



State of Idaho

DEPARTMENT OF WATER RESOURCES

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EASTERN REGION

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

November 25, 2008

STATE OF IDAHO
IDAHO TRANSPORTATION DEPARTMENT
PO BOX 97
RIGBY ID 83442

RE: Notice of Change of Water Right Ownership (NCO) for
22-13378 (Split into 22-13868 and 22-13869) and Notice of Completed Administrative Proceeding (NCAP)

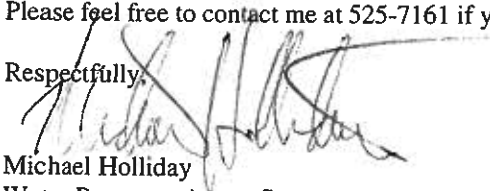
Dear SIR/MADAM:

The Idaho Department of Water Resources (IDWR) received an NCO changing the right holder for a portion of the above referenced water right(s). Based on this NCO, IDWR water right records for the Snake River Basin Adjudication (SRBA) have been updated with new water right numbers reflecting the division of the water right(s). Once IDWR processes the change of ownership, IDWR mails a copy of the updated water right record(s) (Director's Report) to each party listed on the NCAP. Enclosed please find the relevant NCAP(s) for your right(s). The intent of this mailing is to ensure each party has a current record of the water right(s) as recorded in the SRBA.

You may recall the initial hearings held in Rexburg on August 19, 2008. During those hearings the present parties discussed changes that needed to be made to resolve issues related to place of use, acreage and diversion rate for the aforementioned water rights. You may notice that the changes discussed at the initial hearings are not reflected in the enclosed Director's Report. Those changes were excluded from this version of the Director's Report solely because the purpose of the NCAP is simply to inform the parties and the SRBA Court of the changes in ownership. A Standard Form 5 (SF5) settlement document will follow shortly under separate cover. The SF5 will incorporate the corrections that we discussed at the initial hearings. Once the parties sign the SF5 settlement documents for these water rights, the SF5s will be sent to Special Master Bilyeu for her review and then to Judge Melanson for partial decree.

Please feel free to contact me at 525-7161 if you have any questions concerning this matter.

Respectfully,


Michael Holliday
Water Resource Agent, Sr.

Enclosure

cc: MERRILL BROWER & SONS INC