

MEMO

TO: File 57-11626

FROM: CPadilla

DATE: May 13, 2011

RE: Licensing Review Memo

Timeline:

Application Received: January 30, 2003

Permit Issued: May 17, 2004

Request for Extension: March 21, 2006

Application for Amendment: January 8, 2007

Amendment Approved: April 1, 2007

Proof of Beneficial Use: April 28, 2011 (timely)

Field Examination: April 11 & 27, 2011

Points of Diversion: Seven points of diversion have been developed in connection with this permit. The points of diversion known as Well #1 and Well #7 serve one home each in addition to stockwater under this right. The domestic use was dropped in the amendment and will not be part of this right.

Overlap Analysis of PD: There are no other rights that share Well #1-Well #7.

POU: The place of use encompasses the pens where the cattle are located. The imagery within the field exam clearly depicts the pens. I attached a brochure from Wilkes' website that describes their operation.

Overlap Analysis of POU: There are no other rights that serve the POU for this right. There are Gem Irrigation rights that are used at the POU but there wasn't any supplement language on the permit and it's unknown how much surface water is used for stockwater uses. Ultimately, it doesn't matter since no overlapping conditions will be added and it isn't necessary to use surface water for stockwater.

Volume and Diversion Rate: The water is used to water the cattle only, this is not a dairy operation and water is not needed for other uses at Wilke's operation. Water is estimated to be 12 gpd per cow which is acceptable to the department (see previously licensed right 57-11673).

The field examiner's estimation of the system's capacity seems reasonable. I calculated systems capacity for each well using the hp equation and came very close to the field examiners calculations.

Special Conditions: The condition describing the specific use of stockwater will remain on the license to make it clear that this right doesn't authorize a dairy operation.

Amendment?: Yes, one of the PDs had been developed QQ than permitted.

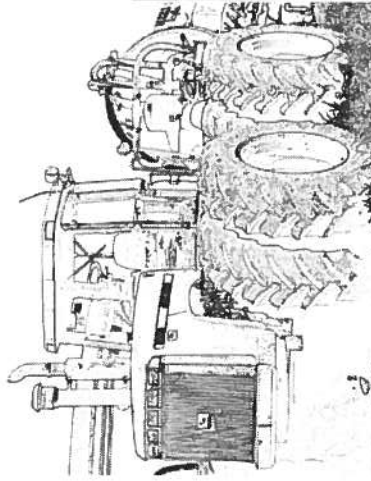
What makes us different?

We raise animals that will:

- Produce more milk.
- Get back to the dairies sooner.
- Have larger frames.
- Cost less to raise.

We accomplish this by:

- Feeding very high quality rations.
- Intensive hands on management and monitoring.
- Using the latest technology (DC 305 & EID tracking).
- Never settling for anything less than the best.



Our support team:

Dr. Lance Cheney, DVM: (208)941-2323
Dennis Stokes, Nutritionist: (208)941-5611

Let us introduce ourselves.

Your heifers are the future of your dairy.

*Don't settle for adequate or average;
when you can have exceptional heifers.*

Contact Tom Wilke:

Office: (208) 337-5500

Cell: (208) 412-9890

Web: www.wilkefarms.com

E-mail: contact@wilkefarms.com



Replacement Heifer Specialists

Working together with our
customers to achieve higher
heifer standards.



Wilke Farms

Technology >>>

We use Dairy Comp 305 to track all heifers' records and data. Currently, we are working with several local dairies and calf ranches to fully automate the exchange of information between computer systems. Because of this system, clients will have access to their heifers' information immediately. In addition, we are also implementing the latest EID technology. Once all EID systems are in place, every animal will have a history of their monthly weight gain statistics. We also utilize specialized training V's with lockout bars; this allows us to raise stanchion trained heifers with an unprecedented no-lock rate of less than 1%. We feel these are all very valuable tools in making important management decisions, both at our farm and once the heifer is returned to our client's dairies, saving time and reducing costs at the dairy.



Caring People >>>

We understand the importance of gentle and proactive animal husbandry procedures. For our employees, it is a privilege to work around heifers. They are trained to be as gentle as possible and to always be detail oriented when working with our customers' heifers. To make sure that they are doing this, a family member is always on site, and always leading by example. This is an extremely important aspect of our business.



Raising your heifers to their full potential.

Timely Vaccinations >>>

Heifers are vaccinated upon arrival, and prior to entering our breeding program.

We vaccinate with:

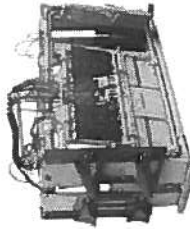
- 8-way
- Modified Live + Lepto
- Pink-eye

Hands on Management >>>

Our managers are completely hands-on during all phases of heifer growth. We use the latest procedures and protocols geared for optimal heifer growth. In addition, our nutritionist and veterinarian work with us to ensure that all heifers are in optimal condition and health.

Monthly Sorting >>>

All animals are sorted once a month. Animals with EID's will also have their weight tracked and recorded in Dairy Comp 305. During this sort, we weigh each animal with an electronic scale and hydraulic squeeze chute. All animals, up to breeding size, are separated by 75 pound increments into 73 different pens. This system of sorting makes for a more uniform animal.



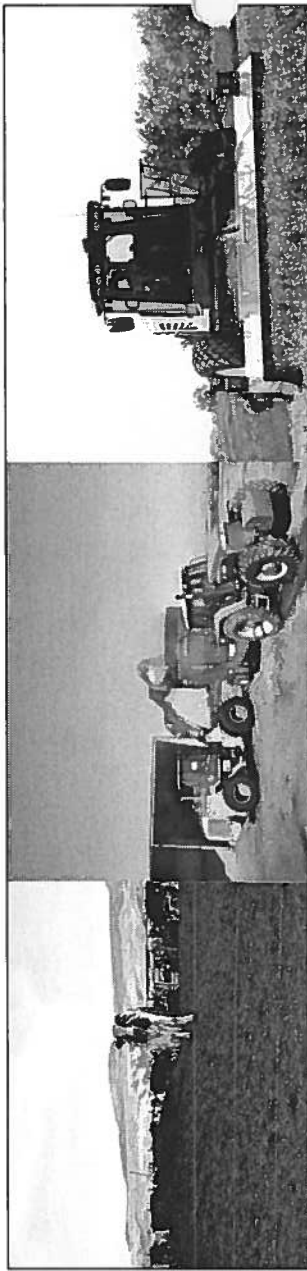
Healthy Heifers >>>

We walk every pen 365 days a year, no exception. We check on the heifer's condition and when a sick animal is found, they are immediately moved to our state of the art hospital pen, where they are treated with the most effective protocols for their specific illness. That treatment is then recorded into Dairy Comp 305 for future reference.

Premium Feed >>>

Your heifers' genetic potential should not be diminished because of inferior feed. We do all of our own chopping and bagging to ensure that the resulting feed is always the best it can be. We feed four different rations according to the size, weight and age of the heifers. These rations are composed from feeds such as:

- *Bagged Alfalfa Haylage
- *Bagged Sorghum-Sudan Grass
- *Bagged Mint Silage
- *Bagged Barley and Peas
- *Bagged Triticale
- *High Quality Feeder Hay
- *Mineral Supplement in a Molasses Carrier
- *Dry Distiller's Grain
- *Wheat Straw
- *Whey



Weather and Location

At an elevation of 2200 feet, our farm is located in a desert area that is sheltered by a rain shadow. We receive six inches of precipitation per year. We miss the majority of storms that come from the South and West because of our close proximity to the Owyhee Mountains. We are centrally located in the Treasure Valley, and only a few hours from the Magic Valley, which makes our heifer transport options convenient and timely.