



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082

PHONE: (208) 334-2190 FAX: (208) 334-2348 www.idwr.idaho.gov

C.L. "BUTCH" OTTER, Governor
GARY SPACKMAN, Director

January 22, 2013

BLACKHAWK PARTNERS LLC
C/O MICHAEL LAWRENCE
GIVENS PURSLEY LLP
PO BOX 2720
BOISE ID 83701-2720

Re: Applications for Extension of Time to Avoid Forfeiture, Water Right Nos. 65-2946C, 65-7052E
and 65-7535

Dear Interested Party:

This letter is sent to your attorney based on a recent telephone conversation with him regarding the above referenced extension applications ("applications") for these water rights. Please note right 65-7052E is now recognized under split rights 65-23422 and 65-23423. All of these rights are currently in the name of your company.

The applications were filed in 2005 by Sage SGI LLC. A maximum extension of time for five years through 2010 would have been possible. Subsequent delays pertaining to water right ownership and protests filed by Blackhawk Lake Property Owners Association ensued. The protests were withdrawn by April 2007 (copies enclosed). The applications should have been approved soon after that. Unfortunately, the applications were overlooked by the Idaho Department of Water Resources (IDWR) due to its focus on reducing significant backlogs of other matters such as transfer applications.

Blackhawk Partners LLC filed three transfer applications about the time those protests were withdrawn. The transfer applications were approved by October 2010 under Transfer No. 76412 consolidating the three transfers into a single transfer approval. Two pertinent factors figured into the transfer approval: (1) Blackhawk Partners LLC owned the rights during transfer processing, and (2) the rights were determined to be valid through the time of transfer approval.

Sage SGI LLC was dissolved by March 2010 and no longer owned the rights when transfer 76412 was approved. All of this made the extension applications stale if not moot. Although the rights are owned by your company, the extension applications appear to be property of a now defunct entity. Typically, IDWR would ask an applicant to withdrawal applications or IDWR would void them without a timely response.

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Based on this explanation, IDWR assumes the applications are no longer useful or valid. IDWR will consider the applications to be void unless hearing otherwise from you within the next thirty days. A reply is not necessary unless you wish to pursue the extension applications in some way.

Please contact me at your convenience if you need more information in this matter. Thank you for your help in resolving these applications.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lester".

Steve Lester
Water Rights Supervisor

Enclosure: Copies of Withdrawn Protests

Cc: Terry Scanlan, SPF Water Engineering LLC
 (w/o enclosures)