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Idaho Department of Water Resources
Attn: Dave Carlson
900 North Skyline Drive
Idaho Falls, Idaho 83402-1718

RECEIVED

FEB 03 2011

Department of Water Resources
Eastern Region

Re: Second Transfer Application submitted on behalf of the Foster Company

Dear Dave:

Enclosed for processing is an application for water rights transfer submitted on behalf of the Foster Company. Generally speaking, the transfer moves a portion of a number of water rights to a location just south of this property approximately 2 to 3 miles. The entirety of the water rights contained in Section 4 North, Range 5 East, Section 21 will now be moved down to Township 3 North, Range 35 East, Section 11. Please note the attached transfer tool analysis, which does show that there would be an impact to the Shelley to near Blackfoot reach and the Near Blackfoot to Neeley reach of over the two acre feet per trimester amount typically allowed for in this analysis. However, the increase in impact to those reaches of the river is 5% or less of an increase of the current pumping activities, and therefore based on the department's policy regarding processing of transfers, would be permitted without the need to perform any mitigation.

If you have any questions or concerns, please let us know.

Best Regards,

Robert L. Harris