



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Web Site: www.idwr.idaho.gov

May 22, 2009

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

Herbert Nitz
5445 S Locust Grove RD
Meridian ID 83642

Fred Nitz
5325 S Locust Grove RD
Meridian ID 83642

John Jobe
5495 S Locust Grove RD
Meridian ID 83642

Herbert Lloyd
1360 E Tanya LN
Meridian ID 83642

**RE: Contested Application for Permit #63-33064- Hansen
Settlement Offer**

Dear Protestants:

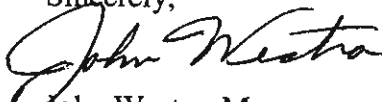
I have been asked by the Hansens to forward all protestants a proposed settlement offer that was discussed at the May 6th protest conference. This action is in accordance with one of the purposes of a pre-hearings conference which is to discuss and make settlement offers, ref. IDAPA Rules of Procedure Rule 510.

Please note, the settlement offer presented is contingent on **all** protestants agreeing to the terms. If a settlement can not be reached with all parties, the elements of the application will remain as originally submitted, and the case will move to a hearing later this fall. A hearing officer will render a decision based on the hearing record of arguments and evidence presented.

If you agree with the settlement terms attached, please sign and date the agreement above your name and submit the document to this office. If a response is not received by June 19, 2009, it will be assumed you are not interested in the settlement offer.

Should you have questions, please contact me at the Western Regional Office, phone 334-2190.

Sincerely,



John Westra, Manager

Enclosure: E-mail S. Hannula ; Settlement Agreement, Application copy.
Cc: S. Hannula, ERO

Westra, John

From: Steve Hannula [shannula@eroresources.com]
Sent: Tuesday, May 19, 2009 10:11 AM
To: Westra, John
Cc: larry.hansen@hp.com
Subject: Hansen Protest
Attachments: Settlement Draft.doc

Mr. Westra,

When we left the pre-hearing conference regarding the Application for Permit for Larry and Kay Hansen (May 6, 2009), it seemed that the protestants were willing to withdraw their protest so long as the application was revised to reflect that actual amount of water needed. The attached Word Document is a draft of the settlement condition that I thought I heard. I am sending this to you to remind you of the actual numbers that were discussed at the pre-hearing conference. I hope it is helpful for you.

Steven Hannula
ERO Resources
3314 Grace St.
Boise, Idaho 83703
(208) 373-7983

5/19/2009

Pre-Hearing Settlement Conference
Settlement Agreement

The Applicant Larry and Kay Hansen agree to revise Application for Permit 63-33064 to a diversion rate of 0.04 cfs and an annual volume of 5.8 ac-ft as a condition for agreement for the undersigned to withdraw the protest to Application for Permit 63-33064. This Agreement was reached at the pre-hearing conference on May 6, 2009 at the Western Regional Office of the Idaho Department of Water Resources.

Larry Hansen (applicant)

Kay Hansen (applicant)

Fred Nitz

Herb Nitz

John Jobe

Herbert Lloyd

James Unsworth

Michele Unsworth

JUN 10 2008

WATER RESOURCES
WESTERN REGION

Ident. No.

63-33064

Should questions arise during the processing of this application please contact:
Steven Hannula - ERO Resources Corp. (208) 373-7983

STATE OF IDAHO
 DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT
 To appropriate the public waters of the State of Idaho

1. Name of Applicant Lawrence and Kay Hansen Phone (208) 884-0118
 Mailing address 1440 E. Mary Lane Meridian, Idaho 83642 Email _____
2. Source of water supply Ground water which is a tributary of N/A
3. Location of point of diversion is Township 3N Range 1E Sec. 31, in the _____ ¼,
SE ¼, NE ¼, Govt. Lot _____ B.M., ADA County;
 additional points of diversion if any: _____
4. Water will be used for the following purposes: 3/01
 Amount 0.12 cfs for IRRIGATION purposes from 3-15 to 11-15 (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount 0.04 cfs for COMMERCIAL purposes from 1-1 to 12-31 (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
 Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
 (cfs or acre-feet per annum)
5. Total quantity to be appropriated is (a) 0.16 cfs and/or (b) _____
 Cubic feet per second acre feet per year
6. Proposed diverting works:
 - a. Describe type and size of devices used to divert water from the source 6-inch well, 306 feet deep, static water level at 130 feet, 3 hp pump set at 180 ft.
 - b. Height of storage dam _____ feet; active reservoir capacity _____ acre-feet;
 total reservoir capacity _____ acre-feet
 - c. Proposed well diameter is _____ inches; proposed depth of well is _____ feet
 - d. Is ground water with a temperature of greater than 85° F being sought? NO
 - e. If well is already drilled, when? Approx 1962; Drilling firm Unknown;
 Well was drilled for (well owner) Gilbert Rice; Drilling Permit No. Unknown
7. Time required for completion of works and application of water to proposed beneficial use is 5 years (minimum 1 year)
8. Description of proposed uses (if irrigation only, go to item 9):
 - a. Hydropower; show total feet of head and proposed capacity if kW. _____
 - b. Stockwatering; list number and kind of livestock. _____
 - c. Municipal; show name of municipality. _____
 - d. Domestic; show number of households. _____
 - e. Other; describe fully. Commercial use for future winery; washing of equipment etc.

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DEC 28 2008

9. Description of place of use:

- a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
- b. If water is used for other purposes, place a symbol of the use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
3N	1E	31				6/C													6

Total number of acres to be irrigated: 6

10. Describe any other water rights used for the same purposes as described above. Include water delivered by a municipality, canal company, or irrigation district. If this application is for domestic purposes, do you intend to use this water, water from another source, or both, to irrigate your lawn, garden, and/or landscaping?

11. a. Who owns the property at the point of diversion? Applicant
- b. Who owns the land to be irrigated or place of use? Applicant
- c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing: _____

12. Describe your proposal in narrative form, and provide additional explanation for any of the items above. Attach additional pages if necessary. Irrigation use is for 6 acres, commercial use is for a future planned winery.

13. **MAP OF PROPOSED PROJECT REQUIRED** - Attach an 8½" x 11" map clearly identifying the proposed point of diversion, place of use, section #, township & range. (A photocopy of a USGS 7.5 minute topographic quadrangle map is preferred.)

BE IT KNOWN that the undersigned hereby makes this application for permit to appropriate the public waters of the State of Idaho as herein set forth.

Lawrence A. Hansen Kay M Hansen
Signature of Applicant

Lawrence A. Hansen Kay M Hansen
Print Name (and title, if applicable)

For Department Use:

Received by JAL Date Dec 10 08 Time _____ Preliminary check by _____
Fee \$ 100- Receipted by DB Receipt No. W036585 Date 6-10-08

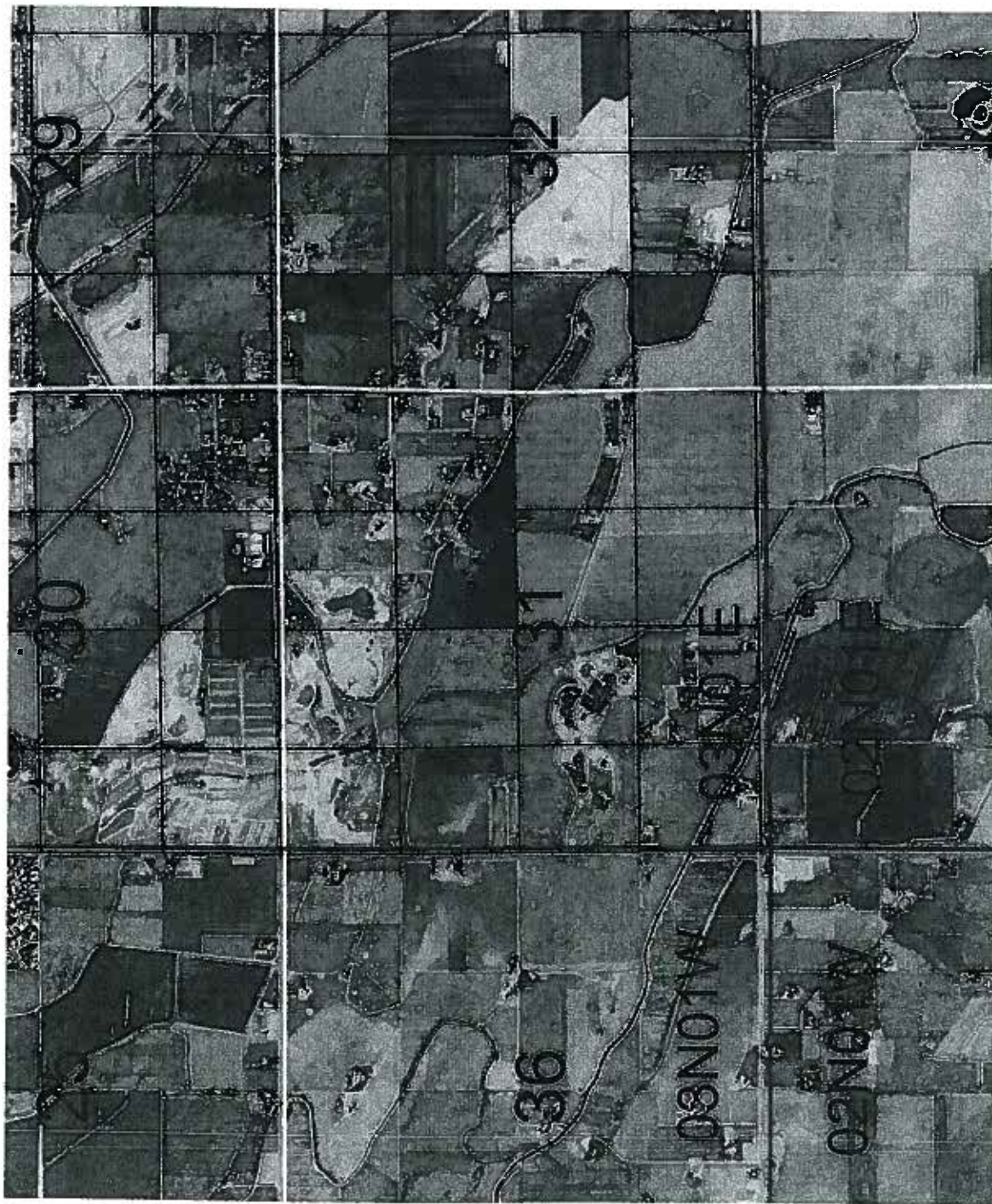
Publication prepared by DB Date 12/23/2008 Published in IDAHO STATESMAN
Publication approved DB Date 1-22-09 Dates Published JANUARY 1 & 8

2009

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DEC 29 2008

Location Map of Hansen Property (T3N R1E Section 31, Ada County)



- Well
- Hansen POU
- Township
- Sections
- QQ

1000 0 1000 2000 Feet

Prepared by: ERO Resources
3314 Grace St
Boise, Idaho 83703
(208) 373-7983

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DEC 29 2008
13-33064