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DEPARTMENT OF
WATER RESOURCES

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Via U.S. Mail and Email

December 2, 2010

Monica Van Bussum
Water Allocation Bureau
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, ID 83720-0098
monica.vanbussum@idwr.idaho.gov

Re: *Blue Water Development -- Water Right Nos. 95-2112 and 95-2200*

Dear Monica:

I am writing on behalf of the owners of the above-captioned water rights in response to the notice letters we received from Christine Field dated August 3, 2010 and August 16, 2010.

I am enclosing two applications for extension of the Water Supply Bank lease terms for Bluewater Development, LLC's Water Right Nos. 95-2112 and 95-2200. We are seeking extensions through December 31, 2011. I am also enclosing a copy of the Special Power of Attorney authorizing me to act on behalf of Bluewater Development, LLC in this regard.

Please note that the applications seek a change in the condition under the heading "Minimum Payment Acceptable." The condition on each right currently reads, "\$2,000.00 per year, or proportionate amount thereof if only a portion is rented." The water right owner requests that the condition for Water Right No. 95-2112 be modified to read, "\$80,000 per year (\$500 per acre); only entire right may be rented." The water right owner requests that the condition for Water Right No. 95-2200 be modified to read, "\$78,500 per year (\$500 per acre); only entire right may be rented."

When we spoke this morning, you advised that it is unlikely that the paperwork on the approval of this extension will be completed prior to the end of the year. However, you also assured me that the application will be deemed timely filed and that when the extension is approved, it will be backdated to ensure that there is no gap in Water Bank protection. If there is

any problem with the requested changes in conditions, we ask that the extension be approved without the changes in conditions.

Once approved, I would appreciate receiving an acknowledgment that these extensions have been approved.

I notice, by the way, that the IDWR website shows the current Water Bank lease terms expiring on December 31, 2009. That should say December 31, 2010, and if these extensions are approved, December 31, 2011.

Our prior extension form submitted on December 28, 2009 listed an incorrect P.O Box for the water right holder. The correct address, which corresponds to the Department's records available online, is P.O. Box 2350. I apologize for the confusion.

Thank you very much for your assistance in this matter. Please contact me if you have any questions.

Sincerely,



Christopher H. Meyer

Encl: Water Supply Bank Lease Term Extension Forms for 95-2112 and 95-2200
Special Power of Attorney

cc: Bob Haynes, IDWR Northern Regional Office
John F. Magnuson

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