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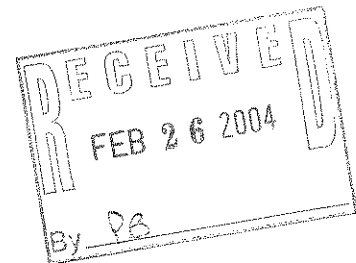
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February 24, 2004

Cindy E. Bird
Adjudication Agent
Department of Water Resources
15 West Center Street
Soda Springs, Idaho 83276



Re: *Jougard Sheep Company, Inc.*
SRBA Claim Nos. 27-2080A and 27-2080B

Dear Cindy:

Per our phone conversation, as attorney for Jougard Sheep Company, Inc. ("Jougard"), I am writing to respond to your letter of January 12, 2004, requesting additional information regarding the above-referenced Notices of Claim. The response below to each issue raised is provided based upon information obtained from Alicia Dredge, President of Jougard, based on her personal knowledge.

1. Discrepancy between 155 irrigated acres under License No. 15100 vs. combined total of 31 irrigated acres under SRBA Claims:

Jougard believes that the SRBA Claims are accurate. Jougard's predecessor, Mr. Stark, did raise grain in the area which possibly is the basis for the additional irrigated acres under the license. That proved unsuccessful and the land was allowed to return to its natural state in approximately 1940. Accordingly, the additional water and irrigated acres under the license would have forfeited for non-use at that time.

2. Change in the place of use:

The place of use identified in the Notice of Claim is believed to be accurate and has been used during the period of Jougard's ownership and knowledge of the property.

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3. **Change in point of diversion:**

The points of diversion set forth in the Notices of Claim of Jougard are believed to be accurate and have not changed. The different point of diversion in the licensed right may relate to the prior irrigation of additional lands for grain by predecessor Mr. Stark, although Jougard has no knowledge or information regarding the prior point of diversion.

4. **Purpose of use:**

The purpose of use claimed for irrigation and stock water is accurate. The stock water is instream. Jougard has no knowledge when the prior domestic use ceased.

5. **When domestic use ceased:**

Jougard has no knowledge when the domestic use ceased but believes that would have occurred in approximately 1940.

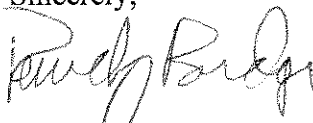
6. **Eleven Mile Springs questions:**

As indicated in the Remarks paragraph 14 to Claim No. A27-02080B, the source of the right is commonly known as "Eleven Mile Springs". These springs flow via an unnamed stream tributary to Trail Creek. Claim No. A27-02080B is the same source.

Jougard acquired the property and water rights from Mr. Stark in November 1987 and has continuously owned them to date. However, this property lies in the middle of other property owned by Jougard and Jougard has leased and used the land and water since 1946. Accordingly, Jougard has actual knowledge that the water rights have been continuously used in the exact same manner as identified in Claim Nos. 27-2080A and 27-2080B since 1946.

If you have any questions or need additional information, please contact me. Thanks for your assistance and patience in awaiting this delayed response.

Sincerely,



RANDALL C. BUDGE

RCB:rr

cc: Alicia Dredge, President, Jougard Sheep Company, Inc.



State of Idaho

DEPARTMENT OF WATER RESOURCES

15 West Center Street, Soda Springs, ID 83276

Phone: (208) 547-3993 Fax: (208) 547-3939 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

12 January 2004

Jougland Sheep Co., Inc.
P. O. Box 245
Rupert, ID 83350

Re: Snake River Basin Adjudication (SRBA)
Claims 27-2080A and 27-2080B

Subject: CLARIFICATION IN Point of Diversion (POD), Place of Use (POU), Purpose of Use,

RESPONSE DATE: 12 February 2004

Dear Claimant(s):

Our office is reviewing your above referenced Notice of Claim and need some additional information before we can recommend your claim to the SRBA Court.

A water right owner who has made changes in the POD, POU, and Purpose of Use of a water right prior to the commencement of the SRBA without prior IDWR approval may claim the change in the SRBA. IDWR may recommend a right as changed, however, only if the change meets certain requirements. One of those requirements is that the change not result in injury to another water user. I am enclosing a copy of the License issued February 7, 1925 and a copy of the Notice of Claim issued September 19, 1990.

We need clarification on the following issues:

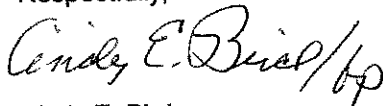
1. Was there a reduction in the total number of irrigated acres? If so, was this change a partial forfeiture or an abandonment of irrigated acres? Or, is there another explanation for this change? The 1987 NAPP aerial photo does not indicate there was a lot of irrigated acres. When did this change take place?
2. Was there a change in the POU? The claim includes Section 7, NWSE; the license does not. Was there a reduction in the overall total of irrigated acres? If so, which acres were changed and when?
3. The licensed POD is in T8S, R42E, Section 13, NWSE. Claim 27-2808B claimed PODs in T8S, R43E, Section 7, SESWSE and Section 18, NENWNE. Claim 27-2080A claimed a POD in the SESW of Section 7, T8S, R43E. When did these changes take place?
4. The licensed Purpose of Use is for irrigation and domestic use. The claimed Purpose of Use is irrigation and stockwater. Is the stock water instream or diverted water? When did this change take place?
5. The licensed diversion rate is 2.7 cfs or an inch per acre. The license does not allow an addition for domestic purposes. When was the change?
6. The license sites the water is from the Eleven Mile Springs which is a tributary of the Blackfoot River. Claim 27-2080A sites an unnamed stream as a tributary to Trail Creek and Claim 27-2080B is a spring tributary to an unnamed stream. When did the source change?
- 7.

Before we can recommend your claims, you must provide us with the date the changes were made and some evidence tending to support the changes. If the changes occurred prior to November 19, 1987, then the date must include the month, day and year the change occurred. If the change occurred after November 19, 1987, then no date or evidence is required and the claim will be recommended as it was prior to November 19, 1987.

Your response must be received by this office by the response date shown above. If no response is received then the above referenced claims will not be recommended to be decreed.

If you have any questions please feel free to contact me at 547-3993.

Respectfully,

A handwritten signature in cursive script that reads "Cindy E. Bird" followed by a stylized flourish or initials.

Cindy E. Bird
Adjudication Agent

CEB/
Enclosures

Copy of License 27-2080
Copy of Claims 27-2080A and 27-2080B