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**State of Idaho****DEPARTMENT OF WATER RESOURCES**

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February 26, 2010

TSK Enterprises
255 Blue Lakes Blvd North
PMB 617
Twin Falls, ID 83301

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

RECEIVED

MAY 18 2011

DEPT. OF WATER RESOURCES
SOUTHERN REGION

RE: Apps For Transfer #72954 And #74896, Aardema Farms LP

Dear Gary:

This letter is being written per your request to assist you in obtaining written permission from the lienholders on these two properties for approval of these applications. As you know, IDWR will not approve a water transfer unless the lienholder (if any) has provided their permission for the proposed changes to the existing water rights. Permission needs to cover both the Franco and Sauer properties, as the proposed changes will affect both locations.

Application #72954 provides water for expansion of the old Franco dairy. The expansion has already occurred, leaving the applicant without enough water to cover the current usage. By drying up irrigated land on this same farm, the transfer would provide the needed water if approved. This application is ready to be approved, but is still waiting for lienholder permission. If permission is not received soon, this application will have to be denied; this would leave the applicant without the temporary protection of the transfer process, and he could be subject to a notice of violation for excessive water use in the dairy.

Application #74896 covers a proposed expansion of the former Sauer dairy about a mile east of the Franco dairy. It is my understanding that this expansion has not yet occurred, but that the applicant is most anxious for the transfer to be approved so this can occur. The transfer proposes to dry up additional land on the Franco place to provide the needed water for this facility. Due to our computer processes, this application cannot be approved until after T72954 is approved.

Regards,

James E. Stanton
Sr. Water Resource Agent