

85580

Application No. \_\_\_\_\_

**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 _____      |                          |
| Corrected Application filed _____               | June 15 2010 Under 79911 |
|   | Map filed _____          |

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

1726 Cole Blvd., Suite 115

Street Address or P.O. Box

of Lakewood

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.)

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 NW 1/4 of the NW 1/4 of Section 12, T.21N., R.50E., M.D.M., at a point from which the northeast corner of Section 1, T.21N., R.50E., M.D.M. bears North 36°57' East a distance of 8,170 feet. Well Po0\_1 as shown on the map accompanying Application 79911.

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

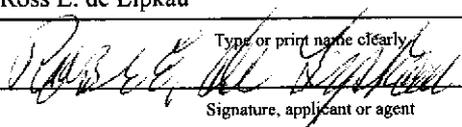
Ross E. de Lipkau  
Type or print name clearly  
  
Signature, applicant or agent  
Parsons Behle & Latimer  
Company Name  
50 W. Liberty St., Suite 750  
Street Address or PO Box  
Reno, NV 89501  
City, State, ZIP Code

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      | 20-30 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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