

AGREEMENT

Agreement made August 31, 1979, between THE CITY OF HURRICANE, herein referred to as CITY, and BIG PLAINS FARMING COMPANY, herein referred to as FARMING COMPANY.

RECITALS

1. CITY presently has Water Application No. 41023a(81-1490) filed with the Utah State Water Engineer providing for two-second feet of well water which CITY has not yet had developed or put to beneficial use.
2. FARMING COMPANY is willing to take all necessary steps in behalf of CITY to develop and put to beneficial use said two-second feet of water, providing FARMING COMPANY can use said two-second feet of water for a reasonable period of time as payment for the expense of proving up one-second foot water right for the CITY and trading four shares of Hurricane Canal stock for the other one-second foot of water.
3. CITY is unable to expend funds to prove up the beneficial use of said water and desires that FARMING COMPANY undertake said prove-up in exchange for exclusive use by FARMING COMPANY of said water right for a reasonable period of time.

THEREFORE IT IS AGREED:

1. CITY agrees to grant an exclusive right to FARMING COMPANY for the use of two-second feet of water provided under Water Application No. 41023a (81-1490) for a period of twelve years or longer under the following conditions.

A. FARMING COMPANY will, on behalf of CITY, take all necessary steps required to put said two-second feet of water to beneficial use and prove up said water on Application No. 41023a(81-1490).

B. FARMING COMPANY will furnish all necessary equipment and funds required to prove up on said water application.

C. FARMING COMPANY will prove up on said water by November 30, 1980 or secure an extension of time by diligent application.

REQUEST: Keith Hall
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FARMING COMPANY in reliance of being granted exclusive use of said water as above stated, agrees to make all expenditures and perform all work necessary to prove up said water right.

3. FARMING COMPANY is hereby given an option to trade a like value equal to \$7,000.00 in Hurricane Canal Water Stock for said one-second foot water right, after certificate of appropriation has been issued. This option will expire after twelve years, August 31, 1991.

4. In the event CITY demands the return or use of said water right prior to the termination date of this agreement, then CITY agrees to reimburse FARMING COMPANY for all expenses incurred by FARMING COMPANY in reliance upon this agreement. These expenses will include all actual and reasonably foreseeable expenses.

5. It is also agreed that the well on this description belongs to FARMING COMPANY and if CITY demands the water right, they will locate and drill a well sufficient distance (approximately one-half mile or more) west of FARMING COMPANY so not to draw any water away from any of FARMING COMPANY wells. It is also agreed that CITY will leave said water right at present point of diversion until CITY has a use for said water for culinary use for CITY. Application No. 41023a (81-1490) as filed with Utah State Water Engineer,

Well location approx. 300 ft. E. and 100 ft. W. of the SE corner of Sec. 22 T 42 S R 12 W S1&N.

BIG PLAINS FARMING COMPANY

By Keith Hall

CITY OF HURRICANE

By Lyndon Bracklow

ATTEST:

James B. Shant
Recorder

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