

Please send all correspondence to:

Scott L. Campbell
Moffatt Thomas Barrett Rock & Fields, Chtd.
P.O. Box 829
Boise, Idaho 83701-0829

Water Supply Bank No. _____

Water Right No. 37-415

RECEIVED

MAY 22 2008

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

Department of Water Resources

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

Name of Seller/Lessor Sinclair Oil Corporation, dba Sun Valley Co. Phone (208) 622-4111

Post office address Post Office Box 10, Sun Valley, Idaho 83353

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

- a. Decree No. _____ Decreed to Horace C. Lewis
in case of S.C. Frost vs Alturas Water Co.
dated 12/9/1909 in Lincoln county of Fourth Judicial District
(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: 2.0 cubic feet per second &/or
_____ acre-feet per annum
- b. Point of diversion: NE ¼ of SE ¼ of Section 32 Township 5N Range
18E, B.M. in Blaine County.
Additional points T4N, R18E, S5, NENW, Blaine County

c. Place of use:

TWP	RGE	SEC	N E				N W				S W				S E				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
4N	18E	5										5.9							5.9
4N	18E	6													1.7			4.6	6.3
4N	18E	7	0.6	1							2.2			2.8		8.9	18.1		33.6
4N	18E	8					0.5		2.5										3.0
4N	18E	18		0.7			6.3												7.0
5N	18E	32																4.1	4.1

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 59.9

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.

Lessor acquired 37-415 when it purchased the property to which that right is appurtenant. Please see the real property documents that were attached to the Lessor's previous lease application received by IDWR on June 21, 2007.

- b. Describe the frequency of water use 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).

Please see the SRBA recommendation issued by IDWR for 37-415.

- 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.

The source of water right 37-415 is Trail Creek, and water is available to satisfy the right throughout the irrigation season (4/15 - 10/31). This application implicates only the irrigation portion of 37-415--the aesthetic and wildlife components of the right remain unchanged.

- 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.

Please see water right 37-416. Portions of the place of use identified in 2.c above are authorized to be irrigated by 37-416. In addition, Lessor may use water from a municipal provider to irrigate some acres.

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

N/A

- 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:

Please note that the Lessor intends to lease 37-415 as recommended by IDWR in the SRBA. As stated in Section 5 below, this water right may only be rented by Sinclair Oil Corporation, dba Sun Valley Co. These applications, if accepted, will amend and supersede the water bank agreements currently in effect for 37-415.

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 ASAP to December 31, 2011
(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".

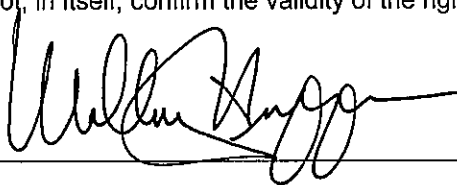
The minimum payment shall be \$10 per af. This water right shall only be available for rental to Sinclair Oil Corporation, dba Sun Valley Co.

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

5/22/08
Date


Signature

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____