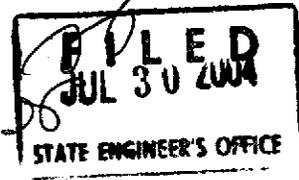


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 71169, FILED BY Southern Nevada Water Authority of Las Vegas ON May 6, 2004, TO APPROPRIATE THE WATERS OF an underground source 3 miles SW of Indian Springs, NV

PROTEST



Comes now Indian Springs Water Co., Inc. whose post office address is P.O. Box 585, Indian Springs, NV 89018 whose occupation is supplying water to certain Indian Springs residents and protests the granting of Application Number 71169, filed on May 6, 2004 by Southern Nevada Water Authority of Las Vegas to appropriate the waters of an underground source 3 miles SW of Indian Springs situated in Clark County, State of Nevada, for the following reasons and on the following grounds, to wit:

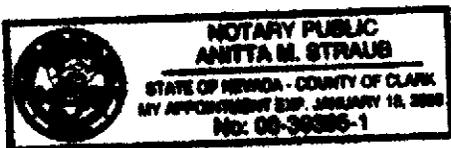
See attached page

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 Wanda Oliver, Secretary/Director of Indian Springs Water Co., Inc. Address: P.O. Box 585, Indian Springs, NV 89018

Subscribed and sworn to before me this 30 day of July 2004. Anitta M. Straub, Notary Public. State of NEVADA, County of CLARK



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

IN THE MATTER OF APPLICATION NUMBER 71169
REASONS SUPPORTING DENIAL OF APPLICATION

1. Indian Springs Valley is a small basin and the State Engineer has declared that this basin is already over-allocated. The estimate of perennial yield is 500 acre-feet.
2. Approximately 22 applications have been denied by the Nevada Division of Water Resources since 1979, and several denied prior to that date.
3. In 1987 and 2000, Indian Springs Air Force Base ("ISAFB") was issued certificates and permits for 153.86 MGA. In 1977 ISAFB pumped approximately 462 acre-feet without adhering to State appropriation procedures and were not covered by any water right issued by the State of Nevada. Presently, ISAFB does not have sufficient water to provide construction water for their current projects. The contractors are purchasing water from Indian Springs Water Company, Inc. ("ISWC").
4. Indian Springs is presently growing at a pace not seen in 20 years, and with the expansion of ISAFB and the probability of the Yucca Mountain project, we are concerned these applications by Southern Nevada Water Authority ("SNWA") would prevent our ability to grow.
5. ISWC and local well owners have no guarantee that our wells will not be affected and/or actually dry up. This process could take decades, and we could be in the same situation as Owens Valley, CA, a dust bowl.
6. Regional inter-basin movement of groundwater takes place in the lower carbonate aquifer (where ISWC's wells are located). This aquifer has been classified as part of the Ash Meadows regional groundwater system. Impact on Ash Meadows would be significantly detrimental to the "Devil's Hole Pupfish," an endangered species.