



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

December 29, 2011

EAGLE NEST INVESTMENT GROUP LLC
C/O RANDALL C BUDGE
PO BOX 1391
POCATELLO ID 83204-1391

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION FOR
WATER RIGHT NO(S). 37-22249.**

Dear Lessor:

Idaho Department of Water Resources ("department") records show that all or a portion of the above referenced water right(s) is leased to the Water Supply Bank ("bank") through December 31, 2011. This letter is notice that the right(s) will be considered released from the bank unless you advise the department within thirty (30) days of the date of this letter that you want to extend the period of the lease. Notice should be submitted in writing or through the attached Lease Term Extension and Release Form.

If you would like the right(s) to remain leased to the bank, please specify the date to which you want the lease extended. All leases expire as of December 31, unless otherwise specified in the lease agreement. Since you last applied to place the water rights in the Water Supply Bank, a new fee was instituted. The fee is \$250 per water right for an extension, capped at \$500 for overlapping water rights.

A water right is not protected from forfeiture unless it is accepted into the Bank or unless an exception or defense to forfeiture applies as described under Idaho Code § 42-223. The five-year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank. If a written request is not received with thirty days the right(s) will be released from the bank as of December 31, 2011.

If you have questions regarding this matter, feel free to contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent