March 27, 2000

US DEPT OF ENERGY
BONNEVILLE POWER ADMIN EWN 4
PO BOX 3621
PORTLAND OR 97208

PERMIT APPROVAL NOTICE

RE: PERMIT NO. 85-07664

Dear Permit Holder:

The Department of Water Resources (IDWR) has issued the enclosed permit authorizing you to establish a new water right. Please be sure to thoroughly review the conditions of approval and remarks listed on your permit.

The permit is a preliminary order issued by IDWR pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action by IDWR unless a party petitions for reconsideration or files an exception and/or brief as described in the enclosed information sheet.

As a permit owner you must commence the excavation or construction of the diverting works within one year of the date the permit was issued, and you must proceed diligently until the project is completed. The date shown under condition no. 1 is the date when the project must be completed.

The Department will send you a "Proof Due Notice" approximately 60 days prior to the above referenced date requesting you to file either a Proof of Beneficial Use form or a Request for Extension of Time form.

Please be advised that water quality is subject to regulations of the Idaho Department of Health and Welfare. We suggest that you check with them before starting construction.

The right to drill a well is not a part of this permit to appropriate water. Beginning in July of 1987, a statute was enacted which requires a drilling permit for new well construction and deepening of existing wells. If the well(s) proposed for use under this right were drilled or deepened after July 1, 1987, a separate drilling permit must be obtained from this Department. Please contact the Groundwater Protection Section located here at this office or our regional office nearest
you.

Also, please note that water right owners are required to report any change of water right ownership and/or change of mailing address to the department within 120 days of the change. Failure to report these changes could result in a $100 late filing fee. Contact any office of the department or visit the department’s homepage on the Internet to obtain the proper reporting form.

If you have any questions, please call me at 208-327-7946.

Sincerely,

[Signature]

Shelley W. Keen
Water Rights Supervisor

SK:klt

Enclosures
CERTIFICATE OF MAILING

I hereby certify that on the 27th day of March, 2000, I mailed a true and correct copy, postage prepaid, of the foregoing PRELIMINARY ORDER (Approved Permit) to the person(s) listed below:

Water Right No. 85-07664

US DEPT OF ENERGY
BONNEVILLE POWER ADMIN EWN 4
PO BOX 3621
PORTLAND OR 97208

Kari Lynn Townsend
Secretary
State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 85-07664

Priority: December 17, 1999  Maximum Diversion Rate: 1.70 CFS

This is to certify, that US DEPT OF ENERGY
BONNEVILLE POWER ADMIN EWN 4
PO BOX 3621
PORTLAND OR 97208

has applied for a permit to appropriate water from: GROUNDWATER

and a permit is APPROVED for development of water as follows:

<table>
<thead>
<tr>
<th>BENEFICIAL USE</th>
<th>PERIOD OF USE</th>
<th>RATE OF DIVERSION</th>
<th>ANNUAL VOLUME</th>
</tr>
</thead>
<tbody>
<tr>
<td>FISH PROPAGATION</td>
<td>01/01 to 12/31</td>
<td>1.70 CFS</td>
<td></td>
</tr>
<tr>
<td>FISH PROP. STORAGE</td>
<td>01/01 to 12/31</td>
<td>1.70 CFS</td>
<td>0.6 AF</td>
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<tr>
<td>DIVERSION TO STORAGE</td>
<td>01/01 to 12/31</td>
<td>1.70 CFS</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td><strong>1.70 CFS</strong></td>
<td></td>
</tr>
</tbody>
</table>

LOCATION OF POINT(S) OF DIVERSION: SWSE, Sec. 8, Township 31N, Range 04E
IDAHO County

PLACE OF USE: FISH PROPAGATION
TWN RGE SEC
31N 04E 17

CONDITIONS OF APPROVAL AND REMARKS

1. Proof of application of water to beneficial use shall be submitted on or before April 1, 2005.
2. Subject to all prior water rights.
3. Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.
4. Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.
5. After specific notification by the department, the right holder shall install a suitable measuring device or shall enter into an agreement with the department to determine the amount of water diverted from power records and shall annually report the information to the department.
6. The issuance of this right does not grant any right-of-way or easement across the land of another.
State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 85-07664

CONDITIONS OF APPROVAL AND REMARKS

7. The right holder shall provide the Department, upon request, information showing volume changes per hour necessary to maintain an adequate environment for the fish propagation facility. Volume changes per hour shall be based upon actual fish production.

8. Use of water under this approval shall comply with applicable water quality standards of the Division of Environmental Quality of the Idaho Department of Health and Welfare.

9. Fish propagation is for Clearwater River sub-basin chinook salmon restoration with rearing and release of 400,000 fall chinook salmon fingerlings or smolts.

10. Two points of diversion are located within the SWSE, S8, T31N, R4E.

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code. Witness the signature of the Director, affixed at Boise, this

27 day of March, 2000.

[Signature]

Karl J. Dreher, Director
Responding to Preliminary Orders Issued by the Idaho Department of Water Resources

The Idaho Department of Water Resources (Department) issues water right permits, licenses, and transfers as preliminary orders pursuant to section 67-5243, Idaho Code. A preliminary order can and will become a final order without further action of the department unless a party petitions for reconsideration or files an exception and/or brief as further described below:

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the Department within fourteen (14) days of the service date of the order. The Department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See section 67-5243(3), Idaho Code.

EXCEPTIONS AND BRIEFS

Within twenty-one (21) days after (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from a preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding. Otherwise, a preliminary order will become a final order of the Department.

If any party appeals or takes exceptions to a preliminary order, opposing parties shall have twenty-one (21) days to respond to any party's appeal. Written briefs in support of or taking exceptions to the preliminary order shall be filed with the Department. The Department retains the right to review the preliminary order on its own motion.

ORAL ARGUMENT

If the Department grants a petition to review a preliminary order, the Department shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Department will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Department orders otherwise, all oral arguments will be heard in Boise, Idaho.
CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Department in connection with a preliminary order shall be served on all other parties to the proceedings in accordance with Rules of Procedure 302 and 303.

FINAL ORDER

The Department will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Department may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its issuance if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

(a) the petition for reconsideration is disposed of; or
(b) the petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

i. A hearing was held,
ii. The final agency action was taken,
iii. The party seeking review of the order resides, or
iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.