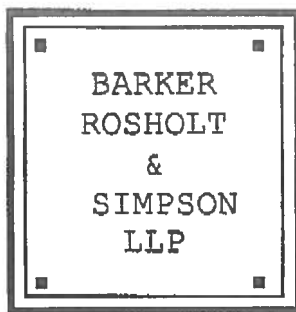


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John K. Simpson
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Norman M. Semanko
Of Counsel

December 17, 2007

John Westra
Idaho Department of Water Resources
Western Regional Office
2735 Airport Way
Boise, ID 83705-5082

VIA FACSIMILE: (208) 334-2348

Re: Orchard Ranch LLC – Permit Application No. 63-32703 and Transfer No. 73834

Dear John:

The purpose of this letter, on behalf of Orchard Ranch, LLC, is two-fold: (1) to clarify any outstanding issues regarding my representation of the applicant in the above-referenced matters; and (2) to inquire as to the timeline for advertisement and further processing of the above-referenced applications.

Representation

In a September 27, 2007 email to Roxanne Brown of SPF Water Engineering, LLC, who also represents the applicant in these matters, you indicated that you had received several phone calls from me about the pending applications and further recommended that one point of contact be established for these applications.

To be clear, I represent the applicant in this matter as legal counsel. I am authorized to contact IDWR regarding the applications and to do whatever is necessary to see that they are processed and ultimately approved. Of course, SPF Water Engineering, LLC also represents the applicant, as a technical consultant. They do not provide legal services, just as I do not provide technical consulting services. Our client has decided that representation from both types of experts is warranted in this matter. As Roxanne Brown has informed you, we will continue to coordinate our efforts to avoid duplication whenever possible.

John Westra
December 17, 2007
Page 2

Processing of Applications

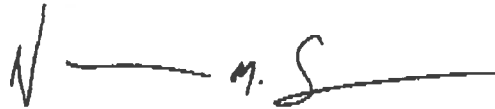
Please advise us regarding the timeline for advertisement and subsequent processing of Application for Permit No. 63-32680.

This application for permit was filed with IDWR on May 22, 2007. Given the previous discussions that we have had with Gary Spackman and the Director regarding processing of applications, we believe it is reasonable after seven (7) months to ask for a firm date for anticipated advertisement of this application.

As noted above, please advise us regarding the anticipated timeline for additional processing of these applications after advertisement.

Thank you for your cooperation in this matter. Please do not hesitate to contact me at (208) 336-0700 with any questions.

Sincerely,



Norman M. Semanko
Attorney at Law

cc: Roxanne Brown, SPF Water Engineering, LLC
Clients