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RECEIVED

MAY 03 2011

DEPARTMENT OF
WATER RESOURCES

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April 29, 2011

VIA U.S. MAIL

Idaho Department of Water Resources
Attn: Darla Block
P.O. Box 83720
Boise, ID 83720-0098

Re: *Request for Extension of Time*

Dear Ms. Block:

This letter responds to your letter of April 21, 2011 requesting additional documentation evidencing the litigation that brought title to Permit No. 37-21719 into question. Per my letter of April 15, 2011, I made reference to the Clear Springs Foods and Blue Lakes Trout Farms water calls and the ensuing litigation relating thereto.

The Blue Lakes water call occurred on March 22, 2005 and the Clear Springs Foods water call occurred on May 2, 2005. The calls and ensuing litigation, including all documents filed in such litigation, can be found on IDWR's website under Spring User Delivery Calls tab. Here is the link to the archived information:

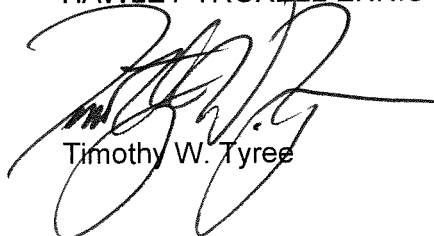
http://www.idwr.idaho.gov/News/WaterCalls/1000Spring%20Users%20Calls/SU_previous_archives.htm#2005_DC

I have also enclosed with this letter a notice received by Wild West specifically putting it on notice of the Clear Springs and Blue Lakes water calls, further evidencing how the litigation in 2005 affected Wild West's water rights.

Should you need additional information, please do not hesitate to contact me.

Very truly yours,

HAWLEY TROXELL ENNIS & HAWLEY LLP



Timothy W. Tyree

c. Client

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

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October 22, 2008

C. L. "BUTCH" OTTER
Governor**DAVID R. TUTHILL, JR.**
Director

TO: Water Right Holder in the Eastern Snake Plain Aquifer

Re: Notice of Potential Curtailment of Ground Water Rights in the Eastern Snake Plain Aquifer

Dear Water Right Holder:

This letter is provided to inform you that you are the water right holder of record for one or more water rights that could be subject to curtailment during 2009. The enclosed map depicts areas of potential curtailment based on three water right calls, described below. The delivery calls were made under the Idaho Department of Water Resources' (IDWR) Rules for Conjunctive Management of Surface and Ground Water Resources (IDAPA 37.03.11). The calls apply to ground water rights for irrigation, commercial, industrial, municipal, non-exempt domestic uses, and other consumptive uses. Non-consumptive uses and culinary in-house uses of water will not be subject to curtailment under the orders.

Clear Springs Call

Clear Springs Foods, Inc. (Clear Springs) holds several water rights for fish propagation at its Snake River Farm facility near Buhl. These rights authorize the diversion of water from springs tributary to Clear Lakes located in the Buhl Gage to Thousand Springs reach east of Buhl. An order issued on July 8, 2005, determined that diversion and use of ground water under water rights with junior priority dates causes material injury to Clear Springs' water right no. 36-04013B (February 4, 1964). A copy of the order can be found on the IDWR website at:

<http://www.idwr.idaho.gov/Calls/Spring%20Users%20Calls/Clear%20Springs%20Order%2007-08-05.pdf>.

The 2005 Clear Springs order provides that replacement water in the amount of 38 cubic feet per second (cfs) shall be delivered during year five, 2009, to the Buhl Gage to Thousand Springs reach. This amount has since been updated to 38.9 cfs based on the inclusion of ground water rights from the Clear Springs curtailment area in Water District No. 140. Without additional mitigation or replacement water being provided, year five of phased curtailment shall require the curtailment of ground water rights having a priority date later than (junior to) January 4, 1973. This date could be adjusted based on the submittal of an acceptable mitigation plan, and it assumes continuation of existing conversion acres and Conservation Reserve Enhancement Program (CREP) acres.

Blue Lakes Call

The Blue Lakes Trout Farm, Inc. (Blue Lakes) water rights authorize the diversion of water from Alpheus Creek located in the Devil's Washbowl to Buhl Gage spring reach north of Twin Falls. An order issued on May 19, 2005 determined that diversion and use of ground water under water rights with junior priority dates causes material injury to Blue Lakes' water right no. 36-07427 (December 28, 1973). A copy of the order can be found on the IDWR website at:

<http://www.idwr.idaho.gov/Calls/Spring%20Users%20Calls/Blue%20Lakes%20Order%2005-19-05.pdf>

On July 1, 2008, I issued an Order Approving the Idaho Ground Water Appropriators, Inc. (IGWA) 2008 Replacement Water Plan for the Blue Lakes delivery call. This plan provides for the direct and continuous delivery of 10 cfs additional flow to Blue Lakes in 2008 through the purchase of a 1964 priority

water right from Alpheus Creek formerly held by Pristine Springs, Inc. The approved plan and 10 cfs delivery provided relief to holders of ground water rights junior to Blue Lakes' December 28, 1973 priority water right who are located within the Blue Lakes delivery call area from potential curtailment during the 2008 irrigation season if the right holders are members of ground water districts or irrigation districts participating in the IGWA plan. Starting in 2009, which is the fifth and final year of phased curtailment, IGWA must provide 61 cfs of replacement water to the Devils Washbowl to Buhl Gage spring reach, 12.2 cfs of direct and suitable quality replacement water to Blue Lakes (20 percent of 61 cfs), or a combination thereof. The 61 cfs replacement water to the reach and 12.2 cfs direct replacement has been increased from the 49 cfs and 10 cfs amounts required by the 2005 order due to the inclusion of ground water rights from the Blue Lakes curtailment area in Water District No. 140. A copy of the Order Approving the IGWA 2008 Replacement Water Plan may be found on the IDWR website at:

http://www.idwr.idaho.gov/Calls/Spring%20Users%20Calls/2008_Filings/Blue_Lakes_Order_70108.pdf

Because of the substantial overlap of junior ground water rights impacted by the Clear Springs and Blue Lakes delivery calls, a separate curtailment date has not been selected for the Blue Lakes call.

Surface Water Coalition Call

The Surface Water Coalition call applies to ground water rights that impact the Snake River in the American Falls area where the aquifer and river are hydraulically connected. This priority administration of water rights is occurring as required by the order of May 2, 2005, issued in response to the water delivery call made by members of the Surface Water Coalition, which includes A&B Irrigation District, American Falls Reservoir District #2, Burley Irrigation District, Milner Irrigation District, Minidoka Irrigation District, North Side Canal Company, and Twin Falls Canal Company. A copy of the order can be found on the IDWR website at:

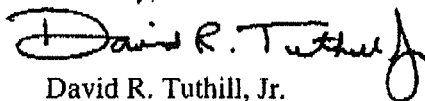
<http://www.idwr.idaho.gov/Calls/Surface%20Coalition%20Call/Edited%20Amended%20Order%2005-2-05.pdf>

Under the 2005 order, I am required to make a determination of the extent of material injury reasonably likely to occur to members of the Surface Water Coalition during the 2009 irrigation season as a result of depletions caused by the diversion of water under junior priority ground water rights. This determination will be made with forecasts of the expected runoff based on the snow survey conducted on April 1, 2009. Depending on the expected snow pack, the determination could result in the curtailment of consumptive ground water rights during the 2009 irrigation season. IDWR computations predict that if the expected runoff is at least 85 percent of normal, no curtailment will be required. If the predicted runoff is the same as in 1977, the lowest runoff year on record (45 percent of normal), ground water rights with priority dates junior to May 12, 1977 could be subject to curtailment. The submittal of acceptable mitigation plans could protect specified water rights from curtailment.

CREP

Issuance of a curtailment order will affect the eligibility of land to be enrolled in CREP. The United States Department of Agriculture (USDA) Farm Service Agency's rules for CREP require that "the cropland must be physically and legally capable of being irrigated in a normal manner when offered for enrollment." Upon the issuance of a curtailment order, cropland irrigated with curtailed water rights is no longer "legally capable of being irrigated" and is therefore no longer eligible for CREP. For further CREP eligibility requirements, producers should seek advice from their local USDA Farm Service Agency office.

Sincerely,



David R. Tuthill, Jr.
Director

Enclosure: Location Map of Curtailment Areas