

Nos. 36-4013B and 36-07148 (collectively “the Snake River Farm Water Rights”).¹ 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.² The Director’s Order further provided that Snake River Farm

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.³ Accordingly, the 2008 delivery requirement to Snake River Farms to comply with the Director's Order is 2.17 cfs.⁴

III. 2005, 2006 AND 2007 REPLACEMENT WATER PLANS

The Ground Water Districts previously submitted Replacement Water Plans for 2005, 2006 and 2007. Orders were entered approving the 2005 and 2007 Replacement Water Plans. Because of litigation and appeal relating to the constitutionality of the Conjunctive Management Rules, in *American Falls Reservoir Dist. No. 2 v. Idaho Dept. of Water Resources*, 143 Idaho 862, 154 P.3d 433 (2007), the Director did not issue any order approving or disapproving the Ground Water Districts' 2006 Replacement Water Plan. The Ground Water Districts nevertheless continued to implement portions of their proposed 2006 Replacement Water Plan.⁵

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

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 Appropriator's 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
Randall C. Budge
Attorneys for
North Snake and Magic Valley Ground
Water Districts

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 13th day of June, 2008, the above and foregoing document was served in the following manner:

David R. Tuthill, Director Idaho Department of Water Resources P.O. Box 83720 Boise, Idaho 83720-0098 Dave.tuthill@idwr.idaho.gov	<input checked="" type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
Magic Valley Water District Orlo H. Maughan, Chairman P.O. Box 430 Paul, Idaho 83347 mvgwd@hotmail.com	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
North Snake Ground Water District Lynn Carlquist, Chairman 1092 South 2500 East Hazelton, Idaho 83335 carlquil@yahoo.com	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
Phillip J. Rassier John Homan Idaho Department of Water Resources P.O. Box 83720 Boise, Idaho 83720-0098 Phil.rassier@idwr.idaho.gov John.homan@idwr.idaho.gov	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
Michael S. Gilmore Attorney General's Office P.O. Box 83720 Boise, Idaho 83720-0010 Mike.gilmore@ag.idaho.gov	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
Jeff Fereday Mike Creamer Givens, Pursley P.O. Box 2720 Boise, Idaho 83701-2720 jcf@givenspursley.com mcc@givenspursley.com	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
J. Justin May May, Sudweeks & Browning P.O. Box 6091	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail

Boise, Idaho 83707 jmay@may-law.com	<input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
John Simpson Travis L. Thompson Barker Rosholt P.O. Box 2139 Boise, Idaho 83701-2139 jks@idahowaters.com tlt@idahowaters.com	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
Josephine P. Beeman Beeman & Associates 409 W. Jefferson Boise, Idaho 83702 Jo.beeman@beemanlaw.com	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-Mail
Robert E. Williams Fredricksen Williams Meservy P.O. Box 168 153 E. Main Street Jerome, Idaho 83338-0168 rewilliams@cableone.net	<input type="checkbox"/> U.S. Mail/Postage Prepaid <input type="checkbox"/> Facsimile <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Hand Delivery <input checked="" type="checkbox"/> E-mail

Russell C. Budge

EXHIBIT 1

**IDAHO FISH AND GAME LEASE
DATED MAY 28, 2008**

**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:

Water Right No.	Source	Quantity	Point of Diversion	Priority Date
36-4076	Springs	3.59 cfs	SWSWNE Lt 7 SWSENE Lt 8 SESENE Lt 8 SESWNW Lt 5 SESENW Lt 13, Sec. 1, T. 9S R. 14E, Gooding Cty SESENE Lt 5, Sec. 2, T. 9S R. 14E, Gooding Cty SWSWNW Lt 5, Sec. 6, T. 9S R15E, Gooding Cty	01-01-1893

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, LESSEE 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. LESSEE 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 LESSEE 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.

LESSOR:

**IDAHO DEPARTMENT OF
FISH AND GAME**

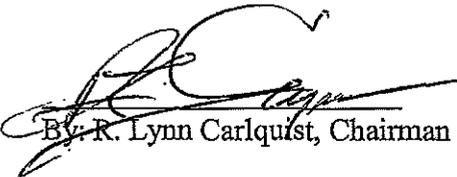
Dated: 5-28-08, 2008


By: Cal Groen, Director

LESSEE:

**NORTH SNAKE GROUND WATER
DISTRICT**

Dated: 6/3/08, 2008


By: R. Lynn Carlquist, Chairman

**MAGIC VALLEY GROUND WATER
DISTRICT**

Dated: 6/9, 2008

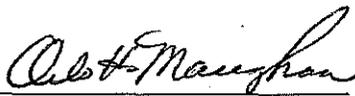

By: Orlo Maughan, Chairman

EXHIBIT 2

**PROPOSED APPLICATION FOR
WELL DRILLING PERMIT**

Form 235-1
10/1/03

Drilling Permit No. _____
Drilling Permit I.D. Tag No. _____
Water Right Permit No. _____
Injection Permit No. _____

State of Idaho
Department of Water Resources

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;

Gov't 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

Lot, block and subdivision _____

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 1/2 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 Hd. _____ (Describe)

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:
 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

7. Anticipated Well Driller: Eaton Drilling and Pump Service Driller's Lic. No. 26

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. _____ Received by _____ Fee _____ Date _____

EXTENSION OF DRILLING PERMIT

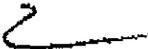
Extension approved by _____ Approval Date _____

This extension expires: _____

EXHIBIT 3

**EATON DRILLING AND PUMP SERVICE
PROPOSAL**

EATON DRILLING AND PUMP SERVICE
P. O. BOX 230 * 485 SOUTH IDAHO ST
WENDELL, IDAHO 83355
PHONE: 208-536-2223 * FAX: 208-536-2024
"SERVING MAGIC VALLEY SINCE 1909"

Att
Randy
Budge


May 20, 2008

North Snake Groundwater Users
 %Mike Faulkner, Director
 536-6658

Proposal for drilling two (2) irrigation well 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 | 1,600.00 |
| 2. 20" borehole, starter pipe & bentonite sealant @ \$225.00 per ft | 4,500.00 |
| 3. 16" cased well including drive shoe 200' @ \$248.00 per ft (casing A53B grade 16" X .375 wall). | 49,600.00 |
| 4. 16" borehole below casing if necessary @ \$120.00 per ft * | |
| 5. Perforations in casing if necessary, using a down the hole perforator. | 10,000.00 |
| 6. Pump well for development capacity and draw down by Layne Pump Co. includes a 4-hour step test pumping procedure. | 4,500.00 |
| 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.) | |

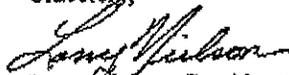
NOTE: We feel that by 100' we should be done drilling. However the proposal is for 200'.

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 Nielson, President

May 20 08 05:09p LARRY NIELSON
MAY 20 2008 3:22PM UNCON

5362024

p. 2



Excavation . Grading . Utility Installation
Site Work . Base Work . Gravel
GPS Survey . Site Design

Phone: (208) 934-4510
Fax: (208) 934-8376

ESTIMATE

DATE: Tuesday, May 20, 2008

BILL TO

ORDER COMPANY: **EATON WELL DRILLING**
ATTN: **LARRY NIELSON**
ADDRESS: **WENDELL**

OFF PH: 536-2228
OFF FAX: 536-2024
CELL PH:
EMAIL:

JOB NAME: **CLEAR SPRINGS**
DESCRIPTION: **RE-CHARGE WELLS**
ADDRESS: **BUHL**

OTHER INFO:

TERMS: **PAYMENT IS DUE UPON COMPLETION AND/OR BY THE 10TH OF EACH MONTH**

ESTIMATOR: **TERRY D. STRAUBHAAR** Vice President
CALL NO / EMAIL: **208 731-9561 gnessaexcavating@gmail.com**

DESCRIPTION	UNITS	UNIT PRICE	AMOUNT
MOBILIZATION	1.00 EA	\$ 1,595.00	\$ 1,595.00
FURNISH AND INSTALL SOD	20,625.00 SF	\$ 0.55	\$ 11,343.75
FURNISH AND INSTALL 1" POLY IRRIGATION PIPE AND UP TO 180 RAIN BIRDS (NO VALVES OR OTHER PARTS INCLUDED)	1,875.00 LF	\$ 2.30	\$ 4,312.50
FURNISH AND PLACE SILT FENCE	200.00 LF	\$ 1.13	\$ 225.83
REMOVE SOD AND FINE GRADE AREA FOR NEW SOD	20,625.00 SF	\$ 0.28	\$ 5,775.00
EXCAVATION AND SUBSEQUENT BACKFILL TWO RETENTION PONDS MEASURING 20' X 20' X 4' DEEP EACH (ALL EXCAVATED MATERIAL REMAINS ON SITE)	800.00 SF	\$ 5.12	\$ 4,096.00
BACKHOE STANDBY	66.00 HR	\$ 90.00	\$ 5,940.00
1 BACKHOE AND 1 DUMP TRUCK TO CLEAN UP MUD	30.00 HR	\$ 203.78	\$ 6,113.40
ESTIMATED TOTAL			\$ 42,101.48

EXCLUSIONS / SPECIFICATIONS
ROCK HAMMERING, BLASTING, EXCAVATION, HAULING, OR ANY OTHER ROCK WORK IS NOT INCLUDED
PERMITS, BONDS, PENALTIES OR FEES OF ANY KIND IS NOT INCLUDED
SURVEYS OR CONSTRUCTION STAKING IS NOT INCLUDED
SWPP PLANS OR IMPLEMENTATION OF IS 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 D. Straubhaar
Terry D. Straubhaar
Vice-President



Customer Signature: _____ DATE: _____

**EXHIBIT 4
WELL LOGS
FOR
WELLS IN THE VICINITY
OF
SNAKE RIVER FARM**



Snake River Farm Delivery Call
Local Wells with Well Logs



RECEIVED

RECEIVED

Form 238-7 11/97

JUL 17 2006

DEPARTMENT OF WATER RESOURCES

DEPT. OF WATER RESOURCES SOUTHERN REGION

WELL DRILLER'S REPORT JUL 13 2006

Office Use Only
 Inspected by _____
 Twp _____ Rge _____ Sec _____
 1/4 _____ 1/4 _____ 1/4 _____
 Lat: _____ Long: _____

1. WELL TAG NO. D 0023615
 DRILLING PERMIT NO. 194502
 Other IDWR No. Well ID - 365439

11. WELL TESTS:
 Pump Bailor Air Flowing Artesian

Yield gal./min.	Drawdown	Pumping Level	Time
650	128	232	26 Hour

Water Temp. 62.2 Bottom hole temp. 66.6

Water Quality test or comments: _____

Depth first Water Encounter _____

2. OWNER:
 Name Clean Springs Foods, Inc
 Address P.O. Box 712
 City Buhl State MO Zip 63316

3. LOCATION OF WELL by legal description:

Sketch map location must agree with written location.

North or South
 East or West
 Rge. 14 East or West
 Sec. 2 1/4 NW 1/4 SE 1/4
 Gov't Lot _____ County Gascony
 10 acres 40 acres 160 acres
 Lat: _____ Long: _____
 Address of Well Site Clemlake Rd
 City Buhl

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

Bore Dia.	From	To	Remarks: Lithology, Water Quality & Temperature	Y	N
24	0	1	gravel fill		X
	1	2	top soil		X
	2	7	soil - sandy brown		X
	7	12	black breast - broken		X
	12	36	black basalt - fractured with blue clay		X
	36	51	black breast		X
	51	57	brown clay - sandy		X
24	57	60	broken clay		X
16	60	81	brown clay - water in seams		X
	81	87	brown clay - sandy - water in seams		X
	87	105	gray clay		X
	105	109	brown clay		X
	109	124	brown clay with coarse sand		X
	124	131	brown clay		X
	131	149	gray clay - sandy		X
	149	174	gray sand - clay		X
	174	203	gray clay		X
	203	218	gray clay - thin sand lenses		X
	218	238	gray clay - tight & sticky		X
	238	245	gray clay		X
	245	251	black sand & gray clay layers		X
	251	280	per gravel - black sand - gray clay layers		X
	280	295	black sandy clay & sand lenses		X
	295	297	gray clay - some sand streaks		X
	297	298	per gravel		X
	298	319	gray clay		X
	319	326	per gravel & gray clay layers		X
	326	330	fractured basalt & hard gray clay		X
	330	339	brown clay		X
	339	351	per gravel & coarse sand - dry		X
	351	363	brown clay		X
	363	370	brown clay - sandy		X
16	370	399	brown clay - coarse & sandy		X

(Give at least name of road + Distance to Road or Landmark)
 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

SEAL/FILTER PACK		AMOUNT		METHOD
Material	From To	Sacks or Pounds		
best white granules	0 30	3,300 lbs	dry pour	
best white chips	30 60	6,000 lbs	dry pour	

Was drive shoe used? N Shoe Depth(s) 392 - cut off and
 Was drive shoe seal tested? Y N None left in hole

8. CASING/LINER:

Diameter	From	To	Gauge	Material	Casing	Liner	Welded	Threaded
16	+1	232	.375	steel	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12	+2	240	.375	steel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12	260	292	.375	steel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Length of Headpipe _____ Length of Tailpipe 18'

9. PERFORATIONS/SCREENS
 Perforations. _____ Method _____
 Screens Screen Type 304 stainless steel

From	To	Slot Size	Number	Diameter	Material	Casing	Liner
240	260	40		12	stainless	<input type="checkbox"/>	<input checked="" type="checkbox"/>
292	297	80		12	stainless	<input type="checkbox"/>	<input checked="" type="checkbox"/>

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:
104'6" ft. below ground Artesian pressure _____ lb.
 Depth flow encountered _____ ft. Describe access port or control devices: steel plate on top of 18" casing

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

Company Name Dudon Well Drilling Firm No. 399
 Firm Official [Signature] Date 7-8-06
 and Driller or Operator _____ Date _____
 (Sign once if Firm Official & Operator)

RECEIVED

Form 238-7
11/97

#2

JUL 17 2006

DEPARTMENT OF WATER RESOURCES

DEPT. OF WATER RESOURCES
SOUTHERN REGION

WELL DRILLER'S REPORT

Office Use Only
 Inspected by _____
 Twp _____ Rge _____ Sec _____
 _____ 1/4 _____ 1/4 _____ 1/4
 Lat: : : Long: : :

1. WELL TAG NO. D 0023615

DRILLING PERMIT NO. 29 45 02
Other IDWR No. Well ID 365459

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

3. LOCATION OF WELL by legal description:

Sketch map location must agree with written location.

N
 W E S
 Twp. 9 North or South
 Rge. 14 East or West
 Sec. 2 1/4 NW 1/4 SE 1/4
 Gov't Lot _____ County Gooding
 Lat: : : Long: : :
 Address of Well Site Clear Lake Rd
 City Buhl
 (Give at least name of road + Distance to Road or Landmark)

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

SEAL/FILTER PACK		AMOUNT		METHOD
Material	From To	Sacks or Pounds		
bentonite grout	0 20	3300 lbs	dry pour	
3/4 bentonite chips	20 60	6,000 lbs	dry pour	

Was drive shoe used? N Shoe Depth(s) 392 - cut off and
Was drive shoe seal tested? Y N How? left in hole

8. CASING/LINER:

Diameter	From	To	Gauge	Material	Casing	Liner	Welded	Threaded
12	297	317	375	steel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12	332	377	375	steel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
28	382	400	375	steel	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Length of Headpipe _____ Length of Tailpipe 28'

9. PERFORATIONS/SCREENS

Perforations Method
 Screens Screen Type 304 stainless steel

From	To	Slot Size	Number	Diameter	Material	Casing	Liner
317	332	80		12	stainless	<input type="checkbox"/>	<input checked="" type="checkbox"/>
377	382	80		12	stainless	<input type="checkbox"/>	<input checked="" type="checkbox"/>

10. STATIC WATER LEVEL OR ARTESIAN PRESSURE:

104'6" ft. below ground Artesian pressure _____ lb.
Depth flow encountered _____ ft. Describe access port or control devices: steel plate on top of 12" casing

11. WELL TESTS:

- Pump Bailor Air Flowing Artesian

Yield gal./min.	Drawdown	Pumping Level	Time
650	128	232	26 Hour

Water Temp. 62.2 Bottom hole temp. 66.6

Water Quality test or comments: _____

Depth first Water Encounter _____

12. LITHOLOGIC LOG: (Describe repairs or abandonment)

Bore Dia.	From	To	Remarks: Lithology, Water Quality & Temperature	Water	
				Y	N
16	379	381	pea gravel		<input checked="" type="checkbox"/>
	381	398	brown clay sandy		<input checked="" type="checkbox"/>
	398	414	brown clay		<input checked="" type="checkbox"/>
	414	415	concrete black basalt sand		<input checked="" type="checkbox"/>
	415	427	gray clay imbedded with black sand		<input checked="" type="checkbox"/>
16	427	432	black basalt		<input checked="" type="checkbox"/>

RECEIVED

JUL 13 2006

WATER RESOURCES
WESTERN REGION

Completed Depth 400 (Measurable)
Date: Started 10-28-05 Completed 6-12-06

13. DRILLER'S CERTIFICATION

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

Company Name Dushwell Drilling Firm No 399

Firm Official _____ Date 7-8-06

and Driller or Operator _____ Date _____

(Sign once if Firm Official & Operator)

FORWARD WHITE COPY TO WATER RESOURCES

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WELL DRILLER'S REPORT

USE TYPEWRITER OR
BALLPOINT PEN

968

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.

<p>1. WELL OWNER</p> <p>Name <u>MRS OWENS B</u></p> <p>Address <u>Buhl</u></p> <p>Owner's Permit No. _____</p>	<p>7. WATER LEVEL</p> <p>Static water level <u>165</u> feet below land surface.</p> <p>Flowing? <input type="checkbox"/> Yes <input type="checkbox"/> No G.P.M. flow _____</p> <p>Artesian closed-in pressure _____ p.s.i.</p> <p>Controlled by: <input type="checkbox"/> Valve <input checked="" type="checkbox"/> Cap <input type="checkbox"/> Plug</p> <p>Temperature _____ °F. Quality _____</p>																																																				
<p>2. NATURE OF WORK</p> <p><input checked="" type="checkbox"/> New well <input type="checkbox"/> Deepened <input type="checkbox"/> Replacement</p> <p><input type="checkbox"/> Abandoned (describe method of abandoning) _____</p>	<p>8. WELL TEST DATA</p> <p><input type="checkbox"/> Pump <input type="checkbox"/> Bailor <input type="checkbox"/> Air <input type="checkbox"/> Other _____</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Discharge G.P.M.</th> <th>Pumping Level</th> <th>Hours Pumped</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	Discharge G.P.M.	Pumping Level	Hours Pumped																																																	
Discharge G.P.M.	Pumping Level	Hours Pumped																																																			
<p>3. PROPOSED USE</p> <p><input checked="" type="checkbox"/> Domestic <input type="checkbox"/> Irrigation <input type="checkbox"/> Test <input type="checkbox"/> Municipal</p> <p><input type="checkbox"/> Industrial <input type="checkbox"/> Stock <input type="checkbox"/> Waste Disposal or Injection</p> <p><input type="checkbox"/> Other _____ (specify type)</p>	<p>9. LITHOLOGIC LOG 86157</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Hole Diam.</th> <th colspan="2">Depth</th> <th rowspan="2">Material</th> <th colspan="2">Water</th> </tr> <tr> <th>From</th> <th>To</th> <th>Yes</th> <th>No</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>0</td> <td>12</td> <td>top Soil</td> <td></td> <td>X</td> </tr> <tr> <td></td> <td>12</td> <td>53</td> <td>BROWN clay</td> <td></td> <td>X</td> </tr> <tr> <td>4</td> <td>53</td> <td>106</td> <td>Gray 12 1/2</td> <td></td> <td>X</td> </tr> <tr> <td></td> <td>106</td> <td>115</td> <td>Red 12 1/2</td> <td></td> <td>X</td> </tr> <tr> <td></td> <td>115</td> <td>146</td> <td>Gray 12 1/2</td> <td></td> <td>X</td> </tr> <tr> <td></td> <td>146</td> <td>151</td> <td>Red 12 1/2</td> <td></td> <td>X</td> </tr> <tr> <td></td> <td>151</td> <td>180</td> <td>Gray 12 1/2</td> <td></td> <td>X</td> </tr> </tbody> </table>	Hole Diam.	Depth		Material	Water		From	To	Yes	No	8	0	12	top Soil		X		12	53	BROWN clay		X	4	53	106	Gray 12 1/2		X		106	115	Red 12 1/2		X		115	146	Gray 12 1/2		X		146	151	Red 12 1/2		X		151	180	Gray 12 1/2		X
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	146	151	Red 12 1/2		X																																																
	151	180	Gray 12 1/2		X																																																
<p>4. METHOD DRILLED</p> <p><input checked="" type="checkbox"/> Rotary <input checked="" type="checkbox"/> Air <input type="checkbox"/> Hydraulic <input type="checkbox"/> Reverse rotary</p> <p><input type="checkbox"/> Cable <input type="checkbox"/> Dug <input type="checkbox"/> Other _____</p>	<div style="text-align: center;"> <p>RECEIVED</p> <p>JUN 23 1981</p> <p>DEPARTMENT OF WATER RESOURCES SANDWICH BUILDING OFFICE</p> </div> <div style="text-align: center; margin-top: 20px;"> <p>RECEIVED</p> <p>JUL 2 1981</p> <p>Department of Water Resources</p> </div>																																																				
<p>5. WELL CONSTRUCTION</p> <p>Casing schedule: <input checked="" type="checkbox"/> Steel <input type="checkbox"/> Concrete <input type="checkbox"/> Other _____</p> <table border="0" style="width:100%;"> <tr> <td>Thickness</td> <td>Diameter</td> <td>From</td> <td>To</td> <td>feet</td> </tr> <tr> <td><u>150</u> inches</td> <td><u>6</u> inches</td> <td><u>1</u> feet</td> <td><u>530</u> feet</td> <td></td> </tr> <tr> <td>_____ inches</td> <td>_____ inches</td> <td>_____ feet</td> <td>_____ feet</td> <td></td> </tr> <tr> <td>_____ inches</td> <td>_____ inches</td> <td>_____ feet</td> <td>_____ feet</td> <td></td> </tr> <tr> <td>_____ inches</td> <td>_____ inches</td> <td>_____ feet</td> <td>_____ feet</td> <td></td> </tr> </table> <p>Was casing drive shoe used? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Was a packer or seal used? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Perforated? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>How perforated? <input type="checkbox"/> Factory <input type="checkbox"/> Knife <input type="checkbox"/> Torch</p> <p>Size of perforation _____ inches by _____ inches</p> <table border="0" style="width:100%;"> <tr> <td>Number</td> <td>From</td> <td>To</td> <td>feet</td> </tr> <tr> <td>_____ perforations</td> <td>_____ feet</td> <td>_____ feet</td> <td></td> </tr> <tr> <td>_____ perforations</td> <td>_____ feet</td> <td>_____ feet</td> <td></td> </tr> <tr> <td>_____ perforations</td> <td>_____ feet</td> <td>_____ feet</td> <td></td> </tr> </table> <p>Well screen installed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Manufacturer's name _____</p> <p>Type _____ Model No. _____</p> <p>Diameter _____ Slot size _____ Set from _____ feet to _____ feet</p> <p>Diameter _____ Slot size _____ Set from _____ feet to _____ feet</p> <p>Gravel packed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Size of gravel _____</p> <p>Placed from _____ feet to _____ feet</p> <p>Surface seal depth <u>53</u> Material used in seal: <input type="checkbox"/> Cement grout <input checked="" type="checkbox"/> Well cuttings</p> <p><input type="checkbox"/> Puddling clay <input checked="" type="checkbox"/> Well cuttings</p> <p>Sealing procedure used: <input type="checkbox"/> Slurry pit <input type="checkbox"/> Temp. surface casing</p> <p><input checked="" type="checkbox"/> Overbore to seal depth</p> <p>Method of joining casing: <input type="checkbox"/> Threaded <input type="checkbox"/> Welded <input type="checkbox"/> Solvent Weld</p> <p><input type="checkbox"/> Cemented between strata</p> <p>Describe access port _____</p>	Thickness	Diameter	From	To	feet	<u>150</u> inches	<u>6</u> inches	<u>1</u> feet	<u>530</u> feet		_____ inches	_____ inches	_____ feet	_____ feet		_____ inches	_____ inches	_____ feet	_____ feet		_____ inches	_____ inches	_____ feet	_____ feet		Number	From	To	feet	_____ perforations	_____ feet	_____ feet		_____ perforations	_____ feet	_____ feet		_____ perforations	_____ feet	_____ feet		<p>10.</p> <p>Work started <u>April 28</u> finished <u>April 28-91</u> cb dl</p>											
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<u>150</u> inches	<u>6</u> inches	<u>1</u> feet	<u>530</u> feet																																																		
_____ inches	_____ inches	_____ feet	_____ feet																																																		
_____ inches	_____ inches	_____ feet	_____ feet																																																		
_____ inches	_____ inches	_____ feet	_____ feet																																																		
Number	From	To	feet																																																		
_____ perforations	_____ feet	_____ feet																																																			
_____ perforations	_____ feet	_____ feet																																																			
_____ perforations	_____ feet	_____ feet																																																			
<p>6. LOCATION OF WELL</p> <p>Sketch map location must agree with written location.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">N</td> <td colspan="2" style="text-align: center;">Subdivision Name _____</td> </tr> <tr> <td style="text-align: center;">W</td> <td style="text-align: center;">E</td> <td style="text-align: center;">_____</td> </tr> <tr> <td style="text-align: center;">S</td> <td colspan="2" style="text-align: center;">Lot No. _____ Block No. _____</td> </tr> </table> <p>County <u>TWIN FALLS</u></p> <p><u>S.W. 1/4 NW 1/4 Sec. 7, T. 9 N/S, R. 14 E/W.</u></p>	N	Subdivision Name _____		W	E	_____	S	Lot No. _____ Block No. _____		<p>11. DRILLERS CERTIFICATION</p> <p>I/We certify that all minimum well construction standards were complied with at the time the rig was removed.</p> <p>Firm Name <u>C.R. FIZON</u> Firm No. <u>24</u></p> <p>Address <u>Wendell Idz</u> Date <u>6-23-81</u></p> <p>Signed by (Firm Official) <u>J. M. Fizon</u></p> <p>and (Operator) <u>Eden Douglas</u></p>																																											
N	Subdivision Name _____																																																				
W	E	_____																																																			
S	Lot No. _____ Block No. _____																																																				

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 Continued on next page

1. Right Number	Priority	Amount (cfs/ac-ft)	Nature of Use	Period of Use	
<u>36-4076</u>	<u>1-1-1893</u>	<u>3.59 cfs</u>	<u>Wildlife</u>	<u>01/01</u>	to <u>12/31</u>
_____	<u>1-1-1893</u>	_____	<u>Wildlife Storage</u>	<u>01/01</u>	to <u>12/31</u>
_____	<u>1-1-1893</u>	_____	<u>Recreation</u>	<u>01/01</u>	to <u>12/31</u>
_____	<u>1-1-1893</u>	_____	<u>Rec Storage</u>	<u>01/01</u>	to <u>12/31</u>

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

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion
7	SW	SW	NE	1	9S	14E	Gooding	
8	SW	SE	NE	1	9S	14E		
8	SE	SE	NE	1	9S	14E		
5	SE	SW	NW	1	9S	14E		

5. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE													
9S	14E	1			X	X			X			X			X	X			
	15E	6						X	X			X							

PART 1

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

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

8. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals		
			NE	NW	SW	SE															

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:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion
	NW	NE	SW	1	9S	14E		

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE													
9S	14E	1							X			X							

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:

Lot	¼	¼	¼	Sec	Twp	Rge	County	Local name for diversion

3. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE													

Total Acres _____

PART 3

B. CHANGES IN NATURE OF USE

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

Received 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.



New POU

New POD

09S14E22ENE

09S14E12NNE

09S14E12NNE

09S14E12NNE

09S14E12NNE

09S14E12NNE

09S14E22ENE

09S14E12NNE

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

In Re SRBA)
)
Case No. 39576)
_____)

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

1997 JUN 15 PM 12:05

NAME & ADDRESS: STATE OF IDAHO
~~DEPT OF TRANSPORTATION~~ *Idaho Fish & Game Dept*
PO BOX 2A
SHOSHONE ID 83352

SOURCE: SPRINGS TRIBUTARY: CLEAR LAKES
SPRINGS SNAKE RIVER

QUANTITY: 3.59 CFS

THE QUANTITY OF WATER UNDER THIS RIGHT FOR DOMESTIC AND
STOCKWATER USES SHALL NOT EXCEED 13,000 GALLONS PER DAY.
USE OF THIS RIGHT WITH RIGHTS LISTED BELOW IS LIMITED TO A
TOTAL COMBINED DIVERSION RATE OF 116.0 CFS. COMBINED RIGHT NOS.:
36-04148B, 36-02048, 36-02703, 36-04013A, 36-04013B, & 36-04013C.

PRIORITY DATE: 01/01/1893

POINT OF DIVERSION: T09S R14E S01 LOT 7 (SWSHNE) Within GOODING County
LOT 8 (SWSENE)
LOT 8 (SESENE)
LOT 5 (SESNNW)
LOT 13 (SESEHW)
S02 LOT 5 (SESENE)
R15E S06 LOT 5 (SWSHWW)

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
IRRIGATION		Irrigation Season	3.59 CFS
STOCKWATER		01-01 12-31	0.02 CFS
DOMESTIC 1 HOME		01-01 12-31	0.04 CFS

PLACE OF USE:

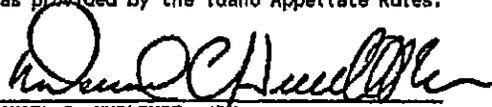
IRRIGATION	Within GOODING County			
T09S R14E S01	Lot 7 (SWNE) 7	Lot 8 (SENE) 8	Lot 11 (NESE) 9	Lot 14 (NWSE) 14
R15E S06	Lot 5 (SNNW) 10	Lot 6 (SENN) 2	Lot 16 (NNSW) 7	
57 ACRES TOTAL				
STOCKWATER	Within GOODING County			
T09S R14E S01	Lot 7 (SWNE)	Lot 8 (SENE)	Lot 11 (NESE)	Lot 14 (NWSE)
R15E S06	Lot 5 (SNNW)	Lot 6 (SENN)	Lot 16 (NNSW)	
DOMESTIC	Within GOODING County			
T09S R14E S01	Lot 7 (SWNE)			

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THE QUANTITY OF WATER DECREED FOR THIS WATER RIGHT FOR
DOMESTIC USE AND STOCKWATER USE IS NOT A DETERMINATION OF
HISTORICAL BENEFICIAL USE.

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. HURLBUTT, 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**



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
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Principal Investigators:

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Courtney A. Pepler, P.E.
303.443.7839
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courtney.pepler@amec.com

CONTENTS

1.0	INTRODUCTION	1-2
2.0	DELIVERY OF IDF&G WATER RIGHT NO: 36-4076 TO SNAKE RIVER FARM	2-2
3.0	DELIVERY OF CLEAR LAKES COUNTRY CLUB WATER TO SNAKE RIVER FARM (BACK-UP ALTERNATIVE)	3-4
4.0	DIRECT PUMPBACK TO SNAKE RIVER FARM (BACK-UP ALTERNATIVE)	4-5

TABLES

1.0	MAJOR COMPONENTS OF IDF&G ALTERNATIVES
-----	--

FIGURES

1.0	PROPOSED MITIGATION ALTERNATIVES SNAKE RIVER FARM DELIVERY CALL
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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		
Alternative	Major Components ¹	Estimated Component Size
IDF&G Alternative 1	Well and Well Pump	Maximum of a 200' deep well
	Pressure Pipeline to the SRF Raceway Inlet	10 Inch diameter 200 linear feet
IDF&G Alternative 2	Well and Well Pump	Maximum of a 200' deep well
	Pressure Pipeline from Alt 2 Pump Station to the SRF Raceway Inlet	10 Inch diameter 1100 linear feet
	Alt 2 Pump Station	20 HP
IDF&G Alternative 3	Well and Well Pump	Maximum of a 200' deep well
	Gravity Pipeline from Alt 3 Diversion (Inlet to Clear Lake Grade Culvert) to the Alt 3 Pump Station	10 Inch diameter 1300 linear feet
	Gravity Pipeline from Alt 2 Diversion to Alt 3 Pump Station ²	10 Inch diameter 850 linear feet
	Pressure Pipeline from the Alt 3 Pump Station to the SRF Raceway Inlet	10 Inch diameter 1850 linear feet
	Alt 3 Pump Station	30 HP
Principle Method of Replacement to IDF&G Wetlands ³	Snake River Pump Station	20 HP
	Pressure Pipeline from the Snake River to the IDF&G Wetland (IDF&G Wetland Supply Line)	10 Inch diameter 500 linear feet

¹ All Infrastructure is preliminarily sized for 2 cfs.
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.



Proposed Mitigation Alternatives
Snake River Farm Delivery Call

Figure 1



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 23 day of April, 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 Milner Dam between 3/1/08 and 11/1/08; provided that such diversion of any water of the Districts may be curtailed in the

discretion of NSCC for whatever reason.

- (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 redirection 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 ground water 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 WITNES WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

NORTH SNAKE GROUNDWATER
DISTRICT

MAGIC VALLEY GROUNDWATER
DISTRICT

By: [Signature]
Its: Chairman
Date: May 10, 2008

By: [Signature]
Its: Chairman
Date: May 10, 2008

NORTH SIDE CANAL
Company, LTD.

By: [Signature]
Its: Manager
Date: April 23, 2008