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Department of Water Resources
Eastern Region

High Desert Enterprises, LLC
C/o Terry Andrade, Manager
2150 Old Hornet Rd.
Council, ID 83612

State of Idaho
Department of Water Resources, Eastern Region
C/o James Cefalo, Water Resources Program Manager
900 North Skyline Drive, Suite A
Idaho Falls, ID 83402-1718

August 17, 2012

Re: Amendment to Stockwater Storage Water Right Permit No. 13-7791.

Dear James,

As per our previous telephone conversations, I am including a detailed explanation concerning our request to increase the amount of Stockwater Storage for the above referenced Permit.

As noted in our telephone communications, the construction of the Stockwater Storage Reservoir is part thereof an ongoing NRCS 2008 EQIP Contract; #740211110JX. The Contract specifies an excavation of 2,965 cu. yds. This includes the removal of all organic matter, shaping to the engineered design and excavation to a depth (+- 4.00') where the soils type will act as a sealant to prevent reservoir seepage and/or leakage.

The development process for the reservoir encompassed the removal of all organic materials, soils excavation, installation of the over-flow structure and system, relocation and compaction of excavated soils and the construction of the dam. At the completion of this process, the NRCS Agent, Jared Campbell did a final survey of the engineered Stockwater Storage Reservoir. The data reflected the as-build conditions of the reservoir.

As a result of his engineering and analysis, Jared has recommended that we submit to amend the Stockwater Storage Water Right Permit with DWR. He has recommended that we submit to increase the storage capacity from 1.00 AF to 1.94 AF. This recommendation results in an increase of .94 AF and about one foot in the depth of the reservoir.

A copy of the email and data provided by Jared Campbell (NRCS) is included and made part thereof this communication. The following details should also be noted and be made part of the record.

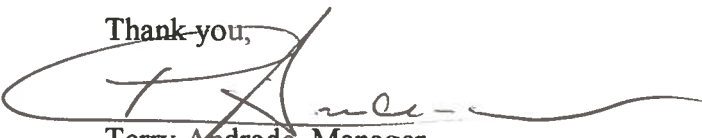
- 1- The use of said water in the reservoir is for Stockwater Use, not for any Use associated with Irrigation Water.
- 2- The "Application For Amendment Of A Permit" is a result of the as-build status of the Stockwater Storage Reservoir.

- 3- The increase in the reservoir storage capacity will also benefit the wildlife, habitat and the surrounding environment.
- 4- The filling of the reservoir will occur during the spring snow melt and run-off period, not during the irrigation season thus, the reservoir is filled to capacity prior to the irrigation season.
- 5- The surface area of the reservoir is not significantly impacted by the increase in the depth and storage capacity, thus limiting additional surface evaporation. This can be viewed on the final NRCS as-built design drawing as provided.
- 6- The Unnamed Stream that is a Tributary of Cottonwood Creek which enters Cottonwood Creek at a point that is geographically below the Point-of-Diversion for the Cleveland Irrigation District and other Cottonwood Creek Water Users.
- 7- There will be no detrimental effect or negative impact to the Water Users holding Adjudicated Irrigation Water Rights below the Onieda Narrows Reservoir and Dam. Any water that is collected and channeled by the Unnamed Stream into the reservoir will simply run through, less the active use by cattle and wildlife. The design of the reservoir will allow the over-flow to re-enter the channel of the Unnamed Stream and continue downstream until the run-off terminates in the late summer.
- 8- The Unnamed Stream utilized as the conduit of the reservoir water is located and sourced by springs located on lands owned by High Desert Enterprises, LLC. The Water Right Permits associated with said springs are also held in interest by High Desert Enterprises, LLC.

We also include the "Application for Amendment of a Permit" and the \$100.00 filing fee for DWR departmental use.

I thank you in advance for your cooperation.

Thank-you,



Terry Andrade, Manager
High Desert Enterprises, LLC