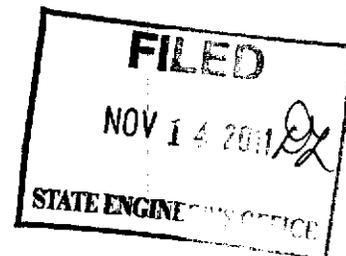


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

In the Matter of Application Number 81048)
Filed By the Stillwater Farms, Inc. on)
August 10, 2011 for Permission to Change) **PROTEST**
the Place of Use of a Portion of Water)
Appropriated Under the Truckee River and)
Carson River Decrees, and Permit Nos. 65464)
and 69656)



Comes now The Pyramid Lake Paiute Tribe of Indians, whose post office address is P.O. Box 256, Nixon, Nevada 89424, whose occupation is a federally recognized Tribe of Indians, the governing body of the Pyramid Lake Indian Reservation, organized pursuant to the Indian Reorganization Act of 1934, with a Constitution and By-laws approved by the Secretary of Interior, and protests the granting of Application Number 81048, filed on August 10, 2011 by Stillwater Farms, Inc., for permission to change the place of use of a portion of water appropriated under the Truckee River and Carson River Decrees, and Permit Nos. 65464 and 69656.

1. The application is defective and misleading because the proposed places of use consist of large water bodies and wetland areas within the boundary of the Stillwater National Wildlife Refuge. Whereas, the application states the water is to be used for "irrigation."

2. The application is defective because it does not seek to change the manner of use from "as decreed" to "recreation, wildlife, and/or wetlands."

3. Under Administrative Provision VII of the Alpine Decree, change in manner of use applications from use for irrigation to any other use and changes in place of use applications are limited only to the net consumptive use of the water right sought to be changed. The net consumptive use of surface water for irrigation on the Newlands Project is 2.99 acre-feet per acre. In this case, Application No. 81048 requests to transfer all water rights from the existing places of use at a water duty of 3.5 acre-feet per acre which violates the Alpine Decree. Therefore, the application should be denied or limited to a water duty of no more than 2.99 acre-feet per acre.

4. The application should be denied or limited to a water duty of no more than the net consumptive use pursuant to the May 11, 2011 Order of U.S. District Court for the District of Nevada (Case No. 3:73-cv-201, Doc. No. 62) regarding Nevada State Engineer Ruling No.

5759, which concluded that use of water for wetlands constitutes a change of use from irrigation to another use for purposes of the Alpine Decree, and expressly directed the State Engineer to permit a change in use from irrigation to any other use such as wetlands only for the consumptive use amount.

5. Approval of the application for the non-consumptive use portion of the water duty would increase diversions of Truckee River water to the Newlands Project and would therefore be inconsistent with the Truckee-Carson-Pyramid Lake Water Rights Settlement Act, Public Law 101-618.

6. On information and belief, a portion of the base water right sought for transfer by Application No. 81048 does not exist by way of the State Engineer's cancelation of Application No. 69656 on October 6, 2011.

7. The Applicant's response to Question 15 is vague and unclear. The response does not describe the details of the proposed project or its water usage as required by Question 15. The Applicant should be required to clarify the references to the Freeman Agreement Distribution Map and the TCID water right maps made in its response to Question 15, to allow the State Engineer, the protestant, and other interested parties to make a proper evaluation of the project proposed by the Applicant.

8. Approval of the application would threaten to prove detrimental to the public interest and the Pyramid Lake Paiute Tribe of Indians.

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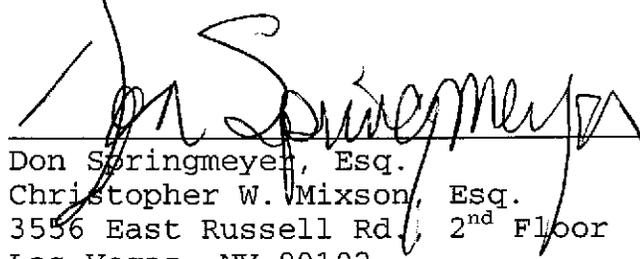
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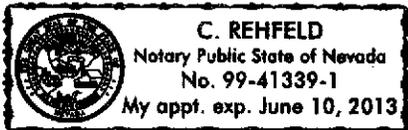
THEREFORE the protestant requests that the above-referenced application be denied or limited to a water duty of no more than 2.99 acre-feet per acre and that an order be entered for such relief as the State Engineer deems just and proper.

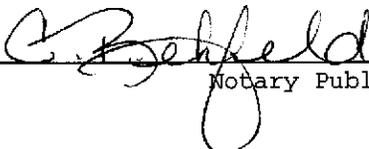
Wolf, Rifkin, Shapiro, Schulman and Rabkin, LLP



Don Springmeyer, Esq.
Christopher W. Mixson, Esq.
3556 East Russell Rd., 2nd Floor
Las Vegas, NV 89102
Tel: (702) 341-5200
Agents for the Tribe

Subscribed and sworn to before me this 10th day of November, 2011.





Notary Public

State of Nevada

County of Clark

My Commission Expires: June 10, 2013

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