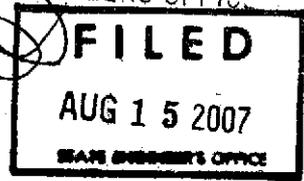


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

2007 AUG 15 AM 10:24

STATE ENGINEERS OFFICE



IN THE MATTER OF APPLICATION NUMBER.....75724.....

FILED BY SONTERRA DEVELOPMENT COMPANY, LLC ON MAY 15, 2007, TO CHANGE THE PLACE AND MANNER OF USE OF

WATERS OF SAN EMIDIO BASIN (022).



PROTEST

Comes now the Toiyabe Chapter of Sierra Club and Great Basin Water Network jointly, whose addresses are P.O. Box 8096, Reno, NV 89507 and 1755 E. Plumb Ln # 170, Reno NV 89502 respectively; whose missions are conservation and outdoor recreation; water conservation and education; support for sustainable water use; and protection of water resources and communities; protest the granting of Application Number 75724, filed on May 15, 2007 by Sonterra Development Company, LLC to change the manner and place of use, the waters from underground sources in Basin 022 situated in Washoe County, State of Nevada, for the following reasons and on the following grounds, to wit:

...(SEE ATTACHMENTS).....

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 Dennis Ghiglieri Susan Lynn Agent or protestant

.....Dennis Ghiglieri.....Susan Lynn..... Printed or typed name, if agent

Address.....PO Box 80961755 E. Plumb Ln #170..... Street No. or P.O. Box No.

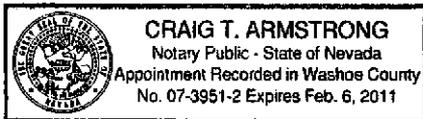
.....Reno, NV 89507.....Reno, NV 89502..... State and Zip Code No.

Subscribed and sworn to before me this 14 day of August 20 07

..... 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.

Rationale for Protesting Water Change Applications in Basin 022, San Emidio Desert

Groundwater Table is Declining:

- The groundwater table appears to be in serious decline from agricultural pumping.
- Existing water rights, including those proposed to be transferred, exceed the perennial yield. It is a designated basin.
- The transfer of water from this basin will have a negative impact on existing water rights and natural resources.
- Water for agriculture has flexibility of use in a drought and by season; therefore the actual use of each well may be less the allocated amount.
- The perennial yield needs to be re-evaluated in light on the ongoing desertification of Nevada; the amount of water recharge needs examination and analysis.

The removal of water from this basin will create environmental damage

- As plants fail to reach declining groundwater, they will die.
- Infrequent springs, seeps and tiny wetlands created by geothermal discharge may dry up depriving wildlife of water sources and forage.
- The infrequent precipitation cannot recharge the basin to this extent of withdrawals.
- With plant cover gone, dust and air quality will be a problem for Reno Sparks when the north winds blow.
- The loss of vegetation will encourage successions of noxious weeds.

Granting the applications impacts other water right holders and users

- The impact of transferring all of the water requested or even some of the water will result in continued draw down of the water table impact current users and natural resources.
- Transfer of the water precludes development in this basin.

Granting the application would not be in the public interest

- Agricultural water use is flexible, but it is proposed to be transferred to be used by thousands of people who require a steady supply.
- It is not in the public interest to provide a short-term water supply for thousands of people and businesses. The tendency will be to demand deeper wells in the basin and higher water prices from the customers.
- The water table will continue to decline.
- The loss of groundwater will destroy all water sources, riparian vegetation, and even vegetation reliant on subsurface water causing wildlife to move on or die.
- Removing of agricultural crops and accelerating dropping water tables will result in weeds and a dust bowl on the non-irrigated land and finally all vegetation in the valley will die.
- In the long-term, a shortage of water for the anticipated future development will become a liability for the receiving communities and the state as homeowners demand more water or compensation for lost investment.

Economic Impacts

- The removal of water from the San Emidio Basin 022 has the potential to cause problems for the Gerlach General Improvement District that supplies water for Gerlach. The San Emidio Basin is connected to the Smoke Creek, Black Rock, Winnemucca and Pyramid Lake and other nearby basins.
- A drop in water levels in surrounding basins may preclude any future development in those areas. The area receives high numbers of anglers, hunters, Burning Man participants, and folks looking for other recreation opportunities. This is Washoe County's recreation getaway.