



THE STATE OF NEVADA

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

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

DENIAL OF STATE ENGINEER

This application is hereby denied on the grounds that the Applicant submitted invalid fees. The State Engineer in accordance with NRS. 533.345 shall deny an application that is not accompanied by the prescribed fees.

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 14th day of February, A.D. 2008

K. P. Taylor P.E.

for State Engineer

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 JAN 29 2008

Returned to applicant for correction _____

Corrected application filed _____ Map filed JUL 11 2007 under 75979

The applicant Kobeh Valley Ranch LLC

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 change the
State and Zip Code

Point of diversion Place of use Manner of use of a portion

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.)

Permit No. 64616

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 2.24 cfs, 819.24 acre-feet annually
Second feet, acre-feet. One second foot equals 448.83 gallons per minute.
3. The water to be used for Mining and milling
Irrigation, power, mining, commercial, etc. If for stock, state number and kind of animals. Must limit to one major use.
4. The water heretofore used for Irrigation and domestic
If for stock, state number and kind of animals.
5. The water is to be diverted 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 stated.)
Within the SE 1/4 of the NE 1/4 of Section 30, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of Section 31, T.22N., R.51E., M.D.M. bears South 27°21' West a distance of 9,320 feet. (Well 206) Refer to map supporting Application No. 75979.
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)

the NE 1/4 of the NE 1/4 of Section 21, T.19N., R.47E., M.D.M., or at a point from which the NE 1/4 corner of said Section 21 bears North 00°54' East a distance of 1280 feet. Refer to map supporting Application No. 64616.

130-ELI

7. Proposed place of use (Describe by legal subdivisions. If for irrigation, state number of acres to be irrigated.)

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

8. Existing place of use (Describe by legal subdivisions. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.)

See attached Exhibit "B" and as shown on the map supporting this Application. 76680

Subdivision
2/1/08

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

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

11. Description of proposed works. (Under the provision 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, pipes and flumes or drilled well, pump and motor, etc.)

Drilled well, pump and pipelines or truck to mine and mill site.

12. Estimated cost of works \$3,000,000.00

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

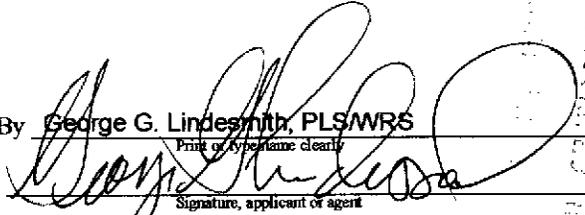
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):
(Failure to provide a detailed description may cause a delay in processing.)

See attached addendum.

16. Miscellaneous remarks:

(775) 358-9491
Phone No.

GLindesmith@TriStateLtd.com
E-mail

By George G. Lindesmith, PLS/WRS
Print or type name clearly

Signature, applicant or agent
Tri State Surveying Ltd.
Company Name
1925 E. Prater Way
Street Address or P.O. Box
Sparks, NV 89434
City, State, Zip Code

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

\$150 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

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.

EXHIBIT "B"

Item #8, EXISTING PLACE OF USE UNDER PERMIT 64616

Legal Description				
Twp.	Rng.	Section	1/4 1/4	Acres
19N.	47E.	16	SW SW	40.00
19N.	47E.	16	NW SE SW	10.00
19N.	47E.	16	SW SE SW	10.00
19N.	47E.	16	NE SE SW	10.00
19N.	47E.	16	N1/2 SW SE	20.00
19N.	47E.	16	SE SE	40.00
19N.	47E.	21	NW NW	40.00
19N.	47E.	21	NW NE NW	10.00
19N.	47E.	21	SW NE NW	10.00
19N.	47E.	21	SE NE NW	10.00
19N.	47E.	21	NW NE	4.81
				204.81

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.