

RECEIVED

NOV 26 2012

DEPARTMENT OF
WATER RESOURCES

BOISE OFFICE

101 SOUTH CAPITOL
BOULEVARD, SUITE 300
BOISE, IDAHO 83702
TELEPHONE: (208) 395-0011
FACSIMILE: (208) 433-0167

IDAHO FALLS OFFICE

477 SHOUP AVENUE
SUITE 107
POST OFFICE BOX 50698
IDAHO FALLS, ID 83405
TELEPHONE: (208) 528-6101
FACSIMILE: (208) 528-6109

ALL OFFICES TOLL FREE
(877) 232-6101

LOUIS F. RACINE (1917-2005)
WILLIAM D. OLSON, OF COUNSEL
JONATHAN S. BYINGTON, OF COUNSEL

LAW OFFICES OF

**RACINE OLSON NYE BUDGE & BAILEY
CHARTERED**

201 EAST CENTER STREET
POST OFFICE BOX 1391
POCATELLO, IDAHO 83204-1391

TELEPHONE (208) 232-6101
FACSIMILE (208) 232-6109

www.racinelaw.net

SENDER'S E-MAIL ADDRESS: tjb@racinelaw.net

W. MARCUS W. NYE
RANDALL C. BUDGE
JOHN A. BAILEY, JR.
JOHN R. GOODELL
JOHN B. INGELSTROM
DANIEL C. GREEN
BRENT O. ROCHE
KIRK B. HADLEY
FRED J. LEWIS
ERIC L. OLSEN
CONRAD J. AIKEN
RICHARD A. HEARN, M.D.
LANE V. ERICKSON
FREDERICK J. HAHN, III
PATRICK N. GEORGE
SCOTT J. SMITH
JOSHUA D. JOHNSON
DAVID E. ALEXANDER
STEPHEN J. MUHONEN
CANDICE M. MCHUGH
CAROL TIPPI VOLYN
JONATHAN M. VOLYN
THOMAS J. BUDGE
BRENT L. WHITING
DAVE BAGLEY
JASON E. FLAIG
FERRELL S. RYAN, III
AARON A. CRARY
JOHN J. BULGER
BRETT R. CAHOON
NOLAN E. WITTRICK

November 13, 2012

Monica Van Bussum
Idaho Water Supply Bank
P.O. Box 83720
Boise, Idaho 83270-0080

Re: *P4 Production, LLC, Companion Applications to Lease Water to
And Rent Water from the Water Supply Bank*

Dear Monica:

Enclosed are an original and one copy each of companion applications to lease water to and rent water from the Water Supply Bank, submitted on behalf of P4 Production, LLC. Also enclosed is an application to rent water right 27-7072 for another year (it was rented in 2012). P4 Production is in the initial stages of developing a mine near Soda Springs and has submitted three applications to appropriate water for use at the mine. These applications are being processed by the IDWR Eastern Region Office. Given the possibility that these water right applications may not be approved prior to the 2013 mining season, we are submitting the enclosed Water Supply Bank applications to cover the water use expected to occur next year.

The only use of water needed next year is for dust abatement purposes to wet down mining roads and other areas. The water right to be leased and rented for this purpose (1-28F) is already owned by P4 Production, LLC, has "mining" as its beneficial use and its place of use is not far from the Blackfoot Bridge Mine. The second rental application is to continue a rental of water right 27-7072 that occurred in 2012, so I expect these applications will be relatively simple for you to process.

November 13, 2012

Page 2

Please call me if you have any questions regarding these Applications. Upon your approval, let me know what fees are owed to you and I will send those along with the signed lease and rental agreements.

Sincerely,

A handwritten signature in black ink, appearing to read 'T.J. Budge', with a stylized flourish at the end.

T.J. BUDGE

TJB:rr

Enclosures

cc: Randy Vranes
Chris Leatherman