B E F O R E  T H E  D E P A R T M E N T  O F  W A T E R  R E S O U R C E S
O F  T H E  S T A T E  O F  I D A H O

IN  T H E  M A T T E R  O F  D I S T R I B U T I O N  O F
W A T E R  T O  W A T E R  R I G H T  N O S.
36-04013A, 36-04013B AND 36-07148
(Snake River Farm)

M I T I G A T I O N  P L A N  O F
D I S T R I C T  A N D  M A G I C  V A L L E Y
G R O U N D  W A T E R  D I S T R I C T

C O M E S  N O W  N o r t h  S n a k e  G r o u n d  W a t e r  D i s t r i c t  (NSGWD)  a n d  M a g i c  V a l l e y  G r o u n d
W a t e r  D i s t r i c t  (MVGWD)  (c o l l e c t i v e l y  "G r o u n d  W a t e r  D i s t r i c t s"),  t h r o u g h  c o u n s e l,  a n d  o n  b e h a l f
o f  t h e i r  g r o u n d  w a t e r  d i s t r i c t  m e m b e r s  a n d  t h o s e  g r o u n d  w a t e r  u s e r s  w h o  a r e  n o n-m e m b e r
p a r t i c i p a n t s  i n  t h e  G r o u n d  W a t e r  D i s t r i c t s'  m i t i g a t i o n  a c t i v i t i e s,  a n d  h e r e b y  s u b m i t  t h i s  M i t i g a t i o n
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Nos. 36-4013B and 36-07148 (collectively “the Snake River Farm Water Rights”).

This Mitigation Plan takes into consideration the history and seasonal availability of water for diversion under said rights so as to not require replacement water at times when the rights have not historically received a full supply, such as during seasonal and yearly low-flow periods. This Mitigation Plan is provided in response to the Idaho Department of Water Resources (IDWR or Department) Director’s July 8, 2005, Order in the Matter of Distribution of Water to Water Rights Nos. 36-04013A, 36-04013B, and 36-07148 (Snake River Farm); and subsequent Orders relating thereto. These orders are referred to herein collectively as the Director’s Orders.

I. RESERVATION OF DEFENSES

By submitting this Mitigation Plan, the Ground Water Districts do not waive and expressly reserve any and all objections and defenses they have made to the Director’s Orders.

II. INTRODUCTION

The Director’s July 8, 2005 and subsequent Orders require that the Ground Water Districts provide mitigation in lieu of involuntary curtailment of ground water rights located in Water District 130. The Director’s Orders provided for an accelerated schedule of curtailment or mitigation over a five year period. The Director’s Order further provided that Snake River Farm

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1 Water right nos. 36-2703 and 36-2048 and 36-4013C are also used at the Snake River Farms facility, however, the July 8, 2005 Order only found material injury to 36-4013B and 36-7148 at paragraph 33 page 34. This Mitigation Plan addresses the material injury found in the July 8, 2005 Order to water right numbers 36-4013B and 36-7148.

2 The July 8, 2005 Order at page 37 provided that “involuntary curtailment and substitute curtailment together must be implemented in 2005, 2006, 2007, 2008 and 2009, such that based on simulations using the Department’s Ground Water Model for the ESPA, phased curtailment will result in simulated cumulative increases to the average discharge of springs in the Buhl Gauge to Thousand Springs Reach... for the water rights held by Clear Springs for Snake River Farm, at steady state conditions of at least 8 cfs, 16 cfs, 23 cfs, 31 cfs, and 38 cfs, for each year respectively.”
gets 7 percent of the Buhl Gauge to Thousand Springs reach gain. Accordingly, the 2008 delivery requirement to Snake River Farms to comply with the Director’s Order is 2.17 cfs.

III. 2005, 2006 AND 2007 REPLACEMENT WATER PLANS


The Ground Water Districts’ 2005 and 2007 Replacement Water Plans were fully implemented. The Ground Water Districts have provided delivery and diversion data regarding their Replacement Water Plan efforts in each of these previous years to the Department and Ms. Cindy Yenter, watermaster for Water District 130.

IV. MITIGATION PLAN

(1) Submission of Mitigation Plans.

This proposed Mitigation Plan is submitted to the Director pursuant to CM Rule 43 to provide replacement water to the Snake River Farm water rights sufficient to offset the depletive

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3 Finding of Fact 15 at page 5 of the July 8, 2005 Order provided that “the maximum authorized amount of water diverted by Clear Springs for its Snake River Farm ... accounted for 7 percent of the measured reach gains in the Buhl Gauge to Thousand Springs reach.”

4 The 2008 reach gain requirement for the Buhl to Thousand Springs Reach of 31 cfs multiplied by 7% equals 2.17 cfs.

5 The entire proposal in the Ground Water Districts’ 2006 Replacement Water Plan, specifically, late-season recharge, was not implemented because the Department could not guarantee any mitigation credit for that effort in light of the pending appeal to the Supreme Court. Therefore, the Ground Water Districts could not afford to pursue that program that fall. This also resulted in no early-season recharge program in 2007.
effect of ground water withdrawal on the water available in the surface or ground water source, with
consideration to be given to the history and seasonal availability of water for diversion so as not to
require replacement water at times when these rights historically have not received the full supply.
The following information is provided:

(a) The names and mailing addresses of the Ground Water Districts submitting
the plan are:

North Snake Ground Water District
1092 South 2500 East
Hazelton, Idaho 83335

Magic Valley Ground Water District
P.O. Box 430
Paul, Idaho 83347

(b) The water rights for which benefit the Mitigation Plan is proposed are: 36-04013B,
36-07148 ("Snake River Farm Water Rights").

(c) The water rights proposed to be used for mitigation consist of up to 3.59 cfs of water
available under Decreed Water Right No. 36-4076 with a priority date of January 1, 1893, which
will be delivered directly to the head of the Snake River Farm raceway. Additionally flows to the
Buhl to Thousand Springs reach will be increased by the Conservation Reserve Enhancement
Program (CREP) and by the delivery of water to acres that have been converted from ground water
irrigation to surface water irrigation within the North Snake Ground Water District ("conversion
deliveries"). Reach gains resulting from CREP may vary annually based upon increases or
decreases in CREP acreage. Reach gains resulting from conversion acres may increase or decrease
annually depending on the amount of water delivered annually to conversion acres. For 2008,
35,000 AF will be delivered via the North Side Canal Company ("NSCC") delivery system to
approximately 9,300 acres. Upon approval of the Mitigation Plan, improvements to the points of
diversion under Water Right No. 36-4076 will be immediately undertaken to the extent necessary to secure sufficient flow to meet the mitigation requirement as set forth in the July 8, 2005 Order to the Snake River Farms water rights by direct delivery to the Snake River Farms’ facility. Any shortfalls in direct delivery, including any shortfalls in 2008 resulting from delays in securing Mitigation Plan approval and completing construction, will be made up by a combination of conversion deliveries and late season recharge in a manner similar to what the Ground Water Districts supplied in their Replacement Water Plans in previous years. The Ground Water Districts’ Mitigation Plan meets the phased in mitigation requirement allowed under CM Rule 20.04. Set forth below is a more detailed description of the Mitigation Plan setting forth the water supplies proposed to be used for mitigation and the circumstances or limitations on the availability of such supplies.

(2) Mitigation Requirement.

Based on simulations using the Department’s Ground Water Model for the ESPA, the July 8, 2005 Order at page 37 required simulated cumulative increases to the average discharge of springs to the Buhl Gauge to Thousand Springs Reach for steady-state conditions of 31 cfs for 2008 and 38 cfs for 2009 and thereafter. The Order further provided that “the maximum authorized amount of water diverted by Clear Springs for Snake River Farm . . . accounted for 7 percent of the measured reach gains in the Buhl to Thousand Springs reach.” (2005 Order, p. 5; Finding of Fact 15). Accordingly, the 2008 reach gain requirement for the Buhl to Thousand Springs reach of 31 cfs multiplied by 7 percent results in a 2.17 cfs mitigation requirement for 2008. The 2009 reach gain requirement of 38 cfs multiplied by 7 percent results in a 2.66 cfs mitigation requirement for 2009 and thereafter.
The Department calculated that 2008 CREP lands and conversions are anticipated to provide 9.7 cfs to the Buhl to Thousand Springs reach as described in the Director’s May 13, 2008 letter on page 2 as follows:

“The 2008 Conservation Reserve Enhancement Program (CREP) lands and conversions are anticipated to provide 9.7 cfs to the Buhl to Thousand Springs reach, if the conversions remain the same as in past years. The Order indicates that Snake River Farm is computed to receive 7 percent of the flow in the Buhl to Thousand Springs reach. Taking into account 9.7 cfs of benefit to the Buhl to Thousand Springs reach, which reduces the Ground Water Districts’ Replacement Plan obligation for 2008 from 31 cfs in 2008 to 21.3 cfs, and from 38 cfs to 28.3 cfs for 2009, the computed shortfall of direct replacement water owed to Snake River Farm in 2008 is 1.5 cfs (21.3 times .07) and 2 cfs (28.3 cfs times .07) in 2009.”

Based upon the foregoing calculations of the Department and assuming the same CREP and conversions benefit of 9.7 cfs to the Buhl to Thousand Springs reach, the Ground Water Districts’ remaining mitigation requirement to Snake River Farm for 2008 is 1.5 cfs. The method used by the Department, although subject to dispute by the Ground Water Districts, meets the requirements of CM Rule 43.03.d. e. f. and g.

(3) Use of Water Right No. 36-4076.

Attached as Exhibit 1 is a copy of the Lease Agreement entered into on May 28, 2008, between the Ground Water Districts and the Idaho Department of Fish and Game (“IDFG”) pursuant to which the Ground Water Districts have leased up to 3.59 cfs of water available under Decreed Right No. 36-4076 with a priority date of January 1, 1893. The Lease Agreement was entered into for the specific purpose of providing mitigation and replacement water to Snake River Farms (¶ 1); provides the Ground Water Districts access to the IDFG property as may be necessary to provide mitigation or replacement water to Snake River Farms (¶ 4); authorizes the Ground Water Districts to divert and utilize the entire right non-consumptively to provide replacement water to Snake River Farms’ raceway (¶ 5); authorizes the Ground Water Districts to construct and
maintain all pumps, pipes, diversion and delivery facilities and other improvements in order to utilize the water right for mitigation and replacement water purposes to the head of the Snake River Farm’s raceway, including any changes or improvements to the point of diversion or other elements of the water right (¶ 5a); and, authorizes the Ground Water Districts to amend any elements of the water rights as may be required by the Department to accomplish the contemplated use (¶ 5c). As a condition of the lease, the Ground Water Districts agree to provide replacement water to the IDFG wetlands in an amount equal to the amount of water provided to Snake River Farm (¶ 6).

It is contemplated that Water Right No. 36-4076 will be the sole supply used for mitigation. Water Right 36-4076 exists by way of a Partial Decree entered August 27, 2001, with a year-round use in the amount of 3.59 cfs with a priority date of January 1, 1893, which is earlier than all Snake River Farm water rights and all other known rights in the vicinity and is therefore more than adequate to meet the mitigation requirements under the Mitigation Plan. However, because recent spot measurements by Watermaster Cindy Yenter indicate that the flows available from the springs supplying this right sometimes are less than the decreed quantity and may not be adequate on a continuous basis to meet the full mitigation requirement described above, the Ground Water Districts will immediately proceed upon approval of the Mitigation Plan to improve the points of diversion as necessary to secure the full mitigation requirement. Attached as Exhibit 2 is the proposed application for a well drilling permit that will be filed. Improvements will be performed by Eaton Drilling and Pump Service (Exhibit 3 attached) to commence by improving the point of diversion of Spring 1 adjacent to the east of the Snake River Farm’s raceway, near the Clear Lake Country Club spring pump station. Such improvements will not result in an enlargement of the water right and will simply secure the amount of water that is authorized under the water right and
that has historically been used and developed under the water right as required under CM Rule 43.03.i.

Larry Nielson, the President of Eaton Drilling and Pump Service, believes that it is likely sufficient supply will be secured at Spring 1 at a depth of 100 feet or less, even though the proposal is to drill to 200 feet. Exhibit 4 contains well logs for wells in the vicinity of the proposed spring improvements. Static water levels in these wells range from 36 ft. to 105 ft., indicating that the proposed well depth of 200 feet will likely be more than adequate to develop the necessary water supplies.

To the extent required by IDWR, the Ground Water Districts will file an Application for Transfer to change any elements of Water Right No. 36-4076 as may be necessary pursuant to the Mitigation Plan and Lease in order to add mitigation and/or fish propagation as an additional authorized use and also to add an additional point of diversion on the Snake River for purposes of the pump-back to the IDFG wetlands and also perhaps at the site of the Spring 1 diversion improvements among other things. A proposed Application for Transfer is attached as Exhibit 5.

The Ground Water Districts will need authorization from Clear Springs-Snake River Farm to go upon its property for the purposes of completing design and for constructing the diversion improvements and pumps, motors, pipes and related facilities and equipment to deliver the required replacement water to the Snake River Farm raceway. Thus far, such authorization has not been provided. Further, since Clear Springs Food has not responded to the Ground Water Districts’ proposal set forth in the 2008 Replacement Water Plan to “collaborate and cooperate in the design, installation, operation and maintenance of the facility;” or “to design the facilities and upon approval of the estimated cost by the Ground Water Districts, proceed with the prompt installation,”
the Ground Water Districts consider both options rejected and will proceed to design and construct the facilities.

(4) Alternatives.

If sufficient water is not secured at Spring 1, it is anticipated that further efforts will be taken to improve collection of discharges from Spring 2 and/or Spring 3 on the property of IDFG as described in Exhibit 6. Exhibit 6 presents a Conceptual Site Plan for development and conveyance of mitigation water using the IDFG right, as well as back-up alternatives in the unlikely event that the IDFG right is insufficient to secure the necessary quantities. Under both the IDFG and back-up alternatives, water would be pumped directly to the Snake River Farm’s raceway to provide a steady, year-round flow sufficient to meet the mitigation requirement.

(5) Conversion Deliveries.

Approximately 9,300 acres within the North Snake Ground Water District have been converted from ground water irrigation to surface water irrigation to increase incidental recharge to the aquifer in spring discharge. Surface water deliveries to these lands in 2006 and 2007 through the efforts of the Ground Water Districts consisted of a total of approximately 35,000 AF each year of actual deliveries to converted acres with charged conveyance losses through the NSCC delivery system. Under the agreement with NSCC, a conveyance charge of 30 percent was added to the delivery amounts.

Projected deliveries for 2008 are 35,000 AF at the NSCC’s point of diversion at Milner Dam, with conveyance losses of approximately 10,000 AF and head gate delivery to converted acres of approximately 25,000 AF. For purposes of the Department’s analysis, the pattern of deliveries in 2008 should be assumed to be the same as actual deliveries in 2006 and 2007. All water delivered to the conversion acres should also be assumed to offset the consumption of ground
water, with any excess water percolating to the aquifer at the location of the converted acres. In addition, NSCC conveyance charges should be assumed to percolate to the aquifer beneath the pertinent portions of the main canal and laterals used to make the conversion deliveries.

Attached as Exhibit 7 is a copy of the Water Conveyance Agreement entered into on April 23, 2008, between the Ground Water Districts and NSCC for the delivery of 35,000 AF of storage water to be delivered through conversion acres through the NSCC system. This Agreement is for the 2008 irrigation season only. While it is similar to the Water Conveyance Agreements entered into between the Ground Water Districts and NSCC in prior years, the delivery cost has increased substantially to $8 per AF. Due to the increased costs and what appears to be a growing resistance and reluctance of NSCC to enter into Conveyance Agreements with the Ground Water Districts for conversions as well as late season recharge the plan is to phase out conversion deliveries and instead provide for direct delivery of water to Snake River Farm. The Ground Water Districts have several water leases which are ongoing that have supplied ample mitigation water to meet all Mitigation Plan requirements in Water Districts 120 and 130 since 2005. The amounts committed by these Lessors for 2008 far exceed the 35,000 AF required under this Mitigation Plan. The Lessors include the following:

- Aberdeen-Springfield Canal Company
- New Sweden
- People’s Canal and Irrigation Company
- Snake River Valley Irrigation District
- City of Pocatello
- Enterprise Canal Company
- Idaho Irrigation District

The exact amount of water leased from each Lessor is unknown at this time and will be determined when these proposals are presented to the Idaho Ground Water Appropriate Board at its next meeting scheduled for June 27, 2008.
(6) **Ground Water Districts’ Accounting and Monitoring.**

The Ground Water Districts will continue to maintain measurement, documentation and accounting of its Mitigation Plan activities on an ongoing basis and will report its water deliveries to the Department and the Water District 130 Watermaster so that they may verify and monitor ongoing compliance with this Mitigation Plan.

(7) **Notice and Hearing.**

The Ground Water Districts request that the Director provide notice, in compliance with CM Rule 43.02 and to the extent determined necessary hold a hearing, although the Ground Water Districts believe the Mitigation Plan to be adequate on its face without the need for a hearing.

(8) **Factors to be Considered.**

With respect to the factors that may be considered by the Director in evaluating the proposed Mitigation Plan under CM Rule 43.03a through o, the Ground Water Districts believe all factors have been complied with and to the extent there is any question surrounding the compliance with any of the factors or requirements under CM Rule 43, the Ground Water Districts request an opportunity to respond and modify the Mitigation Plan accordingly.

**CONCLUSION**

The Ground Water Districts respectfully request that the Director:

A. Provide notice of the Mitigation Plan and hold the hearing as determined necessary by the Director in compliance with CM Rule 43.02;

B. Consider the Mitigation Plan under the procedural provisions of the Conjunctive Management Rules and Idaho Code § 42-222 in the same manner as Applications to Transfer Water Rights as referenced in CM Rule 43.02;
C. Enter an Order approving the Ground Water Districts’ Mitigation Plan as a permanent and ongoing plan to provide replacement water to the described Snake River Farm water rights, sufficient to offset the depletive effect of ground water withdrawal on the water available in the surface or ground water source;

D. Give proper consideration to the history and seasonal availability of water for diversion so as not to require replacement water for Snake River Farm at times when their rights historically have not received a full supply;

E. Provide for ongoing accounting and monitoring of the plan;

F. Impose such additional terms and conditions on the Mitigation Plan as may be reasonable and necessary to protect and preserve the water rights of the Ground Water Districts, their members and the water rights of Clear Springs, Snake River Farm.

DATED this 13th day of June, 2008.

RACINE OLSON NYE BUDGE & BAILEY CHARTERED

By: __________________________
Randall C. Budge
Attorneys for
North Snake and Magic Valley Ground Water Districts
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this \(13^{\text{th}}\) day of \(\text{Jan.}\), 2008, the above and foregoing document was served in the following manner:

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Randall C. Braden
WATER LEASE
WATER RIGHT NO. 36-4076

This Lease Agreement ("Lease") is made and entered into this 28th day of May, 2008, between the IDAHO DEPARTMENT OF FISH AND GAME COMMISSION, whose mailing address is P.O. Box 25, Boise, Idaho 83701 ("LESSOR"); and the NORTH SNAKE GROUND WATER DISTRICT and the MAGIC VALLEY GROUND WATER DISTRICT whose joint mailing address for purposes of this Lease is P.O. Box 1391, Pocatello, Idaho 83204 (hereinafter referred to collectively as "LESSEE").

RECITALS:

WHEREAS, LESSOR is the owner of the decreed Water Right No. 36-4076, pursuant to the records of the Idaho Department of Water Resources ("IDWR") in multiple spring discharges near Clear Lakes in the cumulative amount of up to 3.59 cubic feet per second "cfs" of non-consumptive use water with a priority date of January 1, 1893 (hereinafter referred to as the "Water Right" or the "Leased Water"), which Water Right is graphically represented by the following table:

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</tbody>
</table>

AGREEMENT:

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually agree as follows:

1. **Lease Property.** LESSEE leases from LESSOR, and LESSOR leases to LESSEE, the Leased Water for the purpose of providing mitigation or replacement water to Snake River Farms.

2. **Term.** The initial term of this Lease shall be for a term of four (4) years, commencing effective as of May 1, 2008. Thereafter, this Lease shall be renewed for two successive terms of three (3) years each provided the parties can reach agreement on the lease amount which shall be subject to renegotiation and unless either party gives notice of intention not to renew the Lease to the other party not less than 180 days notice prior to the end of the
Lease, which may be given at any time prior to the expiration of the original term or any successive term(s). Additionally, LESSOR reserves the right to terminate this Lease upon ninety (90) days written notice to LESSOR in the event the Idaho Department of Water Resources does not approve LESSEE’S Mitigation or Replacement Water Plan to Snake River Farms and allow the use of the Leased Water for such purposes, or, if for any other reason LESSEE is unable to utilize the Leased Water for mitigation or replacement water purposes for Snake River Farms.

3. **Rent.** LESSOR shall pay to LESSOR rent in the amount of two hundred and fifty dollars ($250) per month per cfs or pro rata for such portion of each cfs of water actually utilized by LESSEE, with the first monthly rental payment to be due and owing on the first day of the month following the execution of this Lease, and with each monthly payments due thereafter through the term of this Lease determined as provided herein.

4. **Use by LESSOR.** LESSOR reserves the unrestricted first right to use the Leased Water as allowed by the defined elements of the Water Right. LESSOR will have no responsibility for the operation, maintenance or use of LESSEE’S facilities or any damages related to, or caused by, LESSEE’S use of the Leased Water pursuant to this Lease. LESSOR grants LESSEE access to LESSOR’S property as may be necessary and appropriate to allow LESSEE to fulfill the purpose of this Lease to provide mitigation or replacement water to Snake River Farms.

5. **Use by LESSEE.** During the term of this Lease, LESSEE may, at LESSEE’S sole cost and risk (including but not limited to those risks identified in paragraph 6 below), divert and utilize the Leased Water non-consumptively (except for minor evaporation) for mitigation purposes to provide replacement water to Snake River Farm’s raceway.
   a. LESSEE may design, construct and maintain at its sole risk and expense all pumps, pipes, diversion and delivery facilities and other improvements in order to utilize the Leased Water for mitigation or replacement water purposes to the head of the Snake River Farm raceway. This includes any changes or improvements LESSOR may wish to make to the point(s) of diversion or other elements of the Water Right.
   b. LESSEE shall submit the design of any facilities and improvements to be constructed and operated to LESSOR for approval prior to the commencement of construction.
   c. LESSEE shall comply with any permit requirements and any water right amendment requirements that may be determined necessary by any state agency to accomplish the use of the water contemplated by LESSEE, with LESSOR authorized to procure the same at their sole expense, and providing copies to LESSOR.

6. **Available Water.** As a condition of this Lease, LESSEE agrees to provide and make available to LESSOR’S wetlands an amount equal to the amount of water provided to Snake River Farms and of acceptable quality. Additionally, LESSEE shall comply with all terms and conditions of LESSOR’S water right.

7. **Indemnification.** LESSEE shall indemnify, protect, defend and hold LESSOR and its elected and appointed officials, officers, agents and employees, and each of them, free and harmless from any and all liabilities, claims, losses, damages, actions, costs and expenses of every kind (including defense costs and legal fees), which they, or any of them, may suffer or incur by any reason arising by reason of bodily injury, death, personal injury or property damage.
resulting from the use or diversion of the Leased Water under this Lease by or from LESSEE, or any agent, employee, guest or invitee of LESSEE.

8. Default and Termination. If LESSEE fails to perform any obligation required of it hereunder, and such default continues for a period of 30 days after written notice thereof has been mailed or delivered to LESSEE by LESSOR, the LESSOR may, at its option, in addition to all other rights provided hereunder or otherwise available to LESSOR by law, immediately curtail and prevent the use and continued use of the Leased Water by LESSEE; and/or terminate this Lease; whereupon all rights accruing to LESSEE hereunder shall cease.

9. Notices. All notices required or provided for by this Lease shall be deemed given when delivered or mailed by certified mail, postage prepaid, to the each of the respective parties at the following addresses:

   To LESSOR:
   
   Idaho Department of Fish and Game Commission
   P.O. Box 83720
   Boise, Idaho 83720-0098

   To LESSEE:
   
   North Snake Ground Water District
   153 E. Main Street
   Jerome, Idaho 83338

   Magic Valley Ground Water District
   P.O. Box 430
   Paul, Idaho 83347

   With a copy to:
   
   Randall C. Budge
   Racine, Olson, Nye, Budge & Bailey, Chtd.
   P.O. Box 1391
   Pocatello, Idaho 83201

10. Warranty of Authority. LESSOR warrants and represents that it is the lawful owner of the Water Right and has all necessary power and authority to enter into this Lease.

11. Assignment and Subletting. LESSEE shall not assign or sublet any portion of the Water accruing to the Water Right, nor any interest in this Lease without LESSOR’S consent which will not be unreasonably withheld.

12. Law. This Lease shall be governed by the laws of the state of Idaho.
LESOR:

IDAHO DEPARTMENT OF
FISH AND GAME

Dated: _5-28-08_, 2008

By: Cal Groen, Director

LESSEE:

NORTH SNAKE GROUND WATER
DISTRICT

Dated: _6/3/08_, 2008

By: R. Lynn Carquist, Chairman

MAGIC VALLEY GROUND WATER
DISTRICT

Dated: _6/9_, 2008

By: Orlo Maughan, Chairman
EXHIBIT 2

PROPOSED APPLICATION FOR WELL DRILLING PERMIT
APPLICATION FOR DRILLING PERMIT
(FOR THE CONSTRUCTION OF A WELL)

1. Owner (please print): North Snake Ground Water District and Magic Valley Ground Water District

2. Mailing Address: c/o Randall C. Budge, Racine Olson Nye Budge and Bailey, P.O. Box 1391
   City: Pocatello State: ID Zip Code: 83204 Telephone (208) 232-6101

3. Proposed Well Location: Twp. 9S Rge. 14E Sec. 1 SE 1/4 SW 1/4 NW 1/4; Govt. Lot No. __ County Gooding
   Lat.: 42° 40' 30" Long. 114° 46' 03"
   Street Address of Well Site: old Clear Lakes Grade Road west of Road 1500E City __________________
   Give at least name of road + Distance to Road or Landmark

4. Proposed Use of Well:
   [ ] DOMESTIC: The use of water for homes, organization camps, public campgrounds, livestock and for any other purpose
   in connection therewith, including irrigation of up to ½ acre of land, if the total use is not in excess of 13,000 gpd; or any
   other uses, if the total use does not exceed a diversion rate of 0.04 cfs and a diversion volume of 2500 gpd.

   Domestic does not include water for multiple ownership subdivisions, mobile home parks, commercial or business
   establishments, unless the use does not exceed a diversion rate of 0.04 cfs and a diversion volume of 2500 gpd.

   NON-DOMESTIC: [ ] Irrigation [ ] Municipal [ ] Industrial
   [ ] Livestock [ ] Test [ ] Other __________
   Type _______ Number Hld. ______

   [ ] INJECTION

   [ ] MONITORING: A well bore schematic and map is required for each blanket permit. No. of proposed wells: _______

5. Well Construction Information:
   A. [ ] New well [ ] Modify [ ] Replace
   B. Proposed Casing Diameter __ 16 inch __ Proposed Maximum Depth __ 200 ft. __
   C. Anticipated bottom hole temperature:
      [X] 85 F or less
      (Cold Water Well)
      [ ] 85 F to 212 F
      (Low Temp. Geo. Well)
      [ ] 212 F or more
      (Geothermal Well)

6. Construction Start Date: within 60 days of approval of mitigation plan

   NOTE: The actual well driller must be identified prior to drilling.

8. Applicant's Signature: __________________ Date __________________
   Address (if different than owner): ________________________________
   City: __________________ State: ______ Zip Code: ______ Telephone __________________
   Title: ___________________________ (Owner, Firm Representative, Other)
ACTION OF THE DEPARTMENT OF WATER RESOURCES

This Permit is ________________________ Date ________________________

If approved, this permit authorizes the construction or modification of a well subject to the following conditions. READ CAREFULLY!

GENERAL CONDITIONS:

1. This drilling permit is valid for two (2) months from the above approval date for the start of construction and is valid for one (1) year from the approval date for completion of the well unless an extension has been granted.

2. This permit does not constitute an approval of the District Health Department or the Idaho Department of Health and Welfare, which may be required before construction of the well. All wells must be drilled a minimum distance of 100 feet from a drain field. Domestic and Public Water Supply wells must be drilled a minimum of 50 feet and 100 feet respectively from a septic tank.

3. The well shall be constructed by a driller currently licensed in the State of Idaho who must maintain a copy of the drilling permit at the drilling site.

4. Approval of this drilling permit does not authorize trespass on the land of another party.

5. This permit does not constitute other local, county, state or federal approvals, which may be required for construction of a well.

6. This drilling permit does not represent a right to divert and use the water of the State of Idaho. If the well being drilled is associated with approved water right(s), use of the well must comply with conditions of said water right(s).

7. If a bottom hole temperature of 85 or greater is encountered, well construction shall cease and the well driller and the well owner shall contact the Department immediately.

8. Idaho Code, S 55-2201 - 55-2210 requires the applicant and/or his contractors to contact "Digline" (DigLine is a one-call center for utility notification) not less than 2 working days prior to the start of any excavation for this project. The "DigLine" Number for your area is 1-800-342-1585.

9. Please be advised that this drilling permit should be considered and treated as a preliminary permit. If you are in disagreement with this preliminary permit you have fourteen (14) days of the service date of this permit to petition the Department for reconsideration pursuant to Section 67-5243, Idaho Code.

10. The well tag for the drilling permit/start card shall be securely and permanently attached to the well casing through welding or by the use of four closed end domed stainless steel pop rivets. The tag attachment will be done at the time of completion of the well, and prior to removing the drill rig from the drill site.

SPECIFIC CONDITIONS:

Signature of Authorized Department Representative ________________________ Title ________________________

Receipt No. ________________ Receipted by __________________ Fee ________________ Date ________________________

EXTENSION OF DRILLING PERMIT

Extension approved by ________________________ Approval Date ________________________

This extension expires: ________________________
EXHIBIT 3

EATON DRILLING AND PUMP SERVICE
PROPOSAL
North Snake Groundwater Users  
% Mike Faulkner, Director  
536-6658

Proposal for drilling two (2) irrigation wells at Clear Lakes Fish Hatchery. (16" wells would allow pump bowls large enough to pump desired amount of 3.59 CFM. Drilling permits furnished by customer.

WELL:

1. Mobilization  
2. 20" borehole, starter pipe & bentonite sealant @ $225.00 per ft  
3. 16" cased well including drive shoe 200' @ $248.00 per ft  
(casing A53B grade 16" X .375 wall).  
4. 16" borehole below casing if necessary @ $120.00 per ft *  
5. Perforations in casing if necessary, using a down the hole perforator.  
6. Pump well for development capacity and draw down by Layne Pump Co. includes a 4-hour step test pumping procedure.  
7. See attached bid from Gnesa Excavation for water, cuttings, drill soap, protection and restoration of area. Customer should check with DEQ to see if this meets with their approval for discharging run off from drilling. (We may be blowing up to a 1000 - 1500 gpm in drilling, when we get into good water flow from well.)

NOTE: We feel that by 100' we should be done drilling. However the proposal is for 200'.

Well #2 - Same cost as first well. If we have to wait on pump testing of 1st well then would be a second charge for mobilization by Eaton Drilling & Gnesa.

TOTAL COST PER WELL $70,200.00

*Cost per well does not include #4 & #7.

Sincerely,
Larry Nelson, President
**Bill To:**

OREGONMOUNT EATON WELL DRILLING
ATTN: LARRY NIELSON
1205 Mayfield Dr.
ID 8362024

cell: 536-2222
dcell: 536-2024

term: PAYMENT IS DUE UPON COMPLETION AND OR BY THE 15TH OF EACH MONTH

**Terms:**

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>UNITS</th>
<th>UNIT PRICE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOBILIZATION</td>
<td>1.00 EA</td>
<td>$1,050.00</td>
<td>$1,050.00</td>
</tr>
<tr>
<td>FURNISH AND INSTALL SOD</td>
<td>20,020.00 SF</td>
<td>$0.85</td>
<td>$11,543.75</td>
</tr>
<tr>
<td>FURNISH AND INSTALL 1&quot; POLY IRRIGATION PIPE AND UP TO 120 RAIN HEADS (NO VALVES OR OTHER PARTS INCLUDED)</td>
<td>1,973.00 LF</td>
<td>$2.30</td>
<td>$4,511.90</td>
</tr>
<tr>
<td>FURNISH AND PLACE SILT FENCE</td>
<td>200.00 LF</td>
<td>$1.50</td>
<td>$300.00</td>
</tr>
<tr>
<td>REMOVE SOD AND FINE GRADE AREA FOR NEW SOD</td>
<td>20,020.00 SF</td>
<td>$0.25</td>
<td>$5,005.00</td>
</tr>
<tr>
<td>EXCAVATION AND SUBSEQUENT BACKFILL TWO RETENTION FONDS MEASURING 20' X 20' X 4' DEEP EACH (ALL EXCAVATED MATERIAL REMAINS ON SITE)</td>
<td>600.00 SF</td>
<td>$6.12</td>
<td>$3,672.00</td>
</tr>
<tr>
<td>BACKHOE STANDBY</td>
<td>0.00 HR</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>BACKHOE AND 1 DUMP TRUCK TO CLEAN UP MUD</td>
<td>30.00 HR</td>
<td>$203.78</td>
<td>$6,113.40</td>
</tr>
</tbody>
</table>

**Estimated Total:** $44,101.46

---

**Notes:**

- Rock hammering, blasting, excavation, hauling, or any other rock work is not included.
- Permits, bonds, penalties or fees of any kind is not included.
- Subdividing or construction staking is not included.
- SWPPP plans or implementation are not included. If required, this work will be billed accordingly.
- Structural excavation or backfill of walls, footings, etc. is not included.
- Any existing structures, utilities, etc. are to be located and protected by the owner or his representative.

---

We appreciate any opportunity to be of service to you, please call if we can be of any further assistance.

Sincerely,

Terry O. Straubhaar
Vice-President

---

Customer Signature: ___________________________ Date: ___________
EXHIBIT 4
WELL LOGS
FOR
WELLS IN THE VICINITY OF
SNAKE RIVER FARM
1. WELL TAG NO. D0023615
2. OWNER: Clean Springs Roads, Inc.
Address: P.O. Box 772
City: Buli
State: ID
Zip: 83316
3. LOCATION OF WELL by legal description:
Sketch map location must agree with written location.
Twp. 9
N
Rge. 14
W

W

E

Gov't Lot
Sec. 2

County: Gooding
Lat.:
Long.: Lat: Long:

Address of Well Site: Clearlake Rd
City: Buli

(Give at least name of well + Distance to Road or Landsite)

Lt.: Blk.: Sub. Name.

4. USE:
☐ Domestic ☐ Municipal ☑ Monitor ☑ Irrigation
☐ Thermal ☑ Injection ☐ Other Test

5. TYPE OF WORK check all that apply (Replacement etc.)
☑ New Well ☐ Modify ☐ Abandonment. ☐ Other

6. DRILL METHOD
☐ Air Rotary ☑ Cable ☑ Mud Rotary ☐ Other

7. SEALING PROCEDURES

<table>
<thead>
<tr>
<th>SEAL/FILTER PROCEDURE</th>
<th>AMOUNT</th>
<th>METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Was drive shoe used? ☐ Y ☑ N
Was drive shoe seal tested? ☐ Y ☑ N

8. Casing/Liner:

<table>
<thead>
<tr>
<th>Diameter From</th>
<th>To</th>
<th>Screen Material</th>
<th>Casing Liner Welded Threaded</th>
<th>Length of Headpipe</th>
<th>Length of Tailpipe</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>24</td>
<td>Steel</td>
<td>◐</td>
<td>40000</td>
<td>5000</td>
</tr>
<tr>
<td>12</td>
<td>24</td>
<td>Steel</td>
<td>◐</td>
<td>6000</td>
<td>4000</td>
</tr>
</tbody>
</table>

9. PERFORATIONS/SCREENS

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
<th>Diameter</th>
<th>Screen Material</th>
<th>Casing Liner Welded Threaded</th>
</tr>
</thead>
<tbody>
<tr>
<td>240</td>
<td>260</td>
<td>12</td>
<td>Stainless steel</td>
<td>◐</td>
</tr>
<tr>
<td>220</td>
<td>297</td>
<td>12</td>
<td>Stainless steel</td>
<td>◐</td>
</tr>
</tbody>
</table>

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:

<table>
<thead>
<tr>
<th>Depth below ground</th>
<th>Artesian pressure</th>
</tr>
</thead>
</table>

104.5 ft.

Artesian pressure 100 lb.

Depth flow encountered 104.5 ft. Describe access port or control devices:

Steel plate on top of Blasting

11. WELL TESTS:

<table>
<thead>
<tr>
<th>Yield gal/min</th>
<th>Drawdown</th>
<th>Pumping Level</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>630</td>
<td>128</td>
<td>2.32</td>
<td>26</td>
</tr>
</tbody>
</table>

Water Temp.: 62.2
Water Quality test or comments:

12. LITHOLOGIC LOG: (Describe repairs or abandonment) Water

<table>
<thead>
<tr>
<th>Bed No.</th>
<th>Thickness</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>0.10</td>
<td>Gravel fill</td>
</tr>
<tr>
<td>1.5</td>
<td>0.30</td>
<td>Dry sand</td>
</tr>
<tr>
<td>2.5</td>
<td>0.60</td>
<td>Wet sand</td>
</tr>
</tbody>
</table>

13. DRILLER'S CERTIFICATION

We certify that all minimum well construction standards were complied with at the time the rig was removed.

Company Name: Durbin Well Drilling
Firm No.: 259

Firm Site: 10-1-05
Driller or Operator: Joffe
Date: 7-8-06

(Sign once if Firm Official & Operator)

FORWARD WHITE COPY TO WATER RESOURCES
1. WELL TAG NO. D 014 807
   DRILLING PERMIT NO. Well 20 365439

2. OWNER:
   Name: Clear Springs Foods, Inc.
   Address: P.O. Box 712
   City: Buell
   State: ID Zip: 83316

3. LOCATION OF WELL by legal description:
   Sketch map location must agree with written location.

4. USE:
   Domestic
   Municipal
   Irrigation
   Thermal
   Injection

5. TYPE OF WORK
   □ New Well
   □ Modify
   □ Abandonment
   □ Other

6. DRILL METHOD
   □ Air Rotary
   □ Cable
   □ Mud Rotary
   □ Other

7. SEALING PROCEDURES
   SEAL/FILTER PACK
   AMOUNT
   METHOD
   20 3300 lbs dry powder

8. CASING/LINER:
   Diameter
   From
   To
   Diamter
   Material
   Casing Liner
   Welded
   Threaded

9. PERFORATIONS/SCREENS
   Method
   Screen Type: 304 Stainless Steel

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:
    104.6 ft. below ground
    Artesian pressure: 12
    Depth flow encountered: 232 ft.
    Describe access port or control devices: vs

11. WELL TESTS:
    Pump
    Drawdown
    Pumping Level
    Time
    Yield gal/min
    128
    232
    26 Hour
    Water Temp: 62.2
    Bottom hole temp: 66.6

12. LITHOLOGIC LOG: (Describe repairs or abandonment)
    Water
    Bore Dia:
    From
    To
    Remarks: Lithology, Water Quality & Temperature

13. DRILLER'S CERTIFICATION
    We certify that all minimum well construction standards were complied with at
    the time the rig was removed.

Company Name:
Firm Name: DeYoung Drilling
Firm Official:
Date: 1-8-06

FORWARD WHITE COPY TO WATER RESOURCES
IDaho Department of Water Resources
WELL Driller's Report
Use Typewriter or Ballpoint Pen

1. DRILLING PERMIT NO. 36-97-8-0009-000
Other IDWR No.

2. OWNER: Idaho Trout Processors Co.
Name ____________________________
Address F.O. Box 72
City Buhl, State ID, Zip 83316

3. LOCATION OF WELL by legal description:
Sketch map location must agree with written location.

Twp. _______ Rge. ______ Sec. ________
1/4 1/4 1/4

4. USE: Domestic □ Municipal □ Monitor □ Irrigation
□ Thermal □ Injection □ Other

5. TYPE OF WORK check all that apply (Replacement etc.)
□ New Well □ Modify □ Abandonment □ Other

6. DRILL METHOD □ Air Rotary □ Cable □ Mud Rotary □ Other

7. SEALING PROCEDURES

<table>
<thead>
<tr>
<th>SEAL/FILTER PACK</th>
<th>AMOUNT</th>
<th>METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bentonite</td>
<td>0</td>
<td>53</td>
</tr>
</tbody>
</table>
| Overbore to seal depth

Was drive shoe used? Y □ N □ Shoe Depth(s) 255 ft.
Was drive shoe seal tested? Y □ N □ How? □ Air pressure

8. CASING/LINER:

<table>
<thead>
<tr>
<th>Diameter</th>
<th>From</th>
<th>To</th>
<th>Length of Pipe</th>
</tr>
</thead>
<tbody>
<tr>
<td>8&quot;</td>
<td>53</td>
<td>250 Steel</td>
<td></td>
</tr>
<tr>
<td>6&quot;</td>
<td>35</td>
<td>255 Steel</td>
<td></td>
</tr>
</tbody>
</table>

Length of Handpipe X Length of Tailpipe

9. PERFORATIONS/SCREENS

□ Perforations □ Method:
□ Screens □ Screen Type:

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:

97 ft. below ground Artesian pressure ___ lb.
Depth flow encountered ______ ft. Describe access port or control devices:

11. WELL TESTS:

[X] Pump □ Baller □ Air □ Flowing Artesian

<table>
<thead>
<tr>
<th>WELL TESTS</th>
<th>Yield (gpm)</th>
<th>Showdown</th>
<th>Pumping Level</th>
<th>Time</th>
</tr>
</thead>
</table>

Water: Temp. ____________________________
Bottom hole temp. ____________________________
Water Quality test or comments: _________________

12. LITHOLOGIC LOG: (Describe repairs or abandonment) Depth first Water Encountered

<table>
<thead>
<tr>
<th>Box Dr.</th>
<th>From</th>
<th>To</th>
<th>Remarks: Lithology, Water Quality &amp; Temperature</th>
<th>Y</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>0</td>
<td>2</td>
<td>Topsoil</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>6</td>
<td></td>
<td>Broken lava</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>53</td>
<td>215</td>
<td>Solid gray lava</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>8</td>
<td>53</td>
<td>215</td>
<td>Pine brown sand</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>215</td>
<td>253</td>
<td></td>
<td>Gray sand &amp; some clay</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>253</td>
<td>255</td>
<td></td>
<td>Sandstone, broken</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>255</td>
<td>260</td>
<td>Sandstone, broken</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

13. DRILLER'S CERTIFICATION
We certify that all minimum well construction standards were complied with at the time the rig was removed.

Firm Name: Elsing Drilling Firm No. 31
Firm Official: Arnold Elsing Date 5-14-97
and Supervisor or Operator: Lloyd B. Elsing 5-14-97
(Sign if Firm Official or Operator)

FORWARD WHITE COPY TO WATER RESOURCES
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WELL DRILLER'S REPORT

State law requires that this report be filed with the Director, Department of Water Resources within 30 days after the completion or abandonment of the well.

1. WELL OWNER

Name: Mrs. Owens
Address: Buhl
Owner's Permit No.

2. NATURE OF WORK

☑ New well ☐ Deepened ☐ Replacement
☐ Abandoned (describe method of abandoning)

3. PROPOSED USE

☑ Domestic ☐ Irrigation ☐ Test ☐ Municipal
☐ Industrial ☐ Stock ☐ Waste Disposal or Injection
☐ Other (specify type)

4. METHOD DRILLED

☑ Rotary ☐ Air ☐ Hydraulic ☐ Reverse rotary
☐ Cable ☐ Dug ☐ Other

5. WELL CONSTRUCTION

Casing schedule:

<table>
<thead>
<tr>
<th>Thickness</th>
<th>Diameter</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.0 inches</td>
<td>12 inches</td>
<td>1 foot</td>
<td>50 feet</td>
</tr>
<tr>
<td>8.0 inches</td>
<td>12 inches</td>
<td>1 foot</td>
<td>50 feet</td>
</tr>
</tbody>
</table>

Was casing drive shoe used? ☐ Yes ☐ No
Was a packer or seal used? ☐ Yes ☐ No
Perforated? ☐ Yes ☐ No
How perforated? ☐ Factory ☐ Knife ☐ Torch
Size of perforation Inch(es) by Inch(es)

Number of perforations

Maneuvered from feet to feet

Well screen installed? ☐ Yes ☐ No
Manufacturer's name

Type: Steel
Model No.
Diameter: 6.0 inches
Slot size: 12 inches
Set from: 1 foot to feet
Gravel packed? ☐ Yes ☐ No
Size of gravel

Surface seal depth:

Material used in seal:

Method of joining casing:

Describe access port

6. LOCATION OF WELL

Sketch map location must agree with written location.

Subdivision Name
Lot No. Block No.
County: Twin Falls

7. WATER LEVEL

Static water level 16.5 feet below land surface.
Flowing? ☐ Yes ☐ No
Artesian closed-in pressure p.s.i.

Controlled by: ☐ Valve ☐ Cap ☐ Plug
Temperature °F. Quality

8. WELL TEST DATA

☐ Pump ☐ Bailer ☐ Air ☐ Other

Discharge G.P.M.
Pumping Level
Hours Pumped

9. LITHOLOGIC LOG

<table>
<thead>
<tr>
<th>Hole</th>
<th>Depth</th>
<th>Material</th>
<th>Water</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>17</td>
<td>Top Soil</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>15</td>
<td>63</td>
<td>Brown Clay</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>16</td>
<td>100</td>
<td>Gray 18-25</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>16</td>
<td>110</td>
<td>Gray 18-25</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>16</td>
<td>141</td>
<td>Gray 18-25</td>
<td>☐ Yes ☐ No</td>
</tr>
<tr>
<td>16</td>
<td>181</td>
<td>Gray 18-25</td>
<td>☐ Yes ☐ No</td>
</tr>
</tbody>
</table>

10. Work started April 12, 1981

11. DRILLERS CERTIFICATION

We certify that all minimum well construction standards were complied with at the time the rig was removed.

Firm Name: C.R. Eaton
Address: Wendell, ID

Signed by (Firm Official) and (Operator)

USE ADDITIONAL SHEETS IF NECESSARY — FORWARD THE WHITE COPY TO THE DEPARTMENT
1. DRILLING PERMIT NO. 47-94-S-0158-000
   Other IDWR No.

2. OWNER: Jack Dietman
   Name
   Address Sun Valley, State ID Zip 83353

3. LOCATION OF WELL by legal description:
   Sketch map location must agree with written location,
   Twp. 9 North or South
   Rge. 14 East or West
   Sec. 1/4 N 1/4 SW 1/4
   Govt Lot
   Address of Well Site, City Buhl
   Lot 15

4. PROPOSED USE:
   7% Domestic □ Municipal □ Monitor □ Irrigation
   □ Thermal □ Injection □ Other

5. TYPE OF WORK
   □ New Well □ Modify or Repair □ Replacement □ Abandonment

6. DRILL METHOD
   □ Mud Rotary □ Air Rotary □ Cable □ Other

7. SEALING PROCEDURES
   SEAl/FIILER PACK AMOUNT METHOD
   Bentonite 0 18 400 Powder Dry

   Was drive shoe used? □ Y □ N
   Shoe Depth(s)________
   Was drive shoe seal tested? □ Y □ N
   How?________

8. CASING/LINER:
   Diameter From To Gauge Material
   7.75 7/8 260 Steel
   Length of Headpipe Length of Tailpipe

9. PERFORATIONS/SCREENS
   Method Screen Type
   □ Perforations
   □ Screens

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:
    36 ft. below ground Artesian pressure 10 lb.
    Depth flow encountered ______ ft. Describe access port or
    control devices: Sanitary Well Cup

11. WELL TESTS:
    □ Pump □ Baller □ Air □ Flowing Artesian
    Yield gal/min. Drawdown Pumping Level Time
    Water Temp. ~85 Bottom hole temp.________
    Water Quality test or comments:

12. LITHOLOGIC LOG: (Describe repairs or abandonment)
    Water
    Store Dim. From To Remarks: Lithology, Water Quality & Temperature Y N
    8 0 2 Brown Sand
    2 1 16 Loose, Beiderski Sand
    1 15 0 Brown Clay w/ Sand
    5 0 9 6 Gravel

RECEIVED
OCT 2 8 1994
Department of Water Resources

RECEIVED
OCT 18 1994
Department of Water Resources
Southern Region Office

MAY 08 1995
(Usable)
Date: Started Oct 494 Completed Oct 11194

13. DRILLER'S CERTIFICATION
    We certify that all minimum well construction standards were complied with at
    the time the rig was removed.
    Firm Name
    Firm Official
    Date
    Operator
    Date

(Sign once if Firm Official & Operator)

FORWARD WHITE COPY TO WATER RESOURCES
**WELL DRILLER'S REPORT**

**OCT 15, 1993**

**DEPARTMENT OF WATER RESOURCES**

**IDaho Department of Water Resources**

**WELL DRILLER'S REPORT**

<table>
<thead>
<tr>
<th>Page</th>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>DRILLING PERMIT NO. 47-93-5-0154-000</td>
<td>Other IDWR No.</td>
</tr>
<tr>
<td>2.</td>
<td>OWNER: Vern White</td>
<td>Owner: Lcio Kenyon Owens</td>
</tr>
<tr>
<td>3.</td>
<td>LOCATION OF WELL by legal description:</td>
<td>Sketch map location must agree with written location.</td>
</tr>
<tr>
<td>4.</td>
<td>PROPOSED USE: Domestic</td>
<td>Proposed Use: Domestic</td>
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<tr>
<td>5.</td>
<td>TYPE OF WORK: Mud Rotary</td>
<td>Type of Work: Mud Rotary</td>
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<tr>
<td>6.</td>
<td>SEALING PROCEDURES</td>
<td>Sealing Procedures:</td>
</tr>
<tr>
<td>7.</td>
<td>CASING/LINER: Diameter</td>
<td>Casing/Liner: Diameter</td>
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<tr>
<td>8.</td>
<td>PERFORATIONS/SCREENS:</td>
<td>Perforations/Screen:</td>
</tr>
<tr>
<td>9.</td>
<td>DRILLER'S CERTIFICATION</td>
<td>Driller's Certification:</td>
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</tbody>
</table>

**10. WELL TESTS**

<table>
<thead>
<tr>
<th>Yield gpm/mtr</th>
<th>Drawdown</th>
<th>Pumping Depths</th>
<th>Time</th>
</tr>
</thead>
</table>

**11. STATIC WATER LEVEL:**

- 24 ft. below surface
- Depth artesian flow found
- Artesian pressure

**12. LITHOLOGIC LOG:**

<table>
<thead>
<tr>
<th>Depth</th>
<th>From</th>
<th>To</th>
<th>Remarks</th>
<th>Lithology, Water Quality &amp; Temperature</th>
</tr>
</thead>
</table>

**13. DRILLER’S CERTIFICATION**

**Form 238-7**

**Use Typewriter or Ball Point Pen**

**FORWARD WHITE COPY TO WATER RESOURCES**
EXHIBIT 5

PROPOSED APPLICATION FOR TRANSFER
STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES  

APPLICATION FOR TRANSFER OF WATER RIGHT  
PART 1

Name of Applicant: North Snake GWD & Magic Valley GWD  
Phone: 208-232-6101  
Post Office address: c/o Randall Budge P.O. Box 1391, Pocatello, Idaho 83204-1391

A. PURPOSE OF TRANSFER

1. □ Change point of diversion  
   □ Add diversion point(s)  
   □ Change place of use  
   □ Change nature of use  
   □ Change period of use  
   □ Other __________________

2. Describe the reason for the proposed changes: See attached

B. DESCRIPTION OF RIGHT(S) OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

<table>
<thead>
<tr>
<th>Right Number</th>
<th>Priority</th>
<th>Amount (cfs/ac-ft)</th>
<th>Nature of Use</th>
<th>Period of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>36-4076</td>
<td>1-1-1893</td>
<td>3.59 cfs</td>
<td>Wildlife</td>
<td>01/01 to 12/31</td>
</tr>
<tr>
<td></td>
<td>1-1-1893</td>
<td></td>
<td>Wildlife Storage</td>
<td>01/01 to 12/31</td>
</tr>
<tr>
<td></td>
<td>1-1-1893</td>
<td></td>
<td>Recreation</td>
<td>01/01 to 12/31</td>
</tr>
<tr>
<td></td>
<td>1-1-1893</td>
<td></td>
<td>Rec Storage</td>
<td>01/01 to 12/31</td>
</tr>
</tbody>
</table>

2. Total amount of water being transferred: 3.59 cubic feet per second and/or __________ acre-feet per annum.

3. Source of water: Springs tributary to Snake River

4. Point(s) of Diversion: Continued on the next page

<table>
<thead>
<tr>
<th>Lot</th>
<th>¼</th>
<th>¼</th>
<th>¼</th>
<th>Sec</th>
<th>Twp</th>
<th>Rge</th>
<th>County</th>
<th>Local name for diversion</th>
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<tbody>
<tr>
<td>7</td>
<td>SW</td>
<td>SW</td>
<td>NE</td>
<td>1</td>
<td>9S</td>
<td>14E</td>
<td>Gooding</td>
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<tr>
<td>8</td>
<td>SW</td>
<td>SE</td>
<td>NE</td>
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</tbody>
</table>

5. Lands irrigated or place of use:

<table>
<thead>
<tr>
<th>Twp</th>
<th>Rge</th>
<th>Sec</th>
<th>NE ¼</th>
<th>NW ¼</th>
<th>SW ¼</th>
<th>SE ¼</th>
<th>Totals</th>
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</table>

Total Acres: __________
STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

Name of Applicant _______________________ Phone __________
Post Office address ___________________________________

A. PURPOSE OF TRANSFER
1. □ Change point of diversion □ Add diversion point(s) □ Change place of use
□ Change nature of use □ Change period of use □ Other ____________________

2. Describe the reason for the proposed changes
____________________________________________________________________
____________________________________________________________________

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<tr>
<td>36-4076</td>
<td>1-1-1893</td>
<td>up to 3.59 cfs</td>
<td>Mitigation</td>
<td>1/1 to 12/31</td>
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<tr>
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<td>1-1-1893</td>
<td>up to 3.59 cfs</td>
<td>Fish Propagation</td>
<td>1/1 to 12/31</td>
</tr>
</tbody>
</table>

2. Total amount of water being transferred 3.59 cubic feet per second and/or _______ acre-feet per annum.

3. Source of water Springs

4. Point(s) of Diversion:

<table>
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<tr>
<th>Lot</th>
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Total Acres ____________
6. General Information:
   
a. Description of diversion system ____________________________________________________________

   b. Are the lands from which you propose to transfer the water right subject to any liens, deeds of trust, mortgages, or contracts?
      Yes ______ No. If yes, provide a notarized statement from the holder of the lien, deed of trust, mortgage or contract agreeing to the proposed changes.

   c. Describe the affect on the land now irrigated if the place of use is changed pursuant to this transfer:
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________

   d. Remarks:
      See attached

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Transfer of Water Rights No. ________________________________
And the said application is hereby ________________________________, subject to the following conditions:

   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________
   ____________________________________________________________

Witness my hand this __________ day of __________________________, 20__________.

For the Director
APPLICATION FOR TRANSFER OF WATER RIGHT

PART 2

(Attach one copy for each right)

A. DESCRIPTION OF RIGHT AS RECORDED

See attached water right report

1. Right as evidenced by:
   a. Decree No. 36-4076 Decreed to _____________________________
      in case of _____________________________ vs, __________________
      dated ________________ in _____________ county of ____________
   b. License No. _______________ issued by the Idaho Department of Water Resources.
   c. Claim No. ______________________ on file with the Idaho Department of Water Resources.
   d. Transfer No. ______________________ which produced this right.

2. Attach copy of last year's tax notice for the property to which the water right is appurtenant or other documents which show ownership.
   Label document as attachment A. Check appropriate box below:
   
   [ ] Tax Notice  [ ] Warranty Deed  [ ] Other ______________________

3. Source of water ______________________ tributary to ______________________

4. Date or priority ______________________

5. Water is used for the following purposes:
   amount ______________________ for ______________________ purposes from __________ to __________
   (cfs/ac-ft)
   amount ______________________ for ______________________ purposes from __________ to __________
   (cfs/ac-ft)
   amount ______________________ for ______________________ purposes from __________ to __________
   (cfs/ac-ft)

6. Total amount of water under right ______________________ cubic feet per second and/or ______________________ acre-feet per annum.

7. Point(s) of Diversion:

<table>
<thead>
<tr>
<th>Lot</th>
<th>¼</th>
<th>¼</th>
<th>¼</th>
<th>Sec</th>
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8. Lands irrigated or place of use:

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</table>

Total Acres ______________________

9. Describe any other water rights used for the same purpose as described above ______________________
PART 2

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of non-use?  
   ___________ If yes, describe ___________________________ 

B. DESCRIPTION OF PORTION OF RIGHT BEING TRANSFERRED  
(If the entire right is to be changed by the applicant, omit part B and C.)

1. amount _________ for purposes from ________ to ________  
   (cfs/ac-ft)  
amount _________ for purposes from ________ to ________  
   (cfs/ac-ft)  
amount _________ for purposes from ________ to ________  
   (cfs/ac-ft)

2. Point(s) of Diversion:

<table>
<thead>
<tr>
<th>Lot</th>
<th>¼</th>
<th>¼</th>
<th>¼</th>
<th>Sec</th>
<th>Twp</th>
<th>Rge</th>
<th>County</th>
<th>Local name for diversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>NW</td>
<td>NE</td>
<td>SW</td>
<td>1</td>
<td>9S</td>
<td>14E</td>
<td>NE</td>
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</table>

3. Lands irrigated or place of use:

<table>
<thead>
<tr>
<th>Twp</th>
<th>Rge</th>
<th>Sec</th>
<th>NE ¼</th>
<th>NW ¼</th>
<th>SW ¼</th>
<th>SE ¼</th>
<th>Totals</th>
</tr>
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<tbody>
<tr>
<td>NE</td>
<td>NW</td>
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<td>NW</td>
<td>SW</td>
<td>SE</td>
</tr>
</tbody>
</table>

   Total Acres _______ 

C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT (omit if there is no change)

1. amount _________ for purposes from ________ to ________  
   (cfs/ac-ft)  
amount _________ for purposes from ________ to ________  
   (cfs/ac-ft)  
amount _________ for purposes from ________ to ________  
   (cfs/ac-ft)

2. Point(s) of Diversion:

<table>
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<tr>
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<th>Local name for diversion</th>
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<th>SW ¼</th>
<th>SE ¼</th>
<th>Totals</th>
</tr>
</thead>
</table>

   Total Acres _______
PART 3

B. CHANGES IN NATURE OF USE

1. New Nature of Use
   - Mitigation
     - Amount (cfs/af-ft): up to 3.59 cfs
     - Hours/days/year: 1/1 to 12/31
   - Fish Propagation
     - Amount (cfs/af-ft): up to 3.59 cfs
     - Hours/days/year: 1/1 to 12/31

2. Quantity and quality of return flows and location of discharge:
   Unchanged quantity and quality as added mitigation and fish propagation are non-consumptive.

3. Describe effects on other water uses resulting from the proposed change:
   None

I hereby assert that no one will be injured by such change and that the change does not constitute an enlargement in use of the original right. The information contained in this application is true to the best of my knowledge.

I understand that any willful misrepresentations made in this application may result in voiding its approval.

North Snake GWD and Magic Valley GWD

By __________________________

Randall C. Budge, Attorney

Subscribed and sworn to before me this ______________ day of ______________, 20___.

(Notary Public)

My commission expires ____________________________

FOR DEPARTMENT USE ONLY

Transfer contains __________ pages and __________ attachments

Received by ______________ Date ______________ Protest filed by __________________________

Prelim. Check by ______________ Fee __________________________

Receipted by ______________ Date __________________________

Published in __________________________ Copies of protest forwarded by __________________________

Pub. Dates __________________________ Hearing held by ______________ Date __________________________

Watermaster recommendations requested on __________________________ Recommended for ☐ approval ☐ denial

____________________________ received __________________________ by __________________________

Copy of transfer sent to lien holder __________________________
DESCRIPTION AND PURPOSE OF TRANSFER APPLICATION

Applicants North Snake and Magic Valley Ground Water Districts ("Ground Water Districts") have submitted to the Director of IDWR the attached Mitigation Plan pursuant to Conjunctive Management Rule 43 to provide replacement water to the Snake River Farm water rights sufficient to offset the depletive effect of ground water withdrawal on the water available in the surface or ground water source, with consideration to be given to the history and seasonal availability of water for diversion so as not to require replacement water at times when these rights historically have not received the full supply. Pursuant to the Mitigation Plan, the Ground Water Districts will use for mitigation up to 3.59 cfs of water available under Decreed Water Right No. 36-4076 with a priority date of January 1, 1893, which will be delivered directly to the head of the Snake River Farm raceway. The Ground Water Districts have leased Water Right No. 36-4076 from the State of Idaho Department of Fish and Game pursuant to the attached Lease Agreement.

The purpose of the Transfer Application is three-fold. First, to add "Mitigation" and "Fish Propagation" as additional authorized uses. This is because water is being supplied by the Ground Water Districts to Snake River Farm for mitigation purposes and because Snake River Farm will use the water for fish propagation in its existing raceways. Second, two additional places of use will be added, the SW NW and NW SW of Section 1, T. 9 S., R. 14 E., which is the Snake River Farm raceway where the mitigation water will be supplied and used for fish propagation purposes. Third, one additional point of diversion will be added, the NW NE SW, Section 1, T. 9 S., R. 14 E. From this new point of diversion a pump station will be added in the Snake River to pump water to the adjacent IDFG wetlands in an amount equal to the water supplied to the head of the Snake River Farm raceway at the new place of use. The mitigation water delivered to the raceway discharges from the raceway and runs into Clear Lake which discharges into the Snake River. The required mitigation water delivered to Snake River Farm is 1.5 cfs in 2008 and 2.0 cfs in 2009 and thereafter, subject to possible change by the Director, and will be replaced by an equivalent amount pumped from the new point of diversion to the IDFG wetlands.
PARTIAL DECREE PURSUANT TO I.R.C.P. 54(b) FOR
Water Right 36-04076

NAME & ADDRESS:

SOURCE:

QUANTITY:

PRIORITY DATE:

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS.

STATE OF IDAHO

PO BOX 2A

SPRINGS

3.59 CFS

01/01/1893

POINT OF DIVERSION:

PURPOSE AND PERIOD OF USE:

IRRGATION

STOCKWATER

DOMESTIC 1 HOME

Within GOODING County

57 ACRES TOTAL

Within GOODING County

57 ACRES TOTAL

PARTIAL DECREE PURSUANT TO I.R.C.P. 54(b)
Water Right 36-04076
RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

DANIEL C. HURBUTT, JR.
PRESIDING JUDGE
Snake River Basin Adjudication
EXHIBIT 6
CONCEPTUAL SITE PLAN
Description of Infrastructure Associated with the Delivery of Replacement Water to Snake River Farms

Prepared for: Idaho Ground Water Appropriators

June 2008

Prepared by: AMEC Earth and Environmental
1002 Walnut Street, Suite 200 Boulder, CO 80302

amec
IMPORTANT NOTICE

This report was prepared exclusively for the Idaho Ground Water Appropriators by AMEC Earth & Environmental, Boulder Office (AMEC). The quality of information, conclusions and estimates contained herein is consistent with the level of effort involved in AMEC's services and based on: I) information available at the time of preparation, ii) data supplied by outside sources and iii) the assumptions, conditions and qualifications set forth in this report. This report is intended to be used by the Idaho Ground Water Appropriators only, subject to the terms and conditions of its contract with AMEC. Any other use of, or reliance on, this report by any third party is at that party's sole risk.

AMEC Earth & Environmental
Boulder Office
1002 Walnut Street, Ste. 200
Boulder, CO 80302
Phone: 303.443.7839
Fax: 303.442.0816

Principal Investigators:
Charles M. Brendecke, P.E
Courtney A. Peppler, P.E
303.443.7839
chuck.brendecke@amec.com
courtney.peppler@amec.com
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TABLES

1.0  MAJOR COMPONENTS OF IDF&G ALTERNATIVES

FIGURES

1.0  PROPOSED MITIGATION ALTERNATIVES SNAKE RIVER FARM DELIVERY CALL
1.0 INTRODUCTION

A variety of direct replacement water options have been developed that could offset the depletive effect of junior-priority ground water withdrawals on the Snake River Farm’s (SRF) water rights. These alternatives involve collaboration with the Idaho Department of Fish and Game (IDF&G) and/or the Clear Lakes Country Club (CLCC). This report presents a series of IDF&G, CLCC, and direct pump back alternatives that could direct replacement water to the SRF hatchery.

2.0 DELIVERY OF IDF&G WATER RIGHT NO: 36-4076 TO SNAKE RIVER FARM

The IDF&G owns and manages the Clear Lake Grade wetland mitigation site neighbouring SRF to the east. The North Snake and Magic Valley Ground Water Districts entered a Lease Agreement on May 28, 2008 (provided in Exhibit 1) with the IDF&G where the Ground Water Districts leased IDF&G’s Decreed Water Right No. 36-4076, for the purpose of providing mitigation and replacement water to SRF.

The IDF&G currently receives water from four spring areas at the northern rim of the Snake River Canyon near the Clear Lakes Grade, as shown in Figure 1 at the end of this report. The following three alternatives have been developed for conveying these waters to the SRF hatchery in order to help meet SRF water right entitlements. Figure 1 provides a conceptual illustration of these alternatives.

- **IDF&G Alternative 1 (IDF&G Alt 1) (Preferred)** – This alternative involves the drilling of a well near IDF&G Spring 1 to a maximum of 200 feet in depth to enhance production from this spring. An evaluation of groundwater wells in the area, (See Exhibit 4), indicates that average static ground water levels are approximately 36 to 105 feet below the surface. This well would provide up to 2.66 cfs to the SRF raceway inlet. A new well and well pump and approximately 200 feet of 10 inch diameter pipe would be constructed to convey the water to the SRF raceway inlet.

- **IDF&G Alternative 2 (IDF&G Alt 2)** – If IDF&G Alt 1 does not provide the full mitigation requirement for SRF, IDF&G Alt 2 could provide additional flows from IDF&G Spring 2. As shown in Figure 1 water would be diverted at the confluence of two channels that currently convey IDF&G Spring 1 and 2 water. A 20 HP pump and 1,100 feet of 10 inch diameter pipe would be needed to convey water to the SRF raceway inlet.
• **IDF&G Alternative 3 (IDF&G Alt 3)** – This alternative would be constructed if IDF&G Alt 1 could not provide the full requirement for mitigation water for SRF and IDF&G Alt 2 was projected to be unable to make up the shortfall. Similar to IDF&G Alt 2, supplies would be diverted at the confluence of the existing channels conveying IDF&G Spring 1 and 2 water. These supplies would be gravity fed to the Alt 3 Pump Station. Water from IDF&G Springs 3 and 4 would be diverted near the inlet of the Clear Lake Grade culvert and also gravity fed to the Alt 3 Pump Station. Supplies would be pumped from this pump station through approximately 1,850 feet of 10 inch diameter pipe to the SRF raceway inlet.

All IDF&G alternatives would be connected to the inlet of the SRF raceways. Additionally 2.66 cfs (or the amount of water supplied to SRF, if less) would be provided as replacement water to the IDF&G in order to sustain equivalent flows in the wetland mitigation site. This water would be pumped from the Snake River to the inlet of the IDF&G wetlands south of the highway, as shown in Figure 1. Depending on the final configuration of alternatives, IDF&G replacement water may also be needed closer to the actual point of diversion (IDF&G Alt 1 and/or IDF&G Alt 2) to maintain aquatic habitat near the drainage ditches. If this is the case, water could either be conveyed from the Snake River or the lake located at the outlet of the SRF hatchery. Additional infrastructure not shown on Figure 1 would be needed to convey this additional replacement water.

Table 1 summarizes the other major components for each IDF&G alternative. This is a preliminary conceptual estimate of infrastructure requirements and does not include diversion boxes, power supply, connections to the SRF raceway inlet, and other minor components. A more detailed design will be prepared upon completion and testing of the well described in IDF&G Alt 1.
### Table 1 Major Components of IDF&G Alternatives

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Major Components</th>
<th>Estimated Component Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDF&amp;G Alternative 1</td>
<td>Well and Well Pump</td>
<td>Maximum of a 200' deep well</td>
</tr>
<tr>
<td></td>
<td>Pressure Pipeline to the SRF Raceway Inlet</td>
<td>10 Inch diameter, 200 linear feet</td>
</tr>
<tr>
<td>IDF&amp;G Alternative 2</td>
<td>Well and Well Pump</td>
<td>Maximum of a 200' deep well</td>
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<td></td>
<td>Pressure Pipeline from Alt 2 Pump Station to the SRF Raceway Inlet</td>
<td>10 Inch diameter, 1000 linear feet</td>
</tr>
<tr>
<td></td>
<td>Alt 2 Pump Station</td>
<td>20 HP</td>
</tr>
<tr>
<td></td>
<td>Gravity Pipeline from Alt 3 Diversion (Inlet to Clear Lake Grade Culvert) to the Alt 3 Pump Station</td>
<td>10 Inch diameter, 1300 linear feet</td>
</tr>
<tr>
<td></td>
<td>Gravity Pipeline from Alt 2 Diversion to Alt 3 Pump Station</td>
<td>10 Inch diameter, 850 linear feet</td>
</tr>
<tr>
<td></td>
<td>Pressure Pipeline from the Alt 3 Pump Station to the SRF Raceway Inlet</td>
<td>10 Inch diameter, 1850 linear feet</td>
</tr>
<tr>
<td></td>
<td>Alt 3 Pump Station</td>
<td>30 HP</td>
</tr>
<tr>
<td>IDF&amp;G Alternative 3</td>
<td>Snake River Pump Station</td>
<td>20 HP</td>
</tr>
<tr>
<td></td>
<td>Pressure Pipeline from the Snake River to the IDF&amp;G Wetland (IDF&amp;G Wetland Supply Line)</td>
<td>10 Inch diameter, 500 linear feet</td>
</tr>
</tbody>
</table>

1. All infrastructure is preliminarily sized for 2 efs.
2. This pipeline would be constructed if the Alt 2 Pump Station is not developed to convey flows from the the IDF&G Alt 2 Diversion to the Alt 3 Pump Station. This eliminates the need for the Alt 2 Pump Station.
3. This is the principle method for replacing flows to the IDF&G wetlands downstream of the Clear Lakes Grade Culvert. If IDF&G water is replaced further upgradient at the IDF&G Alt 1 and/or IDF&G Alt 2 Diversions, the replacement of water may need to occur close to the point of diversion in order to maintain aquatic habitat. If this is the case, additional infrastructure would be needed to convey the replacement water.

### 3.0 DELIVERY OF CLEAR LAKES COUNTRY CLUB WATER TO SNAKE RIVER FARM (BACK-UP ALTERNATIVE)

If the IDF&G alternatives do not prove to be a viable replacement option, direct replacement using CLCC water is a back-up option. The CLCC owns a golf course immediately southeast of SRF. Water is diverted from the same spring source as SRF for Irrigation of the golf course. The Ground Water Districts have been engaged in discussion with CLCC regarding the possibility of leasing CLCC Irrigation water rights for use as replacement water to SRF.

Leased CLCC water would be diverted from the shared spring source and conveyed directly to SRF’s raceway Inlet using SRF’s existing Infrastructure. In exchange the CLCC would use SRF return flows and/or water from the adjacent lake for Irrigation purposes. Figure 1 shows the location of CLCC’s main existing pipeline and the diversion locations of the following CLCC alternatives:
• **CLCC Alternative 1 (CLCC Alt 1)** - The CLCC Alt 1 would involve upgrading CLCC's existing Lake Pump Station at the southern end of the lake to pump existing diversions as well as the additional replacement water. The pump upgrade would need to be of sufficient capacity to deliver water throughout CLCC's entire golf course irrigation system.

• **CLCC Alternative 2 (CLCC Alt 2)** - CLCC Alt 2 would involve a new pump station and diversion structure at the CLCC Alt 2 Diversion shown on Figure 1. A connection into CLCC's existing 8 Inch line would also be needed to convey the pumped lake water into the irrigation system.

CLCC currently uses a dual screening process at their Lake Pump Station to remove algae that is present in the lake water. This helps to minimize clogging and other operational problems in their irrigation system. If CLCC Alt 1 is implemented, the existing treatment screens would likely need to be upgraded for additional flows. CLCC Alt 2 would require a screened treatment system similar to the existing system.

4.0 DIRECT PUMPBACK TO SNAKE RIVER FARM (BACK-UP ALTERNATIVE)

If the CLCC replacement option does not prove to be viable, the Ground Water Districts may pursue a direct pump back alternative (DP Alt 1) of lake water near the outlet of the SRF. The layout of infrastructure associated with this alternative would be very similar to CLCC Alt 2. Lake water could be pumped at the same location proposed for CLCC Alt 2 and conveyed through a pipeline parallel to CLCC's existing pipeline to the SRF raceway inlet. See Figure 1.

This alternative would involve collaboration with CLCC in obtaining the easement(s) necessary to construct a conveyance pipeline on CLCC land. Screening would also likely be needed to at a minimum remove algae from the lake water.
EXHIBIT 7

NSCC CONVEYANCE AGREEMENT
DATED APRIL 23, 2008
WATER CONVEYANCE AGREEMENT
BETWEEN THE NORTH SNAKE AND MAGIC VALLEY GROUND WATER DISTRICTS AND THE NORTH SIDE CANAL COMPANY

THIS AGREEMENT is made and entered into this __ day of ___________ , 2008, by and between the North Snake Ground Water District and the Magic Valley Ground Water District ("Districts"), and the North Side Canal Company, Ltd. ("NSCC").

WITNESETH:

WHEREAS, the Districts have requested NSCC to facilitate the diversion and conveyance of up to 35,000 acre feet of storage water obtained by the Districts into NSCC's canal system during the irrigation season of 2008 (March 1, 2008 to November 1, 2008) to deliver to designated landowners in the Districts who can be served by NSCC's system (approximately 9,300 acres) so to irrigate with surface water delivered by NSCC while curtailing an equal amount of groundwater diversions so that spring flows and aquifer levels of the Eastern Snake Plain Aquifer below the NSCC tract in water District 130 will be enhanced and stabilized to partly mitigate for the Districts' groundwater pumping impacts; and

WHEREAS, the parties wish to delineate their agreement in writing for the period of 3/1/08 through 11/1/08, recognizing that neither party shall be obligated to renew, and any extension shall be by additional written Agreement with terms and conditions as the parties may then negotiate.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and other good valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

(1) Within seven (7) days of the date of storage allocation identified by Water District 01, the Districts shall cause the 35,000 acre-feet of storage water they have obtained through the Water District 01 Rental Pool or otherwise to be transferred to NSCC's storage account.

(2) Provided the conditions set forth in this Agreement are met, including the requirement that the Districts' storage water is transferred to NSCC's account as specified in Paragraph (1), NSCC shall use its best efforts to divert and convey up to 35,000 acre feet of the Districts' water into NSCC's main canal at Milnor Dam between 3/1/08 and 11/1/08; provided that such diversion of any water of the Districts may be curtailed in the...
(3) Water diverted for the Districts, shall be measured at Milner Dam. Losses between Milner Dam and the designated farm deliveries shall be measured by NSCC and only net amounts delivered. Nothing in the Agreement shall be construed as other than NSCC's consent to divert the Districts' water into NSCC's system.

(4) The Districts shall pay NSCC for diverting and conveying water through the NSCC system at the rate of Eight Dollars ($8.00) per acre foot measured at NSCC's diversions at Milner Dam. The Districts will pay Five Thousand Dollars ($5,000.00) in advance to NSCC to initiate the diversions and conveyance. NSCC will first credit the $5,000.00 against the total diversion and conveyance fee, and then will bill the Districts at the end of each month for the Districts' water diverted at Milner Dam, payment to be due within 20 days of the receipt of NSCC's invoice.

(5) The Districts shall designate one (1) representative and one (1) alternate for the purposes of communication with NSCC and NSCC shall only be authorized to divert water or turn off water when requested by said designated representative of the Districts or his alternate, but only if NSCC is then agreeable. The Districts representative will request water deliveries at least forty-eight (48) hours in advance, including the requested amount in c/f/s. The Districts will give NSCC twenty-four (24) hours notice of a requested turn-off. NSCC will give the Districts twenty-four (24) hours notice of NSCC's intended shut-off of the Districts' water. All diversions shall be approved by the Watermaster of W.D. 01.

(6) The Districts expressly and knowingly waive any rights or claims under Article 15, Section 4 of the Idaho Constitution and Idaho Code Section 42-914 to compel NSCC to continue to divert water into NSCC's system after the termination of this Agreement. The Districts represent that they have knowledge of the existence of Article 15, Section 4 of the Idaho Constitution and Idaho Code Section 42-914, understands and agrees with the interpretation herein stated, and further understands that the waiver contained in this paragraph is a condition precedent to NSCC's execution of the Agreement.

(7) The Districts shall be responsible for complying with any applicable water quality standards and requirements for all the Districts water diverted into NSCC’s system. The Districts agree to indemnify and hold NSCC harmless from any claim or claims of any third party claiming injury or damage by reason of diversion and conveyance of the Districts’ water pursuant to this Agreement, including attorneys’ fees, and to further indemnify, including attorneys’ fees, for any NSCC costs associated with meeting federal or state laws or regulations due to the diversion and
conveyance of the Districts' water.

(8) It is understood that NSCC has been approached by several entities to divert water into NSCC's system and convey it to various points in the NSCC system for rediversion to various other purposes. The NSCC Board of Directors has determined that if they elect to facilitate such requests, they shall approve such requests in the following preferential order:

1. **First Preference.** North Snake Groundwater District and the Magic Valley Groundwater District for conveyance of storage water to the conversion acres subject to this Agreement within Water District #130 (approximately 9,300 acres) pursuant to this Agreement.

2. **Second Preference.** Idaho Dairyman's Association for conveyance of mitigation water in NSCC's canal pursuant to a separate Agreement.

3. **Third Preference.** Idaho Water Resource Board (IWRB) for conveyance of storage water in NSCC's system to a recharge site near Wendell on NSCC's W canal pursuant to a separate Agreement.

4. **Fourth Preference.** IGWA for the conveyance of water in NSCC's system pursuant to the terms of a separate Agreement.

All agreements for diversions and conveyance by NSCC shall be in NSCC's discretion and be considered in the above preferential order...e.g. if First Preference takes all NSCC's available capacity in a given year, no other conveyances for other preferences shall be made; if First Preference takes 50% of available capacity, Second Preference could take the other 50% on such terms as are agreed. If Second Preference only takes 25% and capacity is still then available, Third Preference would be entitled in such terms as would be agreed, or to Fourth Preference if Third Preference doesn't elect to agree, to the extent of capacity not committed to those of higher preference.

All arrangements for conveyance must be in writing and formalized prior to May 20th of 2008 or fall to last preference if an agreement after that date is sought. All preferences shall be subordinated to higher preferences (e.g. Second Preference subordinated to First Preference) if all have formal agreements for conveyance finalized.

(9) The Districts agree to pay to NSCC actual legal fees incurred by NSCC for the preparation of this Agreement, not to exceed $2,000.00.
(10) The Districts agree to pursue the withdrawal of any and all objections to NSCC's water right claims filed in the SRBA by IGWA or any other groundwater district by August 1, 2008. If the Districts fail to obtain the withdrawal of these objections to NSCC's water right claims in the SRBA by August 1, 2008, NSCC may refuse any future agreement for diversion and conveyance of the Districts' water for these conversion acres in future irrigation seasons.

(11) Should any dispute or disagreement as to the terms or conditions of this Agreement arise, the prevailing party shall be entitled to recover reasonable attorney fees and costs incurred in defending or pursuing their respective legal rights.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

NORTH SNAKE GROUNDWATER DISTRICT

By: [Signature]

Its: Chairman

Date: May 10, 2008

MAGIC VALLEY GROUNDWATER DISTRICT

By: [Signature]

Its: Chairman

Date: May 10, 2008

NORTH SIDE CANAL Company, LTD.

By: [Signature]

Its: Manager

Date: April 23, 2008