

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

FILED
JUL 18 2003
STATE ENGINEER'S OFFICE

IN THE MATTER OF APPLICATION NUMBER 69698
FILED BY ALDER CREEK RANCH, LLC
ON FEBRUARY 28, 2003, TO APPROPRIATE THE WATERS
OF ALDER CREEK AND TRIBUTARIES

} PROTEST

Comes now EDITH AND JULIAN MARCUERQUIAGA, TRUSTEES OF THE MARCUERQUIAGA 1980
Printed or typed name of protestant

LIVING TRUST.
whose post office address is 5255 Palisade Drive., Winnemucca, NV 89445
Street No. Or P.O. Box, City, State and Zip Code.
whose occupation is Rancher and protests the granting
of Application Number 69698, filed on February 28, 2003
by ALDER CREEK RANCH, LLC to appropriate the
waters of Alder Creek and Tributaries situated in Humboldt
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:
Please see Exhibit A attached hereto

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.

RECEIVED
03 JUL 18 PM 2:19
STATE ENGINEERS OFFICE

Signed [Signature]
Agent or protestant
Ross E. de Lipkau
Printed or typed name, if agent

Address P.O. Box 2790
Street No. or P.O. Box No.
Reno, Nevada 89505
City, State and Zip Code No.

Subscribed and sworn to before me this 17th day of July, 2003.
[Signature]
Notary Public

State of Nevada
County of Washoe

 KATHLEEN L. MORRIS
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No. 93-0632-2 - Expires December 16, 2013

 \$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

EXHIBIT A
PROTEST IN THE MATTER OF APPLICATION NUMBER 69698

In April 2001, Julian Marcuerquiaga, Edith Marcuerquiaga, Manuel Elias, and the State of Nevada entered into a certain memorandum of understanding (conservation easement pursuant to NRS 113.390-111.440). It is readily apparent that the granting of Application 69698 would violate the terms and conditions of the Memorandum of Understanding. Releases of water from the subject reservoir must be strictly maintained. The Memorandum of Understanding was memorialized by a certain Memorandum of Agreement duly recorded. Copies of both the Memorandum of Understanding, and the Memorandum of Agreement are attached hereto.

Also enclosed herewith is a copy of a January 13, 1997, letter signed by Robert Lyle, which outlines the Bankruptcy and other proceedings.

Hence, based upon the foregoing, it is readily apparent that the granting of Application 69698 would violate the Memorandum of Understanding entered into between the parties set forth on that document. It is respectfully requested, therefore, that the State Engineer deny Application 69698.