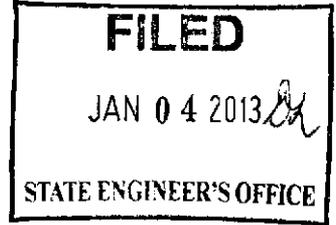


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 82268
FILED BY Sadler Ranch, LLC c/o Doug Frazer
ON November 2, 20 12



PROTEST



Comes now Diamond Cattle Co.

Printed or typed name of protestant

whose post office address is 7933 Calloway Dr., Bakersfield, CA 93314

Street No. or PO Box, City, State and ZIP Code

whose occupation is Farming and Ranching

and protests the granting

of Application Number 82268, filed on November 2, 20 12

by Sadler Ranch, LLC c/o Doug Frazer for the

waters of and underground source situated in Diamond Valley

an underground source 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 Attachment 1

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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

Therese A. Ure, Schroeder Law Offices, P.C. (Agent)

Printed or typed name, if agent

Address

440 Marsh Avenue

Street No. or PO Box

Reno, NV 89509

City, State and ZIP Code

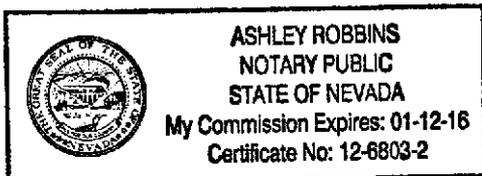
(775) 786-8800

Phone Number

counsel@water-law.com

E-mail

Subscribed and sworn to before me this 3rd day of January, 20 13



Notary Public

State of Nevada

County of Washoe

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

In the Matter of Application Number 82268 (Protest)

Attachment 1: Protest Grounds

1. Application 82268 is deficient because it proposes to change the point of diversion for a claimed pre-code surface water use (V03289) to an underground source of water that is not recognized under Nevada law to be hydraulically connected to the claimed surface source.
2. Application 82268 is deficient because Nevada law does not allow an appropriator to change the source of water appropriated through a change application. Applicant must file a new water right application to use a new source of water (that is, to use groundwater rather than surface water).
3. Applicant claims their source of water under V03289 has declined due to other water use in the Diamond Valley Basin. The appropriate remedy under Nevada law is enforcement of priority water use rights by the State Engineer, not changing the point of diversion to appropriate a new and different source of water.
4. Application 82268 is deficient because it fails to provide satisfactory proof regarding the Applicant's financial ability.
5. There is no unappropriated water in the proposed source of supply. The proposed water use violates State Engineer Ruling No. 6127, which concludes that Diamond Valley Hydrographic Basin is fully subscribed and not open to further appropriation at the current time.
6. If granted, Application 82268 will conflict with existing rights or protectable interests in existing domestic wells (including possible cone of depression effects).
7. If granted, Application 82268 will cause an unreasonable lowering of the static water level at appropriators' points of diversion.
8. If Application 82268 is allowed to be considered by the State Engineer at all, the permit should provide for a November 2, 2012 priority date (that is, the date that Applicant applied to appropriate the new and different source of water).
9. If Application 82268 is granted, the permit must contain express conditions to ensure existing appropriations will be satisfied.
10. Application 82268 is in conflict with and will be detrimental to the public interest as this stressed ground water table will suffer further draw-downs causing a strain on the water resources in this hydrographic basin.
11. Given the designated state of the Diamond Valley Hydrographic Basin, the State Engineer should require a study prior to granting additional withdrawals from this aquifer.

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12. Application 82268 requests water use for irrigation year round from January 1st to December 31st. A year-round season of use is inconsistent with irrigation in the proposed location. Any permits issued on this Application should be limited to the applicable irrigation season of use.

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