

08/23/2005

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 63-31674
NAME AND ADDRESS: CASA DEL NORTE LP
JOHN B MC CALLUM
11204 N BAR 21 DR
GLENNS FERRY ID 83623

SOURCE: UNNAMED STREAM TRIBUTARY:

QUANTITY: 0.040 CFS
14.600 AFY

PRIORITY DATE: 04/13/1914

POINT OF DIVERSION:

T01S R09E S28 NWNWNW Within ELMORE County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
STOCKWATER STORAGE	01/01 12/31	14.60 AFY
STOCKWATER FROM STORAGE	01/01 12/31	0.040 CFS
STOCKWATER	01/01 12/31	0.040 CFS

PLACE OF USE: STOCKWATER Within ELMORE County

T01S R09E S28 NWNW

STOCKWATER STORAGE Within ELMORE County

T01S R09E S28 NWNW

STOCKWATER FROM STORAGE Within ELMORE County

T01S R09E S28 NWNW

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

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

The quantity of water decreed for this water right is not a determination of historical beneficial use.

EXPLANATORY MATERIAL: BASIS OF CLAIM - Beneficial Use

Stockwater use is for 900 cow/calf pairs, up to 10 horses and 60 bulls.

IDAHO DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM POU REVIEW REPORT
ADJUDICATION CLAIM NUMBER: 63-31674

08/23/2005

1

Right #	Type	Twp	Rge	Sec	QQ	Q	Lot	Purpose of Use	Acres/Total	Name
-375	Water Right	01S	09E	28	NW	NW		IRRIGATION		J W BAILEY
1674	Claim	01S	09E	28	NW	NW		STOCKWATER		CASA DEL NORTE LP

IDAHO DEPARTMENT OF WATER RESOURCES
ADJUDICATION CLAIM POD REVIEW REPORT
ADJUDICATION CLAIM NUMBER: 63-31674

08/23/2005

1

Water Right #	Type	Twp	Rge	Sec	QQ	Q	Lot	Source	Name
63-31674	Claim	01S	09E	28	NW	NW		UNNAMED STREAM	CASA DEL NORTE LP

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

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Ident. Number 63-31674
Date Received: 4/10/2003
Receipt No: W030320
Received By:

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name of Claimant(s)

CASA DEL NORTE LP
18196 RYEGRASS RD
GLENN'S FERRY ID USA 83623

Phone: (208)366-7931

2. Date of Priority: 04/13/1914

3. Source: UNNAMED STREAM Trib. to:

4. Point of Diversion:

Township	Range	Section	1/4 of 1/4 of 1/4 Lot			County	Type
01S	09E	28	NW	NW	NW	ELMORE	

5. Description of diverting works:

Earthen dam. No more than 14 acre feet.

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or) A.F.A
STOCKWATER	01/01	12/31		14.6

7. Total Quantity Appropriated is:
14.6 A.F.A.

8. Total consumptive use:

9. Non-irrigation uses:

10. Place of use:

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
01S	09E	28	NW	NW	STOCKWATER	

11. Place of use in counties: ELMORE

12. Do you own the property listed above as place of use? Yes

13. Other Water Rights Used:

14. Remarks:

Other water rights: There is a claim for Springs in the same pasture.

The claim for springs are for the same use and pasture, but are for different cattle, or different livestock.

Stockwater, 900 head cow/calf pairs; up to 10 horses; and 60 bulls.

15. Basis of Claim: Beneficial Use

P 18-VAN BURKE

Form No. 43-1409 (2) 8/88 (Internet Version)

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLSIN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM

CIVIL CASE NUMBER: 39576

Identification No. 103-31674

Date Received

Receipt Number W030320**NOTICE OF CLAIM
TO A
WATER RIGHT**

RECEIVED

APR 10 2003

WATER RESOURCES
WESTERN REGIONACQUIRED UNDER STATE LAW
For Domestic and/or Stockwater Purposes
Where Daily Use is less than 13,000 gallons per day.

Filing Fee \$25

Please type or print clearly

1. Name of Claimant (s) Casa Del Norte LP Phone (208) 366-7931Mailing Address 18196 Ryegrass Rd. Glens Ferry ID Zip 836232. Date of Priority (Only one per claim) 4-13-1914 Month/Day/Year3. Source of water supply (Check one) () Groundwater or Other (X) (a) See Attached
Name or kind of source

which is tributary to (b) _____

4. Location of point of diversion is: Township See Attached Range _____

Section _____ 1/4 of _____ 1/4 of _____ 1/4, Govt. Lot _____, BM.,

County of _____

Additional points of diversion if any: _____

5. Description of existing diversion works (Ditches, Wells, Pumps, Pipelines, Headgate Etc.), including the dates of any changes or enlargements in use, the dimensions of the diversion works as constructed and as enlarged and the depth of each well. Earthen dam. No more than 14 acre feet.

6. Water is claimed for the following: (limited to Domestic and/or Stockwater only. See Instructions.)

Into storage and out of storage ^{Month/Day} Jan 1 to ^{Month/Day} Dec. 31 amount 14.6 afa ^{-(cfs)-}
For Stockwater purposes from _____ to _____(Both dates are inclusive)
For _____ purposes from _____ to _____ amount _____7. Total quantity claimed 14.6 afa (cfs)8. Total consumptive use claimed is de minimus9. Non-irrigation uses. Describe fully. (Domestic: give number of households served if single ownership. Stockwater: Type and Number of livestock) 900 head Cow/Calf pairs, up to 10 horses, and 60 Bulls.

P18-VANBurken

10. Place of use is: Township: Same as diver Range sion point See Attached.

Section _____ 1/4 of _____ 1/4, Govt. Lot _____, B.M.,

County of _____ for (Circle One) Domestic Stock Domestic and Stock

Additional places of use, if any _____

11. In which county (ies) are lands listed above as place of use located? See Attached12. Do you own the property listed above as place of use? Yes XXXX No _____

if your answer is No, describe in Remarks below the authority you have to claim this water right

13. Describe any other water rights used at the same place and for the same purposes as described above.
See attached14. Remarks: See Attached15. Basis of Claim (Circle One) Beneficial Use Posted Notice License Permit Decree

Court _____ Decree Date _____ Plaintiff vs Defendant _____

If applicable provide IDWR Water Right Number _____

16. Signature (s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understood the form entitled "How you will receive notice in the Snake River Basin Adjudication". (b.) I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of Attachments _____

For Individuals: I do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant (s) _____ Date _____

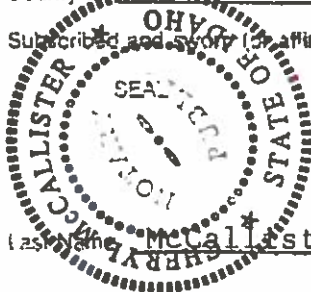
_____ Date _____

For Organizations: I do solemnly swear or affirm that I am Managing Memberof Casa Del Norte L.P. _____ that I have signed the foregoingdocument in the space below as Manager of Casa Del Norte L.P.

and that the statements contained in the foregoing document are true and correct.

Signature of Authorized Agent [Signature] Date 12/17/02Title and Organization Manager, Casa Del Norte L.P.

State of Idaho/or _____)

County of Elmore) ss.Subscribed and sworn to (or affirmed) before me this 17th day of December, 2002Notary Public Cheyl McCannisterResiding at Glenns Ferry, IdahoMy Commission Expires 9-24-2006Last Name McCannister ident No. 519-62-7130

Pasture # 18 Van Burkem

Question 3 Source of water supply

Res #

1

Reservoir

Source

Unnamed stream

Trib. To

Nothing

Question 4

Point of Diversion

#

1

TwN

1S

Rng

9E

Sec

28

Location

NWNWNW

County

Elmore

Question 10

Place of Use

#

1

TwN

1S

Rng

9E

Sec

28

Location

NWNWNW

County

Elmore

Question 13 Describe other water rights for same place or purpose.

There is a claim for Springs in the same pasture.

Question 14

Remarks

The claim for springs are for the same use and pasture,
but are for different cattle, or different livestock.

EXHIBIT 1

**Authority to Act on Behalf of Business Entity
(See Article 5 and Signature Page)**

AGREEMENT OF LIMITED PARTNERSHIP

OF

CASA DEL NORTE L.P.,

A DELAWARE LIMITED PARTNERSHIP

PREPARED BY:

**D. JOHN THORNTON & ASSOCIATES, P.A.
THE GOLDEN EAGLE AT FOREST RIVER
1101 WEST RIVER STREET, SUITE 340
P.O. Box 7156
BOISE, ID 83707-1156
208/344-8600**

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**AGREEMENT OF LIMITED PARTNERSHIP
OF
CASA DEL NORTE L.P.,
A DELAWARE LIMITED PARTNERSHIP**

* * * * *

THIS AGREEMENT OF LIMITED PARTNERSHIP is made effective as of the first day of January, 1997, by and between A.R.D. TRADING, INC., as the General Partner and JOHN B. MCCALLUM as the Limited Partner, and such other Partners as may be added pursuant to the terms hereof.

ARTICLE 1

**GENERAL PROVISIONS;
INFORMATION FOR CERTIFICATE**

1.1 **FORMATION OF THE PARTNERSHIP.** The General Partner and the Limited Partners hereby agree to form a limited partnership under the Act. The General Partner shall from time to time execute or cause to be executed all such certificates and other documents, and do or cause to be done all such filings, recordings, publishing and other acts as the General Partner may deem necessary or appropriate to comply with the requirements of law for the formation and operation of the Partnership in all jurisdictions in which the Partnership shall desire to conduct business.

1.2 **NAME OF THE PARTNERSHIP.** The name of the Partnership is CASA DEL NORTE L.P., or such other name as shall be selected from time to time by the General Partner upon written notice to the Limited Partners.

1.3 **PURPOSE.** The primary purposes of the Partnership are: (a) to provide for sophisticated centralized management and development of the assets contributed by the Partners; and (b) to enhance the respective financial positions of the Partners by establishing a significant capital base and pursuing investment, reinvestment, diversification and development strategies which will assist the Partners in obtaining their income generation, business and investment objectives. Notwithstanding the above stated primary purposes, the Partnership shall be entitled to engage in any lawful business or investment activity as allowed under the Act. The Partnership shall own and operate the business, investment, real estate and/or other interests described in Schedule A attached hereto, or later acquired by the Partnership, participate in such developments, investments, loans, or acquisitions as the General Partner deems appropriate, and do and perform all things necessary or incidental to or connected with or growing out of such activities.

1.4 **OFFICE OF THE PARTNERSHIP.** The office of the Partnership shall be located at 15 Lookerman Street, Dover, Delaware 19901, or such other place or places in the State of

Delaware as the General Partner may from time to time designate by notice to the Limited Partners. In addition, the Partnership may maintain such other offices as the General Partner deems advisable in Delaware or other jurisdictions.

1.5 TERM. The formation of the Partnership shall commence no later than the filing of the Partnership's Certificate in the office of the Secretary. The Partnership shall be dissolved upon the happening of the earliest of any of the following events:

(a) December 31, 2097; provided, however that upon the expiration of the stated term, the Partnership shall continue until the holders of ninety-five percent (95%) of the Percentage Interests held by the General and Limited Partners elect to dissolve the Partnership in accordance with the provisions of Article 8 hereof;

(b) The passage of ninety (90) days after the dissolution, removal or bankruptcy of the last remaining General Partner, if a Majority of the Limited Partners fail to consent in writing to the election of a Substituted General Partner to continue the Partnership's business within such 90 day period in accordance with Article 6 hereof;

(c) All of the Partners elect to dissolve the Partnership; or

(d) Entry of decree of judicial dissolution pursuant to Delaware Code § 17-802.

1.6 GENERAL PARTNER. The name of the General Partner is A.R.D. TRADING, INC.

1.7 AMENDMENT TO CERTIFICATE OF LIMITED PARTNERSHIP. The General Partner shall cause an amendment to the Certificate to be filed in the office of the Secretary whenever the name of the Partnership is changed, the name or street address of the registered agent of the Partnership required by Delaware Code § 17-202 is changed, the name or address of the General Partner is changed, an additional General Partner is admitted to the Partnership, the date upon which the Partnership is to dissolve is changed, a false or erroneous material statement has been discovered in the Certificate or any amendment thereto, or any other event occurs requiring such an amendment under the Act. The General Partner shall cause any amendment to the Certificate to be filed in the office of the Secretary. In addition, the General Partner shall take any other action that may be required or advisable to maintain the Partnership as a limited partnership existing under the Act.

1.8 REGISTERED AGENT FOR SERVICE OF PROCESS. The name and address of the agent for service of process on the Partnership shall be Agents for Delaware Corporations, Inc., 15 Loockerman Street, Dover, Delaware 19901.

Partnership's balance sheet, as computed for book purposes, in accordance with Treasury Regulations § 1.704-1(b)(2)(iv)(g), and (ii) make any appropriate modifications in the event unanticipated events (for example, the acquisition by the Partnership of oil or gas properties) might otherwise cause this Agreement not to comply with Regulations § 1.704-1(b). The parties acknowledge that any adjustments to the Capital Accounts will be made in order to comply with certain income-tax provisions of the above-referenced Treasury Regulations only, and all Interests in the Partnership are intended to be of the same class within the meaning of Code § 2701(a)(2)(B).

(c) Upon a transfer of a Percentage Interest, or a portion of a Percentage Interest, to a permitted transferee described in Section 11.1, the permitted transferee shall immediately succeed to the Adjusted Capital Contribution, Capital Account, Drawing Account and Percentage Interest of the transferor, to the extent of the Percentage Interest assigned.

ARTICLE 5

RIGHTS AND DUTIES OF THE GENERAL PARTNER

5.1 MANAGEMENT AND CONTROL. Subject to Sections 4.3(c) and (d) the General Partner shall have exclusive management and control of the business of the Partnership, and all decisions regarding the management and affairs of the Partnership shall be made by the General Partner. The General Partner shall have all the rights and powers of a general partner as provided in the Act and as otherwise provided by law. If more than one General Partner should then be acting, any General Partner may take an action which is necessary, proper or desirable to carry out the aforementioned duties and responsibilities if the amount involved does not exceed One Hundred Thousand Dollars (\$100,000). Any such action which involves an amount in excess of One Hundred Thousand Dollars (\$100,000) may not be undertaken without the approval of a Majority of the General Partners. Except as otherwise expressly provided in this Agreement, the General Partner is hereby granted the right, power and authority to do on behalf of the Partnership all things which, in their sole judgment, are necessary, proper or desirable to carry out the aforementioned duties and responsibilities including, but not limited to, the right, power and authority from time to time to do those things specified elsewhere in this Agreement and the following:

(a) To spend the capital and revenues of the Partnership in furtherance of the business of the Partnership;

(b) To retain non-income producing assets within the Partnership and to develop long-term investment strategies that may or may not result in short-term income to the Partnership;

(c) To acquire, improve, manage, charter, operate, sell, transfer, exchange, encumber, pledge, borrow against and dispose of any real, personal or intangible property of the Partnership;

(d) To cause the Partnership to reimburse a General Partner for reasonable out-of-pocket expenses actually incurred by the General Partner in connection with the Partnership's business including, but not limited to, any expense incurred in the organization of the Partnership or in connection with the offer and/or sale of Interests;

(e) Employ and dismiss from employment any and all employees, agents, independent contractors, investment advisors, management companies or professionals, attorneys and accountants, including Affiliates of a General Partner;

(f) Subject to Section 10.4, to enter into notes, lending, security agreements/arrangements, nominee agreements, voting trusts, deeds of trust, credit arrangements, management agreements and any other similar or related agreement or arrangement involving the real, personal or intangible property of the Partnership as the General Partner deems necessary or appropriate to accomplish the purposes of the Partnership;

(g) To borrow money on a secured or unsecured basis from individuals, banks and other lending institutions in order to finance or refinance Partnership assets, to meet other Partnership obligations, to provide Partnership working capital and for any other Partnership purposes; to execute promissory notes, deeds of trust and assignments of Partnership property and such other security instruments as a lender of funds may require to secure repayment of such borrowing; to change, substitute, or amend such borrowing as, in their judgment, is in the best interest of the Partnership, and to execute any and all documents which may be required by the bank or other financial institution or other source to establish an escrow, trust agreement, or trust account with the bank, institution or other source for the receipt of funds, sale proceeds and other payments and the disbursements thereof to service such loan(s);

(h) To enter into margin agreements/arrangements, short and long sales, and hedging agreements/arrangements with respect to marketable and nonmarketable securities;

(i) Subject to Section 5.3, to borrow monies from a General Partner at commercially reasonable rates, or allow any Affiliate of a General Partner to loan monies to the Partnership at commercially reasonable rates for use by the Partnership in its operations, the aggregate amount of which shall become an obligation of the Partnership to a General Partner or such Affiliate, and shall be repaid with interest to such General Partner or such Affiliate out of gross receipts of the Partnership before any Distributions to the Partners, in accordance with Section 4.1 hereof (provided, however, that notwithstanding any other provision herein, the Partners acknowledge that any such repayment shall be treated as a payment of interest or principal with respect to such loan, as the case may be, rather than a return of Capital Contributions to such Partner), with no prepayment charge or penalty permitted on such a loan, and such amounts shall constitute a loan to the Partnership by such General Partner or the Affiliate of such General Partner and not a Capital Contribution;

(j) To purchase at the expense of the Partnership such liability, casualty, property, and other insurance as the General Partner, in its sole discretion, deems advisable to protect the Partnership's assets against loss or claims of any nature; provided, however, that the General Partner shall not be liable to the Partnership or to other Partners for failure to purchase any insurance or if coverage should prove inadequate;

(k) To the extent that funds of the Partnership are, in the General Partner's judgment, not required for the conduct of the Partnership's business, temporarily invest the excess funds in the manner set forth in Section 10.2;

(l) To sue and be sued, complain, defend, settle or compromise with respect to any claim in favor of or against the Partnership, in the name and on behalf of the Partnership;

(m) To prosecute and protect and defend or cause to be protected and defended all patent, patent rights, trade names, trademarks and service marks, and all applications with respect thereto that may be held by the Partnership;

(n) To enter into, execute, amend, supplement, acknowledge and deliver any and all contracts, agreements, licenses or other instruments necessary, proper or desirable to carry out the purposes of the Partnership;

(o) To determine, in the General Partner's sole discretion, if any cash receipts of the Partnership shall be added to Distributable Cash;

(p) To appoint or remove by Majority vote one or more of the General Partners, if more than one should then be acting, to act as a Managing Partner or Partners who shall have the power to exercise on behalf of the Partnership all of the rights and powers given hereunder to the General Partner, without the consent or vote of the remaining General Partner, if more than one should then be acting.. In the event of such an appointment, the remaining General Partners hereby agree to execute such powers of attorney and/or other documentation as may reasonably be required for such Managing Partner or Partners to carry out the General Partners' management duties and powers consistent with this Agreement;

(q) To make loans of Partnership assets/funds and to pledge Partnership assets to secure loans to other entities;

(r) Subject to Sections 4.3(c) and (d), to enter into insurance arrangements and agreements including, but not limited to, split dollar agreements/arrangements, nonqualified deferred compensation arrangements, and any other insurance arrangement deemed appropriate; and

15.13 FURTHER ASSURANCE. The Limited Partners will execute and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement.

15.14 CREDITORS. None of the provisions of this Agreement shall be for the benefit of or enforceable by any of the creditors of any of the Partners or the Partnership.

15.15 REMEDIES. The rights and remedies of the Partners hereunder shall not be mutually exclusive, and the exercise of any right to which it is entitled shall not preclude the exercise of any other right it may have.

15.16 AUTHORITY. Each individual executing this Agreement on behalf of a partnership, corporation, or other entity warrants that it is authorized to do so and that this Agreement will constitute the legally binding obligation of the entity which it represents.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

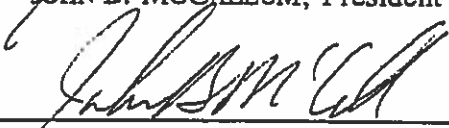
GENERAL PARTNER:

A.R.D. TRADING, INC.

By


JOHN B. MCCALLUM, President

LIMITED PARTNER:


JOHN B. MCCALLUM

MOORE SMITH BUXTON & TURCKE, CHARTERED

ATTORNEYS AND COUNSELORS AT LAW

225 NORTH 9TH STREET, SUITE 420
BOISE, ID 83702
TELEPHONE: (208) 331-1800 FAX: (208) 331-1202

RANSOM J. BAILEY
SUSAN E. BUXTON*
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BRUCE M. SMITH
PAUL A. TURCKE*
CHRISTOPHER E. YORGASON
TAMMY A. ZOKAN*

JOHN J. MCFADDEN*†
Of Counsel

* Also admitted in Oregon
†Also admitted in Washington
* Also admitted in South Dakota
* Also admitted in New Mexico

April 10, 2003

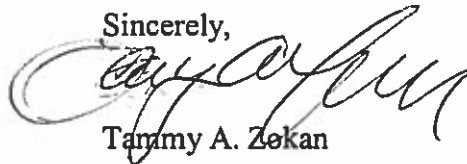
Western Region
Idaho Dept. of Water Resources
2735 Airport Way
Boise, Idaho 83705

RE: Casa Del Norte L.P. Stock and Domestic Water Right Claims

Dear Claims Examiner:

I am filing 28 stockwater and domestic claims on behalf of Casa Del Norte, L.L.P. The Notices of Claims and filing fee are attached. In addition, I have included three topographic maps depicting the pasture boundaries and locations of the individual claims. The maps should be self-explanatory. Finally, I have included one copy of Mr. McCallum's authority to act on behalf of Casa Del Norte, L.L.P. If you need additional information or additional copies of the attached maps, please let me know. You may reach me at 331-1804.

Sincerely,



Tammy A. Zokan

Enclosures

cc Teresa McCallum

RECEIVED

APR 10 2003

WATER RESOURCES
WESTERN REGION