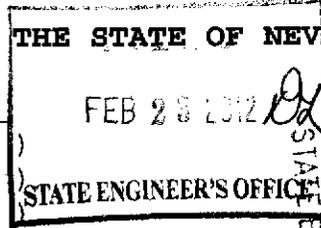


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA



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In the Matter of Application Number 81401
Filed By the City of Fernley on
December 19, 2011 for Permission to Change
the Point of Diversion and Place of Use of
Water Appropriated Under Application No.
70289

PROTEST

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 81401, filed on December 19, 2011 by the City of Fernley, for permission to change the point of diversion and place of use of water appropriated under Application No. 70289, for the following reasons and on the following grounds, to wit:

1. The water rights sought for transfer have not been put to beneficial use within the periods prescribed by the State Engineer and beneficial use of those water rights has not been prosecuted with reasonable due diligence. The proof of beneficial use associated with the base water rights sought for transfer was originally due over 30 years ago. Pursuant to NRS 534.090, the water rights sought for transfer have been forfeited and/or abandoned.

2. The proposed point of diversion (existing well) is in close proximity to the Truckee Canal. Water pumped from the well would include Truckee Canal seepage and the proposed increase in pumping would adversely affect local and regional groundwater supply. Granting the application and the subsequent development of groundwater under the application would conflict with existing rights and threaten to prove detrimental to the public interest by lowering groundwater levels and detrimentally affecting groundwater resources.

3. Increased pumping from the existing well at the proposed point of diversion would result in increased diversions from the Truckee River to the extent pumping water from the well would affect flows in the Truckee Canal. As such, the application should be denied, or at a minimum, the applicant should be required to prepare the studies required under NRS 533.368 to allow the State Engineer to make an informed decision as to the potential adverse impacts.

4. The application has its proposed point of diversion within close proximity of the boundary of the Pyramid Lake Indian Reservation and in close proximity to the Tribe's existing municipal and domestic wells, and in close proximity to an area needed for development of the Tribe's potable water supply expansion. That expansion is intended to replace existing contaminated wells and provide for future growth within the Reservation. The impacts of granting the transfer will be lowered regional groundwater levels in the Wadsworth area and reduced surface flows in the lower Truckee River. These impacts threaten to prove detrimental to the Tribe and the public interest as set forth below.

5. The manner of use specified for Application 81401 is municipal. The application should be rejected pursuant to NRS 533.340 for the lack of information regarding the number of persons to be served, and the approximate future requirement.

6. Granting the application, and the subsequent development of groundwater under the application would threaten to prove detrimental to the Tribe, to the purposes for which the Pyramid Lake Indian Reservation was created, and to the public interest by:

- A. depleting flows in the lower Truckee River and impairing instream flows;
- B. degrading or impairing water quality in the lower Truckee River;
- C. adversely affecting regional groundwater levels and the productivity of the Tribe's existing and planned wells in the Wadsworth area;
- D. adversely affecting groundwater quality in the Wadsworth Area;
- E. preventing or interfering with the conservation or recovery of the two principal fish in the lower Truckee River and Pyramid Lake, the endangered cui-ui and the threatened Lahontan cutthroat trout, in violation of (i) the Endangered Species Act, 16 U.S.C. §1531 et seq., and (ii) Nevada law protecting the cui-ui; and
- F. adversely affecting the recreational value of Pyramid Lake.

7. Granting the application would threaten to prove detrimental to the public interest.

8. Granting the application will threaten to prove detrimental to the public interest in light of the declining quantity and quality of the groundwater available in the Fernley hydrographic basin to serve

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10. This Protestant incorporates in this Protest by reference as if fully set forth herein every relevant protest ground set forth in any other Protest filed by any other Protestant regarding this application.

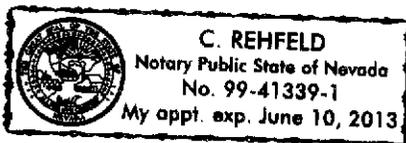
THEREFORE the protestant requests that the above-referenced application be denied and that an order be entered for such relief as the State Engineer deems just and proper.

Wolf, Rifkin, Shapiro, Schulman and Rabkin, LLP



Don Springmeyer, Esq.
Christopher W. Mixson, Esq.
3556 East Russell Rd., 2nd Floor
Las Vegas, NV 89120
Tel: (702) 341-5200
Agents for the Tribe

Subscribed and sworn to before me this 22 day of February 2012.



C. Rehfeld
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.

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