



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

March 30, 2012

BASIN AND RANGE RESOURCE COMPANY LLC
3480 G S RICHARDS BLVD, STE 101
CARSON CITY NV 89703

**RE: APPLICATION TO LEASE A PORTION OF WATER RIGHT NO. 63-7867 TO THE
WATER SUPPLY BANK**

Dear Lessor:

The Department of Water Resources has completed its review of your applications to lease the above-mentioned water right number to the Water Supply Bank. The offered water right is accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The right will automatically be released from the Bank on **December 31, 2012**, unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right from the Bank, you must submit a request in writing, along with all applicable fees, to the Department prior to the release date.

Additionally, it appears there is more idled acreage than is reflected by this lease acceptance. There appears to be additional idled acres in SESW (what is known as a pivot corner) and in both NESW (another pivot corner) and SENW of Section 28. Only the acreage covered by this lease acceptance is considered protected from forfeiture. If you wish to protect the rest of this acreage, you will have to file another lease application. Additionally, it appears you are irrigating outside the authorized place of use for this water right. You may need to consider filing a transfer or taking other action to correct this. Please review the conditions of acceptance listed on the Lease Acceptance and contact me at (208) 287-4907 if you have any questions.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
Dana Hofstetter – Hofstetter Law Office LLC