

SEP 17 2013

WATER RESOURCES
WESTERN REGION**SETTLEMENT AGREEMENT**

THIS SETTLEMENT AGREEMENT, dated effective as of September 12, 2013, is by and between AL WORMAN and MARTHA WORMAN, a married couple, of 6884 W. Warren Spur Road, Melba, Idaho 83641 (collectively, the "Protestants"), and SNAKE RIVER DAIRIES, LLC, an Idaho limited liability company, of 15188 S. Can-Ada Rd., Melba, Idaho 83641 (the "Applicant").

RECITALS

WHEREAS, on or about October 24, 2012, Applicant filed that certain Amended Application for Permit to appropriate the public waters of the State of Idaho with the Idaho Department of Water Resources ("IDWR"), identified as application number 63-33639 (the "Application"); and

WHEREAS, the Application proposes to divert up to an additional 1.95 cfs of irrigation water from two existing groundwater wells located in the SESE of Section 20 and the NWNW of Section 29, Township 1 South, Range 1 West, B.M., in Ada County, Idaho (the "Wells"); and

WHEREAS, Protestants own a domestic well located within the SESWSE of Section 18, Township 1 South, Range 1 West, B.M., in Ada County, Idaho; and

WHEREAS, on or about March 6, 2013, Protestants filed a formal protest of the Application (the "Protest"); and

WHEREAS, Protestants have agreed to withdraw their Protest of the Application in exchange for a promise by Applicant to install measuring devices on the Wells upon IDWR's approval of the Application in the form of a water permit;

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Withdrawal of Protest. Contemporaneously with the execution of this Settlement Agreement, Protestants shall withdraw the Protest of the Application by signing the two Withdrawal of Protest forms attached hereto as Exhibit A and submitting them to IDWR.

2. Installation of Measuring Devices. In exchange for Protestants' withdrawal of the Protest, Applicant agrees to install a measuring device capable of measuring instantaneous rate of flow and equipped with a totalizer on each of the Wells. Applicant shall install such measuring devices by the later of (a) the commencement of irrigation from the Wells for the 2014 irrigation season, or (b) a reasonable time after IDWR approves the Application by issuing a permit on terms acceptable to the Applicant.

3. Reporting of Withdrawals. Once the measuring devices contemplated by Section 2 have been installed, Applicant agrees to provide Protestant with a written summary of ground water withdrawals from the Wells for the prior irrigation season. Applicant shall provide Protestant with such written summary within 60 days after irrigation withdrawals from the Wells have concluded for the season. This reporting obligation to the Protestant shall cease upon the earlier of (1) Applicant's receipt of written notice that Applicant must report ground water withdrawals from the Wells directly to IDWR or to a water-related entity, such as a water district, water measurement district, groundwater district, or groundwater management district; or (2) ten (10) years after IDWR issues the permit for the water diversion and use contemplated by the Application.

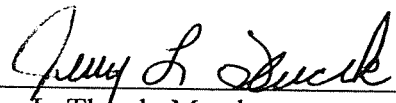
PROTESTANTS:

Al Worman

Martha Worman

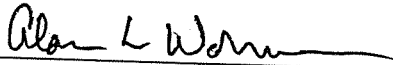
APPLICANT:

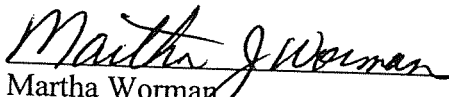
SNAKE RIVER DAIRIES, LLC,
an Idaho limited liability company

By 
Jerry L. Tluczek, Member.

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PROTESTANTS:


Al Worman


Martha Worman

APPLICANT:

SNAKE RIVER DAIRIES, LLC,
an Idaho limited liability company

By _____
Jerry L. Tlucek, Member