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

IN THE MATTER OF APPLICATION NUMBER 85589
FILED BY Kobeh Valley Ranch LLC
ON October 28, 20 15

PROTEST

FILED
JAN 21 2016
STATE ENGINEER'S OFFICE

Comes now Diamond Cattle Co., LLC
Printed or typed name of protestant

whose post office address is 7933 Calloway Drive, Bakersfield CA 93314
Street No. or PO Box, City, State and ZIP Code

whose occupation is Ranching and protests the granting

of Application Number 85589, filed on October 28, 20 15

by Kobeh Valley Ranch LLC (c/o General Moly, Inc.) for the

waters of an underground source situated in Eureka
an underground source 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 Attachment 1

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
Agent or protestant

Therese A. Ure
Printed or typed name, if agent

Address 440 Marsh Avenue
Street No. or PO Box

Reno, Nevada 89509
City, State and ZIP Code

(775) 786-8800
Phone Number

counsel@water-law.com
E-mail

State of Nevada
County of Washoe

Subscribed and sworn to before me on January 21, 2016

by Lisa Gage

LISA GAGE
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 05-14-17
Certificate No: 13-10958-2

Signature of Notary Public Required

Notary Stamp or Seal Required

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+ $30 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

In the Matter of Application Numbers 85575, 85581, 85582, 85583, 85588, 85589, 85593, 85594, and 85596 (Protest)

Attachment 1: Protest Grounds

1. There is no water available as Kobeh Valley is a designated basin pursuant to State Engineer Order 816; and there is no unappropriated water left in the affected area per NRS 534.110(3), NRS 533.370(2).

2. The Applications'[1] proposed points of diversion will conflict with existing rights and/or protectable interests.

3. The Applications' proposed use will cause injury, conflicts, impacts and impairment to domestic and irrigation wells, as well as water rights of use.

4. If granted, the water use proposed in the Applications will cause an unreasonable lowering of the static water level at appropriators' points of diversion.

5. Granting the uses of these Applications will cause an unreasonable lowering of the water table.

6. The Applications are deficient because works are not adequately described to determine the overall impact on human health, stock and domestic animals, and environmental detriment.

7. If the Applications are permitted, the Permits must contain express conditions to ensure existing appropriations will be satisfied.

8. There is no water available from the proposed sources of supply without exceeding the perennial yield established for the basin.

9. The applicant has not established that it has the financial ability to construct the works, 32 applications were filed, each estimating $3,000,000 to complete construction of works.

10. If granted, the Applications will prove detrimental to the public interest.

11. If granted, the Applications will prove detrimental on economic grounds.

12. If granted, the Applications will conflict with the protectable interests in existing domestic wells located in the Kobeh Valley Basin.

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[1] The use of "Applications" herein refers to Applications 85575, 85581, 85582, 85583, 85588, 85589, 85593, 85594, and 85596unless otherwise and specifically stated.

13. If granted, the Applications will adversely affect the cost of water use for other holders of water in the Kobeh Valley hydrographic basin, and surrounding basins, including the likelihood of increased pumping from lowered water table access depths.

14. The Applications' proposed points of diversion and duties may result in loss of recharge to the aquifer, thereby impacting underground water rights holders.

15. Kobeh Valley provides recharge to Diamond Valley, therefore Diamond Valley will be adversely affected as well.

16. There is no geologic data or hydrologic evidence that the quantity of water requested in the Applications exists in the mine region.

17. The Applications violate the anti-speculation doctrine by stating that the Applications will be withdrawn if other Applications subject to State Engineer Ruling 6127 are deemed reopened.

18. The Applications propose that water will be conveyed to a storage reservoir thereby subjecting the acquirer to greater risk of contamination, a reduction in recharge, and greater evaporation and water loss to the aquifer.

19. The underlying Permits in applications 85575, 85581, and 85594 contain language that states proposing a change in manner of use may be subject to additional determination and evaluation with respect to permanent effects on existing rights and the resource within the groundwater basin and these Change Applications request change in manner of use/ preferred use NRS 534.120. The State Engineer should require additional evaluation of the permanent effects on existing rights prior to making a determination.

20. Application 85581 is deficient as it requests a change in the Manner of Use, however, the application does not change the underlying Manner of Use.

21. Application 85582 is deficient as the underlying Permit 72580, and Permit 72586 (the underlying permit for Application 85589), have a Total Combined Duty not to exceed 300.76; however, Applications 85582 and 85589 each request a duty of 300.76 AFA with no Total Combined Duty limitation.

22. The Total Combined Duty is not properly stated in Applications 85596 (underlying permit is 35866) and 85603 (underlying permit is 64616). See the Permit terms for P.72580 (underlying permit for application 85582) P.72586 (underlying permit to application 85589) P.35866 (underlying to application 85596) and P.64616 (underlying to 85603) which note the Total Combined Duty of Permits 35866 and 64616 are reduced to

979.24, however each of these applications requests 819.24 AFA with no Total Combined Duty limitation.

23. Application 85583 is deficient as the underlying Permit 55426 is abrogated.

24. Application 85588 is deficient as the underlying Permit 55426 is abrogated.

25. Application 85594 is deficient as the underlying Permit 72582 states a Total Combined Duty with Permit 72585 not to exceed 1280 AFA; however, Permit 72585 has a duty of 1280 AFA, therefore there is insufficient water to allow the transfer without also effecting the Total Combined Duty of tied permits.

26. Application 85604 is deficient as underlying permit 56575 is abrogated.

27. Applications 85593 and 85594 have not undergone notice and publication requirements pursuant to NRS 533.360(1), and therefore cannot be considered as ready for action.

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