



CORPORATE HEADQUARTERS

March 22, 2010

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MAR 23 2010

DEPARTMENT OF
WATER RESOURCES

Aaron Marshall
Sr. Water Resource Agent
State of Idaho
Department of Water Resources
322 East Front Street
PO Box 83720
Boise, Idaho 83720-0098

Re: IDWR Water Right 24-4017.

Dear Aaron:

As a follow-up to our recent discussion, enclosed for filing are:

- 1) An application to lease a portion of the above referenced water right to the Water Supply Bank.
- 2) An application to rent the water included in the application identified in no. 1 above from the Water Supply Bank.

The J. R. Simplot Company ("Simplot") is constructing roadways in connection with its Smoky Canyon mining operation located in Caribou County, Idaho. To comply with the requirements of the Idaho Department of Environmental Quality, Simplot is required to treat these roadways to minimize dust emissions. During the season beginning April 15, 2010 thru October 31, 2010 we anticipate the total maximum quantity of water that may be necessary to abate dust on these roadways will be 113.25 acre feet. Simplot intends to divert this water from the South Fork of Sage Creek then apply the water by truck to these roadways.

Simplot owns the above referenced water right that provides for the diversion of water from Sage Creek for irrigation purposes. The South Fork of Sage Creek is a tributary to Sage Creek near the point of diversion under this water right. Using the IDWR's recommended consumptive volume for irrigation in this geographic area (2.5 acre feet per acre), Simplot will avoid irrigating 45.3 acres under this water right to provide the volume of water necessary to meet the dust abatement needs.

Should you need any additional information to complete the processing of the enclosed applications, please contact me. I can be reached by phone (208-389-7359) or by email (vic.conrad@simplot.com).

Sincerely,

Vic Conrad
Land Water & Asset Recovery

Enclosures

c: L. Hamann
J. Nield