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April 11, 2013

RECEIVED

APR 12 2013

Department of Water Resources
Eastern Region

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

RE: *Application for Transfer for Water Right No. 22-163B in the name of Siddoway Sheep Co. Inc.*

Dear Michael:

As we have previously discussed, enclosed in an *Application for Transfer of a Water Right* for Water Right No. 22-163B that only seeks to add a point of diversion to this water right. We have also included a filing fee in the amount of \$660.00

Water Right No. 22-163B has a long history. This transfer is the final step in correcting the water right to conform to its current use. Water Right No. 22-163B was split from Water Right No. 22-163, with the "A" portion eventually being purchased by the Canyon Creek Lateral Ditch Water Users Association ("Canyon Creek"). The confusion has occurred over time because Canyon Creek has leased 22-163B from the Applicant on a number of occasions. The historic leasing of the property culminated in approved Transfer No. 3729 in 1990. Transfer No. 3729 purported to amend 22-163B to be diverted from Canyon Creek's pump station located near the remaining failed Teton Dam, but was to be delivered through its system to the place of use owned by Siddoway Sheep. Yet two years prior, Siddoway Sheep filed a claim for this water right in the Snake River Basin Adjudication listing its point of diversion in Township 7 North, Range 41 East, Section 14, SE1/4SW1/4 (the "Siddoway Sheep diversion").

Eventually, the water right was decreed in the SRBA in November 2008 with elements that differed from approved Transfer No. 3729, which transfer was approved after the commencement of the SRBA. After the error was discovered, the partial decree was set aside and amended to be consistent with the elements outlined in Transfer No. 3729.

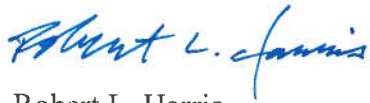
Despite the approved Transfer No. 3729, the water right has been diverted since the late 1980s from the Siddoway Sheep pump located in the NE1/4SE1/4SW1/4, Section 14, Township 7N, Range 41E, which has a GPS location (taken by the Department) as No. 682798. The water

Idaho Department of Water Resources
April 11, 2013
Page 2 of 2

right needs to retain its existing point of diversion in the event that Siddoway Sheep ever desires to lease all or a portion of Water Right No. 22-163B to Canyon Creek. There are no intervening diversions between the Canyon Creek pump and the Siddoway Sheep pump, and therefore there should be no impact or injury to any other water right users.

Let me know if you have any questions or concerns.

Best Regards,



Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures