

IN THE MATTER OF APPLICATION 40307 FILED)
BY C. P. NATIONAL CORPORATION TO)
APPROPRIATE WATER FROM AN UNDERGROUND)
SOURCE IN GRASS VALLEY, HUMBOLDT COUNTY,)
NEVADA)

R U L I N G

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GENERAL:

Application 40307 was filed on January 14, 1980 by C. P. National Corporation to appropriate 7.0 c.f.s. of water from an underground source for municipal and domestic purposes to serve Winnemucca, Nevada. The point of diversion is located within the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, T.36N., R.38E., M.D.B.&M.

A protest to the granting of Application 40307 was filed by Malvin P. Pedroli on the grounds that:

"Granting of this application will damage existing irrigation and domestic water rights since much more than the annual recharge has already been legally appropriated. Old users should not have to suffer damages because of new users moving into an area. Existing permits for users other than municipal and domestic could be switched to this use if needed."

A protest to the granting of Application 40307 was filed by Donald J. Jones on the grounds that:

"The granting of additional appropriations in an area where existing appropriations exceed the yield would damage existing rights and domestic users. C.P. National Corp. should require sub-dividers to furnish water rights to them before accepting service to that sub-division. By granting this permit, water would be taken from users who must compete in the market place and given to another user who is guaranteed a profit on increased services, thereby, guaranteeing one person more profit while possibly causing another to go out of business due to the costs of drilling deeper and installing larger pumps to be able to use their appropriated water."

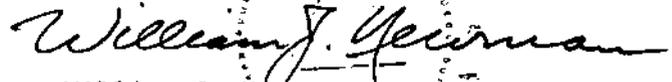
Application 40307 is located within the area of the Grass Valley Basin designated by the State Engineer under the provisions of NRS 534.030 on July 24, 1972.

NRS 534.120, subsection 2, provides that in a designated basin, in the interest of public welfare, the State Engineer is authorized and directed to designate preferred uses of water when acting on applications to appropriate ground water.

RULING

The protests to the granting of Application 40307 are denied and Application 40307 will be issued upon payment of statutory fees on the grounds that municipal use for the City of Winnemucca is a preferred use of the Grass Valley ground water resource.

Respectfully submitted,

A handwritten signature in cursive script that reads "William J. Newman". The signature is written over a faint circular stamp that is partially obscured by the text.

William J. Newman
State Engineer

WJN/JC/bc

Dated this 7th day of
November, 1980.