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MAR 23 2009

DEPARTMENT OF WATER RESOURCES

Water Supply Bank No. \_\_\_\_\_

Water Right No. 35-2713

Form 42-1761  
01/03

STATE OF IDAHO  
DEPARTMENT OF WATER RESOURCES

APPLICATION TO SELL OR LEASE A WATER RIGHT  
TO THE WATER SUPPLY BANK

Name of Seller/Lessor J.R. Simplot Company ("Simplot") Phone 208-336-2110

Post office address PO Box 27, Boise, ID 83707

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

a. Decree No. 35-2713 Decreed to Pratt Farms, Inc.  
(Name)  
in case of Snake River Basin Adjudication vs \_\_\_\_\_  
dated \_\_\_\_\_ in \_\_\_\_\_ county of \_\_\_\_\_  
(Name of court)

b. License No. \_\_\_\_\_ issued by the Idaho Department of Water Resources.

c. Permit No. \_\_\_\_\_ issued by the Idaho Department of Water Resources.

2. DESCRIPTION OF PORTION OF RIGHT FOR SALE OR LEASE: (If the entire right is for sale or lease, show "all" on line a. below and skip the remainder of part 2.)

a. Amount of water under right: 0.86 cubic feet per second &/or  
202 acre-feet per annum

b. Point of diversion: SW ¼ of SE ¼ of Section 6 Township 5S Range  
31E, B.M. in Bingham County.

Additional points \_\_\_\_\_

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals				
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE					
5S	31E	6				9.1											7.7	9.7	12.9	11.1	50.50		

If the right is for irrigation, show the number of acres for the part of the right to be put into the bank.

Total number of acres 50.50

3. ADDITIONAL INFORMATION ABOUT RIGHT, OR PORTION THEREOF, FOR SALE OR LEASE

a. Explain how the seller/lessor acquired the right, or portion thereof, and attach a copy of the deed to the land to which it is appurtenant or other evidence of ownership of the right. If the right is not recorded in the name of the seller/lessor, attach a copy of a change of ownership form as required by Section 42-248 or 42-1409(6), Idaho Code, together with required documentation.

Please see the copy of the attached Warranty Deed recorded in the official  
real property records of Bingham County, Idaho on December 21, 2001 as  
Instrument Number 507272.

b. Describe the frequency of water use under the right, or portion thereof, during the past five (5) years of use. Attach watermaster records, pumping power bills, or other evidence to demonstrate that the right has not been lost through abandonment or forfeiture. (This information is not required if a partial decree has been issued on the right within the last 5 years).

Please see attached Exhibit A

- c. If the right is from a surface water source, describe the period of the year that water is typically available to satisfy the right.

Source is ground water.

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- d. Describe any other water rights with the same purpose and place of use as the right, or portion thereof, offered for lease. Will the present place of use continue to receive water from any source? If so, describe.

The place of use described in this application will not receive water while this site remains an approved location to apply effluent from Simplot's Food Processing Plant located in Aberdeen, Idaho.

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- e. If the water right is a permit, describe the work accomplished toward developing the right.

Not Applicable

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- f. If the right to the use of the water or the use of the diversion works or irrigation system is represented by shares of stock in a company or corporation, or if such works or system is owned or managed by an irrigation district, a written consent of the sale or lease must be attached.

4. REMARKS:

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5. SALE/LEASE AGREEMENT

1. The water right, or portion thereof, described above is offered to the Idaho Water Resource Board:

\_\_\_\_\_ For sale;

X For lease for a period from 1, JAN, 2009 to 31, DEC, 2009  
(Day, month, year) (Day, month, year)

(The lease period may be shown as "indefinite", if the total duration of lease is unknown); or

\_\_\_\_\_ As a gift to the state of Idaho.

2. Show the minimum payment acceptable to the Seller/Lessor. Include the method of determining the minimum payment. The minimum payment may be shown as the "current rental rate".

The current rental rate  
\_\_\_\_\_  
\_\_\_\_\_

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities necessary to offer this right for sale or lease to the Idaho Water Resource Board.

The owner/lessor acknowledges the following:

1. Payment to the owner/lessor is contingent upon the sale or rental of the right from the bank.
2. While a right is in the bank, the owner of the right may not use the right even if the right is not rented.
3. A right accepted into the bank stays in the bank until the Board releases it or until the lease term expires.
4. While a water right is in the bank, forfeiture provisions are stayed.
5. Acceptance of a right into the bank does not, in itself, confirm the validity of the right or any elements of the water right.

March 17, 2009  
Date

J.R. Simplet Company  
By: [Signature]  
Signature

FOR DEPARTMENT USE ONLY

Received by \_\_\_\_\_ Date \_\_\_\_\_ Preliminary check by \_\_\_\_\_

Watermaster recommendation requested on \_\_\_\_\_ Received \_\_\_\_\_

Recommended for \_\_\_\_\_ approval \_\_\_\_\_ denial by \_\_\_\_\_

## Exhibit A

During 2004 and 2005, Simplot modified a portion of the irrigation system to conform to the standards and requirements of the Idaho Department of Environmental Quality ("IDEQ") for an approved site to land apply effluent from Simplot's food processing plant located in Aberdeen, Idaho. These modifications included replacing the hand line and wheel line sprinkler systems with overhead center pivot sprinklers equipped with various sensors and flow controls; leveling fields to prevent runoff and preventing the application onto certain areas to comply with required set-back requirements. The irrigation system on the balance of Simplot's farm was not modified and remains irrigated and available for Simplot to expand its land application system should Simplot determine additional land is necessary to comply with IDEQ requirements. Water is available for lease to the Water Supply Bank for those portions of the decreed places of use that are not currently irrigated due to the application of effluent and the system changes required for an IDEQ permitted effluent land application site.

507272

WARRANTY DEED

FEE 6.40 DEP C

Order No.:3020002475-J

2001 DEC 21 AM 9:25

FOR VALUE RECEIVED PRATT FARMS, INC.

RECORDED AT THE REQUEST OF  
Alliance Title & Escrow Corp.

the grantor(s), do(es) hereby grant, bargain, sell and convey unto Corporation J.R. Simplot Company, a Nevada

whose current address is P.O. Box 27, Boise, Idaho 83707

the grantee(s), the following described premises, in Bingham County, Idaho, TO WIT:

Township 5 South, Range 30 East Boise Meridian, Bingham County, Idaho

Section 1: Lots 1 & 2, S½NE¼, SE¼; EXCEPTING THEREFROM a tract of land in the SW¼SE¼ of Section 1, described as: Beginning at a point on the South line of said Section 1 from which the Southeast corner of said Section bears North 89°53'10" East 1343.67 feet; thence North 00°13'09" West 709.34 feet; thence South 89°53'10" West 585.6 feet; thence South 00°06'50" East 709.34 feet to the South line of said Section 1; thence North 89°53'10" East along the South line 586.47 feet to the Point of Beginning.

Section 12: NE¼, E½SE¼

Township 5 South, Range 31 East Boise Meridian, Bingham County, Idaho

Section 5: SW¼

Section 6: All

Section 7: W¼, NE¼; EXCEPTING THEREFROM a tract of land in the SW¼SW¼ of Section 7, described as: Commencing at the Southwest corner of said Section 7; thence North 00°02'31" East along the West line of said Section a distance of 431.06 feet; thence South 89°47'09" East 25.0 feet to the Easterly right-of-way of Moser Road the True Point of Beginning; thence South 89°47'09" East 672.75 feet; thence South 00°02'31" West 406.06 feet to the Northerly right-of-way of Strang Road; thence North 89°47'09" West along said right-of-way 396.36 feet; thence North 72°43'38" West 227.59 feet; thence North 23°11'38" West 149.57 feet; thence North 00°02'31" East 202.04 feet to the True Point of Beginning.

Section 8: E½SW¼, NW¼; EXCEPTING THEREFROM that portion of the SE¼SW¼ of Section 8 lying Southeasterly of the Aberdeen-Springfield Canal.

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantee, heirs and assigns forever. And the said Grantor does hereby covenant to and with the said Grantee(s), that (s)he is/are the owner(s) in fee simple of said premises; that they are free from all encumbrances Except: Current Year Taxes, conditions, covenants, restrictions, reservations, easements, rights and rights of way, apparent or of record.

And that (s)he will warrant and defend the same from all lawful claims whatsoever.

Dated: 12/20/2001

Pratt Farms, Inc.

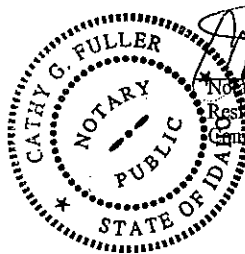
[Signature]  
By: Alan Pratt, President

[Signature]  
By: Larry Elliott, Secretary/Treasurer

State of Idaho }  
County of BINGHAM } ss.

On this 20<sup>th</sup> day of December, 2001, before me, a Notary Public in and for said state, personally appeared ALAN PRATT known to me to be the PRESIDENT of Pratt Farms, Inc. the Corporation, and acknowledged to me that pursuant to a Resolution of the Board of Directors, he executed the foregoing in said Corporation name.  
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

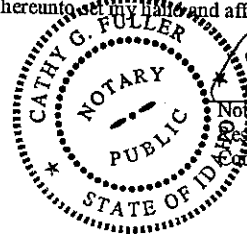
[Signature]  
Notary Public for the State of Idaho  
Residing at BLACKFOOT  
Commission Expires: 03/19/2007



State of Idaho }  
County of BINGHAM } ss.

On this 20<sup>th</sup> day of December, 2001, before me, a Notary Public in and for said state, personally appeared LARRY ELLIOTT known to me to be the SECRETARY/TREASURER Pratt Farms, Inc. the Corporation, and acknowledged to me that pursuant to a Resolution of the Board of Directors, he executed the foregoing in said Corporation name.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



*Cathy G. Fuller*

Notary Public for the State of Idaho  
Residing at: BLACKFOOT  
Commission Expires: 03/19/2007

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE  
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

In Re SRBA )  
 ) PARTIAL DECREE PURSUANT TO  
 ) I.R.C.P. 54 (b) FOR  
Case No. 39576 )  
 )  
 ) Water Right 35-02713

DISTRICT COURT-SRBA  
Fifth Judicial District  
County of Twin Falls - State of Idaho

FEB 15 2002

By \_\_\_\_\_ Clerk  
Deputy Clerk

NAME AND ADDRESS: PRATT FARMS INC  
1356 S 3000 W  
ABERDEEN, ID 83210

SOURCE: GROUNDWATER

QUANTITY: 4.90 CFS  
1148.00 APY

PRIORITY DATE: 05/10/1962

POINT OF DIVERSION: T05S R31E S06 SESWSE Within Bingham County

PURPOSE AND PERIOD OF USE:	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Irrigation	04-01 TO 11-01	4.90 CFS 1148.00 APY

PLACE OF USE:	Irrigation	Within Bingham County
	T05S R31E S06	
		NENE 11.0 NWNE 40.0 SENE 40.0 NWSE 40.0 SESE 39.0
		287.0 Acres Total

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

THIS PARTIAL DECREE IS SUBJECT TO SUCH GENERAL PROVISIONS NECESSARY FOR THE DEFINITION OF THE RIGHTS OR FOR THE EFFICIENT ADMINISTRATION OF THE WATER RIGHTS AS MAY BE ULTIMATELY DETERMINED BY THE COURT AT A POINT IN TIME NO LATER THAN THE ENTRY OF A FINAL UNIFIED DECREE. I.C. SECTION 42-1412(6).

RULE 54 (b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules.

*Roger Burdick*

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Roger Burdick  
Presiding Judge of the  
Snake River Basin Adjudication