FILED
FEB 14 2006
STATE ENGINEER'S OFFICE

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

IN THE MATTER OF APPLICATION NUMBER 73551
FILED BY Idaho General Mines, Inc.
ON December 5, 2005, TO APPROPRIATE THE
WATERS OF Kobeh Basin #139

PROTEST

Comes now Eureka Producers Cooperative

whose post office address is P.O. Box 462, Eureka, Nevada 89316

whose occupation is An agricultural/farmer owned Cooperative

and protests the granting of Application Number 73551 filed on December 5, 2005

by Idaho General Mines, Inc to appropriate the

waters of Kobeh Basin #139 situated in Eureka and Lander

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

SEE ATTACHMENT

THEREFORE the Protestant requests that the application be DENIED

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

Signed Andrew B Marshall and Jim Gallagher
Eureka Producers Cooperative President — Eureka Producers Cooperative Manager

ANDREW B MARSHALL and JIM GALLAGHER
Printed or typed name, if agent

Address: P.O. Box 462
Eureka, Nevada 89316

Subscribed and sworn to before me this 13th day of February, 2006

Gladys Goicoechea
Notary Public

State of Nevada

County of Eureka

GLADYS GOICOECHEA
Notary Public - State of Nevada
Appointment Recorded in Eureka County
No. 04-0333-8 - Expires July 10, 2006

$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE. ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

In the Matter of Application Number: 73551
Filed by: Idaho General Mines, Inc.

Protest Reasoning Attachment By Eureka Producers Cooperative

To wit:

The Eureka Producers Cooperative is a local grower owned farmers Cooperative located in Diamond Valley, Nevada. With ten farmer members we collectively irrigate 4,935 acres with associated total water right permits of approximately 19,740 acre-feet all located in lower Diamond Valley Basin #153.

Our protest is based on the expected physical and economic damage from over-appropriation of public waters in Kobeh basin due to accelerated static drawdowns and depletion of the surface and subsurface flows that supply our basin. We believe significant appropriations like application number 73551 are slow to transmit to quantifiable levels that diminish our existing water rights. Therefore, additional appropriations in Kobeh basin set in motion long-term irreversible alterations that will be too late to remediate in Diamond Valley. It will be financially infeasible for us to recover once the damage occurs. Therefore, we protest specifically as follows:

We protest the above referenced application against approval of appropriation based on expected insufficient amounts of unappropriated waters in Kobeh basin. We further protest based on evident ground water inter-flow and total surface water flow from Kobeh to Diamond Valley that contributes to or is requisite for Diamond Valley's closed basin recharge.

We also protest due to likely water quality concerns from stated mine tailings that will be located in the Diamond Valley Basin. The size and scope of the proposed mining operation puts the Diamond Valley basin in danger of substantial water quality deterioration from long-term exposure to water-charged mine tailings located above gradient yet within basin.

Ultimately, as a collective group of water-permit holders we seek sound and fair water appropriation decisions that embrace anticipated protection of our existing water rights. Any such decisions must take account of safeguards from future appropriation applications that cause the Diamond Valley Basin to become hydrologically under-balanced via water resource depletion creating an unsustainable agricultural farming sector in Diamond Valley.

In the matter of Application Number: 73551
Filed by: Idaho General Mines, Inc.

Protest Signature Addendum:
Eureka Producers Cooperative members and farmers in Diamond Valley.

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PERMIT(S) #

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