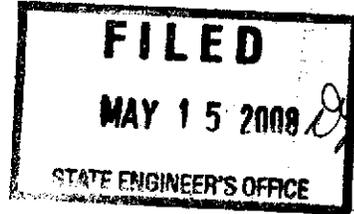


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA



IN THE MATTER OF APPLICATION NUMBER 76746,  
FILED BY Kobeh Valley Ranch LLC  
ON February 13, 2008, TO APPROPRIATE THE  
WATERS OF underground



PROTEST

Comes now Lander County, Nevada, by and through Hy Forgeron, District Attorney and William E. Schaeffer, Asst. D.A.

Printed or typed name of protestant

whose post office address is: Lander County D.A.'s Office, P.O. Box 187, Battle Mountain, NV 89820  
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation is a political subdivision of the State of Nevada..... and protests the granting  
of Application Numbers 76746, filed on February 13,....., 2008.....

by Kobeh Valley Ranch LLC.....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 may prove just and proper.

Signed W. E. Schaeffer  
Agent or protestant

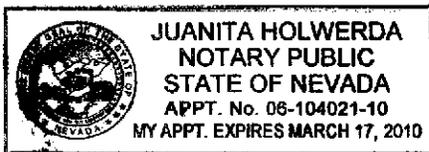
William E. Schaeffer.....  
Printed or typed name, if agent

Address: Lander County District Attorney's Office, P.O. Box 187.....  
Street No. or P.O. Box No.

.....Battle Mountain, NV 89820.....  
City, State and Zip Code No.

Subscribed and sworn to before me this 14th.....day of May....., 2008.....

Juanita Holwerda  
Notary Public



State of Nevada.....

County of Lander.....

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

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

*Handwritten initials*

## Exhibit "A"

### Lander County Protests to Kobeh Valley Ranch LLC Application Nos. 76744 through 76746 Adopting Reasons and Language of Eureka County Protests

1. Kobeh Valley is a designated basin per NRS 534.050. Ground water in the basin is fully or nearly fully appropriated at approximately 18,000 acre-feet per year. Granting change applications that are not supported by adequate proof of beneficial use will cause the basin to be over pumped to the detriment of the basin, prior existing water rights holders and in direct conflict with forfeiture provisions of Nevada water law. In the same way, transfer of ground water rights that supplement surface water irrigation rights will cause the basin to be over pumped to the detriment of the basin and prior existing water rights holders.
2. Existing USGS reports suggest that Kobeh Valley may provide underground flow to Diamond Valley. 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 that supply the majority of the population in Diamond Valley.
3. Sustained over-pumping in Kobeh Valley is likely to impact irrigation and stockwatering water right holders in Kobeh Valley and impact domestic well owners. Sustained over-pumping in Kobeh Valley may impact irrigation and stockwatering water rights and impact domestic well owners 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 may prove detrimental to the health and welfare of Eureka County and neighboring parts of Lander County.
4. Hydrologic properties of the proposed points of diversion are currently being analyzed; therefore, impacts associated with sustained pumping of substantial water rights at the proposed points of diversion are not known. Propagation of the cone of depression from the proposed points of diversion must be adequately determined prior to granting the applications. Lander County requests the ability to review all hydrologic data offered in support of the applications.
5. The proposed points of diversion for these applications lie in Basin 139, while the proposed place of use may ultimately include portions of Basin 153 (Diamond Valley) and Basin 53 (Pine Valley); therefore the applications may call for a transfer of ground water out of the source basin for use in another basin. Compliance with the requirements of NRS 533.370(6) must be met.
6. The works necessary to achieve beneficial use of the subject water rights are substantial and costly. The applicant has not presented the State with the scope of its proposed works, nor has the applicant demonstrated its ability to finance the works. Lander County remains unclear whether the applicant is a mining company or a holding company. Lander requests the opportunity to 1) review a proposed scope of work to achieve beneficial use and 2) satisfy its concerns regarding corporate purpose and financial ability.
7. As noted in Item 15 of the Applications, the applications are intended to be utilized in conjunction with other applications previously filed by Idaho General Mines, Inc. Applications 75979 through 76009 filed by the same applicant as these applications also indicate those applications are intended to be utilized in conjunction with the applications filed by Idaho General Mines, Inc. All the subject applications cannot be granted because the amount of water applied for greatly exceeds the 16,000 afa the applicant states is necessary for its mining project.
8. Lander 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. Lander 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 Lander County Master Plan and related ordinances, and does not unduly threaten the health and welfare of Lander County citizens. Lander County encourages the proponents of these applications to engage its representatives and the

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Office of the State Engineer in dialog that will result in a binding, mutually-beneficial agreement for development and management of these ground water resources, including but not limited to reinjection or infiltration of dewatering water not consumed in the mining operation back in to the basin of origin in Eureka County to mitigate the effects of the Applicant's pumping and limitation of the use of the water in Eureka and Lander Counties.

9. The manner of use of water under the subject applications is by nature of its activity a temporary use. Because it is a temporary use, any permits granted should be subject to a restriction that any application to change the manner of use under any such permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin or that at the end of the mining use, the water will revert back to the source.
10. The State Engineer should consider the consumptive use of the water rights sought to be changed and the consumptive use of the proposed beneficial use of water in determining whether the proposed change in the place of diversion, manner of use and place of use complies with the provisions of subsection 5 of NRS 533.370.
11. Should these protests result in hearings before the State Engineer, Lander County requests that such hearings be held in Lander or Eureka counties to facilitate access by the body of protestants.
12. Lander County strongly believes in unifying with our neighbors to preserve the principle that inter-basin and inter-county transfers of water be carefully examined so as to not unduly limit the economic prospects of the source basins and counties. Therefore, Lander County requests that the State Engineer carefully examine the benefits and potential detriments of these proposed transfers with special consideration given to the future of the people of the affected counties.