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

IN THE MATTER OF APPLICATION NUMBER 80037
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 80037, 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

2010 SEP 27 AM 11:29
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: 6-08-11
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) 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. This application is seeking water near the basin boundary between Basin 76 and Basin 101. The proposed appropriation will conflict with existing rights. The City of Fernley's primary source for municipal supply originates from underground sources in adjacent Basin 76, the Fernley Area Basin. Granting water in excess of the current rights in the Carson Desert Basin, Basin 101, would exceed the perennial yield in that basin, and may negatively impact the municipal supply to the City of Fernley.
   c. Such an approval would be detrimental to the public interest.

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

3) 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.

4) The applicant has not demonstrated that such additional use of water 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.