



CORPORATE HEADQUARTERS

August 14, 2009

COPY

VIA UPS -- NEXT DAY AIR DELIVERY

Ray W. Rigby
Rigby, Andrus & Moeller, Chartered
25 N 2nd E.
Rexburg, ID 83440

Re: Order to Show Cause -- Subcase 02-7242D
Your clients: Maurice and Sonya Lee

Dear Mr. Rigby:

I have not yet received your letter confirming that Vic Conrad, Simplot Director of Land, Water and Asset Recovery, and I may contact your clients and their son Derrick directly to discuss a potential settlement of this case. Consequently, any settlement or other discussions in this matter will continue to be undertaken through you, and there will be no direct contact whatsoever with your clients until you allow it in writing.

Obviously, both sides are allowed to discuss this case with representatives of the Idaho Department of Water Resources ("IDWR"). We are advised by the IDWR that no documentary or other evidence has been supplied by the Lees to date. In fact, we are not even aware of what your clients' position is with respect to the IDWR's water right recommendation, as no appearance or responsive pleading has ever been made by your clients to date in the legal proceedings.

You indicated that you recently made a telephone contact with the adjudication court to at least informally enter an appearance on the Lees' behalf, although I believe you have not yet filed a written entry of appearance with the court. I share your hope that this matter can be amicably resolved prior to the September 24th hearing, but we must proceed quickly and diligently if we are going to accomplish that goal.

As I indicated to you on the phone, I believe the language submitted by the IDWR to resolve Simplot's objection is fully supported by the record and by applicable Idaho law. However, we are willing to consider and weigh any new information that you and your clients believe is relevant.

Should you have any questions or concerns, please do not hesitate to contact me.

Sincerely,



GRAY YOUNG
Associate General Counsel
and Assistant Secretary

c: Vic Conrad