IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

FILED
FEB 14 2006
STATE ENGINEER'S OFFICE

IN THE MATTER OF APPLICATION NUMBER 72697

FILED BY IDAHO GENERAL MINES, INC.

ON MAY 3, 2005, TO APPROPRIATE THE

WATERS OF UNDERGROUND (EUREKA COUNTY)

} PROTEST

Comes now, EUREKA COUNTY
Printed or typed name of protestant

whose post office address is P.O. BOX 677, EUREKA, NEVADA 89316
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation is POLITICAL SUBDIVISION and protests the granting

of Application Number 72697, filed on MAY 3, 2005

by IDAHO GENERAL MINES, INC. to appropriate the

waters of UNDERGROUND situated in EUREKA
Underground or name of stream, lake, spring or other source

County, State of Nevada, for the following reasons and on the following grounds, to wit:

SEE EXHIBIT "A" ATTACHED

THEREFORE the Protestant requests that the application be DENIED
Denied, issued subject to prior rights, etc., as the case may be

and that an order be entered for such relief as the State Engineer deems just and proper.

Signed Donna Bailey
Agent or protestant

DONNA BAILEY, CHAIRMAN, COUNTY COMMISSIONERS
Printed or typed name, if agent

Address. PO BOX 677
Street No. or P.O. Box No.

EUREKA, NEVADA 89316
City, State and Zip Code No.

Subscribed and sworn to before me this 14th day of FEBRUARY, 2006

Virginia O'Neill
Notary Public

Notary Public - State of Nevada
County of Carson City
VIRGINIA O'NEILL
My Appointment Expires
March 17, 2008
92-0842-3

State of Nevada

County of Carson City

$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Exhibit A

Eureka County Protests to Idaho General Mines, Inc. Application Nos. 72695, 72696, 72697, 72698, 73545, 73546, 73547, 73548, 73549, 73550, 73551 and 73552

1. Kobeh Valley is a designated basin per NRS 534.050. The perennial yield of the basin is 16,000 acre-feet annually. Existing ground water use in the basin totals approximately 17,741 acre-feet per year. Granting the applications will cause the basin to be further over appropriated and subject to over pumping by an additional 16,000 acre-feet per year, exceeding the annual recharge and safe yield of the basin.

2. There are currently five outstanding applications to appropriate underground water in Kobeh Valley for irrigation. These applications are protested by the Department of Interior. Eureka County requests that a decision be rendered on these applications prior to dispensation of the present applications.

3. USGS reports state that up gradient basins provide 9,000 acre-feet per year to Diamond Valley as underflow. Sustained over pumping in Kobeh Valley is likely to reduce that amount and affect prior existing municipal water rights held by Eureka County and Devils Gate GID. These water rights are the primary source of drinking water for residents of Eureka Town and southern Diamond Valley.

4. Sustained over-pumping in Kobeh Valley will impact existing irrigation, stockwatering and domestic water rights holders in Kobeh Valley. Sustained over-pumping in Kobeh Valley will likely impact irrigation, stockwatering and domestic water right holders in Diamond Valley and Pine Valley. The owners of these rights contribute to the long-term economic viability of the greater Eureka community; therefore, unless adequately mitigated, such impacts will prove detrimental to the health and welfare of Eureka County.

5. The proposed place of use is inconsistent with the stated purpose of the appropriation. The location of the mine site, including tailings piles is proposed for the vicinity of Mount Hope, not some 90,000 acres of federal land located in the valley.

6. The proposed points of diversion lie in Basin 139, while the proposed place of use includes substantial portions of Basin 153 (Diamond Valley) and Basin 53 (Pine Valley); therefore the applications call for a transfer of ground water out of the basin of origin for use in another basin. The applicant has not shown compliance with the requirements of NRS 533.370(5).

7. Eureka County recognizes that the custom and culture of mining is part of its history and appreciates the role mining plays in its local and regional economy. Eureka County welcomes new opportunity for mining in its communities as long as mine development is not detrimental to existing economic or cultural activity. This protest is aimed at ensuring that any development of water resources in Kobeh Valley is conducted in full accordance with Nevada law,

the Eureka County Master Plan and related ordinances, and does not unduly threaten the health and welfare of Eureka County citizens. In addition, if the State Engineer granted these applications, all dewatering water not consumed by the mining operation must be reinjected or infiltrated back into the hydrographic basin of origin in Eureka County to mitigate the effects of the Applicant's pumping.

8. There is no unappropriated water in the proposed source of supply, the proposed use conflicts with or will impair and interfere with existing rights and protectible interests in existing domestic wells and threatens to prove detrimental to the public interest.

9. The applications cannot be granted because the applicant has failed to provide the State Engineer with all relevant information required by Nevada Revised Statutes. See letter from the State Engineer to the Applicant dated January 24, 2006. Because this information is missing, Eureka County reserves the right to supplement this protest to include other grounds of protest based on any further information submitted by the applicant in support of its applications to the State Engineer.

10. Should these protests result in hearings before the State Engineer, Eureka County requests that such hearings be held in Eureka to facilitate access by affected parties.