RECEIVED

OBJECTION of SOLARLJOS LLC and GULLSIL, LLC, to
The Preliminary Order of Determination dated August 30, 2018,
In the Matter of the Determination of the Relative Rights
In and To All Waters of Diamond Valley,
Hydrographic Basin No. 10-153,
Elko and Eureka Counties, Nevada

Solarljos LLC ("Solarljos"), acting directly and by and through Gullsil, LLC ("Gullsil"), hereby provides this objection to the Preliminary Order of Determination dated August 30, 2018, In the Matter of the Determination of the Relative Rights In and To All the Waters of Diamond Valley, Hydrographic Basin No. 10-153, Elko and Eureka Counties, Nevada (the "Preliminary Order") as it pertains to the findings and conclusions rendered as to Proof of AppropriationV-10881 and V-10882, two of the three proofs filed by Solarljos for vested rights in Diamond Valley.

Summary of State Engineer's Determination:

The State Engineer approved Proof V-10880 for an allocation of .472 cfs of vested water to Solarljos but limited the approval to a surface water right from the Einar Spring.

The State denied Solarljos' application made under Proofs V-10881 and V-10882 for a recognized vested right in groundwater resulting from two different well sites identified in Solarljos' filing as "Prospect Well 1" and "Prospect Well 2" largely on the same basis — which was the State's contention that there was insufficient evidence of the existence of "rock-lined walls or other modifications" to suggest that either of these were a "hand dug well."

In denying Proof V-10881, the State Engineer was critical of "the lack of cribbing or a stone lining" at the site of the pipe shown in Prospect Well 1 and suggested that the fact that such was missing in an area adjacent to a mining operation where miners who were well-versed in this type of construction for unstable ground was "suspect." The State Engineer's Preliminary Order further hypothesizes, with no evidence indicated to support the hypothesis, that the pipe showing a welded flywheel attached "could be an air gap for a pipeline extending"

from the V-10880 spring area to a central storage tank, for serving the former occupied dwellings and mine." The Preliminary Order does acknowledge, however, both that "[t]he vertical pipe's purpose remains unclear" and "what the purpose is or was is not known or able to be discerned based on the information provided by the claimant or from what was observed during the field investigation."

The State Engineer ultimately concludes that there is "no evidence to substantiate a claim of vested right." (Emphasis added.)

Similarly, the State Engineer denied Proof V-10882 on almost identical grounds as those addressed in V-10881, concluding that "the lack of cribbing or a stone lining to support the unconsolidated material is suspect and doesn't support the theory that the hole is a hand dug well for the exploitation of a water source." The denial goes on to say that "[t]he State Engineer believes that this claim is the spring source which is the actual source of water for Proof V-10880 and determines that there is no evidence to substantiate a claim of a vested right. The State Engineer therefore determines that Proof V-10882 is filed on the actual surface source of water for Proof V-10880 rather than a separate underground source …."

Summary of Response and Objection:

Solarljos does not object to the amount of water allocated to it under the application for a vested rights claim. Solarljos was seeking a total allocation of .472 cfs, but Solarljos does object to the State Engineer's determination that there was "no evidence" presented to substantiate a claim of a vested right for a groundwater source, and Solarljos believes the State should re-consider and approve Solarljos' application for a combined surface water/groundwater source for either or both V-10881 or V-10882 based on uncontroverted evidence of the existence of the Harrub Well that the State Engineer failed to address entirely.

In addition, the State Engineer's assumptions were not based on evidence, but there is support for Solarljos contention that the structures in place demonstrate some form of "well" as that term was used in the 1890s and early 1900s, and the existence of the flywheel on the standing pipe suggests that

machinery was intended to be attached to the pipe – belying the "assumption" made by the State Engineer that this was merely a vent stack.

Discussion:

There are several grounds for Solarljos raising an objection to the State Engineer's determination that there was "no evidence" to support a claim for underground or "groundwater" as part of its vested claim. Those are presented below.

First, Solarljos already provided the Tax Rolls for the Diamond Mine for 1890 and 1910 showing the clear identification of the "Harrub Well" in defining the Diamond Mining Company on the records of the Assessment Roll of the Property of Eureka County, Nevada. Attached hereto as Exhibit "A," once again, are copies of those Tax Rolls that clearly identify the "Harrub Well" on the Assessment Roll of Eureka County under the property description for the Diamond Mining Company. The Assessor would have been considering assessable improvements to the property, and the reference to the "Harrub Well," by name, was not accidental. There was clearly a "well" associated with the property operated by the Diamond Mining Company. The State Engineer has entirely disregarded this evidence.

The property remained assessed with reference to the "Harrub Well" for the better part of 20 years, yet no recognition of the well was given any weight by the State Engineer. Clearly there was a well in existence on the Diamond Mining Company property during this time.

Second, attached hereto — and only recently discovered — is a survey of a plat of a mining claim for property dated and recorded June 14, 1879, specifically for H.W. Harrub and expressly identifying the "Harrub Well" on the recording. The survey uses the Harrub Well as a reference monument, and the survey is signed by the County Surveyor, Thomas J. Read. A copy of the Survey is attached hereto as Exhibit "B." The existence of this survey further solidifies the existence of a well on the property, and further demonstrates that there was a basis for the County Assessor to have indicated the location of the Harrub Well as an identifiable point of reference in the descriptions on the Tax Rolls for the many years in Eureka County.

Third, the specific location of the Harrub well as shown on the Harrub survey of 1879 matches up geospatially with the photograph that Solarljos attached and identified on the original Proof of Appropriation of Water for the Diamond Mine and the Town of Prospect shown in Section 3.2.3 as Prospect Well 2. Though covered by heavy underbrush, the location of that well is close enough to the approximate location shown on the Harrub survey of 1879 so as to conclude that they are, essentially, the same identifiable structures. The existence of the survey and the Assessment Rolls conclusively establish that a well sufficient to be use as a reference monument existed, and the presence on the ground of the significant excavation identified by Solarljos is in the same approximate location as would be expected if one were searching for that well; it is hard to conclude this occurred by mere coincidence.

Fourth, the Biennial Report of the Surveyor-General and State Land Register from 1897-98 attached as Appendix A to Solarljos' Proof does makes reference to the use of "a Knowles duplex pump, with four 3-inch plungers, and a number 7 Cameron pump for pumping water from contiguous springs" The description is that of two pumps, and of more than one "spring." The existence of a single source of water is thus ruled out by the very language utilized by the Report itself. Clearly the writer of the Report intended to convey that there was more than one source of water.

The State Engineer, however, concluded that the only source of water was the Einar Spring – which was a spring identified by Solarljos in its Application filed in this matter. That source, by itself, could not have been the only source, given the language of the writer of the Report.

And that, itself, raises the last issue for consideration: which is the use of the word "spring" in the Biennial Report itself, and whether the State Engineer was too narrow in the interpretation of what the writer intended by the use of that term. In 1897 and 1898, the writer of the report was not likely as concerned with defining the sources of *surface water* versus *groundwater* as we, in the year 2018, are because of the issues we now have in determining the relative rights of the owners

of such sources of water. It is only because we are now faced with having to decide the relative priorities of "surface water vs. groundwater" rights in basins that this issue has taken on new meaning and importance; but that was not necessarily the case in 1897 or 1898.

Solarljos requests that the State Engineer review the actual definitions used at the time of the writing of the Biennial Report to consider whether, in fact, the writer was actually making reference to the Harrub Well as one of the "sources" of water as a "contiguous spring" that was near the mine site. Attached hereto as **Exhibit "C"** are copies of the actual pages of Webster's Dictionary from 1910 showing the definition of the words "spring" and "well" as they were defined and understood at that time. These pages, as can be seen, have been digitized by Google but were taken from the original version on file in the Harvard University library.

The definition of "spring," when used as a noun, states:

"a natural fountain; place where water issues from the earth;"

Suggesting they are virtually interchangeable terms, the definition of "well,"
used as a noun, taken from that same Dictionary, states:

"An issue of water from the earth; a spring; fountain;"

The similarity is striking and undeniable. The published date of the Dictionary in Exhibit "C" is 1910 (as shown on page 2, with copyrights showing 1864, 1906 and 1909 as shown on page 3). The use of the term "spring" as opposed to "well" was more likely a mere choice by the author of the Report attached as Appendix A without regard to whether the source of the water was actually a hand-dug well or a naturally occurring spring. There would have been no need for the author to raise the distinction between what was called the Harrub Well on the survey of 1879 and a "contiguous spring" in his description of the works that were involved.

Indeed, it is questionable whether the author even *looked* at the water sources. The author's description of the equipment (likely taken from a list showing the brand name and sizing, often shown on invoices or ledger sheets) and the description of rooms that he did, obviously, observe is quite detailed. For example

with regard to the Diamond Mine the author describes in detail the "tongue and groove floor, ceiling, sides and ends" of one particular room, and details the interior of the boarding house and its accommodations, but tells us very little about the interior construction of the shafts of the mine itself (no description of lumber, the "cribbing," the type of infrastructure used to support the walls and supports, the size of the members, etc.). Whether the author actually ventured *into the mine* is, to use a word the State Engineer used in his denial of Solarljos application, "suspect." But the "suspect" issue here is based not on just a hunch, but on looking at how the language of one aspect of the report compares with language used in other aspects of the report. This author says nothing about having visited or seen any of the actual water sources, but instead simply describes in detail the pumps used to supply the water, and then says they were supplying water from "contiguous springs" with no description of where, what they looked like, or how those pumps were connected to the water sources and how they were powered and maintained.

Given the proclivity of the times to interchange the word "spring" with "well," and given that there is demonstrable proof that there existed in the exact location of the Diamond Mining Company operation two identifiable sources that appear to be wells (Prospect 1, which has a flywheel attached pipe that would support a pump attached to it, and Prospect 2, that appears now to be the location of the Harrub Well as defined on the 1879 W. B. Harrub Survey), it is a very real likelihood that the author of the 1897-98 Report of the Surveyor-General and State Land Register was referencing those wells as the source of water.

CONCLUSION

For all of the foregoing reasons, Solarljos objects to the conclusion that the State Engineer reached that there was "no evidence" to substantiate a claim of a vested right to a groundwater source for the .472 cfs of vested right that Solarljos was awarded. That right should be amended to allow Solarljos a vested right of surface or groundwater, at the option of Solarljos, with a total diversion rate of .472 cfs of water for mining, milling and domestic from January 1 through December 31

with a priority date of 1880, from the Einar Spring, Prospect Well 1 and from the Harrub Well, which Solarljos identified as Prospect Well 2.

As a compromise, Solarljos recognizes that the elimination of Prospect Well 1 as a point of diversion for groundwater – though it would still appear to be supported by evidence in contrast to the State Engineer's finding of "no evidence," and on that basis Solarljos maintains its objection – Solarljos would accept the approval of the amendment of the vested right herein if the groundwater right were allocated to the Harrub Well, Prospect 2. If such amendment were granted for the full .472 cfs, Solarljos would accept the amendment and withdraw further objection to the State Engineer's determination with regard to Proof V-10881

Dated: November 5, 2018

Alex J. Flangas

Nevada Bar No. 664

Alex@AlexFlangasLaw.com

Alex Flangas Law 36 Stewart Street

Reno, NV 89501

Phone: (775) 788-1222 Fax: (775) 403-1775

Attorney for Objector Solarljos LLC and Gullsil, LLC

State of Nevada

County of Washoe

Subscribed and sworn to before me on

by

Notary Public

WENDY GESUALDO

Notary Public, State of Novada

Appointment No. 16-1631-2

My Appt. Expires Mar 15, 2020

Exhibit "A"

For the Fiscal Year 1890, to all Owners and Claimants Known and Unknown. APPRENDICATE OF TAX TO COUNTY, 11 114 11 Resessment Roll of the Property of Kurtaka County, Nevada, BARTO OF TAXING

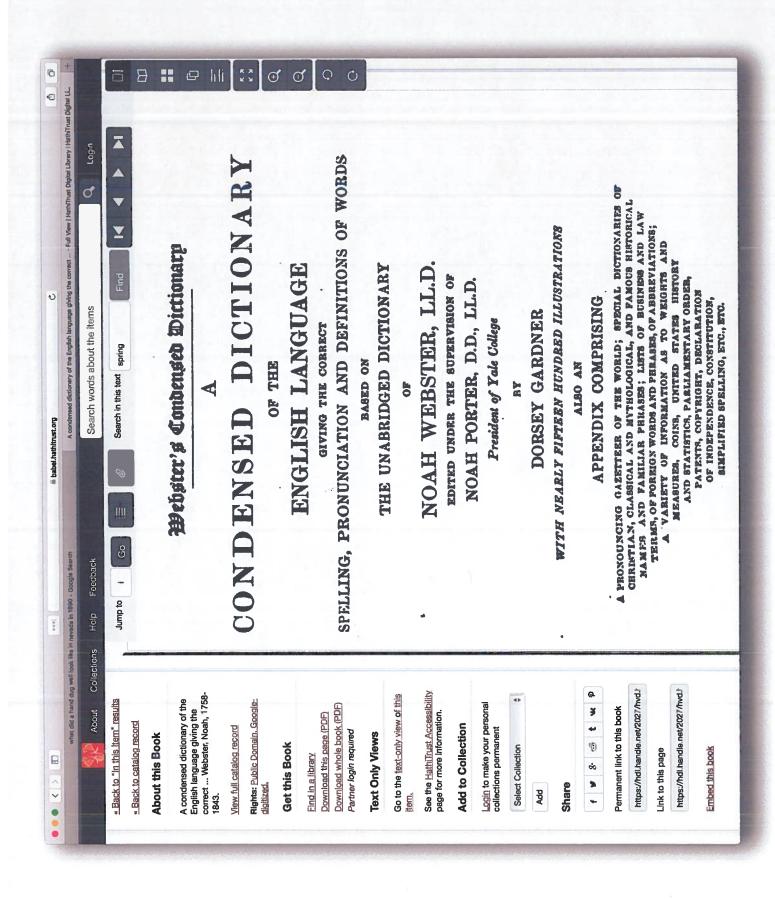
12 ı COUNTY, STATE OF NEVADA, FOR THE YEAR 1910
AND WHEN UNDOWN, TO LERECHM OFFERS 12 þ h 神 带 1 中 齫 X ill H ASSESSMENT BOOK OF THE PROPERTY OF EUREKA 1 - D Then I at it had the face of t Laport Let. Som Habe 24 & good let a plan

. .

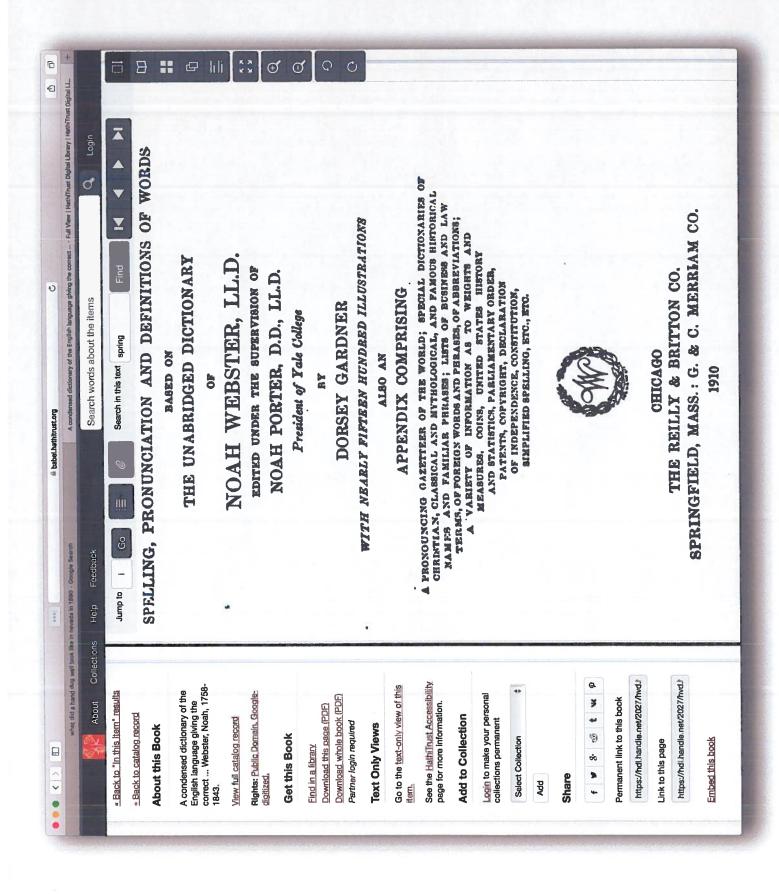
Exhibit "B"

W.B HARRUB 5% Ocale 20 ft to on inch Olat and field notes of the survey of a tract of land in Coursels boardy. State of newada, situated near the head of George york loans in low-reha mining District. Durweyed for NY Blown of Chaimmon 18. 18. 16 arrub + The Jacad. Courses en proceed from the hat marked N. Pa Marnet N. Comer. whomes Harrets well rear the.
head of New York Comm bears I 8th N. 780 feet, there naming 52th
11.115 feet. It hat marked N. Pa Harret S. C. Comer. There N. 8th
11.20 feet. to hat marked "N. Pa Harret S. N. Comer" There N. 444 7
120 feet to hat marked "N. Pa Harret N. N. Comer" and there S
81/2" 6 890 feet to the place of beginning Comtaining 5% Acres
I herely Certify the frequing plat and field notes to be cornect
Thomas of Read
Commity Lunway or Recorded at the August of Thomas J Acad. June 14 th 19.D. 1879 At 15 minutes past 3 016. Monf. lo. Levy Accorder By HA Steichdman Debuty

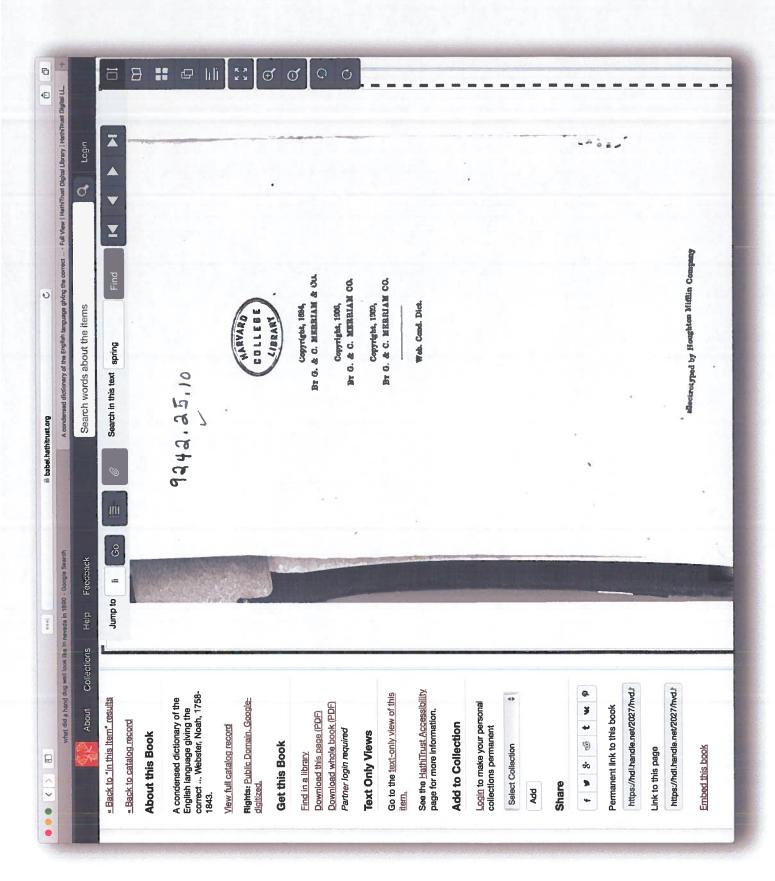
Exhibit "C"



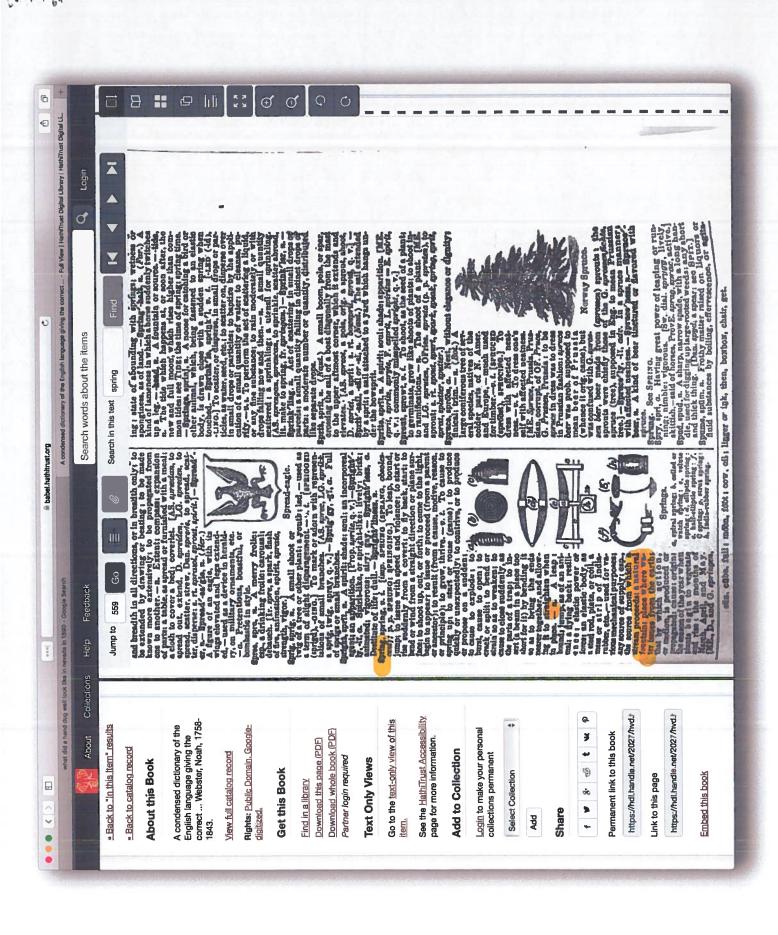
1 6 9

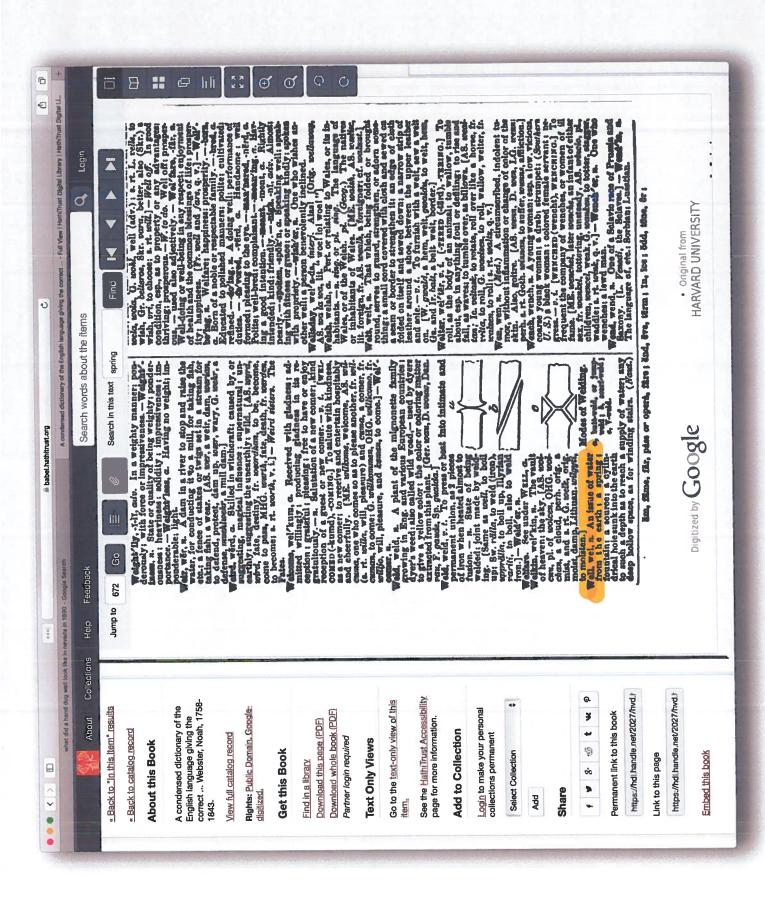


6 9



.





11.16

