



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

February 25, 2011

C. L. "BUTCH" OTTER
Governor

PACIFIC HIDE & FUR DEPOT
PO BOX 1549
GREAT FALLS MT 59403

GARY SPACKMAN
Interim Director

**RE: APPLICATION TO LEASE ALL OF WATER RIGHT NO. 63-32101 TO THE WATER
SUPPLY BANK**

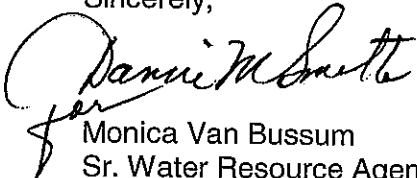
Dear Lessor:

The Department of Water Resources ("Department") has completed its review of your application to lease water right no. 63-32101 to the Water Supply Bank ("Bank"). The offered water right is accepted into the Bank in accordance with the attached Water Supply Bank Lease Acceptance. If you do not agree with the conditions of the Lease Acceptance and would like to withdraw your water right from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The right will automatically be released from the bank on **December 31, 2011**, unless the right is released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the right from the Bank, you must submit a request in writing to the Department prior to the release date.

Please review the conditions of acceptance listed on the Lease Acceptance and contact me if you have any questions at (208) 287-4907.

Sincerely,


for
Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: Steven Hannula – ERO Resources Corp.