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WATER RESOURCES
WESTERN REGION

SETTLEMENT AGREEMENT
For
Application for Permit 65-23097

and Little Enterprises, LLP *DL*
6/29/2010

This Settlement Agreement is entered into between KCM Enterprises LP, applicant, (KCM) and Little Land & Livestock Company, LLLP, protestant, (Little) to resolve the outstanding protest against approval of Application for Permit 65-23097.

KCM agrees as follows:

1. To amend its Application for Permit to limit the diversion of water under this permit to the existing well located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec 7 Twp 6N Rge 1E, B.M.
2. To limit the maximum rate of diversion from this well to 0.28 cfs for all purposes.
3. To limit the number of irrigated acres under this permit to 10 acres.
4. To not protest any Application for Permit by Little if Little determines, in its sole discretion, to apply for a new ground water right to replace or supplement the water supply currently obtained under water rights 65-9469, 65-13166 and/or 63-20813.
5. To subordinate the use of water under 65-23097 to any water right obtained by Little for a new ground water right as described in 4. above.

Little agrees as follows:

1. Any new well to be constructed by Little to replace or supplement the water supply from 65-9469, 65-13166, and/or 63-20813 shall not be constructed within 2,000 feet of KCM's well in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec 7 Twp 6N Rge 1E, B.M.
2. Withdraw and by this Settlement Agreement does withdraw its protest against approval of Application for Permit 65-23097.

KCM and Little, the Parties, mutually agree the original of this Settlement Agreement will be filed with the Idaho Department of Water Resources. The Parties request a copy of this Settlement Agreement be kept in the 65-23097 file to reflect the conditions of withdrawal of the protest against approval of this Application for Permit.

The Parties agree this Settlement Agreement can only be modified in writing signed by KCM and Little or their respective successors in interest.

By: *Ron Mayhew*
Ron Mayhew, General Partner, KCM Enterprises LP

Date: 26 June 2010

By: *David A. Little*
David Little Little Land & Livestock Company, LLLP
Little Enterprises, LLLP

Date: 29 June 2010