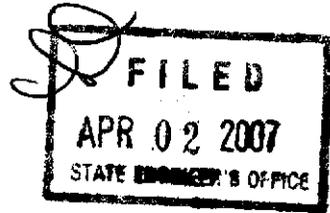


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 75042
FILED BY Jackrabbit Properties, LLC
ON November 9, 2006, TO APPROPRIATE THE
WATERS OF Smoke Creek and Tributaries

PROTEST



Comes now John Espil Sheep Co.
whose post office address is 2889 Granville Drive, Sparks, NV 89436
whose occupation is Ranching and protests the granting
of Application Number 75042, filed on November 9, 2006
by Jackrabbit Properties, L.L.C. to appropriate the
waters of Smoke Creek and Tributaries situated in Washoe
County, State of Nevada, for the following reasons and on the following grounds, to wit:

See Exhibit "A" attached hereto and by this reference incorporated herein.

THEREFORE the Protestant requests that the application be Denied
and that an order be entered for such relief as the State Engineer deems just and proper.

Signed Gordon H. DePaoli
Gordon H. DePaoli
Address 6100 Neil Road, Suite 500
Reno, NV 89511
775/688-3000

RECEIVED
2007 APR -3 PM 3:14
STATE ENGINEERS OFFICE

Subscribed and sworn to before me this 3rd day of April, 2007.



Jill Nichol
Notary Public
State of Nevada
County of Washoe

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

Q

EXHIBIT "A" / APPLICATION NO. 75042

1. There is no unappropriated water in the proposed source of supply;
2. The proposed use will conflict with existing water rights, including, without limitation, Water rights held by the John Espil Sheep Co.;
3. The proposed use threatens to prove detrimental to the public interest;
4. The Applicant has not provided proof of its intention in good faith to construct any work necessary to store the water or to apply it to beneficial use with reasonable diligence, and of its financial ability and reasonable expectation actually to construct the work and apply the water to intended beneficial use with reasonable diligence;
5. Without information concerning specific secondary uses and places of secondary use, the State Engineer cannot make the determinations required by NRS 533.370; and
6. The Protestant reserves the right to supplement this protest as additional information becomes available concerning Application No. 75042.