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DEPARTMENT OF
WATER RESOURCES

LAWSON LASKI CLARK & POGUE, PLLC
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May 30, 2012

Via Fax & US Mail

Mr. Jeff Peppersack, Chief
Water Allocation Bureau
State of Idaho
Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Permit No. 37-8205
Our File No. 30587-024

Dear Mr. Peppersack:

My client, Sun Valley Land & Minerals, Inc., the permittee under the above-referenced permit, respectfully requests an extension of time from May 31, 2012 through May 31, 2013 within which to modify or supplement its proposed plan for mitigation of the evaporative losses from the pond on its property. The reason for the request is to develop the data from which to calculate the precise amount of mitigation required.

Currently, IDWR has required mitigation for evaporative losses in excess of that which would occur if the pond were not heated. Mitigation was to take the form of retirement of actual consumptive use under an existing water right. The permittee has been working diligently to accomplish this objective through the efforts of Brockway Engineering, PLLC. In the previous mitigation plan submitted in November 2010, an estimate of the additional evaporation was made using average monthly meteorological data from the Hailey NWS station and airport. This data is not believed to be representative of this particular site due to elevation differences and orographic effects (in particular, wind speed is likely to vary considerably due to the site's location within a narrow canyon). Therefore, a data-collecting weather station was deployed in August 2011 to collect site-specific data on temperature, wind speed, wind direction, and relative humidity. This station has been working properly but additional time is needed to ensure that at least one full year of data, and preferably two, is collected. This approach should allow a more accurate determination of actual evaporation and allow development of the best possible scientifically based mitigation plan using existing water rights on which IDWR can base its decision.

Jeff Peppersack

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Thank you for your anticipated cooperation and assistance in processing this request. If you have any questions or desire any additional information please let me know.

Sincerely,

LAWSON LASKI CLARK & POGUE, PLLC

A handwritten signature in black ink, appearing to read "E. Lawson", written in a cursive style.

Edward A. Lawson

cc: Charles G. Brockway, P.E.
Client