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AUG 14 2008

DEPARTMENT OF
WATER RESOURCES

2008 AUG 12 AM 10: 25

DISTRICT COURT-SRBA
TWIN FALLS CO., IDAHO
FILED

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) Subcases: 37-481B, 37-482G, 37-483B,
Case No. 39576) 37-665K, 37-666J, 37-667N, 37-2625A,
) 37-2625B, 37-2638, 37-2700, 37-21463,
) 37-22155
) (Redstone Partners, L.P.)
)
) SETTLEMENT CONFERENCE REPORT

A mandatory settlement conference moderated by Terrence A. Dolan was held at the Idaho Water Center in Boise, Idaho, on August 11, 2008. The two hour conference began at 1:00 p.m. Attached is the sign-in sheet of those who attended. Also attached is a two page checklist prepared beforehand by the settlement moderator generally based on the parties' confidential settlement statements and the Court's files.

The parties were able to settle all elements based on IDWR's recommendations but with the inclusion of certain remarks (attached) to be included in *Standard Forms 5* for 11 of the above 12 subcases.¹ IDWR will prepare and circulate draft *SF-5*'s once the issue of exact acreage of the place of use is determined. An approximate 20 acre adjustment in the place of use *may* be necessary to update legal descriptions derived from the 1909 *Frost Decree* based on new data. The parties expect to submit a stipulation to amend the claims to conform with those adjustments shortly.²

Because of deadlines imposed by the Special Master and in light of the parties' earnest and good faith agreements, it is reasonable to expect *SF-5*'s in all 12 subcases within 30 days.

¹ The parties agreed subcase 37-2625B ("homestead claim") is not within the claimed place of use for the other claims.

² Any adjustment in the place of use will likely not constitute an enlargement because the total acreage in the original claims will not be increased.

DATED August 12, 2008.

A handwritten signature in black ink, reading "Terrence A. Dolan". The signature is written in a cursive style with a horizontal line underneath.

TERRENCE A. DOLAN
Settlement Moderator
Snake River Basin Adjudication

MANDATORY SETTLEMENT CONFERENCE

August 11, 2008, 1:00 p.m.

Idaho Water Center, Boise, ID

Terrence A. Dolan, Settlement Moderator

SIGN-IN SHEET

<u>NAME</u>	<u>ATTORNEY?</u>	<u>PARTY / INTEREST</u>
Kelly K. Christensen		IDWR SR Agt
Chris Bromley	Y	IDWR
Craig Hobday	Y	Bj Wood Canal Co.
Albert P. Barker	Y	Concerned Water Users (O'Garra et al)
Ronald B. Bashaw		Concerned Water Users
John Wiley		Redstone Partners
Michael P. Lawrence	Y	REDSTONE PARTNERS
MARTIN FLANNES	YES	REDSTONE PARTNERS
Christopher H. Meyer	yes	"
Steve Beavers		Redstone Partners
ANDREW WALDEGA	YES	SINCLAIR OIL / SUN VALLEY
Dan Jones	NO	IDWR

Mandatory Settlement Conference
August 11, 2008, 1:00 p.m.
Idaho Water Center, Boise, ID
Settlement Moderator: Terrence A. Dolan

Subcases:

37-481B
37-482G
37-483B
37-665K
37-666J
37-667N
37-2625A
37-2625B
37-2638
37-2700
37-21463
37-22155

Claimant – Redstone Partners, L.P. (Steve Beevers, Managing Member)

Martin A. Flannes / Christopher H. Meyers /
Michael P. Lawrence / Jeffrey C. Fereday

Objectors:

Gerald Bashaw
Tom O’Gara
John F. Stevenson
Bill Molyneux
Pete Van Der Meulen
Grace Eakin
Rocky Sherbine
Pepin Corso-Harris

Albert P. Barker

Objector – Big Wood Canal Company

Craig D. Hobdey

Respondent – Sinclair Oil Company, d/b/a Sun Valley Company

Andrew J. Waldera / Scott L. Campbell

IDWR

Chris M. Bromley

Issues:

Objectors' Quantity Objection:

Combined use remark – 1" / acre

Volume – 3.5 afy

Claimant's Pending Motion to Consolidate

Claims:

Cove Ranch – 1,435.1 acres

Surface water claims (7) – decreed:

1909 *Frost Decree*

98.04 cfs combined

"45 Canal" – conveyance losses over 3.5 miles (70%?)

Supplemental groundwater claims (4) – licensed

21.85 cfs / 5,055.5 afy combined

Homestead – 1.8 acres

Groundwater claim (1) – basis?

.04 cfs

Objection language:

Combined use of this right along with other rights from the same place of use should be limited to one inch or 0.02 cfs per acre, rather than the quantities in the recommendation. Total volume of water delivered to this property from all water rights shall not exceed 3.5 AF per acre.

SF5 language:

Total combined delivery at the field headgates (for surface water rights) and diversion at the wellheads (for ground water rights) for this right along with water right Nos. [list] shall not exceed a total instantaneous rate of 28.7 cfs (which equates to 0.02 cfs per acre over the combined permissible places of use for these water rights totaling 1,435.1 acres).

Total volume of water delivered to the field from this right along with water right Nos. [list] shall not exceed 5,022.9 acre-feet per year (which equates to 3.5 acre-feet per acre over the combined permissible places of use for these water rights totaling 1,435.1 acres).

CERTIFICATE OF MAILING

I certify that a true and correct copy of the SETTLEMENT CONFERENCE REPORT was mailed on August 12, 2008, with sufficient first-class postage to the following:

BILL MOLYNEUX

GERALD BASHAW

GRACE EAKIN

JOHN F STEVENSON

PEPIN CORSO-HARRIS

PETE VAN DER MEULEN

ROCKY SHERBINE

TOM O GARA

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UNITED STATES OF AMERICA

Represented by:

US DEPARTMENT OF JUSTICE

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C/O CONCERNED WATER USERS

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