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RANDALL C. BUDGE
rcb@racinelaw.net

November 26, 2014

RECEIVED

NOV 28 2014

Department of Water Resources
Eastern Region

James Cefalo
Idaho Department of Water Resources
Eastern Region
900 N. Skyline Drive, Suite A
Idaho Falls, Idaho 83402

Re: P4 Production, LLC Transfer No. 79037

Dear Mr. Cefalo:

Enclosed for filing is the original Stipulated Settlement Agreement between the Applicant P4 Production, LLC and all Protestants, excepting only Nedra C. Torgesen and Brian Torgesen.

While we are hopeful that the Torgesens will join with all other parties and sign the Agreement, we cannot delay getting approval of the transfer and request the matter be scheduled for hearing. The scheduled hearing date of January 6, 2015 at 10:00 a.m. in Soda Springs is acceptable to address issue of the Protestant Torgesens and would appreciate if notice would be sent out accordingly.

If you have any questions please don't hesitate to contact me. By copy of this letter and the enclosure, I am advising the parties of the foregoing.

Sincerely,

RANDALL C. BUDGE

RCB:ts
Enclosure
C: All Protestants



Randall C. Budge (ISB# 1949)
Thomas J. Budge (ISB# 7465)
Racine Olson Nye Budge
& Bailey, chartered
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Attorneys for P4 Production, LLC

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NOV 28 2014

Department of Water Resources
Eastern Region

IDAHO DEPARTMENT OF WATER RESOURCES

In the Matter of Application for Transfer
No. 79037 in the Name of P4 Produc-
tion, LLC

**Stipulated Settlement
Agreement**

Comes now Applicant P4 Production, LLC ("P4") and Protestants City of Soda Springs, Farmers Land and Irrigation Company of Alexander, Idaho, Ltd., John Lau, Pat Lozier, Nedra C. Torgesen and Brian Torgesen (collectively "Protestants") and in full compromise and settlement of all matters presented by P4's pending Transfer No. 79037 and Protestants' protests pertaining thereto, do hereby stipulate and agree as follows:

1. P4's Application for Transfer No. 79034 as amended shall be approved by order of the Department without further notice of hearing, subject to the conditions described in paragraphs 2, 3, 4 and 5 below, which shall be included in the approval order.

2. Prior to the diversion and use of water at the new points of diversion and place of use added by Transfer No. 79034 in the SE ¼ SE ¼ and SW ¼ SE ¼, Section 19, Township 8S, Range 42E. B.M., commonly referred to as the "North Wells", P4 shall obtain approval from the Department of a mitigation plan that provides mitigation for any reduction in water flows causing material injury to Protestant's senior water rights in Soda Creek; and, also to the John Lau unlicensed stock water wells known as the "Windmill Well" located in the NW ¼ and NW ¼ of Section 19 and the "New Well" located in the SE ¼ SE ¼ of Section 13, Township 8S, Range 41E. B.M., as a result of P4's construction and operation of the North Wells. The mitigation

plan will reflect the incremental increase in depletions associated with the proposed rate of diversion at the North Wells, offset by the incremental decrease in depletions associated with the operation of the four additional points of diversion by P4 resulting from diversion and operation of the four additional points of diversion at the South Plant Fence Line located in the SE1/4 of Section 31, Township 8S, Range 42E. B.M., TW-75, TW-83, TW-80 and TW-58. Upon filing of such mitigation plan, such Protestants will be provided copies and forwarded a reasonable opportunity to review and provide comments.

3. The rate of diversion at the well located in the SE ¼ NW ¼ of Section 25, Township 8S, Range 41E, commonly known as the "Quarry Well", Water Right No. 11-2144, shall be limited to a annual average diversion rate of 2.0 cfs. In the event that P4 wishes to increase the rate of diversion from the Quarry Well it shall first obtain approval from the Department of the mitigation plan that provides for mitigation for any reduction in water flows causing material injury to Protestants' senior water rights in Soda Creek as a result of P4's rate of diversion above 2.0 cfs. Upon filing of such mitigation plan, such Protestants will be provided copies and forwarded a reasonable opportunity to review and provide comments.

4. The diversion conditions described above pertain to the North Wells and the Quarry Well shall not limit or other otherwise affect P4's right to the beneficial use of all amounts of water available under the water rights which are subject matter of this transfer, being 11-2102, 11-2107A, 11-2107B, 11-2141 and 11-2144.

5. P4 will install and maintain an approved measuring device on the Quarry Well and on all new reconstructed wells under the subject water rights.

6. Except as specified herein, this Stipulated Settlement Agreement does not limit or otherwise affect any water rights of the parties.

7. This Settlement Agreement is a compromise of disputed claims made in good faith to maintain good working and neighborly relationships and is not to be construed as an admission of any fault or liability by any party.

Dated this 24th day of November, 2014.

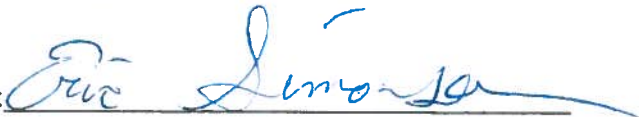
P4 PRODUCTION, LLC

By: 

CITY OF SODA SPRINGS

By: _____

FARMERS LAND AND IRRIGATION
COMPANY

By: 

JOHN LAU

PAT LOZIER

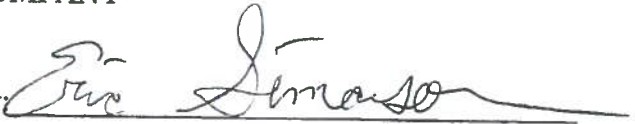
NEDRA C. TORGESEN

BRIAN TORGESEN

CITY OF SODA SPRINGS

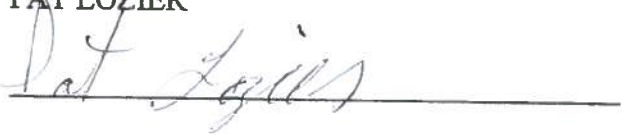
By: _____

FARMERS LAND AND IRRIGATION
COMPANY

By: 

JOHN LAU

PAT LOZIER



NEDRA C. TORGESEN

BRIAN TORGESEN

CITY OF SODA SPRINGS

By: 
for Mayor Jim R. Smith

FARMERS LAND AND IRRIGATION
COMPANY

By: 

JOHN LAU

PAT LOZIER

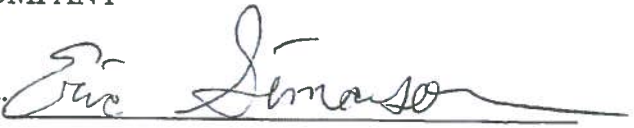
NEDRA C. TORGESEN

BRIAN TORGESEN

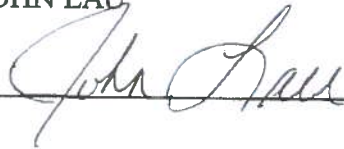
CITY OF SODA SPRINGS

By: _____

FARMERS LAND AND IRRIGATION
COMPANY

By:  _____

JOHN LAU

 _____

PAT LOZIER

NEDRA C. TORGESEN

BRIAN TORGESEN

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 26th day of November, 2014, the above and foregoing document was served in the following manner:

James Cefalo
Hearing Officer
Idaho Department of Water Resources
Eastern Region
900 N. Skyline Drive, Suite A
Idaho Falls, Idaho 83402

- ☒ U.S. Mail/Postage Prepaid
- ☐ Facsimile
- ☐ Overnight Mail
- ☐ Hand Delivery
- ☐ E-mail

P4 Production, LLC
P.O. Box 816
Soda Springs, Idaho 83276

- ☒ U.S. Mail/Postage Prepaid
- ☐ Facsimile
- ☐ Overnight Mail
- ☐ Hand Delivery
- ☐ E-mail

City of Soda Springs
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Clyde Nelson
9 W. 200 S.
Soda Springs, Idaho 83276
askinner@silverstar.com
mihart57@silverstar.com
clydenlsn43@gmail.com

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- ☐ Hand Delivery
- ☐ E-mail

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jlau@q.com

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redned35@aol.com

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Rudolf C. B. B.