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DEPARTMENT OF
WATER RESOURCES

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March 20, 2009

Aaron Marshall
Idaho Department of Water Resources
PO Box 83720
Boise, ID 83720-0098

RE: Application to Rent Water to Water Supply Bank and Rent from Water Supply Bank,
In the Name of Mickelsen Properties, LLC.

Dear Aaron:

Enclosed please find applications to rent water to the Water Supply Bank and to rent water from the Water Supply Bank, filed on behalf of Mickelsen Properties, LLC. As explained in the applications, the lease is necessary to irrigate approximately 63 acres in Bingham County that was recently purchased by Mickelsen Properties from David Schiess. There is a permit pending on this particular property, Permit No. 27-11917, but it has not been licensed. Mr. Schiess took a number of steps toward a type of mitigation plan through recharge to finalize the license, but to date, that mitigation plan has not been formalized. As such, in order to allow irrigation by groundwater at this particular property, Mr. Schiess has leased water from the Water Supply Bank in the past. Mickelsen Properties, LLC, who now owns the property, does have corners available for lease in order to irrigate this property with groundwater. Enclosed with the lease documents is a map showing the acreages and locations of those corners to be leased. The acres are from a stacked water right, but we have simply designated Water Right No. 35-4198, one of the stacked water rights, as the water right from which the acres will be leased from.

If you have any questions or concerns, please let us know. We anticipate that if the lease is approved, you will provide us with a statement indicating the administrative fee that is owed to the Department. Because the lessor and the lessee are the same party, we only anticipate the ten percent (10%) administrative fee to be charged. We sincerely appreciate your assistance with this matter.

Best Regards,

Robert L. Harris
HOLDEN, KIDWELL, HAHN & CRAPO, P.L.L.C.

Enclosures

c: Mickelsen Properties, LLC