

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT

This is to certify that: **TELFORD LANDS LLC**
1450 W HWY 24
PAUL ID 83347
(208)431-5957
telfordsunvalleyseed@gmail.com

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	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-618	9/1/1884	Big Lost River	Sinks	0.42 cfs	NA	18.1 ac
34-7179	4/6/1982	Ground Water	NA	0.02 cfs	NA	18.1 ac
Total Annual Combined Limit				0.44 cfs	63.4 af	18.1 ac

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-7179	4/6/1982	Ground Water	NA	0.34 cfs	154.4 af	NA
34-2330B	6/1/1977	Ground Water	NA	0.23 cfs	55.9 af	16.0 ac
34-7077	9/5/1974	Ground Water	NA	1.04 cfs	91.2 af	25.0 ac
34-7080B	9/23/1974	Ground Water	NA	0.69 cfs	130.4 af	37.3 ac
34-7092	1/14/1975	Ground Water	NA	1.56 cfs	289.5 af	82.7 ac
34-7121A	1/9/1976	Ground Water	NA	0.06 cfs	22.0 af	37.3 ac
34-7121B	1/9/1976	Ground Water	NA	0.49 cfs	144.1 af	41.2 ac
34-12376	6/1/1977	Ground Water	NA	0.16 cfs	39.9 af	11.4 ac
34-13840	4/6/1982	Ground Water	NA	0.16 cfs	32.4 af	9.3 ac
34-13842	12/17/1975	Ground Water	NA	0.06 cfs	25.6 af	18.2 af
Total Annual Combined Limit				4.82 cfs	905.1 af	276.7 ac

Water Right	Priority Date	Source	Tributary	Leased Rate	Annual Leased Volume	Total Leased Acres
34-13659	6/1/1889	Big Lost River	Sinks	0.13 cfs	NA	NA
34-13661	6/1/1896	Big Lost River	Sinks	0.13 cfs	NA	NA
Total Annual Combined Limit				0.13 cfs	19.6 af	5.60 ac

Annual Combined Lease Totals **5.26 cfs 988.1 af 276.7 ac**

Term of Rental: **January 1, 2015 to December 31, 2015**
Rental Fee: **\$1,679.77**

The fee for rental of the above-described water is \$16,797.70. Because you own the above referenced water rights you are obligated to pay ten percent (\$1,679.77) to the Department for administrative costs only. No rental fees will be refunded once the fee is collected and the start date for a Rental Agreement has passed.

Detailed water right conditions are attached.

SUPPORT DATA

IN FILE # 34-618

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

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:

Telinda Landa by Mike Telford Mike Telford 6-11-15
Signature of Renter Printed Name and Title* Date

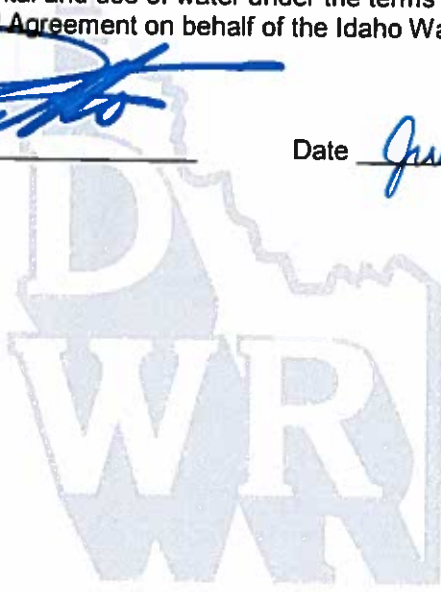
Signature of Renter Printed Name and Title* Date

*Please provide title of signatory 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
BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date June 16, 2015



STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

34-618, 34-13659 and 34-13661

BIG LOST RIVER

SESE

Sec. 4, Twp 05N, Rge 26E, BUTTE County

34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13840, and 34-13842

GROUND WATER

NWNW

Sec. 21, Twp 05N, Rge 26E, BUTTE County

GROUND WATER

NWSE

Sec. 29, Twp 05N, Rge 26E, BUTTE County

GROUND WATER

SWNE

Sec. 32, Twp 05N, Rge 26E, BUTTE County

GROUND WATER

NWSE

Sec. 32, Twp 05N, Rge 26E, BUTTE County

GROUND WATER

L3 (NENW)

Sec. 5, Twp 04N, Rge 26E, BUTTE County

GROUND WATER

L2 (NWNE)

Sec. 4, Twp 04N, Rge 26E, BUTTE County

GROUND WATER

L2 (NWNE)

Sec. 4, Twp 04N, Rge 26E, BUTTE County

GROUND WATER

SWSW

Sec. 1, Twp 03N, Rge 26E, BUTTE County

GROUND WATER

NWNW

Sec. 1, Twp 03N, Rge 26E, BUTTE County

BENEFICIAL USE

IRRIGATION

SEASON OF USE

4/1 to 10/31 34-2330B, 34-12376, 34-13840

4/1 to 11/01 34-7077, 34-7080B, 34-7121B, 34-7179, 34-13842

4/15 to 10/15 34-7092, 34-7121A

5/1 to 10/15 34-618, 34-13659, 34-13661

RENTER'S PLACE OF USE:

IRRIGATION

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
13N	26E	14					39	36	40	40	40	40	40	40					315
		15	39	40	40	40	39	39	40	40	40	40	40	40	40	40	40	40	637
		16	39	39	40	40									40	40	39	39	316
		22	40	40	40	40	40	40	40	40									320
		23	40	40	40	40					40			33	39	40	40	40	392

Total Acres: 1,980.0

Acre Limit: 276.7

CONDITIONS APPLICABLE TO ALL RENTED WATER RIGHTS

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.
4. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.

5. 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.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.
8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. A lockable device subject to the approval of the Department shall be maintained on the diverting works in a manner that will provide the watermaster suitable control of the diversion.
11. This rental agreement does not authorize the construction of a well.
12. **The renter must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.**
13. This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 3.5 afa per acre at the field headgate for irrigation of the lands above.
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. 34.
15. Rights 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13840, and 34-13842 may only be rented for use as a supplemental right in conjunction with a primary surface water right.
16. Rights 34-618, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-7179, 34-12376, 34-13659, 34-13661, 34-13840, and 34-13842 are delivered through the Moore Diversion and/or the Timberdome Canal.
17. The right holder shall make full beneficial use of all surface water rights available to the right holder for irrigation of the land authorized to be irrigated under this right. The right holder shall limit the diversion of ground water under this right to those times when the surface water supply is not available or the surface water supply is not reasonably sufficient to irrigate the place of use authorized under this right.
18. Should all or any portion of water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-7179, 34-13840, and 34-13842 ever be curtailed as a result of a delivery call, the irrigated place of use for water right nos. 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842 (all describing a place of use of 258.6 acres) and water right no. 34-7179 (276.7 acres) shall be reduced by the number of irrigated acres authorized to be irrigated by the individual water right that is curtailed.

CONDITION APPLICABLE TO RIGHT 34-618

19. The of use for irrigation described above may be extended in seasons of unusual period characteristics to a beginning date of 04/20 and an ending date of 10/31 at the discretion of the Director of the Idaho Department of Water Resources.

CONDITIONS APPLICABLE TO RIGHT 34-7092

20. The period of use for the irrigation described in this approval may be extended to a beginning date of 4/1 and an ending date of 10/31 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 4/15 and after 10/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than 7/15/2002.

**STATE OF IDAHO
WATER RESOURCE BOARD**

**APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK**

RECEIVED

DEC 15 2014

DEPARTMENT OF
WATER RESOURCES

This application must be prepared in accordance with the minimum requirements listed to be acceptable for processing by the Department. Incomplete applications will be returned.

Name of Renter(s) Telford Lands LLCMailing Address 1450 W. Hwy 24, Paul, ID 83347Phone (208) 431-5957Email telfordsunvalleyseed@gmail.com**A. DESCRIPTION OF WATER SOUGHT FOR RENT**

1. Maximum Flow Rate (cfs) 5.18 cfs Maximum Volume (ac-ft) 968.5 AF Nature of Use Irrigation Period of Use 4/1 to 10/31

to to

to to

Total: 5.18 cfs 968.5 AF

2. Source of water Big Lost River and Ground water tributary to

3. Point(s) of Diversion:

TWP	RGE	SEC	GOVT LOT	1/4	1/4	1/4	County
							SEE ATTACHMENT

4. Lands to be irrigated or place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
			SEE	ATT	ACH	ED	PO	U S	PRE	DS	HEE	T							
			No	new	acre	s wil	I be	irr	iga	ted.									

If the use is for irrigation, show total number of acres proposed through rental.

Total Acres 1980**B. OWNERSHIP**

1. Do you own the land at the proposed point of diversion?

Yes ☒ No ☐

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed point of diversion.

2. Do you own the land at the proposed place of use?

Yes ☒ No ☐

If no, list owner, contact information, and attach a copy of the agreement or other written authority to use the proposed place of use.

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system.
Wells and pumps into ditch system, and Moore Canal for the Big Lost River water rights.
2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.
34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842, 34-13659, and 34-13661.
3. Will the proposed place of use receive water from any other source? Yes ☒ No ☐
If yes, describe. From the water rights already appurtenant to the above-described place of use (Water Right Nos. 34-2459, 34-2460, 34-2461, 34-2462, 34-10925, 34-7037, and 34-7138).
4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. n/a
5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental? Yes ☐ No ☒
If yes, describe. _____
6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation? Yes ☐ No ☒
If yes, describe. _____

E. RENTAL TERM

- Do you wish to rent water from the Board's bank for more than one (1) year? Yes ☒ No ☐
If yes, please specify the number of years desired through proposed rental. 5 years

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.

If this application is approved, the applicant agrees to the following:

1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
4. The Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Signature of Applicant
Robert L. Harris
Signature of Applicant

Printed Name and Title*
Robert L. Harris, Attorney
Printed Name and Title*

Date
Dec. 9, 2014
Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

RENTAL proposed Points of Diversion	Comments
NWSESE, 5N, 26E, Sec. 4	This POD is the <u>same</u> surface water POD as the companion lease application water rights. Surface water diversion (diversion of surface water at this point will stay the same--water will go from the end of the delivery system over to the former Isom farm.
L2(NENWNE) 4N, 26E, Sec.4 (Dad's Place Well) L3 (NENENW), 4N, 26E, Sec. 5 (Niederer well) SWNWNW, 5N, 26E, Sec. 21 (Burnett Well) SENWSE, 5N, 26E, Sec. 29 (Babcock Well) SESWNE, 5N, 26E, Sec. 32 (N. McAfee Well) SENWSE, 5N, 26E, Sec. 32 (S. McAfee Well) L2(NWNWNE) 4N, 26E, Sec.4 (River 2 Well)	These PODs are the <u>same</u> as the PODs in the companion lease application water rights. Water will still be diverted from these wells, but will go to supplant already irrigated acres on Telford's other farm (the former Isom farm) through the end of the delivery system over to the former Isom farm. The River 2 well is in the process of being drilled.
SWSESW, 3N, 26E, Sec. 1 (the "Big Hole") NWNWNW, 3N, 26E, Sec. 1 (Mark's Well)	This Big Hole is a new POD developed from a previously existing well. Mark's well was previously developed under Permit No. 34-2486

TELFORD RENTAL PLACE OF USE

[illegible]

WATER BANK AMOUNTS

Water Right No.	Individual Direction Rule Limitation (%) 1300% of TOTAL	Combined Direction Rule Limitation (%) 1300% of TOTAL	Individual Volume Limitation (AF) 1300% of TOTAL	Combined Volume Limitation (AF) 1300% of TOTAL	Individual Acre Limitation 1300% of TOTAL	Total Project (Use) 1300% of TOTAL
34-616	0.42	0.44	79	62.56	16.11	276.70
34-7175	0.02		78		7070	
34-7175 (bottom)	0.34		154.44		13.95	
34-23265	0.23		55.89		20.05	
34-7077	1.04		91.19		37.26	
34-70808	0.59	130.40	37.26	62.72		
34-7062	1.56	4.85	289.53	508.87	37.26	
34-7121A	0.05		22.02		41.17	
34-7121B	0.49		144.26		11.40	
34-12376	0.16		36.80		9.25	
34-13640	0.16		32.37		18.24	
34-13642	0.06		25.56	16.61	5.80	
34-13649	0.13		None			
34-13661	0.13		None			
TOTALS	5.50	6.36	965.79	965.06	303.02	276.70

0.1302

1

**Attorney Roster Search - Individual Attorney Result
(as of 11/14/14)****Robert Lynn Harris**

Address: PO Box 50130
Idaho Falls, ID 83405
Firm: Holden, Kidwell, Hahn & Crapo, PLLC

Phone: (208) 523-0620 Ext.
FAX: (208) 523-9518

E-Mail Address: rharris@holdenlegal.com
Website Address: www.holdenlegal.com

ISB Membership Number: 7018
Admittance Date: Sep/30/2004
Status: Active

Address Change Form

The information above is based on the Idaho State Bar records as of the date listed above. To send us an update on your own listing, please use the online Address Change Form or send an email to the Licensing Department. Please notify the Licensing Department if you find that another attorney's information is incorrect. Questions on attorney status and good standing should also be directed to the Licensing Department at (208) 334-4500.

Current Status Definitions

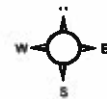
Contact the Bar Counsel's Office at (208) 334-4500 to request a disciplinary history on an attorney.

Information on former members of the Idaho State Bar is limited to name, admission date and status. The online records include former members going back to approximately 1994. Records on former members from before 1994 are not available online. Please contact the Licensing Department for more information on former members.

P.O. Box 895 Boise Idaho 83701 ph (208) 334-4500 fax (208) 334-4515

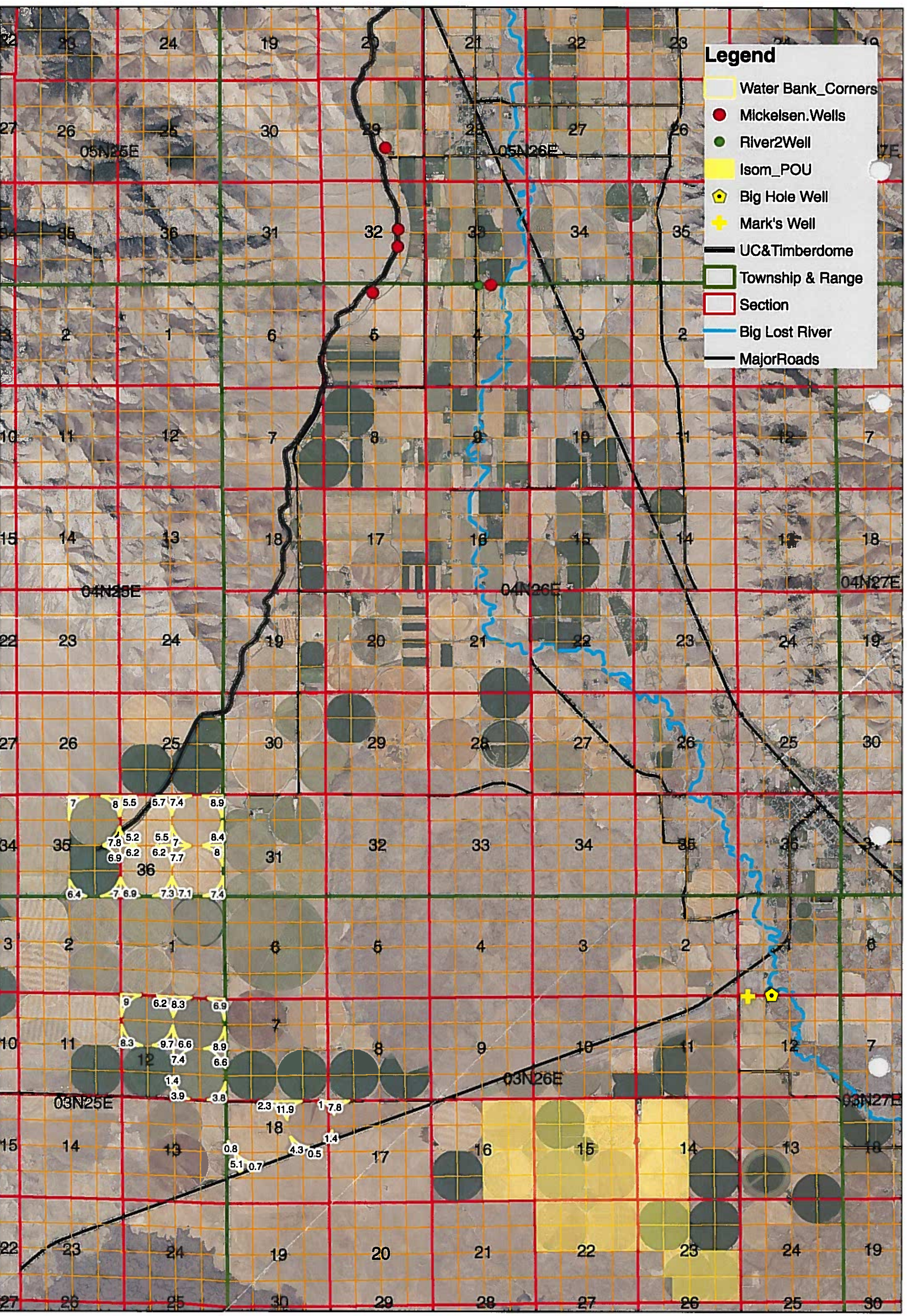
[Idaho State Bar](#) | [Idaho Law Foundation](#) | [Idaho.gov](#) | [Site Map](#) | [Contact Us](#)

TELFORD LANDS LLC WATER BANK RENTAL



Prepared by:
Robert L. Harris
Sept.29, 2011

0 2,700 5,400 10,800 Feet



Legend

Water Bank_Corners

Mickelsen.Wells

River2Well

Isom_POU

Big Hole Well

Mark's Well

UC&Timberdome

Township & Range

Section

Big Lost River

MajorRoads

MEMORANDUM

DATE: September 17, 2015
TO: Water Right File 34-618
FROM: Clay Webster

RE: Telford Lands WSB Rental POU Error

During creation of shapes for the Telford Lands rental of this right, the department found that the POU was identified in the wrong location on the rental agreement. This shape was incorrectly identified as in Township 13N. The correct locations is in Township 3N.



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 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER

Governor

June 17, 2015

GARY SPACKMAN

Director

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092,
34-7121A, 34-7121B, 34-12376, 34-13840, 34-13842, 34-13659 AND 34-13661

Dear Renter:

Please find enclosed a receipt in the amount of **\$1,679.77** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 988.1 acre-feet of water for irrigation of 276.7 acres during 2015. 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, the rental fee will be retained by the Department to offset administrative costs since you are the owner of the right(s)

If you have any questions, please contact me at (208) 287-4881.

Sincerely,

Sandra Thiel
Senior Water Resource Agent

Enclosure(s): Receipt No. C100611
Rental Agreement (copy)

c: Sascha Marston – Fiscal
James Cefalo – IDWR Eastern Regional Office
Lucas Yockey – State Water District No. 34
Robert Harris – Holden Kidwell Hahn & Crapo



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 • Website: www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

June 5, 2015

TELFORD LANDS LLC
1450 W HIGHWAY 24
PAUL ID 83347-8666

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 34-618, 34-7179, 34-2330B, 34-7077, 34-7080B, 34-7092, 34-7121A,
34-7121B, 34-12376, 34-13840, 34-13842, 34-13659 AND 34-13661**

*****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.

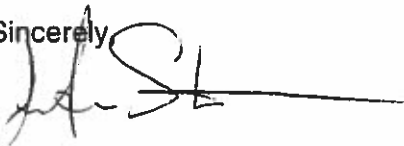
A rental fee of **\$16,797.70** was calculated based on the current rental rate of \$17.00 per acre-foot times a diversion volume of 988.1 acre-feet. Since you are both the lessor and the renter of the right(s), **you are only obligated to pay the 10% administrative fee or \$1,679.77.** The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

Please send a check for \$1,679.77 made payable to the Idaho Department of Water Resources, together with the signed rental agreement, within 14 days so I can complete processing.

PLEASE NOTE: you must diligently pursue a permanent water right to provide for the uses authorized under this rental agreement.

If you have any questions, please contact me at (208) 287-4881.

Sincerely,


Sandy Thiel
Senior Water Resource Agent

Enclosure(s): Rental Agreement

c: IDWR Front Desk
Robert Harris- Holden Kidwell Hahn & Crapo PLLC

Thiel, Sandra

From: Rob Harris [rharris@holdenlegal.com]
Sent: Thursday, May 28, 2015 8:30 AM
To: Thiel, Sandra
Subject: RE: Signed Water Bank Lease Agreement
Attachments: Telford.2015.Water Bank. Map 1.pdf; Telford.2015.Water Bank. Map 2.pdf

Sandra:

Attached is a map showing the 276.7 acres overall, and the second map shows the acres by quarter quarter. Let me know if you have any further questions. Because of the attachments, please confirm that you received this email.

Thanks,

Rob Harris

From: Thiel, Sandra [mailto:Sandra.Thiel@idwr.idaho.gov]
Sent: Thursday, May 21, 2015 10:15 AM
To: Rob Harris
Subject: RE: Signed Water Bank Lease Agreement

Good morning, I am finishing up the lease and rental for Telford. Can you please send me a map that identifies the 276.7 acres they will irrigate? We are not renting for permissible places of use in the Bank.

From: Rob Harris [mailto:rharris@holdenlegal.com]
Sent: Friday, May 15, 2015 2:41 PM
To: Thiel, Sandra
Cc: soremd@gmail.com; Mike Telford
Subject: RE: Signed Water Bank Lease Agreement

Sandra:

I have looked into the ownership issue, and the County has made an error. I was able to track down the deed I submitted with the original ownership change for the Mickelsen water rights. Attached is the deed where Telford Lands obtained the Mickelsen Farm. On the last page, Telford was conveyed the entire SE1/4 (160 acres) of Section 35 of Township 4 North, Range 25 East, which includes the SWSE (40 acres) and the SESE (40 acres) that you inquired about. Mr. Sorensen does not own these parcels. I've copied him on this email, and have confirmed with him that he does not own these parcels.

With this information, you should be able to issue the approval as soon as you can. Thanks for your attention to this. Please confirm that you received this email because it has an attachment.

Thanks,

Rob Harris

From: Thiel, Sandra [mailto:Sandra.Thiel@idwr.idaho.gov]
Sent: Monday, May 11, 2015 9:06 AM
To: Rob Harris
Subject: RE: Signed Water Bank Lease Agreement

My apology for the links. I attached the documents. Is it possible that the land recently changed owners? We receive updated parcel information from the county yearly.

From: Rob Harris [<mailto:rharris@holdenlegal.com>]
Sent: Monday, May 11, 2015 8:43 AM
To: Thiel, Sandra
Subject: RE: Signed Water Bank Lease Agreement

Sandra:

I am looking into this, but I think there may have been an error in the deed. I will try and get to the bottom of that as soon as possible.

Also, the links below do not work. Is there any way you can resend?

Thanks,

Rob Harris

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Monday, May 04, 2015 2:43 PM
To: Rob Harris
Subject: RE: Signed Water Bank Lease Agreement

Hello, I found a voided rental agreement but I haven't found anything that says the lease was voided. The lease extension was granted in a letter dated December 9, 2011.

[\\a012\DocsData\\$\WATERRIGHTS\34\WRSECURE\hmp601 .PDF](\\a012\DocsData$\WATERRIGHTS\34\WRSECURE\hmp601 .PDF)

The following document is the lease application that identifies the acres to be leased under 34-7092. I have attached a jpg that shows those acres as irrigated in 2014.

The acres to be dried up are identified on the last page. I will take steps to void the lease for this right.

[\\a012\DocsData\\$\WATERRIGHTS\34\DSMITH\33201 .pdf](\\a012\DocsData$\WATERRIGHTS\34\DSMITH\33201 .pdf)

To address the ownership issue.... Although the Telfords own the water right we still need the consent on Mr. Sorensen to lease the right. Has that water been used on his property?

From: Rob Harris [<mailto:rharris@holdenlegal.com>]
Sent: Monday, May 04, 2015 11:16 AM
To: Thiel, Sandra
Cc: telfordsunvalleyseed@gmail.com
Subject: RE: Signed Water Bank Lease Agreement

Sandra:

Thank you for the information. As to land ownership, I will check with my clients, but we also represent Mitch Sorensen and he was just fine with this before. The water right is in my client's name even though they are used on land owned by Mitch. Do you still need a consent from Mitch if my client has title to the water rights?

Finally, as to 34-7092, my review of the backfile shows that the prior rental was voided, and we wanted it to be voided. At the time of the rental, we added a well (the Big Hole) as an authorized POD to see if it could actually yield water on a consistent basis. We determined that it did, and used the Big Hole under other authorization since 2013 such that we did not need the water bank rental. The water from the Big Hole was used to supplement already existing water rights

on the so-called "Isom Farm" (Water Right Nos. 34-2459, -2460, -2461, -2462, -7092 (and I think a few more)), so the POU was irrigated, but not illegally in 2014 without the water bank rental for 34-7092. I thought that we previously consented to terminate the lease of 34-7092, but certainly, if you need that again, you have our authorization to terminate the prior lease. I've copied my client on this email so he is fully aware of what is occurring.

Thank you for your attention to this. With tough water supply conditions, we know there is a lot on your plate, but we appreciate your attention to this application and we hope it can be issued and approved this week. If you think you need a consent from Mitch Sorensen, let me know, but because the water rights are owned by my client, I don't think a consent is necessary.

Thanks,

Rob Harris

From: Thiel, Sandra [<mailto:Sandra.Thiel@idwr.idaho.gov>]
Sent: Friday, May 01, 2015 5:04 PM
To: Rob Harris
Subject: RE: Signed Water Bank Lease Agreement

Hello, I received the Smith Trust document. Thank you.

I am working on the Telford lease/rental and have a question about land ownership. The table included with the lease applications lists acres in T4N R25E Section 35, SWSE (6.4 acres) and SESE (7 acres). According to our tax records that land belongs to Mitchell Sorensen. Do you have an agreement between Telford Land and Mr. Sorensen that allows them to lease a portion of the water right?

Also, right 34-7092 is currently leased into the bank through 2016. There was a rental for that water but it expired in 2014. If you would like to keep this right in the current lease/rental group, I would like your client's consent to terminate the existing lease contract. I have also looked at the aerial photography and Landsat imagery. The place of use identified in the lease contract was irrigated in 2014.

From: Rob Harris [<mailto:rharris@holdenlegal.com>]
Sent: Friday, May 01, 2015 1:09 PM
To: Thiel, Sandra
Subject: Signed Water Bank Lease Agreement

Sandra:

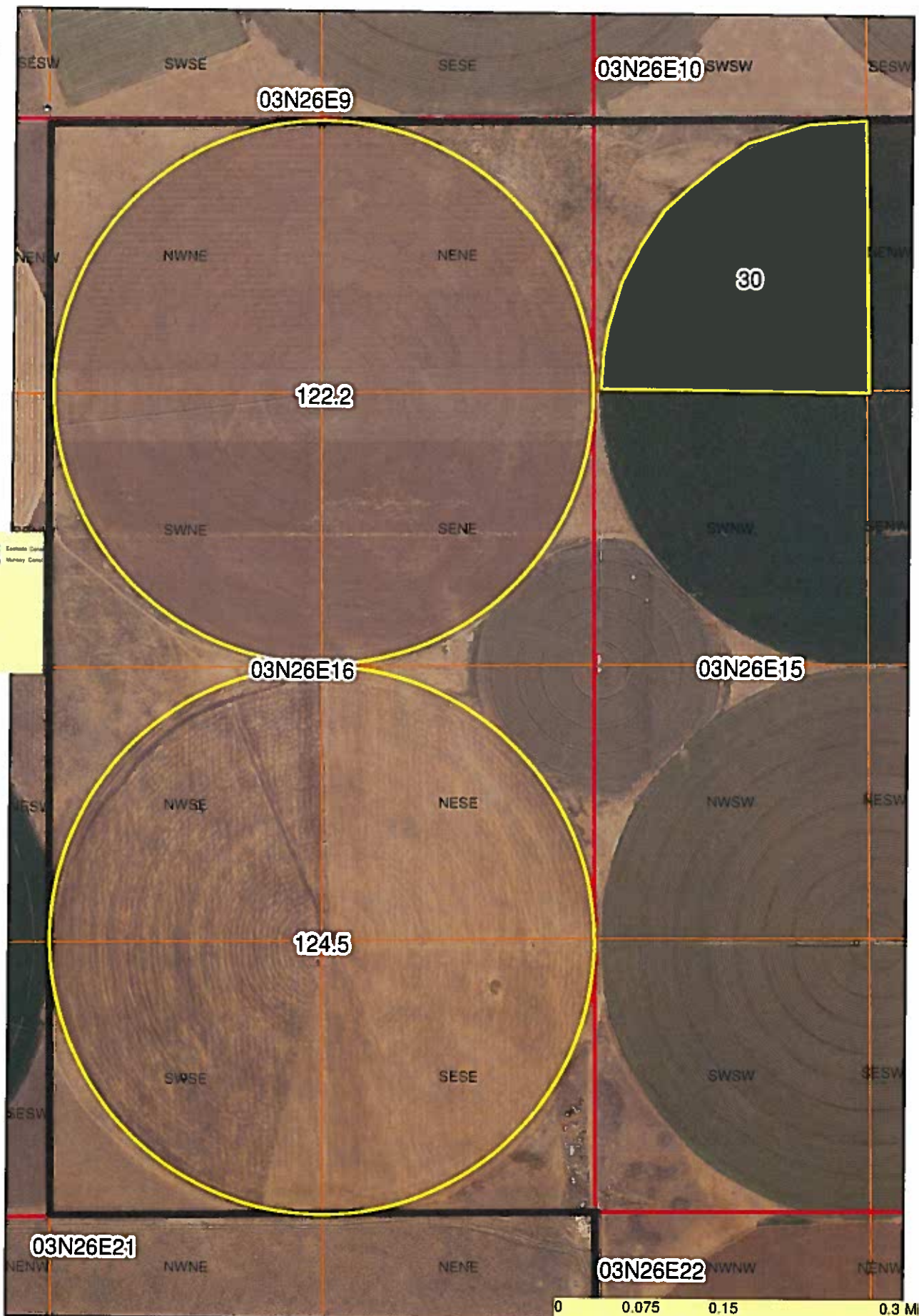
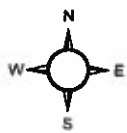
Attached is a signed water bank lease agreement and cover letter (the Smith Trust). The original will be sent by mail. Please confirm that you received this email.

Thanks,

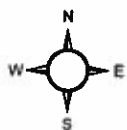


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Fax: (208) 523-9518

TELFORD LANDS, LLC WATER BANK



TELFORD LANDS, LLC WATER BANK



To: Idaho Department of Water Resources

From: Big Lost River Irrigation District

Subject: Telford Lands LLC Water Bank Consent: Water Right Nos. 34-13659 and 34-13661.

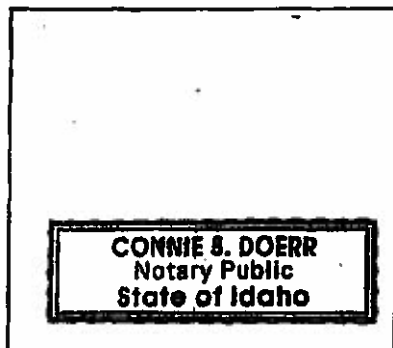
4-17-2015
The Big Lost River Irrigation District ("BLRID") is the owner and operator of the Moore Diversion and ~~Westside Canal~~. Telford Lands LLC owns Water Right Nos. 34-618, 34-13659, and 34-13661 (the "Water Rights"), which authorize diversion of water from the Big Lost River, and has a valid transport agreement for these water rights to be delivered through the Moore Diversion and ~~Westside Canal~~. It is our understanding that Telford Lands LLC has submitted water bank applications to allow a stacked portion the Water Rights as well as a stacked portion of ground water rights allocated to approximately 276 acres of pivot corners to be used on lands that the water right acres are not currently appurtenant to. The use of water on different acres will not require any changes to how the Water Rights will be diverted and conveyed through the BLRID system, and therefore, will not have an impact on water deliveries through our system. The water bank lease and rental were previously in place, and we understand that the current applications are to continue what was done previously. BLRID has no objection to Telford Lands LLC's water bank applications, and I have the authority on behalf of BLRID provide this consent.

Joel S. Anderson
Printed Name: Joel S. Anderson

STATE OF IDAHO)
CUSTER) ss.
COUNTY OF BUTTE)

On this 7th day of April, 2015, before me, a Notary Public for said County and State, personally appeared Mike Telford, known or identified to me, to be the person whose name is subscribed to the within instrument as the _____ of the Big Lost River Irrigation District, and acknowledged to me that he executed the same on behalf of said district.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Connie Doerr
Notary Public
Residing at Mackay ID
My commission expires 12-17-2018