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

FILED
JUN 01 2006
STATE ENGINEER'S OFFICE

IN THE MATTER OF APPLICATION

NUMBER .....73668.....

FILED BY **Nevada Power Company and Sierra Pacific Power Company**

ON.....December 30, 2005.....TO APPROPRIATE THE

WATERS OF .....**an underground source**

} PROTEST

Come now.....**White Pine County** .....

whose post office address is .....**801 Clark Street, Suite #4....Ely, NV 89301** .....

whose occupation is .....**County Government** .....

of Application Number.....**73668** .....filed on .....**December 30** .....**2005** .....

by .....**Nevada Power Company and Sierra Pacific Power Company** .....to appropriate the waters of.....**an underground source** .....situated in ...**White Pine County, State of Nevada** for the following reasons and on the following grounds, to wit:

.....**Refer to Exhibit A** .....

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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.....John A. Chachas.....

.....John A. Chachas.....

Address.....801 Clark Street, Suite #4.....

.....Ely, NV 89301.....

Subscribed and sworn to before me this ....31st... day of ...May....., 2006.....

.....Notary Public

State of .....**Nevada**.....

County of .....**White Pine**.....

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

## EXHIBIT A TO PROTEST

White Pine County protests the applications filed in Steptoe Valley by Nevada Power Company/Sierra Pacific Power Company on the grounds that the timing and placement of the applications are detrimental to the existing permitted water rights held by White Pine County for power generation and are not in the public's best interests.

1. White Pine County applied for and has maintained its permits for water rights in Steptoe Valley for the purpose of power generation to provide jobs and revenue for White Pine County residents and to make coal fired electrical power available for Nevada. White Pine County began working with LS Power Development in late 2003 and in February, 2004, signed an Interim Development Agreement with the company providing it the use of the County's 25,000 acre feet of water permits in Steptoe Valley for the purpose of developing, constructing, and operating a coal fired electrical power plant. The Interim Development Agreement was signed with White Pine Energy Associates and extended in February 2006 and is in effect through February 2007.

2. White Pine Energy Associates has worked diligently to complete the development phase for the White Pine Energy Station and is spending millions of dollars on the draft Environmental Impact Statement, Air Quality Permit Application, Application to the Nevada State Public Utilities Commission, its Application to Nevada Division of Environmental Protection to permit a Class III Solid Waste Disposal Facility, and other related planning documents. The release of the Draft EIS is scheduled for late summer, 2006, with a Record of Decision anticipated by the end of the calendar year.

3. The Draft EIS identifies and is analyzing two sites, the preferred site and an alternative site. Site selection will be a function of the final EIS and Record of Decision by the Bureau of Land Management. The site selected will dictate the location of the well field to serve the project. It is essential for White Pine Energy Associates to have access to all of the points of diversion identified in the County's permits until the final decision on the site is made and the points of diversion are perfected and put to beneficial use.

4. The Applicant has filed for the exact points of diversion identified in White Pine County's permits 72728 through 72735. These locations are identified by White Pine Energy Associates as points of diversion required for its well field, depending on the site selected.

The White Pine County Commission has stated publicly that it supports the project proposed by Nevada Power Company/Sierra Pacific Power Company as a second power project in Steptoe Valley. The Commission has publicly offered to work with the Sierra Pacific Power Company to assist with project development and to identify water resources that are not in conflict with the development phase already underway

by White Pine Energy Associates. The White Pine County Commission voted unanimously to protest Applications 73661 through 73668 because they are filed over the identical points of diversion identified in White Pine County's permits 72728 through 72735 and because a decision to award permits at this time would have a negative impact on the development phase of the White Pine Energy Station, jeopardizing the jobs, business activity, and tax revenues that it will bring to the citizens of White Pine County.

White Pine County respectfully requests that the State Engineer exercise his statutory authority and deny Applications 73661 through 73668 without an administrative hearing.