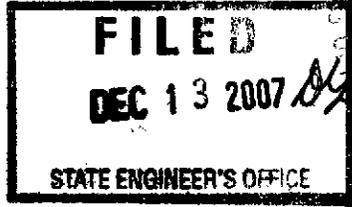


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER, 76153
, FILED BY, BRIGHT HOLLAND CORPORATION
, ON AUGUST 14, 2007, TO APPROPRIATE THE WATERS OF
NEGRO CREEK AND TRIBUTARIES



PROTEST



STATE ENGINEER'S OFFICE
2007 DEC 13 PM 12:06
RECEIVED

Comes now High Rock Holding, LLC, a Nevada limited liability company
Printed or typed name of protestant
whose post office address is P.O. Box 152, Gerlach, NV 89412
Street No. Or P.O. Box, City, State and Zip Code.
whose occupation is Ranching and protests the granting
of Application Number 76153, filed on August 14, 2007, 20.....
by Bright Holland Corporation to appropriate
the waters of Negro Creek and Tributaries 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 Attachment "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 Michael B. Stewart
Agent or protestant
Michael B. Stewart, Managing Member, High Rock Holding, LLC
Printed or typed name, if agent

Address P.O. Box 152
Street No. or P.O. Box No.
Gerlach NV, 89412
City, State and Zip Code No.

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



Patricia Hanneman
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.

BY

ATTACHMENT "A"
TO PROTEST FILED BY HIGH ROCK HOLDING, LLC
AGAINST APPLICATION 76159

Application 76153 filed on August 14, 2007 by Bright Holland Corporation seeks to appropriate 30.00 cfs and 3500 acre-feet annually from Negro Creek and tributaries.

The proposed manner of use of this water is "storage" and the proposed reservoir in which this water is to be stored is listed as having a capacity of 3500 acre-feet.

Protestant High Rock Holding, LLC, is the senior water right holder on Negro Creek being the owner of Permit 5733 (Cert. 2981) with a 1914 priority and a duty of 246.18 acre-feet.

Prior actions by the State Engineer have denied applications to appropriate water Negro Creek based on the fact that the source was fully appropriated. Most notable of these is Permit 3495, filed by John H. Bruce on July 12, 1915. The State Engineer denied this application stating, "...that the water of the source applied for is entirely appropriated by prior rights and filings."

Subsequent to that denial, the State Engineer did issue additional appropriations (Permits 9463 and 11145). Since these permits were issued the State Engineer has not granted additional rights on Negro Creek and in fact has denied several other appropriations.

1. There is no unappropriated water at the source. The existing rights owned by the Protestant's and other right holders fully appropriate Negro Creek and its tributaries.
2. The Application, if granted, will conflict with the senior existing rights of the Protestant by taking water that normally would be used to serve the Protestant's existing senior rights.
3. Based on information and belief, the requested diversion rate exceeds the normal base flow of Negro Creek. Appropriation of the 30 cfs would adversely impact the Protestant's senior water rights and those of other right holders on the system.
4. Based on information and belief the requested duty is already appropriated by the existing senior water rights on the system. The amount of water requested by the Applicant over and above the existing rights on the system cannot be generated.
5. The Application is deficient in that NRS 533.335(7) requires that the application shall contain the estimated costs of the proposed works. Application 76153 does not contain this information.
6. The Application is deficient in that NRS 533.340(6) requires that, for applications contemplating the storage of waters, the dimensions and locations of the proposed dam, the capacity of the proposed reservoir and a description of the lands to be submerged be included. An examination of Application 76153 and the supporting map on file fails to provide this information. In fact, Under Item 12 of Application 76153 it states that *"The existing Fly Reservoir may be expanded."*

Additional storage sites are proposed on lands owned or controlled by the applicant.” However nowhere on the map nor the Application is there a description of these additional storage facilities that includes the information specifically requested by NRS 533.340(6).

7. The Application is deficient in that it requests eight (8) years in which to construct the works of diversion. NRS 533.380(1) (a) requires that the time set forth by the State Engineer not exceed five (5) years.
8. NRS 533.370(2) (c) requires that the Applicant provide the State Engineer of his financial ability and reasonable expectation actually to construct the work and apply the water to the intended beneficial use with reasonable diligence. The Application is deficient in that it does not include this information.

In addition, NRS 533.368 provides that the State Engineer determine the need for hydrological, environmental or other studies before he makes a final determination on an application to appropriate. The cost of such a study is to be paid by Applicant and performed by the State Engineer or a person designated by him. Prior to any action being taken on this application, the State Engineer should require these studies be performed and require the Applicant to bear the full cost.

NRS 533.375 states that for applications proposing to divert more than 10 cubic feet per second of water, State Engineer may require submission of the articles of incorporation, and the names and places of residence of directors and officers, and the amount of its authorized and of its paid-up capital. Prior to any further consideration of this Application, the State Engineer should require the submission of this information.

Should the State Engineer determined that there is additional water available for appropriation on Negro Creek, the Protestant wishes to point out that it has an existing application pending before the State Engineer for consideration. Application 38405 was filed in 1979 to appropriate 900 acre-feet of water from Negro Creek. High Rock Holding, LLC is the current owner of this right and requests that, should the State Engineer find additional water is available at the source that its application be acted upon prior to acting on any application filed by Bright Holland.

In conclusion, it is the belief of the Protestant that the existing senior appropriations fully appropriate Negro Creek and that there is no unappropriated water at the source. NRS 533.370 prohibits the State Engineer from granting an application to appropriate if there is no unappropriated water at the source or if it will conflict with existing rights. Should additional water be available then High Rock Holding, LLC's existing application is next in line to be granted that water. Any further issuance of Bright Holland's application ahead of High Rock's would conflict with High Rock's water rights. Therefore, High Rock Holding, LLC, respectfully requests that Application 76153 be denied.