

**Exhibit 2**

**North Platte River Ownership and Natural Flow  
Accounting Procedures for Water Year 2000**

**NORTH PLATTE RIVER OWNERSHIP AND**  
**NATURAL FLOW**  
**ACCOUNTING PROCEDURES FOR WATER YEAR**  
**2000**

The parties to this criteria agree that administration and operation under this agreement are to conform with Wyoming and Nebraska State Laws, the U.S. Reclamation Law, and the U.S. Supreme Court Decree of 1945 and the 1952 Stipulation, as appropriate.

These ownership accounting and natural flow computing procedures shall be subject to revision and adoption at the annual Natural Flow and Ownership Meeting, and shall not be considered as applicable for any year not adopted. Conditions arising in exception to these procedures will be resolved by agreement of the signatory parties.

The natural flow computing procedure in part B incorporates the provisions of the Amendment of 1953 Order, Paragraph V., River Carriage Losses, Stipulation of the 1945 Decree submitted to Special Master Olpin in September 1997. This stipulation has not been formally approved by the Supreme Court.

It is the intent of this document to provide a reasonable means to maintain the status quo and to provide for conflict-free administration of the river pending resolution of the matters now in litigation.

**PART A.****STORAGE OWNERSHIP ACCOUNTING  
PROCEDURE**

The North Platte system storage ownership shall equal the total storage in Seminoe, Kortez, Pathfinder, Alcova, Gray Reef, Glendo, and Guernsey Reservoirs, except for water held in storage under separate contract for other entities by the Bureau of Reclamation or waters held in temporary storage.

All storage ownerships are to be filled in order of priority as provided for by Paragraph III of the 1952 Modification of the U.S. Supreme Court Decree of 1945, Wyoming State Law and as water becomes available. Any water bypassed or spilled is to be charged to that ownership which may not then be refilled until all other appropriations from the river have been satisfied. No storage ownership delivery or evaporation charges will be assessed when water is being spilled from the system.

A one-day time lag will be used in computing the evaporation chargeable to each ownership. Evaporation chargeable today is considered to be equal to yesterday's total actual evaporation.

A. Pathfinder - 1,016,507 A.F. (current capacity)  
Priority Date - 12/06/04

1. All river gains upstream of Pathfinder Reservoir for the October 1 through April 30 period are to accrue to this ownership until filled. Gains May 1 through September 30 in excess of natural flow

demands may accrue to Pathfinder ownership until filled.

2. Any Pathfinder ownership in Guernsey Reservoir on September 30 will remain in Pathfinder ownership after October 1. This water will not transfer to Guernsey ownership, but will remain in Pathfinder ownership and may be transferred upstream as Guernsey ownership or the Inland Lakes accrue water. Pathfinder ownership transferred to the Inland Lakes will remain in Pathfinder ownership.
3. The Pathfinder evaporation charge is computed as though all Pathfinder ownership is in Pathfinder Reservoir except for that portion which may be in Guernsey Reservoir which shall be computed at the same rate as that of Guernsey Reservoir.

B. Inland Lakes - 46,000 A.F. (accrual) Priority Date  
- 12/06/04

The parties do not agree on the question whether natural flow may be stored from the North Platte River in or for the account of the Inland Lakes under the existing Wyoming permits for the North Platte Project. Reserving all of their legal rights, the parties agree that, during any water year, while this litigation is pending:

1. During the months of October, November, and April, gains downstream from Alcova Reservoir will accrue to the Inland Lakes, up to a total of 46,000 A.F., and at a rate not to exceed 910 cubic feet per second.

These gains may be stored in Guernsey and Glendo Reservoirs and transferred to the Inland Lakes when Pathfinder Irrigation District resumes spring operations. The transfer is to be completed no later than May 15<sup>th</sup>.

2. Evaporation will be charged to this ownership for water stored in upstream reservoirs at the rate determined for the reservoir where stored.
3. The amount of water transferred from this account to the Inland Lakes shall not exceed 46,000 A.F. annually less evaporation losses, measured into the Interstate Canal if other water is being released and at Guernsey if only Inland Lakes water is being released.

In addition, the following conditions apply:

- a. For Water Year 2000, the Alcova to Guernsey accruals during the months of October, November, and April have been or will be credited to the Inland Lakes account up to a total of 46,000 A.F.
- b. Reclamation will maintain and make available to Wyoming and Nebraska records accounting for all water stored in the Inland Lakes or accrued to the Inland Lakes account on a daily basis.

- c. Nothing in these procedures is intended to restrict the delivery of North Platte Project storage water to the Inland Lakes.

C. Guernsey - 45,612 A.F. (current capacity) Priority  
Date - 04/20/23

1. River gains upstream of Guernsey Reservoir for the October 1 through April 30 period and not credited to the Inland Lakes will accrue to this ownership until filled. Gains May 1 through September 30 in excess of natural flow demands may accrue to Guernsey ownership until filled.
2. The Guernsey evaporation charge is computed as though all Guernsey ownership is in Guernsey Reservoir.
3. The Hydrographer-Commissioner of District 14 and the Division Supervisor of the Bridgeport Office of the Department of Water Resources will be notified in a timely manner of all releases made to fulfill contractual obligations to Federal contractors by the Bureau of Reclamation.
4. Guernsey Reservoir releases after April 30 are to be natural flow calls upon the river following coordination among Wyoming, Nebraska and Bureau of Reclamation personnel. When Guernsey Reservoir releases exceed the natural flow of the river at this point, then the difference is a release of storage water.

5. Guernsey ownership transferred to the Inland Lakes will remain in Guernsey ownership.

D. Kendrick - 1,201,678 A.F. (current capacity; Seminole - 1,017,273 A.F., Alcova - 184,405 A.F.) Priority Dates (Seminole - 12/01/31, Alcova - 04/25/36)

1. All gains upstream of Seminole Reservoir for the October 1 through April 30 period after Pathfinder and Guernsey ownerships have filled are to accrue to Kendrick (Seminole) ownership until filled. Likewise, all gains upstream of Alcova Reservoir for the October 1 through April 30 period after Pathfinder and Guernsey ownerships have filled are to accrue to Kendrick (Alcova) ownership until filled. Gains May 1 through September 30 in excess of natural flow demands may accrue to the Kendrick ownership until filled.
2. The evaporation chargeable to Kendrick ownership shall be the actual Seminole and Alcova Reservoir evaporation yesterday, plus the evaporation for Kendrick ownership stored in any other reservoir but assumed to be in Seminole Reservoir, minus any loss charged to storage held under contract for other entities by the Bureau of Reclamation in Seminole Reservoir.

E. Glendo - 183,238 A.F. (current capacity) Priority Date - 08/30/51

1. This ownership consists of a power head pool of 63,148 A.F. (elevation 4,570), an irrigation ownership pool not to exceed 100,000 A.F. and an estimated evaporation pool of 20,090 A.F.
2. All gains upstream of Glendo Reservoir for the period October 1 through April 30 after the Pathfinder, Guernsey, and Kendrick ownerships and the Inland Lakes Account have filled are to accrue to the Glendo ownership until filled. At any time that the Guernsey ownership has filled and the Pathfinder or Kendrick ownerships have not filled, all gains between Alcova and Glendo will accrue to Glendo ownership, if not required to fill the inland lakes ownership during October, November, and April. Gains May 1 through September 30 in excess of natural flow demands may accrue to this ownership until filled.
3. When the power head pool of 63,148 A.F. (elevation 4570) is filled, no further accounting need be made for this pool. This minimum power head pool can be filled but once from the river. All Glendo ownership evaporation will be charged against the irrigation pool unless storage for evaporation has been underestimated and evaporation encroaches upon the power head pool. In this case, refilling of the power head pool may be allowed as an



exception by the Wyoming State Engineer.

4. Glendo ownership can accrue annually in the irrigation pool up to 40,000 A.F. plus estimated evaporation, provided this total irrigation ownership, including carryover storage does not exceed 100,000 A.F. plus estimated evaporation. Any difference between actual evaporation charged to the Glendo ownership and that estimated previously will be accounted for by adjustment of next year's allowable storage for evaporation.
5. The Glendo ownership will be accounted for on both a State and an individual contractor basis. Such accounting will include accruals, releases, evaporation, exchanges, and carryover storage. Temporary contracts will be satisfied by withdrawals from uncontracted storage volumes. Such amounts will be allocated by account in proportion to each entity's contracted amount of the Glendo water supply. The total accrual to the irrigation ownership shall not exceed 40,000 A.F. per year, nor will the irrigation pool including carryover accrue beyond 37,500 A.F. for Wyoming or 62,500 A.F. for Nebraska.
6. The evaporation chargeable to the Glendo ownership is the total actual evaporation minus that chargeable to other ownerships and minus any loss charged to storage

held under contract for other entities by the Bureau of Reclamation in Glendo Reservoir.

7. Gains Alcova to Glendo for the October 1 through April 30 period are to be computed as Glendo Reservoir inflow minus 98 percent of the Gray Reef outflow two (2) days earlier.

F. Unintentional Water Below the State Line

1. Deliveries at the State Line for contractors below the State Line will be charged for their order placed two days before. When storage water has been released from Guernsey Reservoir for canals at or above Tri-State Dam and when the quantity of water passing the State Line exceeds the quantity of water ordered two days before for delivery at the State Line, for each day storage water was released, the difference between the order for delivery at the State Line and the measured flow shall be considered unintentional water passing the State Line.
2. The unintentional water passing the State Line shall be first charged to the Operation Water Account described in Section G Paragraph 2. No more than 50 cfs shall be charged against this account on a daily basis under this Section F Paragraph 2. In no event will the annual limitation for that account be exceeded.

3. a. If the Operational Water Account has been depleted or if there is additional unintentional water passing the State Line beyond the 50 cfs charged to the Operation Water Account as described in Section F Paragraph 2, the excess unintentional water will be charged to any contractor, or in the case where two or more contractors share a canal, to the canal, between Guernsey Dam and the State Line whose diversion was less than the amount ordered the previous day by a rate of 5 cfs or greater, or in the case of the Mitchell-Gering Canal ordered two days previously. If more than one contractor should be charged, the charge will be in proportion to the amount each canal ordered but did not divert compared to the total amount ordered but not diverted by all canals being charged. For districts sharing a canal, the canal charge will be distributed to each district in proportion to the initial amount ordered by each district. In no case will this charge exceed the amount of the difference between what was ordered and what was diverted by a canal
  3. b. If after charging for water passing the State Line in accordance with Section F Paragraphs 1, 2, and 3.a., there is still remaining unintentional water passing the State Line, the unintentional water will be charged to any contractor who was not charged in accordance with Section F Paragraph 3.a. and who diverted less

water than was ordered for delivery between Guernsey Dam and the State Line the previous day or in the case of the Mitchell-Gering Canal, two days before. The remaining unintentional water charge will be allocated to these contractors in proportion to the amount they ordered but did not divert compared to the total amount ordered but not diverted by all canals. This charge to individual canals shall not be greater than the difference between the canal's order and its diversion.

4. To the extent there is remaining unintentional water passing the State Line that exceeds the amounts accounted in Section F Paragraph 1, 2, 3.a. and 3.b., the balance shall be charged to the Operational Water Account. However, if the Operational Water Account has been depleted, then the balance shall be charged to all contractors who ordered water in an amount that is proportional to their orders.
5. Where extreme precipitation events cause unintentional flows to pass the State Line gage, such quantities shall not be charged against any storage ownership account, and the Bureau of Reclamation will make appropriate and timely Guernsey Dam outflow adjustments. The Division I Superintendent of the Wyoming Board of Control, the Division Supervisor of the Nebraska Department of Water

Resources, and a representative from the Bureau of Reclamation shall consult and jointly determine the duration of time during which no storage ownership account will be charged because of additional precipitation events causing unintentional flows past the State Line gage.

G. Excess to Ownership

1. All gains upstream of Alcova Dam in excess of natural flow demand and not applied to the Pathfinder, Kendrick, Guernsey, or Glendo ownerships, as set forth herein, will accrue to "Excess to Ownership". River gains upstream of Guernsey Dam and below Alcova Dam in excess of natural flow demand not applied to the Inland Lakes ownership, the Guernsey ownership, or Glendo ownership, as set forth herein, will accrue to "Excess to Ownership".
2. The first 15,000 A.F. of water accrued to the "Excess to Ownership" Account shall be stored in the Operational Water Account and shall be used by the Bureau of Reclamation to make up for unintentional water passing the State Line in excess of water needed to fill storage water ordered by canals below Tri-State Dam as described in Section F. Any water remaining in the Operational Water Account after September 30 will carry over to the Operational Water Account on

October 1. The total accrual to the Operational Water Account, including carryover storage, cannot exceed 15,000 A.F.

3. Any "Excess to Ownership" water which is captured at or above Alcova Dam in quantities greater than needed to accomplish Section G Paragraph 2 shall be used to replace evaporation from the Kendrick, Pathfinder, Glendo and Guernsey ownerships, once the ownerships are filled, and until the first release of ownership water at or above Tri-State Dam occurs from any of these ownership accounts. "Excess to Ownership" water which is captured in Glendo or Guernsey Reservoirs in quantities greater than needed to accomplish Section G Paragraph 2 shall be used to replace evaporation from the Glendo and Guernsey ownerships, once the ownerships are filled, and until the first release of ownership occurs from either ownership account for canals at or above Tri-State Dam.
4. Any "Excess to Ownership" water which is captured in quantities greater than needed to accomplish Section G Paragraphs 2 and 3 will be converted and released to fill natural flow demands when natural flow demand exceeds the actual natural flow on a given day.

5. The “Excess to Ownership” water account will accrue and be released in such a manner so as not to interfere with authorized project purposes, or as would endanger the safety of a structure.

PART B.

NATURAL FLOW COMPUTING PROCEDURE

Inflow to Seminole Reservoir

The Seminole inflow will be the sum of the flows of the North Platte River above the Seminole Reservoir and the Medicine Bow River above Seminole Reservoir.

Natural Flow above Alcova Reservoir

The natural flow above Alcova Reservoir will be the inflow to Seminole plus the flow of the Sweetwater River entering Pathfinder Reservoir and to this total will be added the following daily accrual for each month:

May	June	July	August	September
90 cfs	45 cfs	40 cfs	35 cfs	35cfs

The total of Seminole inflow plus the flow of the Sweetwater River plus the accrual will be called the natural flow entering Alcova Reservoir and will be passed through Alcova Reservoir and Gray Reef Reservoir without loss.

Gray Reef Reservoir to Glendo Reservoir

To account for the losses between Alcova and Glendo Reservoir water released at the Gray Reef Reservoir

will be charged daily with the following losses set by the Amendment of 1953 Order, Paragraph V., River Carriage Losses, Stipulation of the 1945 Decree:

May	June	July	August	September
50 cfs	77 cfs	97 cfs	89 cfs	50 cfs

These losses will be distributed between natural flow and storage water in proportion to the quantity of each at Gray Reef Dam.

There will be a two (2) day time lag in transporting water from Gray Reef Reservoir to Glendo Reservoir. Water released at Gray Reef Reservoir will reach Glendo Reservoir two (2) days after the release date.

#### Glendo Outflow

The natural flow entering the Glendo Reservoir will be calculated as the average of today's natural flow entering Glendo Reservoir and the natural flow entering Glendo Reservoir the two previous days. The natural flow will be passed through Glendo Reservoir without loss and will one (1) day later be called the natural flow out of Glendo Reservoir.

#### Glendo Reservoir through Guernsey Dam

Natural flow released at Glendo Reservoir plus 20 cfs of river accrual will be called the Natural Flow out of Guernsey Reservoir.

#### Guernsey Dam to Whalen Dam

Water released at the Guernsey Dam will be charged daily with the following losses set by the Amendment of



1953 Order, Paragraph V., River Carriage Losses,  
Stipulation of the 1945 Decree to account for the losses  
between Guernsey Dam and Whalen Dam.

May	June	July	August	September
2 cfs	4 cfs	5 cfs	4 cfs	2 cfs

These losses will be distributed between natural flow and storage water in proportion to the quantity of each at Guernsey Dam.

Total flow below Guernsey Dam is calculated by the summation of the diversions by Interstate Canal and Fort Laramie Canal, the measured flow passing Whalen Dam, plus the stipulated losses. The storage water below Guernsey Dam is the difference between the total flow below Guernsey Dam and the natural flow out of Guernsey Reservoir.

#### Whalen Dam to Wyoming-Nebraska State Line

A one (1) day time lag is used in taking water from the River gaging station below Whalen Dam to the River gaging station at the State Line. The amount of natural flow passing the State Line gage plus 7 cfs to account for Spring Creek will be used among other factors to calculate the amount of natural flow in the Whalen to Tri-State Dam reach for the 75/25 apportionment.

Carriage losses in the river section Whalen Dam to the Wyoming-Nebraska State Line set by the Amendment of 1953 Order, Paragraph V., River Carriage Losses, Stipulation of the 1945 Decree are as follows:

May	June	July	August	September
10 cfs	19 cfs	21 cfs	17 cfs	9 cfs

The loss to storage between Whalen and the State line will be the previous day's ratio of storage water in the Whalen to State Line section times the daily conveyance loss for the section. A one day time lag is assumed from Whalen to the State Line. The ratio of storage in the Whalen to State Line section is computed as the average of the proportion of storage passing Whalen to total flow passing Whalen one day previous and the proportion of storage at the State Line to total flow at the State Line. This ratio in the section is used to determine the loss to storage between Whalen and the State Line the following day. Storage passing Whalen is the storage at Whalen minus the storage diversions into the canals which divert at Whalen dam. Storage at the State Line is the storage passing Whalen minus the loss from Whalen to the State Line and minus all diversions of storage by contractors diverting below Whalen and above the State Line. After computing storage losses, the balance of the stipulated losses will be subtracted from natural flow.

A loss of natural flow may be borrowed from storage and replaced from subsequent natural flow gains.

The gage readings at the Tri-State Canal of natural flow and storage deliveries to Tri-State Canal may differ from flowrates calculated using the State Line gage for various reasons, including, among other things, changes in travel time of flow between the two gages, and possible gage errors of both or either gage. The States and the Bureau of Reclamation recognize the potential for these discrepancies and are working towards finding ways to minimize them in the future.

/s/ Gordon W. Fassett 6/13/00  
Wyoming State Engineer Date

/s/ Roger K. Patterson 5/22/00  
Director, Nebraska Department of Water Resources Date

/s/ John W. Lawson 4/28/00  
Area Manager, Bureau of Reclamation Date