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

IN THE MATTER OF APPLICATION NUMBER 80034
FILED BY Patua Project, LLC
ON July 27, 20 10, TO APPROPRIATE THE
WATERS OF Geothermal Reservoir

PROTEST

FILED
SEP 27 2010
STATE ENGINEER'S OFFICE

Comes now City of Fernley
Printed or typed name of protestant

whose post office address is 595 Silver Lace Blvd, Fernley, NV 89408
Street No. or PO Box, City, State and ZIP Code

whose occupation is political subdivision of the State of Nevada and protests the granting

of Application Number 80034, filed on July 27, 20 10

by Patua Project, LLC to appropriate the

waters of Geothermal Reservoir situated in Lyon
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 Exhibit A

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STATE ENGINEER'S OFFICE

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 Paul G. Taggart
Agent or protestant

Paul G. Taggart, Esq. (Agent); Taggart & Taggart, Ltd.
Printed or typed name, if agent

Address 108 N. Minnesota Street
Street No. or PO Box

Carson City, Nevada 89703
City, State and ZIP Code

775-882-9900
Phone Number

Subscribed and sworn to before me this 27th day of September, 20 10

ROBIN R. SUMMERS
NOTARY PUBLIC
STATE OF NEVADA
My Commission Expires: 6-06-11
Certificate No: 99-55121-3

Robin R. Summers
Notary Public

State of Nevada
County of Carson City

+ $25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Exhibit A

1) Fernley Area Basin 76 is a designated basin with a preferred use of Municipal, Quasi-Municipal, and Domestic (See Orders 699, 1011, and 1081). The proposed use of water is not a preferred use and would conflict with current existing preferred uses. The application should be denied in accordance with the designation and preferred use Orders regarding this basin.

2) This application should be denied pursuant to NRS 533.370(5)
   a. The application is for a consumptive use of water. The basin is fully appropriated, and committed water resources currently equal the perennial yield. Thus there is no unappropriated water in the proposed source of supply to support the application.
   b. The proposed appropriation will conflict with existing rights. The City of Fernley's primary source for municipal supply originates from underground sources. Granting water in excess of the current rights would exceed the perennial yield and negatively impact the municipal supply to the City of Fernley.
   c. Such an approval would be detrimental to the public interest.

3) The proposed use conflicts with protectable interest in existing domestic wells and should be denied pursuant to NRS 533.024.

4) This application is asking for an Interbasin Transfer of water, as defined by NRS 533.007. The proposed Point of Diversion is within the Fernley Area Hydrographic Basin, Basin Number 076, and the proposed place of use is within the Carson Desert Hydrographic Basin, Basin 101. For the following reasons, the application should be denied pursuant to NRS 533.370(6)
   a. The Applicant has not shown a need to import water from the Fernley Area Basin. The application references that the water will be used for cooling of a binary geothermal power plant. Many binary geothermal power plants are air cooled when insufficient water is available. Thus, there is a less water intensive alternative that should be explored by the applicant. With viable alternatives that are less water intensive, there is no need to further tax the limited groundwater resource as proposed by the application and it should be denied.
   b. The applicant has not demonstrated that such a transfer would be environmentally sound. The current use constitutes an additional consumptive use of water in a fully appropriated basin. Withdraws in excess of existing rights will negatively impact valuable environmental resources. Also, the application calls for some of the used water to be injected back to the source. This may lead to degraded water quality in the area.
   c. Such an appropriation would limit the resources available to the City of Fernley for municipal supply and potentially impact the existing municipal rights. As such, it would unduly limit the future growth of the Fernley Area Basin. In a basin where committed groundwater rights are in excess of the published perennial yield, export of water from the basin would not be an appropriate use of this limited resource.