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Department of Water Resources

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July 21, 2004

Nicholas B. Spencer
Deputy Attorney General
Department of Water Resources
1301 N. Orchard Street
Boise, ID 83701-2237

Re: Subcase Nos. 41-00008C, 41-00008D, 41-00008F

Dear Nicholas:

Enclosed is a copy of the Notice of Appearance I have filed on behalf of 7 U D Ranches, a partnership, consisting of Richard and Gene Nelson. The Nelsons have asked me to represent their interests in this proceeding and related matters pertaining to the protection of their water rights.

Would you kindly provide me with a copy of the Motion to Set Aside Partial Decrees, which I understand is set for hearing before Special Master Dolan September 4, 2004 at 10:00 a.m. at the Rockland City Office, together with all related pleadings and any reports, studies or recommendations prepared by the Department pertaining to the same.

I have discussed the matter generally with the Nelsons and have reviewed also with them your September 23, 2003 letter. It is their understanding that the purpose of the pending motion is to re-open and correct the Partial Decrees to reflect the historic quantities based on the water master's records, rather than the decreed quantities, which were based upon the Department's recommendation, which was in error. I note your letter indicates there are five claimants, while only Taysom (41-8C), Weston (41-8D), and 7 U D Ranch (41-8F) appear to be involved in the pending motion. Have similar proceedings been undertaken with respect to the remaining rights of Juan Spillet (41-8B) and James/Robert Spillet (41-E)?

Assuming that the motion pertains only to correct the quantities, 7 U D has no objection.

Nicholas Spencer
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They do object to the proposed compromise that would allow Juan Spillet to remove 6.6 inches out of the rotation in the ditch. The basis of 7 UD's objection is that the removal of the Spillet water from the rotation would adversely affect and cause injury to the rights of 7 U D and others on the ditch whose systems have been designed to utilize the full ditch of 160 inches during their rotation. It is my understanding that there have been long-standing disputes relating to previous transfer applications seeking to change the point of diversion and place of use in order to remove water from the ditch to a downstream location. 7 U D would not be adverse to share exchanges or other creative solutions to resolve these disagreements so long as their rights and the historic rotation practices are not impaired.

Quite obviously, there is considerable background and history you're familiar with, which I am not, and I would appreciate the opportunity to discuss this matter with you at your convenience.

Sincerely,

RANDALL C. BUDGE

RCB:rr

cc: 7 U D Ranches