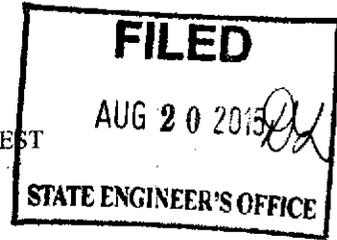


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER 85262
FILED BY SBT10, LLC
ON June 24, 20 15



PROTEST



Comes now Truckee Carson Irrigation District

Printed or typed name of protestant

whose post office address is P.O. Box 1356 Fallon, NV 89407-1356

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

whose occupation is Irrigation District operations

and protests the granting

of Application Number 85262, filed on June 24

, 20 15

by SBT10, LLC

for the

waters of Underground

situated in Churchill

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 attached Exhibit A

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

Chris C. Mahannah, P.E., Agent

Printed or typed name, if agent

Address

P.O. Box 2494

Street No. or PO Box

State of Nevada

County of Washoe

Reno, NV 89505

City, State and ZIP Code

Subscribed and sworn to before me on 8/20/15

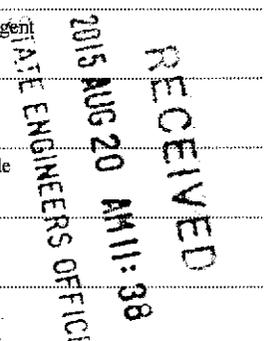
(775) 323-1804

Phone Number

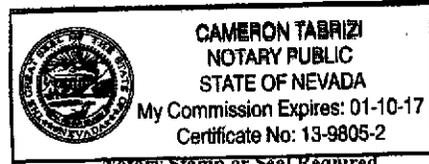
by Chris Mahannah ***

chris@mah2o.com

E-mail



Signature of Notary Public Required



+ \$30 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Exhibit A

Protest Grounds for Application 85262

This application is nearly identical to application 84823 which was withdrawn by the same applicant on 6/25/15 and protested by Churchill County, TCID and the Bureau of Reclamation. The only difference is a reduction in diversion rate, duty and manner of use now requesting mining, milling and domestic whereas before the requested manner of use was industrial and domestic. The applicant is now seeking to implement a so-called 'temporary use' by requesting a mining and milling use under NRS 533.371(3) despite the proposed use being identical and thus attempting to invoke exception #3 in State Engineer Order#1207. Under item# 12 for both applications, the project description is identical: *"The well will be used to wash sand and gravel as well as possible concrete batch plant or asphalt batch plant."*

The Protestant requests this application be denied based upon the following grounds:

1. The application is deficient in that it misrepresents the true manner of use which is Industrial as filed in the original application 84823. Applicant is now seeking mining, milling which is not the use described under item#12 of the application. This change was made to circumvent denial under exception #3 of Order# 1207 by invoking a so-called temporary mining and milling use.
2. Even if it is found that the mining and milling use is appropriate, prior applications for mining and milling have been denied in Churchill Valley under State Engineer Rulings 4329 and 5867, therefore this application is ripe for denial under the same grounds found in these prior rulings.
3. The application seeks a new appropriation for ground water in the Churchill Valley (Hydrographic Basin 102) which is severely over-appropriated. Perennial Yield estimates are 1,600 afa and the committed underground rights exceed 10,800 afa for Basin 102.
4. Water levels in basin 102 are declining based upon USGS monitoring.
5. Due to the close proximity of the proposed point of diversion to Lahontan Reservoir, pumping will 'Capture' Newlands Project Claim 3 surface water from which the applicant has no legal right to divert. The USGS water level monitoring has shown a hydrologic connection with wells in Basin 102 and the stage of Lahontan Reservoir.
6. State Engineer Order# 1207 prohibits this type of application even if exception #3 is determined to be valid in that it violates NRS 533.371(4-6). Based on Order 1207 and Rulings 4329 and 5867, the State Engineer should deny this application.
7. The State Engineer has denied similar applications seeking new underground appropriations in Basin 102 dating back to 1996 and the most recent denials in Ruling 5867 reaffirm this.

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NRS § 533.365(4) provides that it is within the State Engineer's discretion to determine whether a public administrative hearing is necessary to address the merits of a protest to an application to appropriate the public waters of the State of Nevada. There is sufficient information contained within the records of the Office of the State Engineer to gain a full understanding of the issues and a hearing on these matters should not be required. The Protestant requests that a Ruling be issued without a hearing based on the foregoing grounds denying the application pursuant to NRS § 533.371 (3-6)

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