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BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO

IN THE MATTER OF DISTRIBUTION OF)
WATER TO WATER RIGHTS NOS. 36-02356A,) **PETITION REQUESTING**
36-07210, AND 36-07427) **HEARING ON JULY 19, 2010**
) **FINAL ORDER**
(Blue Lakes Delivery Call))
)
IN THE MATTER OF DISTRIBUTION OF)
WATER TO WATER RIGHTS NOS. 36-04013A,)
36-04013B, AND 36-07148.)
)
(Clear Springs Delivery Call))
_____)

Blue Lakes Trout Farm, Inc. (Blue Lakes), by and through its counsel, files this *Petition Requesting Hearing on July 19, 2010 Final Order* (“*Petition*”) in the above-captioned matter.

This *Petition* states the initial grounds Blue Lakes has identified to date for contesting the *July 19, 2010 Final Order* (“*2010 Order*”). Blue Lakes reserves its rights to amend these grounds, and present additional grounds, for contesting the *2010 Order* during the course of this proceeding. Blue Lakes reserves the right to file with a district court an original action or actions to contest the *2010 Order*.

INTRODUCTION

As stated in the *2010 Order*, this matter is before the Director as a result of the District Court's *Order on Petitions for Judicial Review*, issued on June 19, 2009 and *Order on Petitions for Rehearing*, issued on December 4, 2009, by Judge Melanson remanding the question of material injury to Blue Lakes' water right no. 36-7210 and Clear Springs Foods, Inc.'s (Clear Springs) water right no. 36-4013A. In the *2010 Order*, the Director found material injury to Blue Lakes' and Clear Springs' water rights, but committed errors of law and fact which allow continued injury to Blue Lakes' water right caused by junior ground water diversions.

Initial Grounds For Contesting the 2010 Order

1. The Director's redetermination of the quantity of water Blue Lakes' diverted at the time Blue Lakes' appropriated water right no. 36-7210 is contrary to law, is speculative, and impermissibly shifts the burden of proof.

2. The Director's exclusion of junior ground water rights that cause injury to water right no. 36-7210 is contrary to law, based upon erroneous analysis, and impermissibly shifts the burden of proof.

3. The Director has underestimated the impact of junior ground water diversions on water right no. 36-7210 and the quantity of water required to mitigate Blue Lakes' injury.

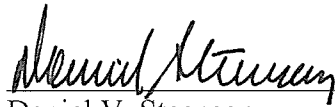
4. The Director failed to use the most current and best available data/information to identify hydraulically-connected junior ground water diversions causing injury water right no. 36-7210, and inappropriately relies on insufficient and outdated data/information referenced in Rule 50 of the Conjunctive Management Rules.

5. The Director has no authority to delay administration of junior ground water rights causing injury to water right no. 36-7210 until 2011.

6. Phasing administration of junior ground water rights that cause injury to water right no. 36-7210 is an abuse of discretion.

Dated this 29th day of July, 2010.

RINGERT LAW, CHTD.



Daniel V. Steenson
Attorneys for Blue Lakes Trout Farm, Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 29th day of July, 2010, I served a true and correct copy of the foregoing **PETITION REQUESTING HEARING ON JULY 19, 2010 FINAL ORDER** by delivering it to the following individuals by the method indicated below, addressed as stated.

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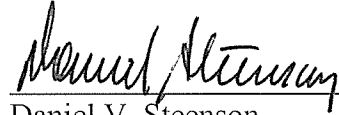
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