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Department of Water Resources
Eastern Region**State of Idaho****DEPARTMENT OF WATER RESOURCES****900 North Skyline Drive, Suite A Idaho Falls Idaho 83402-1718****Phone: (208) 525-7161 FAX: (208) 525-7177 www.idwr.idaho.gov****C.L. "BUTCH" OTTER - Governor**
Gary Spackman - IDWR Interim Director

October 25, 2012

Delmore Canal Company
c/o Lyle Steed
22961 West 8500 South
Stone, ID 83252

RE: Draft Transfer Application

Dear Mr. Steed:

Thank you for traveling to Idaho Falls to meet with me and Rob Whitney to discuss the pending notice of violation. I apologize that it has taken me so long to prepare a draft transfer application. Because of the poor water year, we have had a very busy summer.

Enclosed is a draft transfer application for you to review. Consistent with your instructions, this transfer will create a new, larger service boundary for the canal company, encompassing all of the acres currently served by the Delmore Canal. The transfer also adds "irrigation storage" and "irrigation from storage" as elements to your Deep Creek right, defines a season of use for both water rights, and adds the correct legal description for the various points of diversion of the canal company.

The transfer application filing fee will be \$660. This is based on the 160 acres not covered by a water right, as identified by Rob Whitney, which will now be included within the Delmore service boundary. Because the transfer will not result in any significant hydrologic change, it only needs to be advertised in the local paper.

If the transfer application correctly describes the changes you would like to make to your water rights, please sign the application on behalf of the canal company in the area highlighted. Please return the signed transfer application and filing fee (check made out to IDWR) to our office. Feel free to keep a copy of the application for your records. We will begin processing the transfer as soon as it arrives.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Cefalo'.

James Cefalo

Water Resources Program Manager