

November 29, 2012

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WATER RESOURCES
WESTERN REGION

Far Marel LLC
Viel Gluck LLP
Ben Fatto Limited Partnership
Cardon Haitt Investments LLC
SMT Investors Limited Partnership
1223 S Clearview Avenue Suite 103
Mesa, AZ 85209

Dear Parties:

I am submitting this letter in grave concern regarding the steady degradation of my personal domestic well's static water level since you began irrigation on your property in the spring of 2010. As senior water rights holder (No. 61-11833) to your water right (No. 61-12112), I request your investment company cease pumping operations to stop my well water level degradation.ⁱ

I identified this injury of my domestic well to the Idaho Department of Water Resources and cc'd to you in a letter dated April 4, 2012. It referenced your production wells and property located at 9975 W. Martha Ave., Mountain Home, ID.

In addition, the letter sent to you by the Idaho Department of Water Resources dated May 14, 2012, established directives and identified that your irrigated land and wells are located in the Cinder Cone Critical Ground Water Area.

Since 1975, my domestic water levels have been routinely monitored and documented by state and federal agencies. In 2010, the Idaho Department of Water Resources noted the degradation of the static water levels and has subsequently increased its measurement frequencies. Consequently, there is ample official documentation of historic water levels and subsequent adverse impact of your irrigation water consumption.ⁱⁱ

The historical data of static water levels for my domestic well, documented by US Geology Survey (USGS) and the Idaho Department of Water Resources (IDWR) shows the following summary of static water level loss:

- September 30, 1976, through July 28, 2005 (**28 years 10 months**)
 - Total loss was **1 foot**.
- September 14, 2010, through October 25, 2012 (**2 years 1 month**)
 - Total loss was **11.8 feet**

Data retrieved from the Western Regional Climate Centerⁱⁱⁱ for Mountain Home and the National Oceanic and Atmospheric Administration for Southwest Idaho show average to above average precipitation for these areas over the last three years. As such, it would be assumed that the ground water recharge rates would also be average to above average for the last three years.^{iv}

Given the historical static water level degradation, annual precipitation, recharge rates and your irrigation consumption, I extrapolate that my well's static water level will drop below my well pump intake during the beginning of the next irrigation season, thus rendering my home inhabitable.

I request your corporation stop the extraction of this critical water resource to avoid economic hardship upon my family. As senior water right holder for my area, I respectfully request a response no later than March 1, 2013, to determine what course of action will be taken.

Sincerely,



James C. Scheff
10435 W. Martha Ave.
Mountain Home, ID 83647
208-869-5996

Cc: Idaho Department of Water Resources
Western Regional Office
Attn: John Westra, Manager
2735 Airport Way
Boise, ID 83705-5082

ⁱ Idaho Department of Water Resources, Water Right Report, <http://www.idwr.idaho.gov/apps/ExtSearch/SearchWRAJ.asp>

ⁱⁱ USGS Groundwater of Idaho, Ground Water Levels, http://waterdata.usgs.gov/nwis/uv/?referred_module=gw

ⁱⁱⁱ Western Regional Climate Center, <http://www.wrcc.dri.edu/>

^{iv} National Oceanic and Atmospheric Administration, <http://water.weather.gov/precip/>