

**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	<b>OCT 28 2015</b>
Returned to applicant for correction	June 15 2010 Under 79911
Corrected Application filed	Map filed

The applicant Kobeh Valley Ranch LLC (c/o General Moly, Inc.)

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 the  
State and ZIP Code

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.)

February 23, 2007, Nevada

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

2. The amount of water applied for is 3.0 cfs or 2,000 afa  
One second foot equals 448.83 gallons per minute.

(a) If stored in a reservoir give the number of acre-feet \_\_\_\_\_

3. The water is to be used for mining, milling and domestic  
Irrigation, power, mining, commercial, domestic or other use. Must be limited 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 \_\_\_\_\_

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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.)

within the SE 1/4 of the SE 1/4 of Section 32, T.21N., R.50E., M.D.B.&M., at a point from which the northeast corner of said Section 24, T.21N., R.50E., M.D.B.&M. bears North 53°58' East a distance of 26,640 feet. Well 227 as shown on the map accompanying Application 79911.

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6. Place of use: (Describe by legal subdivision. If on unsurveyed land, it should be so stated)

See Exhibit A attached hereto.

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 a pump and motor, etc.)

Drilled and cased well, electrical motor and submersible pump, and pipelines comprising distribution system to mine and mill site.

9. Estimated cost of works: \$3,000,000

10. Estimated time required to construct works: 3 years

(If the well is complete, describe works.)

11. Estimated time required to complete the application of water to beneficial use: 5 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.)

See Exhibit B attached hereto.

13. Miscellaneous remarks:

See Exhibit C attached hereto.

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rdelipkau@parsonsbehle.com

E-mail Address

775-323-1601

Phone No.

Ext.

APPLICATION MUST BE SIGNED  
BY THE APPLICANT OR AGENT

Ross E. de Lipkau

Ross E. de Lipkau  
Signature, applicant or agent

Parsons Behle & Latimer

Company Name

50 W. Liberty St., Suite 750

Street Address or PO Box

Reno, NV 89501

City, State, ZIP Code

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

Division	Section	Township	Range	Meridian
W 1/2	2	20N	50E	M.D.M.
All	3-5	20N	50E	M.D.M.
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.
S 1/2	32 & 33	21N	50E	M.D.M.
All	1-36	21N	51E	M.D.M.
All	5-8	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	20-36	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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**Exhibit B****Remarks**

This application is being filed, together with a series of additional applications, to set forth the new or amended points of diversion, as more fully set forth in the Hydrogeology and Numerical Flow Modeling Report dated April, 2010, prepared by Eureka Moly, and submitted to the Bureau of Land Management. The well, pursuant to this application, shall be utilized for construction purposes. The applicant intends, at the conclusion of construction, to change the point of diversion of this application to a production well.

Groundwater will be developed from the Kobeh Valley Groundwater Basin, through a series of production wells. Water will be conveyed to a storage reservoir via a booster pumping station. Water from the storage reservoir will be conveyed to the reduction plant or mill, located within the Diamond Valley drainage basin. After the water is placed to a beneficial use within the reduction plant, a portion of the water will be diverted to a recycling pond, with such water returned to the storage reservoir. The vast majority of water will be carried via the tailings leaving the reduction plant, and will be placed in a tailings pond, located within Kobeh Valley. Thus, the majority of water consumption will take place in Kobeh Valley, and not Diamond Valley.

The total volume of water to be consumed, being the total combined duty of all applications filed herewith shall not exceed 11,300 acre-feet annually. The contemplated mine life, as currently best determined, is 44 years, commencing upon start up or commencement of the mine and works of reduction.

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Exhibit C

**Miscellaneous Remarks**

This application, along with other related applications being filed contemporaneously herewith, are being filed provisionally. Kobey Valley Ranch, LLC ("KVR") believes that the correct course of action following the Nevada Supreme Court's September 18, 2015 Order on the appeal from State Engineer Ruling 6127 is for the District Court to remand the case to the State Engineer and for the State Engineer to conduct further hearings on the applications at issue in Ruling 6127. If those applications are determined by the District Court or the State Engineer to have been denied on account of the Supreme Court Order, then KVR will pursue these new applications. If, however, the State Engineer reopens the hearing for further action on the applications at issue in Ruling 6127, then the new applications will be withdrawn.

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