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DEPARTMENT OF
WATER RESOURCES

BEFORE THE DEPARTMENT OF WATER RESOURCES

OF THE STATE OF IDAHO

IN THE MATTER OF APPLICATION FOR)
TRANSFER 78046 IN THE NAME OF) **SETTLEMENT AGREEMENT**
NATURAL GUARDIAN, LLC)

The United States of America (hereinafter "Protestant") and Natural Guardian, LLC (hereinafter "Applicant") agree and stipulate to resolve the United States Department of Interior, Bureau of Land Management (hereinafter "BLM") protest of Application for Transfer 78046.

STIPULATION

WHEREAS, the Applicant filed Application for Transfer 78046 on April 25, 2012 with the Idaho Department of Water Resources ("IDWR") to rearrange the place of use ("POU") for Water Right No. 31-02471.

WHEREAS, the BLM filed a protest of Application for Transfer 78046 because it sought a POU which describes land entirely owned by the United States (T10N, R35E, S33, NWNW). Natural Guardian, LLC is not authorized to use federal public land.

WHEREAS, the Applicant intended to claim POUs in Section 34 ("S34") and not Section 33 ("S33").

WHEREAS, the Protestant and the Applicant wish to resolve their dispute regarding Application for Transfer 78046;

THEREFORE, the Protestant and the Applicant stipulate and agree as follows:

1. The Applicant hereby amends the proposed place of use described in Application for Transfer #78046 under Part 1, Section B. 4. to redescribe legal land descriptions in Section

33 to be in Section 34, as follows:

T10N, R35E, S33, S34, NWNW (10.3 acres)
T10N, R35E, S33, S34, SWNW (29.4 acres)
T10N, R35E, S33, S34, SENW (0.3 acres).

2. The parties stipulate and agree that Application for Transfer #78046 should be approved by IDWR, provided the clerical error described above under paragraph 1 is corrected by IDWR in any approved transfer such that POUs are described in S34 (private land) rather than S33 (BLM land).
3. The Protestant hereby withdraws its protest upon acceptance, approval and adoption of this Agreement by IDWR in its entirety.

Respectfully submitted,

APPLICANT:

Natural Guardian, LLC



Luke H. Marchant

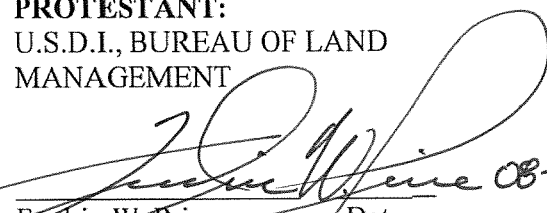
08/23/12

Date

Of Holden, Kidwell, Hahn & Crapo, P.L.L.C.
Attorneys for Applicant

PROTESTANT:

U.S.D.I., BUREAU OF LAND
MANAGEMENT


Fredric W. Price

Date

Water Rights Specialist

08-23-2012

CERTIFICATE OF SERVICE

I certify that on 8/24, 2012, I served a true and correct copy of foregoing **SETTLEMENT AGREEMENT; APPLICATION FOR TRANSFER 78046** upon the following individuals by placing the document in the United States Mail in Boise, Idaho, postage paid, and addressed as follows:

Original to:

Jeff Peppersack, Administrator
Idaho Department of Water Resources (IDWR)
Idaho State Office
Water Management Division,
P.O. Box 83720
322 East Front Street
Boise, Idaho 83720-0098

Copies to:

Idaho Department of Water Resources (IDWR)
Eastern Regional Office
900 North Skyline Drive
Idaho Falls, ID 83402-1718

Natural Guardian, LLC
2880 N. 55 W.
Idaho Falls, ID 83402

Harley Bateman, Range Technician
U.S., Department of the Interior,
Bureau of Land Management,
Idaho Falls Field Office
1405 Hollipark Drive
Idaho Falls, ID 83401

Luke H. Marchant
Holden, Kidwell, Hahn & Crapo, PLLC
P.O. Box 50130
Idaho Falls, ID. 83405

Rebecca L. Lazdauskas, Realty Specialist
U.S., Department of the Interior,
Bureau of Land Management,
Idaho Falls Field Office
1405 Hollipark Drive
Idaho Falls, ID 83401

Brandon Anderson
Person serving documents