



State of Idaho

DEPARTMENT OF WATER RESOURCES

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C.L. "BUTCH" OTTER - Governor
Gary Spackman - IDWR Director

February 26, 2014

Jason Helms
6755 North Albert Lane
Idaho Falls, ID 83401

COPY

Dear Mr. Helms:

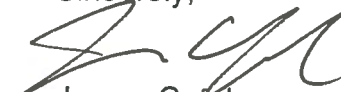
You recently filed a transfer application in the name of Northern Agriculture V LLC in the Eastern Region. The transfer proposes combining the points of diversion and places of use for five ground water rights in the Hamer area. Currently, water is diverted from three ground water wells. Each well has its own distinct water rights and each well supplies water to separate pivot systems. The three wells are not connected.

According to the map provided with the transfer application, the three wells will be interconnected with mainline to allow water from any well to be used to irrigate any of the acres within the proposed place of use for the combined water rights. The proposal to combine the water rights and interconnect the system is an acceptable change and a transfer application to update the water rights is the correct first step.

Through conversations with you and representatives of BLF Land (who leases the Northern Agriculture property), we have heard that there is no true intent to interconnect the wells. This causes me some concern. Water rights should match the actual use of water. If a point of diversion cannot physically supply water to the proposed place of use listed on a water right, the point should not be included on the right. In other words, if Northern Agriculture does not truly intend to connect the wells into a single irrigation system, the water rights should not be combined.

At this point, the transfer application states that the three systems (wells) will be combined into a single water delivery system. We will continue to process the transfer assuming the proposed changes will be implemented within one year. If, however, it is not your intent to combine the systems within one year, please withdraw the transfer and re-file it when you are prepared to make that change. Please contact me if you would like to discuss this further.

Sincerely,



James Cefalo

Cc: Northern Agriculture V LLC (301 East Main Street, Turlock, CA 95380)