



Nevada Division of
WATER RESOURCES

STATE OF NEVADA
Department of Conservation and Natural Resources
Joe Lombardo, *Governor*
James A. Settelmeyer, *Director*
Adam Sullivan, P.E., *State Engineer*

June 20, 2025

Jennifer Schonlau
Lithium Nevada Corp.
5310 Kietzke Lane Suite 200
Reno, NV 89511
By Regular and E-mail: Jennifer.schonlau@lithiumamericas.com; ted.grandy@lithiumamericas.com

Re: CEASE AND DESIST re: Applications 89681 – 89684 and Applications 89991 – 90006

To Whom it may Concern:

On June 4, 2025, staff from the Nevada Division of Water Resources (Division) conducted a field investigation on Lithium Nevada Corp.'s (LNC) property relevant to the above-mentioned Applications. During this field investigation, the Division found, and LNC staff confirmed, that water was being pumped from the Quinn #1 well.

On June 17, 2025, the Division received correspondence from Mr. Edward Bartell (Bartell), which enclosed a Form 6001 Request to Investigate Alleged Violation (RIAV), alleging that LNC was "diverting, impounding or using water for which no water right has been established." Bartell's June 17th letter likewise contains allegations and photographs indicating that LNC continues to pump water from the Quinn #1 well.

Accordingly, the Division has already observed evidence substantiating the allegations in the RIAV, indicating LNC's use of the public waters from the Quinn #1 well without a permit to do so. Bartell's June 17th letter provides additional evidence that this unpermitted use has continued since the Division's June 4th field investigation. Meter readings on file with the Division likewise confirm that water has been pumped from the Quinn #1 well since the State Engineer's letter dated April 28, 2025, informing LNC that the permits at issue in Ruing 6522 have been returned to application status – and therefore were no longer permits allowing the appropriation of the public waters pursuant to NRS 533.325.

Nevada Revised Statute (NRS) 533.325 states that, *"any person who wishes to appropriate any of the public waters, or to change the place of diversion, manner of use or place of use of water already appropriated, shall, before performing any work in connection with such appropriation, change in place of diversion or change in manner or place of use, apply to the State Engineer for a permit to do so"*.

The above-mentioned Applications have been fully returned to application status following the Sixth Judicial District Court's order partially denying and partially granting the petition for judicial review of State Engineer's Ruling 6522 in Case No. CV0023382 (district court order), as confirmed by the State Engineer's letter dated April 28, 2025. As of the date of the instant letter, no court of competent

Jennifer Schonlau, Lithium Nevada Corp.

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jurisdiction has stayed the district court order. Consequently, LNC does not currently have a permit allowing the use of water, in any amount, from the Quinn #1 well.

Accordingly, the State Engineer hereby directs LNC to immediately CEASE AND DESIST any further pumping from the Quinn #1 well. The State Engineer likewise hereby notifies LNC that it is prohibited from pumping water from any other well that is proposed as a point of diversion under the above-mentioned applications, including but not limited to the Quinn #2 well. These prohibitions will remain in place until such time as LNC obtains a permit from the Division allowing for such use of the public waters.

The goal of the Division is to conserve, protect and manage Nevada's valuable water resources in a fair and equitable manner by administering and enforcing Nevada Water Law. In order to manage Nevada's valuable water resource in an equitable manner, LNC must comply with this cease and desist notice or this matter will proceed to further action and enforcement by the State Engineer, in accordance with the penalties provided by NRS 533.481, which include payment of an administrative fine not to exceed \$10,000 per day for each violation and/or replacement of not more than 200% of the water unlawfully used, and the possibility of seeking injunctive relief as provided by NRS 533.482.

LNC must submit a written response within fourteen (14) days from the date of this letter that LNC has complied with this cease and desist notice. Thank you for your attention to this matter.

Sincerely,



Adam Sullivan, P.E.

State Engineer

JB/zd

cc: Robertson, Johnson, Miller & Williamson, Regular and E-mail
Dominic Mortensen Carollo, Carollo Law Group, LLC
O. Kent Maher, Esq.
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