> day of August, 2016.

6 TAGGART & TAGGART, LTD.  
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9 (775) 882-9900 – Telephone  
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11 By: Paul G. Taggart  
12 PAUL G. TAGGART, ESQ.  
13 Nevada State Bar No. 6136  
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15 Nevada State Bar No. 13567  
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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of TAGGART & TAGGART, LTD., and that on this date I served, or caused to be served, a true and correct copy of the ANSWER TO PROTESTS, as follows:

[X] By U.S. POSTAL SERVICE: I deposited for mailing in the United States Mail, with postage prepaid, an envelope contacting the above identified document, at Carson City, Nevada, in the ordinary course of business, addressed as follows:

Debbie Leonard, Esq.  
McDonald Carano Wilson LLP  
100 W. Liberty St., 10th Floor  
PO Box 2670  
Reno, NV 89501  
Attorney for Diamond Natural Resources Protection & Conservation Association

Therese A. Ure, Esq.  
Schroeder Law Offices, P.E.  
440 Marsh Ave.  
Reno, Nevada 89509  
Attorney for Diamond Cattle Co., LLC and Etcheverry Family Limited Partnership

Karen A. Peterson, Esq.  
Allison, Mackenzie, Pavlakis,  
Wright & Fagan, Ltd.  
402 N. Division Street  
Carson City, Nevada 89703-4168  
Attorney for Eureka County

DATED this 25<sup>th</sup> day of August, 2016.



Employee of TAGGART & TAGGART, LTD.



BEFORE THE STATE ENGINEER, STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL  
RESOURCES, DIVISION OF WATER RESOURCES

\*\*\*

IN THE MATTER OF APPLICATION  
NUMBERS 86152, 86153, 86157 THROUGH  
86161, FILED TO CHANGE EXISTING RIGHTS  
IN THE KOBEH VALLEY (139) AND  
DIAMOND VALLEY (153) HYDROGRAPHIC  
BASINS, LANDER COUNTY AND EUREKA  
COUNTY, NEVADA

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STATE ENGINEERS OFFICE

**ANSWER TO PROTESTS**

KOBEH VALLEY RANCH, LLC ("KVR"), by and through its attorneys of record, PAUL G. TAGGART, ESQ. and RACHEL L. WISE, ESQ., of the law firm of TAGGART & TAGGART, LTD., hereby file this Answer to Protests pursuant to Nevada Administrative Code Section ("NAC") 533.140 and NAC 533.143.

**FACTS**

**I. Background**

KVR filed an answer to protests on May 20, 2016, ("May 20 Answer") regarding KVR's applications that were filed in 2015. KVR filed an answer to protests on August 22, 2016, regarding KVR's applications that were filed in 2015 and Applications 85575, 85577, 85579, 85581 through 85586, 85588, 85589, 85591 through 85594, 85596 through 85599, 85603, 85604, 86149 through 86153, and 86157 through 86161 ("August 22, Answer"). This Answer to Protests ("Answer") is regarding amended change applications filed by KVR on April 27, 2016. KVR incorporates by reference herein the May 20 Answer and the August 22, 2016 Answer, and thereby only addresses in this paper the new protest grounds that are separate from those that were addressed in previously filed Answers to Protest.

In addition to the 2015 Applications fully described in the May 20, 2016 Answer, KVR filed a series of additional change applications in Kobeh Valley and change applications in Diamond Valley

1 on April 27, 2016. Those applications are 86149 through 86161 (“Change Applications”). A  
2 Request for Action Letter was sent to the State Engineer on April 27, 2016, on the 2015 and 2016  
3 Change Applications.<sup>1</sup> The Applications that are requested to be acted upon are Change Applications  
4 Numbers 86152, 86153, 86157 through 86161 (collectively the “Change Applications”). None of the  
5 Change Applications that are addressed in the Answer or the Protests are applications for new  
6 appropriations.

7 KVR owns a total of 15,679.94 afa in existing rights in Kobeh Valley which are subject to the  
8 Change Applications. The combined consumptive use duty of the Change Applications in Kobeh  
9 Valley is 10,997.43 acre feet. The total duty of KVR’s Diamond Valley groundwater rights is  
10 1,089.20 acre feet. The total consumptive use duty of these rights is 680.75 acre feet. KVR is  
11 requesting action on applications to change 233.57 afa of the Diamond Valley consumptive duty  
12 under Applications 86149 through 86153. The total duty requested to be changed under the Change  
13 Applications is 11,382.43 afa.

14 **A. Change Applications Involving Bobcat Ranch**

15 KVR holds Permits 72580 through 72588 (“Bobcat Ranch Permits”). The total combined  
16 duty under the Bobcat Ranch Permits is 6,337.32 afa. On April 27, 2016, KVR filed amended  
17 Application 85583, 85588 and 85604 to properly identify the base rights for the Change Applications  
18 85583, 85588, and 85604. The total combined duty of the 2015 Change Applications at Bobcat  
19 Ranch is restricted to the consumptive use portion of 4,277.691 afa. These Change Applications  
20 propose pumping the water from wells PoO\_1, PoO\_3, Well 226, Well 227, Well 228, and Well 229.<sup>2</sup>

21 **B. 2016 Change Applications Involving Permits 78272-78275**

22 Permits 78272-78275 to appropriate groundwater in Kobeh Valley were filed on April 17,  
23 2009, and approved on August 27, 2014. Permits 78272-78275 were filed to replace those water  
24 rights moved from the Bobcat Ranch under the Original Applications granted in Ruling 6127.  
25 Permits 78272-78275 are currently being used for irrigation purposes pursuant to the permit terms.

26  
27 <sup>1</sup> Applications 86154 through 86156 have since been withdrawn.

<sup>2</sup> Applications 85582, 85579, 85594, 85583, 85588, 85604, 85589, 85577, 85575.

On April 27, 2016, Change Applications 86157 through 86151 were filed to change the consumptive use portion of these rights to mining, milling, and domestic purposes. KVR is requesting to change the place of diversion (“POD”) for Permits 78272-78275 to Wells 220, 222, 224, and 227.<sup>3</sup>

**C. 2016 Change Applications Involving Diamond Valley Water Rights**

Permits 57835, 57836, 57839, and 57840 are irrigation rights with a total combined duty of 312.92 afa to irrigate 78.23 acres of land. The established consumptive use duty in Diamond Valley is 2.5 acre feet per acre.<sup>4</sup> The consumptive use limitation is 195.57 afa. Permit 66062 is for 303.08 acre feet to irrigate 75.77 acres of land. The consumptive use component of this right is 189.43 acre feet. Permits 57835, 57836, 57839, 57840, and 66062 (“Diamond Valley Permits”) are being changed by Applications 86149 through 86153. The use is for a total consumptive duty of 233.57 afa. The total consumptive duty that is being sought in these applications is no greater than the consumptive use authorized under the base rights.

Permits 50962, 50963, and 57838 are irrigation water rights with a total combined duty of 473.2 acre feet on a total of 118.3 acres. The consumptive use limitation of these rights is 295.75 acre feet. These rights were requested to be changed under Applications 86154 through 86156. However, those applications were withdrawn and these base rights are to remain active in Diamond Valley for their currently permitted uses. The total request of water being changed in Diamond Valley is 233.57, limited to the consumptive use of the base rights.

The 2016 Change Applications involving permits 78272-78275 and the 2016 Change Applications involving Diamond Valley Water Rights are collectively known as the “2016 Change Applications.”

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<sup>3</sup> Applications 86157 through 86161.

<sup>4</sup> The 2.5 acre feet per acre of consumptive duty is the consumptive duty for Diamond Valley as delineated in that certain report published by the State of Nevada, Department of Conservation & Natural Resources, Division of Water Resources, titled *Evapotranspiration and Net Irrigation Water Requirements for Nevada*. The consumptive duty as established per basin in Nevada is also available in an online data base located at [http://www.water.nv.gov/mapping/et/et\\_general.cfm](http://www.water.nv.gov/mapping/et/et_general.cfm).





1 However, the State Engineer has already determined that KVR is adequately working to maintain the  
2 base rights in Permits 78272 through 78275.<sup>5</sup> The State Engineer has decided that there is not a “lack  
3 of diligence by the Permittee” as the Eureka County contends. Despite what Eureka County  
4 describes as inadequate effort to perfect their water right, they recognize that water is being pumped  
5 from a well on Bobcat Ranch, there are submersible pumps and flow meters, and alfalfa is being  
6 irrigated on Bobcat Ranch. The State Engineer approved KVR’s request for an extension of time and  
7 filed Change Applications to place all the base rights to beneficial use. In short, the State Engineer  
8 has already decided that the work on the base rights are being diligently prosecuted, thus rendering  
9 Eureka County’s claims meritless.

10 Eureka County further asserts that the State Engineer had assured it that no extensions would  
11 be extended to KVR. Verbal statements the State Engineer made to Eureka County do not constitute  
12 grounds for denying the applications in question. KVR is unaware of any promises made to Eureka  
13 County by the State Engineer and as the permit holder, KVR should be a party to any conversations  
14 that may substantially affect its rights. Finally, Eureka County does not have standing to protest,  
15 contest, or argue a position regarding the 2009 Appropriation base rights.<sup>6</sup> If Eureka County’s  
16 statement is true, it was improper for Eureka County to communicate possible permit terms with the  
17 State Engineer without including the Applicant, or being a protestant or interested party in the matter  
18 of the approval of the 2009 Appropriations. Even assuming such statements were made, the State  
19 Engineer did not fail to “hold [KVR’s] feet to the fire.”<sup>7</sup> KVR properly applied for and received  
20 extensions.

21 Further, Eureka County never protested Applications 78272 through 78275 (“2009  
22 Appropriations”). The 2009 Appropriations were issued without any restrictions on the permit terms  
23 that would limit the availability to receive extensions of time pursuant to NRS 533.380(3). The 2009  
24

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25 <sup>5</sup> Granted Extension of Time for Permits 78272-78275 regarding the Proof of Completion.

26 <sup>6</sup> *Lujan v. Defs. of Wildlife*, 112 S. Ct. 2130 (1992).

27 <sup>7</sup> See Eureka County protest point 5 stating “[t]he Nevada State Engineer verbally committed to Eureka County, when the  
28 County questioned the wisdom in granting applications to “re-wet” the Bobcat Ranch, that no extensions of time would be  
granted for these permits to ensure that the applications did not amount to de facto speculation of the groundwater  
resource.”

1 Appropriations were not subject to the Supreme Court Ruling or the Seventh Judicial District Court's  
2 vacating of permits.<sup>8</sup> Eureka County has failed to identify a permit term limitation regarding  
3 extensions of time. KVR's proof of beneficial use regarding Permits 78272 through 782075 are not  
4 due until 2017. KVR is currently irrigating Bobcat Ranch pursuant to the permit terms. Finally,  
5 KVR has properly submitted the requisite Change Applications to move the place of use and allow  
6 the full permitted water rights to be used consistent with Nevada law.

7 **II. Financial ability and reasonable diligence pursuant to NRS 533.370(1).**

8 The Protestants' contention that KVR does not have the financial ability to complete or  
9 operate the mine is false. Nevada water law requires the State Engineer to consider whether the  
10 Applicant has an intention in good faith to construct the works necessary to place any approved water  
11 to beneficial use. The Applicant also must show that it has the financial ability and reasonable  
12 expectation to construct the works necessary to apply the water to its beneficial use.<sup>9</sup>

13 KVR is a company formed and wholly owned by General Moly, Inc. ("General Moly") to  
14 handle, hold and control the water rights for the Mt. Hope mining project. As reported in its second  
15 quarter results, General Moly has approximately \$12.3 million and \$17.3 million in restricted cash.<sup>10</sup>  
16 The Mt. Hope Project ended the 2016 second quarter with a balance of \$14.7 million in a cash reserve  
17 account, and the project remains self-funded through 2020, based on projected care and maintenance  
18 expenses.<sup>11</sup> General Moly estimates that the total expenditure of funds required for the construction  
19 of the Mt. Hope Project is \$1,154,000,000.<sup>12</sup> At the time of the prior hearing, about \$163,000,000  
20 had been extended on the project on equipment, hydrologic studies, drilling, engineering, permitting,  
21 land and water rights.<sup>13</sup> General Moly will provide eighty percent of the construction funding and its  
22 Mt. Hope Project partner, POS-Minerals Company, a division of POSCO (a large Korean steel  
23 producer) will provide the remaining twenty percent.

24 <sup>8</sup> *Eureka County v. State Engineer*, CV 1108-155, CV 1108-156, CV 1108-157, CV 1112-164, CV 11112-165, CV 1202-  
25 170, CV 1207-78 (7<sup>th</sup> Judicial District Court 2016).

26 <sup>9</sup> NRS 533.370(1)(c).

27 <sup>10</sup> See General Moly SEC Filings.

28 <sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> Ruling 6127.

On August 8, 2016, in releasing its second quarter results, General Moly summarized its financials and reiterated its “prior guidance of solid financial liquidity to run its business activities well into early 2018.”<sup>14</sup> In its release and reports to the SEC General Moly has stated that that the Mt. Hope project remains self-funded through 2020 with a cash reserve account of \$14.7 million.<sup>15</sup> Therefore, KVR and its parent company General Moly have secured ample funding for the immediate segments of the project, and have secured investors and financial plans in place for the subsequent segments of financing construction for its portion of the Mt. Hope Project. As such, General Moly has shown its financial ability to carry out the project.

**III. Anti-speculation arguments do not apply.**

The Protestants argue that KVR’s Applications violate Nevada anti-speculation laws. This is false. NRS 533.370(6)(d), commonly known as the anti-speculation doctrine, requires all water to be placed to immediate use rather than held until some unknown time in the future.<sup>16</sup> “Speculation” is defined by the State Engineer as “an assumption of unusual business risk in hopes of obtaining commensurate gain, buying or selling with the expectation of profiting by a rise and fall in price.”<sup>17</sup> The Nevada Supreme Court adopted what is referred to as the “anti-speculation doctrine” in *Bacher v. State Engineer*, where it stated that the doctrine comports with the language and goals of NRS 533.370(1)(c).<sup>18</sup> Relying on NRS 533.370(1)(c), the *Bacher* court held that protecting against speculation:

requires the applicant to show both financial ability and a reasonable expectation with respect not only to constructing any work needed to apply the water, but also to apply the water to the intended beneficial use with reasonable diligence.<sup>19</sup>

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<sup>14</sup> See General Moly SEC Filings.

<sup>15</sup> *Id.*

<sup>16</sup> See also NRS 534.090.

<sup>17</sup> State Engineer Ruling No. 5782, dated September 17, 2007, at 29 (citing Webster's Collegiate Dictionary 1133 (9th ed. 1978), and Black's Law Dictionary 1255 (5th ed. 1979)).

<sup>18</sup> *Id.*, 122 Nev. 1110, 1123, 146 P.3d 793, 801 (2007).

<sup>19</sup> *Bacher*, 122 Nev. 1110, 146 P.3d 793, 799 (quoting Hearing on S.B. 98 Before the Assembly Government Affairs Comm., 68th Leg. (Nev., April 11, 1995)).

1 The court stated that “[p]recluding applications by persons who would only speculate on need ensures  
2 satisfaction of the beneficial use requirement that is so fundamental to our State’s water law.”<sup>20</sup> The  
3 anti-speculation doctrine does not apply to a party that is able to demonstrate need for the water and  
4 intent to use the water.<sup>21</sup>

5 KVR has continually demonstrated need and intent to use the water in its Permits. The  
6 purpose of KVR’s current Change Applications is to move the permitted water and place it to  
7 beneficial use. Eureka County concedes that KVR intends to place all the water immediately to  
8 beneficial use for their mine. KVR has consistently demonstrated their desire to build a mine and to  
9 put at least four hundred (400) to six hundred (600) Eureka County residents to work.<sup>22</sup> KVR has  
10 engaged in lengthy litigation, long-term planning, and third-party contracts that discredit any  
11 accusation of speculative development. In short, KVR has both the resources and the intention to  
12 place the appropriated water to beneficial use in the manner described in the Change Applications.

13 The Protestants allege that KVR’s base rights from the 2009 appropriations are speculative.  
14 The permits for the Bobcat Ranch Applications were granted in 2014, and Eureka County did not  
15 protest those applications. The Bobcat Ranch is being leased by KVR to farmers who are diligently  
16 applying the water to beneficial use.<sup>23</sup> Eureka County’s attempt to protest settled permits is in  
17 violation of NRS 533.450 and an attempt to circumvent Nevada law.

18 **IV. KVR is seeking action on Change Applications, not new appropriations.**

19 The Protestants’ contention that there is either no unappropriated water or that Eureka County  
20 should receive senior water rights is incorrect. When Judge Fairman vacated the permits that were  
21 granted in Ruling 6127, the water rights in the vacated change applications reverted back to the base  
22 rights. The Change Applications at issue here merely request to change the existing rights that have  
23 not been abrogated. Approval of the Change Applications will not increase the amount of water  
24 appropriated under the perennial yield.

25 \_\_\_\_\_  
26 <sup>20</sup> *Id.*

27 <sup>21</sup> *Adaven Mgmt., Inc. v. Mountain Falls Acquisition Corp.*, 124 Nev. 770, 776, 191 P.3d 1189, 1193 (2008).

<sup>22</sup> October 15, 2008, State Public Hearing before the State Engineer, at 438.

<sup>23</sup> *See* Lease Agreement.



1 Prior to the administrative hearing that lead to Ruling 6127, KVR acquired existing  
2 groundwater rights in the Kobeh Valley Hydrographic Basin, with the exception of approximately  
3 1,100 afa.<sup>24</sup> KVR is seeking to temporarily change their existing rights to allow for their proposed  
4 mining operation. There will be no change in the resource commitment in Kobeh Valley or Diamond  
5 Valley from the amount currently authorized under existing permits. The Change Applications  
6 request to change only the consumptive use component currently authorized under existing rights and  
7 currently counted as appropriated water under the perennial yield.

8 **V. Unstacking water rights is not prohibited by Nevada water law or prior practice of the**  
9 **State Engineer.**

10 Eureka County argues that because the prior permits on Bobcat Ranch have been vacated (1)  
11 the base rights have reverted back to their permitted place of use on Bobcat Ranch, and (2) are  
12 “stacked” on top of the new applications that were approved for Bobcat Ranch after Ruling 6127.  
13 Stacking is where two or more sets of primary water rights are authorized for use on the same place  
14 of use, causing the total additive duty of the rights to be greater than the usable limit of the right at the  
15 current place of use. Stacking of water usually results in the two sets of prime water rights being  
16 treated as temporarily supplemental water rights within the stacked place of use. Stacking is not  
17 illegal in Nevada. Although the State Engineer has denied some instances of applications requesting  
18 stacking of water rights in the past, sometimes primary rights have been stacked by design or  
19 circumstance. In the instance of the Change Applications, the water rights at Bobcat Ranch have  
20 been temporarily stacked through the court action that denied previously approved change  
21 applications. The stacking is not intentional. The Change Applications seek to unstack the water  
22 rights at Bobcat Ranch. Typically, protests regarding stacking apply when a party intentionally  
23 stacks water rights at a place of use. KVR is diligently working to move the water rights. Ironically,  
24 Eureka County is protesting that KVR cannot move its water rights, and is also protesting that KVR  
25 is not moving its water rights.

26  
27 <sup>24</sup> Ruling 6127 at 17.

1 The Change Applications are essentially “unstacking” water rights. Unstacking of water  
2 rights is not illegal in Nevada, and is an action that has been approved by the State Engineer in other  
3 proceedings.<sup>25</sup> Unstacking is where one or more of the sets of stacked water rights are being changed  
4 to a new and separate place of use. The Bobcat Ranch water rights are only on the same property  
5 because of the court denial of the Ruling 6127 change applications and the pending action on the  
6 Change Applications.

7 Each set of Bobcat Ranch base water rights was approved on their own merit and were  
8 counted as separate commitments under the perennial yield. The Change Applications are changing  
9 these active and valid irrigation rights based on the consumptive duty authorized under the separate  
10 rights and are based on how these rights were approved under the perennial yield. The Change  
11 Applications of the two sets of Bobcat Ranch appropriations are not increasing the amount currently  
12 appropriated for consumptive use under the base rights.

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27 <sup>25</sup> See for example Ruling 4798 at 56, 60, 65, & 70, and Ruling 5823 at 9 & 44.

CONCLUSION

For these reasons, KVR respectfully requests that the State Engineer reject the Protests to the Applications and grant the Applications in full.

DATED this 29<sup>th</sup> day of August, 2016.

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By: 

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Nevada State Bar No. 6136  
RACHEL L. WISE, ESQ.  
Nevada State Bar No. 12303

**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I hereby certify that I am an employee of TAGGART & TAGGART, LTD., and that on this date I served, or caused to be served, a true and correct copy of the ANSWER TO PROTESTS, as follows:

[X] By U.S. POSTAL SERVICE: I deposited for mailing in the United States Mail, with postage prepaid, an envelope contacting the above identified document, at Carson City, Nevada, in the ordinary course of business, addressed as follows:

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DATED this 29<sup>th</sup> day of August, 2016.



Employee of TAGGART & TAGGART, LTD.



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2016

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32986



**GENERAL MOLY**

**General Moly, Inc.**

(Exact name of registrant as specified in its charter)

**DELAWARE**

(State or other jurisdiction  
of incorporation or organization)

**91-0232000**

(I.R.S. Employer  
Identification No.)

**1726 Cole Blvd., Suite 115**

**Lakewood, CO 80401**

**Telephone: (303) 928-8599**

(Address and telephone number of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☐

Non-accelerated filer ☐

(Do not check if smaller reporting company)

Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares outstanding of issuer's common stock as of August 3, 2016, was 110,568,319.

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**PART I - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**GENERAL MOLY, INC.  
CONSOLIDATED BALANCE SHEETS**

**(In thousands, except par value amounts)**

	<b>June 30, 2016 (unaudited)</b>	<b>December 31, 2015</b>
<b>ASSETS:</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 12,308	\$ 13,047
Deposits, prepaid expenses and other current assets	155	150
<b>Total Current Assets</b>	<b>12,463</b>	<b>13,197</b>
Mining properties, land and water rights	221,624	220,635
Deposits on project property, plant and equipment	87,100	85,698
Restricted cash held at EMLLC	14,687	16,636
Restricted cash held for loan procurement	1,623	1,850
Restricted cash held for reclamation bonds	960	4,932
Non-mining property and equipment, net	294	369
Other assets	2,994	2,994
<b>TOTAL ASSETS</b>	<b>\$ 341,745</b>	<b>\$ 346,311</b>
<b>LIABILITIES, CRNCI, AND EQUITY:</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 595	\$ 1,762
Accrued advance royalties	500	500
Current portion of long term debt	142	142
<b>Total Current Liabilities</b>	<b>1,237</b>	<b>2,404</b>
Provision for post closure reclamation and remediation costs	1,131	1,198
Accrued advance royalties	5,700	5,200
Accrued payments to Agricultural Sustainability Trust	4,000	4,000
Long term debt, net of current portion	1,441	1,517
Senior Convertible Promissory Notes	5,449	5,316
Return of Contributions Payable to POS-Minerals	33,641	33,884
Other accrued liabilities	2,125	2,125
<b>Total Liabilities</b>	<b>54,724</b>	<b>55,644</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>CONTINGENTLY REDEEMABLE NONCONTROLLING INTEREST ("CRNCI")</b>	<b>173,500</b>	<b>173,265</b>
<b>EQUITY</b>		
Common stock, \$0.001 par value; 650,000,000 and 650,000,000 shares authorized, respectively, 110,568,319 and 109,298,393 shares issued and outstanding, respectively	111	109
Additional paid-in capital	281,742	281,562
Accumulated deficit during exploration and development stage	(168,332)	(164,269)
<b>Total Equity</b>	<b>113,521</b>	<b>117,402</b>
<b>TOTAL LIABILITIES, CRNCI, AND EQUITY</b>	<b>\$ 341,745</b>	<b>\$ 346,311</b>

The accompanying notes are an integral part of these consolidated financial statements.

**GENERAL MOLY, INC. ("GMI")**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited — In thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
REVENUES	\$ —	\$ —	\$ —	\$ —
OPERATING EXPENSES:				
Exploration and evaluation	118	277	664	394
General and administrative expense	1,546	2,007	2,908	4,994
TOTAL OPERATING EXPENSES	1,664	2,284	3,572	5,388
LOSS FROM OPERATIONS	(1,664)	(2,284)	(3,572)	(5,388)
OTHER INCOME/(EXPENSE):				
Loss on Termination of Power Transmission Contract	—	(4,317)	—	(4,317)
Loss on Extinguishment of Senior Convertible Promissory Notes	—	(810)	—	(930)
Interest expense	(250)	(275)	(499)	(836)
TOTAL OTHER (EXPENSE)/INCOME, NET	(250)	(5,402)	(499)	(6,083)
LOSS BEFORE INCOME TAXES	(1,914)	(7,686)	(4,071)	(11,471)
Income Taxes	—	—	—	—
CONSOLIDATED NET LOSS	\$ (1,914)	\$ (7,686)	\$ (4,071)	\$ (11,471)
Less: Net loss attributable to CRNCI	4	875	8	885
NET LOSS ATTRIBUTABLE TO GMI	\$ (1,910)	\$ (6,811)	\$ (4,063)	\$ (10,586)
Basic and diluted net loss attributable to GMI per share of common stock	\$ (0.02)	\$ (0.07)	\$ (0.04)	\$ (0.11)
Weighted average number of shares outstanding — basic and diluted	110,568	95,020	110,462	94,041
COMPREHENSIVE LOSS	\$ (1,910)	\$ (6,811)	\$ (4,063)	\$ (10,586)

The accompanying notes are an integral part of these consolidated financial statements.



**GENERAL MOLY, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited — In thousands)

	Six Months Ended	
	June 30, 2016	June 30, 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Consolidated Net loss	\$ (4,071)	\$ (11,471)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	122	120
Non-cash interest expense	133	445
Stock-based compensation for employees and directors	219	592
Loss on Termination of Power Transmission Contract	—	218
Extinguishment of Senior Convertible Promissory Notes	—	930
(Increase) in deposits, prepaid expenses and other	(5)	(39)
(Decrease) in accounts payable and accrued liabilities	(1,223)	(2,111)
(Decrease) in post closure reclamation and remediation costs	(106)	(53)
Net cash used by operating activities	<u>(4,931)</u>	<u>(11,369)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase and development of mining properties, land and water rights	(477)	(2,259)
Deposits on property, plant and equipment	(1,346)	(11,315)
Decrease in restricted cash	6,148	30,495
Net cash used by investing activities	<u>4,325</u>	<u>16,921</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Stock proceeds, net of issuance costs	(57)	(68)
Cash contributions returned to POS-Minerals	—	(684)
Repayment of Long-Term Debt	(76)	(106)
Net cash provided by financing activities:	<u>(133)</u>	<u>(858)</u>
Net (decrease) increase in cash and cash equivalents	(739)	4,694
Cash and cash equivalents, beginning of period	13,047	13,269
Cash and cash equivalents, end of period	<u>\$ 12,308</u>	<u>\$ 17,963</u>
<b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b>		
Equity compensation capitalized as development	\$ 20	\$ 139
Accrued portion of advance royalties	500	—
Conversion of Senior Convertible Promissory Notes	—	(2,488)
Non-Convertible Senior Promissory Notes Issued	—	1,340
Return of Contributions Payable to POS-Minerals	—	36,000
Reduction in Return of Contributions payable to POS-Minerals	—	(2,116)
Write off of debt issuance costs	—	(115)
Change in accrued portion of deposits on property, plant and equipment	56	(14)

The accompanying notes are an integral part of these consolidated financial statements.

**GENERAL MOLY, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 1 — DESCRIPTION OF BUSINESS**

General Moly, Inc. (“we,” “us,” “our,” “Company,” “GMI,” or “General Moly”) is a Delaware corporation originally incorporated as General Mines Corporation on November 23, 1925. We have gone through several name changes and on October 5, 2007, we reincorporated in the State of Delaware (“Reincorporation”) through a merger involving Idaho General Mines, Inc. and General Moly, Inc., a Delaware corporation that was a wholly owned subsidiary of Idaho General Mines, Inc. The Reincorporation was effected by merging Idaho General Mines, Inc. with and into General Moly, with General Moly being the surviving entity. For purposes of the Company’s reporting status with the United States Securities and Exchange Commission (“SEC”), General Moly is deemed a successor to Idaho General Mines, Inc.

The Company conducted exploration and evaluation activities from January 1, 2002 until October 4, 2007, when our Board of Directors (“Board”) approved the development of the Mt. Hope molybdenum property (“Mt. Hope Project”) in Eureka County, Nevada. The Company is continuing its efforts to both obtain financing for and develop the Mt. Hope Project. However, the combination of depressed molybdenum prices and legal challenges to our water rights has further delayed ongoing development at the Mt. Hope Project. We also continue to evaluate our Liberty molybdenum and copper property (“Liberty Project”) in Nye County, Nevada.

**The Mt. Hope Project**

From October 2005 to January 2008, we owned the rights to 100% of the Mt. Hope Project. Effective as of January 1, 2008, we contributed all of our interest in the assets related to the Mt. Hope Project, including our lease of the Mt. Hope Project, discussed below, into Eureka Moly, LLC (“EMLLC” or “the LLC”), and in February 2008 entered into an agreement (“LLC Agreement”) for the development and operation of the Mt. Hope Project with POS-Minerals Corporation (“POS-Minerals”). Under the LLC Agreement, POS-Minerals owns a 20% interest in the LLC and General Moly, through Nevada Moly, LLC (“Nevada Moly”), a wholly-owned subsidiary, owns an 80% interest. The ownership interests and/or required capital contributions under the LLC Agreement can change as discussed below.

Pursuant to the terms of the LLC Agreement, POS-Minerals made its first and second capital contributions to the LLC totaling \$100.0 million during the year ended December 31, 2008 (“Initial Contributions”). Additional amounts of \$100.7 million were received from POS-Minerals in December 2012, following receipt of major operating permits for the Mt. Hope Project, including the Record of Decision (“ROD”) from the U.S. Bureau of Land Management (“BLM”).

In addition, under the terms of the LLC Agreement, since commercial production at the Mt. Hope Project was not achieved by December 31, 2011, the LLC will be required to return to POS-Minerals \$36.0 million, since reduced to \$33.6 million as discussed below, of its capital contributions (“Return of Contributions”), with no corresponding reduction in POS-Minerals’ ownership percentage. Effective January 1, 2015, as part of a comprehensive agreement concerning the release of the reserve account described below, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be due to POS-Minerals on December 31, 2020; provided that, at any time on or before November 30, 2020, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2021; and if the due date has been so extended, at any time on or before November 30, 2021, Nevada Moly and POS-Minerals may agree in writing to extend the due date to December 31, 2022. If the repayment date is extended, the unpaid amount will bear interest at a rate per annum of LIBOR plus 5%, which interest shall compound quarterly, commencing on December 31, 2020 through the date of payment in full. Payments of accrued but unpaid interest, if any, shall be made on the repayment date. Nevada Moly may elect, on behalf of the Company, to cause the Company to prepay, in whole or in part, the Return of Contributions at any time, without premium or penalty, along with accrued and unpaid interest, if any.

The original Return of Contribution amount of \$36.0 million due to POS-Minerals is reduced, dollar for dollar, by the amount of capital contributions for equipment payments required from POS-Minerals under approved budgets of the LLC, as discussed further below. As of June 30, 2016, this amount has been reduced by \$2.4 million, consisting of 20% of an \$8.4 million principal payment made on milling equipment in March 2015, a \$2.2 million principal payment made on electrical transformers in April 2015, and a \$1.2 million principal payment made on milling equipment in April 2016, such that the remaining amount due to POS-Minerals is \$33.6 million. If Nevada Moly does not fund its additional capital contribution in order for the LLC to make the required Return of Contributions to POS-Minerals set forth above, POS-Minerals has an election to either make a secured loan to the LLC to fund the Return of Contributions, or receive an additional interest in the LLC estimated to be 5%. In the latter case, Nevada Moly’s interest in the LLC is subject to dilution by a percentage equal to the ratio of 1.5 times the amount of the unpaid

Return of Contributions over the aggregate amount of deemed capital contributions (as determined under the LLC Agreement) of both parties to the LLC ("Dilution Formula"). At June 30, 2016, the aggregate amount of deemed capital contributions of both parties was \$1,080.3 million.

Furthermore, the LLC Agreement permits POS-Minerals to put/sell its interest in the LLC to Nevada Moly after a change of control of Nevada Moly or the Company, as defined in the LLC Agreement, followed by a failure by us or our successor company to use standard mining industry practice in connection with the development and operation of the Mt. Hope Project as contemplated by the parties for a period of 12 consecutive months. If POS-Minerals puts its interest, Nevada Moly or its transferee or surviving entity would be required to purchase the interest for 120% of POS-Minerals' total contributions to the LLC, which, if not paid timely, would be subject to 10% interest per annum.

In November 2012, the Company and POS-Minerals began making monthly pro rata capital contributions to the LLC to fund costs incurred as required by the LLC Agreement. The interest of a party in the LLC that does not make its monthly pro rata capital contributions to fund costs incurred is subject to dilution based on the Dilution Formula. The Company and POS-Minerals consented, effective July 1, 2013, to Nevada Moly accepting financial responsibility for POS-Minerals' 20% interest in costs related to Nevada Moly's compensation and reimbursement as Manager of the LLC, and certain owners' costs associated with Nevada Moly's ongoing progress to complete project financing for its 80% interest, resulting in \$2.9 million paid by Nevada Moly on behalf of POS-Minerals during the term of the consensual agreement, which ended on June 30, 2014. From July 1, 2014 to December 31, 2014, POS-Minerals once again contributed its 20% interest in all costs incurred by the LLC. Subject to the terms above, all required monthly contributions have been made by both parties.

Effective January 1, 2015, Nevada Moly and POS-Minerals signed an amendment to the LLC Agreement under which a separate \$36.0 million belonging to Nevada Moly, held by the LLC in a reserve account established in December 2012, is being released for the mutual benefit of both members related to the jointly approved Mt. Hope Project expenses through 2020. In January 2015, the reserve account funded a reimbursement of contributions made by the members during the fourth quarter of 2014, inclusive of \$0.7 million to POS-Minerals and \$2.7 million to Nevada Moly. The funds are now being used quarterly to pay ongoing expenses of the LLC until the Company obtains full financing for its portion of the Mt. Hope Project construction cost, or until the reserve account is exhausted. Any remaining funds after financing is obtained will be returned to the Company. The balance of the reserve account was \$14.7 million and \$16.6 million at June 30, 2016 and December 31, 2015, respectively.

#### **Agreement with Hanlong**

On December 20, 2010, we entered into a Stockholder Agreement (the "Stockholder Agreement") with Hanlong in connection with a Tranche 1 closing under a Securities Purchase Agreement dated March 4, 2010 (the "Purchase Agreement") between us and Hanlong.

The Purchase Agreement with Hanlong was terminated in August 2013, though certain provisions of the Purchase Agreement and Stockholder Agreement remained in effect, and, as a result of the Tranche 1 closing, Hanlong was entitled to nominate one director to our Board so long as it maintained at least a 10% fully diluted interest in the Company. Hanlong's ownership interest on a fully diluted basis has decreased to 5.7%. In February 2016, the Governance and Nominating Committee of the Company's Board of Directors determined it would not renominate the Hanlong representative to the Board as their beneficial ownership of the Company's common stock on a fully diluted basis had fallen below 10%. As a result, the term of Hanlong's designee, Nelson Chen, as a director expired at the 2016 Annual Meeting in June 2016.

#### **Agreement with AMER International Group ("AMER")**

##### ***Private Placement***

In April 2015, the Company and AMER entered into a private placement for 40.0 million shares of the Company's common stock and warrants (the "AMER Warrants") to purchase 80.0 million shares of the Company's common stock, priced using the trailing 90-day volume weighted average price ("VWAP") of \$0.50 on April 17, 2015, the date the Investment and Securities Purchase Agreement ("AMER Investment Agreement") was signed. General Moly received stockholder approval of the transaction at its 2015 Annual Meeting.

On November 2, 2015, the Company and AMER entered into an amendment to the AMER Investment Agreement, utilizing a three-tranche investment. The first tranche of the amended AMER Investment Agreement closed on November 24, 2015 for a \$4.0 million private placement representing 13.3 million shares, priced at \$0.30 per share, and the AMER Warrants, which will become exercisable upon availability of an approximately \$700.0 million senior secured loan ("Bank Loan"). The funds



received from the \$4.0 million private placement have been divided evenly between general corporate purposes and an expense reimbursement account available to both AMER and the Company to cover anticipated Mt. Hope financing costs and other jointly sourced business development opportunities. In addition, AMER and General Moly entered into a Stockholder Agreement allowing AMER to nominate a director to the General Moly Board of Directors, additional directors following the close of Tranche 3, discussed below, and drawdown of the Bank Loan. The Stockholder Agreement also governs AMER's acquisition and transfer of General Moly shares. Prior to closing, the parties agreed to eliminate certain conditions to closing. Following the closing, AMER nominated Tong Zhang to serve as a director of the Company, and he was appointed to the Board of Directors on December 3, 2015.

The second tranche of the amended AMER Investment Agreement will include a \$6.0 million private placement representing 12.0 million shares, priced at \$0.50 per share. \$5.0 million of the \$6.0 million will be used for general corporate purposes and \$1.0 million will be set aside for the expense reimbursement account discussed above. Closing of the second tranche is contingent on the Nevada State Engineer restoring permits for the Mt. Hope Project's water rights and for the price of molybdenum to average in excess of \$8/lb for a 30 consecutive calendar day period.

The third tranche of the amended AMER Investment Agreement will include a \$10.0 million private placement representing 14.7 million shares, priced at \$0.68 per share. Execution of the third tranche is contingent on a final adjudication of the Mt. Hope Project's water rights through the Nevada courts or settlement, if further protests and appeals result from the issuance of the water permits, and for the price of molybdenum to average in excess of \$12/lb for a 30 consecutive calendar day period. After the third tranche of the agreement is executed, AMER will nominate a second director to General Moly's Board of Directors.

The amended AMER Investment Agreement creates a strategic partnership between the Company and AMER to assist in obtaining full financing for the Mt. Hope Project. The issuance of shares in connection with the second and third tranches of the AMER Investment Agreement may be subject to General Moly stockholder approval.

In addition to the AMER Investment Agreement, the Company and AMER are jointly evaluating other potential opportunities, ranging from outright acquisitions, privatizations, or significant minority interest investments. The current focus is on base metal prospects in North America, where the Company would benefit from management fees, minority equity interests, or the acquisition of both core and non-core assets. Through June 30, 2016, the Company has spent approximately \$0.4 million from the expense reimbursement account described above in connection with such evaluations.

#### ***Term Loan***

AMER has agreed to work cooperatively with the Company upon the return of improved molybdenum prices to procure and support a Bank Loan of approximately \$700 million from a major Chinese bank or banks for development of the Mt. Hope Project. AMER will guarantee the Bank Loan, which is anticipated to have normal and customary covenants and security arrangements.

When documentation is complete and drawdown of the approximately \$700 million Bank Loan becomes available, the AMER Warrants will become exercisable by AMER at \$0.50. After drawdown of the Bank Loan, AMER will nominate a third Director to General Moly's Board of Directors. All conditions under the warrant agreement must be completed no later than April 17, 2017 in order for the AMER Warrants to vest and become exercisable.

#### ***Molybdenum Supply Agreement***

The Company and AMER have agreed on the substantive terms of a definitive agreement that would provide a one-time option exercisable simultaneously with Bank Loan execution to purchase the balance of the Company's share of Mt. Hope molybdenum production, estimated to be approximately 16.5 million pounds annually, for the first five years of production, and 70% of the Company's annual share of Mt. Hope molybdenum production thereafter at a cost of spot price less a slight discount.

#### **NOTE 2 — LIQUIDITY**

The cash needs for the development of the Mt. Hope Project are significant and require that we and/or the LLC arrange for financing to be combined with funds anticipated to be received from POS-Minerals in order to retain its 20% membership interest. If we are unsuccessful in obtaining financing, we will not be able to proceed with the development of the Mt. Hope Project.

Although hampered by continuing low molybdenum prices, the Company continues its efforts to obtain full financing of the Mt. Hope Project. On April 17, 2015, the Company announced the execution of the AMER Investment Agreement with



AMER. AMER has agreed to work with the Company to procure and support the Bank Loan for development of the Mt. Hope Project, and to provide a guarantee for the Bank Loan. On June 30, 2015, the Company received stockholder approval of the agreement with AMER. As discussed in Note 1, on November 30, 2015, the Company announced the receipt of funds that successfully closed the first tranche of the amended AMER Investment Agreement, resulting in a \$4 million cash inflow to the Company.

There is no assurance that the Company will be successful in obtaining the financing required to complete the Mt. Hope Project, or in raising additional financing in the future on terms acceptable to the Company, or at all.

In October 2015, the Company announced a management restructuring and cost reduction program, which included a 25% reduction in workforce, compensation reductions for senior executives, and a reduction of engineering, administrative, and consulting expenses. The program is focused on maintaining liquidity and sustainability during a continuing period of challenging market conditions in the mining industry.

In December 2014, the Company sold and issued \$8.5 million in units consisting of Senior Convertible Promissory Notes (the "Convertible Notes") and warrants (the "Notes Warrants") to accredited investors, including several directors and each of our named executive officers, pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended, and Rule 506 thereunder. The Convertible Notes are unsecured obligations and are senior to any of the Company's future secured obligations to the extent of the value of the collateral securing such obligations. The Notes Warrants are exercisable through December 26, 2019, for an aggregate of 8,535,000 shares of the Company's common stock at \$1.00 per share. The Company received net proceeds from the sale of the units of approximately \$8.0 million, after deducting offering expenses of approximately \$0.5 million. Net proceeds from the sale are being used to fund ongoing operations. In February and April 2015, a number of the participants exercised their right to convert the Convertible Notes. Upon completion of the conversions, \$1.3 million in non-convertible Senior Promissory Notes and 2.6 million shares were issued, with \$5.9 million in Convertible Notes remaining available for conversion. See additional discussion of the Convertible Notes in Note 6.

We continue to work with our long-lead vendors to manage the timing of contractual payments for milling equipment. The following table sets forth the LLC's remaining cash commitments under these equipment contracts (collectively, "Purchase Contracts") at June 30, 2016 (in millions):

Year	As of June 30, 2016 *
2017	0.8
2018	1.4
Total	\$ 2.2

\* All amounts are commitments of the LLC, and as a result of the agreement between Nevada Moly and POS-Minerals are to be funded by the \$36.0 million reserve account, now \$14.7 million as discussed above in Note 1, until such time that the Company obtains financing for its portion of construction costs at the Mt. Hope Project or until the reserve account balance is exhausted, and thereafter are to be funded 80% by Nevada Moly and 20% by POS-Minerals. POS-Minerals remains obligated to make capital contributions for its 20% portion of equipment payments required by approved budgets of the LLC, and such amounts contributed by the reserve account on behalf of POS-Minerals will reduce, dollar for dollar, the amount of capital contributions that the LLC is required to return to POS-Minerals, as described in Note 1.

If the LLC does not make the payments contractually required under these purchase contracts, it could be subject to claims for breach of contract or to cancellation of the respective purchase contract. In addition, the LLC may proceed to selectively suspend, cancel or attempt to renegotiate additional purchase contracts if necessary to further conserve cash. If the LLC cancels or breaches any contracts, the LLC will take all appropriate action to minimize any losses, but could be subject to liability under the contracts or applicable law. The cancellation of certain key contracts could cause a delay in the commencement of operations, and could add to the cost to develop the Mt. Hope Project.

Through June 30, 2016, the LLC has made deposits and/or final payments of \$87.1 million on equipment orders. Of these deposits, \$70.3 million relate to fully fabricated items, primarily milling equipment, for which the LLC has additional contractual commitments of \$2.2 million noted in the table above. The remaining \$16.8 million reflects both partially fabricated milling equipment, and non-refundable deposits on mining equipment. As discussed in Note 12, the mining equipment agreements remain cancellable with no further liability to the LLC. The underlying value and recoverability of these deposits and our mining properties in our consolidated balance sheets are dependent on the LLC's ability to fund development activities that would lead to

profitable production and positive cash flow from operations, or proceeds from the disposition of these assets. There can be no assurance that the LLC will be successful in generating future profitable operations, disposing of these assets or the Company will secure additional funding in the future on terms acceptable to us or at all. Our consolidated financial statements do not include any adjustments relating to recoverability and classification of recorded assets or liabilities.

The State of Nevada Division of Environmental Protection (“NDEP”) issued a Reclamation Permit for the Mt. Hope Project on November 19, 2012, which authorizes surface disturbance and construction of facilities. The Reclamation Permit originally approved the Phase 1 reclamation cost estimate of approximately \$75.1 million. As a result of delays in financing for the construction of the Mt. Hope Project, we submitted a revised proposal to NDEP to reduce our reclamation liability to current surface disturbance estimates. In December 2015, NDEP and the BLM accepted our revised estimates approving a reduction of the reclamation estimate to approximately \$2.8 million. We worked with the LLC’s reclamation surety underwriters to satisfy the reduced \$2.8 million financial guarantee requirements for the Mt. Hope Project. As of June 30, 2016, the surety bond program is funded with a cash collateral payment of \$0.3 million, a reduction from the \$4.6 million established in November 2014, resulting in a \$4.3 million return of collateral received by the LLC in February 2016. Total restricted cash for surety bond collateral requirements and other long-term reclamation obligations at the Mt. Hope Project equal \$0.8 million. Another \$0.2 million in cash collateral is associated with surety bonds at the Liberty Project.

With our cash conservation plan, our Corporate and Liberty related cash requirements have declined to approximately \$1.7 million per quarter, while all Mt. Hope Project related funding is payable out of the \$36.0 million reserve account, the balance of which was \$14.7 million and \$16.6 million at June 30, 2016 and December 31, 2015, respectively. Accordingly, based on our current cash on hand and our ongoing cash conservation plan, the Company expects it will have adequate liquidity to fund our working capital needs through early 2018. Additional potential funding sources include public or private equity offerings, including tranches 2 and 3 of the \$20.0 million investment from AMER described in Note 1, or sale of other assets owned by the Company. There is no assurance that the Company will be successful in securing additional funding. This could result in further cost reductions, contract cancellations, and potential delays which ultimately may jeopardize the development of the Mt. Hope Project.

### **NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim consolidated financial statements (“interim statements”) of the Company are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. All such adjustments are, in the opinion of management, of a normal recurring nature. The results reported in these interim statements are not necessarily indicative of the results that may be presented for the entire year. These interim statements should be read in conjunction with the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015, filed with the Securities and Exchange Commission (“SEC”) on March 11, 2016.

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (“GAAP”) and have been consistently applied in the preparation of the financial statements.

#### *Accounting Method*

Our financial statements are prepared using the accrual basis of accounting in accordance with GAAP. With the exception of the LLC, all of our subsidiaries are wholly owned. In February 2008, we entered into the LLC Agreement, which established our ownership interest in the LLC at 80%. The consolidated financial statements include all of our wholly owned subsidiaries and the LLC. The POS-Minerals contributions attributable to their 20% interest are shown as Contingently Redeemable Noncontrolling Interest on the Consolidated Balance Sheet. The net loss attributable to contingently redeemable noncontrolling interest is reflected separately on the Consolidated Statement of Operations and reduces the Contingently Redeemable Noncontrolling Interest on the Consolidated Balance Sheet. Net losses of the LLC are attributable to the members of the LLC based on their respective ownership percentages in the LLC. During 2016, the LLC had a \$41,000 loss associated with accretion of its reclamation obligations, of which \$8,000 was attributed to the Contingently Redeemable Noncontrolling Interest.

#### *Revision of Financial Statements*

The Company determined that prior to 2014, it had incorrectly expensed the tax withholdings on employee’s cashless exercise of stock options and stock awards rather than recording the tax withheld as a reduction to Additional Paid in Capital. The aggregate impact of the error totaled \$1.07 million. The Company assessed the impact of the error for each period affected and

determined the error was not material to previously issued financial statements. Accordingly, the Company revised its financial statements to reflect the appropriate accounting treatment. As a result, the balances of Additional Paid in Capital and Accumulated Deficit as of December 31, 2015 have been reduced by \$1.07 million. This revision had no effect on the reported loss, cash, total equity or debt levels for the affected time periods.

#### *Reclassification of Prior Period Amounts*

Certain prior period amounts have been reclassified to conform to the current period presentation.

#### *Contingently Redeemable Noncontrolling Interest ("CRNCI")*

Under GAAP, certain noncontrolling interests in consolidated entities meet the definition of mandatorily redeemable financial instruments if the ability to redeem the interest is outside of the control of the consolidating entity. As described in Note 1 — "Description of Business", the LLC Agreement permits POS-Minerals the option to put its interest in the LLC to Nevada Moly upon a change of control, as defined in the LLC Agreement, followed by a failure by us or our successor company to use standard mining industry practice in connection with the development and operation of the Mt. Hope Project as contemplated by the parties for a period of 12 consecutive months. As such, the CRNCI has continued to be shown as a separate caption between liabilities and equity. The carrying value of the CRNCI has historically included the \$36.0 million Return of Contributions, now \$33.6 million, that will be returned to POS-Minerals in 2020, unless further extended by the members of the LLC as discussed above. The expected Return of Contributions to POS-Minerals was carried at redemption value as we believed redemption of this amount was probable. Effective January 1, 2015, Nevada Moly and POS-Minerals agreed that the Return of Contributions will be due to POS-Minerals on December 31, 2020, unless further extended by the members of the LLC as discussed above. As a result, we have reclassified the Return of Contributions payable to POS-Minerals from CRNCI to a non-current liability at redemption value, and subsequently reduced it by \$2.4 million, consisting of 20% of an \$8.4 million principal payment made on milling equipment in March 2015, a \$2.2 million principal payment made on electrical transformers in April 2015, and a \$1.2 million principal payment made on milling equipment in April 2016, such that the remaining amount due to POS-Minerals is \$33.6 million.

The remaining carrying value of the CRNCI has not been adjusted to its redemption value as the contingencies that may allow POS-Minerals to require redemption of its noncontrolling interest are not probable of occurring. Under GAAP, until such time as that contingency has been eliminated and redemption is no longer contingent upon anything other than the passage of time, no adjustment to the CRNCI balance should be made. Future changes in the redemption value will be recognized immediately as they occur and the Company will adjust the carrying amount of the CRNCI to equal the redemption value at the end of each reporting period.

#### *Estimates*

The process of preparing consolidated financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### *Asset Impairments*

We evaluate the carrying value of long-lived assets to be held and used, using a fair-value based approach when events and circumstances indicate that the related carrying amount of our assets may not be recoverable. The economic environment and molybdenum and copper prices may be considered as impairment indicators for the purposes of these impairment assessments. In accordance with U.S. GAAP, the carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flows from such asset is less than its carrying value. In that event, an impairment charge will be recorded in our Consolidated Statement of Operations and Comprehensive Loss based on the difference between book value and the estimated fair value of the asset computed using discounted future cash flows, or the application of an expected fair value technique in the absence of an observable market price. Future cash flows include estimates of recoverable quantities to be produced from estimated proven and probable mineral reserves, commodity prices (considering current and historical prices, price trends and related factors), production quantities and capital expenditures, all based on life-of-mine plans and projections. In estimating future cash flows, assets are grouped at the lowest level for which identifiable cash flows exist that are largely independent of cash flows from other asset groups. Generally, in estimating future cash flows, all assets are grouped at a particular mine for which there are identifiable cash flows. While our June 30, 2016 impairment analysis did not result in any long-lived asset impairments, there can be no assurance that there will not be asset impairments if commodity prices experience a sustained decline and/or if there are significant downward adjustments to estimates of recoverable quantities to be produced from proven and probable mineral reserves or production



quantities, and/or upward adjustments to estimated operating costs and capital expenditures, all based on life-of-mine plans and projections.

#### *Cash and Cash Equivalents and Restricted Cash*

We consider all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company's cash equivalent instruments are classified within Level 1 of the fair value hierarchy established by FASB guidance for Fair Value Measurements because they are valued based on quoted market prices in active markets.

We consider all restricted cash, inclusive of the reserve account discussed above, the loan procurement account and reclamation surety bonds, to be long-term.

#### *Basic and Diluted Net Loss Per Share*

Net loss per share was computed by dividing the net loss attributable to the Company by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Outstanding awards as of June 30, 2016 and December 31, 2015, respectively, were as follows:

	June 30, 2016	December 31, 2015
Warrants	89,535,000	89,535,000
Stock Options	6,668	45,002
Unvested Stock Awards	1,160,320	1,658,673
Stock Appreciation Rights	1,296,437	1,402,186

These awards were not included in the computation of diluted loss per share for the three and six months ended June 30, 2016 and 2015, respectively, because to do so would have been anti-dilutive. Therefore, basic loss per share is the same as diluted loss per share.

#### *Mineral Exploration and Development Costs*

All exploration expenditures are expensed as incurred. Significant property acquisition payments for active exploration properties are capitalized. If no economic ore body is discovered, previously capitalized costs are expensed in the period the property is abandoned. Expenditures to develop new mines, to define further mineralization in existing ore bodies, and to expand the capacity of operating mines, are capitalized and amortized on a units-of-production basis over proven and probable reserves.

Should a property be abandoned, its capitalized costs are charged to operations. The Company charges to the consolidated statement of operations the allocable portion of capitalized costs attributable to properties sold. Capitalized costs are allocated to properties sold based on the proportion of claims sold to the claims remaining within the project area.

#### *Mining Properties, Land and Water Rights*

Costs of acquiring and developing mining properties, land and water rights are capitalized as appropriate by project area. Exploration and related costs and costs to maintain mining properties, land and water rights are expensed as incurred while the property is in the exploration and evaluation stage. Development and related costs and costs to maintain mining properties, land and water rights are capitalized as incurred while the property is in the development stage. When a property reaches the production stage, the related capitalized costs are amortized using the units-of-production basis over proven and probable reserves. Mining properties, land and water rights are periodically assessed for impairment of value, and any subsequent losses are charged to operations at the time of impairment. If a property is abandoned or sold, a gain or loss is recognized and included in the consolidated statement of operations.

The Company has capitalized royalty payments made to Mt. Hope Mines, Inc. ("MHMI") (discussed in Note 12 below) during the development stage. The amounts will be applied to production royalties owed upon the commencement of production.



72588

15. Remarks: For existing point of diversion and place of use under Permit No. 70900, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch. LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/ gkl lh/ gkl

Protested \_\_\_\_\_

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 70900 is issued subject to the terms and conditions imposed in said Permit 70900 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72585, 72586 and 72588 is 2860.76 acre-feet annually and shall not exceed a diversion rate of 8.54 cubic feet per second.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)

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, but not to exceed 1280.0 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tracy Taylor, P.E.  
State Engineer

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

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

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

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



Permit No. 78272

## THE STATE OF NEVADA

### PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**  
Source: **UNDERGROUND**  
Basin: **KOBEH VALLEY**  
Manner of Use: **IRRIGATION AND DOMESTIC**  
Period of Use: **JANUARY 1ST THROUGH DECEMBER 31ST**  
Priority Date: **04/17/2009**

\*\*\*\*\*

#### APPROVAL OF STATE ENGINEER

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

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

The permittee shall keep monthly records of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis by February 15th of each year.

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 78272, 78273, 78274 and 78275 shall not exceed 6,337.32 acre-feet annually for the irrigation of 1,584.33 acres within the described place of use.

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

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

(Continued on Page 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 4,344 acre-feet annually, but not to exceed 4.0 acre-feet per acre from all sources.

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

August 27 2015

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

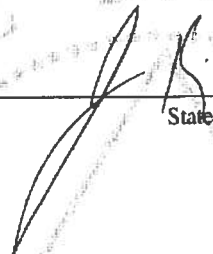
August 27 2017

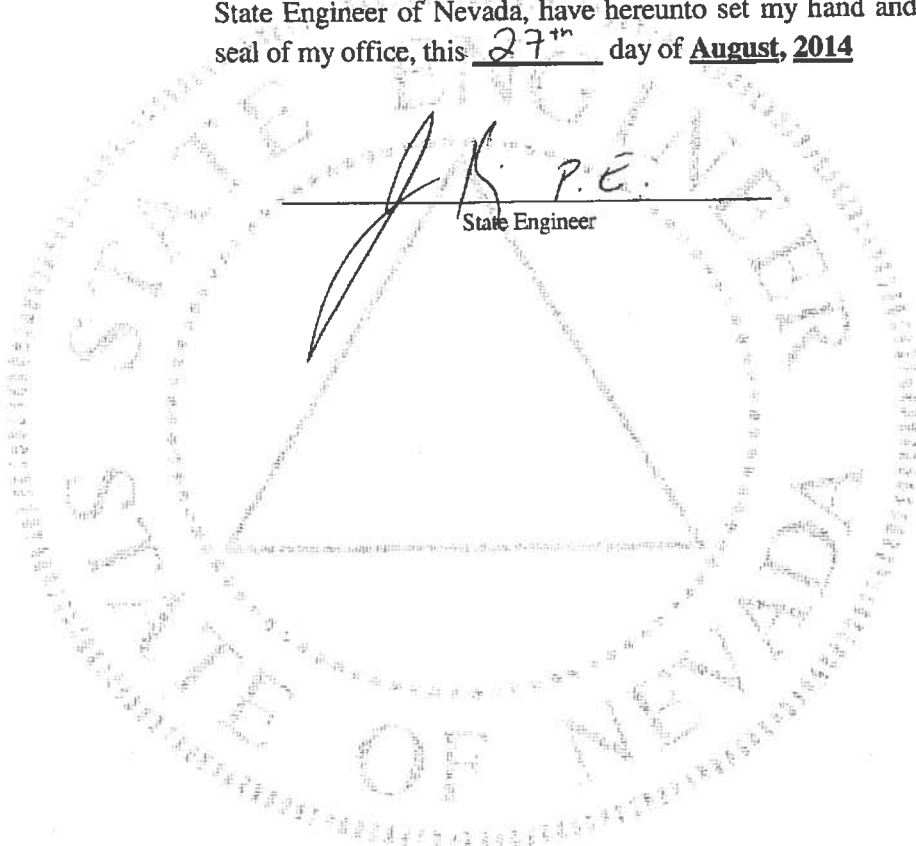
Map in support of proof of beneficial use shall be filed on or before:

August 27 2017

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 27<sup>th</sup> day of August, 2014

 P.E.  
\_\_\_\_\_  
State Engineer





Application No. 78272

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office APR 17 2009

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed APR 12 2005 under

72580

The applicant Kobeh Valley Ranch, LLC, a Nevada limited liability company, filed 2/23/2007

1726 Cole Blvd. Suite 115 of Lakewood

Street Address or P.O. Box

City or Town

Colorado, 80401

State and Zip Code

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

1. The source of water is Underground  
Name of stream, lake, underground, spring or other sources
2. The amount of water applied for is 6.0 second feet.  
One second foot equals 448.83 gallons per minute  
(a) If stored in reservoir give number of acre-feet \_\_\_\_\_
3. The water to be used for Irrigation and domestic.  
Irrigation, power, mining, commercial, domestic or other use Must limit to one major use
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated 1,584.33
  - (b) Stockwater, state number and kind of animals \_\_\_\_\_
  - (c) Other use (describe fully in No. 12) \_\_\_\_\_
  - (d) Power:
    - (1) Horsepower developed \_\_\_\_\_
    - (2) Point of return of water to stream \_\_\_\_\_

139-LP

KVR SUPP000105

78272

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)  
NW1/4 NE1/4 Section 23, T.19N., R.47E., M.D.B.&M. or at a point which bears S. 71° 32' 59" E., 4,147.14 feet from the NW corner of said Section 23 (Well No. 1). See map filed under Permit 72580.
6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)  
S1/2 Section 15: S1/2 N1/2, a portion of the NW1/4 NE1/4 (35.19 acres), NE1/4 NE1/4 and N1/2 S1/2 Section 21; N1/2 and SW1/4 Section 22; N1/2 Section 23 and the NW1/4 Section 24, all in T.19N., R.47E., M.D.B.&M. See map filed under Permit 72580.
7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)
9. Estimated cost of works: no costs, works are completed.
10. Estimated time required to construct works: Existing works consisting of cased well, pump, and motor.  
(If well completed, describe works.)
11. Estimated time required to complete the application of water to beneficial use: Five years.
12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):  
(Failure to provide a detailed description may cause a delay in processing.)  
Water will be used for domestic and irrigation purposes within the place of use.
13. Miscellaneous remarks:  
This application is intended to appropriate unappropriated ground water for domestic and irrigation purposes. Water requested under this application is intended to be commingled with water requested under three other applications filed simultaneously herewith for the irrigation of 1,584.33 acres within the place of use.

JZimmerman@parsonsbehle.com  
E-mail Address

775.323.1601  
Phone No

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

By

John R. Zimmerman

Type or print name clearly



Signature, applicant or agent

Parsons, Behle & Latimer

Company Name

50 W. Liberty St., Ste. 750

Street Address or P.O. Box

Reno, Nevada 89501 (pbl#4836-3427-7379)

City, State, Zip Code

RECEIVED  
 2009 APR 17 AM 9:19  
 STATE ENGINEERS OFFICE

**\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION**

Revised 11-07

KVR SUPP000106



Permit No. 78273

**THE STATE OF NEVADA**  
**PERMIT TO APPROPRIATE WATER**

**Name of Permittee:** KOBEB VALLEY RANCH, LLC  
**Source:** UNDERGROUND  
**Basin:** KOBEB VALLEY  
**Manner of Use:** IRRIGATION AND DOMESTIC  
**Period of Use:** JANUARY 1ST THROUGH DECEMBER 31ST  
**Priority Date:** 04/17/2009

\*\*\*\*\*

**APPROVAL OF STATE ENGINEER**

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

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

The permittee shall keep monthly records of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis by February 15th of each year.

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 78272, 78273, 78274 and 78275 shall not exceed 6,337.32 acre-feet annually for the irrigation of 1,584.33 acres within the described place of use.

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

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

(Continued on Page 2)

KVR SUPP000107

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 4,344 acre-feet annually, but not to exceed 4.0 acre-feet per acre from all sources.

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

August 27 2015

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

August 27 2017

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

August 27 2017

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 27<sup>th</sup> day of August, 2014

  
\_\_\_\_\_  
State Engineer





Application No. **78273**

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

THIS SPACE FOR OFFICE USE ONLY	
Date of filing in State Engineer's Office	<u>APR 17 2009</u>
Returned to applicant for correction	_____
Corrected application filed	_____ Map filed <u>APR 12 2005</u> under <u>72580</u>

The applicant Kobeh Valley Ranch, LLC, a Nevada limited liability company, filed 2/23/2007

1726 Cole Blvd. Suite 115 of Lakewood  
Street Address or P O Box City or Town

Colorado, 80401 hereby make(s) application for permission to appropriate  
State and Zip Code

the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

1. The source of water is Underground  
Name of stream, lake, underground, spring or other sources
2. The amount of water applied for is 6.0 second feet.  
One second foot equals 448.83 gallons per minute.  
(a) If stored in reservoir give number of acre-feet \_\_\_\_\_
3. The water to be used for Irrigation and domestic.  
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated 1,584.33
  - (b) Stockwater, state number and kind of animals \_\_\_\_\_
  - (c) Other use (describe fully in No. 12) \_\_\_\_\_
  - (d) Power:
    - (1) Horsepower developed \_\_\_\_\_
    - (2) Point of return of water to stream \_\_\_\_\_

139-LA

KVR SUPP000109

78273

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)  
 SW 1/4 ~~NW 1/4~~ NW 1/4 Section 23, T.19N., R.47E., M.D.B&M. or at a point which bears S. 43° 41' 48" E.,  
 1.908.68 feet from the NW corner of said Section 23 (Well No. 2). See map filed under Permit 72580.

KWC 4/22/09

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)  
 S1/2 Section 15; S1/2 N1/2, a portion of the NW1/4 NE1/4 (35.19 acres), NE1/4 NE1/4 and N1/2 S1/2  
 Section 21; N1/2 and SW1/4 Section 22; N1/2 Section 23 and the NW1/4 Section 24, all in T.19N.,  
 R.47E., M.D.B&M. See map filed under Permit 72580.

7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)
9. Estimated cost of works: no costs, works are completed.
10. Estimated time required to construct works: Existing works consisting of cased well, pump, and motor.  
(If well completed, describe works.)
11. Estimated time required to complete the application of water to beneficial use: Five years.
12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):  
(Failure to provide a detailed description may cause a delay in processing.)  
Water will be used for domestic and irrigation purposes within the place of use.

13. Miscellaneous remarks:  
This application is intended to appropriate unappropriated ground water for domestic and irrigation purposes. Water requested under this application is intended to be commingled with water requested under three other applications filed simultaneously herewith for the irrigation of 1,584.33 acres within the place of use.

JZimmerman@parsonsbehle.com  
E-mail Address

775.323.1601  
Phone No.

APPLICATION MUST BE SIGNED  
 BY THE APPLICANT OR AGENT

By

John R. Zimmerman

Type or print name clearly

*John R. Zimmerman*  
Signature, applicant or agent

Parsons, Behle &amp; Latimer

Company Name

50 W. Liberty St., Ste. 750

Street Address or P.O. Box

Reno, Nevada 89501 (pbt#4842-2147-9939)

City, State, Zip Code

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 2009 APR 17 AM 9:19  
 STATE ENGINEER OF FID

**\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION**

Revised 11-07

KVR SUPP000110



Permit No. 78274

## THE STATE OF NEVADA

### PERMIT TO APPROPRIATE WATER

Name of Permittee: KOBEB VALLEY RANCH, LLC  
Source: UNDERGROUND  
Basin: KOBEB VALLEY  
Manner of Use: IRRIGATION AND DOMESTIC  
Period of Use: JANUARY 1ST THROUGH DECEMBER 31ST  
Priority Date: 04/17/2009

\*\*\*\*\*

#### APPROVAL OF STATE ENGINEER

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

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

The permittee shall keep monthly records of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis by February 15th of each year.

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 78272, 78273, 78274 and 78275 shall not exceed 6,337.32 acre-feet annually for the irrigation of 1,584.33 acres within the described place of use.

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

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

(Continued on Page 2)

KVR SUPP000111

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 4,344 acre-feet annually, but not to exceed 4.0 acre-feet per acre from all sources.

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

August 27 2015

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

August 27 2017

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

August 27 2017

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 27<sup>th</sup> day of August, 2014

  
State Engineer





Application No. 78274

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office APR 17 2009

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed APR 12 2005 under 72580

The applicant Kobeh Valley Ranch, LLC, a Nevada limited liability company, filed 2/23/2007

1726 Cole Blvd. Suite 115 of Lakewood

Street Address or P O Box

City or Town

Colorado, 80401

State and Zip Code

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

1. The source of water is Underground  
Name of stream, lake, underground, spring or other sources
2. The amount of water applied for is 6.0 second feet.  
One second foot equals 448 83 gallons per minute  
(a) If stored in reservoir give number of acre-feet \_\_\_\_\_
3. The water to be used for Irrigation and domestic.  
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated 1,584.33
  - (b) Stockwater, state number and kind of animals \_\_\_\_\_
  - (c) Other use (describe fully in No. 12) \_\_\_\_\_
  - (d) Power:
    - (1) Horsepower developed \_\_\_\_\_
    - (2) Point of return of water to stream \_\_\_\_\_

139-LA

KVR SUPP000113

78274

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)  
NE1/4 SE1/4 Section 21, T.19N., R.47E., M.D.B&M. or at a point which bears S. 01° 14' 21" W., 3,911.35 feet from the NE corner of said Section 21 (Well No. 5). See map filed under Permit 72580.
6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)  
S1/2 Section 15; S1/2 N1/2, a portion of the NW1/4 NE1/4 (35.19 acres), NE1/4 NE1/4 and N1/2 S1/2 Section 21; N1/2 and SW1/4 Section 22; N1/2 Section 23 and the NW1/4 Section 24, all in T.19N., R.47E., M.D.B&M. See map filed under Permit 72580.
7. Use will begin about January 1 and end about December 31 of each year.  
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)
9. Estimated cost of works: no costs, works are completed.
10. Estimated time required to construct works: Existing works consisting of cased well, pump, and motor.  
(If well completed, describe works.)
11. Estimated time required to complete the application of water to beneficial use: Five years.
12. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):  
(Failure to provide a detailed description may cause a delay in processing.)  
Water will be used for domestic and irrigation purposes within the place of use.
13. Miscellaneous remarks:  
This application is intended to appropriate unappropriated ground water for domestic and irrigation purposes. Water requested under this application is intended to be commingled with water requested under three other applications filed simultaneously herewith for the irrigation of 1,584.33 acres within the place of use.
- JZimmerman@parsonsbehle.com  
E-mail Address
- 775.323.1601  
Phone No.
- APPLICATION MUST BE SIGNED  
 BY THE APPLICANT OR AGENT
- By John R. Zimmerman  
Type or print name clearly  
*John R. Zimmerman*  
Signature, applicant or agent  
Parsons, Behle & Latimer  
Company Name  
50 W. Liberty St., Ste. 750  
Street Address or P.O. Box  
Reno, Nevada 89501 (pbl#4849-4290-0227)  
City, State, Zip Code

\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

Revised 11-07

KVR SUPP000114



Permit No. 78275

## THE STATE OF NEVADA

### PERMIT TO APPROPRIATE WATER

Name of Permittee: **KOBEH VALLEY RANCH, LLC**  
Source: **UNDERGROUND**  
Basin: **KOBEH VALLEY**  
Manner of Use: **IRRIGATION AND DOMESTIC**  
Period of Use: **JANUARY 1ST THROUGH DECEMBER 31ST**  
Priority Date: **04/17/2009**

\*\*\*\*\*

#### APPROVAL OF STATE ENGINEER

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

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

The permittee shall keep monthly records of the amount of water pumped from this well and the records submitted to the State Engineer on an annual basis by February 15th of each year.

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 78272, 78273, 78274 and 78275 shall not exceed 6,337.32 acre-feet annually for the irrigation of 1,584.33 acres within the described place of use.

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

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

(Continued on Page 2)

KVR SUPP000115

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 6.0 cubic feet per second or 4,344 acre-feet annually, but not to exceed 4.0 acre-feet per acre from all sources.

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

August 27 2015

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

August 27 2017

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

August 27 2017

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 27<sup>th</sup> day of August, 2014

  
\_\_\_\_\_  
State Engineer





Application No. **78275**

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

THIS SPACE FOR OFFICE USE ONLY	
Date of filing in State Engineer's Office	<u>APR 17 2009</u>
Returned to applicant for correction	_____
Corrected application filed	_____ Map filed <u>APR 12 2005</u> under <u>72580</u>

The applicant Kobeh Valley Ranch, LLC, a Nevada limited liability company, filed 2/23/2007

1726 Cole Blvd. Suite 115 of Lakewood  
Street Address or P.O. Box City or Town

Colorado, 80401 hereby make(s) application for permission to appropriate  
State and Zip Code

the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association give names of members.)

1. The source of water is Underground  
Name of stream, lake, underground, spring or other sources
2. The amount of water applied for is 6.0 second feet.  
One second foot equals 448.83 gallons per minute  
(a) If stored in reservoir give number of acre-feet \_\_\_\_\_
3. The water to be used for Irrigation and domestic.  
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated 1,584.33
  - (b) Stockwater, state number and kind of animals \_\_\_\_\_
  - (c) Other use (describe fully in No. 12) \_\_\_\_\_
  - (d) Power:
    - (1) Horsepower developed \_\_\_\_\_
    - (2) Point of return of water to stream \_\_\_\_\_

139-LD

78275

5. The water is to be diverted from its source at the following point: (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a found section corner. If on unsurveyed land, it should be so stated.)  
SW1/4 SW1/4 Section 22, T.19N., R.47E., M.D.B&M. or at a point which bears S. 18° 09' 28" E.,  
4,223.74 feet from the NW corner of said Section 22 (Well No. 3). See map filed under Permit 72580.

6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)  
S1/2 Section 15; S1/2 N1/2, a portion of the NW1/4 NE1/4 (35.19 acres), NE1/4 NE1/4 and N1/2 S1/2  
Section 21; N1/2 and SW1/4 Section 22; N1/2 Section 23 and the NW1/4 Section 24, all in T.19N.,  
R.47E., M.D.B&M. See map filed under Permit 72580.

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

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

9. Estimated cost of works: no costs, works are completed.

10. Estimated time required to construct works: Existing works consisting of cased well, pump, and motor.  
(If well completed, describe works.)

11. Estimated time required to complete the application of water to beneficial use: Five years.

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

Water will be used for domestic and irrigation purposes within the place of use.

13. Miscellaneous remarks:

This application is intended to appropriate unappropriated ground water for domestic and irrigation  
purposes. Water requested under this application is intended to be commingled with water requested  
under three other applications filed simultaneously herewith for the irrigation of 1,584.33 acres within the  
place of use.

JZimmerman@parsonsbehle.com  
E-mail Address

775.323.1601  
Phone No.

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

By

John R. Zimmerman

Type or print name clearly

[Signature]  
Signature, applicant or agent

Parsons, Behle & Latimer

Company Name

50 W. Liberty St., Ste. 750

Street Address or P.O. Box

Reno, Nevada 89501 (pbl#4850-7679-0275)

City, State, Zip Code

RECEIVED  
 2009 APR 17 AM 9:19  
 STATE ENGINEERS OFFICE

**\$250 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION**

Revised 11-07

KVR SUPP000118

PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.taggartandtaggart.com

RACHEL L. WISE  
DAVID H. RIGDON

April 27, 2016

Jason King  
State Engineer  
DIVISION OF WATER RESOURCES  
901 South Stewart Street, 2<sup>nd</sup> Floor  
Carson City, Nevada 89701

Re: Amended Applications 85583, 85588, 85603, 85604 and 85576

Dear Mr. King:

Applications 85583, 85588, and 85604 were filed on October 28, 2015 to change existing rights owned by Kobe Valley Ranch, LLC. Those applications to change were to change the water currently appropriated under Permits 72583, 72584, and 72585. Applications 85583, 85588, and 85604 inadvertently referenced the base rights to Permits 72583, 72584, and 72585. Applications 85583, 85588, and 85604 are being amended under the attached amended applications to properly reflect the base right requested to be changed under those applications.

Applications 85603, 85604, and 85576 referenced an incorrect proposed well location. The amended attached applications properly reflect the intended proposed points of diversion for those applications.

Enclosed please find a check in the amount of \$250.00 as payment for the statutory \$50.00 publication fee required per each amended application.

Sincerely,

  
PAUL G. TAGGART, ESQ.

PGT/tct

cc: Client

RECEIVED  
2016 APR 27 PM 4:40  
STATE ENGINEER'S OFFICE

TELEPHONE (775) 882-9900 – FACSIMILE (775) 883-9900

KVR SUPP000119

PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.taggartandtaggart.com

RACHEL L. WISE  
DAVID H. RIGDON

April 27, 2016

Jason King  
State Engineer  
DIVISION OF WATER RESOURCES  
901 South Stewart Street, 2<sup>nd</sup> Floor  
Carson City, Nevada 89701

Re: Change Applications of Permits 78272 - 78275

Dear Mr. King:

Permits 78272-78275 were filed on April 17, 2009 and approved on August 27, 2014. Permits 78272-78275 are currently being used for irrigation purposes pursuant to the permit terms. Each right is limited to 4,344 afa, with a total combined duty of 6,337.32 acre feet, to irrigate 1,584.33 acres.

Change applications against Permit numbers 78272 through 78275 are being filed to cover the new appropriations originally granted in Ruling 6127 under Permits 79911, 79912, 79914, 79916, 79918, 79925, 79928, 79933, 79938, 79939, and 79940 subject to appeal before the Nevada Supreme Court. Change Applications to Permit Numbers 78272 through 78275 are filed herewith to allow KVR to meet the project demand in the needed time limit without the water rights that are subject to appeal.

Applications are being filed with this letter to change the consumptive use portion of these rights to mining, milling, and domestic purposes. The water rights are being changed to Wells 220, 222, 224, 227, and PoO\_3 as shown on the map filed in support of Application 79911.

If the denied new appropriations from Ruling 6127 that are currently in litigation are later approved, or if the current pending new appropriations are approved (Applications 85573, 85574, 85576, 85578, 85580, 85587, 85590, 85595, 85600, 85601, and 85602), it is desirable to allow this water to revert back to the use under Permits 78272-78275.

A check in the amount of \$1,200.00 is also enclosed to cover the statutory filing fee of \$240.00 per change application.

Sincerely,

  
PAUL G. TAGGART, ESQ.

PGT/tct  
cc: Client



PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.taggartandtaggart.com

RACHEL L. WISE  
DAVID H. RIGDON

April 27, 2016

Jason King  
State Engineer  
DIVISION OF WATER RESOURCES  
901 South Stewart Street, 2<sup>nd</sup> Floor  
Carson City, Nevada 89701

Re: Change Applications Kobeh Valley Ranch in Diamond Valley

Dear Mr. King:

Permits 57835, 57836, 57839, and 57840 are irrigation rights with a total combined duty of 312.92 afa to irrigate 78.23 acres. The consumptive use component is 195.57 afa, being 78.23 acres. These rights were changed by Permits 76008, 76804, 78424, and 76802 in Ruling 6127, which applications were later denied by the district court. New change applications are being filed concurrently with this letter. The total consumptive duty being changed is limited to 195.57 acre feet under these rights.

Permit 66062 is for 303.08 acre feet to irrigate 75.77 acres. The consumptive use portion of this right is 189.43 acre feet. This right was changed by Permit 76805 in Ruling 6127, which application was later denied by the district court. Application to change this right is being filed concurrently with this letter, requesting the change of the consumptive use amount of 189.43 acre feet.

Permits 50962, 50963, and 57838 are for a total combined duty of 473.2 acre feet on a total of 118.3 acres. The consumptive use component of these rights is 295.75 acre feet. Applications filed concurrently with this letter are requesting the change of the total consumptive use portion of these rights.

The total duty of the Diamond Valley water rights is 1,089.20 acre feet. The total consumptive use limit of these rights is 680.75 acre feet.

A check in the amount of \$1,920.00 is also enclosed to cover the statutory filing fee of \$240.00 per change application.

Sincerely,

  
PAUL G. TAGGART, ESQ.

PGT/tct  
cc: Client

TELEPHONE (775) 882-9900 ~ FACSIMILE (775) 883-9900

KVR SUPP000121

PAUL G. TAGGART  
SONIA E. TAGGART

**TAGGART & TAGGART, LTD.**

A PROFESSIONAL CORPORATION  
108 NORTH MINNESOTA STREET  
CARSON CITY, NEVADA 89703  
www.nvwaterlaw.com

RACHEL L. WISE  
DAVID H. RIGDON

May 6, 2016

Jason King  
State Engineer  
DIVISION OF WATER RESOURCES  
901 South Stewart Street, 2<sup>nd</sup> Floor  
Carson City, Nevada 89701

RECEIVED  
2016 MAY -6 PM 4:12  
STATE ENGINEERS OFFICE

Re: Kobeh Valley Ranch, LLC – withdrawal of Applications 86154-86156

Dear Mr. King:

On April 27, 2016, Kobeh Valley Ranch, LLC ("KVR") filed a series of amended applications and change applications in Kobeh and Diamond Valley. Also filed was a letter requesting action on change applications filed by KVR in 2015 and 2016 ("2015 and 2016 Change Applications").

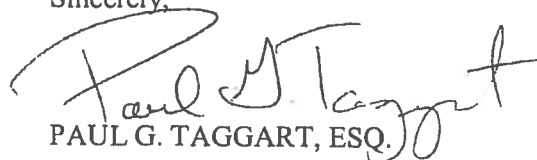
Change Applications 86154-86156 were filed to change existing rights in Diamond Valley under existing Permits 50962, 50963, and 57838. Permits 50962, 50963, and 57838 are irrigation water rights with a total combined duty of 473.2 acre feet on a total of 118.3 acres. The consumptive use component of these rights is 295.75 acre feet.

KVR desires to withdraw Change Applications 86154-86156 and continue to use water as currently permitted in the base rights, Permits 50962, 50963, and 57838.

Upon this withdrawal, the total combined consumptive duty of the remaining 2015 and 2016 Change Applications will be reduced from 11,678.18 acre feet per annum to 11,382.43 acre feet per annum. Likewise, the consumptive component from Diamond Valley will be reduced from 680.75 acre feet annually to 385 acre feet annually.

Thank you for your time and consideration in this matter. Should you have any questions or require any additional information, please feel free to contact this office.

Sincerely,

  
PAUL G. TAGGART, ESQ.

PGT/tct  
cc: Client

BEFORE THE STATE ENGINEER, STATE OF NEVADA  
DEPARTMENT OF CONSERVATION AND NATURAL  
RESOURCES, DIVISION OF WATER RESOURCES

\*\*\*

IN THE MATTER OF APPLICATION NUMBERS  
85575, 85577, 85579, 85581 THROUGH 85586,  
85588, 85589, 85591 THROUGH 85594, 85596  
THROUGH 85599, 85603, 85604, 86149  
THROUGH 86153, 86157 THROUGH 86161,  
FILED TO CHANGE EXISTING RIGHTS IN THE  
KOBEL VALLEY (139) AND DIAMOND  
VALLEY (153) HYDROGRAPHIC BASINS,  
LANDER COUNTY AND EUREKA COUNTY,  
NEVADA

RECEIVED  
2016 AUG 22 PM 4:49  
STATE ENGINEER'S OFFICE

ANSWER TO PROTESTS

KOBEL VALLEY RANCH, LLC ("KVR"), by and through its attorneys of record, PAUL G. TAGGART, ESQ. and RACHEL L. WISE, ESQ., of the law firm of TAGGART & TAGGART, LTD., hereby files this Answer to Protests pursuant to Nevada Administrative Code Section 533.140.

FACTS

I. Background

KVR filed an answer to protests on May 20, 2016, ("May 20 Answer") regarding KVR's applications that were filed in 2015. This Answer to Protests ("Answer") is regarding amended change applications filed by KVR on April 27, 2016. KVR incorporates by reference herein the May 20 Answer, and thereby only addresses in this paper the new protest ground as that are separate from those that were addressed in the May 20, 2016.

In addition to the 2015 Applications fully described in the May 20, 2016 Answer, KVR filed a series of additional change applications in Kobel Valley and change applications in Diamond Valley on April 27, 2016. Those applications are 86149 through 86161 ("2016 Change Applications"). A Request for Action Letter was sent to the State Engineer on April 27, 2016, on the 2015 and 2016

Taggart & Taggart, Ltd.  
108 North Minnesota Street  
Carson City, Nevada 89703  
(775) 883-9900 - Telephone  
(775) 883-9900 - Facsimile

1 Change Applications.<sup>1</sup> The Applications that are requested to be acted upon are Change Applications  
2 85575, 85577, 85579, 85581 through 85586, 85588, 85589, 85591 through 85594, 85596 through  
3 85599, 85603, 85604, 86149 through 86153, 86157 through 86161, and 86149 through 86161  
4 (collectively the “Change Applications”). None of the Change Applications that are addressed in the  
5 Answer or the Protests are applications for new appropriations.

6 KVR owns a total of 15,679.94 afa in existing rights in Kobeh Valley which are subject to the  
7 Change Applications. The combined consumptive use duty of the Change Applications in Kobeh  
8 Valley is 10,997.43 acre feet. The total duty of KVR’s Diamond Valley groundwater rights is  
9 1,089.20 acre feet. The total consumptive use duty of these rights is 680.75 acre feet. KVR is  
10 requesting action on applications to change 233.57 afa of the Diamond Valley consumptive duty  
11 under Applications 86149 through 86153. The total duty requested to be changed under the Change  
12 Applications is 11,382.43 afa.

13 **A. Change Applications Involving Bobcat Ranch**

14 KVR holds Permits 72580 through 72588 (“Bobcat Ranch Permits”). The total combined  
15 duty under the Bobcat Ranch Permits is 6,337.32 afa. On April 27, 2016, KVR filed amended  
16 Application 85583, 85588 and 85604 to properly identify the base rights for the Change Applications  
17 85583, 85588, and 85604. The total combined duty of the 2015 Change Applications at Bobcat  
18 Ranch is restricted to the consumptive use portion of 4,277.691 afa. These Change Applications  
19 propose pumping the water from wells PoO\_1, PoO\_3, Well 226, Well 227, Well 228, and Well 229.<sup>2</sup>

20 **B. 2016 Change Applications Involving Permits 78272-78275**

21 Permits 78272-78275 to appropriate groundwater in Kobeh Valley were filed on April 17,  
22 2009, and approved on August 27, 2014. Permits 78272-78275 were filed to replace those water  
23 rights moved from the Bobcat Ranch under the Original Applications granted in Ruling 6127.  
24 Permits 78272-78275 are currently being used for irrigation purposes pursuant to the permit terms.  
25 On April 27, 2016, Change Applications 86157 through 86151 were filed to change the consumptive  
26  
27

28 <sup>1</sup> Applications 86154 through 86156 have since been withdrawn.

<sup>2</sup> Applications 85582, 85579, 85594, 85583, 85588, 85604, 85589, 85577, 85575.

1 use portion of these rights to mining, milling, and domestic purposes. KVR is requesting to change  
2 the place of diversion (“POD”) for Permits 78272-78275 to Wells 220, 222, 224, and 227.<sup>3</sup>

3 **C. 2016 Change Applications Involving Diamond Valley Water Rights**

4 Permits 57835, 57836, 57839, and 57840 are irrigation rights with a total combined duty of  
5 312.92 afa to irrigate 78.23 acres of land. The established consumptive use duty in Diamond Valley  
6 is 2.5 acre feet per acre.<sup>4</sup> The consumptive use limitation is 195.57 afa. Permit 66062 is for 303.08  
7 acre feet to irrigate 75.77 acres of land. The consumptive use component of this right is 189.43 acre  
8 feet. Permits 57835, 57836, 57839, 57840, and 66062 (“Diamond Valley Permits”) are being  
9 changed by Applications 86149 through 86153. The use is for a total consumptive duty of 233.57  
10 afa. The total consumptive duty that is being sought in these applications is no greater than the  
11 consumptive use authorized under the base rights.

12 Permits 50962, 50963, and 57838 are irrigation water rights with a total combined duty of  
13 473.2 acre feet on a total of 118.3 acres. The consumptive use limitation of these rights is 295.75  
14 acre feet. These rights were requested to be changed under Applications 86154 through 86156.  
15 However, those applications were withdrawn and these base rights are to remain active in Diamond  
16 Valley for their currently permitted uses. The total request of water being changed in Diamond  
17 Valley is 233.57, limited to the consumptive use of the base rights.

18 The 2016 Change Applications involving permits 78272-78275 and the 2016 Change  
19 Applications involving Diamond Valley Water Rights are collectively known as the “2016 Change  
20 Applications.”

21 **II. The Protestants**

22 On July 1, 2016, Etcheverry Family Limited Partnership (“Etcheverry”) filed its Protests in  
23 the matter of KVR’s 2016 Change Applications, and specifically Applications 86157, 86158, 86159,  
24 86160, and 86161. Additionally, Etcheverry protested Applications 86152 and 86153 on July 1, 2016  
25

26 <sup>3</sup> Applications 86157 through 86161.

27 <sup>4</sup> The 2.5 acre feet per acre of consumptive duty is the consumptive duty for Diamond Valley as delineated in that certain  
28 report published by the State of Nevada, Department of Conservation & Natural Resources, Division of Water Resources,  
titled *Evapotranspiration and Net Irrigation Water Requirements for Nevada*. The consumptive duty as established per  
basin in Nevada is also available in an online data base located at [http://www.water.nv.gov/mapping/ei/ei\\_general.cfm](http://www.water.nv.gov/mapping/ei/ei_general.cfm).



1 (collectively, “Etcheverry Protests”). On May 18, 2016, Etcheverry provided a letter to the State  
2 Engineer indicating they desired their previous protests filed against Applications 85576, 85583,  
3 85588, 85603 and 85604 to remain active against the amended filings.

4 On July 1, 2016, Diamond Cattle Co., LLC (“Diamond Cattle”) filed its Protests in the matter  
5 of KVR’s 2016 Change Applications, and specifically Applications 86157, 86158, 86159, 86160, and  
6 86161. Additionally, Diamond Cattle protested Applications 86152 and 86153 on July 1, 2016  
7 (collectively, “Diamond Cattle Protests”). On May 18, 2016, Diamond Cattle provided a letter to the  
8 State Engineer indicating they desired their previous protests filed against Applications 85576,  
9 85583, 85588, 85603 and 85604 to remain active against the amended filings.

10 Diamond Natural Resources Protection & Conservation Association (“Diamond Natural”) did  
11 not file protests against the 2016 Change Applications.

12 On July 1, 2016, Eureka County filed its Protests against KVR’s 2016 Change Applications,  
13 specifically Applications 86149, 86150, and 86151. On July 1, 2016, Eureka County filed an  
14 Amended Protest on Amended Applications 85576, 85583, 85588, 85603, and 85604. Hereinafter  
15 Etcheverry, Diamond Cattle, Diamond Natural and Eureka County will be collectively referred to as  
16 the “Protestants.”

### 17 **III. Protest grounds**

18  
19 The new protest grounds that are addressed here in are: (1) whether the State Engineer does  
20 not have the power to review the Amended Applications (*ultra vires*), (2) previous permits are  
21 abrogated pursuant to Ruling 6127, (3) *res judicata* (4) failure to properly notice amendments, (5)  
22 consumptive use values are improper. Diamond Cattle’s protest grounds overlap with Eureka  
23 County’s. All of Etcheverry’s protests overlap with Eureka County or Diamond Cattle’s above-  
24 mentioned protest grounds.  
25  
26  
27  
28

## ARGUMENT

### I. Eureka County's *ultra vires* protest ground should be rejected.

In the current protests, Eureka County alleges that the State Engineer would be operating *ultra vires* – beyond his powers – if he ruled on KVR's Change Applications. This allegation is without merit. Typically, the doctrine of *ultra vires* applies to corporate governance.<sup>5</sup> However, the Latin words translate to "beyond the powers." Therefore, this doctrine does not apply to the State Engineer.

Eureka County alleges in its protest that the Supreme Court decision requires the KVR Applications to be rejected because it is outside the State Engineer's power to grant the applications. The Nevada Supreme Court issued its decision in *Eureka Cnty v. State Eng'r* on October 29, 2015.<sup>6</sup> The *Eureka* decision only reflects the requirement by the Nevada Supreme Court to have a comprehensive 3M plan that articulates what mitigation will encompass.<sup>7</sup> The Nevada Supreme Court's reversal and remand was based on the perceived deficiencies of the 3M plan and the need for further investigation. The Nevada Supreme Court was also concerned the provision of substitute water, which was not addressed in Ruling 6127.<sup>8</sup> The Nevada Supreme Court reversed the decision of the district court and remanded the case for further proceedings.<sup>9</sup> It did not intend for the KVR Applications to be denied outright.

The Nevada Supreme Court did not signal an intention to foreclose approval of the currently pending KVR applications. This is further demonstrated by the Nevada Supreme Court's statement that, there must be an "opportunity to challenge the evidence . . . *before* the State Engineer grants proposed use or change applications."<sup>10</sup> This means that KVR, as well as the protestants, need an opportunity to present and review 3M evidence before the KVR applications are ruled upon. This

<sup>5</sup> *Brown v. Kinross Gold U.S.A., Inc.*, 531 F. Supp. 2d 1234 (D. Nev. 2008); *In re Nat'l Audit Defense Network*, 367 B.R. 207 (Bankr. D. Nev. 2007); *LFC Mktg. Grp. v. Loomis*, 116 Nev. 896, 8 P.3d 841 (2000); *Polaris Indus. Corp. v. Kaplan*, 103 Nev. 598, 601-02, 747 P.2d 884, 887 (1987); *Ecklund v. Nevada Wholesale Lumber Co.*, 93 Nev. 196, 197, 562 P.2d 479, 479-80 (1977) (quoting *McCleary Cattle Co. v. Sevell*, 73 Nev. 279, 282, 317 P.2d 957, 959 (1957)); accord *Lorenz v. Beltio, Ltd.*, 114 Nev. 795, 807, 963 P.2d 488, 496 (1998). "Each of these requirements must be present before the alter ego doctrine can be applied." *N. Arlington Med. Bldg., Inc. v. Sanchez Constr. Co.*, 86 Nev. 515, 520-21, 471 P.2d 240, 243 (1970) (emphasis added).

<sup>6</sup> 131 Nev. Adv. Op. 84, 359 P.3d 1114, 1117 (2015).

<sup>7</sup> *Eureka Cnty*, 131 Nev. Adv. Op. at 88, 359 P.3d at 1119 (2015).

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Eureka Cnty*, 131 Nev. Adv. Op. at 90 359 P.3d at 1120 (2015) (emphasis in original) (citations omitted).

1 applies regardless of the fact that the district court later vacated Ruling 6127. That district court  
2 decision is currently on appeal at the Nevada Supreme Court.

3 In *Eureka*, the Nevada Supreme Court focused substantially on the monitoring, mitigation,  
4 and management plan ("3M Plan") as proposed by KVR.<sup>11</sup> The Change Applications are intended to  
5 comply with the Supreme Court decision, not circumvent that Supreme Court decision.

6 Further, no court order or decision limits the State Engineer's ability to act on the base rights  
7 to the change applications that were vacated by Judge Fairman's 2016 order. On March 9, 2016, the  
8 Seventh Judicial District Court entered an Amended Order Granting Objection to the Proposed Order  
9 Remanding to the State Engineer; Order Granting Petitions for Judicial Review; Order Vacating  
10 Permits ("2016 Vacating Order"). Currently, the 2016 Vacating Order stands. No party has filed a  
11 request from stay and a supersedes bond has not been requested or entered. As such, the underlying  
12 permits addressed in the 2016 Vacating Order are vacated.

13 Upon denial of the Original (Change) Applications the water in those applications reverted to the base  
14 rights. The Change Applications at issue here are separate change applications on those base rights.  
15 The Division of Water Resources' records show the base rights to be in good standing. The base  
16 rights are not abrogated, as Eureka County contends. Eureka County concedes in the protest ground  
17 regarding stacking at the Bobcat Ranch that the water reverted back to the base rights. Eureka  
18 County's protest points 1 and 4 should be rejected based on the State Engineer's long-standing  
19 practice of allowed the water rights in a denied application to revert to their base rights.

20 **II. *Res judicata* does not apply**

21 In 2008, the Nevada Supreme Court set forth a three-part test for analyzing claim preclusion --  
22 also known as *res judicata*. The test is: (1) the parties or their privies are the same, (2) the final  
23 judgment is valid, and (3) the subsequent action is based on the same claims or any part of them that  
24 were or could have been brought in the first case.<sup>12</sup> United States Supreme Court, rather than  
25  
26  
27

28 <sup>11</sup> *Id.*

<sup>12</sup> *Five Star Capital Corp. v. Ruby*, 124 Nev. 1048, 1054, 194 P.3d 709, 713 (2008), *holding modified by Weddell v. Sharp*, 131 Nev. Adv. Op. 28, 350 P.3d 80 (2015)

1 abdicating the entire theory, gave broad discretion to the trial courts to allow them to determine when  
2 preclusion applies.<sup>13</sup>

3 The Restatement (Second) of Judgments has held that no preclusive effect should attach  
4 unless the issues are the same in all important respects.<sup>14</sup> A long-standing principle of both claim and  
5 issue preclusion is that a change in circumstances<sup>15</sup> or the presentation of additional information  
6 defeats claim or issue preclusion. The Nevada Supreme Court has specifically held that an exception  
7 to res judicata exists where the effect to the prior judgment would contravene an important public  
8 policy.<sup>16</sup>

9 **A. New information, issues, evidence, facts and claims need to be litigated and**  
10 **added to the record.**

11 *Res judicata* cannot apply if the current claims have not been litigated, and could not be  
12 litigated. *Res judicata* further cannot apply when additional information is presented, or a change in  
13 circumstance has occurred. Here, critical issues regarding the Amended Applications have not been  
14 reviewed, and the Nevada Supreme Court recognized this in its ruling. The Nevada Supreme Court  
15 has already identified that there were outstanding questions before it that had not been litigated or  
16 addressed in its 2015 remand of *Eureka County v. State Engineer* ("2015 Remand").<sup>17</sup> The 2015  
17 Remand was a review of the issuance of State Engineer Ruling 6127. On page 4, paragraph 3 of the  
18 2015 Remand, the Supreme Court noted that while Ruling 6127 was before the district court, KVR  
19 developed a 3M plan in coordination with Eureka County.<sup>18</sup> Although the 3M plan was before the  
20 Supreme Court for review, the Nevada Supreme Court chose to treat the two consolidated appeals  
21 separately.

22 The Supreme Court ruled that a 3M plan should have been available before the State Engineer  
23 approved KVR's applications. Also, while reviewing the 3M Plan itself, the Nevada Supreme Court

24  
25 <sup>13</sup> *Parklane Hosiery v. Shores*, 439 U.S. 322 (1979).

26 <sup>14</sup> *Id.* at § 27 comment c (1982); see also *Union Mfg. Co. v. Han Baek Trading Co.*, 763 F.2d 42, 45 (2d Cir. 1985),  
*Compton v. United States Dep't of Energy*, 706 F.2d 260 (8th Cir. 1983).

27 <sup>15</sup> *Second Taxing Dist. v. FERC*, 683 F.2d 477 (D.C. Cir. 1982); *Fred Wilson Drilling Co. v. Marshall*, 624 F.2d 38 (5th  
Cir. 1980 (denial of collateral estoppel effect to an administrative law judge finding appropriate of rapid accumulation of  
knowledge and development of new safety procedures in the field).

28 <sup>16</sup> *Willerton v. Bassham, by Welfare Div., State, Dept. of Human Res.*, 111 Nev. 10, 19, 889 P.2d 823, 828 (1995).

<sup>17</sup> *Id.*, 131 Nev. Adv. Op. 84, 359 P.3d 114 (2015).

<sup>18</sup> *Eureka Cnty*, 131 Nev. Adv. Op. at 88, 359 P.3d at 1119 (2015).

1 stated that the 3M Plan is lacking because it fails to articulate what mitigation will encompass if it is  
2 necessary. The Nevada Supreme Court stated that KVR did not specify what techniques would work,  
3 much less, what techniques could be implemented to mitigate the conflict with existing rights.<sup>19</sup>

4 On page 12 – 13 of the 2015 Remand, the Nevada Supreme Court notes that KVR never  
5 briefed nor addressed the argument regarding substitution water, or the effectiveness of such a plan.  
6 Without further briefing, the Nevada Supreme Court held that “it is therefore unclear that substitution  
7 water, if available, would be sufficient.”<sup>20</sup> Specifically, the Court stated that, “KVR did not address  
8 before the State Engineer this potential obstacle to providing water from an alternate source to  
9 mitigate, and neither did the State Engineer’s ruling.”<sup>21</sup> Therefore, the Court has identified factors  
10 and evidence that was not properly included in the record of the *Eureka* Case.

11 **B. There are changes to KVR’s Applications that create a substantial difference**  
12 **between these applications and the applications that the Nevada Supreme**  
13 **Court reviewed.**

14 KVR has submitted its request for action on water rights in Kobeh and Diamond Valley to  
15 involve change applications of existing rights only. Under the request, KVR is only seeking to  
16 change water already allocated to existing rights. KVR is not requesting any additional diversion  
17 than those which are already permitted to existing uses. The Change Applications are limited to the  
18 published consumptive use estimates of existing permits and certificates. The current request of KVR  
19 will not add any additional water commitments under the perennial yield than already authorized  
20 under existing rights. Thus, the net commitment on the resource will not change from what is already  
21 authorized under existing water rights.

22 The prior proceedings involved applications to appropriate in addition to applications to  
23 change existing rights. This proceeding involves water rights KVR already owns. Specific changes  
24 in the water rights filing include the change applications of Permits 78272-78275. Permits 78272-  
25 78275 are authorized for irrigation for a total pumping of 6,337.3 acre feet to irrigate 1,584.33 acres.  
26 The established consumptive use of the irrigation water is 4,277.691 acre feet. The Change

27 <sup>19</sup> 2015 Remand at 10, paragraphs 1 and 2.

28 <sup>20</sup> *Id.* at 12, paragraph 1; citing *Weibert v. Rothe Bros., Inc.*, 618 P.2d 1367, 1373 (Colo. 1980); *Rocky Ford Irrigation Co.*  
*v. Kents Lake Reservoir Co.*, 135 P.2d 108, 114 (Utah 1943).

<sup>21</sup> *Id.*, at 12-13.



1 Applications request a total pumping under the mining rights of the consumptive use portion of  
2 4,277.691 acre feet. Thus, the changes will be restricted to the same commitment on the resource as  
3 is currently authorized under existing rights. In total, KVR is requesting changes to 16,295.94 acre  
4 feet of existing rights in Kobeh and Diamond Valleys. The consumptive use of the KVR rights being  
5 changed, based on published consumptive use duties used by the State Engineer, is 11,382.43 acre  
6 feet total. The change applications reduce the total amount of water available to be pumped.

7 Additionally, KVR has altered the request of water per well in the proposed well field. The  
8 modified requests allows for more flexibility in pumping per well location. This flexibility is to allow  
9 pumping patterns to be altered as needed to mitigate conflicts with existing rights. Pumping can be  
10 increased or reduced at specific well locations to avoid potential impacts identified through  
11 monitoring and modeling efforts. For example, if impacts are detected to existing rights in the north,  
12 pumping can be shifted to the southern wells to reduce those impacts. KVR is prepared to provide  
13 evidence of its ability to use a flexible pumping plan to alleviate potential impacts to existing rights.

14 **C. Eureka County concedes there is new and additional evidence.**

15 In Eureka County's protest, it has identified multiple new protest grounds to the Change  
16 Applications. If *res judicata* truly applied, then brand new protest grounds such as stacking and  
17 speculation would not be argued. By Eureka County and the other Protestants' arguing new claims  
18 and allegations, they demonstrate that there are new issues to address that are unique to this action.

19 In 2009 through 2011, Eureka County argued that KVR's applications for appropriation  
20 would impact Mud Springs. In 2013, after a hydrological study, Eureka County's expert provided  
21 new evidence demonstrating that impacts to Mud Springs may be due to unexpected or inexplicable  
22 changes "of weather and climate."<sup>22</sup> Eureka County continued to explain that, "[c]limate change was,  
23 and continues to be, one of the several explanations offered for water level declines in Kobeh  
24 Valley."<sup>23</sup> Due to this change in position and evidence presented by Eureka County, new evidence is  
25 now available that precludes the application of *res judicata*. Also, Eureka County's position  
26 addressing Mud Springs is also a change in circumstances that must be addressed.

27  
28 <sup>22</sup> Exhibit 1

<sup>23</sup> *Id.*

1 Eureka County and the other Protestants have consistently stated that a new USGS report is  
2 required before the State Engineer can act on the Change Applications. The USGS report was  
3 completed earlier this year ("Kobeh Valley USGS Report"). Sufficient review of the Kobeh Valley  
4 USGS Report is necessary to see the new findings and effects, if any, on the Change Applications.  
5 The USGS demonstrates that the flow from Kobeh Valley to Diamond Valley is less than initially  
6 claimed.<sup>24</sup> This is both, new evidence and a change in circumstance that needs to be addressed.

7 The Nevada Supreme Court's review of the prior Applications was based on the theory that  
8 there was no Monitoring, Management, and Mitigation ("3M") Plan and that the 3M Plan did not  
9 adequately outline mitigation techniques by KVR.<sup>25</sup> KVR is currently developing a new, substantial  
10 3M plan. A 3M Plan will be put in place and strictly adhered to by KVR before pumping starts. The  
11 3M Plan will be based on the best evidence presented, and will comply with *Eureka County* and  
12 Nevada statutory law. This 3M Plan has not been subject to review by the State Engineer or any  
13 other Court and is new evidence. Therefore, it is a new issue and precludes that application of *res*  
14 *judicata*.

15 **III. Notice was sufficient to place potential Protestants on notice.**

16 All applications and amended applications were properly noticed under NRS 533.360. Eureka  
17 County contends that the publication for the amended applications were deficient because they did  
18 not specify the date the applications were amended, only the date that the original applications were  
19 filed. This point is irrelevant. There is no statutory requirement that the date of amendment be  
20 included in the publication. The date of amendment does not alter the substance of the information  
21 relevant to the application. All relevant information was properly included in the notice of  
22 publication so as to put the public on notice of the contents of the application. The protest period was  
23 properly re-opened to allow new protests to the applications to be file or amended protest to be  
24 provided regarding the applications.

25 The priority date of the change applications that are being requested for action by KVR do not  
26 change based on the date the change applications were filed, or the date an amendment was filed;  
27

28 <sup>24</sup> *Id.*

<sup>25</sup> NVSC Ruling.

1 change applications retain the priority of the base right.<sup>26</sup> The actual date the application was file, or  
2 the date the application was amended, is irrelevant to the effect of the application to interested parties.  
3 No party has been prejudiced by how the State Engineer caused the applications to be noticed under  
4 NRS 533.360.

5 Further, Eureka County and other interested parties filed protests to the amended applications,  
6 or sent letters supporting their original protest grounds, in response to the notice of applications  
7 published in the local paper. As such, this protest ground is moot.

8 **IV. KVR used the proper values to calculate the consumptive use limitation on the**  
9 **proposed change applications.**

10 Eureka County contests the consumptive use numbers utilized in the 2015 and 2016 Change  
11 Applications. The 2.5 acre feet per acre consumptive use limitation in Diamond Valley and the 2.7  
12 acre feet per acre consumptive use limitation in Kobeh Valley are the currently published and  
13 accepted consumptive use calculations for these basins. The State Engineer has accepted and used  
14 the net irrigation water requirement, or consumptive use, information to process change applications  
15 which estimated values they have caused to be published in that certain report created by the State of  
16 Nevada, Department of Conservation & Natural Resources, Division of Water Resources, titled  
17 Evapotranspiration and Net Irrigation Water Requirements for Nevada.

18 The consumptive duty as established per basin in Nevada is also available in an online data  
19 base located at [http://www.water.nv.gov/mapping/el/et\\_general.cfm](http://www.water.nv.gov/mapping/el/et_general.cfm). This report was created in part  
20 to establish accurate consumptive use numbers to be used when evaluating irrigation development,  
21 changes of irrigation rights to other uses, and to provide data to aid in resolving litigation and protest  
22 of water right applications. Estimates of consumptive use across the State of Nevada previously  
23 were obtainable from a myriad of separate reports. The goal of the current report is to provide an  
24 updated and unified source to be relied upon in evaluating change applications and water right  
25 litigation. KVR has correctly used the consumptive use estimates in this report to limit its change  
26 applications to that amount of water authorized to be used and consumptively changed under its base  
27 rights.  
28

1 The published consumptive use numbers as currently recognized by the State Engineer is 2.7  
2 acre feet per acre for irrigation in Kobeh Valley and 2.5 acre feet per acre in Diamond Valley. The  
3 2015 and 2016 Change Applications are seeking to change the consumptive use component of the  
4 existing rights only. The total withdrawal of groundwater from the hydrographic basins will not  
5 exceed the amount currently authorized under existing rights. Therefore, whether the groundwater is  
6 fully developed under the existing base rights or under the proposed change applications, there would  
7 be no increase in depletion of the groundwater resource in Diamond Valley or Kobeh Valley from  
8 what is currently authorized under existing rights.

9 CONCLUSION

10 For these reasons, KVR respectfully requests that the State Engineer reject the Protests to the  
11 Applications and grant the Applications in full.

12 DATED this 22<sup>nd</sup> day of August, 2016.

13 TAGGART & TAGGART, LTD.  
14 108 North Minnesota Street  
15 Carson City, Nevada 89703  
16 (775) 882-9900 – Telephone  
17 (775) 883-9900 – Facsimile

18 By: 

19 PAUL G. TAGGART, ESQ.  
20 Nevada State Bar No. 6136  
21 RACHEL L. WISE, ESQ.  
22 Nevada State Bar No. 12303  
23  
24  
25  
26  
27  
28

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of TAGGART & TAGGART, LTD., and that on this date I served, or caused to be served, a true and correct copy of the ANSWER TO PROTESTS, as follows:

[X] By U.S. POSTAL SERVICE: I deposited for mailing in the United States Mail, with postage prepaid, an envelope contacting the above identified document, at Carson City, Nevada, in the ordinary course of business, addressed as follows:

Debbie Leonard, Esq.  
McDonald Carano Wilson LLP  
100 W. Liberty St., 10th Floor  
PO Box 2670  
Reno, NV 89501  
Attorney for Diamond Natural Resources Protection & Conservation Association

Therese A. Ure, Esq.  
Schroeder Law Offices, P.E.  
440 Marsh Ave.  
Reno, Nevada 89509  
Attorney for Diamond Cattle Co., LLC and Etcheverry Family Limited Partnership

Karen A. Peterson, Esq.  
Allison, Mackenzie, Pavlakis,  
Wright & Fagan, Ltd.  
402 N. Division Street  
Carson City, Nevada 89703-4168  
Attorney for Eureka County

DATED this 22<sup>nd</sup> day of August, 2016.

  
\_\_\_\_\_  
Employee of TAGGART & TAGGART, LTD.

Taggart & Taggart, Ltd.  
108 North Minnesota Street  
Carson City, Nevada 89703  
(775) 883-9900 - Telephone  
(775) 883-9900 - Facsimile



\*\*\*\*\*

DENIAL OF STATE ENGINEER

This application is hereby denied on the grounds that the applicants have not submitted the information requested by the State Engineer's office and that without this information the granting of the applications would threaten to prove detrimental to the public interest.

Work must be prosecuted with reasonable diligence and be completed on or before: \_\_\_\_\_

Proof of completion of work shall be filed before: \_\_\_\_\_

Application of water to beneficial use shall be filed on or before: \_\_\_\_\_

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: \_\_\_\_\_

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of January, A.D. 2001

*Hugh Ricci, P.E.*  
 State Engineer  
*Recorded 3/16/01 See Ruling # 5007*

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

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

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

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

# Maps and Due Dates

Application: [72580](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	05/30/1997	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/13/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">26722</a>	09/28/1972
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">26722</a>	09/28/1972

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

NO. 72580

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the point of diversion and place of use of a portion of water heretofore appropriated under Permit 35866

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **0.45 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point **SE ¼ SE ¼ Section 15, T.19N., R.47E., M.D.B. & M. or at a point which bears N. 72 degrees 14' 57" E., 4172.92 feet from the SW corner of said Section 15. (Well No. 4)**
6. The existing permitted point of diversion is located within **SW ¼ SW ¼ Section 16, T.19N., R.47E., M.D.B. & M. or at a point from which the W ¼ Corner of said Section 16 bears N. 04 degrees 04' 42" W., a distance of 1423.52 feet.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **S ½ S ½ Section 16; N ½ N ½ Section 21, all in T.19N., R.47E., M.D.B. & M.**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**

**72580**

15. Remarks: For existing point of diversion and place of use under Permit No. 35866, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch, LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/gkl lb/gkl

Protested \_\_\_\_\_

\*\*\*\*\*

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 and place 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72580 and 72586 shall not exceed 300.76 acre-feet annually, and the total combined duty of 35866 and 64616 is reduced to 979.24 acre-feet annually.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)



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, but not to exceed 300.76 acre-feet annually, and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tracy Taylor, P.E.  
State Engineer

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

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

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

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



# Maps and Due Dates

Application: [72581](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	09/08/1972	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">41752</a>	03/18/1992
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">41752</a>	03/18/1992

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

NO. 72581

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the point of diversion and place of use of water heretofore appropriated under Permit 41752, Certificate 10694

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **4.70 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point NW  $\frac{1}{4}$  NE  $\frac{1}{4}$  Section 23, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 71 degrees 32' 59" E., 4147.14 feet from the NW corner of said Section 23. (Well No. 1)
6. The existing permitted point of diversion is located within NW  $\frac{1}{4}$  NE  $\frac{1}{4}$  Section 23, T.19N., R.47E., M.D.B. & M. or at a point from which the N  $\frac{1}{4}$  corner of Section 24, T.19N., R.47E., M.D.B. & M., bears N. 72 degrees 06' 20" E., a distance of 4,196.92 feet.
7. Proposed place of use **The proposed place of use is S  $\frac{1}{2}$  Section 15; S  $\frac{1}{2}$  N  $\frac{1}{2}$ , a portion of the NW  $\frac{1}{4}$  NE  $\frac{1}{4}$  (35.19 acres), NE  $\frac{1}{4}$  NE  $\frac{1}{4}$  and N  $\frac{1}{2}$  S  $\frac{1}{2}$  Section 21; N  $\frac{1}{2}$  and SW  $\frac{1}{4}$  Section 22; N  $\frac{1}{2}$  Section 23 and the NW  $\frac{1}{4}$  Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **35.7 Acres in the NW  $\frac{1}{4}$  NE  $\frac{1}{4}$ ; 35.7 Acres in the NE  $\frac{1}{4}$  NE  $\frac{1}{4}$ ; 35.7 Acres in the SW  $\frac{1}{4}$  NE  $\frac{1}{4}$ ; 35.7 Acres in the SE  $\frac{1}{4}$  NE  $\frac{1}{4}$ , all in Section 23, T.19N., R.47E., M.D.B. & M.; 35.7 Acres in the NW  $\frac{1}{4}$  NW  $\frac{1}{4}$ ; 35.7 Acres in the NE  $\frac{1}{4}$  NW  $\frac{1}{4}$ ; 35.7 Acres in the SE  $\frac{1}{4}$  NW  $\frac{1}{4}$  and 35.7 Acres in the SW  $\frac{1}{4}$  NW  $\frac{1}{4}$ , all in Section 24, T.19N., R.47E., M.D.B. & M. 285.6 Acres Total**
9. Use will be from **January 1** to **December 31** of each year.
10. Use was permitted from **January 1** to **December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**

**72581**

15. Remarks: For existing point of diversion and place of use under Permit No. 41752, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch, LLC.

By **James P. Haddan, SWRS #575, Agent**  
s/ **James P. Haddan**  
**206 South Minnesota Street**  
**Carson City, Nevada 89703**

Compared mt/gkl lb/gkl

Protested \_\_\_\_\_

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 and place of use of the waters of an underground source as heretofore granted under Permit 41752, Certificate 10694 is issued subject to the terms and conditions imposed in said Permit 41752, Certificate 10694 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72581 and 72582 shall not exceed 1642.40 acre-feet annually and shall not exceed a diversion rate of 6.7 cubic feet per second.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 4.70 cubic feet per second, but not to exceed 1142.4 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tracy Taylor, P.E.  
State Engineer

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

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

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

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

# Maps and Due Dates

Application: [72582](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	05/27/1980	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">49752</a>	11/03/1992
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">49752</a>	11/03/1992

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					



NO. 72582

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the point of diversion and place of use of water heretofore appropriated under Permit 49752, Certificate 14687

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **2.0 c.f.s.**
3. The water to be used for **Irrigation**
4. The water heretofore permitted for **Irrigation**
5. The water is to be diverted at the following point **NW¼ NE¼ Section 23, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 71 degrees 32' 59" E., 4147.14 feet from the NW corner of said Section 23. (Well No.1)**
6. The existing permitted point of diversion is located within **SE¼ SE¼ Section 15, T.19N., R.47E., M.D.B. & M. or at a point from which the W¼ corner of said Section 15 bears N. 71 degrees 22' 18" W., a distance of 4,211.85 feet.**
7. Proposed place of use **The proposed place of use is S½ Section 15; S½ N½, a portion of the NW¼ NE¼ (35.19 acres), NE¼ NE¼ and N½ S½ Section 21; N½ and SW¼ Section 22; N½ Section 23 and the NW¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **31.25 Acres in the NW¼ SE¼; 31.25 Acres in the NE¼ SE¼; 31.25 Acres in the SW¼ SE¼ and 31.25 Acres in the SE¼ SE¼, all in Section 15, T.19N., R.47E., M.D.B. & M. 125.0 Acres Total**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**

72582

15. Remarks: For existing point of diversion and place of use under Permit No. 49752, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch, LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/akl lb/gkl

Protested \_\_\_\_\_

\*\*\*\*\*

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 and place of use of the waters of an underground source as heretofore granted under Permit 49752, Certificate 14687 is issued subject to the terms and conditions imposed in said Permit 49752, Certificate 14687 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72582 and 72585 shall not exceed 1280.0 acre-feet annually.

The total combined duty of water under Permits 72581 and 72582 shall not exceed 1642.40 acre-feet annually and shall not exceed a diversion rate of 6.7 cubic feet per second.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)

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, but not to exceed 500.0 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tray T. H. Ricci, P.E.  
State Engineer

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

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

Cultural map filed NA

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

# Maps and Due Dates

Application: [72583](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	09/08/1972	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">55426</a>	01/24/1991
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">55426</a>	01/24/1991

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					



NO. 72583

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the point of diversion and place of use, of a portion of water heretofore appropriated under Permit 55426, Certificate 14096

1. The source of water is **Underground**
2. The amount of water to be changed **1.0 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point **SW ¼ NW ¼ Section 23, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 43 degrees 41' 48" E., 1908.68 feet from the NW corner of said Section 23. (Well No. 2)**
6. The existing permitted point of diversion is located within **SW ¼ NW ¼ Section 23, T.19N., R.47E., M.D.B. & M. or at a point from which the NW corner of said Section 23 bears N. 43 degrees 41' 58" W., a distance of 1908.59 feet.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **39.10 Acres in the NW ¼ NE ¼ ; 26.49 Acres in the NE ¼ NE ¼; 40.00 Acres in the SW ¼ NE ¼ and 40.08 Acres in the SE ¼ NE ¼, all in Section 22, T.19N., R.47E., M.D.B. & M.; 27.45 Acres in the NW ¼ NW ¼; 26.89 Acres in the NE ¼ NW ¼; 32.59 Acres in the SW ¼ NW ¼ and 30.94 Acres in the SE¼ NW¼, all in Section 23, T.19N., R.47E., M.D.B. & M. 263.54 Acres Total**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**



72583

15. Remarks: For existing point of diversion and place of use under Permit No. 55426, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch. LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/ gkl lb/ gkl

Protested \_\_\_\_\_

\*\*\*\*\*

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 55426, Certificate 14096 is issued subject to the terms and conditions imposed in said Permit 55426, Certificate 14096 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72583 and 72587 is 1491.25 acre-feet annually and shall not exceed a diversion rate of 6.0 cubic feet per second.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 211.25 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tracy Taylor P.E.  
State Engineer

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

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

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

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

# Maps and Due Dates

Application: [72584](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	09/08/1972	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">55426</a>	01/24/1991
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">55426</a>	01/24/1991

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

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 APPROPRIATEDDate of filing in State Engineer's Office APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the point of diversion and place of use, of a portion of water heretofore appropriated under Permit 55426, Certificate 14096

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **3.99 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point **NE ¼ SE ¼ Section 21, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 01 degrees 14' 21" W., 3911.35 feet from the NE corner of said Section 21. (Well No. 5)**
6. The existing permitted point of diversion is located within **SW ¼ NW ¼ Section 23, T.19N., R.47E., M.D.B. & M. or at a point from which the NW corner of said Section 23 bears N. 43 degrees 41' 58" W., a distance of 1908.59 feet.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **39.10 Acres in the NW ¼ NE ¼ ; 26.49 Acres in the NE ¼ NE ¼; 40.00 Acres in the SW ¼ NE ¼ and 40.08 Acres in the SE ¼ NE ¼, all in Section 22, T.19N., R.47E., M.D.B. & M.; 27.45 Acres in the NW ¼ NW ¼; 26.89 Acres in the NE ¼ NW ¼; 32.59 Acres in the SW ¼ NW ¼ and 30.94 Acres in the SE ¼ NW ¼, all in Section 23, T.19N., R.47E., M.D.B. & M.**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**



15. Remarks: For existing point of diversion and place of use under Permit No. 55426, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch. LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/ gkl lb/ gkl

Protested \_\_\_\_\_

\*\*\*\*\*

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 55426, Certificate 14096 is issued subject to the terms and conditions imposed in said Permit 55426, Certificate 14096 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)



## (PERMIT TERMS CONTINUED)

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, but not to exceed 842.91 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

T. Taylor, P.E.  
State Engineer

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

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

Cultural map filed NA

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

# Maps and Due Dates

Application: [72585](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	05/27/1980	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">56575</a>	10/01/1991
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">56575</a>	10/01/1991

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

NO. 72585

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the  
point of diversion and place of use of water heretofore appropriated under Permit 56575

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1. The source of water is **Underground**
2. The amount of water to be changed **2.72 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point **SW ¼ SW ¼ Section 22, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 18 degrees 09' 28" E., 4223.74 feet from the NW corner of said Section 22. (Well No. 3)**
6. The existing permitted point of diversion is located within **SE ¼ SW ¼ Section 15, T.19N., R.47E., M.D.B. & M. or at a point from which the W ¼ corner of said Section 15 bears N. 44 degrees 58' 53" W., a distance of 3589.51 feet.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **S ½ Section 15, T.19N., R.47E., M.D.B. & M.**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**

15. Remarks: For existing point of diversion and place of use under Permit No. 56575, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch, LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/ gkl lb/ gkl

Protested \_\_\_\_\_

\*\*\*\*\*

#### 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 and place of use of the waters of an underground source as heretofore granted under Permit 56575, is issued subject to the terms and conditions imposed in said Permit 56575 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72582 and 72585 shall not exceed 1280.0 acre-feet annually.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 acre-feet annually.

The total combined duty of water under Permits 72585, 72586 and 72588 shall not exceed 2860.76 acre-feet annually and not exceed a diversion rate of 8.54 cubic feet per second.

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

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)



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, but not to exceed 1280.0 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

T. T. Ricci, P.E.  
State Engineer

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

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

Cultural map filed NA

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



# Maps and Due Dates

Application: [72586](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	05/30/1997	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/26/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">55426</a>	01/24/1991
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">55426</a>	01/24/1991

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

NO. 72586

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the point of diversion and place of use of a portion of water heretofore appropriated under Permit **64616**

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **0.82 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point **SW ¼ SW ¼ Section 22, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 18 degrees 09' 28" E., 4223.74 feet from the NW corner of said Section 22. (Well No. 3)**
6. The existing permitted point of diversion is located within **NE ¼ NE ¼ Section 21, T.19N., R.47E., M.D.B. & M. or at a point which the NE corner of said Section 21 bears N. 00 degrees 54' E., a distance of 1280 feet.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **S ½ S ½ Section 16, N ½ N ½ Section 21, all in T.19N., R.47E., M.D.B. & M.**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**

15. Remarks: For existing point of diversion and place of use under Permit No. 64616, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch. LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/ gkl lb/ gkl

Protested \_\_\_\_\_

\*\*\*\*\*

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 and place 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72580 and 72586 and shall not exceed 300.76 acre-feet annually, and the total combined duty of 35866 and 64616 is reduced to 979.24 acre-feet annually.

The total combined duty of water under Permits 72585, 72586 and 72588 shall not exceed 2860.76 acre-feet annually and shall not exceed a diversion rate of 8.54 cubic feet per second.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)

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, but not to exceed 300.76 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tracy Taylor, P.E.  
State Engineer

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

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

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

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

# Maps and Due Dates

Application: [72587](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	05/27/1980	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">69315</a>	11/07/2002
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">69315</a>	11/07/2002

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					



NO. 72587

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the  
**point of diversion and place of use** of water heretofore appropriated under **Permit 69315**

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **5.0 c.f.s.**
3. The water to be used for **Irrigation and Domestic**
4. The water heretofore permitted for **Irrigation and Domestic**
5. The water is to be diverted at the following point **SW ¼ NW ¼ Section 23, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 43 degrees 41' 48" E., 1908.68 feet from the NW corner of said Section 23. (Well No. 2)**
6. The existing permitted point of diversion is located within **SW ¼ SW ¼ Section 22, T.19N., R.47E., M.D.B. & M. or at a point that bears S. 46 degrees 05' 38" W., a distance of 1833.59 feet from the SW corner of said Section 22.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **W ½ Section 22, T. 19N., R.47E., M.D.B. & M. 320 Acres Total**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**

15. Remarks: For existing point of diversion and place of use under Permit No. 69315, see the map filed in support thereof. The purpose of this and applications being filed concurrently is to commingle all the waters of the Bobcat Ranch, LLC.

By James P. Haddan, SWRS #575, Agent  
s/ James P. Haddan  
206 South Minnesota Street  
Carson City, Nevada 89703

Compared mt/ gkl lb/ gkl

Protested \_\_\_\_\_

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 and place of use of a portion of the waters of an underground source as heretofore granted under Permit 69315 is issued subject to the terms and conditions imposed in said Permit 69315 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 72583 and 72587 is 1491.25 acre-feet annually and shall not exceed a diversion rate of 6.0 cubic feet per second.

The total combined duty of water under Permits 72580, 72581, 72582, 72583, 72584, 72585, 72586, 72587 and 72588 shall not exceed 6337.32 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.

If any water under this permit is cancelled, withdrawn, or any water is not put to beneficial use, it will revert to the groundwater source and not back to the base water right.

Any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the ground water basin.

(CONTINUED ON PAGE 3)

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, but not to exceed 1280.0 acre-feet annually and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

June 23, 2007

Proof of completion of work shall be filed before:

July 23, 2007

Water must be placed to beneficial use on or before:

June 23, 2010

Proof of the application of water to beneficial use shall be filed on or before:

July 23, 2010

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

July 23, 2010

IN TESTIMONY WHEREOF, I, Tracy Taylor, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 23rd day of June A.D. 2006

Tracy Taylor, P.E.  
State Engineer

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

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

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

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

# Maps and Due Dates

Application: [72588](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	04/12/2005	<b>Priority Date:</b>	05/27/1980	<b>Return Date:</b>	
<b>Sent for Publication:</b>	05/16/2005	<b>Last Publication:</b>	06/08/2005	<b>Ready for Action:</b>	07/08/2005
<b>Permit Date:</b>	06/23/2006	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POD:</b> <a href="#">70900</a>	03/01/2004
<b>Proposed POU:</b> <a href="#">72580</a>	04/12/2005	<b>Existing POU:</b> <a href="#">70900</a>	03/01/2004

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/23/2017			Y	
<b>PBU:</b> 07/23/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					



NO. 72588

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 APR 12 2005

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed APR 12 2005

\*\*\*\*\*

The applicant **Bobcat Ranch, LLC** hereby makes application for permission to change the  
point of diversion and place of use of water heretofore appropriated under **Permit 70900**

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **5.0 c.f.s.**
3. The water to be used for **Irrigation**
4. The water heretofore permitted for **Irrigation & Domestic**
5. The water is to be diverted at the following point **SW ¼ SW ¼ Section 22, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 18 degrees 09' 28" E., 4223.74 feet from the NW corner of said Section 22. (Well No. 3)**
6. The existing permitted point of diversion is located within **NE ¼ SE ¼ Section 21, T.19N., R.47E., M.D.B. & M. or at a point which bears S. 01 degrees 10' 51" W., a distance of 3900.72 feet from the NE corner of said Section 21.**
7. Proposed place of use **The proposed place of use is S ½ Section 15; S ½ N ½, a portion of the NW ¼ NE ¼ (35.19 acres), NE ¼ NE ¼ and N ½ S ½ Section 21; N ½ and SW ¼ Section 22; N ½ Section 23 and the NW ¼ Section 24, all in T.19N., R.47E., M.D.B. & M.**
8. Existing place of use **S ½ N ½ and N ½ S ½ Section 21, T. 19N., R.47E., M.D.B. & M. (320 Acres)**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **Drilled well, pump and distribution system**
12. Estimated cost of works **\$100,000.00**
13. Estimated time required to construct works **3 Years**
14. Estimated time required to complete the application of water to beneficial use **5 years**



(PERMIT TERMS CONTINUED)

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

Monthly records will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

# Maps and Due Dates

Application: [60284](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

Filing Date:	07/28/1994	Priority Date:	02/25/2005	Return Date:	
Sent for Publication:	10/18/1994	Last Publication:	11/24/1994	Ready for Action:	12/24/1994
Permit Date:	04/23/1996	Withdrawn Date:		Forfeit Date:	
Cancel Portion:		Cancellation Date:	01/12/2005	Cancellation Rescind:	06/20/2005
Denied Date:					

## Maps

Filed Under:	Date:	Filed Under:	Date:
Proposed POD: <a href="#">49162</a>	06/26/1985	Existing POD:	
Proposed POU:		Existing POU:	

## Proofs of Completion and Beneficial Use

Due Date:	Received:	Filed:	Extension Due:	Extension Received:
POC: 07/27/1996		07/03/1996		
PBU: 05/04/2017			Y	

## Other Dates and Requirements

Cultural Map Due:	Received:	Filed Under:	Certificate Date:	
Forfeiture Due Date:	Extension Required:	Forfeiture Portion:	Forfeiture Filed:	Forfeiture Filed:
Temporary Expiration Date:	Other Date:	Reporting Required:	Q	
Remarks:				

**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**

NEW PRIORITY DATE:

Date of filing in State Engineer's Office JUL-2-8-1994- FEB 25 2005

Returned to applicant for correction

Corrected application filed JUN 26 1985 under 49162 Map filedThe applicant Atlas Gold Mining Inc.370 Seventeenth Street, Suite 3150 of Denver

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

City or Town

Colorado 80202

State and Zip Code No.

hereby make application for permission to change the  
place of use

Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under Permit 51918

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

identify right in Decree.

1. The source of water is Underground

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

2. The amount of water to be changed 1.0 cfs and 88.84 mga

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

3. The water to be used for mining, milling and domestic

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for mining, milling and domestic

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

5. The water is to be diverted at the following point within the NE 1/4 SE 1/4 Section 28, T22N, R49E,

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

MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M

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

bears N59° 59' 54"E a distance of 6396.67 feet.

6. The existing permitted point of diversion is located within

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

7. Proposed place of use within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34,

Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.

T22N, R49E; also portions of the following Sections 25 and 26, T22N, R49E,Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29, 30, T22N, R50E, Sections 33 and 34,T23N, R50E (as depicted on the map filed with the State Engineer's office onDecember 19, 1989, #54094), all on the MDB&M.

8. Existing place of use

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

Sections 22, 23, 26, 27, and Section 34, T22N, R49E, MDB&M

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

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

Month and Day

Month and Day

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

Month and Day

Month and Day

11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and  
specifications of your diversion or storage works.) Drilled and cased well, submersible pump,electric motor, pipes and distribution system.

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

12. Estimated cost of works \$345,00013. Estimated time required to construct works One Year



14. Estimated time required to complete the application of water to beneficial use..... One Year
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

Water from this source will be commingled with water from other wells owned  
by the permittee. The total combined duty of water under Permits 48444,  
49162, 51918, 51919, 52196, 52197, 54093, and 54094 may not exceed 452.8 mga.

By S/ Ross E. de Lipkau  
P.O. Box 2790  
Reno, NV 89505

Compared cm/do ..... cl/cmg

Protested .....

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 place of use of the waters of an underground source as heretofore granted under Permit 51918 is issued subject to the terms and conditions imposed in said Permit 51918 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.

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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0 ..... cubic feet per second..... but not to exceed 235.906 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 27, 1996

Proof of completion of work shall be filed before..... July 27, 1996

Application of water to beneficial use shall be made on or before..... June 27, 1997

Proof of the application of water to beneficial use shall be filed on or before..... July 27, 1997

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

Completion of work filed..... JUL 03 1996

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
State Engineer of Nevada, have hereunto set my hand and the seal of my  
office, this..... 23rd day of April.....  
A.D. 19..... 99

*R. Michael Turnipseed, P.E.*  
State Engineer

~~CANCELLED~~ JAN 12 2005 BECAUSE OF FAILURE  
OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

*Jan 12, 2005, P.E.*  
Can. Resc. 5/20/05 STATE ENGINEER  
Damm

(PERMIT TERMS CONTINUED)

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

Monthly records will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.



# Maps and Due Dates

Application: [60285](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	07/28/1994	<b>Priority Date:</b>	02/25/2005	<b>Return Date:</b>	
<b>Sent for Publication:</b>	10/18/1994	<b>Last Publication:</b>	11/24/1994	<b>Ready for Action:</b>	12/24/1994
<b>Permit Date:</b>	04/23/1996	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	01/12/2005	<b>Cancellation Rescind:</b>	06/20/2005
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">49162</a>	01/26/1989	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/27/1996		07/03/1996		
<b>PBU:</b> 05/04/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>	<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>	<b>Other Date:</b>	<b>Reporting Required:</b>	Q	
<b>Remarks:</b>				

**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 JUL-2-8-1994 NEW PRIORITY DATE: FEB 25 2005

Returned to applicant for correction.....

Corrected application filed..... Map filed JUN 07 1988 under 52196

The applicant Atlas Gold Mining Inc.  
370 Seventeenth Street, Suite 3150 of Denver  
Street and No. or P.O. Box No. City or Town  
Colorado 80202  
State and Zip Code No. hereby make s. application for permission to change the  
point of diversion and place of use  
Point of diversion, manner of use, and/or place of use  
of water heretofore appropriated under Permit 52196  
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and  
identify right in Decree.

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.
2. The amount of water to be changed 1.0 cfs and 88.84 mga  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining, milling and domestic  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
4. The water heretofore permitted for mining, milling and domestic  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
5. The water is to be diverted at the following point within the NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28, T22N, R49E,  
Describe as being within a 40-acre subdivision of public survey and by course and  
MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M bears  
N59° 59' 54"E a distance of 6396.67 feet. (Refer to map filed June 26, 1985  
in State Engineer's office #51918 for point of diversion.)  
distance to a section corner. If on unsurveyed land, it should be stated.
6. The existing permitted point of diversion is located within the NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28, T22N, R49E, MDB&M, at a point from which the SE corner  
Section 22, T22N, R49E, MDB&M bears N59° 59' 54"E a distance of 7396.67 feet.  
If point of diversion is not changed, do not answer.
7. Proposed place of use within Sections 22, 23, 26, 27, NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28 and Section 34,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
T22N, R49E; also portions of the following Sections 25 and 26, T22N, R49E,  
Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29, 30, T22N, R50E, Sections 33 and 34,  
T23N, R50E; (as depicted on the map filed with the State Engineer's office on  
December 19, 1989, #54094), all on the MDB&M.  
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or  
manner of use of irrigation permit, describe acreage to be removed from irrigation.
8. Existing place of use Sections 22, 23, 26, 27, NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28 and Section 34, T22N, R49E, MDB&M  
manner of use of irrigation permit, describe acreage to be removed from irrigation.
9. Use will be from January 1 to December 31 of each year.  
Month and Day Month and Day
10. Use was permitted from January 1 to December 31 of each year.  
Month and Day Month and Day
11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and  
specifications of your diversion or storage works.) Drilled and cased well, submersible pump,  
electric motor, pipes and distribution system.  
State manner in which water is to be diverted, i.e. diversion structure,  
ditches, pipes and flumes, or drilled well, etc.
12. Estimated cost of works \$345,000
13. Estimated time required to construct works One Year

14. Estimated time required to complete the application of water to beneficial use..... One Year
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:
- Water from this source will be commingled with water from other wells owned by permittee. The total combined duty of water under Permits 48444, 49162, 51918, 51919, 52196, 52197, 54093, and 54094 may not exceed 452.8 mga.

By S/ Ross E. de Lipkau  
P.O. Box 2790  
Reno, NV 89505

Compared cm/do cl/cm

Protested.....

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 and place of use of the waters of an underground source as heretofore granted under Permit 52196 is issued subject to the terms and conditions imposed in said Permit 52196 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.

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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0 .....cubic feet per second, but not to exceed 235.906 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 27, 1996

Proof of completion of work shall be filed before..... July 27, 1996

Application of water to beneficial use shall be made on or before..... June 27, 1997

Proof of the application of water to beneficial use shall be filed on or before..... July 27, 1997

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

JUL 03 1996

Completion of work filed.....

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No. .... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my  
 office, this 23rd day of April

A.D. 19..... 96

R. Michael Turnipseed, P.E.  
 State Engineer

CANCELLED JAN 12 2005 BECAUSE OF FAILURE  
 OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

John H. Hesse, P.E.  
 STATE ENGINEER  
 Can. Resc. 5/20/05



(PERMIT TERMS CONTINUED)

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

Monthly records will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

# Maps and Due Dates

Application: [60286](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	07/28/1994	<b>Priority Date:</b>	02/25/2005	<b>Return Date:</b>	
<b>Sent for Publication:</b>	10/18/1994	<b>Last Publication:</b>	11/24/1994	<b>Ready for Action:</b>	12/24/1994
<b>Permit Date:</b>	04/23/1996	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	01/12/2005	<b>Cancellation Rescind:</b>	06/20/2005
<b>Denied Date:</b>					

## Maps

Filed Under:		Date:	Filed Under:		Date:
<b>Proposed POD:</b>	<a href="#">49162</a>	06/25/1985	<b>Existing POD:</b>		
<b>Proposed POU:</b>			<b>Existing POU:</b>		

## Proofs of Completion and Beneficial Use

Due Date:	Received:	Filed:	Extension Due:	Extension Received:
<b>POC:</b> 07/27/1996		01/06/1997		
<b>PBU:</b> 05/04/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>	<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>	<b>Other Date:</b>	<b>Reporting Required:</b>	Q	
<b>Remarks:</b>				



**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 JUL 28 1994 NEW PRIORITY DATE: FEB 25 2005

Returned to applicant for correction.....

Corrected application filed..... Map filed JUN 07 1988 under 52196

The applicant Atlas Gold Mining Inc.  
370 Seventeenth Street, Suite 3150 of Denver  
Street and No. or P.O. Box No. City or Town  
Colorado 80202 hereby makes application for permission to change the  
State and Zip Code No.  
point of diversion and place of use  
Point of diversion, manner of use, and/or place of use  
Permit 52197  
 of water heretofore appropriated under  
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.
2. The amount of water to be changed 1.0 cfs and 88.84 mga  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining, milling and domestic  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
4. The water heretofore permitted for mining, milling and domestic  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
5. The water is to be diverted at the following point within the NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28, T22N, R49E,  
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.  
MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M  
bears N59°59'54"E a distance of 6396.67 feet. (Refer to map filed June 26, 1985,  
in State Engineer's office, #51918 for point of diversion.)
6. The existing permitted point of diversion is located within the NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28, T22N, R49E, MDB&M, at a point from which the SE corner  
Section 22, T22N, R49E, MDB&M bears N59°59'54"E a distance of 7396.67 feet.  
If point of diversion is not changed, do not answer.
7. Proposed place of use within Sections 22, 23, 26, 27 NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28 and Section 34,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
T22N, R49E; also portions of the following Sections 25 and 26, T22N, R49E,  
Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29, 30, T22N, R50E; Sections 33 and 34,  
T23N, R50E, (as depicted on the map filed with the State Engineer's office on  
December 19, 1989, #54094) all on the MDB&M.
8. Existing place of use Sections 22, 23, 26, 27, NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28 and Section 34, T22N,  
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.  
R49E, MDB&M.
9. Use will be from January 1 to December 31 of each year.  
Month and Day Month and Day
10. Use was permitted from January 1 to December 31 of each year.  
Month and Day Month and Day
11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, submersible pump,  
State manner in which water is to be diverted, i.e. diversion structure.  
electric motor, pipes and distribution system.  
ditches, pipes and flumes, or drilled well, etc.
12. Estimated cost of works \$345,000
13. Estimated time required to construct works One year

14. Estimated time required to complete the application of water to beneficial use..... One year

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

Water from this source will be commingled with water from other wells owned by  
 permittee. The total combined duty of water under Permits 48444, 49162, 51918,  
 51919, 52196, 52197 54093, and 54904 may not exceed 452.8 mga.

By S/Ross E. de Lipkau  
 P.O. Box 2790  
 Reno, NV 89505

Compared...cm/do..... cl/cmg

Protested.....

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 and place of use of the waters of an underground source as heretofore granted under Permit 52197 is issued subject to the terms and conditions imposed in said Permit 52197 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.

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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0 ..... cubic feet per second, but not to exceed 88.84 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 27, 1996

Proof of completion of work shall be filed before..... July 27, 1996

Application of water to beneficial use shall be made on or before..... June 27, 1997

Proof of the application of water to beneficial use shall be filed on or before..... July 27, 1997

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

JAN 06 1997

Completion of work filed.....

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my  
 office, this..... 23rd day of..... April.....

A.D. 19..... 96

*R. Michael Turnipseed, P.E.*  
 State Engineer  
 CANCELLED JAN 12 2005  
 OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

*Can. Resc. 5/20/05*

STATE ENGINEER  
*adm*



(PERMIT TERMS CONTINUED)

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

Monthly records will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

# Maps and Due Dates

Application: [57835](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	07/10/1992	<b>Priority Date:</b>	09/19/1961	<b>Return Date:</b>	
<b>Sent for Publication:</b>	07/30/1992	<b>Last Publication:</b>	09/10/1992	<b>Ready for Action:</b>	10/10/1992
<b>Permit Date:</b>	09/24/1993	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	04/07/2006	<b>Cancellation Rescind:</b>	04/25/2006
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">57835</a>	07/10/1992	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/03/1994		10/24/1994		
<b>PBU:</b> 11/03/2016			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

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 JUL 10 1992

Returned to applicant for correction

Corrected application filed Map filed JUL 10 1992

The applicant James or Pamela Buffham

P. O. Box 754 of Eureka City or Town

Nevada 89316 State and Zip Code No. hereby make application for permission to change the

Point of Diversion

Point of diversion, manner of use, and/or place of use  
of water heretofore appropriated under Permit no. 50958

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

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.

2. The amount of water to be changed 0.66 cfs  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

5. The water is to be diverted at the following point SE 1/4 SW 1/4 of Section 13, T23N, R52E, MDB&M.,  
Describe as being within a 40-acre subdivision of public survey and by course and  
at a point from which the SW corner of said Section 13 bears S 68° 40' 37" W.  
distance to a section corner. If on unsurveyed land, it should be stated.  
2140.00 feet.

6. The existing permitted point of diversion is located within SE 1/4 NW 1/4 of Section 25, T23N, R52E,  
If point of diversion is not changed, do not answer.  
MDB&M., at a point from which the W 1/2 corner of said Section 25, bears S 75° 38'  
00" W. 2242.43 feet.

7. Proposed place of use E 1/2, E 1/2 W 1/2 of Section 24; NE 1/4, E 1/2 NW 1/4 of Section 25, T23N, R52E,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
MDB&M., W 1/2 W 1/2 of section 19, W 1/2 NW 1/4 of Section 30, T23N, R53E, MDB&M.

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

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

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

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

12. Estimated cost of works \$25,000

13. Estimated time required to construct works 3 years



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

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

.....  
 .....  
 .....

HIGH DESERT Engineering, Agent  
 s/Robert E. Morley  
 By Robert E. Morley  
 640 Idaho Street  
 Elko, Nevada 89801

Compared..... bc/ bc ..... ab/se

Protested.....

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 of the waters of an underground source as heretofore granted under Permit 50958 is issued subject to the terms and conditions imposed in said Permit 50958 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.

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

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

The total combined duty of water under Permits 57835, 57836, 57839 and 57840 shall not exceed 312.92 acre-feet annually for the irrigation of 78.23 acres within the described place of use.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 0.66 .....cubic feet per second, and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources, but not to exceed 155.48 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 3, 1994

Proof of completion of work shall be filed before..... July 3, 1994

Application of water to beneficial use shall be made on or before..... October 3, 1995

Proof of the application of water to beneficial use shall be filed on or before..... November 3, 1995

Map in support of proof of beneficial use shall be filed on or before..... November 3, 1995

Completion of work filed..... OCT 24 1994

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.

State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this..... 24th .....day of..... September

A.D. 19..... 93

By: Christine Thiel, P.E.  
 Deputy State Engineer

State Engineer

# Maps and Due Dates

Application: [57836](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	07/10/1992	<b>Priority Date:</b>	09/19/1961	<b>Return Date:</b>	
<b>Sent for Publication:</b>	07/30/1992	<b>Last Publication:</b>	09/10/1992	<b>Ready for Action:</b>	10/10/1992
<b>Permit Date:</b>	09/24/1993	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">57835</a>	07/10/1992	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/03/1994		10/24/1994		
<b>PBU:</b> 11/03/2016			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

**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 JUL 10 1992

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed JUL 10 1992 under 57835

The applicant James or Pamela Buffham

P. O. Box 754 of Eureka

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

City or Town

Nevada 89316 hereby make S application for permission to change the

State and Zip Code No.

Point of Diversion

Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under Permit no. 50959

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

identify right in Decree.

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.

2. The amount of water to be changed 0.66 cfs  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

5. The water is to be diverted at the following point SE 1/4 SW 1/4 of Section 13, T23N, R52E, MDB&M.  
Describe as being within a 40-acre subdivision of public survey and by course and  
at a point from which the SW corner of said Section 13 bears S 68° 40' 37" W.  
distance to a section corner. If on unsurveyed land, it should be stated.  
2140.00 feet.

6. The existing permitted point of diversion is located within NW 1/4 NE 1/4 of Section 24, T23N, R52E,  
If point of diversion is not changed, do not answer.  
MDB&M, at a point from which the NE corner of said Section 24, bears N 62° 14'  
13" E, 2308.95 feet.

7. Proposed place of use E 1/2, E 1/2 W 1/2 of Section 24; NE 1/4, E 1/2 NW 1/4 of Section 25, T23N, R52E,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
MDB&M, W 1/2 W 1/2 of Section 19, W 1/2 NW 1/4 of Section 30, T23N, R53E, MDB&M.

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

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

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

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

12. Estimated cost of works \$25,000

13. Estimated time required to construct works 3 years



14. Estimated time required to complete the application of water to beneficial use..... 5 years.....
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

.....

.....

.....

HIGH DESERT Engineering, Agent  
 Bys/Robert E. Morley  
 Robert E. Morley  
 640 Idaho Street  
 Elko, Nevada 89801

Compared..... bc/ bc ..... ab/se .....

Protested.....

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 of the waters of an underground source as heretofore granted under Permit 50959 is issued subject to the terms and conditions imposed in said Permit 50959 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.

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

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

The total combined duty of water under Permits 57835, 57836, 57839 and 57840 shall not exceed 312.92 acre-feet annually for the irrigation of 78.23 acres within the described place of use.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 0.66 .....cubic feet per second, and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources, but not to exceed 147.6 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 3, 1994 .....

Proof of completion of work shall be filed before..... July 3, 1994 .....

Application of water to beneficial use shall be made on or before..... October 3, 1995 .....

Proof of the application of water to beneficial use shall be filed on or before..... November 3, 1995 .....

Map in support of proof of beneficial use shall be filed on or before..... November 3, 1995 .....

Completion of work filed..... OCT 24 1994 .....

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my  
 office, this..... 24th ..... day of September .....

A.D. 19..... 93.....

By: Christine Thiel, P.E.  
 Deputy State Engineer

State Engineer

# Maps and Due Dates

Application: [57839](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

Filing Date:	07/10/1992	Priority Date:	06/03/1960	Return Date:	
Sent for Publication:	07/31/1992	Last Publication:	09/10/1992	Ready for Action:	10/10/1992
Permit Date:	09/24/1993	Withdrawn Date:		Forfeit Date:	
Cancel Portion:		Cancellation Date:		Cancellation Rescind:	
Denied Date:					

## Maps

Filed Under:	Date:	Filed Under:	Date:
Proposed POD: <a href="#">57835</a>	07/10/1992	Existing POD:	
Proposed POU:		Existing POU:	

## Proofs of Completion and Beneficial Use

Due Date:	Received:	Filed:	Extension Due:	Extension Received:
POC: 07/03/1994		10/24/1994		
PBU: 11/03/2016			Y	

## Other Dates and Requirements

Cultural Map Due:	Y	Received:	Filed Under:	Certificate Date:	
Forfeiture Due Date:		Extension Required:	Forfeiture Portion:	Forfeiture Filed:	Forfeiture Filed:
Temporary Expiration Date:		Other Date:	Reporting Required:		
Remarks:					



**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 JUL 10 1992

Returned to applicant for correction .....

Corrected application filed ..... Map filed JUL 10 1992 under 57835

The applicant James or Pamela Buffham  
P. O. Box 754 of Eureka  
Street and No. or P.O. Box No. City or Town  
Nevada 89316 hereby make S application for permission to change the  
State and Zip Code No.

Point of Diversion  
Point of diversion, manner of use, and/or place of use  
 of water heretofore appropriated under Permit no. 50964  
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.
2. The amount of water to be changed 0.435 cfs  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
4. The water heretofore permitted for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
5. The water is to be diverted at the following point SE 1/4 SW 1/4 of Section 13, T23N, R52E, MDB&M.  
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.  
at a point from which the SW corner of said Section 13 bears S 68° 40' 37" W.  
2140.00 feet.
6. The existing permitted point of diversion is located within NW 1/4 NE 1/4 of Section 24, T23N, R52E,  
If point of diversion is not changed, do not answer.  
MDB&M., at a point from which the NE corner of said Section 24, bears N 62° 14'  
13" E. 2308.95 feet.
7. Proposed place of use E 1/2, E 1/2 W 1/2 of Section 24; NE 1/2, E 1/2 NW 1/2 of Section 25, T23N, R52E,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
MDB&M., W 1/2 W 1/2 of Section 19, W 1/2 NW 1/2 of Section 30, T23N, R53E. MDB&M.
8. Existing place of use Same as Above  
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.
9. Use will be from January 1 to December 31 of each year.  
Month and Day Month and Day
10. Use was permitted from January 1 to December 31 of each year.  
Month and Day Month and Day
11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Well, Ditches, Pipelines and Sprinkler  
State manner in which water is to be diverted, i.e. diversion structure.  
System  
ditches, pipes and flumes, or drilled well, etc.
12. Estimated cost of works \$25,000
13. Estimated time required to construct works 3 years

14. Estimated time required to complete the application of water to beneficial use..... 5 years.....
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

.....

.....

.....

HIGH DESERT Engineering, Agent  
 By: Robert E. Morley  
 Robert E. Morley  
 640 Idaho Street  
 Elko, Nevada 89801

Compared bc/bc ab/se

Protested.....

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 of the waters of an underground source as heretofore granted under Permit 50964 is issued subject to the terms and conditions imposed in said Permit 50964 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.

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

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

The total combined duty of water under Permits 57835, 57836, 57839 and 57840 shall not exceed 312.92 acre-feet annually for the irrigation of 78.23 acres within the described place of use.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.435 cubic feet per second, and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources, but not to exceed 164 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before June 3, 1994

Proof of completion of work shall be filed before July 3, 1994

Application of water to beneficial use shall be made on or before October 3, 1995

Proof of the application of water to beneficial use shall be filed on or before November 3, 1995

Map in support of proof of beneficial use shall be filed on or before November 3, 1995

Completion of work filed OCT 24 1994

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No. .... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my  
 office, this 24th day of September  
 A.D. 19 93

By: Christine Thiel, P.E.  
 Deputy State Engineer

State Engineer

# Maps and Due Dates

Application: [57840](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

Filing Date:	07/10/1992	Priority Date:	06/03/1960	Return Date:	
Sent for Publication:	07/31/1992	Last Publication:	09/10/1992	Ready for Action:	10/10/1992
Permit Date:	09/24/1993	Withdrawn Date:		Forfeit Date:	
Cancel Portion:		Cancellation Date:		Cancellation Rescind:	
Denied Date:					

## Maps

Filed Under:	Date:	Filed Under:	Date:
Proposed POD: <a href="#">57835</a>	07/10/1992	Existing POD:	
Proposed POU:		Existing POU:	

## Proofs of Completion and Beneficial Use

Due Date:	Received:	Filed:	Extension Due:	Extension Received:
POC: 07/03/1994		10/24/1994		
PBU: 11/03/2016			Y	

## Other Dates and Requirements

Cultural Map Due:	Y	Received:	Filed Under:	Certificate Date:	
Forfeiture Due Date:		Extension Required:	Forfeiture Portion:	Forfeiture Filed:	Forfeiture Filed:
Temporary Expiration Date:		Other Date:	Reporting Required:		
Remarks:					



**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 JUL 10 1992

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_ Map filed JUL 10 1992 under 57835

The applicant James or Pamela Buffham

P. O. Box 754

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

of

Eureka

City or Town

Nevada 89316

State and Zip Code No.

hereby make S application for permission to change the

Point of Diversion

Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under Permit no. 50965

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

identify right in Decree.

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.
2. The amount of water to be changed 0.435 cfs  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
4. The water heretofore permitted for Irrigation  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
5. The water is to be diverted at the following point SE 1/4 SW 1/4 of Section 13, T23N, R52E, MDB&M.  
Describe as being within a 40-acre subdivision of public survey and by course and  
at a point from which the SW corner of said Section 13 bears S 68° 40' 37" W.  
distance to a section corner. If on unsurveyed land, it should be stated.  
2140.00 feet.
6. The existing permitted point of diversion is located within SE 1/4 NW 1/4 of Section 25, T23N, R52E,  
If point of diversion is not changed, do not answer.  
MDB&M, at a point from which the W 1/2 corner of said Section 25, bears S 75° 38'  
00" W. 2242.43 feet.
7. Proposed place of use E 1/2, E 1/2 W 1/2 of Section 24; NE 1/4, E 1/2 NW 1/4 of Section 25, T23N, R52E,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
MDB&M, W 1/2 W 1/2 of Section 19, W 1/2 NW 1/4 of Section 30, T23N, R53E, MDB&M.
8. Existing place of use Same as Above  
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or  
manner of use of irrigation permit, describe acreage to be removed from irrigation.
9. Use will be from January 1 to December 31 of each year.  
Month and Day Month and Day
10. Use was permitted from January 1 to December 31 of each year.  
Month and Day Month and Day
11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and  
specifications of your diversion or storage works.) Well, Ditches, Pipelines and Sprinkler  
State manner in which water is to be diverted, i.e. diversion structure,  
System.  
ditches, pipes and flumes, or drilled well, etc.
12. Estimated cost of works \$25,000
13. Estimated time required to construct works 3 years

14. Estimated time required to complete the application of water to beneficial use..... 5 years
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

.....

.....

.....

HIGH DESERT Engineering, Agent  
 By s/Robert E. Morley  
 Robert E. Morley  
 640 Idaho Street  
 Elko, Nevada 89801

Compared..... bc/bc ..... ab/se

Protested.....

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 of the waters of an underground source as heretofore granted under Permit 50965 is issued subject to the terms and conditions imposed in said Permit 50965 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.

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

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

The total combined duty of water under Permits 57835, 57836, 57839 and 57840 shall not exceed 312.92 acre-feet annually for the irrigation of 78.23 acres within the described place of use.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 0.435 .....cubic feet per second, and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources, but not to exceed 164 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 3, 1994

Proof of completion of work shall be filed before..... July 3, 1994

Application of water to beneficial use shall be made on or before..... October 3, 1995

Proof of the application of water to beneficial use shall be filed on or before..... November 3, 1995

Map in support of proof of beneficial use shall be filed on or before..... November 3, 1995

Completion of work filed..... OCT 24 1994

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this 24th day of September

A.D. 19 93

*Christine Thiel*  
 BY: Christine Thiel, P.E. State Engineer  
 Deputy State Engineer



# Maps and Due Dates

Application: [66062](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	02/08/2000	<b>Priority Date:</b>	06/03/1960	<b>Return Date:</b>	
<b>Sent for Publication:</b>	03/10/2000	<b>Last Publication:</b>	04/13/2000	<b>Ready for Action:</b>	05/13/2000
<b>Permit Date:</b>	04/17/2002	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	04/07/2006	<b>Cancellation Rescind:</b>	04/25/2006
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">57835</a>	07/10/1992	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b>				
<b>PBU:</b> 11/03/2016			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b> 2001-03-16 00:00:00.0	<b>Reporting Required:</b>		
<b>Remarks:</b> RULING 5007 DATED 3/16/2001 RESCINDING RULING 4999 DENYING APPLICATION 66062					

NO.66062

**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 FEB 08 2000

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed JUL 10 1992 under 57835

\*\*\*\*\*

The applicant **Art R. Gale & Frances Gale**, hereby make application for permission to change the **Place of Use** of water heretofore appropriated under **Permit 57837**

\*\*\*\*\*

1. The source of water is **UG**
2. The amount of water to be changed **1.02 cfs 303.08 AF**
3. The water to be used for **Irr & Dom**
4. The water heretofore permitted for **Irr**
5. The water is to be diverted at the following point **SE¼ SW¼ of Section 13, T23N., R.52E., M.D.B.&M.** at a point from which the **SW¼** corner of said Section 13 bears **S.68°40'37" W** a distance of **2140.0 feet** (use map under 57835)
6. The existing permitted point of diversion is located within **no change**
7. Proposed place of use **See attached sheet**
8. Existing place of use **See attached sheet use map under 57835**
9. Use will be from **Jan 1 to Dec 31.**
10. Use was permitted from **Jan 1 to Dec 31.**
11. Description of proposed works **Well, ditches, pipelines**
12. Estimated cost of works **\$25,000**
13. Estimated time required to construct works **Existing well Proof of Completion filed under Permit 57835**
14. Estimated time required to complete the application of water to beneficial use **3 years**
15. Remarks:

By **Art R. Gale**  
s/**Art R. Gale**  
HC 62-176  
Eureka, Nev. 89316

Compared cl/bk ds/cmf

Protested \_\_\_\_\_

KVR SUPP000057

\*\*\*\*\*

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 place of use of the waters of an underground source as heretofore granted under Permit 57837, is issued subject to the terms and conditions imposed in said Permit 57837, 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.

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

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 for the irrigation of 75.77 acres within the described place of use.

(CONTINUED ON PAGE 3)

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, but not to exceed 303.08 acre-feet annually, and not to exceed an annual duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

N/A

Proof of completion of work shall be filed before:

N/A

Water must be placed to beneficial use on or before:

October 3, 2005

Proof of the application of water to beneficial use shall be filed on or before:

November 3, 2005

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

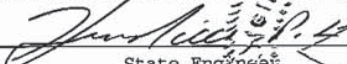
November 3, 2005

IN TESTIMONY WHEREOF, I, HUGH RICCI, P.E.,

State Engineer of Nevada, have hereunto set

my hand and the seal of my office,

this 17th day of, April, A.D. 2002

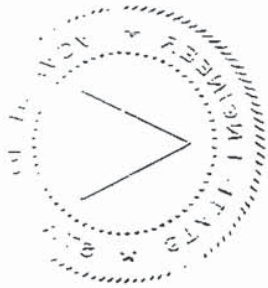
  
State Engineer

Completion of work filed under 57835 on October 24, 1994

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

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

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





## ATTACHED SHEET

## ITEM 7:

## PROPOSED PLACE OF USE

S $\frac{1}{2}$	SW $\frac{1}{4}$	SEC. 12	T. 23 N.	R. 52E
NE $\frac{1}{4}$	NW $\frac{1}{4}$	SEC. 13	T. 23 N.	R. 52E
S $\frac{1}{2}$	NW $\frac{1}{4}$	SEC. 13	T. 23 N.	R. 52E
E $\frac{1}{2}$	NW $\frac{1}{4}$	SEC. 24	T. 23 N.	R. 52E
	NE $\frac{1}{4}$	SEC. 24	T. 23 N.	R. 52E
E $\frac{1}{2}$	SW $\frac{1}{4}$	SEC. 24	T. 23 N.	R. 52E
	SE $\frac{1}{4}$	SEC. 24	T. 23 N.	R. 52E
E $\frac{1}{2}$	NW $\frac{1}{4}$	SEC. 25	T. 23 N.	R. 52E
	NE $\frac{1}{4}$	SEC. 25	T. 23 N.	R. 52E
W $\frac{1}{2}$	W $\frac{1}{2}$	SEC. 19	T. 23 N.	R. 53E
W $\frac{1}{2}$	NW $\frac{1}{4}$	SEC. 30	T. 23 N.	R. 53E

## ITEM 8:

## EXISTING PLACE OF USE

	NW $\frac{1}{4}$	SEC. 36	T. 23 N.	R. 52E
W $\frac{1}{2}$	NE $\frac{1}{4}$	SEC. 36	T. 23 N.	R. 52E
NE $\frac{1}{4}$	NE $\frac{1}{4}$	SEC. 36	T. 23 N.	R. 52E





## ATTACHED SHEET

## ITEM 7:

## PROPOSED PLACE OF USE

S½	SW¼	SEC. 12	T. 23 N.	R. 52E
NE¼	NW¼	SEC. 13	T. 23 N.	R. 52E
S½	NW¼	SEC. 13	T. 23 N.	R. 52E
E½	NW¼	SEC. 24	T. 23 N.	R. 52E
	NE¼	SEC. 24	T. 23 N.	R. 52E
E½	SW¼	SEC. 24	T. 23 N.	R. 52E
	SE¼	SEC. 24	T. 23 N.	R. 52E
E½	NW¼	SEC. 25	T. 23 N.	R. 52E
	NE¼	SEC. 25	T. 23 N.	R. 52E
W½	W½	SEC. 19	T. 23 N.	R. 53E
W½	NW¼	SEC. 30	T. 23 N.	R. 53E

## ITEM 8:

## EXISTING PLACE OF USE

	NW¼	SEC. 36	T. 23 N.	R. 52E
W½	NE¼	SEC. 36	T. 23 N.	R. 52E
NE¼	NE¼	SEC. 36	T. 23 N.	R. 52E



NO.66062

**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 FEB 08 2000

Returned to applicant for correction \_\_\_\_\_

Corrected application filed \_\_\_\_\_

Map filed JUL 10 1992 under 57835

\*\*\*\*\*

The applicant **Art R. Gale & Frances Gale**, hereby make application for permission to change the **Place of Use** of water heretofore appropriated under **Permit 57837**

\*\*\*\*\*

1. The source of water is **UG**
2. The amount of water to be changed **1.02 cfs 303.08 AF**
3. The water to be used for **Irr & Dom**
4. The water heretofore permitted for **Irr**
5. The water is to be diverted at the following point **SE $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 13, T23N., R.52E., M.D.B.&M. at a point from which the SW $\frac{1}{4}$  corner of said Section 13 bears S.68°40'37" W a distance of 2140.0 feet (use map under 57835)**
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10. Use was permitted from **Jan 1 to Dec 31.**
11. Description of proposed works **Well, ditches, pipelines**
12. Estimated cost of works **\$25,000**
13. Estimated time required to construct works **Existing well Proof of Completion filed under Permit 57835**
14. Estimated time required to complete the application of water to beneficial use **3 years**
15. Remarks:

By **Art R. Gale**  
s/**Art R. Gale**  
HC 62-176  
Eureka, Nev. 89316

Compared cl/bk

Protested \_\_\_\_\_



*In the Supreme Court of Nevada*

EUREKA COUNTY,

PETITIONER,

VS.

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

RESPONDENTS,

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 07 2016 08:55 a.m.  
Tracie K. Lindeman  
Clerk of Supreme Court

**REAL PARTY IN INTEREST KOBEH VALLEY RANCH, LLC'S  
SUPPLEMENTAL APPENDIX  
VOLUME I OF I**

PAUL G. TAGGART  
Nevada State Bar No. 6136  
DAVID H. RIGDON  
Nevada State Bar No. 13567  
TAGGART & TAGGART, LTD.  
108 N. Minnesota St.  
Carson City, NV 89703  
(775) 882-9900  
[Paul@LegalTNT.com](mailto:Paul@LegalTNT.com)  
[David@LegalTNT.com](mailto:David@LegalTNT.com)

ROSS DE LIPKAU  
Nevada Bar No. 1628  
GREGORY H. MORRISON  
Nevada Bar No. 12454  
FRANCIS M. WIKSTROM (PRO HAC VICE)  
Utah Bar No. 3462  
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50 W. Liberty St., Ste 750  
Reno, NV 89501  
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[RDeLipkau@ParsonsBehle.com](mailto:RDeLipkau@ParsonsBehle.com)  
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[FWikstrom@ParsonsBehle.com](mailto:FWikstrom@ParsonsBehle.com)

*Attorneys for Appellant Kobeh Valley Ranch, LLC*

## CHRONOLOGICAL INDEX

DATE	DOCUMENT DESCRIPTION	VOL. NO.	BATES NO. KVR SUPP
1933	Fish Creek Ranch Base Rights	I	1 - 2
1978	Damale Ranch Base Rights	I	3 - 9
1989	Atlas Mine Base Rights	I	10 - 43
1992	Gale Ranch (Diamond Valley) Base Rights	I	44 - 66
2005	Bobcat Ranch Base Rights	I	67 - 102
2009	2009 New Appropriation at Bobcat Ranch	I	103 - 118
4/27/2016	Cover Letter for Amended Applications 85583, 85588, 85603, 85604, and 85576	I	119 - 119
4/27/2016	Cover Letter for Change Applications of the 2009 Appropriations at Bobcat Ranch	I	120 - 120
4/27/2016	Cover Letter for Diamond Valley Change Applications	I	121 - 121
5/6/2016	Withdrawal of Application to Change 86154-86156	I	122 - 122
8/22/2016	Answer to Protest for Amended Applications and Applications 86149-86151	I	123 - 139
8/24/2016	Motion for Reconsideration or In the Alternative to Reschedule Proceedings	I	140 - 146
8/29/2019	Answer to Protest for Applications 86152-86161	I	147 - 227
9/1/2016	Protestant Etcheverry Family LP, and Diamond Cattle Company, Response and Objection to Applicant's Motion for Reconsideration, or in the Alternative, to Reschedule Proceedings	I	228 - 231
9/6/2016	Eureka County Responses to Motion for Reconsideration, or in the Alternative, to Reschedule Proceedings	I	232 - 234
9/15/2016	Response to Eureka County and The Etcheverry/Diamond Parties Response and Objection to KVR's Motion for Reconsideration	I	235 - 240

## ALPHABETICAL INDEX

<b>DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>VOL. NO.</b>	<b>BATES NUMBER KVR SUPP</b>
2009	2009 New Appropriation at Bobcat Ranch	I	103 - 118
8/22/2016	Answer to Protest for Amended Applications and Applications 86149-86151	I	123 - 139
8/29/2019	Answer to Protest for Applications 86152-86161	I	147 - 227
1989	Atlas Mine Base Rights	I	10 - 43
2005	Bobcat Ranch Base Rights	I	67 - 102
4/27/2016	Cover Letter for Amended Applications 85583, 85588, 85603, 85604, and 85576	I	119 - 119
4/27/2016	Cover Letter for Change Applications of the 2009 Appropriations at Bobcat Ranch	I	120 - 120
4/27/2016	Cover Letter for Diamond Valley Change Applications	I	121 - 121
1978	Damale Ranch Base Rights	I	3 - 9
9/6/2016	Eureka County Responses to Motion for Reconsideration, or in the Alternative, to Reschedule Proceedings	I	232 - 234
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8/24/2016	Motion for Reconsideration or In the Alternative to Reschedule Proceedings	I	140 - 146
9/1/2016	Protestant Etcheverry Family LP, and Diamond Cattle Company, Response and Objection to Applicant's Motion for Reconsideration, or in the Alternative, to Reschedule Proceedings	I	228 - 231
9/15/2016	Response to Eureka County and The Etcheverry/Diamond Parties Response and Objection to KVR's Motion for Reconsideration	I	235 - 240
5/6/2016	Withdrawal of Application to Change 86154-86156	I	122 - 122

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

In compliance with NRAP 30(g)(1), I hereby certify that this Real Party In Interest Kobeh Valley Ranch, LLC's Supplemental Appendix consists of true and correct copies of the papers in the Office of the Nevada State Engineer, Division of Water Resources, Department of Conservation and Natural Resources.

DATED this 6th day of October, 2016.

By: /s/ David H. Rigdon

PAUL G. TAGGART

Nevada State Bar No. 6136

DAVID H. RIGDON

Nevada State Bar No. 13567

TAGGART & TAGGART, LTD.

108 N. Minnesota St.

Carson City, NV 89703

(775) 882-9900

Paul@LegalTNT.com

David@LegalTNT.com

*Attorneys for Appellant Kobeh Valley  
Ranch, LLC*



### **CERTIFICATE OF SERVICE**

Pursuant to NRAP 25(c)(1), I hereby certify that I am an employee of TAGGART & TAGGART, LTD, and that on this date, I caused the foregoing document to be served on all parties to this action by electronic filing to:

Karen A. Peterson, Esq.  
Dawn Ellerbrock, Esq.  
Kyle A. Winter, Esq.  
Allison, Mackenzie, Ltd.  
P.O. Box 646  
Carson City, NV 89701

Micheline Fairbank, Esq.  
Nevada Attorney General's Office  
100 N. Carson St.  
Carson City, NV 89701

Laura A. Schroeder, Esq.  
Therese A. Ure, Esq.  
Schroeder Law Offices, P.C.  
440 Marsh Ave.  
Reno, NV 89509

Theodore Beutel, Esq.  
Eureka County District Attorney  
P.O. Box 190  
Eureka, NV 89316

DATED this 6<sup>th</sup> day of October, 2016.

/s/ Sarah Hope  
Employee of TAGGART & TAGGART, LTD.

# THE STATE OF NEVADA

## CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS, Fred Bartine has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from An underground source through ditches for Irrigation and domestic

purposes. The point of diversion of water from the source is as follows: In the SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 17, Township 19 N., Range 50 E., M.D.B. & M., or at a point from which the N.W. Corner of Section 19, Township 19 N., Range 50 E., bears S. 75° 05' W., 10,906 feet, situated in Eureka County, State of Nevada.

Now Know YE, That the State Engineer, under the provisions of Section 72, Chapter 128, Statutes of 1931 has determined the date, source, purpose and amount of such appropriation; together with the place to which such water is appurtenant, as follows:

Name of appropriator Fred Bartine  
 Post-office address Eureka, Nevada  
 Amount of appropriation 0.6554 c.f.s. or 474 acre-feet per year  
 Period of use, from January 1st to December 31st of each year  
 Date of priority of appropriation July 25, 1933

Description of lands to which water is appurtenant:-  
18.47 acres in the SE $\frac{1}{4}$  NE $\frac{1}{4}$  of Section 17, Township 19 N., Range 50 E., M.D.B. & M.  
6.64 acres in the NE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 17, Township 19 N., Range 50 E., M.D.B. & M.  
1.22 acres in the NW $\frac{1}{4}$  SW $\frac{1}{4}$  of Section 16, Township 19 N., Range 50 E., M.D.B. & M.  
39.21 acres in the SW $\frac{1}{4}$  NW $\frac{1}{4}$  of Section 16, Township 19 N., Range 50 E., M.D.B. & M.  
65.54 acres total

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

IN TESTIMONY WHEREOF, I Alfred Merritt Smith, State Engineer

of Nevada, have hereunto set my hand and the seal of my office, this 31st day of March, A. D. 1944.

*Alfred Merritt Smith*  
 State Engineer.

Recorded Serial 3, 1944, B & B, 114, Page 136.  
 Eureka County Records  
 Compared RMA-CI

# THE STATE OF NEVADA

## CERTIFICATE OF APPROPRIATION OF WATER

WHEREAS, Fred Bartine has presented to the State Engineer of the State of Nevada Proof of Application of Water to Beneficial Use, from Underground Sources (Bartine Wells Nos. 2 and 3) through ditches for Irrigation and domestic

purposes. The point of diversion of water from the source is as follows: In the NE 1/4 Sec. 17 and SW 1/4 NW 1/4 Sec. 16, T. 19 N., R. 50 E., M.D.M. or at points from which the NW corner of said Section 16 bears N. 83° 59' E., 429 feet and S. 43° 48' E., 812 feet situated in Eureka County, State of Nevada.

Now KNOW YE, That the State Engineer, under the provisions of Section 72, Chapter 46, Statutes of 1937 has determined the date, source, purpose and amount of such appropriation, together with the place to which such water is appurtenant, as follows:

Name of appropriator Fred Bartine

Post-office address Eureka, Nevada

Amount of appropriation 0.78 c.f.s. or 330.5 acre feet per season

Period of use, from April 1st to November 1st of each year

Date of priority of appropriation February 25, 1904

Description of Lands to which water is appurtenant:

<u>0.93 Acres in the SE SE Section 9, T. 19 N., R. 50 E., M. D. M.</u>
<u>10.21 " " " SW SE " " " " "</u>
<u>9.76 " " " SW SW " 10 " " "</u>
<u>16.42 " " " NE NW " 15 " " "</u>
<u>18.33 " " " NW NW " " " " "</u>
<u>18.38 " " " NW NW " 16 " " "</u>
<u>32.76 " " " NE NW " " " " "</u>
<u>8.16 " " " SE NW " " " " "</u>
<u>21.10 " " " NW NE " " " " "</u>
<u>136.05 Acres Total</u>

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

IN TESTIMONY WHEREOF, I, ALFRED MERRITT SMITH, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this

26th day of July, A. D. 1945

*Alfred Merritt Smith*  
State Engineer.

## Maps and Due Dates

Application: [35866](#) | Status: PERMIT | Certificate: None | [Start new search](#)

### Due Dates

<b>Filing Date:</b>	09/11/1978	<b>Priority Date:</b>	05/30/1997	<b>Return Date:</b>	
<b>Sent for Publication:</b>	12/04/1978	<b>Last Publication:</b>	01/10/1979	<b>Ready for Action:</b>	03/02/1979
<b>Permit Date:</b>	07/16/1979	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	04/01/1997	<b>Cancellation Rescind:</b>	10/17/1997
<b>Denied Date:</b>					

### Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">26722</a>	09/28/1972	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

### Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 02/16/1982		03/12/1982	Y	
<b>PBU:</b> 10/17/2016			Y	

### Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

Nº 35866

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

Date of filing in State Engineer's Office. SEP 11 1978 NEW PRIORITY DATE: MAY 30 1997

Returned to applicant for correction.....

Corrected application filed.....

Map filed Sept. 28, 1972 under 26722

The applicant Gwendolyn

222 E. Tuolumne Rd., of Turlock,  
Street and No. or P.O. Box No. City or Town

Calif. 95380, hereby make application for permission to appropriate the public  
State and Zip Code No.

waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

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

2. The amount of water applied for is 5.4 cfs second-foot  
One second-foot equals 448.83 gals. per min.

(a) If stored in reservoir give number of acre-feet.....acre-feet

3. The water to be used for Irrigation and Domestic  
Irrigation, power, mining, manufacturing, domestic, or other use.

4. If use is for:

(a) Irrigation (state number of acres to be irrigated) 320 acres

(b) Stockwater (state number and kinds of animals to be watered).....

(c) Other use (describe fully under "No. 12. Remarks").....

(d) Power:

(1) Horsepower developed.....

(2) Point of return of water to stream.....

5. The water is to be diverted from its source at the following point: SW $\frac{1}{4}$ SW $\frac{1}{4}$  sec. 16, T19N,  
R47E, MDB&M or at a point from which the W $\frac{1}{4}$  corner of said section  
Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land,  
16 bears N 4° 04' 42" W, a distance of 1423.52 feet.  
it should be stated.

6. Place of use S $\frac{1}{2}$ S $\frac{1}{2}$  section 16 & N $\frac{1}{2}$ N $\frac{1}{2}$  section 21, all in T19N, R47E,  
Describe by legal subdivision, if on unsurveyed land it should be so stated.  
MDB&M.

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

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled well, pump & irrigation system

State manner in which water is to be diverted, whether by dam or other works, whether through pipes, ditches, flumes, or other conduits.



9. Estimated cost of works.....drilling well, approx. cost \$10,000.....
10. Estimated time required to construct works.....by March 6th, 1980.....
11. Estimated time required to complete the application to beneficial use.....(5) five years.....
12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

.....Use map 26722 to support this application.....

Applicant s/ Gwendolyn Smith.....

By s/ Gwen Smith  
222 E. Tuolumne Rd.  
Turlock, Calif. 95380

Compared lp/ga.....jm/dh.....

APPROVAL OF STATE ENGINEER

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

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

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 5.4 cubic feet per second, but not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Actual construction work shall begin on or before January 16, 1980.

Proof of commencement of work shall be filed before February 16, 1980.

Work must be prosecuted with reasonable diligence and be completed on or before January 16, 1981.

Proof of completion of work shall be filed before February 16, 1981.

Application of water to beneficial use shall be made on or before January 16, 1984.

Proof of the application of water to beneficial use shall be filed on or before February 16, 1984.

Map in support of proof of beneficial use shall be filed on or before February 16, 1984.

Commencement of work filed MAR 14 1980

Completion of work filed MAR 12 1982

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

Recorded Bk. Page

IN TESTIMONY WHEREOF, I, WILLIAM J. NEWMAN  
State Engineer of Nevada, have hereunto set my hand and the seal of  
my office, this 16th day of JULY

A.D. 19 79

CANCELLED APR - 1 1987

OF FAILURE TO COMPLY WITH THE PROVISIONS OF PERMIT

State Engineer

Abrogated By 218 (Rev.) Int 646163.50

ENGINEER Can. Rescinded 10-17-97

KVR SUPP000005

# Maps and Due Dates

Application: [64616](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	11/16/1998	<b>Priority Date:</b>	05/30/1997	<b>Return Date:</b>	
<b>Sent for Publication:</b>	12/18/1998	<b>Last Publication:</b>	01/21/1999	<b>Ready for Action:</b>	02/20/1999
<b>Permit Date:</b>	08/06/1999	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">64616</a>	11/16/1998	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 10/17/2016			Y	
<b>PBU:</b> 10/17/2016			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	Y	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>		<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>		<b>Other Date:</b>	<b>Reporting Required:</b>		
<b>Remarks:</b>					

NO. 64616

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 NOV 16 1998  
Returned to applicant for correction \_\_\_\_\_  
Corrected application filed \_\_\_\_\_  
Map filed NOV 16 1998

\*\*\*\*\*

The applicant **Ronald W. and Gwendolyn F. Smith**, hereby makes application for permission to change the **point of diversion of a portion of water heretofore appropriated under permit #35866**

\*\*\*\*\*

1. The source of water is **Underground**
2. The amount of water to be changed **3.5 c.f.s.**
3. The water to be used for **irrigation & domestic**
4. The water heretofore permitted for **irrigation & domestic**
5. The water is to be diverted at the following point **within the NE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 21, T.19 N., R.47 E., M.D.M., from which the NE corner of said section 21 bears N. 0°54'E., 1,280 ft. dist.**
6. The existing permitted point of diversion is located **within within the SW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 16, T.19 N., R.47 E., M.D.M., from which the W $\frac{1}{4}$  section corner of said section 16 bears N. 4°04'42"W., 1,423.52 ft. dist.**
7. Proposed place of use **S $\frac{1}{2}$ S $\frac{1}{2}$  Section 16 and N $\frac{1}{2}$ N $\frac{1}{2}$  Section 21, T.19N., R.47E., M.D.M.**
8. Existing place of use **S $\frac{1}{2}$ S $\frac{1}{2}$  Section 16 and N $\frac{1}{2}$ N $\frac{1}{2}$  Section 21, T.19 N., R.47 E., M.D.M.**
9. Use will be from **January 1 to December 31** of each year.
10. Use was permitted from **January 1 to December 31** of each year.
11. Description of proposed works **drilled and cased well, pump, irrigation piping across lands to be irrigated.**
12. Estimated cost of works **\$25,000.00**
13. Estimated time required to construct works **two years**
14. Estimated time required to complete the application of water to beneficial use **three years**
15. Remarks:

By **s/William A. Nisbet, Agent**  
421 Court Street  
Elko, Nevada 89801

Compared dl/cms dl/cmf

Protested \_\_\_\_\_



\*\*\*\*\*

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 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 measuring device must be installed in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. 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.

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 35866 and 64616 shall not exceed 1,280.0 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.

(CONTINUED ON PAGE 3)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.50 cubic feet per second, and not to exceed a yearly duty of 4.0 acre-feet per acre of land irrigated from any and/or all sources.

Work must be prosecuted with reasonable diligence and be completed on or before:

September 17, 2000

Proof of completion of work shall be filed before:

October 17, 2000

Water must be placed to beneficial use on or before:

September 17, 2001

Proof of the application of water to beneficial use shall be filed on or before:

October 17, 2001

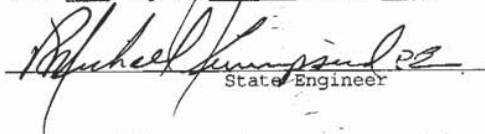
Map in support of proof of beneficial use shall be filed on or before:

October 17, 2001

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.,

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

this 6th day of August, A.D. 1999

  
State Engineer

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

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

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

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



# Maps and Due Dates

Application: [54093](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	10/17/1989	<b>Priority Date:</b>	10/17/1989	<b>Return Date:</b>	12/07/1989
<b>Sent for Publication:</b>	12/27/1989	<b>Last Publication:</b>	02/08/1990	<b>Ready for Action:</b>	03/10/1990
<b>Permit Date:</b>	05/16/1990	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">54093</a>	12/19/1989	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/27/2017			Y	
<b>PBU:</b> 07/27/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>	<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>	<b>Other Date:</b>	<b>Reporting Required:</b> M		
<b>Remarks:</b>				

AMENDED

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

Date of filing in State Engineer's Office.....OCT 17 1989  
 Returned to applicant for correction.....DEC 7 1989  
 Corrected application filed.....DEC 19 1989  
 Map filed.....DEC 19 1989

The applicant.....Atlas Gold Mining Inc.  
P.O. Box 282, of.....Eureka,  
Street and No. or P.O. Box No. City or Town  
Nevada 89316, hereby make.... application for permission to appropriate the public  
State and Zip Code No.  
 waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a  
 copartnership or association, give names of members.).....

1. The source of the proposed appropriation is.....underground  
Name of stream, lake, spring, underground or other source
2. The amount of water applied for is.....1.0.....second-feet  
One second-foot equals 448.83 gals. per min.  
 (a) If stored in reservoir give number of acre-feet.....
3. The water to be used for.....Mining, Milling & Domestic  
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated.....
  - (b) Stockwater, state number and kinds of animals to be watered.....
  - (c) Other use (describe fully under "No. 12. Remarks").....
  - (d) Power:
    - (1) Horsepower developed.....
    - (2) Point of return of water to stream.....
5. The water is to be diverted from its source at the following point.....NE 1/4 SW 1/4, Section 35, T.22N., R.50E.,  
Describe as being within a 40-acre subdivision of public  
MDB&M, or at a point from which the SW corner of Section 34, T.22N., R.50E., MDB&M  
survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
bears S.75° 27' 18" W., a distance of 8,022.03 feet.
6. Place of use.....portions of the following sections and as shown on supporting map  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.  
Sections 25, 26, T.22N., R.49E., MDB&M and sections 2,3,4,9,10,11,14,15,21,22,  
27,28,29, and 30, T.22N., R.50E., MDB&M and Sections 33 & 34 T.23N., R.50E.,  
MDB&M
7. Use will begin about.....January 1.....and end about.....December 31....., of each year.  
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and  
 specifications of your diversion or storage works.).....well, pump and distribution system  
State manner in which water is to be diverted, i.e. diversion structure, ditches and  
 flumes, drilled well with pump and motor, etc.
9. Estimated cost of works.....\$100,000

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

David Carlson  
By s/David Carlson  
Hydro-Search, Inc. 5250 S. Virginia Suite 280  
Reno, Nevada 89502

Protested.....

*Michael J. Kumpinski, P.E.*  
State Engineer

## (PERMIT TERMS CONTINUED)

The total combined duty of water under Permits 48444, 49162, 51918, 51919, 52196, 52197, 52768, 54093 and 54094 shall not exceed 452.8 million gallons 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.

Monthly reports of water use and any static water level measurements from each well shall be submitted to the State Engineer by the permittee.





# Maps and Due Dates

Application: [54094](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	10/17/1989	<b>Priority Date:</b>	10/17/1989	<b>Return Date:</b>	12/07/1989
<b>Sent for Publication:</b>	12/27/1989	<b>Last Publication:</b>	02/08/1990	<b>Ready for Action:</b>	03/10/1990
<b>Permit Date:</b>	05/18/1990	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>		<b>Cancellation Rescind:</b>	
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">54093</a>	12/19/1989	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/27/2017			Y	
<b>PBU:</b> 07/27/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>	<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>	<b>Other Date:</b>	<b>Reporting Required:</b> M		
<b>Remarks:</b>				

## AMENDED

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

Date of filing in State Engineer's Office OCT 17 1989  
 Returned to applicant for correction DEC 7 1989  
 Corrected application filed DEC 19 1989  
 Map filed DEC 19 1989 under 54093

The applicant Atlas Gold Mining Inc.  
P.O. Box 282, of Eureka,  
Street and No. or P.O. Box No. City or Town  
Nevada 89316, hereby make application for permission to appropriate the public  
State and Zip Code No.  
 waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a  
 copartnership or association, give names of members.)

1. The source of the proposed appropriation is underground  
Name of stream, lake, spring, underground or other source
2. The amount of water applied for is 1.0 second-feet  
One second-foot equals 448.83 gals. per min.  
 (a) If stored in reservoir give number of acre-feet
3. The water to be used for Mining, Milling, & Domestic  
Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.
4. If use is for:
  - (a) Irrigation, state number of acres to be irrigated
  - (b) Stockwater, state number and kinds of animals to be watered
  - (c) Other use (describe fully under "No. 12. Remarks")
  - (d) Power:
    - (1) Horsepower developed
    - (2) Point of return of water to stream
5. The water is to be diverted from its source at the following point SW $\frac{1}{4}$  SW $\frac{1}{4}$ , Section 22, T.22N., R.50E.  
Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.  
MDB&M, or at a point from which the S $\frac{1}{4}$  corner of Section 28, T.22N., R.50E., bears  
S. 27° 58' 39" W., a distance of 6,818.81 feet.
6. Place of use portions of the following sections and as shown on supporting map  
Describe by legal subdivision. If on unsurveyed land, it should be so stated.  
Sections 25, 26, T.22N., R.49E., MDB&M, and Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22,  
27, 28, 29, and 30, T.22N., R.50E., MDB&M and Sections 33 & 34 T.23N., R.50E.,  
MDB&M
7. Use will begin about January 1 and end about December 31, of each year.  
Month and Day Month and Day
8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) well, pump, and distribution system  
State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.
9. Estimated cost of works \$100,000

10. Estimated time required to construct works 2 years  
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 3 years

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

water consumption data will be submitted shortly.

David Carlson  
 By s/David Carlson  
 Hydro-Search, Inc. 5250 S. Virginia Suite 280  
 Reno, Nevada 89502

Compared bp/db bp/vw

Protested \_\_\_\_\_

APPROVAL OF STATE ENGINEER

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

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

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

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

(CONTINUED ON PAGE 2)

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 235.906 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before June 27, 1991

Proof of completion of work shall be filed on or before July 27, 1991

Application of water to beneficial use shall be made on or before June 27, 1992

Proof of the application of water to beneficial use shall be filed on or before July 27, 1992

Map in support of proof of beneficial use shall be filed on or before N/A

Completion of work filed \_\_\_\_\_ IN TESTIMONY WHEREOF, I R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my

Proof of beneficial use filed \_\_\_\_\_ office, this 18th day of May,

Cultural map filed \_\_\_\_\_ A.D. 19 90

Certificate No. \_\_\_\_\_ Issued \_\_\_\_\_ R. Michael Turnipseed, P.E.  
 State Engineer

## (PERMIT TERMS CONTINUED)

The total combined duty of water under Permits 48444, 49162, 51918, 51919, 52196, 52197, 52768, 54093 and 54094 shall not exceed 452.8 million gallons 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.

Monthly reports of water use and any static water level measurements taken shall be submitted to the State Engineer by the permittee.





# Maps and Due Dates

Application: [60281](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	07/28/1994	<b>Priority Date:</b>	02/25/2005	<b>Return Date:</b>	
<b>Sent for Publication:</b>	10/18/1994	<b>Last Publication:</b>	11/24/1994	<b>Ready for Action:</b>	12/24/1994
<b>Permit Date:</b>	04/23/1996	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	01/12/2005	<b>Cancellation Rescind:</b>	06/20/2005
<b>Denied Date:</b>					

## Maps

<b>Filed Under:</b>	<b>Date:</b>	<b>Filed Under:</b>	<b>Date:</b>
<b>Proposed POD:</b> <a href="#">48442</a>	01/04/1985	<b>Existing POD:</b>	
<b>Proposed POU:</b>		<b>Existing POU:</b>	

## Proofs of Completion and Beneficial Use

<b>Due Date:</b>	<b>Received:</b>	<b>Filed:</b>	<b>Extension Due:</b>	<b>Extension Received:</b>
<b>POC:</b> 07/27/1996		07/03/1996		
<b>PBU:</b> 05/04/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>	<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>	<b>Other Date:</b>	<b>Reporting Required:</b>	Q	
<b>Remarks:</b>				

**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**

NEW PRIORITY DATE:

Date of filing in State Engineer's Office JUL-8-8-1994 FEB25 2005

Returned to applicant for correction

Corrected application filed JUN 26 1985 Map filed under 49162The applicant Atlas Gold Mining Inc.370 Seventeenth Street, Suite 3150 of Denver

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

City or Town

Colorado 80202

State and Zip Code No.

hereby make application for permission to change the  
place of use

Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under Permit 48444

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

identify right in Decree.

1. The source of water is Underground

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

2. The amount of water to be changed 1.0 cfs and 88.84 mga

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

3. The water to be used for mining, milling and domestic

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for mining, milling and domestic

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

5. The water is to be diverted at the following point within the NW 1/4 SW 1/4 Section 27, T22N, R49E,

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

 MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M

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

bears N59° 59' 54"E a distance of 5396.67 feet.

6. The existing permitted point of diversion is located within

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

7. Proposed place of use Within Sections 22, 23, 26, 27, NE 1/4 SE 1/4 Section 28 and Section 34,  
T22N, R49E (as depicted on the map filed with the State Engineer's office on June 26, 1985, #51918); also portions of the  
following Sections 25 and 26, T22N, R49E, Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29,  
30, T22N, R50E, Sections 33 and 34, T23N, R50E, (as depicted on the map filed with the  
State Engineer's office on December 19, 1989, #54094), all on the MDB&M.

8. Existing place of use

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

Sections 22, 23, 26, 27 and Section 34, T22N, R49E, MDB&M

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

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

Month and Day

Month and Day

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

Month and Day

Month and Day

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

specifications of your diversion or storage works.) Drilled and cased well, submersible pump,

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

electric motor, pipes and distribution system.

ditches, pipes and flumes, or drilled well, etc.

12. Estimated cost of works \$345,00013. Estimated time required to construct works One Year

14. Estimated time required to complete the application of water to beneficial use..... One Year
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

Water from this source will be commingled with water from other wells owned  
by permittee. The total combined duty of water under Permits 48444, 49162,  
51918, 51919, 52196, 52197, 54093, and 54094 may not exceed 452.8 mga.

By..... S/ Ross E. de Lipkau  
P.O. Box 2790  
Reno, NV 89505

Compared CM/d.o..... cl/cmg

Protested.....

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 place of use of the waters of an underground source as heretofore granted under Permit 48444 is issued subject to the terms and conditions imposed in said Permit 48444 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.

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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0 .....cubic feet per second, but not to exceed 88.84 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 27, 1996

Proof of completion of work shall be filed before..... July 27, 1996

Application of water to beneficial use shall be made on or before..... June 27, 1997

Proof of the application of water to beneficial use shall be filed on or before..... July 27, 1997

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

Completion of work filed..... JUL 03 1996

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No..... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
State Engineer of Nevada, have hereunto set my hand and the seal of my

office, this 23rd day of April

A.D. 1986

*R. Michael Turnipseed*  
State Engineer

CANCELLED JAN 12 2005 BECAUSE OF FAILURE  
OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

STATE ENGINEER

Can. Rescinded 5/20/05 sam



(PERMIT TERMS CONTINUED)

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

Monthly records will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

# Maps and Due Dates

Application: [60282](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

<b>Filing Date:</b>	07/28/1994	<b>Priority Date:</b>	02/25/2005	<b>Return Date:</b>	
<b>Sent for Publication:</b>	10/18/1994	<b>Last Publication:</b>	11/24/1994	<b>Ready for Action:</b>	12/24/1994
<b>Permit Date:</b>	04/23/1996	<b>Withdrawn Date:</b>		<b>Forfeit Date:</b>	
<b>Cancel Portion:</b>		<b>Cancellation Date:</b>	01/12/2005	<b>Cancellation Rescind:</b>	06/20/2005
<b>Denied Date:</b>					

## Maps

Filed Under:		Date:	Filed Under:		Date:
<b>Proposed POD:</b>	<a href="#">48442</a>	01/04/1985	<b>Existing POD:</b>		
<b>Proposed POU:</b>			<b>Existing POU:</b>		

## Proofs of Completion and Beneficial Use

Due Date:	Received:	Filed:	Extension Due:	Extension Received:
<b>POC:</b> 07/27/1996		07/03/1996		
<b>PBU:</b> 05/04/2017			Y	

## Other Dates and Requirements

<b>Cultural Map Due:</b>	<b>Received:</b>	<b>Filed Under:</b>	<b>Certificate Date:</b>	
<b>Forfeiture Due Date:</b>	<b>Extension Required:</b>	<b>Forfeiture Portion:</b>	<b>Forfeiture Filed:</b>	<b>Forfeiture Filed:</b>
<b>Temporary Expiration Date:</b>	<b>Other Date:</b>	<b>Reporting Required:</b>	Q	
<b>Remarks:</b>				



**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**

-JUL-28-1994-

NEW PRIORITY DATE:  
FEB 25 2005

Date of filing in State Engineer's Office.....

Returned to applicant for correction.....

Corrected application filed..... Map filed JAN 26 1985 under 49162The applicant Atlas Gold Mining Inc.370 Seventeenth Street, Suite 3150 of Denver

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

City or Town

Colorado 80202 hereby make S. application for permission to change the

State and Zip Code No.

place of use

Point of diversion, manner of use, and/or place of use

of water heretofore appropriated under Permit 51919

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

identify right in Decree.

1. The source of water is Underground

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

2. The amount of water to be changed 1.0 cfs and 88.84 mga

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

3. The water to be used for mining, milling and domestic

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

4. The water heretofore permitted for mining, milling and domestic

Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.

5. The water is to be diverted at the following point Within the NW 1/4 SW 1/4, Section 27, T22N, R49E,

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

 MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M

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

bears N59° 59' 54"E a distance of 5396.67 feet.

6. The existing permitted point of diversion is located within.....

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

7. Proposed place of use Within Sections 22, 23, 26, 27 NE 1/4 SE 1/4, Section 28 and Section 34,

Describe by legal subdivisions. If for irrigation state number of acres to be irrigated

T22N, R49E, (as depicted on the mapfiled with the State Engineer's office on June 26, 1985, #51918); also portionsof the following Sections 25 and 26, T22N, R49E, Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22,27, 28, 29, 30, T22N, R50E, Sections 33 and 34 T23N, R50E, (as depicted on the map filedwith the State Engineer's office on December 19, 1989, #54094), all on the MDB&M.

8. Existing place of use.....

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

Sections 22, 23, 26, 27 and Section 34, T22N, R49E, MDB&M

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

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

Month and Day

Month and Day

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

Month and Day

Month and Day

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

specifications of your diversion or storage works.) Drilled and cased well, submersible pump,

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

electric motor, pipes and distribution system.

ditches, pipes and flumes, or drilled well, etc.

12. Estimated cost of works \$345,00013. Estimated time required to construct works One Year

14. Estimated time required to complete the application of water to beneficial use..... One Year.....

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

Water from this source will be commingled with water from other wells owned  
by permittee. The total combined duty of water under Permits 48444, 49162, 51918,  
51919, 52196, 52197, 54093, and 54094 may not exceed 452.8 mga.

Compared cm/ do cl/cmg By S/ Ross E. de Lipkau  
P.O. Box 2790  
Reno, NV 89505

Protested.....

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 place of use of the waters of an underground source as heretofore granted under Permit 51919 is issued subject to the terms and conditions imposed in said Permit 51919 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.

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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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

(CONTINUED ON PAGE 2)  
 The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 1.0 cubic feet per second, but not to exceed 235.906 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before June 27, 1996

Proof of completion of work shall be filed before July 27, 1996

Application of water to beneficial use shall be made on or before June 27, 1997

Proof of the application of water to beneficial use shall be filed on or before July 27, 1997

Map in support of proof of beneficial use shall be filed on or before N/A

**JUL 03 1996**  
 Completion of work filed.....  
 Proof of beneficial use filed.....  
 Cultural map filed.....  
 Certificate No. .... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
 State Engineer of Nevada, have hereunto set my hand and the seal of my  
 office, this 23rd day of April,  
 A.D. 1996

R. Michael Turnipseed, P.E.  
 State Engineer

**CANCELLED JAN 12 2005** BECAUSE OF FAILURE  
 OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

Can. Rescinded 5/20/05 STATE ENGINEER eam



(PERMIT TERMS CONTINUED)

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

Monthly records will be kept of: (1) the volume of water pumped from each well, (2) the measurement of pumping water level (drawdown) from each well, and (3) the volume of water consumptively used for mining and milling uses projectwide. These records will be submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

# Maps and Due Dates

Application: [60283](#) | Status: PERMIT | Certificate: None | [Start new search](#)

## Due Dates

Filing Date:	07/28/1994	Priority Date:	02/25/2005	Return Date:	
Sent for Publication:	10/18/1994	Last Publication:	11/24/1994	Ready for Action:	12/24/1994
Permit Date:	04/23/1996	Withdrawn Date:		Forfeit Date:	
Cancel Portion:		Cancellation Date:	01/12/2005	Cancellation Rescind:	06/20/2005
Denied Date:					

## Maps

Filed Under:	Date:	Filed Under:	Date:
Proposed POD: <a href="#">49162</a>	06/26/1985	Existing POD:	
Proposed POU:		Existing POU:	

## Proofs of Completion and Beneficial Use

Due Date:	Received:	Filed:	Extension Due:	Extension Received:
POC: 07/27/1996		07/03/1996		
PBU: 05/04/2017			Y	

## Other Dates and Requirements

Cultural Map Due:	Received:	Filed Under:	Certificate Date:	
Forfeiture Due Date:	Extension Required:	Forfeiture Portion:	Forfeiture Filed:	Forfeiture Filed:
Temporary Expiration Date:	Other Date:	Reporting Required:	Q	
Remarks:				

**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**

NEW PRIORITY DATE:  
FEB 25 2005

Returned to applicant for correction.

Corrected application filed.....Map filed.....under 49162

The applicant.....Atlas Gold Mining Inc.

370 Seventeenth Street, Suite 3150 of Denver

Colorado 80202

place of use

of water heretofore appropriated under.....Permit 49162

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

1. The source of water is Underground  
Name of stream, lake, underground spring or other source.
2. The amount of water to be changed 1.0 cfs and 88.84 mga  
Second feet, acre feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for mining, milling and domestic  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
4. The water heretofore permitted for mining, milling and domestic  
Irrigation, power, mining, industrial, etc. If for stock state number and kind of animals.
5. The water is to be diverted at the following point within the NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28, T22N, R49E,  
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.  
MDB&M, at a point from which the NE corner of Section 27, T22N, R49E, MDB&M  
bears N59<sup>0</sup> 59' 54"E a distance of 6396.67 feet.
6. The existing permitted point of diversion is located within \_\_\_\_\_  
If point of diversion is not changed, do not answer.
7. Proposed place of use within Sections 22,23,26,27, NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28 and Section 34,  
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.  
T22N, R49E; also portions of the following Sections 25 and 26, T22N, R49E,  
Sections 2,3,4,9,10,11,14,15,21,22,27,28,29,30, T22N, R50E, Sections 33 and 34,  
T23N, R50E (as depicted in the map filed with the State Engineer's office on  
December 19, 1989, #54094), all on the MDB&M
8. Existing place of use \_\_\_\_\_  
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.  
Sections 22,23,26,27 NE $\frac{1}{4}$  SE $\frac{1}{4}$  Section 28 and Section 34, T22N, R49E, MDB&M
9. Use will be from January 1 to December 31 of each year.  
Month and Day Month and Day
10. Use was permitted from January 1 to December 31 of each year.  
Month and Day Month and Day
11. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drilled and cased well, submersible pump,  
State manner in which water is to be diverted, i.e. diversion structure.  
electric motor, pipes and distribution system.  
ditches, pipes and flumes, or drilled well, etc.
12. Estimated cost of works \$345,000
13. Estimated time required to construct works One Year



14. Estimated time required to complete the application of water to beneficial use..... One Year
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use:

Water from this source will be commingled with water from other wells  
owned by permittee. The total combined duty of water under Permits 48444,  
49162, 51918, 51919, 52196, 52197, 54093, and 54094 may not exceed 452.8 mgs.

By S/ Ross E. de Lipkau  
P.O. Box 2790  
Reno, NV 89505

Compared cm/ do. cl/cm

Protested.....

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 place of use of the waters of an underground source as heretofore granted under Permit 49162 is issued subject to the terms and conditions imposed in said Permit 49162 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.

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 54093, 54094, 60281, 60282, 60283, 60284, 60285 and 60286 shall not exceed 452.8 million gallons annually.

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

(CONTINUED ON PAGE 2)

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed..... 1.0 ..... cubic feet per second, but not to exceed 88.84 million gallons annually.

Work must be prosecuted with reasonable diligence and be completed on or before..... June 27, 1996

Proof of completion of work shall be filed before..... July 27, 1996

Application of water to beneficial use shall be made on or before..... June 27, 1997

Proof of the application of water to beneficial use shall be filed on or before..... July 27, 1997

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

Completion of work filed..... JUL 03 1996

Proof of beneficial use filed.....

Cultural map filed.....

Certificate No. .... Issued.....

IN TESTIMONY WHEREOF, I, R. MICHAEL TURNIPSEED, P.E.  
State Engineer of Nevada, have hereunto set my hand and the seal of my  
office, this 23rd day of April

A.D. 1996

*R. Michael Turnipseed, P.E.*  
State Engineer

CANCELLED JAN 12 2005 BECAUSE OF FAILURE  
OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

*Turnipseed, P.E.*  
STATE ENGINEER  
Can. Rescinded 5/20/05 DDM