



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E FRONT ST STE 648 • PO BOX 83720 • BOISE ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Website: idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 18, 2018

P4 PRODUCTION LLC
C/O CHRIS LEATHERMAN
PO BOX 816
SODA SPRINGS ID 83276

RE: WITHDRAWAL OF APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

Dear Applicant:

Per your written request received on June 13, 2018 via e-mail, the Department of Water Resources (department) acknowledges your intent to withdraw your Application to Rent Water from the Water Supply Bank. Therefore, the department is returning your application.

Diversion and use of water is not authorized under the returned rental application. Any use associated with your proposed rental request is not authorized and, if occurring, will be subject to any necessary enforcement action.

If you wish to rent water in the future, please reapply using new forms from the Department's website at www.idwr.idaho.gov. If you have any questions regarding this matter, please contact me at (208) 287-4910.

Sincerely,

for
Clay Webster
Water Resource Agent
WSB Process Point of Contact

Enclosure: Rental Application

C: TJ Budge – Racine Olson



RECEIVED

APR 03 2018

DEPARTMENT OF
WATER RESOURCES

March 30, 2018

Remington Buyer
Idaho Water Supply Bank
P.O. Box 83720
Boise, ID 83720-0098

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

Dear Remington:

Enclosed herewith is Water Right Rental Application for P4 Production, L.L.C. This is submitted in accordance with a mitigation plan that I have attached to the Application. P4 must rent 36 acre-feet of water this year to maintain compliance with the mitigation plan. There appear to be several water rights available to rent in the Upper Blackfoot River Basin (Basin 27). The Application includes rental calculations for several rights, and one of the attachments explains our preferences in terms of priority of rental.

Thank you for your attention to this. Please let me know if you have any questions.

Sincerely,

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

T.J BUDGE

STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

APR 03 2018

DEPARTMENT OF
WATER RESOURCESAPPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant 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)

27-4096

1070

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant P4 Production, L.L.C., c/o Chris Leatherman

Mailing Address PO Box 816 Soda Springs Idaho 83276
Street City State Zip Code

Email Address chris.r.leatherman@monsanto.com Phone Number (208) 547-1435

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 T.J. Budge Professional Title Attorney

Organization Racine Olson Relationship to Applicant Attorney

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

Email Address tjb@racinelaw.net 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**:

Mitigation of water use at Blackfoot Bridge Mine in accordance with approved mitigation plan under the desired
volume for 3b.

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)
N/A CFS	36 AF	N/A CFS	1.0 AF	N/A 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?	
4/1/2018	8/1/2018	☒ 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):

Groundwater that infiltrates mining pits is pumped to water management ponds as set forth in approved mitigation plan under 3e.

- 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
pump	groundwater	Water Right Nos. 27-12251 and 27-12254

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: Mining from: 01/01 (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.

N/A

- 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 Nos. 27-12251 and 27-12254

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)
27-4096	Irrigation	0.7	NA	33		0.53	36	26.5
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	0.53	36	26.5
						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**:

The rented water rights will be used to mitigate water use for mining purposes at Blackfoot Bridge as explained in Attachment 4c.

STATE OF IDAHO
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

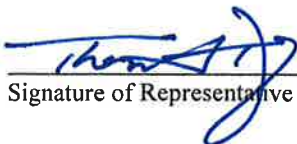
DECLARATION

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.

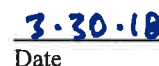
Signature of Applicant

Printed Name of Applicant

Date







Signature of Representative

Printed Name of Representative

Date

Mail to:

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

ATTACHMENT 3A., 4B. AND 4C.

P4 Production, L.L.C. ("P4") owns water right nos. 27-12251 and 27-12254 for mining purposes at Blackfoot Bridge Mine. P4 has an approved mitigation plan under which P4 has dedicated water rights for mitigation purposes. P4 annually projects the impact from mining activities to the Blackfoot River. In any year that the projected impacts to the Blackfoot River exceed the mitigation provided under P4's dedicated mitigation rights, P4 is required to rent water from the Water Supply Bank to make up the shortfall. P4's dedicated mitigation rights have covered all mining impacts to date, but in 2018 there is a projected shortfall of 35.24 acre-feet. The purpose of this Rental Application is to rent 36 acre-feet of water to mitigate for the shortfall.

Several water rights are available to rent, including water right nos. 27-4008, 27-7072, 27-7008A, 27-7008B and 27-4096. The nearest mitigation water right is 27-4096; therefore, P4 would prefer to rent this right. Should this right be unavailable, P4 would next prefer to rent 18.5 acre-feet under water rights 27-7008A and 27-7008B and 17.5 acre-feet under water right 27-7072. Should these right be unavailable, P4 would next turn to 27-4008. Enclosed herewith is a spreadsheet used to calculate the amount of water that would be rented under each scenario.

For purposes of converting irrigation rights to mitigation, the attached spreadsheet assumes the mitigation right would be 100% consumptive. To convert irrigation rights to mitigation, depletion under the irrigation rights has been calculated based on ET Idaho data for the Soda Springs station, with irrigation rights having a depletion factor of 1.4 acre-feet per acre.

P4 PRODUCTION, LLC / MONSANTO COMPANY

**AMENDED WATER RIGHT MITIGATION PLAN
BLACKFOOT BRIDGE MINE**

November 6, 2013

Idaho Department of Water Resources
Applications for Permits to Appropriate Water

Prepared by:

Racine Olson Nye Budge & Bailey, Chartered
201 East Center Street; P.O. Box 1391
Pocatello, Idaho 83204
(208) 232-6101 – phone
(208) 232-6109 – fax

This Amended Water Right Mitigation Plan is submitted to the Idaho Department of Water Resources (IDWR) by P4 Production, LLC (P4), in connection with water right permit numbers 27-12251, 27-12252, 27-12253 and 27-12254 which authorize water use at the Blackfoot Bridge Mine (BFB) located northeast of Soda Springs in Caribou County, Idaho. This Amended Plan is identical to the original Water Right Mitigation Plan approved by the IDWR, except that it (i) adds water right number 27-12002 as an additional source of mitigation water, and (ii) incorporates the permit numbers identified above.

BFB is designed to protect the quality of surface and subsurface water in and adjacent to the mine and to prevent any discharge to the Blackfoot River of water that does not meet water quality standards. Such water will be contained and managed on-site in two water management ponds. The water right permits identified above enable P4 to divert and manage water within BFB. This Plan describes the purpose of these water rights and how water depletions to the Blackfoot River from the use of these water rights will be mitigated.

This Plan is consistent with the Environmental Impact Statement for BFB prepared and approved by the U.S. Bureau of Land Management with cooperation from the U.S. Army Corps of Engineers, Idaho Department of Environmental Quality, and Idaho Department of Lands.

A. Dewatering of North Pit and Mid Pit.
Water right permit no. 27-12251

P4 will be required to periodically withdraw water from the North Pit and Mid Pit (shown on Figure 1 attached hereto) to facilitate mining below the water table. These withdrawals will temporarily capture a portion of the recharge that normally infiltrates to the groundwater system, reducing groundwater flow to the Blackfoot River. Water will be pumped out of the North Pit and Mid Pit and conveyed to the water management ponds (WMP1 and WMP2) shown on Figure 1. To meet this water need, P4 submits application for water right permit number 1 to appropriate groundwater that infiltrates into the North Pit and Mid Pit.

The U.S. Bureau of Land Management required that a groundwater model be developed to determine the impact that mine operations will have on the Blackfoot River. This model was developed by ARCADIS (an international engineering firm) using MODFLOW-SURFACT, which is a comprehensive three-dimensional groundwater flow and solute transport modeling code based on the United States Geological Survey modular groundwater flow code MODFLOW. The model domain covers approximately 27 square miles which is large enough to encompass both surface water and groundwater resource impacts associated with the BFB.

Dewatering of the North Pit and Mid Pit is expected to occur between years 2 and 9 of the BFB project. Table A-1 below summarizes the projected diversion rate and volume of water that will be pumped from the pits during these periods, and the impact the mine dewatering will have on the Blackfoot River.

Table A-1: Modeled Groundwater Depletion to Blackfoot River from Mine Dewatering

Mine Year	Dewatering Duration (days)	Dewatering Rate (cfs)	Volume Pumped (acre-feet)	Impact to Blackfoot River (acre-feet)
2014	63	3.31	413	195
2015	0	0	0	134
2016	76	0.66	100	32
2017	81	2.42	389	251
2018	43	0.04	3.4	56
2019	44	2.43	211.8	145
2020	35	1.63	113.4	97
2021	15	0.91	27	58
2022	0	0	0	45
2023	0	0	0	40
2024	0	0	0	38
2025	0	0	0	34
2026	0	0	0	32
2027	0	0	0	16
2028	0	0	0	28
2029	0	0	0	13
2030	0	0	0	21
TOTALS			1258	1234

P4 will measure the actual volume of water pumped from the North Pit and Mid Pit each year and will mitigate the impact to the Blackfoot River pursuant to the mitigation plan described in section E below.

B. Storage / diversion of Fish Pond Stream.

Water right permit no. 27-12252

The East Overburden Pile (EOP) shown on Figure 1 is designed to prevent potentially impacted water from entering the unnamed ephemeral stream located northeast of the EOP (a/k/a "Fish Pond Stream"). Still, P4 is required to monitor water quality in the Fish Pond Stream, and if water quality standards are not met, P4 may impound water at any of four containment ponds (EP1, EP2, EP3, CP1) and/or divert water from the Fish Pond Stream to the water management ponds (WMP1, WMP2) where it will be evaporated. While P4 does not anticipate impounding or diverting water from Fish Pond Stream, it must have the ability to do so in the event a contaminant is detected. Water right permit no. 27-12252 addresses this potential water need.

The Fish Pond Stream is a small, ephemeral stream that typically flows only during spring runoff and large precipitation events. Because water will be stored or diverted only if a contaminant is detected, it is expected that no storage or diversion will occur and no mitigation will be required. In the event P4 actually stores water at EP1, EP2, EP3, or CP1, or actually diverts water from the Stream, P4 will measure the volume actually stored and diverted and will provide mitigation pursuant to the mitigation plan described in section E below. Table B-1 identifies the designed sizes of EP1, EP2, EP3, and CP1, and potential evaporation therefrom.

Table B-1: Storage Facilities

Facility	Dam Height	Hydraulic Height	Surface Area (acres)	Depth (feet)	Capacity (ac-ft)	Evaporation (ac-ft/yr)
EP1	24.5	20	1.5	20	8.8	2
EP2	19	14.5	1.2	14.5	4.5	1.6
EP3	16.5	12	0.7	12	2.8	0.95
CP1	13	11	1.9	11	9.7	2.6
TOTALS					25.8	7.15

Since water will not be stored or diverted under this water right unless a contaminant is detected, it is likely that water will not be used under this water right within the time period prescribed for proving beneficial use or for more than five years thereafter, potentially giving rise to a claim of forfeiture under Idaho Code section 42-222(2). However, Idaho Code section 42-223(6) provides that a water right shall not be forfeited "if the nonuse results from circumstances over which the water

right owner has no control.” Since P4 will not control the entry of contaminants into this stream, this exception to the forfeiture rule applies.

C. Storage of Beaver Pond Stream.
Water right permit no. 27-12253

P4 is required to install a sediment control pond (NEP1) on the unnamed ephemeral stream located north of the Fish Pond and east of the North Pit shown on Figure 1 (a/k/a “Beaver Pond Stream”). Water right permit number 27-12253 enables P4 to store water at this location. Table B-1 shows the surface area, depth, capacity, and annual evaporation from NEP1. Evaporation is calculated using data available on the ET Idaho website for the Soda Springs station.¹ P4 will offset evaporation from NEP1 pursuant to the mitigation plan described in section E below.

Table C-1: NEP1 Evaporation

Surface Area (acres)	Depth (feet)	Capacity (acre-feet)	Evaporation (acre-feet/year)
0.5	7	4	0.7

D. Dust Abatement.
Water right permit nos. 27-12252 & 27-12254

During mining operations P4 will suppress dust by periodically applying water to haul roads and other mine areas. P4 will utilize water trucks equipped with pumps to withdraw water from the storage ponds on the Fish Pond Stream (EP1-3, Fish Pond, CP1) and/or two existing groundwater wells. Permit number 27-12252 enables P4 to divert water for dust abatement purposes from EP1-3, CP1 and Fish Pond. Permit number 27-12254 enables diversion from the groundwater wells for dust abatement. Based on the volumes of water used at P4’s Enoch Valley and South Rasmussen Mines, P4 expects to divert up to 30 acre-feet annually for dust suppression at BFB; however, P4 will measure and provide mitigation for actual diversions for dust abatement pursuant to the mitigation plan described in section E below.

E. Mitigation plan.

P4 will offset the depletionary impact of the water rights described above by ceasing use of water under existing water rights owned or leased by P4. Table E-1 below shows the projected volume of water that may potentially be consumed by the water rights described above. Actual mitigation requirements may differ. For example, the amount of mine dewatering that actually occurs in a given year may deviate from the projection. P4 may also be required to divert water from the Fish Pond

¹ <http://www.kimberly.uidaho.edu/ETIdaho/stninfo.php?station=108535>

Stream. In order to minimize the likelihood of undermitigation, P4 will create a mitigation cushion by providing annually in advance at least 110% of the projected mitigation requirement. In the unlikely event actual water use exceeds the mitigation cushion, P4 will provide additional mitigation to make up for the shortfall.

Table E-1: Projected mitigation requirement (acre-feet)

Year	Mine dewatering	NEP1 Evaporation	EP1-3, CP1 Evaporation	Dust abatement	Total	Plus 10% Cushion
2013	0	0.7	0	30	30.7	33.8
2014	195	0.7	0	30	225.7	248.3
2015	134	0.7	0	30	164.7	181.2
2016	32	0.7	0	30	62.7	69
2017	251	0.7	0	30	281.7	309.9
2018	56	0.7	0	30	86.7	95.4
2019	145	0.7	0	30	175.7	193.3
2020	97	0.7	0	30	127.7	140.5
2021	58	0.7	0	30	88.7	97.6
2022	45	0.7	0	30	75.7	83.3
2023	40	0.7	0	30	70.7	77.8
2024	38	0.7	0	30	68.7	75.6
2025	34	0.7	0	30	64.7	71.2
2026	32	0.7	0	30	62.7	69
2027	16	0.7	0	30	46.7	51.4
2028	28	0.7	0	30	58.7	64.6
2029	13	0.7	0	30	43.7	48.1
2030	21	0.7	0	30	51.7	56.9

Table E-2 below identifies water rights owned by P4 that are available for mitigation. The consumptive value of each water right is the amount of water that may be consumed under the water right under its current beneficial use, calculated using data available from the ET Idaho website for the Soda Spring station.² This figure represents the mitigation credit provided by each water right. Collectively these rights provide 200.01 acre-feet of mitigation. P4 will secure additional mitigation water through purchases, private leases, and/or the Idaho Water Supply Bank to meet mitigation requirements that exceed 200.01 acre-feet.

Table E-2: Water rights available for mitigation

Water Right Number	Source	Beneficial Use	Acreage	Consumptive value (acre-feet/year)
27-49	Blackfoot River	Irrigation	145.7	197.90
27-12002	Slug Creek	Irrigation	71	96.4
27-11344	Springs	Livestock	n/a	2.11
TOTAL				296.41

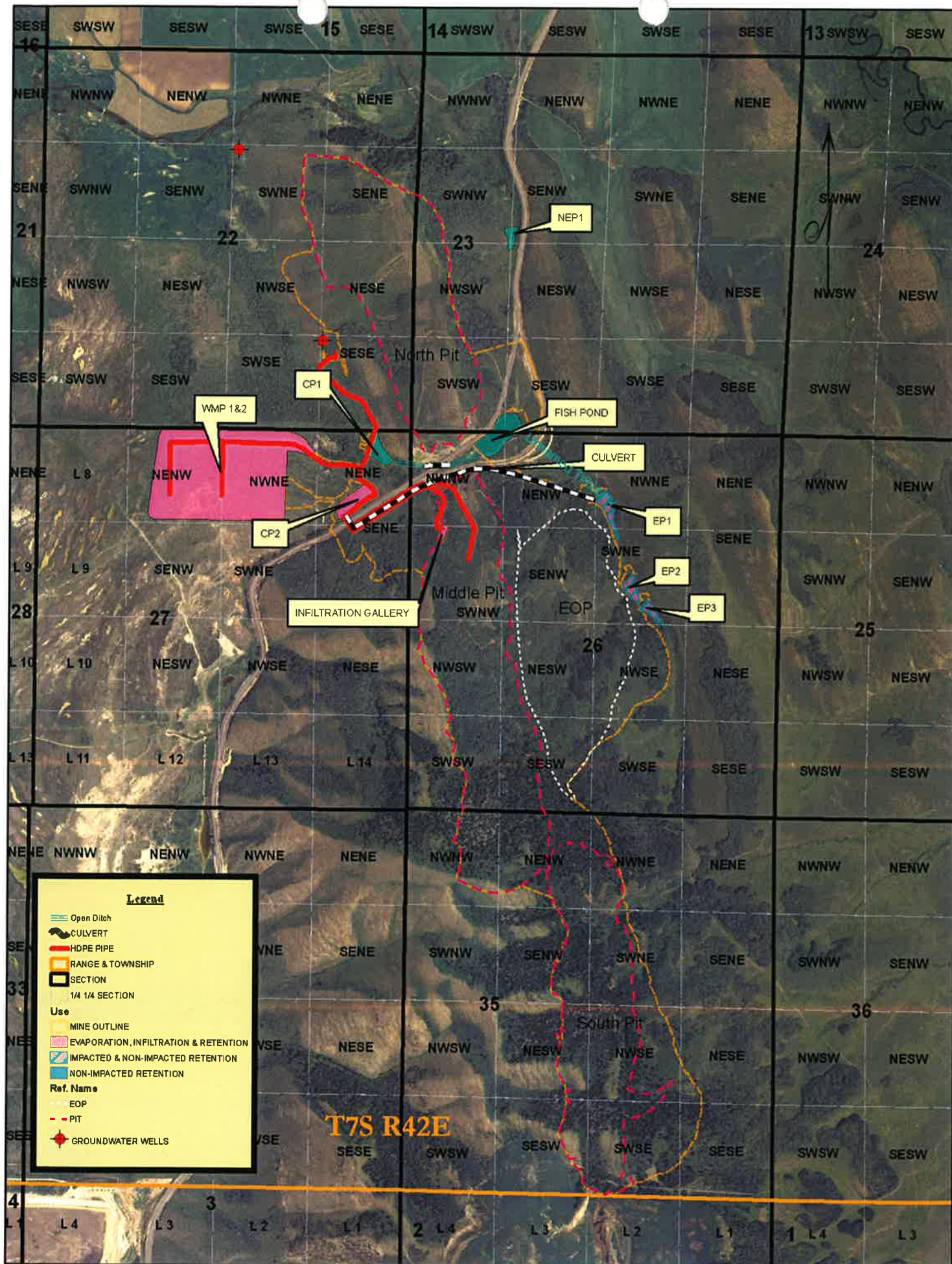
² <http://www.kimberly.uidaho.edu/ETIdaho/stninfo.php?station=108535>

On or before April 1 of each year, P4 will submit a report to the IDWR that describes actual mitigation required and provided for the prior year. If P4 under-mitigated during the prior year, P4 will be required to make up for the shortfall via additional mitigation during the upcoming season. The report will also identify projected mitigation for the next year and the water rights that P4 will dedicate for mitigation.

Mitigation may no longer be necessary once BFB is fully reclaimed. P4 will seek authorization from IDWR to end this mitigation accounting if and when it becomes apparent that mitigation is no longer needed.

CONCLUSION

P4 will fully mitigate the hydraulic impact to the Blackfoot River that results from use of the water rights applied for in conjunction with this mitigation plan. Therefore, the applications should be approved by the IDWR without delay.



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
27-4008	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				
27-4096	Stream	Irrigation	0.7		33.0	44.8
27-7072	Groundwater	Irrigation	3.7	1043.0	238.0	323.2

	Option A	Option B		Option C
WR rented	27-4096	27-7008A & 27-7008B	27-7072	27-4008
Ac-ft needed	36	18.5	17.5	36
Acres rented	26.5	n/a	12.9	26.5
CFS rented	0.53	3.33	0.199	0.068
AF rented		18.5	56.47	36

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.

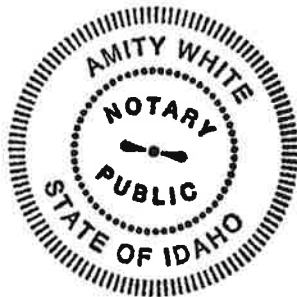
P4 PRODUCTION, L.L.C.

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

Smith, Rachael

From: Cefalo, James
Sent: Wednesday, June 13, 2018 1:22 PM
To: Smith, Rachael
Subject: RE: P4 Production Water Supply Bank Rental Application

TJ provided an amended mitigation plan last week. The plan reduced the amount of mitigation water available under P4's Blackfoot River right, but also reduced the amount of mitigation required because of the DEQ approval to infiltrate captured run-off water. The amended mitigation plan satisfies the requirements on the allocations side.

From: Smith, Rachael
Sent: Wednesday, June 13, 2018 12:48 PM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Subject: FW: P4 Production Water Supply Bank Rental Application

Hi James,

It sounds like P4 is no longer in need of the WSB rental for 2018. Just thought I'd verify this with you before withdrawing their application.

Thank you,

Rachael

From: TJ Budge [<mailto:tjb@racinelaw.net>]
Sent: Wednesday, June 13, 2018 12:01 PM
To: Smith, Rachael <Rachael.Smith@idwr.idaho.gov>
Subject: RE: P4 Production Water Supply Bank Rental Application

Hi Rachel,

Thank you for asking. I just submitted an amended mitigation plan and mitigation report to James Cefalo last week. P4 no longer has a mitigation obligation for 2018 so we can withdraw the application.

Thanks,

TJ

TJ

On Jun 13, 2018 11:17 AM, "Smith, Rachael" <Rachael.Smith@idwr.idaho.gov> wrote:
Thought I'd check in- any progress on this?

From: Smith, Rachael
Sent: Thursday, May 31, 2018 7:57 AM

Smith, Rachael

From: TJ Budge <tjb@racinelaw.net>
Sent: Wednesday, June 13, 2018 12:01 PM
To: Smith, Rachael
Subject: RE: P4 Production Water Supply Bank Rental Application

Hi Rachel,

Thank you for asking. I just submitted an amended mitigation plan and mitigation report to James Cefalo last week. P4 no longer has a mitigation obligation for 2018 so we can withdraw the application.

Thanks,

TJ

TJ

On Jun 13, 2018 11:17 AM, "Smith, Rachael" <Rachael.Smith@idwr.idaho.gov> wrote:
Thought I'd check in- any progress on this?

From: Smith, Rachael
Sent: Thursday, May 31, 2018 7:57 AM
To: 'TJ Budge' <tjb@racinelaw.net>
Subject: RE: P4 Production Water Supply Bank Rental Application

Hi T.J.,

Thanks for the update. I'll plan on hearing from you or NewFields by the end of next week.

Rachael Smith
Water Resource Agent, Sr.
Idaho Dept of Water Resources
322 E. Front Street PO Box 83720
Boise, ID 83720-0098
Rachael.Smith@idwr.idaho.gov
208.287.4912

From: TJ Budge [<mailto:tjb@racinelaw.net>]
Sent: Friday, May 25, 2018 4:56 PM
To: Smith, Rachael <Rachael.Smith@idwr.idaho.gov>
Cc: chris.r.leatherman@monsanto.com
Subject: RE: P4 Production Water Supply Bank Rental Application



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

GARY SPACKMAN
Director

C.L. "BUTCH" OTTER
Governor

May 15, 2018

P4 PRODUCTION, LLC
C/O CHRIS LEATHERMAN
PO BOX 816
SODA SPRINGS ID 83276

RESPONSE DEADLINE

May 31, 2018

RE: Water Supply Bank Rental Application – Additional Information Required

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant,

The Idaho Department of Water Resources (Department) received your application to rent a water right from the Water Supply Bank however, as submitted, your application requires additional information.

Updated mitigation calculations associated with water right 27-49 in regards to the actual irrigation season length are required. Because these mitigation calculations affect the rental amount, the rental application is on hold.

Please provide a copy of your mitigation calculation review and any required revisions to the amount of water that will need to be rented within fourteen (14) days. The department will continue processing your application once you have submitted the requested information. If sufficient information per this letter is not received at that time, your application will not be processed and will be returned to you.

Please contact me if you have questions at (208) 287-4912.

Sincerely,

Rachael Smith
Water Resource Agent, Sr.

c: T.J. Budge, Racine Olson Attorneys

Smith, Rachael

From: TJ Budge <tjb@racinelaw.net>
Sent: Thursday, April 19, 2018 1:05 PM
To: Smith, Rachael
Cc: chris.r.leatherman@monsanto.com
Subject: RE: P4 Production Water Supply Bank Rental Application

Thanks, Rachel. We hope to have this pinned down soon.

T.J. Budge
RACINE OLSON
201 E. Center St. | P.O. Box 1391 | Pocatello, Idaho 83204
P: (208) 232-6101 | F: (208) 232-6109
www.racinelaw.net

CONFIDENTIALITY NOTICE - This email and its attachments may contain information that is confidential, privileged, or otherwise protected from disclosure. If you believe this email may have been sent to you in error, please notify me immediately.

From: Smith, Rachael <Rachael.Smith@idwr.idaho.gov>
Sent: Wednesday, April 18, 2018 11:49 AM
To: TJ Budge <tjb@racinelaw.net>
Cc: chris.r.leatherman@monsanto.com
Subject: P4 Production Water Supply Bank Rental Application

Good morning T.J.,

Idaho Department of Water Resources has received the Water Supply Bank rental application for P4 Production. I have talked with James at the Eastern IDWR office and he said you are currently reviewing the mitigation calculations associated with water right 27-49 in regards to the actual irrigation season length. Because these mitigation calculations affect the rental amount, the rental application will be put on hold.

Please send me a copy of your mitigation calculation review and any required revisions to the amount of water that will need to be rented. Once we have this information, I can continue processing the application.

Thank you,

Rachael Smith
Water Resource Agent, Sr.
Idaho Dept of Water Resources
322 E. Front Street PO Box 83720
Boise, ID 83720-0098
Rachael.Smith@idwr.idaho.gov
208.287.4912

Smith, Rachael

From: Cefalo, James
Sent: Thursday, April 05, 2018 3:41 PM
To: Smith, Rachael
Subject: FW: P4 BFB Mitigation Plan
Attachments: 20180330 Ltr IDWR re 2018 BFB Mitigation Report.pdf; 20180328 BFB 2018 Mitigation Report.xlsx; 20180326 Newfields memo M-2017_2018 Dewatering Stream Depletion.docx

Rachael,

Attached is the report for 2018. I still need to ask Sharla to scan the files to the water right records.

According to the Amended Mitigation plan, water rights 27-49 and 27-12002 are being held unused to offset depletion under the new permits. Consumptive use values for those two irrigation rights were calculated based on the Soda Springs Agrimet Station (low management grass pasture – precipitation deficit table). Both rights were assigned a consumptive use value of 1.35 af/acre (411 mm/acre). This number is fairly close to the value reported on the ET Idaho site today. It's possible that figures used were from a previous ET Idaho dataset.

As I review the mitigation plan and the mitigation rights to respond to your email, I just noticed that water right 27-49 has a July 1st cut-off date. In other words, the irrigation season of use ends on July 1st. The consumptive use value for this right should not be based on the full irrigation season. May have been missed during our permit review. I will contact TJ Budge this week to ask him to look into the mitigation calculations associated with water right 27-49.

Hope this helps.

James

From: TJ Budge [mailto:tjb@racinelaw.net]
Sent: Friday, March 30, 2018 3:17 PM
To: Cefalo, James <James.Cefalo@idwr.idaho.gov>
Cc: 'Chris Leatherman (chris.r.leatherman@monsanto.com)' <chris.r.leatherman@monsanto.com>; VRANES, RANDY K [AG/1850] <randy.k.vranes@monsanto.com>; Randy Budge <rcb@racinelaw.net>; mkeller@idahoconservation.org
Subject: P4 BFB Mitigation Plan

James,

Attached is the 2018 mitigation report for the Blackfoot Bridge Mine.

Thanks,

T.J. Budge
RACINE OLSON
201 E. Center St. | P.O. Box 1391 | Pocatello, Idaho 83204
P: (208) 232-6101 | F: (208) 232-6109
www.racinelaw.net



March 30, 2018

James Cefalo
IDWR/Eastern Region
900 N. Skyline Drive, Suite A
Idaho Falls, ID 83402

Sent Via Email
james.cefalo@idwr.idaho.gov

Re: 2018 Mitigation Report for Blackfoot Bridge Mine

Dear James:

Enclosed with this letter is a spreadsheet containing the 2018 Mitigation Report for the Blackfoot Bridge Mine along with a supporting memo from Newfields. The water right permits issued for the mine (27-12251, 27-12252, 27-12253 & 27-12254) contain conditions requiring the water right holder to submit an annual report describing the mitigation provided for the year. The enclosed spreadsheet reflects the projected and actual mitigation for the year 2017 and the projected mitigation for the year 2018.

There is one structural change to the "Mitigation Required" section of the spreadsheet. The "residual impact to Blackfoot River" column has been added by Newfields to more accurately reflect the modeling of impacts to the Blackfoot River which are a combination of impacts in the year that groundwater is withdrawn and residual impacts from groundwater withdrawals in prior years.

The "Mitigation Balance" section of the spreadsheet projects a mitigation shortfall of 35.2 acre-feet in 2018. Accordingly, we have submitted an application to rent water from the Water Supply Bank to cover this shortfall. There are several water rights available for rent in the Upper Blackfoot River Basin above Blackfoot Reservoir; therefore, I don't expect any trouble renting water.

If you have any questions regarding this report, please give me a call.

Sincerely,

A handwritten signature in blue ink that reads 'T.J. Budge'.

T.J. BUDGE

c: Randy Vranes, Chris Leatherman (P4)
Marie Kellner (Idaho Conservation League)

Dewatering of North Pit and pumping well PW-1W were simulated using constant flux boundaries that removed water at a constant rate of 3.36 acre-feet and 0.22 acre-feet, respectively. The model was divided into four stress periods: the first stress period was 54 days to simulate dewatering North Pit; the second stress period was 29 days and simulates dewatering North Pit and pumping PW-1W; the third stress period is 136 days and simulates pumping PW-1W; and, the fourth stress period is 59 days, which simulates from the end of pumping to the end of 2017. Simulated flux at the end of 2017 for boundary conditions representing surface water features was compared to initial flux values prior to pumping. The difference between these values was assumed to be depletion in Blackfoot River flow.

Pond evaporation was calculated for sediment control ponds EP1, EP2, EP3, CP1, and NEP1. Pond evaporation was calculated using a constant surface area for each pond, the number of days each pond had water in it, and an evaporation rate of 0.039 inches per day, which was based on data from the Soda Springs station for shallow open water systems. **Table 1** presents the surface area and days with water in 2017 according to P4.

Table 1. Pond Surface Area and Days with Water.

Pond	Surface Area (acres)	Days with Water
EP1	1.8	214
EP2	0.2	122
EP3	0.5	91
CP1	1.0	214
NEP1	0.5	61

Dust abatement was calculated using information provided by P4 that included the location and amount of water diverted to water trucks for dust abatement during 2017.

Assessment of 2018 Consumptive Use

In 2018, consumptive water use will include dewatering flows during the planned advancement of North Pit and pumping from PW-1W for dust suppression. Diversion of groundwater for dust suppression is projected to be 35 acre-ft and occur for 227 days from early-April through mid-November.

Streamflow depletion in the Blackfoot River from 2018 pumping was estimated using the MODFLOW model updated by NewFields. Significant changes have occurred at the Mine since the original MODFLOW model was developed including the collection of groundwater elevation data and geologic information. NewFields used this information to update and recalibrate the numerical groundwater flow model based on the refined conceptual site model. The updated model includes backfill material in North Pit.

Drain Package (head dependent) boundary conditions were used to simulate dewatering of the west side of North Pit in 2018. Drain Package boundary elevations were set to decrease from an elevation of 6170 to 6080 feet above mean sea level (amsl) during the planned 55-day period of dewatering from 2 April to 27 May 2018.

Dewatering of this portion of the pit was simulated to occur in two phases. Dewatering of the northern half was simulated for the first 50 days followed by the southern half for the remaining 5 days. The model was divided into five stress periods: the first stress period is 30 days and simulates dewatering to an elevation of 6140 feet amsl in the northern half and pumping for dust suppression; the second stress period is 20 days and simulates dewatering to an elevation of 6080 feet amsl in the northern half and pumping for dust suppression; the third stress period is 5 days and simulates dewatering to an elevation of 6100 feet amsl in the southern half and pumping for dust suppression; the fourth stress period is 172 days and simulates pumping for dust suppression after cessation of pit dewatering; and the last stress period six is 46 days, which simulates from the end of pumping to the end of 2018. Simulated flux at the end of 2018 for boundary conditions representing surface water features was compared to initial flux values prior to pumping. The difference between these values was assumed to be depletion in Blackfoot River flow.

RESULTS

Attachment A is the completed 2017 mitigation reporting spreadsheet for the Mine based on the results of the analysis described above. The spreadsheet also includes the projected 2018 consumptive use. **Table 2** summarizes results of the analysis. Approximately 244.2 acre-feet of depletion occurred to the Blackfoot River and its tributaries in 2017 from 2017 pumping. This added to the residual impact (17.6 acre-feet) from 2016 suggest a total of almost 261.8 acre-feet of depletion in 2017. An estimated 2.2 acre-feet of water was lost to evaporation from ponds in 2017 and approximately 5.9 acre-feet of water was diverted from streams to be used for dust abatement. The model indicates there will be approximately 71.4 acre-feet of residual streamflow depletion in 2018 as a result of 2017 pumping.

The 2018 dewatering simulation predicts 334 acre-feet will be diverted from North Pit. Adding this to the projected 35 acre-feet of groundwater diversion for dust suppression results in an estimated 230.1 acre-feet of streamflow depletion in 2018. An estimated total stream flow depletion of 301.4 acre-feet will occur in 2018, including 71.4 acre-feet of residual depletion from 2017 pumping. The model indicates there will be approximately 138.9 acre-feet of residual streamflow depletion in 2019 as a result of 2018 pumping.

Table 2. Summary of Results.

Year	Groundwater Diversions			Predicted Impact to Blackfoot River			Pond Evaporation				Diverted from Surface Water
	Diverted from North Pit	Diverted from Mid Pit	Diverted for Dust Abatement	Depletion to Blackfoot River	Residual Depletion from Previous Year	Total Depletion to Blackfoot River	EP1	EP2	EP3	CP1	For Dust Abatement
2017	279.0	0.0	36.7	244.2	17.6	261.8 ^a	1.2	0.1	0.1	0.7	5.9
Projected 2018	334.0 ^b	0.0	35 ^b	230.1	71.4	301.5 ^a					
Projected 2019					138.9						

Note: all values presented in the table are in acre-feet.

a - Depletion includes residual depletion from pumping in the previous year.

b - Projected volume of diversion

Attachment: A – 2017 Mitigation Report

MITIGATION PROVIDED

YEAR	Water Right 27-49 (Blackfoot River)					Water Right 27-12002 (Slug Creek)					Water Rigt 27-11344 (Stock water)					Mitigation Provided	
	Consumptive Value (ac-ft) ⁱ	Percent Used for Mitigation		Mitigation Provided (ac-ft)		Consumptive Value (ac-ft) ⁱ	Percent Used for Mitigation		Mitigation Provided (ac-ft)		Consumptive Value (ac-ft) ⁱⁱⁱ	Percent Used for Mitigation		Mitigation Provided (ac-ft)			
		Projected	Actual	Projected	Actual		Projected	Actual	Projected	Actual		Projected	Actual				
2013	197.9	100%	100%	197.9	197.9	96.4	100%	100%	96.4	96.4	2.1	100%	100%	2.1	2.1	296.4	296.4
2014	197.9	100%	100%	197.9	197.9	96.4	100%	100%	96.4	96.4	2.1	100%	100%	2.1	2.1	296.4	296.4
2015	197.9	100%	100%	197.9	197.9	96.4	100%	100%	96.4	96.4	2.1	100%	100%	2.1	2.1	296.4	296.4
2016	197.9	100%	100%	197.9	197.9	96.4	100%	100%	96.4	96.4	2.1	100%	100%	2.1	2.1	296.4	296.4
2017	197.9	100%	100%	197.9	197.9	96.4	100%	100%	96.4	96.4	2.1	100%	100%	2.1	2.1	296.4	296.4
2018	197.9	100%		197.9	0	96.4	100%		96.4	0.0	2.1	100%		2.1	0.0	296.4	0.0
2019	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2020	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2021	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2022	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2023	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2024	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2025	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2026	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2027	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2028	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2029	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2030	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2031	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2032	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0
2033	197.9			0	0	96.4			0.0	0.0	2.1			0.0	0.0	0.0	0.0

ⁱ Mitigation calculated based on grass pasture using ET Idaho data for the Soda Springs station
ⁱⁱ Based on stockwater consumption of 20/gal/day for 250 cow-calf pairs from May 15-Oct 1

MITIGATION BALANCE (all figures in acre-feet)

YEAR	Mitigation Required		Mitigation Provided		Mitigation Balance	
	Projected	Actual	Projected	Actual	Projected	Actual
2013	33.0	35.2	296.4	296.4	263.41	261.21
2014	229.1	300.7	296.4	296.4	67.28	(4.25)
2015	209.0	291.2	296.4	296.4	87.41	5.17
2016	31.9	76.8	296.4	296.4	264.51	219.61
2017	274.9	269.9	296.4	296.4	21.52	26.50
2018	331.7		296.4		(35.24)	
2019						
2020						
2021						
2022						
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