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March 20, 2013

Idaho Department of Water Resources
Attn: Jonie Barg
900 North Skyline Drive, Suite A
Idaho Falls, ID 83402-1718

**RE: *Change of Ownership for Water Right Nos. 31-4102, 31-7419, 31-10129,
31-10130, and 31-10135.***

Dear Jonie:

I am in receipt of your letter dated February 27, 2013 requesting additional information before the Department will process a Change in Ownership of the above water rights. From your letter, it is unclear exactly what information the Department needs to process the Change of Ownership on these water rights. We understand that the place of use, or a portion thereof, of the above water rights is on land not owned by Natural Guardian LLC. It is our opinion, however, that this is irrelevant. The water rights have received a partial decree in the SRBA and to our knowledge neither the State of Idaho nor the BLM filed a protest. Furthermore, the law is well settled in Idaho that water may be appropriated for beneficial use on land not owned by the appropriator and that such water rights become the appropriator's property. *See First Sec. Bank v. State*, 49 Idaho 740.

Therefore, we request that the Department process our Notice of Change of Ownership on the above water rights without further delay. If you have any further questions, please do not hesitate to contact me.

Best Regards,

Luke H. Marchant
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

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Department of Water Resources

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