

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 350

RECEIVED
JUL 05 2019
DEPARTMENT OF
WATER RESOURCES

This is to certify that:

P4 PRODUCTION LLC
PO BOX 816
SODA SPRINGS, ID 83276

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
27-2124	7/28/1961	GROUND WATER	0.251	54.6	18.2
27-4008	5/25/1977	GROUND WATER	0.057	14.4	4.1
Ground Water Combined Limit Totals			0.251	69.0	22.3
27-7008A	7/26/1968	BLACKFOOT RIVER	3.330	18.5	NA
27-7008B	7/26/1968	SPRING	3.330	18.5	NA
Surface Water Combined Limit Totals			6.660	18.5	NA
Combined Rental Totals			6.911	87.5	22.3

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2019. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2019, whichever occurs last.

Annual Rental Fee:

2019: \$1,750.00

The full fee for the rental of the above-described right(s) is \$1,750.00 for 2019. The rental fee includes an administrative fee of \$175.00 for 2019.

An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Total Water Use Authorized Under Rental Agreement

Beneficial Use	Diversion Rate (CFS)	Diversion Volume (AF)
MITIGATION	6.66	18.50
MITIGATION	0.25	31.24
Combined Total	6.91	49.74

** The authorized water usage reflects a reduction from the water right elements rented, to account for change in nature of use from Irrigation and Industrial to mitigation by non-use.*

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 350

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:


Signature of Renter

6/26/19
Date

Randy Vanees
Printed Name

Business Unit Lead mineral operations
Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By 
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 7/15/2019

Rental approved by IDWR 

Date 7-15-2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 350

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

GROUND WATER	SENE	Sec. 22, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	NESE	Sec. 22, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	SESE	Sec. 22, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	SWNW	Sec. 23, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	NWSW	Sec. 23, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	SWSW	Sec. 23, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	NWNW	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	SWNW	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	NWSW	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
GROUND WATER	SWNE	Sec. 22, Twp 07S, Rge 42E,	CARIBOU County
UNAMED STREAM	NWNE	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
UNAMED STREAM	NWNW	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
UNAMED STREAM	SWNE	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
UNAMED STREAM	SWNE	Sec. 26, Twp 07S, Rge 42E,	CARIBOU County
UNAMED STREAM	NENE	Sec. 27, Twp 07S, Rge 42E,	CARIBOU County
UNAMED STREAM	NWSW	Sec. 23, Twp 07S, Rge 42E,	CARIBOU County

<u>SOURCE</u>	<u>BENEFICIAL USE</u>	<u>DIVERSION RATE</u>	<u>VOLUME</u>
GROUND WATER	MITIGATION	0.251 CFS	31.24 AF
UNAMED STREAM	MITIGATION	6.660 CFS	18.50 AF

SEASON OF USE

From To
1/1 12/31

RENTERS PLACE OF USE: MITIGATION

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
07S	42E	22			X	X									X	X	X	X	X
07S	42E	23							X	X	X	X	X	X					X
07S	42E	26		X	X		X	X	X	X	X	X	X	X	X		X		X
07S	42E	27	X	X		X	X												X
07S	42E	35			X		X	X		X				X	X	X	X	X	X

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

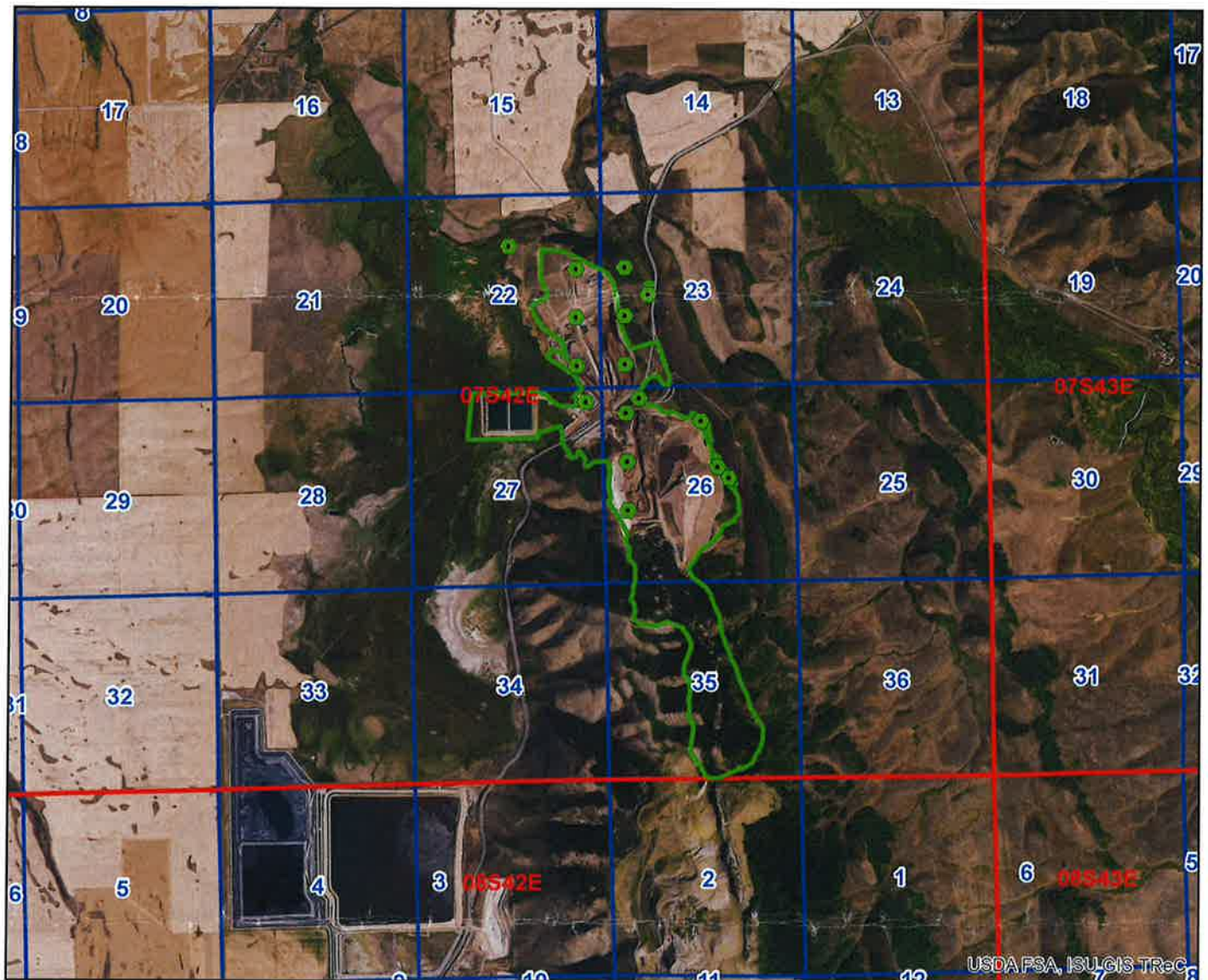
WATER SUPPLY BANK RENTAL AGREEMENT No. 350

4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. This rental agreement is for 49.74 AF of mitigation by non-use in 2019 for Water Permits 27-12251, 27-12252, 27-12253 and 27-12254
10. Water Right No's 27-2124 & 27-4008 rented under this agreement are appurtenant to the irrigation of 22.3 acres.
11. Right No. 27-4008 is an enlargement of Right No. 27-2124 pursuant to Section 42-1426, Idaho Code.
12. Water Right No. 27-4008 is subordinate to all water rights with a priority date earlier than April 12, 1994, that are not decreed as enlargements pursuant to Section 42-1426, Idaho Code. As between water rights decreed as enlargements pursuant to Section 42-1426, Idaho Code, the earlier priority right is the superior right.
13. Water Right No's 27-7008A and 27-7008B are entitled to the protections of paragraph x.d of water right 27-11375.
14. Use of water under this agreement will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 27 - Blackfoot River.

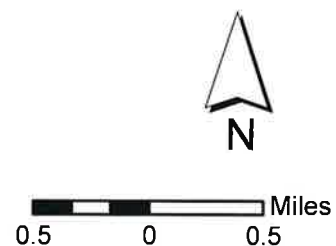
Idaho Water Resource Board
Attachment to Water Supply Bank Rental Agreement No. 350

Effective until December 31, 2019

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



-  Authorized Rental Point of Diversion
-  Authorized Rental Place of Use
-  Township/Range
-  Sections



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 01 2019

DEPARTMENT OF
WATER RESOURCES

**APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANK**

Applicant Name: P4 Production, L.L.C.

Is this application being submitted with a lease application as a lease/rental package?

Yes ☐ No ☒

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☒ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☒ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- | | | |
|----|-------------------------------------|--|
| 2 | ☒ | A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request |
| 3A | ☐ | ☒ Detailed information on a proposed use of rental water |
| 3F | ☒ | ☐ Authorization from the owner/operator of the rental point(s) of diversion |
| 3H | ☐ | ☒ Water modeling to account for the impacts of the rental request |
| 3J | ☐ | ☒ Documents justifying a rate of flow greater than 0.02 cfs/acre |
| 3K | ☒ | ☐ Authorization from the owner/operator of the property at the proposed rental place(s) of use |
| 4B | ☐ | ☒ Explanation of how the rental water will sufficiently accomplish your rental purposes |
| 4C | ☐ | ☒ Explanation of consumptive use amounts for water rights experiencing a change in nature of use |

Department Use Only – Proposed Water Right(s)

1388

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant P4 Production, L.L.C.

Mailing Address PO Box 816, Soda Springs, Idaho 83276

Street

City

State

Zip Code

Email Address _____ Phone Number 208-547-4300

- B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Thomas J. Budge

Professional Title Attorney

Organization Racine Olson, PLLP

Relationship to Applicant Attorney

Mailing Address P.O. Box 1391, Pocatello, Idaho 83204-1391

Email Address tj@racineolson.com Phone Number 208-232-6101

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

- A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:

Water being rented to provide mitigation pursuant to the mitigation plan approved under water right numbers

27-12251, 27-12252, 27-12253 and 27-12254. Attachment 3A contains this mitigation plan and the 2018

mitigation report demonstrating the calculation and need for mitigation water.

- B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
CFS	49.74 AF	CFS	49.74 AF	AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

- C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
1/1/2019	7/1/2019	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):
Rented water will be held unused for mitigation purposes.

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
N/A		

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☒
If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☒ N/A ☐
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☐ Irrigation _____ (number of acres) Duration: Subject to IDWR standard seasons of use
☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
☒ Other: **Mitigation** from: 1/1 (mm/dd) to: 12/31 (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☒ Yes ☐ No ☐
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☒ No ☐
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

Water right numbers 27-49, 27-12002 and 27-11344 are also used for mitigation purposes as shown on the enclosed spreadsheet, additional mitigation is needed for 2019.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL			
						CFS	AF	AC

*Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:

N/A

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☒ No ☐

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

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WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information
See attached letter.

DECLARATION

I hereby assert that 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 rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant

Printed Name of Applicant

Date


Signature of Representative

Thomas J. Budge, Attorney

Printed Name of Representative

3-28-19

Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.

SPECIAL POWER OF ATTORNEY FOR WATER RIGHTS

P4 Production, L.L.C., hereby appoints Randall C. Budge of the law firm of RACINE OLSON NYE BUDGE & BAILEY, CHARTERED, 201 E. Center Street, Post Office Box 1391, Pocatello, Idaho 83204, its true and lawful attorney for the purpose of dealing with the Idaho Department of Water Resources relative to the management and transaction of water rights, and to allow him to receive all information, opinions, and records regarding water rights, and to sign and submit applications and other filings on its behalf. Unless previously withdrawn, this Special Power of Attorney for Water Rights will expire on November 30, 2018.

DATED this 12 day of November 2013.

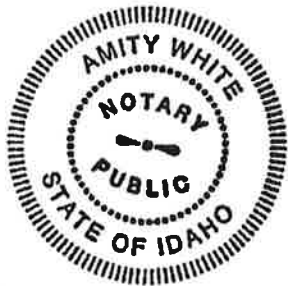
P4 PRODUCTION, L.L.C.

By: [Signature]
Name: Sheldon Alver
Title: Vice President Operations

STATE OF IDAHO)
 :SS
County of Caribou)

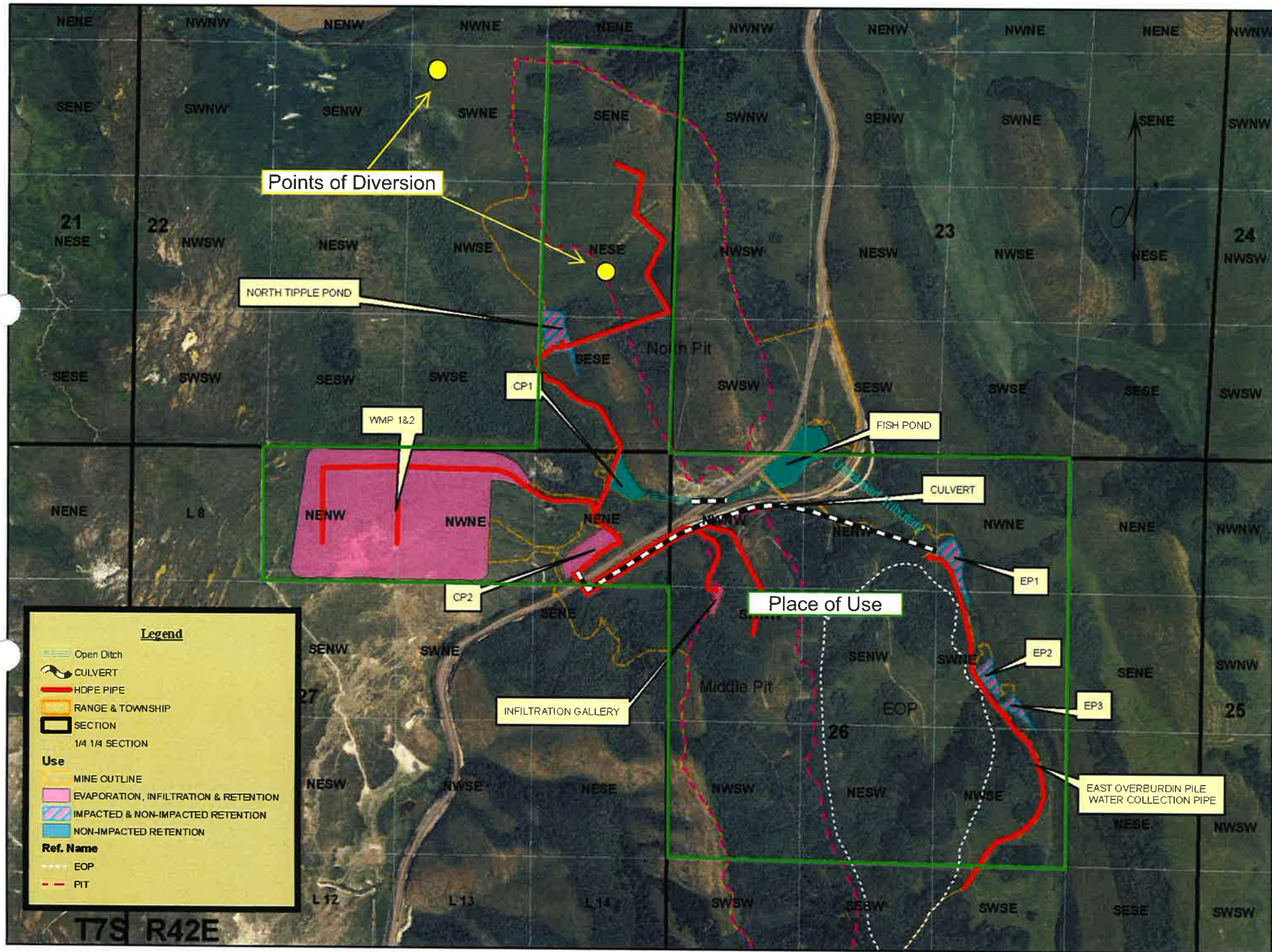
On this 12th day of November 2013, before me, the undersigned, a Notary Public In and for said State, personally appeared Sheldon Alver, known or identified to me to be the Vice President Operations of P4 Production, L.L.C., who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



[Signature]
NOTARY PUBLIC FOR IDAHO
Commission expires: 7/14/14

ATTACHMENT 2



ATTACHMENT 4C

WATER SUPPLY BANK RENTAL CALCULATION

Depletion	Acres	Pdef*	Inches	AF
Irrigation	1	2.7	0.1	1.4
Industrial	n/a	n/a	n/a	1.0

WRs Available	Source	Use	CFS	AF	Acres	Depletion
27-4096	Stream	Irrigation	0.7		33.0	44.8
27-4008	Groundwater	Irrigation	1	252.0	390.0	252.0
27-7008A	Spring	Industrial	3.33	18.5	n/a	18.5
27-7008B	Spring	Industrial				
27-7072	Groundwater	Irrigation	3.7	1043.0	238.0	323.2

	Option A	Option B	Option C		
			27-7008A & 27-7008B		
WR rented	27-4096	27-4008	7008B	27-7072	Combined
Ac-ft needed	49.74	49.74	18.5	31.24	49.74
Acres rented	36.6	77.0	n/a	23.0	23.00
CFS rented	0.73	0.197	3.33	0.356	3.69
AF rented	n/a	49.74	18.5	100.81	119.31



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

July 16, 2019

P4 PRODUCTION LLC
PO BOX 816
SODA SPRINGS ID 83276

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 27-2124, 27-4008, 27-7008A and 27-7008B, AGREEMENT 350**

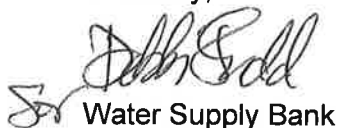
Dear Renter:

Please find enclosed a receipt in the amount of **\$1,750.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 87.5 acre-feet of water for mitigation use during 2019. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$1,575.00 of the rental fee will be paid to the lessor(s) and 10% or \$175.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,


John Gold
Water Supply Bank

Enclosures: Receipt No. C107149
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office/Water District # 27
T J Budge – Racine Olson



July 2, 2019

RECEIVED
JUL 05 2019
DEPARTMENT OF
WATER RESOURCES

Debbie Judd
Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: P4 Production, L.L.C. Agreement 350

Dear Debbie,

Enclosed is the original Water Supply Bank Rental Agreement No. 350 signed by P4 Production, L.L.C., along with a check in the amount of \$1,750.00 for the 2019 rental fee.

Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in cursive script that reads 'T.J. Budge'.

T.J. BUDGE

c: Randy Vranes
Chris Leatherman

Receipt #107149 7/5/19 RD



State of Idaho

DEPARTMENT OF WATER RESOURCES

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BRAD LITTLE
Governor

GARY SPACKMAN
Director

June 20, 2019

P4 PRODUCTION LLC
PO BOX 816
SODA SPRINGS ID 83276

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NOS. 27-2124, 27-4008, 27-7008A, and, 27-7008B - AGREEMENT 350**

*****TIME SENSITIVE RESPONSE REQUIRED*****

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$1,750.00 was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 87.5 acre-feet.

Please send a check for \$1,750.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$1,575.00 of the rental fee will be paid to the lessor(s) and 10% or \$175.00 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at (208) 287-4800.

Sincerely,



Water Supply Bank

Enclosure

c: IDWR Front Desk
Thomas J Budge – Racine Olson PLLP

MEMORANDUM FOR AGREEMENT # 350

To: WSB Agreement 350 and Water Rights: 27-12251, 27-12252, 27-12253 and 27-12254

From: Mary Condon

Date: June 3, 2019 (June 11, 2019)

Re: Review & Analysis of Application to Rent Water from the State Water Supply Bank

PURPOSE/NARRATIVE: Application to rent additional water per mitigation plan for water permit no's. 27-12251 thru 27-12254 for 2019 projected mining by P4 Productions received on April 1, 2019, for one season. Projection is for an additional 49.74 acre-feet of mitigation water required, and three different options for rental purposes were attached with the application. Option A water right 27-4096 from surface water for irrigation was not evaluated for this rental.

Option B only listed irrigation right 27-4008, but this is combined with irrigation right no. 27-2124 and would need to be rented as well to avoid enlargement or injury. Right 27-2124 was previously rented to P4 Productions in 2010 & 2011 for mining, before the existing permits.

Option C lists industrial rights 27-7008 A & 27-7008 B, along with irrigation right 27-7072. The two industrial have not been rented before, while the irrigation right 27-7072 was rented to P4 for industrial mining in 2012 & 2013, before existing permits.

Two of the existing permits requiring mitigation are from groundwater source, while the other two are from surface water, tributary to Blackfoot River. Water rights 27-49, 27-12002 & 27-113744 are also used for mitigation and are all surface water rights. Per the 2019 report to IDWR, loaded in eDocs, the projection for 2019 increased depletions will be in large part due to dewatering of the Mid-Pit and dust abatement from groundwater.

AUTHORITY TO FILE: Application to rent was signed and filed by P4 Production, LLC's attorney/representative, T.J. Budge. The operation site, permits and water rights used for current industrial and mitigation are also in the name of P4 Production. No concerns with authority to file.

WATER RIGHT VALIDITY: Option B, groundwater rights 27-2124 & 27-4008 for irrigation were accepted into the bank in 2003 through 2020, and decreed in 2007. Water right file also contains a contract listing these rights were also under CRP from 1997 to 2007. Water right 27-4008 is an enlargement for 72 acres of right 27-2124. No concerns with validity. Satellite imagery review shows the land has been idled.

Option C, surface water rights 27-7008A & 27-7008B industrial rights for mining and dust abatement were decreed in 2007, before being placed in to the bank from 2012 through 2013, then 2014 through 2016, and again in 2017 through 2021. Review of satellite imagery shows mineral excavation and settling pond development from early 80's until 2011. Mining activity is widespread by multiple companies, but seems to have slowed after 2011. Storage dam Rhone-Poulenc (NID ID05006) is in Reclaimed status. No concerns with validity of these two rights. Groundwater right 27-7072 for irrigation was decreed in 2006 and accepted into the bank beginning in 2007. Water right was in the CRP from 1987 to 1997 per field notes in file dated 2/4/2004. The source is actually Dike Lake, via a weir to a sinkhole and then the irrigation system is from a well (see notes from Shelley Keen in field notes). This right was rented to P4 Productions prior to their permits in 2012 and 2013 for industrial at the consumptive use standard of 2.5 af per acre. No concerns with validity, however, review of satellite imagery

shows the entire acres harvested in 2017, with sentinel imagery from 2017 showing vegetation until sometime in June and possible harvest in July.

A letter requesting information about possible irrigation should be sent to the owner and to the owner listed for 27-7071, as they did not claim 27-7072 but the warranty deed clearly lists the POU for 27-7072 as well.

The most direct route for suitable water rights for mitigation would be a combination of these options, using groundwater right No's 27-7008 A and 27-7008B for irrigation along with surface water right No's 27-2124 and 27-4008 for industrial.

INJURY TO OTHER WATER RIGHTS: Rental of these rights is to provide mitigation via groundwater non-diversion per 2019 projections and should not injure any other water rights.

ENLARGEMENT OF USE: Attachments with the application to rent included a table for consumptive use for the irrigation portions offered as options, for 1.4 af per acre. Standard consumptive use in the area is 2.5, and no enlargement is evident in the change in nature of use for irrigation to industrial as mitigation for 1.4 afa. See calculations for combined limits of the rental below.

Right No.	Beneficial Use	CFS	VOL	Acres	AF/AC
27-7008A	Industrial	3.330	18.50	0.0	0
27-7008B	Industrial	3.330	18.50	0.0	0
Combined limit		6.660	18.50	0.0	0
27-2124	Irrigation	0.251	54.58	18.2	3.0
27-4008	Irrigation	0.057	14.42	4.1	3.5
Combined limit		0.251	69.00	22.3	3.1
Limited to		0.251	31.24	22.3	1.4
Total Combined limit of rental		6.910	49.74	0.0	0

LOCAL PUBLIC INTEREST: Review staff has no information to suggest this application is inconsistent with the local public interest.

BENEFICIAL USE/CONSERVATION OF WATER RESOURCES: The rental appears consistent with the conservation of water resources in Idaho.

DEPARTMENT STAFF OR WATERMASTER COMMENTS: The location for the surface water rental PD's are subject to Water District 27 – Blackfoot River, for tributaries to Blackfoot River.

Email to Watermaster and Eastern Region Manager for comments or concerns sent on June 12, 2019. Rental shapefiles for the POD's and POU's will be on the rental POU and existing permits.



RECEIVED
APR 01 2019
DEPARTMENT OF
WATER RESOURCES

March 28, 2019

Idaho Water Supply Bank
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Rental Application – P4 Production, L.L.C.

To whom it may concern:

Please find enclosed the original and one copy of an Application to Rent Water from the Water Supply Bank. This application is submitted pursuant to a water right mitigation plan for the Blackfoot Bridge Mine near Soda Springs, Idaho. The Applicant, P4 Production, L.L.C., annually provides mitigation under water right nos. 27-49, 27-12002 and 27-11344.

Projected water use for 2019 produces a mitigation shortfall of 49.74 acre feet. The enclosed application seeks to rent water for this purpose. This water must be rented from the Blackfoot River Basin (Basin 27) but need not be transferred to the Blackfoot Bridge Mine. Rather, this water will be held unused for mitigation purposes during the 2019 irrigation season.

Enclosed is a table showing three potential Water Supply Bank rental options, identified as Option A, Option B and Option C. It appears these water rights are currently available for rent in the Blackfoot River Basin.

Should you have any questions regarding this application, please feel free to give me a call. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'T.J. Budge', with a stylized flourish at the end.

T.J BUDGE

c: Chris Leatherman