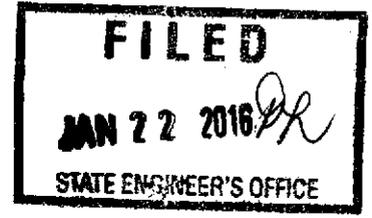


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 85651  
FILED BY Solarljos LLC  
ON November 12, 20 15



PROTEST



Comes now EUREKA COUNTY

Printed or typed name of protestant  
whose post office address is POST OFFICE BOX 694, EUREKA, NEVADA 89316

Street No. or PO Box, City, State and ZIP Code  
whose occupation is POLITICAL SUBDIVISION and protests the granting

of Application Number 85651, filed on NOVEMBER 12, 20 15

by SOLARLJOS LLC for the

waters of UNDERGROUND 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:

PLEASE SEE EXHIBIT "A" ATTACHED HERETO.

RECEIVED BY MAIL  
JAN 22 2016  
STATE ENGINEER'S OFFICE

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 J.J. Goicoechea  
Agent or protestant  
J.J. GOICOECHEA, CHAIRMAN

Printed or typed name, if agent

Address POST OFFICE BOX 694  
Street No. or PO Box

EUREKA, NV 89316  
City, State and ZIP Code

(775) 237-5262  
Phone Number

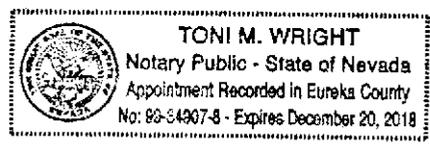
jjgoicoechea@eurekanv.org  
E-mail

State of Nevada  
County of EUREKA

Subscribed and sworn to before me on JAN. 12, 2015

by J.J. GOICOECHEA

Toni M. Wright  
Signature of Notary Public Required



Notary Stamp or Seal Required

+ \$30 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.  
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Exhibit "A"  
Eureka County Protest to Application Number 85651  
Filed by Solarljos LLC

1. 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 or the environment. This protest is aimed at ensuring that any development of water resources in the Diamond Valley Hydrographic Basin 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. Eureka County has already begun discussions with the Applicant to find solutions to our concerns outlined in this Protest and we encourage the Applicant to continue this dialogue with us to reach a binding, mutually-beneficial agreement for development, management, monitoring, and mitigation of any impacts to the water resource or conflicts with existing rights.
2. In accordance with the Eureka County Code and the Eureka County Master Plan, Eureka County requires the ability to review all hydrologic data offered in support of the Application. Section 6.1.3 of Eureka County's Master Plan states "implementation of this Plan requires that . . . the Board of Eureka County Commissioners stay involved with analysis and evaluation through all stages of federal, state and local planning efforts ... [through] review of data for scientific and factual soundness, plan development, implementation, monitoring, and evaluation of plan implementation." Section 6.2.6, the mining section of the Master Plan, states the County will "[d]evelop an evaluation program that relies upon and uses all available data, including, but not limited to reviewing existing data including hydrological data ...." Eureka County Code 9.060.C "mandates the use of peer-reviewed science in the assessment of impacts related to water resource development."
3. Consideration of the Application must, at a minimum, be postponed until after the State Engineer's deadline for proofs of vested claims to be filed in the Diamond Valley Hydrographic Basin in order to identify all senior water rights holders whose rights may be impaired to be included in a valid process moving forward.
4. Application 85651 proposes to change the Point of Diversion and Place of use of Permit 19490, Certificate 6807 from the alluvial aquifer to the mountain block south of the Town of Eureka. While this might be viewed in a positive light because it has the potential to reduce over-exploitation of the groundwater resources of the alluvial aquifer, the proposed change conflicts with existing water rights and claims of vested water rights for springs in the mountain block. There are literally dozens of springs in the vicinity which provide sources of water supply to livestock, wildlife and residents of the Town of Eureka. Virtually all these springs have valid water rights associated with them and many are the subject of claims of vested rights that have not yet been fully determined through the adjudication process. Eureka County derives approximately half of the average daily demand of the Town of Eureka water system from springs in the general vicinity of the proposed point of diversion and has spent hundreds of thousands of dollars

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improving the springs and replacing the pipeline to the town. Any decrease in these spring sources will conflict with and impair and interfere with Eureka County's existing rights, degrade Eureka County's investment and be detrimental to the health and welfare of the Town's residents and the public interest. Additionally, declines in these spring sources would increase Eureka County's demand from wells pumping from the alluvial aquifer in Diamond Valley, which must be avoided, and was a major reason why we invested substantial resources into development and improvement of these springs.

5. With our general knowledge of the area where the Point of Diversion is proposed, and with the limited data available to us, groundwater availability is likely limited, particularly for the relatively shallow resource in this area that has been exploited by others. The works necessary to achieve beneficial use of the subject water rights are substantial and costly. Yet, the Application estimates the cost requirement at \$10,000. This estimated cost infers the Applicant's intention is to develop a shallow groundwater source which magnifies Eureka County's concerns because the existing County and residents' spring sources also are sourced from relatively shallow groundwater resources in the vicinity. Consistent with the County's Master Plan and Code, impacts to the resource and conflicts with existing rights arising from the project must be thoroughly vetted using the best available science. There is scant information available regarding a deep regional groundwater resource at this locale. Information provided by the Applicant indicates the existing underground workings are dry to a depth of 600 feet below the elevation of the eastern mine portal. The limited other information regarding the regional aquifer in this area suggests water levels associated with it should be expected to be greater than 1,000 feet below the land surface. The County's concerns would be lessened if the Applicant were to derive its water supply from the postulated regional bedrock aquifer where depths to water are expected to exceed 1,000 feet below the land surface. Exploiting a "deep" source would be expected to have a lesser potential to conflict with existing rights, albeit at a significant increase in cost to construct the works estimated by the Applicant.
6. If the Applicant has presented the State Engineer with the scope of its proposed works and demonstrated its ability to finance the works, we are not aware of this information. Eureka County requests the opportunity to 1) review a proposed scope of work to achieve beneficial use and 2) satisfy any concerns regarding financial ability as required by Nevada statutes.

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7. If granted by the State Engineer, the permit must include express conditions which resolve any conflicts with existing rights to the complete satisfaction of the existing water rights holders. In addition, a detailed management, monitoring and mitigation plan to address potential impacts from the Applicant's proposed pumping must be developed to a reasonable degree with supporting analytical data prior to any approval of the Application. Consistent with the recent Nevada Supreme Court Opinion in *Eureka County et al. v. The State of Nevada, State Engineer, et al.*, 131 Nev. Adv. Opn. 84 (October 29, 2015), Eureka County insists that the plan be developed to the satisfaction of all potentially affected parties, including all vested water rights claimants, before any action be taken on the Application. The Nevada Supreme Court concluded that ". . . allowing the State Engineer to grant applications conditioned upon development of a future 3M Plan when the resulting appropriations would otherwise conflict with existing rights, could potentially violate the protestants' rights to a full and fair hearing on the matter, a rule rooted in due process." (cite omitted) See Supreme Court Opinion, p. 15.
8. Any proposed management, monitoring and mitigation plan to address known and potential impacts and conflicts from the Applicant's proposed pumping must be developed with supporting analytical data prior to any approval of the Application. A plan for monitoring and mitigation of potential impacts to water rights holders and water dependent resources must include specific, attainable, realistic, relevant, and time-fixed measures and acceptable substitute water resources to mitigate any conflicts and adverse impacts. The proposed mitigation measures must be clearly defined and demonstrated to have the desired effect.
9. Application 85651 states the consumptive use of the proposed mining project is 692.28 acre-feet per year. It proposes to change the entire 4.0 acre-foot per acre duty of Permit 19490, Certificate 6807, or 692.28 acre-feet annually. The annual duty associated with Application 85651 for mining and milling must be limited to the consumptive use portion of the base irrigation right.
10. The manner of use of water under the Application is by nature of its activity a temporary use. Because it is a temporary use, any permit granted under this Application must be subject to a restriction that at the end of the mining use, the water will revert back to the source.
11. Again, Eureka County's intent in filing this protest is to highlight our concerns to engage the Applicant to find solutions and avoid a hearing before the State Engineer. However, should there be a hearing before the State Engineer, Eureka County requests that such hearing be held in Eureka to facilitate access by protestants, the water users in the area and interested citizens.