

Water Supply Bank No. _____

Water Right No. _____

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

RECEIVED

AUG 15 2005

**DEPARTMENT OF
WATER RESOURCES**

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

Name of Seller/Lessor Lambert Produce Co, Inc. / Double C Farms Phone 208-678-2668

Post office address 203 E 1100 S, Burley, ID 83318

With copy to: John M. Marshall, Givens Pursley LLP, 601 W Bannock, Boise, Idaho 83702

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

- a. Decree No. 45-2520 Decreed to Lambert Produce Co., Inc.
(Name)
in case of In Re SRBA, Case No. 39576 vs _____
dated 5/6/2005 in 5th District county of Twin Falls
(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: 3.45 cubic feet per second &/or
630 acre-foot per annum
- b. Point of diversion: _____ $\frac{1}{4}$ of _____ $\frac{1}{4}$ of Section _____ Township _____ Range
_____, B.M. in _____ County.
Additional points See attached

c. Place of use:

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
12S	23E	21	40	40	40	40									40	40	40	.5	280

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 280.5

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.

Lambert Produce Co, Inc. owns water right 45-2520 as per the SRBA decree for the right.

Double C Farms owns the land at issue in this application.

- b. Describe the frequency of water user 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.)

Water right was decreed by the SRBA in May 2005. Use of the right is confirmed by the decree.

- 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.

- 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

See attached for list of all 11 ground water rights appurtenant to the place of use. Right 45-2520, along with all of the rights in the list, authorize irrigation of 4,983 acres within a 4,983-acre permissible place of use. In 2005, only 2,541 acres within this place of use have been irrigated with ground water. The place of use associated with the portion of right 45-2520 that applicant seeks to lease will not be irrigated for the remainder of the 2005 irrigation season.

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

- 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:

See attached

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 07/01/2005 to 12/31/2005
(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."

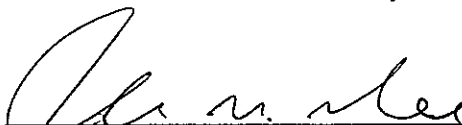
Standard rental rate _____

I hereby assert that the information contained in this application is true to the best of my knowledge, and that I have the authorities to off 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.

8/15/2005
Date


Signature

FOR DEPARTMENT USE ONLY

Received by NY Date 10-20-05 Preliminary check by NY

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

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

List of Water Rights Appurtenant to Ground Associated With Application:

45-2254A
45-2520
45-2526
45-2579
45-2630
45-2657
45-4009A
45-4011A
45-4013A
45-4048F
45-13777

Remarks:

This Application to Sell or Lease Water is filed in conjunction with an Application to Rent Water filed by Lambert Produce Co., Inc. and Double C Farms that seeks to rent a portion of water right 45-2520 from the Water Supply Bank. The intent of this Application to Lease is to provide coverage for 280.5 acres currently being irrigated by Applicant that are not included under the place of use of any water right.