Application No. 85591

# 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 OCT 28 2015

Returned to applicant for correction

Corrected application filed Map filed June 15 2010 Under 79911

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

1726 Cole Blvd., Suite 115 (Street Address or PO Box) of Lakewood (City or Town)

Colorado 80401 (State and ZIP Code) hereby make(s) application for permission to change the

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

of water heretofore appropriated under (Identify existing rights by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree and identify right in Decree.)

Permit 60283

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

2. The amount of water to be changed 1.0 cfs or 272.64 afa
   Second feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for mining, milling and domestic
   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 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 NW 1/4 of the NE 1/4 of Section 31, T.22N., R.51E., M.D.M., or at a point from which the southwest corner of said Section 31 bears South 32°56' West a distance of 5374 feet. Well 229 as shown on the map supporting Application 79911.

6. The existing point of diversion is located within (If point of diversion is not changed, do not answer.)
   within the NE 1/4 SE 1/4 Section 28, T.22N., R.49E., M.D.B.&M., at a point from which the northeast corner of Section 27, T.22N., R.49E., M.D.M.&M., bears North 59°59'54" East a distance of 6396.67 feet. See map filed under 49162.

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

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.)
within Sections 22, 23, 26, 27, NE 1/4 S/E 14 Section 28, Section 34, T.22N., R.49E.; also portions of the following Sections 25 and 26, T.22N., R.49E., Sections 2, 3, 4, 9, 10, 11, 14, 15, 21, 22, 27, 28, 29 and 30, T.22N., R.50E., Sections 33 and 34, T.23N., R.50E. (as depicted on the map filed with the State Engineer's office on December 19, 1989, under application 54093). *MAP UNDER PERMIT 49162. CMT 11/14/15.

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

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

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

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 Exhibit B attached hereto.

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16. Miscellaneous remarks:
See Exhibit C attached hereto.


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775-323-1601
Phone No. Ext.

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


APPLICATION MUST BE SIGNED BY THE APPLICANT OR AGENT

Revised 07/13 $240 FILING FEE AND SUPPORTING MAP MUST ACCOMPANY APPLICATION

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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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