



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 16, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

DEER CREEK RANCH INC
ATTN JOHN FLYNN
PO BOX 3090
NEWPORT BEACH CA 92658

RE: APPLICATION TO LEASE ALL OF WATER RIGHT NO(S). 37-5 AND 37-833R TO THE WATER SUPPLY BANK; RETURN OF RENTAL APPLICATION AND LEASE APPLICATION FOR 37-466

Dear Lessor:

The Department of Water Resources ("Department") has completed its review of your application to lease the above-mentioned water right number(s) to the Water Supply Bank ("Bank"). The offered water rights are 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 rights from the Bank, you must contact the Department within thirty (30) days of receipt of this notification.

The rights will automatically be released from the bank on **December 31, 2013**, unless the rights are released earlier by the Board, or upon request by the lessor. To change the term of the lease or to release the rights from the Bank, you must submit a request in writing to the Department prior to the release date.

Additionally, we are returning the lease application and accompanying rental application for 37-466. Those were submitted pending approval of Transfer 74856, which was approved on February 12, 2010.

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

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: Allen Merritt – IDWR Southern Regional Office
Kevin Lakey – Watermaster, Water District 37
Paul L. Arrington – Barker Rosholt & Simpson LLP