



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

December 6, 2011

Graham & Jordan Investors LLC
P.O. Box 2900
Boise, ID 83701

Re: Water Permit #63-31877 and Decommissioning of Well No. D0042588

Dear Permit Holder:

On August 9, 2011, Idaho Department of Water Resources (Department) staff conducted a beneficial use field exam, related to the above referenced water permit. The purpose of the beneficial use exam is to 1) verify the extent of development as authorized by the water permit. 2) determine if conditions of approval of the permit have been satisfied and 3) use the information obtained to recommend and issue a Water Right License.

Two wells were identified during the field exam. Well D0042588 (drilled by SOS) and well D0053122 (replacement well drilled by Riverside) are located on the same lot. Since the first well drilled by SOS was not connected to the water system at the time of the exam, well D0042588 cannot be recommended as a point of diversion on the Water Right License. Additionally, the Department cannot issue a license for your water permit until all conditions of the permit have been met, including fulfillment of the drilling permit requirement to decommission (properly abandon) well D0042588.

The Department has a statutory obligation to process water rights as required by applicable Administrative Rules and would like to work with you in an effort to resolve these issues. Please contact me or Rob Whitney at the Department's Western Region Office at (208) 334-2190 within 10 days to discuss a resolution. Thank you in advance for your prompt attention to this matter and we look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read 'Angela M. Grimm', is written over a horizontal line.

Angela M. Grimm, PG
Water Resource Agent, Sr.

Cc: Damion Jordan
Jim Conger, Conger Management Group