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

February 18, 2010

Water Supply Bank
Idaho Department of Water Resources
Attn: Aaron Marshall
P.O. Box 83720
Boise, Idaho 83720-0098
aaron.marshall@idwr.idaho.gov

Re: *P4 Production, LLC - Application to Rent Water from the
Water Supply Bank*

Dear Aaron:

Enclosed please find the original and extra copy of an Application to Rent Water from the Water Supply Bank (Form 42-1761-2), together with our check in the amount of \$1316 for rental fees (94 AF @ 14) which we are submitting on behalf of P4 Production, LLC. Please file and process the original and conform stamp and return the extra copy in the enclosed stamped and addressed return envelope.

It is important that the processing of this Application be expedited in any way possible. As described in the "Supplemental Information" attached to the Application, as a part of P4's South Rasmussen Phosphate Mine Operation, P4 is in the process of constructing a water management system to intercept runoff water to address concerns about water quality and resolve allegations in a September 2007 EPA Notice of Violation. To protect surface water quality, P4 plans to capture and contain water that either does not meet water quality standards or is not eligible for discharge under an applicable NPDES Permit. It is anticipated this will be a temporary need until such time as P4 receives an NPDES Permit to discharge treated water into the Blackfoot River drainage.

SCANNED

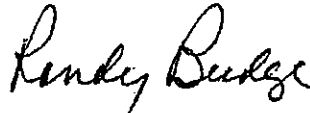
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February 18, 2010

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Please review the Application. If you have any questions, please don't hesitate to contact me.
Thank you for your cooperation and assistance.

Sincerely,



RANDALL C. BUDGE

pk

RCB:rr

Enclosures

cc: Monsanto Company
David Farnsworth
Elizabeth Keefner

SCANNED

JUL 13 2010

Water Supply Bank No. _____
(For Department Use Only)

STATE OF IDAHO
WATER RESOURCE BOARD

APPLICATION TO RENT WATER
FROM THE WATER SUPPLY BANK

Name of Renter P4 Production, LLC, c/o David Farnsworth, Mine Supt. Phone 208-547-4300

Mailing address P.O. Box 816, Soda Springs, Idaho 83276 Email dave.w.farnsworth@monsanto.com

A. DESCRIPTION OF WATER SOUGHT FOR RENT

1. Maximum Flow Rate (cfs) Maximum Volume (ac-ft) Nature of Use Period of Use
3.0 cfs 94 AF Mining 1/1 to 12/31
 _____ to _____
 _____ to _____

Total: 3.0 cfs 94 AF

2. Source of water Blackfoot River in Basin 27 tributary to Snake River

3. Point(s) of Diversion:

Twp	Rge	Sec	Lot	¼	¼	¼	County
6 S	43 E	36		NE	NE		Caribou
6 S	43 E	36		NW	NE		Caribou

4. Lands to be irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
6 S	43 E	36		M															

If the use is for irrigation, show total number of acres proposed through rental. Total Acres _____

B. OWNERSHIP

1. Do you own the land at the proposed point of diversion? Yes ☐ No ☒

If no, list owner, contact information, and provide documentation of the authority to use the proposed point of diversion. Applicant holds Idaho State Lease No. I-7958

2. Do you own the land at the proposed place of use? Yes ☐ No ☒

If no, list owner, contact information, and provide documentation of the authority to use the proposed place of use. Applicant holds Idaho State Lease No. I-7958

C. MAP

Attach a map identifying the proposed point(s) of diversion, place(s) of use, and water diversion and distribution system details as described by this application in section A. Include legal description labels.

D. GENERAL INFORMATION

1. Please provide a description of the proposed diversion system. See attached Supplemental Information.

2. Describe any other water rights diverted through the same point(s) of diversion or used for the same purpose(s) as described above.
Water Right No. 27-7121
3. Will the proposed place of use receive water from any other source? Yes ☐ No ☒
If yes, describe. _____
4. If the proposed use is not for irrigation, please provide a detailed description of the proposed use and how you determined the amount of water required. Attach additional sheets if needed. See attached Supplemental Information.

5. Are there any other applications pending before the Department, such as an application for permit or transfer, for the same use(s) proposed by this rental? Yes ☐ No ☒
If yes, describe. _____
6. Was this rental application submitted in response to a Notice of Violation or a pending Notice of Violation? Yes ☐ No ☒
If yes, describe. _____

E. RENTAL TERM

1. Do you wish to rent water from the Board's bank for more than one (1) year? Yes ☒ No ☐
If yes, please specify the number of years desired through proposed rental. 2
I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval.
If this application is approved, the applicant agrees to the following:
 1. The use of water under this agreement shall be subject to the provisions of Section 42-1766, Idaho Code.
 2. Renter shall comply with all applicable state and federal laws while using water under this agreement.
 3. Renter shall hold the Board, the Director, and the state of Idaho harmless from all liability on account of negligent acts of the renter.
 4. The Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
 5. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
 6. Renter is not authorized to use water proposed by this application until the rental fees are paid in full and the renter receives an executed copy of the agreement signed by the Director.

Randall C. Budge
Signature of Applicant

Randall C. Budge, Attorney for P4, LLC
Printed Name and Title*

2-18-10
Date

Signature of Applicant

Printed Name and Title*

Date

*Please provide title of signatory if signing on behalf of a company or organization or with power of attorney

Mail to: Idaho Department of Water Resources, P.O. Box 83720, Boise, ID 83720-0098

Attachments

SUPPLEMENTAL INFORMATION

P4 Production, L.L.C. (P4), owns and operates the South Rasmussen phosphate mine in SE Idaho approximately 17 miles NE of Soda Springs. P4 is in the process of constructing a water management system to intercept runoff water to address concerns about water quality and resolve allegations in a September 2007 EPA Notice of Violation. The management system includes the construction of an interception trench, a snowmelt/runoff diversion system, and two water impoundments. To protect surface water quality, P4 plans to capture all runoff originating from the Horseshoe Overburden Area and manage it on-site until it can be demonstrated to meet applicable surface water quality standards. All captured water that either does not meet water quality standards or is not eligible for discharge under an applicable NPDES permit will be used for dust suppression, evaporated, or otherwise managed/used on-site.

Monsanto needs to rent an additional 94 AFA from the State Water Supply Bank for use in Basin 27 to supplement water available under Water Right Nos. 27-07121 (50.6 AF) and 27-07452 (16.8 AF) to have available a total of approximately 160 AFA. This amount will cover the anticipated runoff and depletion in a high run off year. The water capture system consists of: (1) an interception trench approximately 4' wide and 20' deep at the base of an external overburden pile designated the Horseshoe Overburden Pile to capture shallow ground water; (2) Surface water runoff from the slope of the Horseshoe Overburden Pile that discharges to a down gradient wetland; (3) Surface water below the wetland at SR-4 impoundment; and (4) Groundwater seeps beneath the Haul Road Pond that will be collected in a sump and pumped back into the pond.

Each pump and point of diversion will contain a totalizing flow meters. Anticipated flow rates will vary seasonally and annually from zero to a maximum of 3.0 cfs during spring runoff in a high runoff year, with a total of up to 160 AFA.

Captured water from each point of diversion will be piped and pumped to a geo-synthetic lined pond ("Haul Road Pond") at the place of use in the NE1/4NE1/4, of Section 36, T.6 S., R.43 E.