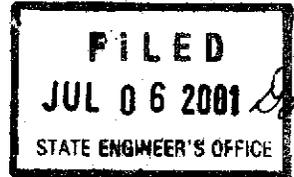


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 66526, FALCON CAPITAL, LLC., a Wyoming FILED BY limited liability company, ON JUNE 29 2000 TO APPROPRIATE CHANGE AND TRANSFER A PORTION OF THE WATERS OF OPHIR CREEK



PROTEST



WEST WASHOE ASSOCIATION, INC., a Nevada corporation; GEORGE W. Comes now GILLEMOT, Trustee; STANLEY E. BAILEY and SHRYL D. BAILEY, Trustees

Printed or typed name of protestant whose post office address is Post Office Box 3948, Reno, Nevada 89505 Street No. or P.O. Box, City, State and Zip Code

whose occupation is homeowners association and ranching and protests the granting

of Application Number 66526, filed on June 29 2000

by FALCON CAPITAL, LLC., a Wyoming limited liability company to appropriate CHANGE AND TRANSFER A PORTION OF THE waters of OPHIR CREEK situated in WASHOE County, State of Nevada, for the following reasons and on the following grounds, to wit:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF

DENIED

THEREFORE the Protestant requests that the application be 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 Thomas J. Hall Agent or protestant THOMAS J. HALL, AGENT FOR PROTESTANTS Printed or typed name, if Agent

Address POST OFFICE BOX 3948 RENO, NEVADA 89505 Street No. or P.O. Box No. City, State and Zip Code No.

Subscribed and sworn to before me this 6th day of JULY 2001 Karen R. Oliveira Notary Public



State of NEVADA County of WASHOE

6200

EXHIBIT A

APPLICATION 66526

1. Protestants and other West Washoe Valley residents are dependent, in part, on well water. Any transfer of West Washoe Valley water rights outside this valley will be detrimental to ground water recharge within it.
2. Ophir Creek (and other creeks included in the related and proposed transfers) was adjudicated as an intrastate water source. Proposed co-mingling of Ophir Creek rights with Truckee River rights will create new jurisdiction and new demands for all creek rights in West Washoe Valley.
3. Since at least the adjudication of Ophir Creek, there have been numerous years when available creek water has not been adequate to satisfy junior claims. As recently as year 2000, the State Engineer concluded that there was not enough water to serve any junior 1862 users. Because the Casey Ranch water rights are primarily 1862 claims, the water under this application for change and transfer often does not exist in reality.
4. The proposed transfer, being subsequent to recent approval of the Washoe County bond issue to provide funds for purchase of the Casey Ranch, is "bait and switch" deception. The Washoe County voters have reasonable expectations that this open space property acquisition would appear in the future as it was seen at the time of the bond issue passage. Transferring the subject water rights down stream will cause the West Washoe Valley meadows in the place of use to revert to sagebrush.
5. There will be unreasonable non-beneficial loss of water during transit from West Washoe Valley to its proposed place of use.
6. Dewatering of the aquifer will impact and conflict with existing rights held by Protestants.
7. Studies of the water supplies and perennial yield of streams in West Washoe Valley are now being made and are not yet completed. The State Engineer should withhold final ruling on this Application until the studies are completed.
8. The proposed change threatens to prove detrimental to the public interest as set forth above.
9. Protestants reserve the right to present additional reasons and grounds in support of this protest at the hearings hereof.