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DEPARTMENT OF
WATER RESOURCES

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Attorney for Helen & Gary DeMoss

**IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF
THE STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS**

In Re SRBA	)	Subcase No. 37-4112 and 37-21595
	)	
Case No. 39576	)	WITHDRAWAL OF OBJECTIONS BY GARY
	)	AND HELEN DEMOSS
_____	)	

The objectors, Gary and Helen DeMoss (DeMoss), parties to the above-captioned subcases, hereby withdraw their objections in Subcase Nos. 37-4112 and 37-21595.

On March 10, 2006, Gary and Helen DeMoss filed objections to 37-4112 and 37-21595 for purposes of protecting the historic diversions to storage under DeMoss water rights 37-856, 37-2780, 37-7754, and 37-2778. Water rights 37-4112 and 37-21595 are held in the name of King Hill Irrigation District (King Hill).

On November 1, 2007, DeMoss sent a draft settlement agreement to King Hill based upon the executed settlement agreement that resolved the DeMosses' identical objections to North Side Canal Company's (NSCC) water rights 37-507 and 37-4241. The settlement discussions and documents for NSCC and King Hill resulted from a May 3, 2007 settlement meeting scheduled by SRBA Special Master Bilyeu. *Order Setting Settlement Meeting and Scheduling Conference*, January 16, 2007. While settlement efforts were proceeding before

were proceeding before Special Master Bilyeu, the SRBA court designated Consolidated Subcase 92-26 (historic use issue), including the NSCC and King Hill subcases.

As a part of the 92-26 proceedings, SRBA Judge Melanson was advised of the DeMoss/NSCC settlement and the ongoing settlement efforts with King Hill. *Statement of Gary and Helen DeMoss for October 16, 2007 Hearing on Idaho Power Company's Motion to Designate Basin-Wide Issue or Alternatively to Consolidate Subcases on Common Issue.* During the January 15, 2008, status conference in 92-26, SRBA Judge Melanson was advised that King Hill had not yet responded to the DeMoss draft settlement proposal.

On January 17, 2008, counsel for King Hill discussed the draft settlement with counsel for DeMoss. King Hill expressed concern about the settlement due to a January 11, 2008 decision in an IDWR proceeding.¹

In status conferences with Special Master Bilyeu on January 30, and then February 4, 2008, King Hill and DeMoss discussed both the settlement status and the relationship of Consolidated Subcase 92-26 to the DeMoss and King Hill objected water rights.

On February 6, 2008, King Hill and DeMoss met again, and King Hill rejected the DeMoss settlement offer, based on the January 11, 2008 Hearing Officer decision in the IDWR delivery call proceedings affecting Blue Lakes Trout Farm, Inc. Due to the identical nature of the executed DeMoss/NSCC agreement and the draft DeMoss/King Hill agreement, counsel for DeMoss contacted counsel for NSCC on February 6, 2008 to advise NSCC of King Hill's rejection of the draft agreement and to confirm the continued status of the DeMoss/NSCC settlement. Counsel for DeMoss can represent that NSCC was aware of the issue affecting Blue

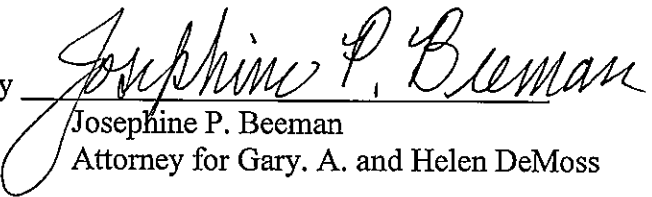
¹ Before the Department of Water Resources of the State of Idaho, In the matter of Distribution of Water to Water Rights 36-02356A, 36-07210, & 36-07427 (Blue Lakes Delivery Call), January 11, 2008 Hearing Officer Opinion Constituting Findings of Fact, Conclusions of Law, and Recommendation; p.25, paragraph XV.]

Lakes, but was neutral on the issue raised by King Hill based on the IDWR decisions affecting Blue Lakes.

At this time, Gary and Helen DeMoss have decided to withdraw their objections to King Hill Irrigation District's water rights 37-4112 and 37-21595.

Dated this 11th day of April 2008.

BEEMAN & ASSOCIATES, P.C.

By 
Josephine P. Beeman
Attorney for Gary. A. and Helen DeMoss

CERTIFICATE OF MAILING

I certify that on April 11, 2008, I mailed the original and copies of this Withdrawal of Objections, to the following:

1. Original to:

Clerk of the District Court
Snake River Basin Adjudication
253 Third Avenue North
PO Box 2707
Twin Falls, ID 83303-2707

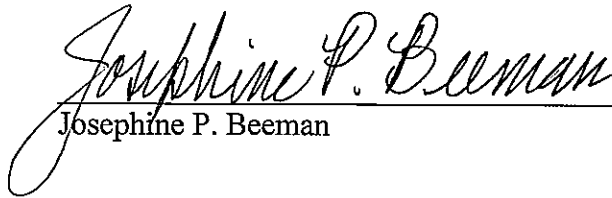
2. Copies to:

IDWR Document Depository
PO Box 83720
Boise, ID 83720-0098

Chief, Natural Resources Division
Office of the Attorney General
State of Idaho
P. O. Box 44449
Boise, ID 83711-4449

United States Department of Justice
Environment and Natural Resource Division
550 West Fort Street, MSC 033
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