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

FILED
SEP 02 2015
STATE ENGINEER'S OFFICE

Comes now U.S. Bureau of Reclamation, Mid-Pacific Region, Lahontan Basin Area Office
Printed or typed name of protestant

whose post office address is 705 N. Plaza St., Rm 320, Carson City, NV 89701
Street No. or PO Box, City, State and ZIP Code

whose occupation is Owner, Newlands Project facilities and protests the granting

of Application Number 85262, filed on June 24, 20 15

by SBT10, LLC for the

waters of Churchill Valley-102 (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 protest grounds

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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

Terri Edwards, Area Manager, Lahontan Basin Area Office
Printed or typed name, if agent

Address Bureau of Reclamation, 705 N. Plaza St. Rm 320
Street No. or PO Box

Carson City, NV 89701
City, State and ZIP Code

(775) 884-8353
Phone Number

tedwards@usbr.gov
E-mail

State of Nevada
County of Carson

Subscribed and sworn to before me on 09.02.15

by Terri Edwards

Signature of Notary Public Required

AMY L. ROBERTS
NOTARY PUBLIC
STATE OF NEVADA
Appt. No. 03-84107-3
My Appt. Expires July 21, 2019

Notary Stamp or Seal Required

+ $30 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Protest Grounds, Application 85262 9/2/2015

On February 10, 2015, SBT10, LLC filed application 84823 which sought to appropriate underground waters of the State of Nevada. The application requested the use of an existing well to pump 150 acre-feet per year (ac-ft/yr) at a rate of 0.75 cubic feet per second (cfs) from the Churchill Valley groundwater basin. The well was previously used to provide water under permit 61304, which was a temporary allowance under the provisions of NRS §533.371. That permit expired on February 26, 2006. The U.S. Bureau of Reclamation (Reclamation), Churchill County, and the Truckee-Carson Irrigation District all filed protests of application 84823.

SBT10, LLC subsequently withdrew application 84823 and filed a similar application (85262) on June 24, 2015, for the same source and place of use, with an additional statement under section 13 of the application form of "This application is being filed under NRS 533.371 for a temporary use, possibly up to 15 years." The water use was revised from 150 ac-ft/yr to 30 ac-ft/yr and a flow rate of 0.10 cfs.

The well is located less than 2,000 ft west of Lahontan Reservoir, which stores surface water sourced from the Truckee and Carson Rivers for the Newlands Project. Reclamation protests this application because:

1) It is within a basin closed to new groundwater appropriation; and
2) It potentially conflicts with surface water rights appropriated under Claim 3 of the Orr Ditch Decree and under the Alpine Decree.

The Nevada State Engineer's Order 1207 designated the Churchill Valley Hydrographic Basin (basin no. 102; "basin") and closed the basin to further appropriations. The State Engineer found that the perennial yield of the basin was 1,600 ac-ft/yr and that existing permits exceeded the current estimate of perennial yield. Order 1207 allowed four exceptions:

1) Applications for less than or equal to 2.0 ac-ft/yr (excluding irrigation);
2) Applications for environmental permits filed pursuant to NRS §533.437;
3) Applications filed pursuant to NRS §533.371;
4) Applications filed to only increase diversion rate.

Application 85262 purports to meet the exemption of temporary proposed use. However, SBT10, LLC does not provide details on the reasons why 15 years of water use are necessary, and it is not evident that a 15-year term for this application is temporary enough to avoid potential impacts and warrant an exemption under Order 1207, for temporary uses.

In addition, the proposed water use potentially conflicts with existing surface water rights. Due to the well's proximity to Lahontan Reservoir, the proposed pumping would likely impact surface waters. These surface waters are appropriated as Truckee River Claim 3 water rights under the Orr Ditch Decree, and Carson River water rights under the Alpine Decree.

Reclamation research indicates that only four water level measurements exist in the well (USGS, 2015a) making it difficult to directly establish whether there is a connection between Lahontan Reservoir waters and the well. Comparing water levels in a well 1 ¼ miles southwest, about 2,000 ft from Lahontan

Reservoir (NE ¼ of the SE ¼ of Section 7 of 18 N, R 26 E; Figure 1; USGS, 2015b), shows a relationship between Lahontan Reservoir stage and groundwater levels. Figure 1 below shows that the nearby groundwater levels in general correspond to the Lahontan Reservoir level - as the water level in Lahontan Reservoir increases, nearby groundwater levels increase. Similarly, groundwater levels decline following decreases in Lahontan Reservoir water levels. Because water levels are similar in the two wells, it is likely they utilize the same source of groundwater.

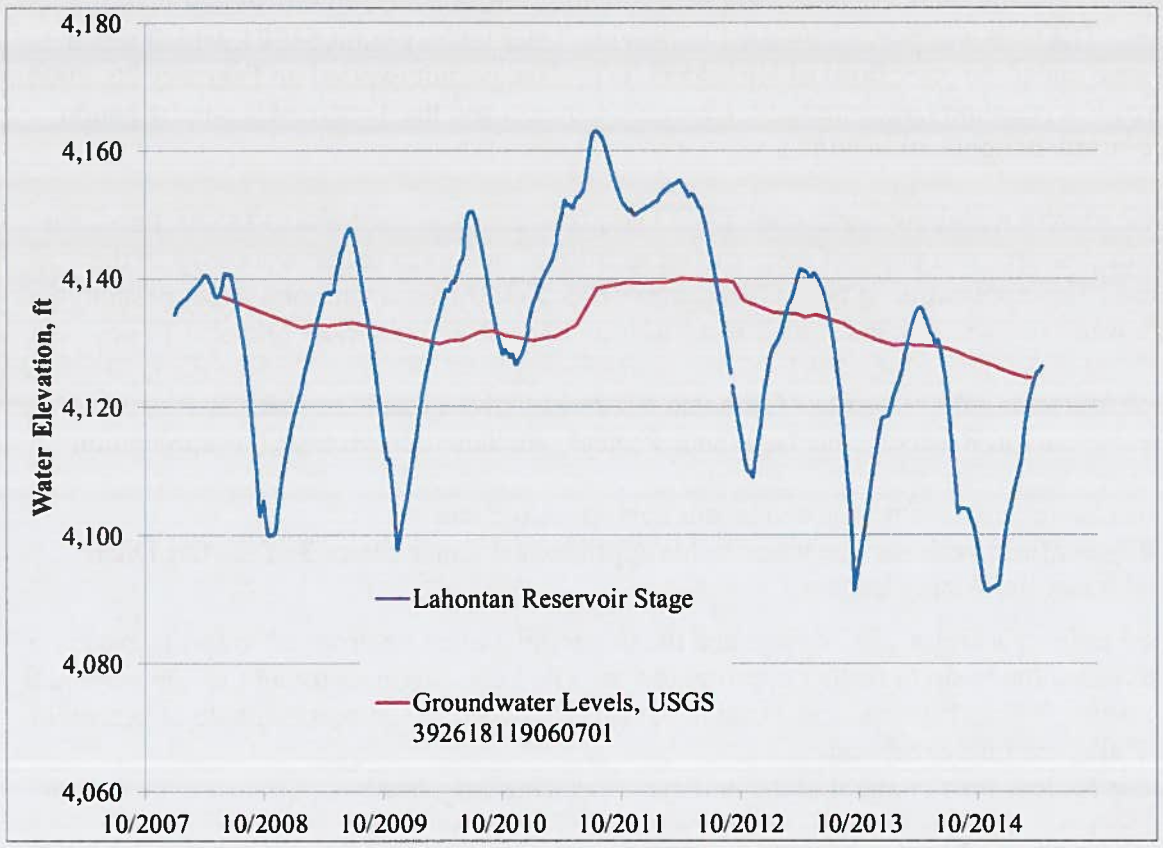

Figure 1: Groundwater levels at a well near the proposed diversion point and Lahontan Reservoir stage.

Reclamation therefore protests Application 85262 based on the basin closure to new appropriation under Order 1207. Reclamation also believes there is adequate information indicating that the proposed well would potentially impact existing surface water rights, which is prohibited under NRS §533.371. We also question whether a 15-year term warrants exemption from the closed basin rules under these circumstances. If, as Reclamation believes, the well will draw surface waters, the impacts of this application will be worse over 15 years as opposed to a much shorter term. A 15-year period would likely contain future drought years, further exacerbating surface water impacts in those years. Under these circumstances, Reclamation believes that a 15-year term is not "temporary," and considering the over-appropriation of the Churchill Valley groundwater basin, Reclamation therefore requests the State Engineer deny the application.

References

U.S. Geological Survey, 2015a. National Water Information System data available on the World Wide Web (Water Data for the Nation), accessed September 2, 2015, at URL http://waterdata.usgs.gov/nwis/inventory/?site_no=392713119051801.

U.S. Geological Survey, 2015b. National Water Information System data available on the World Wide Web (Water Data for the Nation), accessed September 2, 2015, at URL http://waterdata.usgs.gov/nwis/inventory?site_no=392618119060701.