



THE STATE OF NEVADA

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

Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: DIAMOND VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: JANUARY 1ST TO DECEMBER 31ST
Priority Date: 06/03/1960

APPROVAL OF STATE ENGINEER

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

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

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

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

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

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

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

(Continued on Page 2)

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

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

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.02 cubic feet per second or 303.08 acre-feet annually.**

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

December 1 2012

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

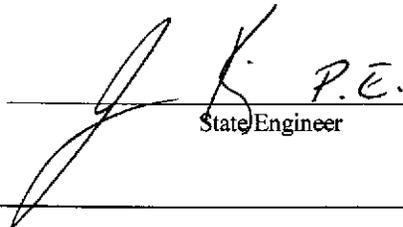
December 1 2012

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

N/A

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

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



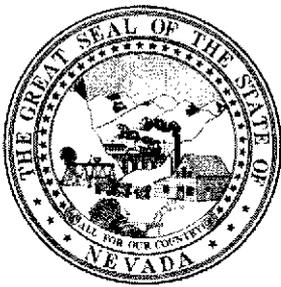
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



THE STATE OF NEVADA

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

Name of applicant: KOBEL VALLEY RANCH, LLC
Source: UNDERGROUND
Basin: DIAMOND VALLEY
Manner of Use: MINING, MILLING AND DEWATERING
Period of Use: January 1st to December 31st
Priority Date: 06/03/1960

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

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

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

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

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

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

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

(Continued on Page 2)

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

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

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

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

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 1.02 cubic feet per second or 303.08 acre-feet annually.**

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

July 21, 2012

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

July 21, 2014

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

N/A

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

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

Tracy Taylor, P.E.
State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

llb

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUN 29 2007
 Returned to applicant for correction JUL 16 2007
 Corrected application filed SEP 14 2007 Map filed SEP 14 2007 under 76005

The applicant Kobeh Valley Ranch LLC

10 North Post Street, Suite 610 of Spokane
Street and No. or P.O. Box No. City or Town

Washington 99201 hereby makes application for permission to change the
State and Zip Code No.

Point of Diversion, Place and Manner of Use

of water heretofore appropriated under Permit No. 66062
Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

and identify right in Decree.

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed 1.02 cfs, 303.08 acre feet annually
Second foot, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for Mining, milling and dewatering
Irrigation, power, mining, commercial, etc. If for stock state number and kind of animals. Must limit to one major use.

4. The water heretofore used for Irrigation and domestic
If for stock, state number and kind of animals.

5. The water is to be diverted at the following point within the SE 1/4 of the SE 1/4 of unsurveyed
Describe as being within a 40-acre subdivision of public survey and by course

Section 12, T.22N., R.51E., M.D.M., or at a point from which the west 1/4 corner of Section 13, T.22N.,
and distance to a section corner. If on unsurveyed land, it should be stated
R.51-1/2E., M.D.M. bears North 23°02'49" East a distance of 2183.38 feet.

6. The existing point of diversion is located within the SE 1/4 of the SW 1/4 of Section 13, T.23N., R.52E.,
If point of diversion is not changed, do not answer.

M.D.M., at a point from which the SW corner of said Section 13 bears South 68°40'37" West, 2140.00
feet. Refer to map supporting Applications 57835 through 57840, filed July 10, 1992, in the State
State Engineer's Office.

7. Proposed place of use

Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.

See attached Exhibit "A" and as shown on the map that accompanied Application No. 72695.

8. Existing place of use within the S 1/2 SW 1/4 of Section 12; the NE 1/4 NW 1/4 & S 1/2 NW 1/4 of

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

Section 13; the E 1/2 NW 1/4, NE 1/4, E 1/2 SW 1/4 & SE 1/4 of Section 24; the E 1/2 NW 1/4 & NE 1/4

of Section 25, all in T.23N., R.52E., M.D.M.. The W 1/2 W 1/2 Section 19 and the W 1/2 NW 1/4 of

Section 30, all in T.23N., R.53E., M.D.M.. Refer to map supporting Applications 57835 through 57840,

filed June 10, 1992, in the State Engineer's Office.

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

Month and Day

Month and Day

of each year.

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

Month and Day

Month and Day

of each year.

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

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

and mill site.

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

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

13. Estimated time required to construct works 3 years

If well completed, describe well.

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

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

See attached addendum.

(775) 358-9491

Phone No.

By

Signature of Agent, George G. Lindesmith

STATE ENGINEERS OFFICE

Tri State Surveying 1925 E. Prater Way

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

Sparks, Nevada 89434

City, State, Zip Code No.

APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

RECEIVED

\$150 FILING FEE MUST ACCOMPANY APPLICATION

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

Protested by Eureka Co 8/30/07

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

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

ADDENDUM TO ITEM 15 - "REMARKS"

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

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

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

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

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

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