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

IN THE MATTER OF APPLICATION NUMBER.....75704.....,

FILED BY... SONTERRA DEVELOPMENT CO.,LLC.....,

ON.....MAY 15 ....., 2007...., TO APPROPRIATE

THE WATERS OF .UNDERGROUND SOURCES - BASIN NO. 24 ...

} PROTEST

FILED
AUG 14 2007
STATE ENGINEER'S OFFICE

2007 AUG 14 PM 2:19
STATE ENGINEER'S OFFICE

Comes now .....Bright Holland Corporation c/o Mr. Todd Jaksick.....
Printed or typed name of protestant

whose post office address is ...4005 Quail Rock Lane, Reno, Nevada 89511.....
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation is ....WATER RIGHT OWNER / RANCHER..... and protests the granting

of Application Number .....75704 ....., filed on .....MAY 15 ....., 2007

by .....SONTERRA DEVELOPMENT CO., LLC.....to appropriate the

waters of ....Underground Sources..... .....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 ATTACHED 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 .....
Agent or protestant

.....Mr. Todd Jaksick - Bright Holland Corporation .....
Printed or typed name, if agent

Address.....4005 Quail Rock Lane .....
Street No. or P.O. Box No.

.....Reno, Nevada 89511.....
City, State and Zip Code No.

Subscribed and sworn to before me this .....13th.....day of.....AUGUST....., 2007.....

.....
Notary Public

J. CLAYTON
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 03-82568-2 - Expires May 30, 2011

State of.....NEVADA.....

County of .....WASHOE.....

✚ $25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.

ALL COPIES MUST CONTAIN <u>ORIGINAL</u> SIGNATURE.

Exhibit "A"
Formal Protest Requesting Denial of Application No. 75701 thru 75704
Applicant - Sonterra Development Company, LLC

Application Nos. 75701 through 75704 filed by Sonterra Development Company, LLC propose to export 2,552.00 acre feet of ground water from the Hualapai Valley Hydrographic Basin No. 24.

Bright Holland Corporation has numerous proofs of appropriations, permits, stock water, artesian wells and applications for surface and ground water rights within the Hualapai Valley Hydrogeographic Basin No. 24. In addition to water rights, Bright Holland Corporation owns an extensive number of acres of land in this Washoe County basin. Both surface and ground water resources are vital to the financial survival of it's ranching operation.

In order to protect Bright Holland Corporation interests and continued financial viability, it is important to understand how water resources are being utilized within the basin. It is unknown at this time what impacts the above applications and exportation project will have on the Bright Holland Corporation water rights and pending applications. Before the State Engineer considers any exportation from Hualapai Valley, it is important to consider the accumulative impacts of continued ranching operations in the Valley and/or the potential for Bright Holland Corporation to convert its agricultural uses to a municipal use and export their water resources. The State Engineer must also quantify the cumulative effects of two (2) or more exporters of water from the Valley since this option is available to Bright Holland Corporation. Neither the applicant nor the State Engineer can utilize the continued irrigation and other committed surface water rights within the Hualapai Valley as a source of recharge to support Applicant's water exportation from the Valley.

Protestant is informed and believes the Application incorporates the historical data and groundwater yield information. To date, there is no current information historical or otherwise that analyzes the groundwater yield in the event the Protestants surface water is moved or diverted to a different location and is not available for recharging the Applicant's groundwater. The Protestant is in the process of more efficiently collecting and diverting its surface water through pipelines and other systems from its current location to Fly Ranch. As a result, the Protestant will capture the surface water and divert it to the Fly Ranch for agricultural or other purposes and therefore, the Applicant can not rely on the Protestant's surface water to recharge its groundwater resources. This analysis is critical and must be quantified since it will affect the groundwater yield described in the Application. Because this analysis does not exist, the State Engineer is justified in requesting additional information to gain a better understanding of its effects on the water project. The Applicant must demonstrate where it will obtain its recharge (e.g., surface water, rainfall, snow fall, etc.) to support a project of this magnitude. This information may provide additional details and protest concerns and accordingly the Protestant reserves the right to amend its protest as more information becomes available.

The Protestant is concerned the full utilization of its water rights may be restricted by the Applicant's proposed use and thus, adversely affect the Protestants future uses including, without limitation, the export of its surface and groundwater from the Basin for its own benefit. The proposed use of the water may lower the water table causing existing wells and stream beds to dry up or requiring an existing well to be drilled to greater depths. The proposed exportation of water may interfere with artesian water sources, springs, seeps and existing water rights.

Given this large scale diversion and exportation of water resources from the Basin, it is possible the Application may have a negative impact on the groundwater, artesian flows, stock water, spring and stream water resources relied upon by the Protestant's in Basin 24, all of which must be analyzed to determine the impacts on the flows throughout Basin 24.

Bright Holland Corporation wants to be involved in any hearing, field investigation and/or other action taken by the State Engineer to obtain additional information on possible impacts to existing ground water, surface water rights and pending applications. Sufficient data and documentation does not exist to justify approval of an exportation of ground water; therefore, this protest is being filed requesting denial of the above applications. Bright Holland Corporation reserves the right to modify and supplement this protest based upon receipt of additional information that may address or magnify it's concerns.