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

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APR 03 2009
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IN THE MATTER OF APPLICATION NUMBER.....77798.....,

FILED BY.....RAYMOND THOMPSON.....,

ON.....APRIL 3......, 2009...., TO APPROPRIATE THE

WATERS OF .....PANACA VALLEY.....

} PROTEST

Comes now..... RAYMOND THOMPSON.....
Printed or typed name of protestant

whose post office address is..... P.O. Box 163, Caliente, NV 89008.....
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation is .....farmer, rancher and water rights owner in Panaca Valley..... and protests the granting

of Application Number .....77798....., filed on .....January 20....., 2009.....

by .....United States of America, Department of Energy.....to appropriate the

waters of .....an underground source.....situated in .....Panaca Valley.....
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 protest.....

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

.....Greg Walch.....
Printed or typed name, if agent

Address.....400 S. Fourth St., 3rd Floor.....
Street No. or P.O. Box No.

.....Las Vegas, Nevada 89101.....
City, State and Zip Code No.

Subscribed and sworn to before me this .....3rd.....day of.....April....., 2009.....

NOTARY PUBLIC
STATE OF NEVADA
County of Clark
MARIA STAFILATOS
Appt. No. 06-104158-1
My Appt. Expires Mar. 27, 2010

.....
Notary Public

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

County of .....Clark.....

✚ $25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN [illegible]

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

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RAYMOND THOMPSON'S PROTEST OF APPLICATION 77798

Protestant Raymond Thompson ("Thompson") hereby protests the U.S. Department of Energy's (the "Applicant") Application 77798 (the "Application") and requests that the State Engineer deny the Application on the following grounds:

1. The purpose for which Application was filed, specifically the use of the water in connection with construction of a rail line to Yucca Mountain for the transportation of radioactive waste, is no longer necessary following United States Secretary of the Energy Steven Chu's recent declaration that the Yucca Mountain project was no longer considered an option for housing the nation's radioactive waste. Accordingly, the Applicant will not be able to show good faith and reasonable diligence, nor the financial ability and reasonable expectation that the rail line will ever be constructed, that it will even have any beneficial purpose, or that the water will be placed to beneficial use in accordance with NRS 533.370(1).

2. In his Ruling No. 5307, the State Engineer denied similar applications by the Applicant for use at the Yucca Mountain project on the grounds that the use of the water for such a project was not a beneficial use of the public's water, and thus would threaten to prove detrimental to the public interest. Accordingly, the Application's proposed use of water in connection with and in furtherance of the Yucca Mountain project is not a beneficial use of the public's water, and would therefore threaten to prove detrimental to the public interest.

3. The Application seeks to appropriate ground water in the Panaca Valley Ground Water Basin (Basin 203) ("Panaca") that has an individual perennial yield of 9,000 afa, but which the State Engineer combines with Basins 198 through 205 for a perennial yield of 25,000 afa. The current amount of permitted ground water permits in Panaca is 31,335.58 afa. Accordingly, there is no unappropriated water in Panaca available for appropriation by the Applicant in accordance with NRS 533.370(5).

4. The proposed point of diversion will conflict with Thompson's existing ground water and surface water rights.

5. The Application threatens to prove detrimental to the public interest because the diversion, if used for the stated purpose, threatens to degrade groundwater and air quality, threatens to undermine to local economy and lifestyle, and threatens the health and welfare of Nevadans in ways still being explored.

6. The proposed point of diversion and the place of use are located in separate basins. Accordingly, the approval of any such appropriation should be determined by the State Engineer in accordance with the interbasin transfer rules in NRS 533.370(6).

In determining whether an application for an interbasin transfer of ground water must be rejected, the State Engineer shall consider:

(a) Whether the Applicant has justified the need to import the water from another basin;

(b) If the State Engineer determines that a plan for conservation of water is advisable for the basin into which the water is to be imported, whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out;

(c) Whether the proposed action is environmentally sound as it relates to the basin from which the water is exported;

(d) Whether the proposed action is an appropriate long-term use which will not unduly limit the future growth and development in the basin from which the water is exported; and

(e) Any other factor the State Engineer determines to be relevant. *NRS 533.370(6).*

The Applicant cannot meet any of the criteria (a) through (d) under NRS 533.370(6), and therefore the Application should be denied.

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7. Inasmuch as (i) the Application was only recently filed, (ii) the Applicant has not provided evidence relating to any of the statutory criteria applicable to the approval of the Application, and (iii) there has been no exchange of evidence by Thompson and the Applicant, Thompson may not have stated with precision each of the potential bases for protesting the Application. Thompson therefore reserves his right to amend this protest as information is learned and potential effects evaluated.

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