

Water Supply Bank No. _____

Water Right No. 75-7073

**STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES**

RECEIVED

JAN 29 2008

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

**DEPARTMENT OF
WATER RESOURCES**

Name of Seller/Lessor Formation Capital Corporation, U.S. Phone (208) 756-4578

Post office address 812 Shoup Street, Salmon, Idaho 83467

1. DESCRIPTION OF WATER RIGHT:

Right evidenced by:

- a. Decree No. _____ Decreed to _____
(Name)
in case of _____ vs _____
dated _____ in _____ county of _____
(Name of court)
- b. License No. 75-7073 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: all cubic feet per second &/or
_____ acre-feet per annum
- b. Point of diversion: _____ ¼ of _____ ¼ of Section _____ Township _____ Range
_____, B.M. in _____ County.
Additional points _____

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	

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 _____

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.

Applicant purchased the water right from previous owners Derrold and Madge Slavin. The deed conveying the right, the change of ownership form, and the Director's SRBA recommendation are attached.

- 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).

Applicant purchased this right from the previous owner on July 25, 2006. This right has been recommended in the SRBA without objection. The objection deadline was October 17, 2007.

- 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.

Water is available from the source (Bucktail Creek) year-round. Sufficient water to satisfy the entire right (1 cfs) is typically available each year from March through June.

- 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.

None. The present place of use will not continue to receive water.

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

It is a license that has been recommended in the SRBA.

- 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:

Applicant wishes to lease the entire right to the water bank and to rent half of the right (0.5 cfs) back out for itself, leaving 0.5 cfs available to be rented by third parties. Please see the applicant's companion rental application.

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 5 years from acceptance
(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".

Current rental rate.

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.

Date 1/21/08

 [Signature]
William G. Scales, President

FOR DEPARTMENT USE ONLY

Received by _____ Date _____ Preliminary check by _____

Watermaster recommendation requested on _____ Received _____

Recommended for _____ approval _____ denial by _____

RECEIVED

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

OCT 17 2006

Department of Water Resources

Please print or type. Attach pages with additional information. Instructions are included at the end of this form.
 Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case division of the existing water right or adjudication claim record will be required.

Water Right No(s).	Adjudication Claim No(s).	Split	Water Right No(s).	Adjudication Claim No(s).	Split
75-7073	75-07073A				

JAN 29 2008

DEPARTMENT OF
WATER RESOURCES

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
 SEE ATTACHMENT A
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are usually attached to your deed or on file with the county).
 OR
 SEE ATTACHMENT B
 If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The **AERIAL PHOTO** should be submitted in place of the **PLAT OF PROPERTY** or **SURVEY MAP**.

3. Name and Address of Former Owner/Claimant(s) Derrold and Madge Slavin
PO Box 41, Carmen, Idaho 83642
4. New Owner/Claimant(s) Formation Capital Corporation U.S.
 Name Connector (Check one): [] and, [] or, [] and/or
 New Mailing Address 812 Shoup Street
 City, State and ZIP Code Salmon, ID 83467
 New Telephone Number (208) 756-4578
5. Date you acquired the property July 25, 2006

5. **If the change in ownership affects the entire water right for each water right or adjudication claim number listed in item 1, THEN SKIP THIS ITEM AND GO TO ITEM 7.** If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (one water right per box, you may copy this page as necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right(s) will not be split, skip this area and proceed to item 7)		
Water Right and/or Adjudication Claim Number _____		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Irrigation	_____	_____
Stock	_____	_____
Domestic	_____	_____
Other _____	_____	_____
Total	_____	_____

7. Signature of New Owner(s) or Claimant(s) _____
(include title if applicable)

William Scales, President, Formation Capital Corporation U.S.

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

For Office Use Only

Received by _____ Date _____ Fee _____
 Received by _____ Date _____ Receipt No. _____
 Processed by _____ AJ Date _____ WR _____ Date _____

QUITCLAIM DEED

THIS QUITCLAIM DEED Executed this 25th day of July, 2006, by first party **Derrold Slavin and Madge Slavin** whose post office address is Box 41 Carmen, ID 83462 to second party, **Formation Capital Corporation U.S.** whose post office address is 812 Shoup Street Salmon Idaho 83467.

WITNESSETH, That the said first party, for good consideration and for the sum of \$1.00 and other valuable considerations paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quitclaim unto the said second party forever, all the right, title, interest and claim which the said first party has in and to the following described water right in the County of Lemhi, State of Idaho, to wit:

WATER RIGHT NO. 75-7073

SOURCE - Bucktail Creek a tributary to South Fork of Big Deer Creek and Big Deer Creek

BENEFICIAL USE - Mining

DIVERSION RATE - 1 CFS

POINT OF DIVERSION - Bucktail Creek SESE Section 17, Township 21N, Range 18E Lemhi County

POINT OF USE - Township 21N, Range 18E Section 8 SW1/4 NE1/4 and SE1/4NE1/4

IN WITNESS WHEREOF, The said first party has signed and sealed these presents the day and year first above written.

Signed, sealed and delivered in presence of:

Witness

Derrold J Slavin
First Party

Witness

Madge J. Slavin
First Party

Witness

[Signature]
Second Party

STATE OF } Idaho
COUNTY OF } Lemhi

On August 3, 2006 before me, Melissa J Cole, personally appeared Derrold Slavin, Madge Slavin & William Slavin personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

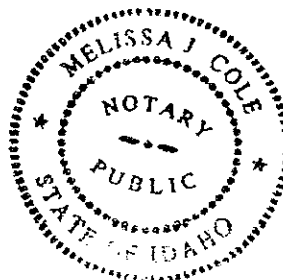
Melissa J. Cole
11/18/2006

Signature

Affiant: ☒ Known ___ Unknown

ID Produced: _____

[Seal]



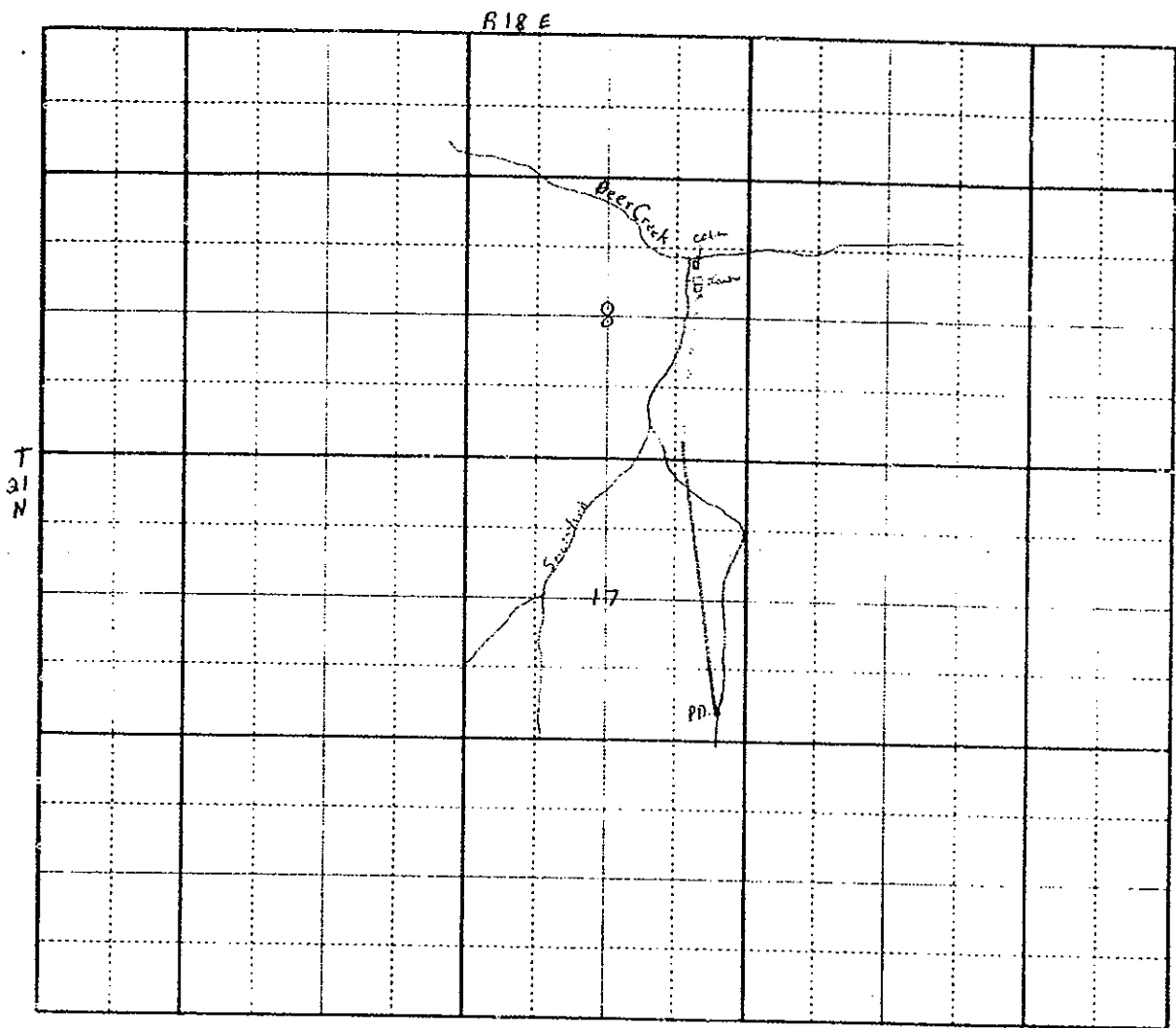
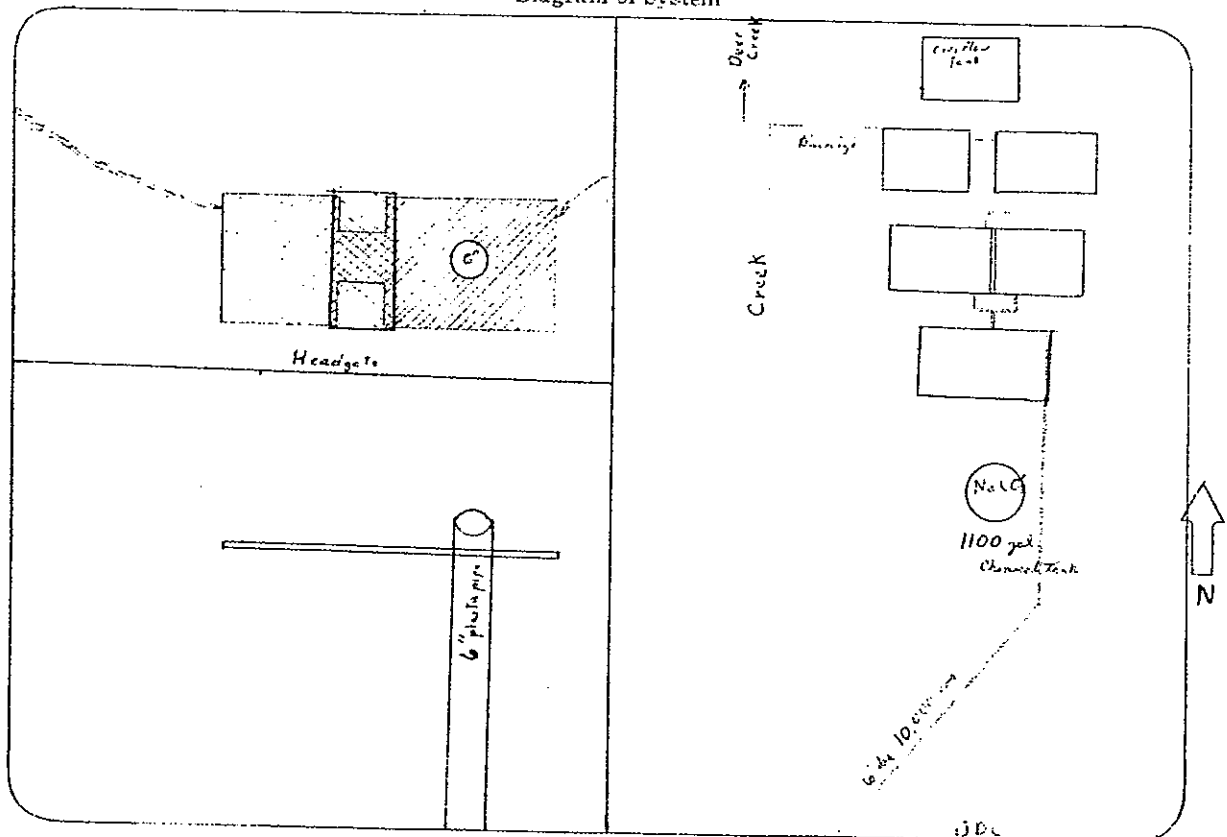


Diagram of System



(3202 1")
(BLACKBIRD M.)

T. 21 N.

POU

10'

Z/N

POU

1800

319

1716

ILS
MICROFILMED
DEC 13 1992

01/08/2007

IDAHO DEPARTMENT OF WATER RESOURCES
RECOMMENDED WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 75-7073
NAME AND ADDRESS: FORMATION CAPITAL CORPORATION US
812 SHOUP ST
SALMON ID 83467
SOURCE: BUCKTAIL CREEK TRIBUTARY: SOUTH FORK BIG DEER CREEK
QUANTITY: 1.000 CFS
PRIORITY DATE: 11/23/1976
POINT OF
DIVERSION: T21N R18E S17 SWSESE Within LEMHI County
PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
MINING	1/01 12/31	1.000 CFS

PLACE OF USE: MINING in LEMHI County
T21N R18E S08 SWNE T21N R18E S08 SENE

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - License