

Before the Idaho Water Resource Board

APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK

RECEIVED

~~JAN 29 2008~~

Department of Water Resources

Applicant Formation Capital Corporation, U.S. Phone (208) 756-4578

Address 812 Shoup Street

City Salmon State Idaho Zip Code 83467

A. DESCRIPTION OF WATER SOUGHT TO RENT

1. Source of water Bucktail Creek
tributary to South Fork Big Deer Creek.
2. Maximum volume of water _____ AF.
3. Maximum rate of diversion 0.5 cfs.

B. DESCRIPTION OF USE PROPOSED Please see Attachment A for items 1 through 5.

1. Nature of intended use _____
2. Location of point of diversion _____ $\frac{1}{4}$ _____ $\frac{1}{4}$, Section _____,
Township _____, Range _____, B.M. _____ County.
3. Season of use: From _____ to _____.
4. Description of diverting works:
Pump HP _____ Lift _____ Pump type _____.
Canal name, if appropriate _____.
5. Place of use:
 - a. If water is for irrigation, describe the number of acres to be irrigated by
40-acre tract, section, township and range.

b. If water is not for irrigation, describe the nature of the intended use and the place of use.

6. Describe any other water rights used for the same purposes as rental water sought under this application.

None.

7. Who owns the property at the point of diversion?

U.S. Forest Service

8. Who owns the property at the place of use?

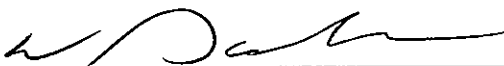
U.S. Forest Service

9. Are you seeking a rental for more than one (1) year? Yes (yes or no)

If yes, for how many years? 5

10. Remarks: Please see Formation Capital's companion water bank lease application for water right 75-7073.
- _____
- _____

1/21/08
Date


William G. Scales, President

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Time _____

Published in _____ Pub. dates _____

Protests filed by _____

Hearing held by _____

Action recommended _____

ATTACHMENT A

Application to Rent Water From the Water Supply Bank Formation Capital Corporation, U.S.

B. Description of Use Proposed

1. Nature of intended use

Mining (0.5 cfs)

Diversion to storage (0.5 cfs)

Mining storage (50 AF)

Mining from storage (50 AF)

2. Location of points of diversion

T21N, R18E, S17, NWNE (Lemhi County)

T21N, R18E, S20, NENE (Lemhi County)

3. Season of use

1/1 to 12/31, for all four uses.

4. Description of diverting works

The two points of diversion would be surface diversions directly from Bucktail Creek.

5. Place of use

The intended use of water is for various uses associated with a cobalt mine. The place of use would be all of T21N, R18E, S21, and the NENE and NESE quarter-quarter sections of T21N, R18E, S20.