

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 27 2016
Returned to applicant for correction
Corrected application filed Map filed June 15, 2010 Under 79911

The applicant Kobeh Valley Ranch, LLC, a Nevada limited liability company
1726 Cole Blvd, Suite 115 of Lakewood
Colorado 80401
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 78273

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- 1. The source of water is underground
2. The amount of water to be changed 6 cfs, 4,344 afa
3. The water to be used for mining, milling and domestic
4. The water heretofore used for irrigation and domestic
5. The water is to be diverted at the following point...
6. The existing point of diversion is located within...

10-139
Ev

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.)

S 1/2 Section 15; S 1/2 N 1/2, a portion of the NW 1/4 NE 1/4 (35.19 ac), NE 1/4 NE 1/4, N 1/2 S 1/2 Section 21; N 1/2, SW 1/4 Section 22; N 1/2 Section 23; NW 1/4 Section 24; all in T.19N., R.47E., MDB&M. See map filed under Permit 72580.

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

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

13. Estimated time required to construct works 5 years

If well completed, describe well.

14. Estimated time required to complete the application of water to beneficial use 10 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

Paul@legaltnt.com
E-mail Address
(775) 882-9900
Phone No. Ext.

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

Paul G. Taggart, Esq.
Type or print name clearly
Paul G. Taggart
Signature, applicant or agent
Taggart & Taggart, Ltd.
Company Name
108 N. Minnesota Street
Street Address or PO Box
Carson City, NV 89703
City, State, ZIP Code

86158

EXHIBIT "A",
PROPOSED PLACE OF USE

See map filed in support of Application 79911 for proposed Place of Use.

Division	Section	Township	Range	Meridian
W½	2	20N	50E	MDB&M
All	3 - 5	20N	50E	MDB&M
All	1 - 3	21N	50E	MDB&M
All	10 - 15	21N	50E	MDB&M
All	22 - 27	21N	50E	MDB&M
All	34 - 36	21N	50E	MDB&M
S½	32 & 33	21N	50E	MDB&M
All	1 - 36	21N	51E	MDB&M
All	5 - 8	21N	52E	MDB&M
All	18 & 19	21N	52E	MDB&M
All	30 & 31	21N	52E	MDB&M
All	36	21½N	51½E	MDB&M
All	31 - 36	21½N	52E	MDB&M
All	34 - 36	22N	50E	MDB&M
All	1 - 3	22N	51E	MDB&M
All	10 - 15	22N	51E	MDB&M
All	20 - 36	22N	51E	MDB&M
All	1	22N	51½E	MDB&M
All	12 & 13	22N	51½E	MDB&M
All	24 & 25	22N	51½E	MDB&M
All	36	22N	51½E	MDB&M
All	1 - 36	22N	52E	MDB&M
All	6 & 7	22N	53E	MDB&M
All	18 & 19	22N	53E	MDB&M
All	30 & 31	22N	53E	MDB&M
All	34 - 36	23N	51E	MDB&M
All	31	21½N	53E	MDB&M

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Exhibit B
Remarks

This application is being filed to be used in conjunction with other applications to change filed simultaneously herewith from Kobeh and Diamond Valleys and those previously filed under Applications 85575, 85577, 85579, 85581, 85582, 85584, 85585, 85586, 85589, 85591, 85592, 85593, 85594, 85596, 85597, 85598, 85599, and 85603 in Kobeh Valley. The total combined duty of all the change applications will not exceed the consumptive use of 11,678.18 acre feet.

The points of diversion are 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.

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 11,678.18 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

Kobeh 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. However, the Applications approved in Ruling 6127 are currently denied, which decision is under appeal.

The four change applications changing Permits 78272 through 78275 are being filed to replace the new appropriation for mining use that were approved in Ruling 6127. If the new appropriations under Ruling 6127 are later reinstated, the four change applications may be withdrawn to the base right, or changed by a new change application, to return the water to irrigation use as permitted under Permits 78272 through 78275.

The total combined duty of the four change applications changing Permits 78272 through 78275 is not to exceed 6,337.32 acre feet with a consumptive duty not to exceed 4,277.691 acre feet.

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