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FEB 26 2003

WATER RESOURCES
WESTERN REGION

AFFIDAVIT OF PUBLICATION

STATE OF IDAHO)
County of Gem) SS.

ANTHONY M. CLARK
of Emmett, Gem County, Idaho, being first duly sworn,
deposes and says:

1. That I am a citizen of the United States, and at all times
hereinafter mentioned was over the age of eighteen years,
and not a party to the above entitled action.

2. That I am the Principal Clerk of the Messenger Index,
a weekly newspaper published in the City of Emmett in the
County of Gem, State of Idaho; that the said newspaper is
in general circulation in the said County of Gem, and in the
vicinity of Emmett, and has been uninterruptedly published
in said County during a period of fifty-two consecutive
weeks prior to the first publication of the notice, a copy
of which is hereto attached.

3. That the notice, of which the annexed is a printed copy,
was published in the newspaper two times in the regular and
entire issue of said paper, and was printed in the newspaper
proper, and not in a supplement.

4. That said notice was published the following:
February 19, 26, 2003

Anthony M. Clark

STATE OF IDAHO)
County of Gem)

On this 26th day of February in the year of 2003 before me
a Notary Public, personally appeared. Anthony M. Clark
known or identified to me to be the person whose name
subscribed to the within instrument, and being by me first
duly sworn, declared that the statements therein are true,
and acknowledge to me that he executed the same.

Marianne Carey

Notary Public for Idaho
Residing at Emmett
My Commission expires
February 1, 2005



MICROFILM

MAR 22 2004

NOTICE OF PROPOSED CHANGE OF WATER RIGHT
TRANSFER NO. 70376

DAVID LITTLE FARMS INC
PO BOX 68
EMMETT ID 83617, has filed Application No. 70376 for changes to the fol-
lowing water rights within GEM County:
Right No. 65-2953

Priority	10/28/1958	
Source	BISSEL CREEK	
Use	IRRIGATION FROM STORAGE	1,322.0 AFA
	(1300.8 acres)	
	STOCKWATER FROM STORAGE	
	DIVERSION TO STORAGE	
Total Amount	22.10 CFS	1,322.0 AFA
Point(s) of Diversion	SWSW S20 T08N R01W	
Place of Use	T07N R02W S2	
	T08N R01W S19, S30, S31, S32	
	T08N R02W S25, S35, S36	

1300.8 total acres

Remark: Applicant wishes the right to describe diversion to storage from
Corral Creek via Bissel Creek as it has been historically used but was
omitted in decree records. The water is diverted from Corral Creek in the
SWNE S28 and injected into Bissel Creek in the SESWSE S20 T8N
R1W. The rediversion point for Corral Creek water from Bissel Creek is
the same as the Bissel Creek diversion. Applicant also wishes to clarify
the right uses and correct the diversion to storage volume. No increase in
total decreed flow rate, storage volume or acres irrigated has been
proposed.

Protests may be submitted based on the criteria of Sec 42-222, Idaho Code.

Any protest against the proposed change must be filed with the Department
of Water Resources, Western Region, 2735 Airport Wy, Boise ID 83705
together with a protest fee of \$25.00 for each application on or before March
10, 2003. The protestant must also send a copy of the protest to the appli-
cant.

KARL J DREHER, Director

Pub: 2-19, 26, 2003

Legal Notice No. 4968
Published in the Messenger Index

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

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JAN 14 2003

Department of Water Resources

ORIGINAL

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1

Name of applicant David Little Farms, Inc.

Phone (208) 365-2220

Post Office address P.O. Box 68, Emmett, Idaho, 83617

A. Purpose of Transfer

- 1 ☐ Change point of diversion ☒ Add diversion point(s) ☐ Change place of use
☐ Change nature of use ☐ Change period of use ☒ Other To correct the diversion to storage volume

2. Describe the reason for the proposed changes To make a record of the historic diversion of water from Corral Creek for use in conjunction with this water right. The Corral Creek right was inadvertently omitted in the Payette River Adjudication. To correct the diversion to storage volume to match the reservoir size rather than the stockwater component only.

B. DESCRIPTION OF RIGHT(S) OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

1. Right Number	Priority	Amount (cfs/ac-ft)	Nature of Use	Period of Use
<u>65-2953</u>	<u>10/28/1958</u>	<u>0.80 / 1,322</u>	<u>Diversion to Storage</u>	<u>12/1 to 9/1</u>
_____	_____	_____	_____	_____ to _____
_____	_____	_____	_____	_____ to _____
_____	_____	_____	_____	_____ to _____

2. Total amount of water being transferred 0.80 cubic feet per second and/or 1,322 acre-feet per annum.

3 Source of water Corral Creek tributary to Bissel Creek

4 Point(s) of Diversion:

Lot	1/4	1/4	1/4	Sec.	Twp	Rge.	County	Local name for diversion
	SW	NE	NE	28	8N	1W	Gem	Corral Creek diversion
	SE	SW	SE	20	8N	1W	Gem	Injection into Bissel Creek
	NW	SW	SW	20	8N	1W	Gem	Rediversion from Bissel Creek

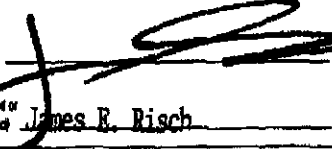
5. Lands irrigated or place of use:

Twp	Rge	Sec	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	
No Change																			

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Total acres _____

MAR 22 2004

No. C 26660	Due no later than Jul 31, 2002	2. Registered Agent and Office NO PO BOX
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080	Annual Report Form Mailing Address: Corporation has box of records DAVID LITTLE FARMS, INC. JAMES E RISCH 407 W. JEFFERSON ST. BOISE, ID 83702	James E. Risch 407 W. Jefferson Boise, ID 83702
NO FILING FEE IF RECEIVED BY DUE DATE		3. New Registered Agent Signature
4. Corporations: Enter Names and Business Addresses of President, Secretary and Directors.		
<u>Office held</u>	<u>Name</u>	<u>Street or P.O. Address</u>
		<u>City</u>
		<u>State</u>
		<u>Zip</u>
President:	James A. Little	P.O. Box 68
Vice President:	Gretchen J. Hyde	2655 Cherry Circle
Secretary:	Gretchen J. Hyde	2655 Cherry Circle
Director:	James A. Little	P.O. Box 68
Director:	Gretchen J. Hyde	2655 Cherry Circle
5. Organized Under the Laws of:	6.	
IDAHO	Signature 	
C 26660	Date 7/30/02	
	Name (Typed or Printed) James E. Risch Title Registered Agent	
Issued 05/01/2002	Do Not Tape or Staple	
	2872	

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JUN - 3 2003

Department of Water Resources

DISTRICT COURT-SRBA
Fifth Judicial District
County of Twin Falls - State of Idaho

JUN - 2 2003

By _____

Clerk

Deputy Clerk

**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

In Re SRBA

Case No. 39576

ORDER OF PARTIAL DECREE

**For Water Rights 65-02016, 65-02025, 65-02498,
65-02499, 65-02953 and 65-12382**

On March 25, 2003, a *Special Master's Report* was filed for each of the above water rights. On April 25, 2003 an *Amended Special Master's Report* was filed due to a clerical error on the *Special Master's Report* and a subsequent *Notice of Completed Administrative Proceeding* changing the corporation name. No Challenges were filed to the *Amended Special Master's Report* and the time for filing Challenges has now expired.

Pursuant to I.R.C.P. 53(e)(2) and *SRBA Administrative Order 1*, Section 13f, this Court has reviewed the Findings of Fact and Conclusions of Law contained in the *Special Master's Report* and subsequent *Amended Special Master's Report* and wholly adopts them as its own.

Therefore, IT IS ORDERED that water rights 65-02016, 65-02025, 65-02498, 65-02499, 65-02953 and 65-12382 are hereby decreed as set forth in the attached *Partial Decrees Pursuant to I.R.C.P. 54(b)*.

DATED June 2, 2003.


ROGER S. BURDICK
Presiding Judge
Snake River Basin Adjudication

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IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

DISTRICT COURT-SRBA

Fifth Judicial District

County of Twin Falls - State of Idaho

JUN - 2 2003

In Re SRBA

Case No 19576

PARTIAL DECREE PURSUANT TO
I.R.C.P. 54(b) FOR

Water Right 65-02953

By

Clerk

Deputy Clerk

NAME AND ADDRESS: VAN DEUSEN RANCH INC
PO BOX 68
EMMETT, ID 83617

SOURCE BISSEL CREEK TRIBUTARY: PAYETTE RIVER

QUANTITY. 22.10 CFS
1322.00 APY

PRIORITY DATE: 10/28/1958

POINT OF DIVERSION: T08N R01W S20 SWSW Within Gem County

PURPOSE AND PERIOD OF USE	PURPOSE OF USE	PERIOD OF USE	QUANTITY
	Stockwater from Storage	01-01 TO 12-31	14.00 APY
	Diversion to Storage	12-01 TO 09-01	22.10 CFS
			14.00 APY
	Irrigation from Storage	03-15 TO 11-15	1322.00 APY

PLACE OF USE	Irrigation from Storage	Within Gem County
T07N R02W S02 LOT 1	(NENE) 17.0	LOT 2 (NENE) 3.3
LOT 3	(NENW) 25.0	SNNW 20.0
	SENE 5.3	NWSW 4.0
T08N R01W S19	SWNE 1.3	SENE 8.4
	NESW 20.0	LOT 3 (NWSW) 7.0
LOT 4	(SWSW) 23.0	SESW 40.0
	NESE 15.0	NWSE 25.0
	SWSE 9.9	SESE 1.3
S30	NENW 24.0	LOT 1 (NWNW) 35.0
LOT 2	(SWNW) 38.0	SENE 16.0
	NESW 16.0	LOT 3 (NWSW) 38.0
LOT 4	(SWSW) 38.0	SESW 32.0
	SWSE 7.0	
S31	NWNE 28.0	SWNE 2.4
	SENE 19.0	NENW 6.3
LOT 1	(NWNW) 24.0	NESE 4.4
S32	SWNW 12.0	SENE 0.3
	NESW 28.0	NWSW 24.0
	SESW 5.6	NWSE 8.0
	SWSE 15.0	
R02W S25	NENE 1.2	SENE 19.0
	SESW 7.0	NESE 38.0
	NWSE 8.4	SWSE 36.0
	SESE 39.0	
S35	SWNE 2.4	SENE 27.0
	SESW 12.0	NESE 39.0
	NWSE 27.0	SWSE 29.0
	SESE 39.0	
S36	NENE 39.0	NWNE 39.0
	SWNE 37.0	SENE 14.0
	NENW 13.0	NWNW 2.1
	SWNW 39.0	SENE 39.0
	NESW 30.0	NWSW 39.0
	SWSW 19.0	SESW 1.7
	NWSE 2.9	

1305.2 Acres Total

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MAR 22 2004

SRBA Partial Decree Pursuant to I R C.P. 54(b) (continued)

PLACE OF USE (continued)

Stockwater from Storage	Within Gem County
Same as Irrigation from Storage	
Diversion to Storage	Within Gem County
Same as Irrigation from Storage	

PLACE OF USE DESCRIBED ABOVE DOES NOT INCLUDE THE IRRIGATION OF FEDERAL PUBLIC LAND

THIS RIGHT IS LIMITED TO THE IRRIGATION OF 1105 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

USE OF THIS RIGHT WITH THE RIGHTS LISTED BELOW IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 1305 2 ACRES IN A SINGLE IRRIGATION SEASON. COMBINED RIGHT NOS : 65-12382, 65-02016, 65-02498, 65-02025, 65-02499, 65-07061.

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. I.C. SECTION 42-1412(6).

RULE 54(b) CERTIFICATE

With respect to the issues determined by the above judgment or order, it is hereby CERTIFIED, in accordance with Rule 54(b), I.R.C.P., that the court has determined that there is no just reason for delay of the entry of a final judgment and that the court has and does hereby direct that the above judgment or order shall be a final judgment upon which execution may issue and an appeal may be taken as provided by the Idaho Appellate Rules


Roger Byrdick
Presiding Judge of the
Snake River Basin Adjudication

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MAR 22 2004



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

September 24, 2003

David J. Barber
Deputy Attorney General
Office of the Attorney General
Natural Resources Division
P.O. Box 83720
Boise, Idaho 83720-0010

David Little
David Little Farms
P.O. Box 68
Emmett, Idaho 83617

Re: Application to Appropriate Water No. 65-22765; Application for Transfer
No. 70376 (Water right no. 65-2953) in the name of Van Deusen Ranch

Gentlemen:

The Idaho Department of Water Resources (IDWR) reviewed the executed agreement for settlement of protest against the applications listed above. Among other things, Van Deusen Ranch Inc. agrees to assign the portion of application no. 65-22765 describing state lands as a place of use to Van Deusen Ranch Inc. and to the Idaho Department of Lands as tenants in common. This clause anticipates the future execution of an assignment of the portion of the application describing state lands. Enclosed is an assignment form that should be completed and returned to this office.

IDWR will continue the background processing of the application even though the assignment has not yet been submitted. IDWR will not sign the final permits and other related documents, however, until the executed assignment is received.

The parties also request the inclusion of a condition of approval related to possible future transfer of the water rights from the state lands. The proposed condition is acceptable to IDWR. Nonetheless, IDWR proposes the following amendments to the condition to clarify its intent:

In the event that James Little or any successor shareholder in Van Deusen Ranch Inc. no longer holds grazing lease no. G-6739, ~~the following procedures shall apply.~~ Van Deusen Ranch Inc. shall have the exclusive right to file an application to amend this permit [referred to in the

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MAR 22 2004

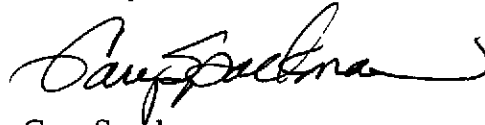
David J. Barber
David Little
September 24, 2003
Page 2

agreement as water right no. 65-22765B] or for transfer of water right any subsequent license no. 65-22765B for a period of one year from the date of termination of grazing lease no. G-6739. If Van Deusen Ranch Inc. fails to file an application to amend or for transfer within the one-year period, then the Idaho Department of Lands or its successor may shall have the exclusive right to file an application to amend this permit or for transfer of water right no. 65-22765B any subsequent license.

The bracketed language would not be included in the final condition. The primary reason for the proposed changes is to add certainty regarding the authority to file an application to change the water right after expiration of the one year of Van Deusen's exclusive right to file a transfer. The current agreement language allows either party to file the change application after the expiration of one year. The uncertainty could be cause for a future protest by the non-filing tenant in common.

IDWR will wait for fourteen days for comments from the parties about the above proposed changes. If the parties object to the proposed amendments, further discussions may be necessary. If the parties do not object, approval documents will be prepared for the application to appropriate water no. 65-22765 and application for transfer no. 70376.

Sincerely,



Gary Spackman

Enclosure

Cc: Dave Shaw
Western Region
Jeff Peppersack

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STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WARDEN

August 13, 2003

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AUG 13 2003

WATER RESOURCES
WESTERN REGION

Mr. Gary Spackman
Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705-5082

Re: Settlement Agreement Between Idaho Department of Lands and Van Deusen
Ranch Concerning Protest to Application for Permit No. 65-22765 and
Application for Transfer No. 70376.

Dear Mr. Spackman:

Enclosed with this letter are the following: (1) an executed original settlement agreement concerning the Idaho Department of Lands' protest of the application for permit no. 65-22765 and application for transfer no. 70376 and (2) a copy thereof. Please file the original settlement agreement in your administrative files. In addition, please conform the copy and return it. ✓
Thank you.

Mr. Jeff Peppersack reviewed this settlement, and the parties corrected an incorrect reference that he identified. A copy of Mr. Peppersack's letter is also enclosed for your information.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Barber".

DAVID J. BARBER
Deputy Attorney General

DJB/ov
Enclosures
cc: Mr. David Shaw (w/enclosures)

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MAR 22 2004

**SETTLEMENT AGREEMENT OF A PROTEST TO WATER RIGHTS BETWEEN THE
IDAHO DEPARTMENT OF LANDS AND VAN DEUSEN RANCH INC.**

THIS SETTLEMENT AGREEMENT is entered into between the Idaho Department of Lands and Van Deusen Ranch Inc.

RECITALS OF FACTS

A. David Little Farms, Inc., an Idaho Corporation, filed application for permit no. 65-22765 and application for transfer no. 70376. Subsequently, David Little Farms, Inc., changed its name to Van Deusen Ranch Inc.

B. James A. Little, dba V. Dot Cattle Company, executed State Land Lease, Lease Number G-6739, with the Idaho Department of Lands on November 28, 1995. The Lease authorizes grazing on 2,775.30 acres. Paragraph 17 of the Lease also provides as follows:

17. WATER RIGHTS

The establishment of any water right or rights shall be by and for the lessor, and no claim thereto shall be made by the lessee; such rights shall attach to and become appurtenant to said land. The lessee shall not cause any water to be conveyed off the land without the prior written approval of the lessor.

C. The Idaho Department of Lands filed protests to the approval of application for permit no. 65-22765 and application for transfer no. 70376 because application for permit no. 65-22765 and application for transfer no. 70376 included state land leased under the lease described in Recital B.

D. David Little Farms, Inc. executed State Land Lease, Lease Number G-6448, with the Idaho Department of Lands on November 28, 1995. The Lease authorizes grazing on 276.7 acres. This Lease also includes Paragraph 17 described in Recital B above.

E. The purpose of this settlement agreement is to resolve in an amicable manner the protests by the Idaho Department of Lands.

IN CONSIDERATION OF THE PROMISES HEREINAFTER STATED, THE PARTIES AGREE AS FOLLOWS:

1. Definitions

A. The term "Idaho Department of Lands" or the acronym "IDL," means the State of Idaho Department of Lands, 954 West Jefferson St., Box 83720, Boise, Idaho, 83720-0050, by and through its authorized representatives.

B. The term "applicant" means Van Deusen Ranch Inc., P.O. Box 68, Emmett, Idaho 83617, by and through its authorized representatives, or any successor or assign.

C. The term "grazing lease no. G-6739" means State Land Lease, Lease Number G-6739 and any successor lease for the state endowment land described in this lease. A true and correct copy of grazing lease no. G-6739 is attached as Attachment I.

D. The term "grazing lease no. G-6448" means State Land Lease, Lease Number G-6448. A true and correct copy of grazing lease no. G-6448 is attached as Attachment II.

2. Resolution of Protests

A. The IDL conditionally withdraws its protest to the approval of application for permit no. 65-22765 and of application for transfer no. 70376, provided however, that this withdrawal shall be void if the Idaho Department of Water Resources fails to include the provision provided in subdivision (D) of this section as a condition of any permit issued on application for permit no. 65-22765.

B. The applicant agrees to split application for permit no. 65-22765 into two separate applications designated as application for permit no. 65-22765A and application for permit no. 65-22765B. These two separate applications are described in clauses (1) and (2) below.

1. Application for Permit No. 65-22765A:

- i. Name and Address: Van Deusen Ranch, Inc.
P.O. Box 68
Emmett, ID 83617
- ii. Source: Bissel Creek
- iii. Quantity: 0.773 cfs and 96.66 ac-ft
- iv. Priority Date: 1/14/2003
- v. Point of Diversion: NW¼SW¼SW¼ Sec 20, Twp 8 N, Rge 1 W, B.M.
- vi. Purpose of Use: Diversion to storage, storage for irrigation, and irrigation from storage
- vii. Period of Year: Diversion to storage 12/1-9/1
Storage for irrigation, 1/1 – 12/31
Irrigation from Storage, 3/1 – 11/15
- viii. Place of Use:

<u>Twp</u>	<u>Rge</u>	<u>Sec</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>	<u>Lot</u>	<u>Tract</u>	<u>Acres</u>
07N	02W	2	2	NWNE	3 3									
			3	NENW	25		SWNW	20		SESW	5 3			
				NWSW	4									
08N	01W	19		SWNE	1 3		SENE	8 4						
				NESW	20	3	NWSW	7	4	SWSW	23		SESW	40
				NESE	15		NWSE	25		SWSE	9 9		SESE	1 3
		30		NENW	24	1	NWNW	35	2	SWNW	38		SESW	16
				NESW	16	3	NWSW	38	4	SWSW	38		SESW	32
				SWSE	7									
		31		NWNE	28		SENE	19						
				NENW	6 3									
		32		SWNW	12		SESW	0 3						
				NESW	28		NWSW	24		SESW	5 6			
				NWSE	8		SWSE	15						
	02W	25		NENE	1 2		SENE	19						
				SESW	7									
				NESE	38		NWSE	8 4		SWSE	36		SESE	39
		35		SWNE	2 4		SENE	27						
				SESW	12									
				NESE	39		NWSE	27		SWSE	29		SESE	39
		36		NENE	39		NWNE	39		SWNE	37		SENE	14
				NENW	33		NWNW	2.1		SWNW	39		SESW	39
				NESW	30		NWSW	39		SWSW	19		SESW	1 7
				NWSE	2 9									

2. Application for Permit No. 65-22765B:

- i. Name and Address: Van Deusen Ranch Inc.
P.O. Box 68
Emmett, ID 83617

State of Idaho, Department of Lands
954 West Jefferson St.
P.O. Box 83720
Boise, ID 83720-0050
- ii. Source: Bissel Creek
- iii. Quantity: 0.027 c.f.s. and 3.34 acre feet per year
- iv. Priority Date: 1/14/2003
- v. Point of Diversion: NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec 20, Twp 8 N, Rge 1 W, B.M.
- vi. Purpose of Use: Diversion to storage, storage for irrigation, and irrigation from storage
- vii. Period of Year: Diversion to storage, 12/1 – 9/1
Storage for Irrigation, 1/1 – 12/31
Irrigation from Storage, 3/1 – 11/15
- viii. Place of Use: Twp 7N Rge 2W Sec 2 Lot 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$) 17 acres
Twp 8N Rge 1 W Sec 31 SW $\frac{1}{4}$ NE $\frac{1}{4}$ 2.4 acres
Twp 8N Rge 1 W Sec 31 Lot 1 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) 24 acres

C. The applicant agrees to assign its interest in application for permit no. 65-22765B to the following persons as tenants in common: Van Deusen Ranch Inc. and the Idaho Department of Lands.

D. The IDL and applicant request the approval of application for permit no. 65-22765B with the following condition:

In the event that James Little or any successor shareholder in Van Deusen Ranch Inc. no longer holds grazing lease no. G-6739, then the following procedures shall apply. Van Deusen Ranch Inc. shall have the exclusive right to file an application for transfer of water right no. 65-22765B for a period of one year from the date of termination of grazing lease no. G-6739. If Van Deusen Ranch Inc. fails to file an application for transfer within the one-year period, then the Idaho Department of Lands may file an application for transfer of water right no. 65-22765B.

E. The IDL and applicant request the approval of application for permit nos. 65-22765A.

F. The IDL and applicant request the approval of application for transfer no. 70376. This settlement agreement does not provide for any assignment of the water rights subject to the transfer to the Idaho Department of Lands. In the event that James Little or any successor shareholder in Van Deusen Ranch Inc. no longer holds grazing lease no. G-6739, then Van Deusen Ranch Inc. shall have the exclusive right to file an application for transfer of the water rights off the state endowment land to other land. The Idaho Department of Lands shall have no rights to transfer the water rights that are the subject of application for transfer no. 70376.

G. During the pendency of grazing lease nos. G-6448 and G-6739, the applicant shall have exclusive right to exercise control over water right no. 65-22765B.

H. The purpose of the provisions of this section is to resolve the bundle of rights held by the applicant and the IDL with regard to application for permit no. 65-22765B and application for transfer no. 70376.

3. Consolidation of Place of Use

Grazing Lease Nos. G-6448 and G-6739 both expire on December 31, 2005. In the event that the applicant requests renewal of both Grazing Lease Nos. G-6448 and G-6739, then the parties agree that the lands described in Grazing Lease No. G-6448 shall be consolidated in the legal description for the lands in Grazing Lease No. G-6739.

4. Term

A. This settlement agreement shall take effect when executed by both parties hereto and shall continue in effect for two years after the expiration of grazing lease no. G-6739. This Settlement Agreement may be extended by mutual written consent of the parties.

B. In the event that the Idaho Department of Water Resources fails to include the provision described in subsection (D) of section 2 above in any permit issued on application for permit no. 65-22765B, then this settlement agreement shall be void, and the protest of the IDL shall continue as if this settlement agreement had never been executed.

5. Disclaimers and Reservation of Rights

A. Nothing in this settlement agreement diminishes the authority of the Idaho Department of Lands to take any and all actions with respect to the endowment land described in grazing lease nos. G-6448 or G-6739 in accordance with existing law and the conditions set forth in grazing lease nos. G-6448 or G-6739.

B. The parties agree to jointly support and defend this settlement agreement against all objections.

C. This settlement agreement has been reached in the process of good faith negotiations for the purpose of resolving legal disputes, including pending protests before the Idaho Department of Water Resources, and all parties agree that no offers and/or compromises made in the course thereof shall be construed as admissions against interest or be used in any legal proceeding other than one for approval, confirmation, interpretation, or enforcement of this settlement agreement.

6. Entire Settlement Agreement and Modifications

A. This settlement agreement sets forth all the covenants, promises, provisions, agreements, conditions, and understandings between the parties and there are no covenants, provisions, promises, agreements, conditions, or understandings, either oral or written other than are herein set forth.

B. Any modification in this settlement agreement shall be in writing signed by an authorized representative of both parties.

7. Governing Law

Both parties agree that this settlement agreement shall be governed by and construed in accordance with the laws of the State of Idaho.

8. Effect of Section Headings

The section headers appearing in this contract are not to be construed as interpretations of the text but are inserted for convenience and reference only.

9. Duplicate Originals

A. This settlement agreement is executed in triplicate. Each of the three settlement agreements with an original signature of each party shall be an original.

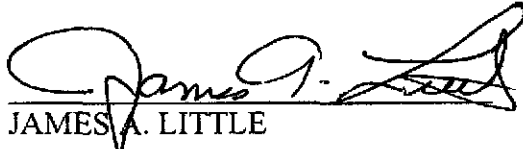
B. One original shall be distributed to each party. The third original shall be filed with the Idaho Department of Water Resources.

IN WITNESS WHEREOF the parties executed this settlement agreement.

IDAHO DEPARTMENT OF LANDS

VAN DEUSEN RANCH INC.


WINSTON WIGGINS


JAMES A. LITTLE

STATE OF IDAHO)
)
County of Ada)

On this 11 day of August, in the year 2007, before me a Notary Public in and for said State, personally appeared Winston Wiggins, known to me to be the Director of the Idaho Department of Lands, that executed the within instrument, and acknowledged to me that the Idaho Department of Lands and the State of Idaho executed the same.

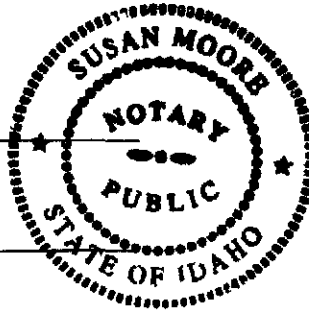
IN WITNESS WHEREOF, I hereunto set my hand and seal on the day and year last above written.

Susan Moore

Notary Public for Idaho

Residing at Boise, Idaho

My Commission expires: 10-08-2007



STATE OF IDAHO)
)
County of Ada ^{Gem})

On this 19th day of June, in the year 2003, before me a Notary Public in and for said State, personally appeared James A. Little, known or satisfactorily proved to me to be the authorized representative of Van Deusen Ranch Inc. and that said settlement agreement was signed on behalf of Van Deusen Ranch Inc.

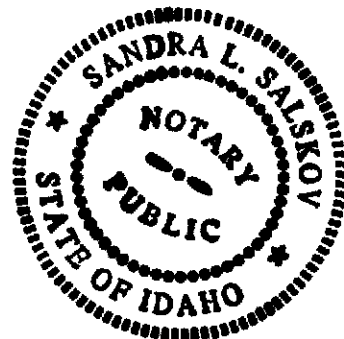
IN WITNESS WHEREOF, I hereunto set my hand and seal on the day and year last above written.

Sandra L. Salskov

Notary Public for Idaho

Residing at ^{Emmett} Boise, Idaho

My Commission expires: 2-20-09



MICROFILMED

MICROFILMED
MAR 22 2004

ATTACHMENT I

STATE OF IDAHO
STATE LAND LEASE

LEASE NUMBER: G-6739

This lease agreement is made and entered into by and between the State of Idaho, acting by and through the State Board of Land Commissioners (lessor) and V. Dot Cattle Company (lessee)
c/o Jim Little Box 521 Emmett, ID 83617
(Address) (City) (State) (Zip)

This lease shall commence January 1, 1996, and terminate December 31, 2005.

The annual rent payment is due on May 1 of each year.

The lessor, in consideration of the rental paid and the covenants, conditions and restrictions hereinafter set forth, in attachment B, does hereby lease and demise unto the lessee the lands described in attachment A at the rates and uses specified herein; grazing 2,775.30 acres containing 372.00 AUMs, cropland 0.00 acres of dryland at 0.00 per acre, 0.00 acres irrigated land at 0.00 per acre and 0.00 acres of wasteland at 0.00 per acre, miscellaneous 0.00 per annum, or 0.00 premium bid.

IN WITNESS WHEREOF, The parties hereto have caused these presents to be duly executed the day and year first above written.

COUNTERSIGNED:

[Signature] Secretary of the State
Stanley F. Hamilton Director Department of

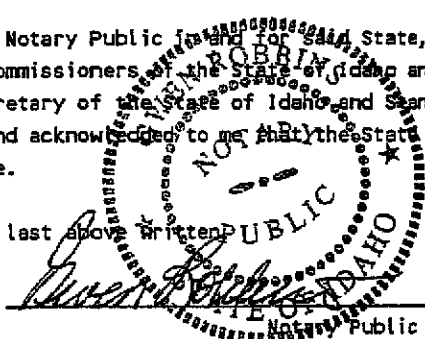
[Signature] President of the State Board of Land Commissioners
and Governor of the State of Idaho

STATE OF IDAHO

COUNTY OF Ada

On this 28 day of November, in the year 1995 before me, a Notary Public in and for said State, personally appeared Phil Batt, known to me to be the president of the State Board of Land Commissioners of the State of Idaho and the Governor of the State of Idaho; and Pete T. Cenarrusa, known to me to be the Secretary of the State of Idaho and Stanley F. Hamilton, known to me to be the Director, that executed the within instrument, and acknowledged to me that the State Board of Land Commissioners of the State of Idaho and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Residing at Boise, Idaho, Commission expires 9-8-2001

Notary Public for Idaho

***** LESSEE *****

X [Signature] general partner
(lessee)

STATE OF IDAHO

X _____
(lessee)

COUNTY OF Lemhi

On this 30 day of October, in the year 1995, before me, a Notary Public in and for said State, personally appeared James C. Little

known to me to be the lessee that executed the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Residing at Emmett, Idaho, Commission expires 2000
[Signature] Cheryl L. Fisher
Notary Public for Idaho

MICROFILMED

APR 22 2006

STATE OF IDAHO
STATE LAND LEASE

LEASE NUMBER: G-6739

PAGE 2

ATTACHMENT A

DESCRIPTION OF PROPERTY:

COUNTY	ACRES	SUBDIVISION DESCRIPTION	SEC.	TWP.	RGE.	ENDOW.
GEM	40.00	SWNW	4 00	7 N	1.0 W	PS
GEM	76.74	L3,4 (N2NW)	4 10	7 N	1.0 W	PS
GEM	119.27	S2NE, LOT 5 (SWNW)	6 00	7 N	1.0 W	PS
GEM	30.00	PT SENW (WEST OF ROAD)	8 05	7 N	1.0 W	PS
GEM	40.00	SWNE	1 00	7 N	2.0 W	PS
GEM	121.83	L1 (NENE), S2NE	2 00	7 N	2.0 W	PS
GEM	80.00	N2SE	23 00	7 N	2.0 W	NS
GEM	200.00	N2S2, SESE	24 00	7 N	2.0 W	NS
GEM	27.46	LOT 2 (NWNE)	3 00	8 N	1.0 W	PS
GEM	640.00	ALL	16 00	8 N	1.0 W	PS
GEM	80.00	W2NW	21 00	8 N	1.0 W	PS
GEM	120.00	SENW, N2SW	28 00	8 N	1.0 W	PS
GEM	400.00	N1/2NE, SWNE, E1/2NW, N1/2SW	29 00	8 N	1.0 W	PS
GEM	40.00	SWNW	29 05	8 N	1.0 W	PS
GEM	40.00	NESE	31 00	8 N	1.0 W	PS
GEM	80.00	S2SW	33 00	8 N	1.0 W	PS
GEM	40.00	NWSW	23 00	9 N	1.0 W	PS
GEM	40.00	SESW	23 05	9 N	1.0 W	PS
GEM	40.00	SESW	25 00	9 N	1.0 W	PS
GEM	40.00	NENW	26 00	9 N	1.0 W	PS
GEM	40.00	SWNW	27 00	9 N	1.0 W	PS
PAYETTE	40.00	NWSE	28 00	9 N	1.0 W	PS
PAYETTE	40.00	NWNE	32 00	9 N	1.0 W	PS
GEM	40.00	SWNE	34 00	9 N	1.0 W	PS
GEM	320.00	W2,	36 00	9 N	1.0 W	PS

MICROFILM

MAR 22 2004

**STATE OF IDAHO
STATE LAND LEASE**

Lease Number G-6739
Page 1 of 2

ATTACHMENT B

This lease is made pursuant to the laws of the State of Idaho and the Rules and Regulations governing grazing leases and cropland leases, IDAPA 20.03.14

1. USE OF LAND

The lands herein described shall be used for the purpose of grazing and farming as specified on the signature page; no other uses shall be made of these lands without the prior written approval of the lessor.

2. RECLASSIFICATION OF LAND USE

At the sole discretion of the lessor, lands under this lease may be reclassified in whole or in part for agricultural, commercial, homesite, or other purposes that would result in increased rentals to the lessor. For uses other than cropland or grazing the lands affected will be dropped from the lease.

3. RATE OF RENT – CHANGE OF RENT

Lessee agrees to pay to the lessor, in lawful money of the United States, each year's rent in advance, and prior to the legal possession of the property for such year, an annual rent for each acre of cropland and every AUM covered by this lease. The rent shall be payable on or before the date specified on the signature page. The lessor reserves the right to increase or decrease the annual rent, and the lessee will be notified six months in advance of the first payment of any increase.

4. RIGHT OF LESSOR TO SELL – APPRAISAL OF IMPROVEMENTS – APPROVAL OF IMPROVEMENTS REQUIRED

The lessor reserves the right to sell all or any portion of the land herein described and the lessee agrees to deliver immediate possession unless the lessee is to be permitted to harvest a growing crop. In such event, lessee shall have possession of only the land on which such crops are growing. The lessee will be notified of a scheduled sale at least thirty (30) days prior to sale date. When creditable improvements or growing crops are present, they will be appraised in accordance with Idaho Code, Section 58-313, by the lessor and the lessee will be paid for the improvements or crops by the purchaser on the day of sale; lessor's appraisal shall be conclusive.

Prior written approval of lessor is required to make permanent range improvements, construct permanent buildings, or clear the land for agricultural uses. Failure to secure such written approval shall constitute forfeiture of the value of such improvement in case of sale or lease conflict.

5. RENEWAL OF LEASE -- APPRAISAL OF IMPROVEMENTS

If the lessee is not the successful bidder at the expiration of this lease then the value of improvements recognized in Section 4 above shall be paid by the successful bidder to the lessee prior to possession provided no delinquent rent is owed. Improvement payments shall be applied towards any rent due before being disbursed to lessee.

6. RELINQUISHMENT OF RIGHTS

The lessee agrees to relinquish possession of the leased premises upon breach of any of the conditions herein set forth, with all permanent improvements thereon in good order and condition when such breach results in cancellation or forfeiture of this lease.

7. TIMBER ON LAND UNDER LEASE -- STATE FIRE LAWS

This lease is made subject to all present and future timber sale contracts. The lessor reserves the right to restrict or prohibit grazing use on all or portions of the land leased for timber management purposes. The lessee will be given one hundred eighty (180) days written notice, prior to turn out of livestock on lands leased, of any such restrictions or termination of grazing use, together with a map of the restricted area. This lease does not authorize the lessee to cut any timber growing on the land leased; any unauthorized use of such timber by the lessee or with his knowledge or consent, shall work a forfeiture of his lease without notice, and said lessee shall be responsible for treble damages to said timber. Lessee is subject to the provisions of state fire laws except for fire protection charges.

8. MINERAL RESERVATIONS

This lease is subject to any mineral lease (including oil, gas and geothermal resource leases) that is now in force or effect or that may hereafter be granted on the lands or any part thereof included herein as provided by Title 47, Idaho Code; provided, however, when a mineral lease is granted after the granting of this lease, the mineral lessee shall give a good and sufficient bond to protect the lessee herein from all damage occasioned to the surface of the lands embraced in this lease, or improvements thereon, whether the damage is due to mineral extraction or rights-of-way or other activities incident to mineral extraction.

9. GRAZING REGULATIONS

For grazing use, the grazing period and the number of stock may be fixed and determined by the lessor. The grazing lessee shall furnish such information as may be required from time to time, to assist in determining the grazing period and number of stock to be grazed. A lessee may be required to participate in a resource management plan which includes all or part of the lands described herein. Any written agreement concerning a management plan will be a condition of this lease.

Where sheep are grazed on land included in this lease, they shall not be bedded more than two nights consecutively on the same bedding ground without prior approval of the lessor.

MICROFILMED

MAY 22 2004

10. PAYMENTS OF TAXES AND WATER CHARGES

Unless otherwise provided, the lessee shall pay all water charges, assessments or taxes of whatsoever nature that may be legally levied or assessed against the land herein described, or any portion thereof, and if the same is not paid it shall constitute a lien in favor of the State of Idaho against all improvements or crops growing on said land.

11. SUBLEASING -- ASSIGNMENT

The lessee shall not sublease any of the land embraced in this lease without prior written approval of lessor. The lessee shall not assign this lease except upon the written approval of the lessor on forms provided for that purpose, and only where the rent owing has been paid in full, except that if a rental extension has been granted, such extension shall be assumed by the assignee and if improvements exist, such will be purchased by the assignee.

12. RIGHT OF ENTRY AND INSPECTION -- ABANDONMENT

The lessor reserves the right to enter upon land, or any portion thereof, during the term of this lease for the purpose of inspecting the property. Should any of the property covered by this lease be abandoned, or the lease cancelled or forfeited for any breach of condition herein contained, all improvements placed upon the property by the lessee shall remain a part of the realty and title thereto shall vest in the State of Idaho.

13. LESSOR PROTECTED AGAINST WASTE -- NOXIOUS WEED CONTROL

The lessee shall use the property under this lease in such manner as will best protect the State of Idaho against loss or waste, and shall cooperate with the lessor or any other agency authorized to undertake programs for control or eradication of noxious weeds. The lessee shall take measures to control noxious weeds on the leased land in accordance with Title 22, Chapter 24, Idaho Code. Control of noxious weeds on state grazing lands shall be shared jointly by the lessee and lessor with the lessor's share subject to funds appropriated for that purpose.

14. FORFEITURE OF LEASE

In case the lessee fails to comply with any of the covenants, terms or conditions of this lease, the lessor may forfeit or cancel the lease upon ten days notice to the lessee and the lessee shall not, during the period of notice, remove any of the improvements or crops thereon, whether the crops have been harvested or not. The lessee shall, upon lease expiration, deliver immediate possession of the lands herein to the lessor without further notice or demand.

15. EASEMENTS

The lessor reserves the right to grant easements and rights-of-way across or upon the land described in this lease and to grant immediate possession thereof to the grantee of such easement. The lessor shall coordinate with the lessee before processing any easement applications on the leased land. The grantee of such easement shall, before exercising the same, pay to the lessee the reasonable value of the growing and immature crops and improvements, as determined by the lessor's appraisal; lessor's appraisal shall be conclusive. This lease is subject to any right-of-way or easement heretofore granted over the lands embraced by this lease.

16. PUBLIC USE

The lessee must allow the general public the right to use the lands described in the lease for outdoor recreation. However, nothing in this lease authorizes or purports to authorize trespass on private lands to reach state-owned lands. State lands shall not be restricted without prior written approval of the lessor. Grazing or cropland leases will not be considered exclusive use leases as described under Idaho Code, Section 36-1603.

17. WATER RIGHTS

The establishment of any water right or rights shall be by and for the lessor, and no claim thereto shall be made by the lessee; such rights shall attach to and become appurtenant to said land. The lessee shall not cause any water to be conveyed off the land without prior written approval of the lessor.

18. SEED HARVEST

The lessor reserves the right to harvest seed from plants on land not under a cropland lease. The lessor will coordinate the harvesting activities with lessee to minimize impacts on livestock operations.

19. ROAD CLOSURE

The lessor reserves the right to close roads for road protection, wildlife protection or administrative purposes. Planned road closures will be reviewed with lessee prior to action. The lessee will have the right to appeal to the Land Board decisions affecting his use.

20. LIABILITY

The lessee shall indemnify and hold harmless the lessor, its departments, agencies and employees for any and all claims, actions, damages, costs and expenses which may arise by reason of lessee's occupation of the leased premises, or the occupation of the leased premises by any of the lessee's agents, or by any person occupying the same with the lessee's permission.

21. BINDING ON HEIRS

All of the terms, covenants, and conditions of this lease shall be binding upon the heirs, executors and assigns of the lessee.

22. CIVIL RIGHTS

The lessee shall not discriminate against any person on the basis of such person's race, creed, color, sex, national origin or handicap.

MICROFILMED

MAR 22 2004

ATTACHMENT II

MICROFILMED

MAR 22 2004

STATE OF IDAHO
STATE LAND LEASE

LEASE NUMBER: G-6448

This lease agreement is made and entered into by and between the State of Idaho, acting by and through the State Board of Land Commissioners (lessor) and David Little Farms, Inc. (lessee)

P. O. Box 68 Emmett, ID 83617
(Address) (City) (State) (Zip)

This lease shall commence January 1, 1996, and terminate December 31, 2005.

The annual rent payment is due on May 1 of each year.

The lessor, in consideration of the rental paid and the covenants, conditions and restrictions hereinafter set forth, in attachment B, does hereby lease and demise unto the lessee the lands described in attachment A at the rates and uses specified herein; grazing 266.70 acres containing 34.00 AUMs, cropland 0.00 acres of dryland at 0.00 per acre, 10.00 acres irrigated land at 12.00 per acre and 0.00 acres of wasteland at 0.00 per acre, miscellaneous 0.00 per annum, or 0.00 premium bid.

IN WITNESS WHEREOF, The parties hereto have caused these presents to be duly executed the day and year first above written.

COUNTERSIGNED:

STATE BOARD OF LAND COMMISSIONERS OF THE STATE OF IDAHO

Pete T. Cenarrusa
Secretary of the State of Idaho

Philip E. Batt
President of the State Board of Land Commissioners
and Governor of the State of Idaho

Stanley F. Hamilton
Director Department of Land



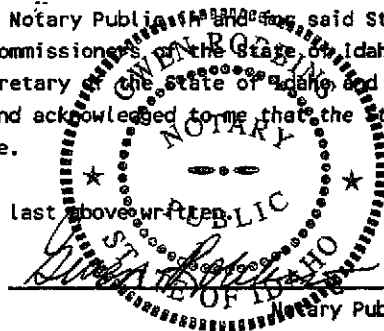
STATE OF IDAHO

COUNTY OF Ada

On this 28 day of Boise, in the year 1995, before me, a Notary Public in and for said State, personally appeared Phil Batt, known to me to be the president of the State Board of Land Commissioners of the State of Idaho and the Governor of the State of Idaho; and Pete T. Cenarrusa, known to me to be the Secretary of the State of Idaho; and Stanley F. Hamilton, known to me to be the Director, that executed the within instrument, and acknowledged to me that the State Board of Land Commissioners of the State of Idaho and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Residing at Boise, Idaho, Commission expires 9-8-2001



***** LESSEE *****

James A. Little vice-president
(lessee)

STATE OF IDAHO

X _____
(lessee)

COUNTY OF Lem

On this 30 day of October, in the year 1995, before me, a Notary Public in and for said State, personally appeared James A. Little

known to me to be the lessee that executed the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Residing at Emmett, Idaho, Commission expires 2000

Cheryl L. Fisher
Notary Public for Idaho

MICROFILMED

MAR 22 2001

STATE OF IDAHO
STATE LAND LEASE

LEASE NUMBER: G-6448

PAGE 2

ATTACHMENT A

DESCRIPTION OF PROPERTY:

COUNTY	ACRES	SUBDIVISION DESCRIPTION	SEC.	TWP.	RGE.	ENDOW.
GEM	276.70	SWNE, NWNW, S2NW, NESW, W2SE	31 05	8 N	1.0 W	PS

MICROFILMED

MAR 22 2004

**STATE OF IDAHO
STATE LAND LEASE**

Lease Number **G-6448**
Page 1 of 2

ATTACHMENT B

This lease is made pursuant to the laws of the State of Idaho and the Rules and Regulations governing grazing leases and cropland leases, IDAPA 20.03.14

1. USE OF LAND

The lands herein described shall be used for the purpose of grazing and farming as specified on the signature page; no other uses shall be made of these lands without the prior written approval of the lessor.

2. RECLASSIFICATION OF LAND USE

At the sole discretion of the lessor, lands under this lease may be reclassified in whole or in part for agricultural, commercial, homesite, or other purposes that would result in increased rentals to the lessor. For uses other than cropland or grazing the lands affected will be dropped from the lease.

3. RATE OF RENT -- CHANGE OF RENT

Lessee agrees to pay to the lessor, in lawful money of the United States, each year's rent in advance, and prior to the legal possession of the property for such year, an annual rent for each acre of cropland and every AUM covered by this lease. The rent shall be payable on or before the date specified on the signature page. The lessor reserves the right to increase or decrease the annual rent, and the lessee will be notified six months in advance of the first payment of any increase.

4. RIGHT OF LESSOR TO SELL -- APPRAISAL OF IMPROVEMENTS -- APPROVAL OF IMPROVEMENTS REQUIRED

The lessor reserves the right to sell all or any portion of the land herein described and the lessee agrees to deliver immediate possession unless the lessee is to be permitted to harvest a growing crop. In such event, lessee shall have possession of only the land on which such crops are growing. The lessee will be notified of a scheduled sale at least thirty (30) days prior to sale date. When creditable improvements or growing crops are present, they will be appraised in accordance with Idaho Code, Section 58-313, by the lessor and the lessee will be paid for the improvements or crops by the purchaser on the day of sale; lessor's appraisal shall be conclusive.

Prior written approval of lessor is required to make permanent range improvements, construct permanent buildings, or clear the land for agricultural uses. Failure to secure such written approval shall constitute forfeiture of the value of such improvement in case of sale or lease conflict.

5. RENEWAL OF LEASE -- APPRAISAL OF IMPROVEMENTS

If the lessee is not the successful bidder at the expiration of this lease then the value of improvements recognized in Section 4 above shall be paid by the successful bidder to the lessee prior to possession provided no delinquent rent is owed. Improvement payments shall be applied towards any rent due before being disbursed to lessee

6. RELINQUISHMENT OF RIGHTS

The lessee agrees to relinquish possession of the leased premises upon breach of any of the conditions herein set forth, with all permanent improvements thereon in good order and condition when such breach results in cancellation or forfeiture of this lease.

7. TIMBER ON LAND UNDER LEASE -- STATE FIRE LAWS

This lease is made subject to all present and future timber sale contracts. The lessor reserves the right to restrict or prohibit grazing use on all or portions of the land leased for timber management purposes. The lessee will be given one hundred eighty (180) days written notice, prior to turn out of livestock on lands leased, of any such restrictions or termination of grazing use, together with a map of the restricted area. This lease does not authorize the lessee to cut any timber growing on the land leased; any unauthorized use of such timber by the lessee or with his knowledge or consent, shall work a forfeiture of his lease without notice, and said lessee shall be responsible for treble damages to said timber. Lessee is subject to the provisions of state fire laws except for fire protection charges.

8. MINERAL RESERVATIONS

This lease is subject to any mineral lease (including oil, gas and geothermal resource leases) that is now in force or effect or that may hereafter be granted on the lands or any part thereof included herein as provided by Title 47, Idaho Code; provided, however, when a mineral lease is granted after the granting of this lease, the mineral lessee shall give a good and sufficient bond to protect the lessee herein from all damage occasioned to the surface of the lands embraced in this lease, or improvements thereon, whether the damage is due to mineral extraction or rights-of-way or other activities incident to mineral extraction.

9. GRAZING REGULATIONS

For grazing use, the grazing period and the number of stock may be fixed and determined by the lessor. The grazing lessee shall furnish such information as may be required from time to time, to assist in determining the grazing period and number of stock to be grazed. A lessee may be required to participate in a resource management plan which includes all or part of the lands described herein. Any written agreement concerning a management plan will be a condition of this lease

Where sheep are grazed on land included in this lease, they shall not be bedded more than two nights consecutively on the same bedding ground without prior approval of the lessor.

MICROFILMED
MAR 22 2004

10. PAYMENTS OF TAXES AND WATER CHARGES

Unless otherwise provided, the lessee shall pay all water charges, assessments or taxes of whatsoever nature that may be legally levied or assessed against the land herein described, or any portion thereof, and if the same is not paid it shall constitute a lien in favor of the State of Idaho against all improvements or crops growing on said land.

11. SUBLEASING – ASSIGNMENT

The lessee shall not sublease any of the land embraced in this lease without prior written approval of lessor. The lessee shall not assign this lease except upon the written approval of the lessor on forms provided for that purpose, and only where the rent owing has been paid in full, except that if a rental extension has been granted, such extension shall be assumed by the assignee and if improvements exist, such will be purchased by the assignee.

12. RIGHT OF ENTRY AND INSPECTION – ABANDONMENT

The lessor reserves the right to enter upon land, or any portion thereof, during the term of this lease for the purpose of inspecting the property. Should any of the property covered by this lease be abandoned, or the lease cancelled or forfeited for any breach of condition herein contained, all improvements placed upon the property by the lessee shall remain a part of the realty and title thereto shall vest in the State of Idaho.

13. LESSOR PROTECTED AGAINST WASTE – NOXIOUS WEED CONTROL

The lessee shall use the property under this lease in such manner as will best protect the State of Idaho against loss or waste, and shall cooperate with the lessor or any other agency authorized to undertake programs for control or eradication of noxious weeds. The lessee shall take measures to control noxious weeds on the leased land in accordance with Title 22, Chapter 24, Idaho Code. Control of noxious weeds on state grazing lands shall be shared jointly by the lessee and lessor with the lessor's share subject to funds appropriated for that purpose.

14. FORFEITURE OF LEASE

In case the lessee fails to comply with any of the covenants, terms or conditions of this lease, the lessor may forfeit or cancel the lease upon ten days notice to the lessee and the lessee shall not, during the period of notice, remove any of the improvements or crops thereon, whether the crops have been harvested or not. The lessee shall, upon lease expiration, deliver immediate possession of the lands herein to the lessor without further notice or demand.

15. EASEMENTS

The lessor reserves the right to grant easements and rights-of-way across or upon the land described in this lease and to grant immediate possession thereof to the grantee of such easement. The lessor shall coordinate with the lessee before processing any easement applications on the leased land. The grantee of such easement shall, before exercising the same, pay to the lessee the reasonable value of the growing and immature crops and improvements, as determined by the lessor's appraisal; lessor's appraisal shall be conclusive. This lease is subject to any right-of-way or easement heretofore granted over the lands embraced by this lease.

16. PUBLIC USE

The lessee must allow the general public the right to use the lands described in the lease for outdoor recreation. However, nothing in this lease authorizes or purports to authorize trespass on private lands to reach state-owned lands. State lands shall not be restricted without prior written approval of the lessor. Grazing or cropland leases will not be considered exclusive use leases as described under Idaho Code, Section 36-1603.

17. WATER RIGHTS

The establishment of any water right or rights shall be by and for the lessor, and no claim thereto shall be made by the lessee; such rights shall attach to and become appurtenant to said land. The lessee shall not cause any water to be conveyed off the land without prior written approval of the lessor.

18. SEED HARVEST

The lessor reserves the right to harvest seed from plants on land not under a cropland lease. The lessor will coordinate the harvesting activities with lessee to minimize impacts on livestock operations.

19. ROAD CLOSURE

The lessor reserves the right to close roads for road protection, wildlife protection or administrative purposes. Planned road closures will be reviewed with lessee prior to action. The lessee will have the right to appeal to the Land Board decisions affecting his use.

20. LIABILITY

The lessee shall indemnify and hold harmless the lessor, its departments, agencies and employees for any and all claims, actions, damages, costs and expenses which may arise by reason of lessee's occupation of the leased premises, or the occupation of the leased premises by any of the lessee's agents, or by any person occupying the same with the lessee's permission.

21. BINDING ON HEIRS

All of the terms, covenants, and conditions of this lease shall be binding upon the heirs, executors and assigns of the lessee.

22. CIVIL RIGHTS

The lessee shall not discriminate against any person on the basis of such person's race, creed, color, sex, national origin or handicap.

MICROFILMED

MAR 22 2004



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

July 25, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

DAVID J BARBER
OFFICE OF ATTORNEY GENERAL
NATURAL RESOURCES DIVISION
P O BOX 83720
BOISE ID 83720-0010

RECEIVED
JUL 28 2003
OFFICE OF THE ATTORNEY GENERAL
NATURAL RESOURCES DIVISION

RE: Application for Permit No. 65-22765 - Proposed Settlement Agreement

Dear David:

Thank you for the opportunity to review the proposed settlement submitted with your letter of July 7 regarding this contested case. We have reviewed the proposed condition to be included in an approved permit and have a couple of comments.

First, the proposed agreement in Section 2.A references a provision in Section 2.C as a condition to be included on any permit issued for application no. 65-22765. Assuming the reference was intended to be Section 2.D, the proposed condition is acceptable under present conditions; however, it could raise some questions in the event that a third party gains some interest in the right through land acquisition or otherwise during the term of the grazing lease including any extensions.

The agreement indicates that the proposed condition is to be applied to any permit issued for the application. Since a permit is considered personal property until a license is issued, a change to a permit could not be completed without authorization from the recorded owner(s). Therefore, the proposed condition may not be necessary during permit status, but could be added as a means to resolve the contested case. It is assumed that the proposed condition is to be applied to any future license issued for the permit because of the language referencing a transfer of the water right (a permit is changed through an amendment rather than a transfer). If that is the case, then the condition does not provide instruction regarding a future third party interest in the water right. Since the property is owned by the Department of Lands, the possibility of a third party interest may be remote and of little consequence.

MAIL-61970

MICROFILMED

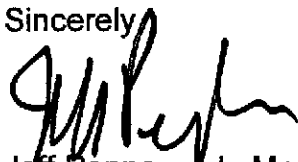
MAR 22 2004

184

On another matter, water right numbers are not split as they were historically. Our new database will assign split numbers based on the next available number, so "A" and "B" type suffixes are not used. The department would make an adjustment to the language to include the appropriate split numbers during preparation of the approval document.

Please let me know if there are additional questions related to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff Peppersack', written over the word 'Sincerely,'.

Jeff Peppersack, Manager
Water Right Permits Section

cc: Dave Shaw, ERO Resources Corp.
Gary Spackman, IDWR Western Region

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MAR 22 2004

SUPPLEMENTAL TRANSFER REVIEW CHECKLIST

- E'folder name Little Farms 70376
(applicant last name + transfer application #)
- Right Numbers * 65 - 2953
- Legal Notice: Use Workflow ad ✓
- OR Word file name _____
- Emails *Reviewer, check one:*
- _____ WR record transferred ✓ AJ record transferred
- Email sent, include e'folder name & brief sentence about purpose of transfer:*
- _____ WR record = Pam ✓ AJ record = Don, copy to Pam & Jan

SCANNING/SAVING TO E'FOLDER**ITEM SCANNED/SAVED****INITIALS & DATE**

- | | |
|--|-------------------|
| ► <u>Application</u> (... <u>original</u> .. <u>amended</u>) with its attachments | <u>LM 2-6-03</u> |
| ► <u>Draft review memo</u> | <u>Ly 2/3/03</u> |
| ► Legal notice w/ cover letter/email (<u>Correspondence legal notice</u>) | <u>St 2/14/03</u> |
| ► <u>Draft transfer approval</u> | _____ |
| ► Final <u>Review memo</u> | _____ |
| ► Initial <u>Review checklist</u> (... <u>initial</u>) | <u>LM 2-6-03</u> |
| ► Final <u>Review checklist</u> (... <u>final</u>) | <u>LM 2-6-03</u> |
| ► Additional items, <i>identify with acceptable e'folder file names</i> | _____ |

*** FILE COMPLETED FORM IN ALL WESTERN WR FILES INVOLVED**

PROTEST INFORMATION SHEET

APPLICANT: **DAVID LITTLE FARMS**
 PO BOX 68
 EMMETT ID 83617

PH: **208-365-2220**

APPLICATION NO: **65-22765**
TRANSFER NO: **70376** **(APPLICATION NO. 65-2953)**

DATE FILED: **1-14-03** **PROTEST DATE:** **3-10-03**

PROTESTANT(S) NAME & ADDRESS:

ID DEPT OF LANDS
C/O DAVID J BARBER (ISB #2597)
PO BOX 83720
BOISE ID 83720-0010

Protestant's Attorney Name & Address: Issues:

Applicant - Attorney - Name & Address:

Hearing Date: _____

Other: _____

BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE
STATE OF IDAHO

IN THE MATTER OF APPLICATION)
FOR PERMIT NO. 65-22765 AND)
APPLICATION FOR TRANSFER NO.)
70376 IN THE NAME OF DAVID)
LITTLE FARMS)
_____)

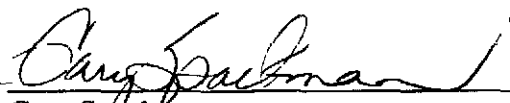
**NOTICE OF PREHEARING
CONFERENCE**

On January 14, 2003 David Little Farms filed with the Department of Water Resources (IDWR) an application for permit to appropriate the public waters of the State of Idaho and an application for transfer of a water right. The applications were protested by the Idaho Department of Lands.

IDWR has scheduled a conference for the protests to be held on **April 17, 2003 at 3:00 p.m. at the Gem County Courthouse Jury Room, 415 E. Main, Emmett, Idaho 83617.** The conference will be held in accordance with provisions of Chapters 2 and 17, Title 42, and Chapter 52, Title 67, of the Idaho Code, the adopted Rules of Procedure of the Department of Water Resources, and Rules 40 and 45 of the adopted Rules and Regulations of Water Appropriation of the Department of Water Resources.

The conference will be conducted in a facility that satisfies the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations in order to attend, participate in or understand the conference, please advise IDWR at least (10) days prior to the conference.

Dated this 20th day of March 2003.



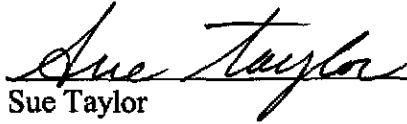
Gary Spackman

MICROFILMED

MAR 22 2004

CERTIFICATE OF MAILING

I hereby certify that on the 21st day of March 2003, I mailed a true and correct copy, postage prepaid, of the Notice of Prehearing Conference to those listed:


Sue Taylor
Senior Secretary

DAVID LITTLE FARMS
PO BOX 68
EMMETT ID 83617

ID DEPT OF LANDS
C/O DAVID J BARBER (ISB #2597)
PO BOX 83720
BOISE ID 83720-0010

CONFERENCE AND HEARING PROCEDURE

APPLICATION FOR TRANSFER

Section 42-222, Idaho Code, requires the department to consider the following issues in connection with an application for transfer:

- 1) Will the proposed transfer injure other water rights?
- 2) Will the proposed transfer constitute an enlargement in use of the original right?
- 3) Is the proposed transfer in the local public interest, where local public interest is defined as the affairs of the people in the area directly affected by the proposed use?
- 4) Is the proposed use contrary to conservation of water resources within the state of Idaho?

BURDEN OF PROOF

The applicant has the initial burden of proof of issues 1, 2 and 4 above and must provide evidence for the department to evaluate these criteria.

The initial burden of proof on issue 3 above lies with both the applicant and protestant as to factors which they are most knowledgeable and cognizant. The applicant has the ultimate burden of persuasion, however, for this issue.

PROCEDURE

The department generally conducts an informal conference with the parties to determine the issues and to try to settle a protested matter before a hearing is scheduled. If a hearing is held, the department will issue a written decision based on the hearing record.

CONFERENCE

The purpose of a prehearing conference is to provide the opportunity for the parties and the department to familiarize themselves with a contested matter and to attempt to resolve the matter. At the conference, the department may also formulate and simplify the issues, identify documents to avoid unnecessary proof, exchange proposed exhibits or prepared testimony, limit witnesses, discuss settlement offers, schedule hearings, establish procedure at hearings and address other matters that may expedite orderly conduct and disposition of the proceeding or its settlement.

MICROFILMED

MAR 22 2004

HEARING

The department will tape record the hearing. Copies of a hearing tape are available upon written request and the payment of the cost of reproducing the tape.

The hearing likely will be conducted by a hearing officer appointed by the Director rather than the Director himself. If so, the hearing officer will prepare a preliminary order for the Director's consideration. Parties can file exceptions to a preliminary order, briefs in support of the exceptions or may request oral argument. Parties may seek judicial review of any final order issued by the Director.

Parties may, by written stipulation, waive their right to a preliminary order, particularly when a shortened decision process is desirable or necessary. Such a waiver does not eliminate any rights of the parties in connection with the final order of the Director and judicial review of the order.

EXHIBITS

A party who plans to offer an exhibit as part of the hearing record must provide a copy of the proposed exhibit to the parties and to the hearing officer prior to any scheduled hearing.

AMERICANS WITH DISABILITIES ACT

Any hearing scheduled will be conducted in a facility which meets the accessibility requirements of the Americans with Disabilities Act. If you require special accommodations in order to attend, participate in or understand the hearing please advise the department within ten (10) days prior to the hearing.

MICROFILMED

MAR 22 2004



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

March 21, 2003

ID DEPT OF LANDS
C/O DAVID J BARBER (ISB #2597)
PO BOX 83720
BOISE ID 83720-0010

Re: Application for Permit No. 65-22765 and Application for Transfer No. 70376 in the
Name of David Little Farms

Dear Protestant:

This office acknowledges receipt of your protest to the issuance of a permit pursuant to the above referenced applications.

The following are the criteria the department must consider in either approving or denying an application for permit (Section 42-203A, Idaho Code):

1. Will the proposed use reduce the quantity of water under existing water rights?
2. Is the proposed water supply insufficient for the purposes intended?
3. Is the application made in good faith or for delay or speculative purposes?
4. Has the applicant sufficient financial resources with which to complete the project?
5. Will the proposed use under this permit conflict with the local public interest?
6. Will the proposed use be contrary to conservation of water resources within the state of Idaho?

The following are the criteria we consider when either approving or denying an application for transfer.

1. Will other water rights be injured by the transfer?
2. Will the change constitute an enlargement in the use of the original right?
3. Will the proposed change conflict with the local public interest?
4. Will the proposed use be contrary to conservation of water resources within the state of Idaho?

Enclosed is a Notice of Prehearing Conference scheduled for April 17, 2003 at the Gem County Courthouse Jury Room, 415 E. Main, Emmett, Idaho 83617. At the conference, the department will review possibilities for resolution of the protest. If the matter cannot be resolved at that time, a formal hearing will be arranged for a future date.

MICROFILMED

MAR 22 2004

The department suggests you contact the applicant(s) directly in an effort to determine what is proposed by the application and to attempt to resolve the protest prior to the prehearing conference. Direct, sincere conversation between the parties prior to initiation of formal proceedings can often resolve a protest.

If this office can be of further assistance, please contact us.

Sincerely,



Gary Spackman

GS:st

Encl: Copy of Application
Notice of Prehearing Conference

MICROFILM

MAR 22 2004



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

March 21, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

DAVID LITTLE FARMS
PO BOX 68
EMMETT ID 83617

Re: Application for Permit No. 65-22765 and Application for Transfer No. 70376

Dear Applicant:

Enclosed is a copy of a protest filed against the issuance of a permit pursuant to the above-referenced application.

The following are the criteria the department must consider in either approving or denying an application for permit (per Section 42-203A, Idaho Code):

1. Will the proposed use reduce the quantity of water under existing water rights?
2. Is the proposed water supply insufficient for the purposes intended?
3. Is the application made in good faith or for delay or speculative purposes?
4. Has the applicant sufficient financial resources with which to complete the project?
5. Will the proposed use under this permit conflict with the local public interest?
6. Will the proposed use be contrary to conservation of water resources within the state of Idaho?

The following are the criteria we consider when either approving or denying an application for transfer.

1. Will other water rights be injured by the transfer?
2. Will the change constitute an enlargement in the use of the original right?
3. Will the proposed change conflict with the local public interest?
4. Will the proposed use be contrary to conservation of water resources within the state of Idaho?

Enclosed is a Notice of Prehearing Conference scheduled for April 17, 2003 at the Gem County Courthouse Jury Room, 415 E. Main, Emmett, Idaho 83617. At the conference, the department will review possibilities for resolution of the protest. If the matter cannot be resolved at that time, a formal hearing will be arranged for a future date.

MICROFILMED

MAR 22 2004

The department suggests you contact the protestant(s) directly in an effort to determine what is in dispute in the application and to attempt to resolve the protest. *Direct, sincere conversation* between the parties prior to initiation of formal proceedings can often resolve a protest.

Please contact this office if you have questions regarding this procedure.

Sincerely,



Gary Spackman

GS:st

Enclosure: Copy of protest(s)
Notice of Prehearing Conference

MAIL ROOM
MAR 22 2004



STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL
LAWRENCE G. WASDEN

March 07, 2003

RECEIVED

MAR 07 2003

WATER RESOURCES
WESTERN REGION

W030162

HAND DELIVERED

Idaho Department of Water Resources
Western Region,
2735 Airport Way
Boise, ID 83705-5082

Re: Application for Water Right No. 65-22765 in the Name of David Little Farms, Inc. and Application for Transfer No. 70376 in the Name of David Little Farms, Inc.

Dear Sir:

Enclosed is a protest to the approval of both of the above-entitled applications and a check in the amount of \$50.00 as full payment of the protest fee. A copy of the protest is also enclosed. Please conform the copy and return it to the person making the hand delivery.

Sincerely,

A handwritten signature in cursive script, appearing to read "David J. Barber".

David J. Barber
Deputy Attorney General

DJB/ov

Enclosure

MICROFILMED
MAR 22 2004

LAWRENCE G. WASDEN
ATTORNEY GENERAL

CLIVE J. STRONG
Deputy Attorney General
Chief, Natural Resources Division

DAVID J. BARBER (ISB #2597)
Deputy Attorney General
Natural Resources Division
700 W. Jefferson, Room 210
P.O. Box 83720
Boise, ID 83720-0010
Telephone: (208) 334-2400
Facsimile: (208) 334-2690
E-Mail: dbarber@ag.state.id.us

RECEIVED

MAR 07 2003

WATER RESOURCES
WESTERN REGION

W030162

BEFORE THE IDAHO DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF APPLICATION FOR) PERMIT NO. 65-22765 IN THE NAME OF) DAVID LITTLE FARMS, INC. and IN THE) MATTER OF APPLICATION FOR) TRANSFER NO. 70376 IN THE NAME OF) DAVID LITTLE FARMS, INC.)	PROTEST OF THE IDAHO DEPARTMENT OF LANDS
---	---

COMES NOW, the Idaho Department of Lands, by and through the undersigned deputy attorney general, and files this protest to approval of Application for Permit No. 65-22765 in the name of David Little Farms, Inc, and of Application for Transfer No. 70376 in the name of David Little Farms, Inc. and in support thereof alleges and states as follows:

PARTIES

1. The Idaho Department of Lands, hereinafter referred to as the "protestant," has the authority to direct, control and dispose of the public lands of the State of Idaho all under the direction and supervision of the State Board of Land Commissioners in accordance with Idaho Const. Art. IX, § 7.

2. David Little Farms, Inc., hereinafter the "applicant," is a corporation duly existing under and by virtues of the laws of the state of Idaho.

MICROFILMED
ORIGINAL MAR 22 2004

BASIS FOR PROTEST

3. The applicant filed Application for Permit No. 65-22765 and Application for Transfer No. 70376 with the Idaho Department of Water Resources. Both of these applications include within the designated place of use the following described land: Lot 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$) of section 2, Township 07 North, Range 02 West B.M. The designated purpose of use is irrigation.

4. The State of Idaho owns the following described land: Lot 1 (NE $\frac{1}{4}$ NE $\frac{1}{4}$) of section 2, Township 07 North, Range 02 West B.M. This land is endowment land held and administered under a public trust. Presently, this land is subject to a grazing lease, State Land Lease No. G6739 (Grazing). A true and correct copy of this lease is attached as Exhibit A. The present lease does not authorize irrigation of this land. The present lease also provides as follows:

17. WATER RIGHTS

The establishment of any water rights or rights shall be by and for the lessor, and no claim thereto shall be made by the lessee; such rights shall attach to and become appurtenant to said land. The lessee shall not cause any water to be conveyed off the land without the prior written approval of the lessor.

5. The filing by the applicant of Application for Permit No. 65-22765 and Application for Transfer No. 70376 constitutes a breach of paragraph 17 of the lease agreement.

6. The applicant obtained no inchoate right to use water for irrigation purposes on the land described in paragraph 4.

PRAYER FOR RELIEF

1. That the Idaho Department of Lands becomes a party to this proceeding for all purposes;

2. That the Idaho Department of Water Resources grants the protest by the Idaho Department of Lands.

3. That the Idaho Department of Water Resources deletes from the authorized place of use for application for permit no. 65-22765 the following described land: Lot 1 (NE¼NE¼) of section 2, Township 07 North, Range 02 West B.M.

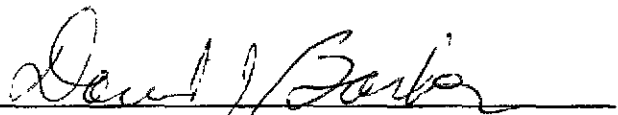
4. That the Idaho Department of Water Resources deletes from the authorized place of use for application for transfer no. 70376 the following described land: Lot 1 (NE¼NE¼) of section 2, Township 07 North, Range 02 West B.M.

5. That the Idaho Department of Water Resources grants such other and further relief as it deems proper.

DATED this 7th day of March, 2003.

LAWRENCE G. WASDEN
ATTORNEY GENERAL

CLIVE J. STRONG
CHIEF, Natural Resources Division

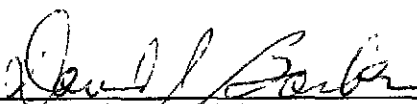

DAVID J. BARBER
Deputy Attorney General
Natural Resources Division

CERTIFICATE OF MAILING

I certify that on this 7th day of March 2003, I caused to be served a true and correct copy of the foregoing PROTEST OF IDAHO DEPARTMENT OF LANDS on the following parties by the method indicated below:

David Little Farms, Inc.
P.O. Box 68
Emmett, ID 83617

- ☒ U.S. Mail, postage prepaid
- ☐ Hand Delivery
- ☐ Federal Express
- ☐ Facsimile: _____
- ☐ Statehouse Mail



DAVID J. BARBER
Deputy Attorney General
Natural Resources Division

MICROFILM
MAR 22 2004

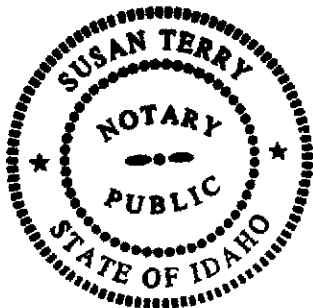
MICROFILMED

MAR 22 2004

EXHIBIT A

STATE OF IDAHO)
 s.s.
COUNTY OF ADA)

I, Susan Terry, a notary public, do certify that on the 7th day of March 2003 I carefully compared the attached copy of Grazing Lease G-6739 with the original. It is a complete and true copy of the original document.



Susan Terry Notary Public
Residing at Hampton ID
My Commission Expires 8-30-05

MICROFILMED
MAR 22 2004

STATE OF IDAHO
STATE LAND LEASE

LEASE NUMBER: G-6739

This lease agreement is made and entered into by and between the State of Idaho, acting by and through the State Board of Land Commissioners (lessor) and V. Dot Cattle Company (lessee)
c/o Jim Little Box 521 Emmett, ID 83617
(Address) (City) (State) (Zip)

This lease shall commence January 1, 1996, and terminate December 31, 2005.

The annual rent payment is due on May 1 of each year.

The lessor, in consideration of the rental paid and the covenants, conditions and restrictions hereinafter set forth, in attachment B, does hereby lease and demise unto the lessee the lands described in attachment A at the rates and uses specified herein; grazing 2,775.30 acres containing 372.00 AUMs, cropland 0.00 acres of dryland at 0.00 per acre, 0.00 acres irrigated land at 0.00 per acre and 0.00 acres of wasteland at 0.00 per acre, miscellaneous 0.00 per annum, or 0.00 premium bid.

IN WITNESS WHEREOF, The parties hereto have caused these presents to be duly executed the day and year first above written.

COUNTERSIGNED:

Pete T. Cenarrusa Philip E. Batt
Secretary of the State President of the State Board of Land Commissioners
and Governor of the State of Idaho
Stanley F. Hamilton
Director Department of



STATE OF IDAHO

COUNTY OF Ada

On this 28 day of November, in the year 1995 before me, a Notary Public in and for said State, personally appeared Phil Batt, known to me to be the president of the State Board of Land Commissioners of the State of Idaho and the Governor of the State of Idaho; and Pete T. Cenarrusa, known to me to be the Secretary of the State of Idaho and Stanley F. Hamilton, known to me to be the Director, that executed the within instrument, and acknowledged to me that the State Board of Land Commissioners of the State of Idaho and the State of Idaho executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Residing at Boise, Idaho, Commission expires 9-8-2001

Robert P. Robbins
Notary Public for Idaho

***** L E S S E E *****

X James P. Little general partner
(lessee)

STATE OF IDAHO

X _____
(lessee)

COUNTY OF Lem

On this 30 day of October, in the year 1995 before me, a Notary Public in and for said State, personally appeared James C. Little

known to me to be the lessee that executed the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Residing at Emmett, Idaho, Commission expires MICROSOFT

Cheryl L. Fisher
Notary Public for Idaho

MAR 22 2004

STATE OF IDAHO
STATE LAND LEASE

LEASE NUMBER: G-6739

PAGE 2

ATTACHMENT A

DESCRIPTION OF PROPERTY:

COUNTY	ACRES	SUBDIVISION DESCRIPTION	SEC.	TWP.	RGE.	ENDOW.
GEM	40.00	SWNW	4 00	7 N	1.0 W	PS
GEM	76.74	L3,4 (N2NW)	4 10	7 N	1.0 W	PS
GEM	119.27	S2NE, LOT 5 (SWNW)	6 00	7 N	1.0 W	PS
GEM	30.00	PT SENW (WEST OF ROAD)	8 05	7 N	1.0 W	PS
GEM	40.00	SWNE	1 00	7 N	2.0 W	PS
GEM	121.83	L1 (NENE), S2NE	2 00	7 N	2.0 W	PS
GEM	80.00	N2SE	23 00	7 N	2.0 W	NS
GEM	200.00	N2S2, SESE	24 00	7 N	2.0 W	NS
GEM	27.46	LOT 2 (NWNE)	3 00	8 N	1.0 W	PS
GEM	640.00	ALL	16 00	8 N	1.0 W	PS
GEM	80.00	W2NW	21 00	8 N	1.0 W	PS
GEM	120.00	SENW, N2SW	28 00	8 N	1.0 W	PS
GEM	400.00	N1/2NE, SWNE, E1/2NW, N1/2SW	29 00	8 N	1.0 W	PS
GEM	40.00	SWNW	29 05	8 N	1.0 W	PS
GEM	40.00	NESE	31 00	8 N	1.0 W	PS
GEM	80.00	S2SW	33 00	8 N	1.0 W	PS
GEM	40.00	NWSW	23 00	9 N	1.0 W	PS
GEM	40.00	SESW	23 05	9 N	1.0 W	PS
GEM	40.00	SESW	25 00	9 N	1.0 W	PS
GEM	40.00	NENW	26 00	9 N	1.0 W	PS
GEM	40.00	SWNW	27 00	9 N	1.0 W	PS
PAYETTE	40.00	NWSE	28 00	9 N	1.0 W	PS
PAYETTE	40.00	NWNE	32 00	9 N	1.0 W	PS
GEM	40.00	SWNE	34 00	9 N	1.0 W	PS
GEM	320.00	W2,	36 00	9 N	1.0 W	PS

MICROFILMED

MAR 22 2004

**STATE OF IDAHO
STATE LAND LEASE**

Lease Number **G-6739**
Page 1 of 2

ATTACHMENT B

This lease is made pursuant to the laws of the State of Idaho and the Rules and Regulations governing grazing leases and cropland leases, IDAPA 20.03.14

1. USE OF LAND

The lands herein described shall be used for the purpose of grazing and farming as specified on the signature page; no other uses shall be made of these lands without the prior written approval of the lessor.

2. RECLASSIFICATION OF LAND USE

At the sole discretion of the lessor, lands under this lease may be reclassified in whole or in part for agricultural, commercial, homesite, or other purposes that would result in increased rentals to the lessor. For uses other than cropland or grazing the lands affected will be dropped from the lease.

3. RATE OF RENT – CHANGE OF RENT

Lessee agrees to pay to the lessor, in lawful money of the United States, each year's rent in advance, and prior to the legal possession of the property for such year, an annual rent for each acre of cropland and every AUM covered by this lease. The rent shall be payable on or before the date specified on the signature page. The lessor reserves the right to increase or decrease the annual rent, and the lessee will be notified six months in advance of the first payment of any increase.

4. RIGHT OF LESSOR TO SELL – APPRAISAL OF IMPROVEMENTS – APPROVAL OF IMPROVEMENTS REQUIRED

The lessor reserves the right to sell all or any portion of the land herein described and the lessee agrees to deliver immediate possession unless the lessee is to be permitted to harvest a growing crop. In such event, lessee shall have possession of only the land on which such crops are growing. The lessee will be notified of a scheduled sale at least thirty (30) days prior to sale date. When creditable improvements or growing crops are present, they will be appraised in accordance with Idaho Code, Section 58-313, by the lessor and the lessee will be paid for the improvements or crops by the purchaser on the day of sale; lessor's appraisal shall be conclusive.

Prior written approval of lessor is required to make permanent range improvements, construct permanent buildings, or clear the land for agricultural uses. Failure to secure such written approval shall constitute forfeiture of the value of such improvement in case of sale or lease conflict.

5. RENEWAL OF LEASE – APPRAISAL OF IMPROVEMENTS

If the lessee is not the successful bidder at the expiration of this lease then the value of improvements recognized in Section 4 above shall be paid by the successful bidder to the lessee prior to possession provided no delinquent rent is owed. Improvement payments shall be applied towards any rent due before being disbursed to lessee.

6. RELINQUISHMENT OF RIGHTS

The lessee agrees to relinquish possession of the leased premises upon breach of any of the conditions herein set forth, with all permanent improvements thereon in good order and condition when such breach results in cancellation or forfeiture of this lease.

7. TIMBER ON LAND UNDER LEASE – STATE FIRE LAWS

This lease is made subject to all present and future timber sale contracts. The lessor reserves the right to restrict or prohibit grazing use on all or portions of the land leased for timber management purposes. The lessee will be given one hundred eighty (180) days written notice, prior to turn out of livestock on lands leased, of any such restrictions or termination of grazing use, together with a map of the restricted area. This lease does not authorize the lessee to cut any timber growing on the land leased; any unauthorized use of such timber by the lessee or with his knowledge or consent, shall work a forfeiture of his lease without notice, and said lessee shall be responsible for treble damages to said timber. Lessee is subject to the provisions of state fire laws except for fire protection charges.

8. MINERAL RESERVATIONS

This lease is subject to any mineral lease (including oil, gas and geothermal resource leases) that is now in force or effect or that may hereafter be granted on the lands or any part thereof included herein as provided by Title 47, Idaho Code; provided, however, when a mineral lease is granted after the granting of this lease, the mineral lessee shall give a good and sufficient bond to protect the lessee herein from all damage occasioned to the surface of the lands embraced in this lease, or improvements thereon, whether the damage is due to mineral extraction or rights-of-way or other activities incident to mineral extraction.

9. GRAZING REGULATIONS

For grazing use, the grazing period and the number of stock may be fixed and determined by the lessor. The grazing lessee shall furnish such information as may be required from time to time, to assist in determining the grazing period and number of stock to be grazed. A lessee may be required to participate in a resource management plan which includes all or part of the lands described herein. Any written agreement concerning a management plan will be a condition of this lease.

Where sheep are grazed on land included in this lease, they shall not be bedded more than two nights consecutively on the same bedding ground without prior approval of the lessor.

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10. PAYMENTS OF TAXES AND WATER CHARGES

Unless otherwise provided, the lessee shall pay all water charges, assessments or taxes of whatsoever nature that may be legally levied or assessed against the land herein described, or any portion thereof, and if the same is not paid it shall constitute a lien in favor of the State of Idaho against all improvements or crops growing on said land.

11. SUBLEASING -- ASSIGNMENT

The lessee shall not sublease any of the land embraced in this lease without prior written approval of lessor. The lessee shall not assign this lease except upon the written approval of the lessor on forms provided for that purpose, and only where the rent owing has been paid in full, except that if a rental extension has been granted, such extension shall be assumed by the assignee and if improvements exist, such will be purchased by the assignee.

12. RIGHT OF ENTRY AND INSPECTION -- ABANDONMENT

The lessor reserves the right to enter upon land, or any portion thereof, during the term of this lease for the purpose of inspecting the property. Should any of the property covered by this lease be abandoned, or the lease cancelled or forfeited for any breach of condition herein contained, all improvements placed upon the property by the lessee shall remain a part of the realty and title thereto shall vest in the State of Idaho.

13. LESSOR PROTECTED AGAINST WASTE -- NOXIOUS WEED CONTROL

The lessee shall use the property under this lease in such manner as will best protect the State of Idaho against loss or waste, and shall cooperate with the lessor or any other agency authorized to undertake programs for control or eradication of noxious weeds. The lessee shall take measures to control noxious weeds on the leased land in accordance with Title 22, Chapter 24, Idaho Code. Control of noxious weeds on state grazing lands shall be shared jointly by the lessee and lessor with the lessor's share subject to funds appropriated for that purpose.

14. FORFEITURE OF LEASE

In case the lessee fails to comply with any of the covenants, terms or conditions of this lease, the lessor may forfeit or cancel the lease upon ten days notice to the lessee and the lessee shall not, during the period of notice, remove any of the improvements or crops thereon, whether the crops have been harvested or not. The lessee shall, upon lease expiration, deliver immediate possession of the lands herein to the lessor without further notice or demand.

15. EASEMENTS

The lessor reserves the right to grant easements and rights-of-way across or upon the land described in this lease and to grant immediate possession thereof to the grantee of such easement. The lessor shall coordinate with the lessee before processing any easement applications on the leased land. The grantee of such easement shall, before exercising the same, pay to the lessee the reasonable value of the growing and immature crops and improvements, as determined by the lessor's appraisal; lessor's appraisal shall be conclusive. This lease is subject to any right-of-way or easement heretofore granted over the lands embraced by this lease.

16. PUBLIC USE

The lessee must allow the general public the right to use the lands described in the lease for outdoor recreation. However, nothing in this lease authorizes or purports to authorize trespass on private lands to reach state-owned lands. State lands shall not be restricted without prior written approval of the lessor. Grazing or cropland leases will not be considered exclusive use leases as described under Idaho Code, Section 36-1603.

17. WATER RIGHTS

The establishment of any water right or rights shall be by and for the lessor, and no claim thereto shall be made by the lessee; such rights shall attach to and become appurtenant to said land. The lessee shall not cause any water to be conveyed off the land without prior written approval of the lessor.

18. SEED HARVEST

The lessor reserves the right to harvest seed from plants on land not under a cropland lease. The lessor will coordinate the harvesting activities with lessee to minimize impacts on livestock operations.

19. ROAD CLOSURE

The lessor reserves the right to close roads for road protection, wildlife protection or administrative purposes. Planned road closures will be reviewed with lessee prior to action. The lessee will have the right to appeal to the Land Board decisions affecting his use.

20. LIABILITY

The lessee shall indemnify and hold harmless the lessor, its departments, agencies and employees for any and all claims, actions, damages, costs and expenses which may arise by reason of lessee's occupation of the leased premises, or the occupation of the leased premises by any of the lessee's agents, or by any person occupying the same with the lessee's permission.

21. BINDING ON HEIRS

All of the terms, covenants, and conditions of this lease shall be binding upon the heirs, executors and assigns of the lessee.

22. CIVIL RIGHTS

The lessee shall not discriminate against any person on the basis of such person's race, creed, color, sex, national origin or handicap.

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CONVERSATION MEMORANDUM

DATE 3/7/03

FILE 65-22765

NAME OF PARTY BOB Mallis BLM 384-3348

EMPLOYEE RL

T. 70376

RE: Public Land

Called & concern that some acres listed in these appls. might be on BLM land. Expressed interest in resolving that, perhaps with some condition of approval.

Might file protest to help better define the p/u & this issue.

Appl. for Permit states p/u owned by Applicant & State but has no reference to land under Federal ownership.

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X-Fer #70376

04/03/2003

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

RIGHT NUMBER 65-2953

NAME AND ADDRESS: VAN DEUSEN RANCH INC
PO BOX 68
EMMETT ID 83617

Corporation name change on
Ag recommendation done 4-3-03.

SOURCE BISSEL CREEK

TRIBUTARY: PAYETTE RIVER

QUANTITY 22 100 CFS
1,322 000 AFY

Needs to stay in name of
Van Deusen Ranch.

PRIORITY DATE 10/28/1958

POINT OF DIVERSION

T08N R01W S20 SWSW Within GEM County Source BISSEL CREEK

PURPOSE AND
PERIOD OF USE

PURPOSE OF USE	PERIOD OF USE	QUANTITY
IRRIGATION FROM STORAGE	03/15 11/15	1,322.00 AFY
STOCKWATER FROM STORAGE	01/01 12/31	14.00 AFY
DIVERSION TO STORAGE	12/01 09/01	22 100 CFS 14 00 AFY

PLACE OF USE

IRRIGATION FROM STORAGE Within GEM County

T07N R02W S02 Lot 1 NENE 17.0	T07N R02W S02 Lot 2 NWNE 3.3
T07N R02W S02 Lot 3 NENW 25.0	T07N R02W S02 SWNW 20.0
T07N R02W S02 SENW 5.3	T07N R02W S02 NWSW 4.0
T08N R01W S19 SWNE 1.3	T08N R01W S19 SENE 8.4
T08N R01W S19 NESW 20.0	T08N R01W S19 Lot 3 NWSW 7.0
T08N R01W S19 Lot 4 SWSW 23.0	T08N R01W S19 SESW 40.0
T08N R01W S19 NESE 15.0	T08N R01W S19 NWSE 25.0
T08N R01W S19 SWSE 9.9	T08N R01W S19 SESE 1.3
T08N R01W S30 NENW 24.0	T08N R01W S30 Lot 1 NWNW 35.0
T08N R01W S30 Lot 2 SWNW 38.0	T08N R01W S30 SENW 16.0
T08N R01W S30 NESW 16.0	T08N R01W S30 Lot 3 NWSW 38.0
T08N R01W S30 Lot 4 SWSW 38.0	T08N R01W S30 SESW 32.0
T08N R01W S30 SWSE 7.0	T08N R01W S31 NWNE 28.0
T08N R01W S31 SWNE 2.4	T08N R01W S31 SENE 19.0
T08N R01W S31 NENW 6.3	T08N R01W S31 Lot 1 NWNW 24.0
T08N R01W S32 SWNW 12.0	T08N R01W S32 SENW 0.3
T08N R01W S32 NESW 28.0	T08N R01W S32 NWSW 24.0
T08N R01W S32 SESW 5.6	T08N R01W S32 NWSE 8.0
T08N R01W S32 SWSE 15.0	T08N R02W S25 NENE 1.2

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04/03/2003

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

T08N R02W S25	SENE	19.0	T08N R02W S25	SESW	7.0
T08N R02W S25	NESE	38.0	T08N R02W S25	NWSE	8.4
T08N R02W S25	SWSE	36.0	T08N R02W S25	SESE	39.0
T08N R02W S35	SWNE	2.4	T08N R02W S35	SENE	27.0
T08N R02W S35	SESW	12.0	T08N R02W S35	NESE	39.0
T08N R02W S35	NWSE	27.0	T08N R02W S35	SWSE	29.0
T08N R02W S35	SESE	39.0	T08N R02W S36	NENE	39.0
T08N R02W S36	NWNE	39.0	T08N R02W S36	SWNE	37.0
T08N R02W S36	SENE	14.0	T08N R02W S36	NENW	33.0
T08N R02W S36	NWNW	2.1	T08N R02W S36	SWNW	39.0
T08N R02W S36	SENW	39.0	T08N R02W S36	NESW	30.0
T08N R02W S36	NWSW	39.0	T08N R02W S36	SWSW	19.0
T08N R02W S36	SESW	1.7	T08N R02W S36	NWSE	2.9

STOCKWATER FROM STORAGE same as IRRIGATION FROM STORAGE

1300.8 ACRES TOTAL

USE OF THIS RIGHT WITH THE RIGHTS LISTED BELOW IS LIMITED TO THE IRRIGATION OF A COMBINED TOTAL OF 1300.8 ACRES IN A SINGLE IRRIGATION SEASON. COMBINED RIGHT NOS : 65-12382, 65-02025, 65-02016, 65-02498, 65-02499, 65-07061.

PLACE OF USE DESCRIBED ABOVE DOES NOT INCLUDE THE IRRIGATION OF FEDERAL PUBLIC LAND.

THIS RIGHT IS LIMITED TO THE IRRIGATION OF 1105 ACRES WITHIN THE PLACE OF USE DESCRIBED ABOVE IN A SINGLE IRRIGATION SEASON.

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 Decreed

THE USE OF WATER ON 8N 1W S 31 SWNE AND LOT 1 NWNW IS ON STATE PUBLIC SCHOOL ENDOWMENT LAND PURSUANT TO STATE GRAZING LEASE NO. 6448, THE USE OF WATER ON 8N 1W S 31 NESE AND 7N 2W S 2 LOT 1 NENE IS ON STATE PUBLIC SCHOOL ENDOWMENT LAND PURSUANT TO STATE GRAZING LEASE NO. 6739.

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ARTICLES OF AMENDMENT (General Business)

FILED EFFECTIVE

To the Secretary of State of the State of Idaho
Pursuant to Title 30, Chapter 1, Idaho Code, the undersigned
corporation amends its articles of incorporation as follows:

2003 FEB 12 PM 1:47

STATE OF IDAHO

1. The name of the corporation is: David Little Farms Inc.

2. The text of each amendment is as follows:

To change the name of the Corporation to:

Van Deusen Ranch Inc. effective February 20, 2003

3. The date of adoption of the amendment(s) was: February 12, 2003

4. Manner of adoption (check one):

☐ The amendment consists exclusively of matters which do not require shareholder action pursuant to section 30-1-1002, Idaho Code, and was, therefore, adopted by the board of directors.

☐ None of the corporation's shares have been issued and was, therefore, adopted by the
☐ incorporator ☐ board of directors.

☒ The number of shares outstanding and entitled to vote was 2800

The number of shares cast for and against each amendment was:

Amended article	Shares for	Shares against
	2800	0

Customer Acct #:

(if using pre-paid account)

Secretary of State use only

Dated: February 12, 2003

Signed: Gretchen S. Hyde

Typed Name: Gretchen S. Hyde

Capacity Secretary

3 corporations of amendment
general business pds
Revised 1/2001

IDAHO SECRETARY OF STATE
02/12/2003 05:00
CK: 2067 CT: 138036 BH: 662535
1 @ 30.00 = 30.00 AMEND PROF # 2

C 26660

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RECEIVED

FEB 27 2003

WATER RESOURCES
WESTERN REGION**RECOMMENDATION OF WATERMASTER**Application No: 70376Applicant's Name: David Little Farms, Inc.

Watermaster's Recommendation:

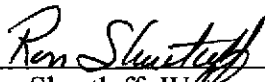
- a) X I do not oppose approval of this application.
- b) I do not oppose approval of this application if it is conditioned as follows: _____

- c) I oppose approval of this application for the following reasons: _____

- d) Additional Comment: _____

Dated this 26th day of February, 2003

Water District No. 65



Ron Shurtleff, Watermaster

Use reverse side of page if you need more space

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FEB 26 2003

WATER RESOURCES
WESTERN REGION

AFFIDAVIT OF PUBLICATION

STATE OF IDAHO)
) SS.
County of Gem)

ANTHONY M. CLARK
of Emmett, Gem County, Idaho, being first duly sworn,
deposes and says:

1. That I am a citizen of the United States, and at all times hereinafter mentioned was over the age of eighteen years, and not a party to the above entitled action

2. That I am the Principal Clerk of the Messenger Index, a weekly newspaper published in the City of Emmett in the County of Gem, State of Idaho; that the said newspaper is in general circulation in the said County of Gem, and in the vicinity of Emmett, and has been uninterruptedly published in said County during a period of fifty-two consecutive weeks prior to the first publication of the notice, a copy of which is hereto attached.

3. That the notice, of which the annexed is a printed copy, was published in the newspaper two times in the regular and entire issue of said paper, and was printed in the newspaper proper, and not in a supplement.

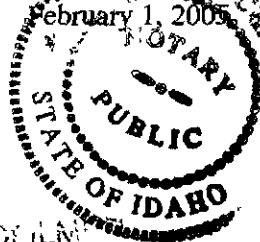
4. That said notice was published the following:
February 19, 26, 2003

Anthony M. Clark
STATE OF IDAHO)
County of Gem)

On this 26th day of February in the year of 2003 before me a Notary Public, personally appeared. Anthony M. Clark known or identified to me to be the person whose name subscribed to the within instrument, and being by me first duly sworn, declared that the statements therein are true, and acknowledge to me that he executed the same.

Margaret Clancy

Notary Public for Idaho
Residing at Emmett
My Commission Expires
February 1, 2005



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NOTICE OF PROPOSED CHANGE OF WATER RIGHT
TRANSFER NO. 70376

DAVID LITTLE FARMS INC
PO BOX 68
EMMETT ID 83617, has filed Application No. 70376 for changes to the following water rights within GEM County:
Right No. 65-2953

Priority 10/28/1958
Source BISSEL CREEK
Use IRRIGATION FROM STORAGE 1,322.0 AFA
(1300.8 acres)
STOCKWATER FROM STORAGE
DIVERSION TO STORAGE
Total Amount 22.10 CFS 1,322.0 AFA
Point of Diversion SW/4 SW/4 T8N R01W
Place of Use T07N R02W S2
T08N R01W S19, S30, S31, S32
T08N R02W S25, S35, S36

1300.8 total acres

Remark: Applicant wishes the right to describe diversion to storage from Corral Creek via Bissel Creek as it has been historically used but was omitted to decree records. The water is diverted from Corral Creek in the SW/4 NE/4 S28 and injected into Bissel Creek in the SE/4 SW/4 S20 T8N R1W. The redirection point for Corral Creek water from Bissel Creek is the same as the Bissel Creek diversion. Applicant also wishes to clarify the right uses and correct the diversion to storage volume. No increase in total decreed flow rate, storage volume or acres irrigated has been proposed.

Protests may be submitted based on the criteria of Sec 42-222, Idaho Code.

Any protest against the proposed change must be filed with the Department of Water Resources, Western Region, 2735 Airport Wy, Boise ID 83705 together with a protest fee of \$25.00 for each application on or before March 10, 2003. The protestant must also send a copy of the protest to the applicant.

KARL J DREHER, Director

Pub. 2019, 26, 2003

Legal Notice No. 4868
Published in the Messenger Index

DRAFT MEMORANDUM

TO: Transfer No. 70376 File

FROM: Lori Graves

DATE: 1/24/2003

RE: Evaluation of Sufficiency of Info Submitted

Applicant wishes the right to describe diversion to storage from Corral Creek via Bissel Creek as it has been historically used but was omitted in decree records. The water is diverted from Corral Creek in the SWNE S28 and injected into Bissel Creek in the SESWSE S20 T8N R1W. The redirection point for Corral Creek water from Bissel Creek is the same as the Bissel Creek diversion. Applicant also wishes to clarify the rights uses and correct the diversion to storage volume. No increase in total decreed flow rate, storage volume or acres irrigated has been proposed.

The site is about 9 miles North of Emmett.

Contact person is Dave Shaw with ERO.

- **Authority to File:**

Applicant is listed as the current owner on recently created SRBA recommendation and IDWR records.

- **Water Right Validity:**

The right is presumed to be valid since the right was claimed on 1/24/1990 and beneficial use occurred within the five year period prior to that date. Beneficial use was confirmed by Sue Bock (Former SRBA Agent) who recently reviewed the right involved with this transfer. Sue created the recommendation that serves as the basis of this transfer. Forfeiture does not appear to be an issue.

- **Injury to Other Water Rights:**

BLM has stockwater right 65-19919 diverted from Corral Creek. BLM will be sent a comment letter.

- **Enlargement of Use:**

Applicant alleges that in the first Payette River decree, diversion to storage from Corral Creek via Bissel Creek was overlooked. After consulting with Norm Young, applicant is using the transfer process to create a record of historical diversion from Corral Creek that they claim was omitted on this right in the original Payette River decree. .80 cfs of the total 22.1 cfs decreed from Bissel Creek for diversion to storage has been proposed from Corral Creek instead, without increasing the total decreed flow rate (21.3 Bissel ~~more from Corral~~

MAR 22 2004

Creek). Applicant then filed an accompanying application for .80 cfs diversion to storage from Bissel Creek to "keep the Bissel Creek right whole" by allowing diversion of 22.1 total cfs from Bissel Creek when the remainder of the existing right and the new application are combined, thereby avoiding expansion issues. No additional storage volume has been proposed. John Westra confirmed that the storage capacity of the reservoir is 1322 afa with the addition of boards.

Another error that the applicant seeks to correct involves the uses and the amounts decreed. The right was decreed for 22.1 total cfs and 1322 total afa. The decreed uses show irrigation from storage and stockwater from storage for the correct volume amounts. However, diversion to storage shows 22.1 cfs but only 14 afa. Obviously, the 14 afa is wrong and should list 1322 afa to reflect the total 1322 afa decreed. Although considered assumed uses during the original decree, applicant also wishes to list irrigation and stockwater storage on the right for further clarification.

- **Local Public Interest:**
No negative impacts are anticipated because of the historical use.
- **Beneficial Use/Conservation of Water Resources:**
Approval drafted with watermaster controls.

Review of this application finds there is no clear inconsistency with criteria of I. C. §42-222 preventing processing of the application.

Additional Info

Watermaster comments have been requested.

BIM has stockwater right 65-19919 diverted from Corral Creek. BLM will be sent a comment letter.

A portion of the proposed ppu is owned by Department of Lands, which the applicant leases via state grazing leases 6448 and 6739. They will also be sent a comment letter.

Discussion

It appears that the correct records were acted on in workflow.

The diversion from Bissel Creek was originally decreed in the SWSW S20 T8N R1W. Applicant further clarified the point in the NWSWSW as it appears on the ortho photo quad map. However, the topo map shows the point in the NESWSW. Dave Shaw is aware of the discrepancy and prefers to list the ortho photo description as proposed.

65-2016, 2025 and 12382 are other Bissel Creek rights for the same ppu. John Westra stated that the storage water from Bissel Creek for right 65-12382 is for a separate

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MAR 22 2004

reservoir than 65-2953. 65-2498 and 2499 are ground water rights for the same ppu. 65-7061 is a Sucker Creek right for the same ppu. All have been recommended in the SRBA and are listed in the applicant's name.

SRBA beneficial use claim 65-18364 was filed by the applicant for recognition of the Corral Creek diversion and rediversion, but has been objected to by the applicant and has a status conference pending. Applicant's consultant stated that once the transfer is approved, this claim will be withdrawn.

No other rights are used.

Summary

Assuming protest are not filed and/or other information does not contradict the above analysis, and assuming it is determined the application should be approved, the following conditions of approval should be applied:

- R05 Use of water under this right will be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 65..
- T18 Prior to diversion of water under this approval, the right holder shall provide a means of measurement and lockable controlling works for all authorized points of diversion. The means of measurement and controlling works must be suitable for control of the diversions and acceptable to the watermaster.
- R65 This right when combined with all other rights shall provide no more than 0.02 cfs per acre nor more than 4.5 afa per acre at the field headgate for irrigation of the lands above.
- X27 This right is limited to the irrigation of 1105 acres within the place of use described above in a single irrigation season.
- X61 The period of use for the irrigation described in this approval may be extended to a beginning date of 3/1 provided that beneficial use of the water can be shown and other elements of the right are not exceeded. The use of water before 3/15 is subordinate to all water rights having no subordinated early or late irrigation use and a priority date earlier than the date of this approval.
- T19 Pursuant to Section 42-1412(6), Idaho Code, this water right is subject to such general provisions necessary for the definition of the rights or for the efficient administration of water rights as may be determined by the Snake River Basin Adjudication court at a point in time no later than the entry of the final unified decree.
- X58 Approval of Transfer 70376 does not confirm Claimed Right 65-18364.
- T07 The right holder shall accomplish the change authorized by this transfer within one (1) year of the date of this approval.
- T08 Failure of the right holder to comply with the conditions of this transfer is cause for the Director to rescind approval of the transfer.

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Please note that a portion of the ppu is owned by Department of Lands, which the applicant leases via state grazing leases 6448 and 6739. This was noted in remarks for the SRBA recommendation. Is a special explanatory condition necessary?

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State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

February 20, 2003

ID DEPT OF LANDS
PO BOX 83720
BOISE ID 83720-0050

Re: Application for Water Right No. 65-22765 in the Name of David Little Farms, Inc.
Application for Transfer No. 70376 in the Name of David Little Farms, Inc.

Dear Sir:

Enclosed are copies of the above-referenced applications for permit which may be of interest to your agency. Please review the applications and submit any comments you may have.

This office normally completes the processing of an application within a six-week period and is required to take final action shortly thereafter. However, if your agency desires to file a formal protest against the approval of any of these applications, your written protest along with the \$25.00 protest fee per application protested, must be received in this office by March 10, 2003.

If you have any questions regarding the application, please contact this office.

Sincerely,

Lori Graves

LG:lm

Enc: Copy of Applications

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MAR 22 2004

Mattson, Lisa

To: Bob_Mallis@blm.gov

February 19, 2003

BOB MALLIS
BUREAU OF LAND MANAGEMENT

Re: Application for Transfer No. 70376 in the Name of David Little Farms, Inc.

Dear Mr. Mallis:

Attached is a copy of the above-referenced application, which may be of interest to your agency. Please review the application and submit any comments you may have.

This office normally completes the processing of an application within a six-week period and is required to take final action shortly thereafter. However, if your agency desires to file a formal protest against the approval of this application, your written protest along with the \$25.00 protest fee must be received in this office by March 10, 2003.

If you have any questions regarding the application, please contact Lori Graves at this office.

Sincerely,



Application
amended.pdf

Lisa Mattson
Water Resources Agent
Idaho Department of Water Resources
2735 Airport Way
Boise ID 83705
334-2190 phone
334-2348 fax

MICRO

2003 2 19 10:00 AM

Mattson, Lisa

To: eleitzin@idfg.state.id.us

February 19, 2003

ERIC LEITZINGER
STATE OF IDAHO
DEPT OF FISH & GAME

Re. Application for Water Right No 78-12190 in the Name of Tony &/or Billie Cesario
Application for Water Right No 57-11619 in the Name of Bruce &/or Terry Reuck.
Application for Water Right No. 65-22765 in the Name of David Little Farms.
Application for Water Right No. 65-22764 in the Name of Brandon Howerton.
Application for Transfer No 70276 in the Name of John &/or Deborah Edwards.
Application for Transfer No. 70262 in the Name of Ballentyne Ditch Co.
Application for Transfer No. 70266 in the Name of New Union Ditch Co.
Application for Transfer No. 70275 in the Name of Boulder Meadows Irrigation Inc.
Application for Transfer No. 70376 in the Name of David Little Farms.

Dear Mr Leitzinger:

Attached are copies of the above-referenced applications that the proposed use is from surface water. Please review the applications and submit any comments you may have.

This office normally completes the processing of an application within a six-week period and is required to take final action shortly thereafter. However, if your agency desires to file a formal protest against the approval of any of these applications, your written protest along with the \$25.00 protest fee for each application protested, must be received in this office by March 10, 2003.

If you have any questions regarding the application, please contact the following agents at this office:

Dan Nelson:

Application for Water Right No 78-12190 in the Name of Tony &/or Billie Cesario.
Application for Water Right No 57-11619 in the Name of Bruce &/or Terry Reuck.

Lori Graves:

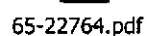
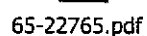
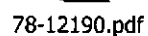
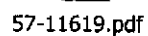
Application for Water Right No 65-22765 in the Name of David Little Farms.
Application for Water Right No 65-22764 in the Name of Brandon Howerton.
Application for Transfer No 70276 in the Name of John &/or Deborah Edwards.
Application for Transfer No 70262 in the Name of Ballentyne Ditch Co
Application for Transfer No. 70266 in the Name of New Union Ditch Co
Application for Transfer No 70275 in the Name of Boulder Meadows Irrigation Inc.
Application for Transfer No 70376 in the Name of David Little Farms

Sincerely,

Lisa Mattson
Water Resources Agent
Idaho Department of Water Resources
2735 Airport Way
Boise ID 83705
334-2190 phone
334-2348 fax

MICHAEL J. LEITZINGER

Water Resources Agent



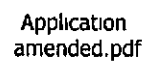
70276

70262

70266

70275

70376



Mattson, Lisa

To: waterdist65@fmtc.com
Subject: comment letters

February 20, 2003

RON SHURTLEFF
WATER DISTRICT 65

Re: Application for Water Right No. 65-22765 in the Name of David Little Farms, Inc
Application for Transfer No. 70376 in the Name of David Little Farms, Inc.
Application for Water Right No. 65-22764 in the Name of Brandon Howerton

Dear Watermaster:

Enclosed are copies of the above-referenced applications for permit. Also enclosed is a form for your recommendation concerning these applications

Please review the applications. We must have your comments within two weeks.

If you have any questions or need information, feel free to contact Lori Graves at this office.

Sincerely,

Lisa Mattson
Water Resources Agent
Idaho Department of Water Resources
2735 Airport Way
Boise ID 83705
334-2190 phone
334-2348 fax



Application
amended.pdf

70376



65-22765.pdf



65-22764.pdf

MICHAEL L. ...
... ..