



AMENDED

THE STATE OF NEVADA

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

Name of Permittee: 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

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 76803 is issued subject to the terms and conditions imposed in said Permit 76803 and with the understanding that no other rights on the source will be affected by the change proposed herein. This well shall be equipped with a two (2) inch opening for measuring depth to water and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the proof of completion of work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. This source is located within an area designated by the State Engineer pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

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

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

Permits 76008, 76802, 76803, 76804, 76805 and 78424 are approved for a total combined duty of 616.00 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.00 acre-feet, can be diverted annually. Additional diversion up to the total 616.00 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.00 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

(Continued on Page 2)

The total combined consumptive duty of water under Permits, 75996, 75997, 75998, 75999, 76000, 76001, 76002, 76003, 76004, 76745, 76746, 76989 and 76990 in Kobeh Valley and Permits 76008, 76802, 76803, 76804, 76805 and 78424 in Diamond Valley shall not exceed 5,007.64 acre-feet annually.

The total combined duty of water under Permits 73548, 73549, 73550, 79911, 79912, 79914, 79916, 79918, 79919, 79922, 79924, 79925, 79928, 79929, 79930, 79931, 79933, 79936, 79937, 79938, 79939 and 79940 in Kobeh Valley shall not exceed 6,292.36 acre-feet annually.

The total combined duty of the above listed permits shall not exceed 11,300 acre-feet annually.

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

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

This permit is approved for the entire 57.5 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 35.94 acre-feet, can be diverted annually. Additional diversion up to the total 57.5 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 35.94 acre-feet to be exceeded.

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

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.1525 cubic feet per second or 57.5 acre-feet annually.**

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

December 14, 2013

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

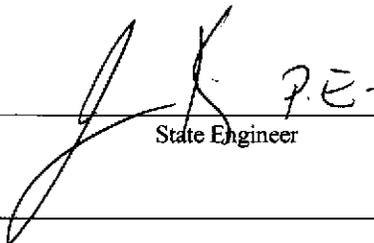
December 14, 2016

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

N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 4th day of **January, 2012**



State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____



See Amended

THE STATE OF NEVADA

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Name of Permittee: KOBEB VALLEY RANCH, LLC
Source: UNDERGROUND
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This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

Permits 76008, 76802, 76803, 76804, 76805 and 78424 are approved for a total combined duty of 616.00 acre-feet annually. However, pursuant to NRS 533.3703, initially only the net consumptive use amount, 385.00 acre-feet, can be diverted annually. Additional diversion up to the total 616.00 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 385.00 acre-feet to be exceeded. The place of use of these permits is limited to the Diamond Valley Hydrographic Basin (153).

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

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

(Continued on Page 2)

Permit 76008 is approved for the entire 57.5 acre-feet annually as requested. However, pursuant to NRS 533.3703, initially only the net consumptive use amount of the base right, 35.94 acre-feet, can be diverted annually. Additional diversion up to the total 57.5 acre-feet may be granted if it can be shown that the additional diversion will not cause the consumptive use of 35.94 acre-feet to be exceeded.

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

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, **and not to exceed 0.1525 cubic feet per second or 57.5 acre-feet annually.**

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

December 14 2013

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

December 14 2016

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

N/A

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

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 14th day of **December**, A.D. **2011**

Jason King
for State Engineer P.E.

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

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

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office APR 30 2009

Returned to applicant for correction _____

Corrected application filed _____ Map filed APR 30 2009

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.)

Application No. 76803

1. The source of water is underground
Name of stream, lake, underground, spring or other sources.
2. The amount of water to be changed 0.1525 cfs, 57.50 acre-feet annually
Second feet, 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 Mining, milling and dewatering
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 NW 1/4 of the SE 1/4 of Section 12, T.22N., R.51-1/2E., M.D.M., or at a point from which the northeast corner of Section 1, T.22N., R.51E., M.D.M. bears North 32°43' West a distance of 3,145 feet. (Well GMI-PDT-3)
6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
Within the NW 1/4 of the SE 1/4 of Section 12, T.22N., R.51.5E., M.D.M., or at a point from which the northeast corner of Section 1, T.22N., R.51E., M.D.M. bears North 27°05'08" West a distance of 2,752.05 feet. (Well P76803)

ISS-EL

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.)

Place of Use is not changed.

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 number 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

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

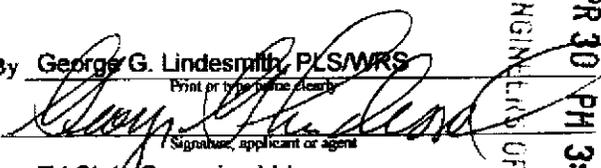
15. Provide a detailed description of the proposed project and its water usage (use attachments if necessary):
(Failure to provide a detailed description may cause a delay in processing.)

See attached addendum.

16. Miscellaneous remarks:

(775) 358-9491
Phone No.

glindesmith@tristateld.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

RECEIVED
2009 APR 30 PM 3:49
STATE ENGINEERING OFFICE

**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.

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.