



THE STATE OF NEVADA

APPLICATION TO APPROPRIATE WATER

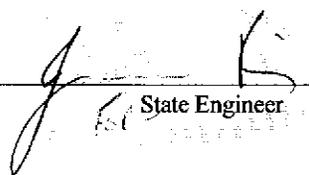
Name of applicant: **KOBEH VALLEY RANCH LLC**
Source: **UNDERGROUND**
Basin: **PINE VALLEY**
Manner of Use: **MINING AND MILLING**
Period of Use: **January 1st to December 31st**
Priority Date: **10/09/2007**

~~DENIAL OF STATE ENGINEER~~ Vacated by Court order 4/10/10

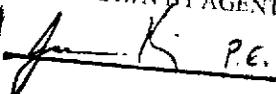
This application is hereby denied on the grounds that the Applicant did not justify the need to import water from Pine Valley; therefore, it would threaten to prove detrimental to the public interest to issue this permit.

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 26th day of March, A.D. 2009



State Engineer

WITHDRAWN BY AGENT SEP 10 2010
 P.E. STATE ENGINEER

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 OCT 09 2007

Returned to applicant for correction OCT 15 2007

Corrected application filed DEC 12 2007 Map filed DEC 12 2007

The applicant Kobeh Valley Ranch LLC

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.)

Incorporated in the State of Nevada on February 23, 2007.

1. The source of water is Underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water applied for is 1.5 cfs 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 Mining and milling
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 _____
 - (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 _____

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.

ADDENDUM TO ITEM 12 - "REMARKS"

This application, when granted, is intended to be utilized in conjunction with one other Application to Appropriate filed simultaneously herewith. These applications 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.