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JAN 27 2017

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

DEPARTMENT OF
WATER RESOURCES

NOTICE OF PROTEST

This form may be used to file a protest with the department under sections 42-108B, 42-203A, 42-203C, 42-211, and 42-222, Idaho Code. The department will also accept a timely protest not completed on this form if it contains the same information.

1. Matter being protested Application to Transfer No. 81369
2. Name of protestant Wells Fargo Bank, lienholder on land and appurtenant water rights
3. Protestant's Representative for service (If different than protestant)
Linda B. Jones, Holland & Hart LLP
Holland & Hart - 800 W. Main St., Suite 1750, Boise, Idaho 83702
4. Service mailing address Wells Fargo Bank - 299 S. Main Street, 6th Floor, Salt Lake City, Utah 84111
208-342-5000 Holland & Hart
5. Service telephone no. 385-415-8221 Wells Fargo Email Address: ljones@hollandhart.com
6. Basis of protest (including statement of facts and law upon which the protest is based)

Please see attached protest statement

(additional pages may be attached to describe nature of the protest)

7. What would resolve your protest? Applicant needs to provide Protestant with an appraisal(s) to quantify the change in value of the Protestant's collateral if the Transfers are approved and are implemented, and the value of Protestant's collateral following approval of the Applicant's plan to implement additional transfers. With appraised valuations, Protestant can evaluate whether it will consent to the proposed changes and consent to release the water rights (as transferred) from the mortgage lien.

I hereby, acknowledge that if I, or my designated representative, fails to appear at any regularly scheduled conference or hearing in the matter of which I have been notified at the address above, the department may issue a notice of proposed default against me in this matter for failure to appear. I also verify that I have served a copy of this protest upon the applicant.

Signed this 27 day of JANUARY, 20 17.

[Signature]
Protestant

[Signature]
Protestant's Representative

Receipt
#C102954

State of Idaho Department of Water Resources
Notice of Protest
Application to Transfer No. 81369
Basis of Protest Statement

Protestant holds liens on the water rights that are subject of the Transfer, and the land to which the water rights are appurtenant, both the land proposed to be sold to NKC Great Plains, LLC ("NKC") and the land being retained by Walker Land & Cattle, LLC ("Walker"). The result of this Transfer and companion Transfer No. 81368 (also being protested) is to reduce the water available for irrigating the land being retained by Walker, in favor of the land to be sold to NKC. A letter filed with the Transfers explains that Walker is aware of a disparity in cfs/acre created by the Transfers and has agreed to accept it. Protestant, on the other hand, has not agreed to accept the disparity and needs to understand how the Transfers will impact the value of Protestant's collateral. The letter also indicates that Walker intends to file one or more additional transfers to exchange portions of water rights appurtenant to the retained lands with water rights appurtenant to other lands owned by Walker in the vicinity. Protestant needs to understand what is planned for the subsequent transfers, when these additional transfers will be filed, how long it will take to process them, the likelihood that they will be approved, the extent to which they correct or mitigate the disparity in cfs/acre, and any impact to the value of the retained collateral after these additional transfers. The subject Transfers also transfer to NKC water rights with priority dates senior to the water right being transferred to Walker's retained land. Protestant needs to understand the potential impact to Walker's retained lands, as compared to the position of land proposed to be sold to NKC, in times when water rights may be curtailed, under any water right settlement/mitigation agreements and otherwise. Protestant must release the lands to be sold, and appurtenant water rights, from the existing mortgage. Protestant must consent to the Transfers in order to accomplish the proposed changes and lien release.



January 27, 2017

VIA HAND DELIVERY

Idaho Department of Water Resources
322 E. Front Street
Boise, ID 83702

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**DEPARTMENT OF
WATER RESOURCES**

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FEB 03 2017

**Department of Water Resources
Eastern Region**

Re: Protest of Applications to Transfer Nos. 81368, 81369 and 81370

Dear Sir or Madam:

Enclosed for filing on behalf of our client, Wells Fargo Bank, National Association ("Wells Fargo"), are three protest forms covering Applications to Transfer Nos. 81368, 81369 and 81370. We also enclose a check in the amount of \$75.00 to cover the filing fees.

Wells Fargo holds liens on the subject water rights and lands to which they are appurtenant. The proposed transfers were filed in connection with a proposed sale of a portion of the land. Wells Fargo was aware of the pending sale, but learned of the protested transfers upon receipt of the notice of publication. Wells Fargo's initial consent to the sale was based on a certain appraisal and stated purchase price. Wells Fargo protests the transfers and seeks confirmation that the transfers will not adversely impact the value of its collateral.

These Transfers are being processed by Blake Jordan in the Eastern Regional Office in Idaho Falls. We have sent electronic copies of the protests to the Eastern Regional Office.

We also sent today, electronically and by U.S. mail, copies of the protests to Robert J. Maynes, counsel to Walker Land & Cattle, LLC, and to Thomas J. Budge, counsel to NKC Great Plains, LLC.

Please contact the undersigned if you have questions about the protests or if you require anything else from the Protestant at this time.

Very truly yours,


Linda B. Jones, Esq.
of Holland & Hart, LLP

LBJ/tan

Enclosures

cc: Sharla Cox/DWR Eastern Regional Office (via email)
Blake Jordan/DWR Eastern Regional Office (via email)
Gregory Mondon (Wells Fargo Bank)

Holland & Hart LLP Attorneys at Law

Phone (208) 342-5000 Fax (208) 343-8869 www.hollandhart.com

800 W. Main Street Suite 1750 Boise, ID 83702-5974 Mailing Address P.O. Box 2527 Boise, ID 83701-2527

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