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

IN THE MATTER OF APPLICATION NUMBER...**75707**.....,

FILED BY...**SONTERRA DEVELOPMENT COMPANY, LLC**....,

ON.....**MAY 15**... **2007**.....,

TO APPROPRIATE THE WATERS OF .....**UNDERGROUND**.....

} PROTEST

FILED
AUG 14 2007
STATE ENGINEER'S OFFICE

Comes now.. **United States Department of Interior, Bureau of Land Management, Winnemucca Field Office**.....
Printed or typed name of protestant

whose post office address is... **5100 East Winnemucca Blvd, Winnemucca, NV 89445**.....
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation is ..... **Federal Land Management Agency**..... and protests the granting

of Application Number .....**75707**....., filed on .....**May 15**....., **2007**.....

by ..... **SONTERRA DEVELOPMENT COMPANY, 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:

.....**Please refer to the attached "Exhibit A"**.....

THEREFORE the Protestant requests that the application be: **Held in abeyance, pending further information and analysis.**
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

.....**Gail G. Givens**.....
Printed or typed name, if agent

Address.....**5100 E. Winnemucca Blvd**.....
Street No. or P.O. Box No..

.....**Winnemucca, NV 89445**.....
City, State and Zip Code No.

Subscribed and sworn to before me this ..14th.....day of.....**August**....., 20.07.....

.....
Notary Public

ROBERT J. EDWARDS
Notary Public - State of Nevada
Appointment Recorded in Humboldt County
No: 93-0324-9 - Expires March 18, 2008

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

County of .....**Humboldt**.....

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

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Exhibit A

Applications 75705 through 75724 are seeking to export groundwater from the San Emidio Desert hydrographic area, a designated basin in which existing resources are over-appropriated. The hydrographic area summary report (obtained from the Nevada Division of Water Resources water rights database on July 27, 2007) indicates the estimated perennial yield of the basin is 2,500 acre-feet per year (afy) and that there are 7,440 afy of committed underground rights; an additional 1,303 afy is allocated for geothermal power generation.

The Bureau of Land Management (BLM) recognizes that these applications are seeking changes to valid existing permits and rights as granted by the Nevada State Engineer. The BLM's objections to these applications should not be construed as condemning the project as a whole. Rather, our concerns are related to the extent to which these applications exceed the currently recognized perennial yield of the basin, the potential effects on natural resources for which BLM is responsible, and potential impacts to BLM Public Water Reserves (18 on file with the Nevada State Engineer's office).

NRS 533.370 provides criteria that the State Engineer must consider when deciding whether an interbasin transfer of water should be approved or denied. These criteria include 1)whether the proposed action is environmentally sound as it relates to the basin from which water is exported; and 2)whether the proposed action is an appropriate long-term use of water which will not unduly limit future growth and development in the basin from which water is exported.

Exporting the quantity of water requested under the subject applications (a minimum of 4,500 afy per Greg Bilyeu), from a basin that has a perennial yield of only 2,500 afy, is unsound based solely on water-budget principles. If the interbasin transfer of 4,500 afy is approved, resources in the basin will continue to be over-allocated. Furthermore, most of the water under the subject applications is currently used for irrigation and provides secondary recharge to the water-table aquifer. Export of water from the basin will reduce the amount of secondary recharge, increase removal of water from aquifer storage, and thus reduce spring discharge and lower water levels. Sufficient lowering of water levels may also capture underflow to the Black Rock Desert and Smoke Creek Desert or reverse the direction of gradient between these basins.

Exporting a quantity of water that exceeds the estimated perennial yield of the basin also may unduly limit future growth and development within the San Emidio Desert. It is reasonable to expect some future growth and development in the area. Geothermal power production will continue and may expand. Recreational visitation will continue to increase given nearby access to the Black Rock Desert National Conservation Area, several designated wilderness areas, and organized events such as the Burning Man Festival near the town of Gerlach. The Union Pacific Railroad provides transportation access to the area. Mining activity for materials such as gypsum, sand, and gravel has also occurred throughout the area in the past. This potential growth and development will not be possible if all available water is exported out of the basin.

BLM administers significant public lands within the San Emidio Desert in accordance with the Federal Land Policy Management Act of 1976. Springs and shallow ground water sustain wildlife habitat and support public land uses such as livestock grazing, mining, geothermal energy production, and recreation; BLM holds public water reserve claims on 20 springs within the basin. The exportation of water in quantities that exceed perennial yield will reduce spring discharge and lower ground-water levels, thus impairing our ability to manage these public lands.