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October 8, 2012

Pamela S. Skaggs
Water Rights Supervisor
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: *Proposed Reprocessing of Application for Transfer 68458*
Water Right 29-7291/Ward & Son Co., Inc.

Dear Ms. Skaggs:

In response to your letter of October 3, 2012, regarding the above-referenced matter, I am enclosing the signed original Request to Reprocess Application for Transfer 68458. Please take the necessary steps to re-advertise the proposed change and complete reprocessing.

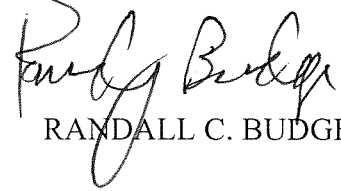
It is the owner's understanding based on previous phone communications with Department representatives that the pending Notice of Violation and Notice to Cease and Desist Diversion of Water given by Tim Luke's letter dated September 26, 2012, will not be further pursued and that the owner may continue to divert and use this water right at the old point of diversion in Section 35 as well as at the new point of diversion in Section 36 pending reprocessing and final approval of this transfer. Thank you for your assistance. If you have any questions, please do not hesitate to contact me.

October 8, 2012

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For purposes of future correspondence with the owner, Ward & Sons Co., Inc., please copy me on all correspondence from the Department so we can monitor and manage this matter on behalf of our client.

Sincerely,

A handwritten signature in black ink, appearing to read "Randall C. Budge". The signature is fluid and cursive, with the first name "Randall" being more prominent than the last name "Budge".

RANDALL C. BUDGE

RCB:rr

Enclosures

cc: James Cefalo/Eastern Region IDWR
Ward & Sons Co., Inc.