

DEC 28 2012

DEPARTMENT OF
WATER RESOURCES

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Via Email and U.S. Mail

December 27, 2012

Monica Van Bussum
Sr. Water Resource Agent
Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098
monica.vanbussum@idwr.idaho.gov

Re: *Blue Water Development – Water Right Nos. 95-2112 and 95-2200*

Dear Monica:

I am writing on behalf of the owners of the above-captioned water rights in response to the notice letter they received from you dated December 21, 2012.

I am enclosing two applications for extension of the Water Supply Bank lease terms for Bluewater Development, LLC's Water Right Nos. 95-2112 and 95-2200. We are seeking extensions through December 31, 2013. I am also enclosing a copy of the Special Power of Attorney authorizing me to act on behalf of Bluewater Development, LLC in this regard.

The condition for Water Right No. 95-2112 under the heading "Minimum Payment Acceptable" should read: "\$80,000 per year (\$500 per acre); only entire right may be rented."

The condition for Water Right No. 95-2200 under the heading "Minimum Payment Acceptable" should read: "\$78,500 per year (\$500 per acre); only entire right may be rented."

It is my understanding that even if this extension is not processed prior to the expiration of the current lease on December 31, 2012, the application will be deemed timely filed and when the extension is approved it will be backdated to ensure that there is no gap in Water Bank protection.

Monica Van Bussum
December 27, 2012
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Once approved, I would appreciate receiving an acknowledgment that these extensions have been approved.

Thank you very much for your assistance in this matter. Please contact me if you have any questions. Happy New Year to you.

Sincerely,



Christopher H. Meyer

Encl: Water Supply Bank Lease Term Extension Forms for 95-2112 and 95-2200
Special Power of Attorney

cc: Keith Franklin, IDWR Northern Regional Office
John F. Magnuson
Jim Foxx

CHM:js