

RECEIVED

SEP 27 2006

Department of Water Resources
Adjudication Bureau

08/31/2006

NOTICE OF ERROR
REPLY

Please type or print clearly, fill out this form completely and mail.

Return this reply form to IDWR by the deadline date printed below if you want IDWR to change your recommendation or you want to let IDWR know that you agree with its recommendation.

YOUR DEADLINE FOR RETURNING A NOTICE OF ERROR REPLY IS: September 29, 2006

Water right number: 73-4028

GEORGE E SANTEE JR
PO BOX 2341
IDAHO FALLS ID 83403-2341
Telephone Number: (208)522-0202

1. Describe the portion of the proposed recommendation with which you disagree (e.g. priority date, period of use, source):
Claim should not be disallowed
Additional Place of use

2. Describe the changes you wish to make in the proposed recommendation:

Approve claim

Additional Place of use: T15N R22E S31 SWNE 1.50 T15N R22E S31 NESW 40
T15N R22E S31 SESW 36 T15N R22E S31 NWSE 40

Change from 40 to 30 acres in T14N R22E S06 Lot 2 NWNE

3. Give a brief explanation as to why you disagree with these portions:

Right 73-4028 has been and continues to be used in "Additional Place of use"

Only 30 acres irrigated in T14N R22E S06 Lot 2 NWNE

Claim describes historical and continuing use.

☐ I AGREE with this proposed recommendation: no changes need to be made.

DATE: 9/15/2006

SIGNATURE:

George E. Santee, Jr.

Please print your name: George E. Santee, Jr.

IDWR Regional Office, 322 E Front St
PO Box 83720, Boise, ID 83720-0098, 2082874800

ARTICLES OF INCORPORATION
OF
MORSE CREEK IRRIGATION COMPANY, INC.

KNOW ALL MEN BY THESE PRESENTS, That we, the undersigned, each of whom is of full age and a resident of the State of Idaho and citizen of the United States, do hereby associate ourselves together for the purpose of forming a non-profit corporation in accordance with Chapter 3 of Title 30 of the Idaho Code, and do hereby make, execute, and acknowledge these articles in writing.

ARTICLE I.

The name of said Corporation shall be MORSE CREEK IRRIGATION COMPANY, INC.

ARTICLE II.

The principal place of business of the Corporation shall be the City of May, Lemhi County, Idaho.

ARTICLE III.

This Corporation shall have perpetual existence.

ARTICLE IV.

This Corporation shall be a non-profit Corporation in accordance with Chapter 3, Title 30 of the Idaho Code.

ARTICLE V.

The purposes for which the Corporation is formed are to construct, acquire, hold, own, maintain, operate and control within the State of Idaho a water system or systems for irrigation and other agricultural purposes for its members and to distribute waters therefrom, and as a means of accomplishing the foregoing purposes, the Corporation shall have the power to exercise all powers authorized by State law, including but not limited to the power to purchase, receive by gift, devise or bequest, or otherwise acquire absolutely or jointly with any other person or corporation, any property, real or personal, or any interest therein; to own, mortgage, lease, donate, sell or otherwise use or dispose of such property; to invest, lend, donate or expend its funds; to borrow funds and secure their repayment; to sue and be sued; to elect such officers and to employ such agents and employees as the business of the Corporation shall require and to allow them suitable compensation; and to transact and do all such matters and things as are or shall be considered as conducive or incidental to the foregoing purposes for which this Corporation is formed.

ARTICLE VI.

The Corporation shall have 415 shares of capital stock; all shares shall be voting shares.

ARTICLE VII.

Shares shall be distributed to the incorporators on the basis of one (1) share of stock for each inch of water that said incorporators place into the Morse Creek Irrigation Company, Inc., water system which shall consist of a gravity flow pipeline system. Stockholders shall have the right to share with other stockholders in the use of the water system facilities of the Corporation. All persons owning a legal or equitable interest in the real property served by the Corporation and in the water rights appurtenant to said real property may own stock in the Corporation. Each stockholder who is in good standing and whose fees are fully paid shall be entitled to one (1) vote for each share of stock owned by him in the Corporation. Said shares shall not be transferred from the real estate served by the Corporation without the permission of a majority vote of the Corporation Board of Directors.

ARTICLE VIII.

The distribution of the Corporation shares of stocks shall be as follows:

	<u>No. of Shares</u>
WHITWORTH RANCHES, INC.	140
SPRING CREEK GRAZING ASSOCIATION	30
WESLEY THOMPSON	60
GEORGE E. SANTEE, JR.	140
RAYMOND HORN	45

ARTICLE IX.

The affairs of the Corporation shall be controlled by 5 elected directors, who shall be stockholders of the Corporation unless that number of stockholders of the Corporation is less than 5, in which case the number of directors shall be equal to the number of stockholders. Those who shall serve as directors and manage the affairs of the Corporation for the first year or until their successors are duly elected and qualified are as follows:

SCOTT WHITWORTH
RAYMOND HORN
WESLEY THOMPSON
GEORGE E. SANTEE, JR.
Howard Carter (for Spring Creek Grazing, Inc.)

ARTICLE X.

These Articles or the Bylaws of the Corporation may be altered, amended or new Bylaws adopted at any regular meeting or at any special meeting of the members, called for that purpose, by the unanimous vote of all stockholders of the Corporation.

shall be subject to inspection by any officer, director or stockholder of the corporation during the corporation's regular hours of business or during any regular or special meeting of the Board of Directors or stockholders.

ARTICLE II

Service Area, Irrigation System and Water Rights

Section 1. The service area of the corporation shall include:

(a) all lands of the stockholders to which their water rights in Morse Creek are legally appurtenant and which were lawfully irrigated during the 1979 irrigation season with water diverted from Morse Creek pursuant to such rights.

Such lands are described generally as follows:

Whitworth property	(See Exhibit "A")
Santee property	(See Exhibit "B")
Horn property	(See Exhibit "C")
Spring Creek Grazing Association	(See Exhibit "D")
Thompson property	(See Exhibit "E");

and

(b) such additional lands of the stockholders as may be conveniently irrigated through the irrigation system of the corporation, without injury to the water rights of the stockholders or the irrigation system of the corporation, provided, that such lands are added to the service area or that the service area of the corporation as modified in compliance with the provisions of Idaho law and these By-Laws. Delivery of water through the irrigation system of the company to lands which are not, or have not formally been included as provided by these By-Laws within the service area of the corporation, whether such delivery be by agreement or otherwise, whether

EXHIBIT B

SANTEE

Approximately 200 acres consisting of the following described property, to-wit:

NW $\frac{1}{4}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$, and that part of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ described as follows:

Beginning at the SW Corner of the NE $\frac{1}{4}$, running thence East 80 rods to the East line of the SW $\frac{1}{4}$ NE $\frac{1}{4}$; thence North on the line between the SW $\frac{1}{4}$ NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ NE $\frac{1}{4}$, 6 rods to a point; thence due West through said SW $\frac{1}{4}$ NE $\frac{1}{4}$, 80 rods to the West line of said SW $\frac{1}{4}$ NE $\frac{1}{4}$; thence due South on said West line 6 rods to the place of beginning, containing 2 $\frac{3}{8}$ acres, more or less, all in Section 31, Township 15 North, Range 22 E.B.M.; and the following described portion of Lot 2, Section 6, Township 14 North, Range 22 E.B.M.:

Beginning at a point 32 feet North from the SE $\frac{1}{4}$ of said Lot 2; thence North to the NE Corner of Lot 2; thence West along the township line to the Northwest Corner of Lot 2; thence South to a point 32 feet North from the SW Corner of Lot 2; thence east about $\frac{1}{4}$ mile to the place of beginning, all in Lemhi County, Idaho.