

Names of Parties Filing Document:

UNITED STATES OF AMERICA

SALMON FALLS LAND & LIVESTOCK
CO., INC.

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**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

) Subcase Numbers: 47-10567, 47-10570,
) 47-10574, 47-10594, and 47-10595
)
) **STIPULATION TO RESOLVE UNITED**
) **STATES' OBJECTIONS**

The United States of America and Salmon Falls Land & Livestock Company, Inc. (hereinafter
"Claimant") agree and stipulate to resolve United States Department of the Interior, Bureau of Land
Management (hereinafter "BLM") objections to the above-captioned Subcases as follows:

STIPULATION

WHEREAS, the United States recognizes the significant role of the livestock industry in the settlement, history and culture of the State of Idaho; and,

WHEREAS, the United States and Claimant recognize the importance of the stockwater rights at issue in these subcases to the livestock industry in the State of Idaho and the BLM grazing program; and,

WHEREAS, the United States and Claimant have filed competing claims for the same stockwater rights on the federal public land; and,

WHEREAS, the United States and Claimant wish to resolve the objections regarding ownership of these stockwater rights without further litigation, expense and delay;

THEREFORE, Claimant and the United States of America stipulate and agree as follows:

1. Pursuant to I.R.C.P. 41(a)(1)(ii), Claimant dismisses with prejudice its claim to Water Right Number 47-10594. The parties agree and stipulate that the parties shall execute a Standard Form 5 (hereinafter "SF-5") that dismisses Water Right Number 47-10594, with prejudice.

2. The parties agree and stipulate that the parties shall execute an SF-5 to change the ownership of Water Right Number 47-10595 from the Claimant to the United States. The SF-5 for Water Right Number 47-10595 shall amend the claim to include purposes of use for wildlife.

3. The parties agree and stipulate that the United States is the sole owner of Water Right Numbers 47-04410, 47-10595, and 47-16582. The United States agrees that the purpose of use for these water rights is the watering of livestock owned by persons holding BLM-issued grazing permits.

The stockwater purpose of use shall not be changed so long as a valid BLM-issued grazing permit exists for the land on which the particular water rights are located. These Water Right Claims contain additional purposes of use which shall be retained.

4. The parties agree that the Points of Diversion (hereinafter "POD") for Water Right Numbers 47-10567, 47-10570, and 47-10574 are located on land owned by the Claimant. The parties agree and stipulate that the Claimant is the sole owner of Water Right Numbers 47-10567, 47-10570, and 47-10574. The parties agree and stipulate that no right, title, interest, or economic expectation of use in federal public land accrues to the Claimant due to the description of Places of Use (hereinafter "POU") within partial decrees entered in Water Right Numbers 47-10567, 47-10570, and 47-10574. The parties agree and stipulate that the parties shall execute SF-5s that describe the elements of Water Right Numbers 47-10567, 47-10570, and 47-10574.

5. The parties agree and stipulate that in the event the Claimant's grazing permit expires, is not renewed, or is terminated according to its terms; or BLM determines pursuant to decision by its authorized officer that these water developments are no longer needed, then the BLM agrees to allow water used on federal public land under Water Right Numbers 47-10567, 47-10570, and 47-10574 to be transferred from federal public land to private land pursuant to I.C. § 42-222. The Claimant shall not assume title to any PODs or POUs which describe federal public land pursuant to the transfer. All costs incurred for seeking such transfer shall be borne by the Claimant. Any portion of Water Right Numbers 47-10567, 47-10570, and 47-10574 not transferred to private land in accordance with this provision shall be deemed forfeited. The United States shall be released and held harmless from loss,

injury, damage and/or reduction in value of Water Right Numbers 47-10567, 47-10570, and 47-10574 should grazing permits or Cooperative Range Improvement Agreements expire, not be renewed, terminate according to their terms, or the Idaho Department of Water Resources not allow transfer of any portion of Water Right Numbers 47-10567, 47-10570, and 47-10574 to private land.

6. Nothing in this stipulation shall impede the authority of the BLM to administer the use of a grazing allotment and its associated water rights in accordance with applicable law, including taking such administrative actions as changing the boundaries of grazing allotments or modifying or terminating BLM-issued grazing permits.

7. This stipulation has been reached through good faith negotiations for the purpose of resolving legal disputes, including pending litigation. The parties agree that no offers and/or compromises made in the course thereof shall be construed as admissions against interest. This stipulation does not create a precedent for settlement of any other disputes or objections.

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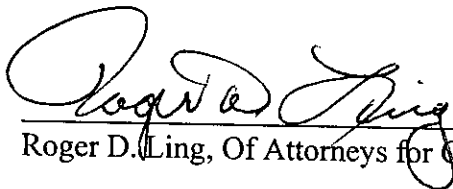
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8. This stipulation comprises the entire agreement and no promise, inducement, or representation other than herein set forth has been made, offered, and/or agreed upon, and the terms of this stipulation are contractual and not merely a recital.

10. The parties agree to bear their own costs and attorney fees.

CLAIMANT:

SALMON FALLS LAND & LIVESTOCK COMPANY, INC.

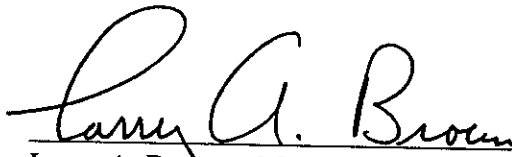


Roger D. Ling, Of Attorneys for Claimant

DATED: 7/16/02

OBJECTOR:

UNITED STATES OF AMERICA



Larry A. Brown, Of Attorneys for the United States

DATED: 7/3/02

CERTIFICATE OF SERVICE

I certify that on July 29, 2002, I served a true and correct copy of fore-going **STIPULATION TO RESOLVE UNITED STATES' OBJECTIONS, SUBCASE NUMBERS: 47-10567, 47-10570, 47-10574, 47-10594, and 47-10595** upon the following individuals by placing the document in the United States Mail in Washington, D.C., postage paid, and addressed as follows:

1. Original to:

Clerk of the District Court
Snake River Basin Adjudication
253 Third Avenue North
P. O. Box 2707
Twin Falls, Idaho 83303-2707

2. Copy to:

Idaho Department of Water Resources
Adjudication Bureau
1301 North Orchard Street
Boise, Idaho 83706

Chief, Natural Resources Division
Office of the Attorney General
State of Idaho
P. O. Box 44449
Boise, Idaho 83711-4449

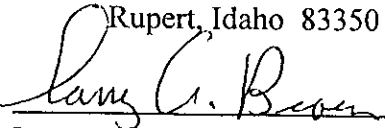
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P. O. Box 83720
Boise, Idaho 83720-0098

3. Copies to all parties to the subcase (insert names and addresses):

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