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NOTICE OF PROTEST PURSUANT TO IDAHO CODE § 42-203 WATER RESOURCES
WESTERN REGION

A. **Matter protested:** Application for Permit No. 63-32573 filed by M3 Eagle LLC on or about 11/21/2006, and all amendments thereto.

B. **Protestant's name:** ROBERT S. NICCOLLS JR AND LAYONNE D. NICCOLLS

C. **Protestant's water right number(s):** N/A - DOMESTIC USE ONLY

D. **Priority date(s):** DRILLED 11/17/94 TO 3/11/95

E. **Protestant's representative for service:** David Head

F. **Service address:** 855 Stillwell Drive
Eagle, Idaho
83616

G. **Service phone #:** 208-938-8508

H. **Service e-mail address:** head@firstsourceidaho.com

I. **Proposed source of diversion:** Groundwater

J. Bases of Protest

(1) The proposed diversion of groundwater by M3 has the potential for significant adverse affects to my senior water rights, including, but not limited to, reduction in quality and/or quantity of my senior water rights.

(2) At the current time, there is insufficient hydrological data or evidence to support a finding by the IDWR that M3's proposed diversion of groundwater will not conflict with the local public interest, as defined in Idaho Code § 42-202B(3), and as required by Idaho Code § 42-203A.

(3) At the current time, there is insufficient hydrological data or evidence to determine whether the groundwater supply in the relevant area is sufficient to support M3's proposed level of diversion of groundwater [See Idaho Code § 42-203A(5)(b)].

(4) At the current time, there is insufficient hydrological data or evidence to determine whether M3's proposed groundwater diversion adversely affects the local economy of the watershed within which the source of water for the proposed use originates.

(5) The M3 application requests authorization to divert a significant quantity of groundwater from undefined and unquantified foothills aquifers—aquifers which the IDWR proposes to study and model in the near future and aquifers in an area for which IDWR will establish a water budget, before applicant has any need to put its proposed water rights to beneficial use.

(6) The M3 application requests water rights sufficient to support a 20-year residential development plan, all before completion of the aforementioned IDWR foothills study and water budget establishment. IDWR should only consider granting M3 water rights for that amount of water which M3 can put to beneficial use in the reasonably foreseeable future.

I authorize the following individuals to act as my agent on all aspects of this protest:

David Head North Ada County Foothills Association 855 Stillwell Dr. Eagle, ID 83616	John Thornton 5264 N. Sky High Lane Eagle, ID 83616	
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For service purposes, I designate David Head as my representative, who should be contacted at the address listed above.

K. Resolution of Protest

1. This protest may be resolved only upon the collection and presentation of substantial and competent evidence to support findings that: (a.) the proposed diversion of groundwater by M3 will not adversely affect my senior water rights, including, but not limited to, reduction in quality and/or quantity; (b.) M3's proposed diversion of groundwater will not conflict with the local public interest, as defined in Idaho Code § 42-202B(3); (c.) the groundwater supply in the areas relevant to M3's application is sufficient to support M3's proposed level of diversion of groundwater; and (d.) M3's proposed groundwater diversion does not adversely affect the local economy of the watershed within which the source of water for the proposed use originates.

2. This protest may be resolved upon IDWR's completion of its planned study and modeling of the relevant area and completion of IDWR's water budget for any affected aquifers—assuming that such study and modeling results in substantial and competent evidence to support the findings listed above.

3. Thirdly, this protest may be resolved by (a.) a combination of phased in granting of groundwater rights at no more than 5 CFS per phase to the applicant, along with (b.) a sufficient aquifer monitoring program to gather substantial and competent evidence to support the findings listed above.

I hereby, acknowledge that if I or one of my designated representatives fails to appear at any regularly scheduled conference or hearing in the matter of which my designated representative has been notified at the address above, the department may issue a notice of proposed default against me in this matter for failure to appear. I also verify that I or one of my representatives has served a copy of this protest upon the applicant.

Signed this 1st day of APRIL, 2007.

Robert S. Niccolls, Jr. Rawonne D. Niccolls
Protestant

David Head
Protestant's Representative Designated for Notification

\$25 - rec'd by DB
4-3-08 W036337