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

FILED
FEB 2 0 1987
STATE ENGINEER'S OFFICE

IN THE MATTER OF APPLICATION NUMBER 50260,

FILED BY Washoe County,

ON Oct. 8, 1986, TO APPROPRIATE THE

WATERS OF Underground *

PROTEST

Comes now Fish Springs Ranch, Ltd.
Printed or typed name of protestant

whose post office address is Box 44, Reno, NV 89504 or 1939 Harrison St. #600, Oakland, CA 94612
Street No. or P.O. Box, City, State and Zip Code

whose occupation is Ranching and Farming, and protests the granting

of Application Number 50260, filed on Oct. 8, 1986

by Washoe County to appropriate the
Printed or typed name of applicant

waters of Underground* situated in Washoe
Underground or name of stream, lake, spring or other source

County, State of Nevada, for the following reasons and on the following grounds, to wit:

* waters appropriated under applications 50191 through 50242

See Attachment

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 William E. Nork
Agent or protestant

William E. Nork, Agent
Printed or typed name, if agent

Address 1026 West First St.
Street No. or P.O. Box No.

Reno, Nevada 89503
City, State and Zip Code No.

Subscribed and sworn to before me this 19th day of February 1987

PENNY L. STROBEL
NOTARY PUBLIC
STATE OF NEVADA
WASHOE COUNTY
My Appmt. Expires AUG. 29, 1989

Penny L. Strobel
Notary Public

State of Nevada

County of Washoe

$10 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

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Fish Springs Ranch, LTD. protests the applications for water permits made by Washoe County and the City of Sparks (cumulatively referred to hereinafter as "WCS") based upon the following general principles:

1. During 1985 the State Engineer issued Order No. 849 which changed the status of the Honey Lake Valley from an Open Basin to a Designated Basin. At a public hearing on April 2, 1986 the State Engineer announced to water users in the Honey Lake Valley that no further permits would be granted in the Basin. On the same day and in response to a direct question from Fish Springs Ranch's Managing General Partner, the State Engineer indicated that applying for additional water permits in the Honey Lake Valley would be useless as no such additional permits would be granted absent a change in the known hydrologic condition of the Basin or the then current number of outstanding permits. Since that date no additional information has been developed concerning the hydrologic condition of the Basin and no then current permits have lapsed. Therefore should the State Engineer find cause to again commence issuing permits in the Honey Lake Valley, fundamental fairness and equal treatment of all Honey Lake Valley water users would require the State Engineer to make an announcement of a change in policy and allow applications from all interested parties to be heard at the same time.

2. Fish Springs Ranch has discussed the sale of its water permits in the Honey Lake Valley with numerous potential buyers, including representatives and agents of WCS. In fact it was Fish Springs Ranch which first introduced WCS to the availability of a substantial water resource in the east end of Honey Lake Valley and demonstrated to WCS the practicality of effecting an interbasin transfer thereof to meet the water needs of the Truckee Meadows. Finally the locations selected by WCS embodied in the current applications for permits were shown to the representatives and agents of WCS by Fish Springs Ranch's Managing General Partner.

Under the foregoing facts, it would be inappropriate to grant WCS's applications for permits because same would cause the following harm to Fish Springs Ranch:

(a) The granting of such permits would misappropriate a valuable asset and special knowledge of Fish Springs Ranch made known to WCS under terms purported confidential.

(b) The granting of such permits would have a "chilling effect" upon Fish Springs Ranch's negotiations with potential purchasers including WCS and would therefore be an interference with an advantageous economic relationship.

3. WCS lacks standing to bring an application for water permits in the east end of the Honey Lake Valley in that WCS has no current use nor plan for use of water so appropriated.

4. The specific application subject to this protest interferes with the permits held by Fish Springs Ranch in the following material respects:

This particular filing (# 50260) by WCS involves the consumptive use of 500 acre-feet per year of ground water derived, at least in part, from underground diversion points under permit applications 50195, 50196, 50197, 50198, all of which are located in such a position as to interfere with the senior water rights held by FSR. Specific interference problems associated with WCS's applications 50195, 50196, 50197, and 50198 on FSR's water rights are detailed in protests levied by FSR against these applications, to wit:

1. WCS # 50195 will impact unreasonably on the agricultural operation of FSRL and on water availability in FSRL's wells under permits 48211, 49268, 49269 and 49373 to 49379.

2. WCS # 50196 will impact unreasonably on water yield and well efficiency in FSRL's wells under permits 49268, 49269, 49374, 49375, 49377 and 50089.

3. WCS # 50197 will impact unreasonably on FSRL # 50087 since the WCS point of diversion is at the very same location as FSRL # 50087.

4. WCS # 50198 will impact unreasonably on FSRL's immediately downgradient wells under permits 39899, 45024, 45025 and 50090.