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

IN THE MATTER OF APPLICATION NUMBER.....74337.....,

FILED BY.....JACKRABBIT PROPERTIES, LLC.....;.....,

ON.....MAY 25....., 2006....., TO APPROPRIATE THE

WATERS OF .....UNDERGROUND.....

} PROTEST

FILED
AUG 14 2006
STATE ENGINEER'S OFFICE

Comes now.....John Espil Sheep Co.....
Printed or typed name of protestant

whose post office address is.....P.O. Box N, Susanville, California 96130.....
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation is .....Ranching..... and protests the granting

of Application Number .....74337....., filed on .....May 25....., 2006.....

by .....Jackrabbit Properties, LLC.....to appropriate the

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:

.....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.

Signed .....Gordon H. DePaoli.....
Agent or protestant

.....Gordon H. DePaoli.....
Printed or typed name, if agent

Address.....P.O. Box 2311.....
Street No. or P.O. Box No.

.....Reno, Nevada 89505.....
City, State and Zip Code No.

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Subscribed and sworn to before me this .....14th.....day of.....August....., 2006.....

.....Joanne McMaster.....
Notary Public

State of Nevada

County of Washoe

JOANNE McMASTER
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 93-3411-2 - Expires May 10, 2009

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

EXHIBIT "A"

Application Nos. 74336, 74337, 74338, 74339, 74340 and 74341

1. Application No. 74336 through 74341 seek to appropriate large quantities of groundwater from the Smoke Creek Desert Groundwater Basin (Basin No. 021). The protestant, John Espil Sheep Co., owns numerous vested surface and groundwater rights as well as certified surface and groundwater rights within Basin No. 021. The proposed use of water under Application No. 74336 through 74341 would conflict with the Protestant's use of water under its numerous existing and senior water rights in Basin No. 021.

2. There is no unappropriated water in Basin 021.

3. The granting of Application Nos. 74336 through 74341 would be detrimental to the public interest.

4. The Applicant has provided no information to establish that it has the financial ability and reasonable expectation to actually construct the necessary works and place the water to beneficial use.

5. The Protestant requests that water rights, if any, granted under Application Nos. 74336 through 74341 be conditioned on the implementation of a monitoring program approved by the State Engineer. If impacts to existing rights or the public interest are demonstrated by the monitoring program, the Applicant should be required to mitigate those impacts to the satisfaction of the State Engineer and the affected party.

6. The Protestant reserves the right to supplement this Protest as additional information becomes available concerning Application Nos. 74336 through 74341.

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