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MAY 14 2010

WATER RESOURCES
WESTERN REGION

May 14, 2010

John Westra
IDWR Western Region Office
2735 Airport Way
Boise, ID 83705

Subject: Water Right Transfer No. 74776

Dear John,

The following letter and enclosures are in response to your letter dated February 18, 2010 regarding Lavada Louck's petition for reconsideration of the Department's preliminary approval of Transfer No. 74776 in the names of Dale and Jackie Van Es.

As stated in your letter, there has been some confusion regarding who has security interest in the property. The property in question was originally owned by Les and Lavada Loucks and covered with Snake River rights 2-7155, 2-7186 and 2-7461 and ground water right 57-2254. In 2004, a change in ownership was filed and the property and water rights were split between the Loucks and Van Es.

D. L. Evans Bank has a loan and security interest in the property that Loucks retained (57-2254, 2-1023~~8~~₈, 2-1024~~1~~₀ and 2-1024~~2~~₂).

Wells Fargo Bank has a loan and security interest in the property split to Van Es (2-1023~~8~~₉, 2-1024~~0~~₁ and 2-1024~~2~~₃).

Based on two Contracts of Sale between Loucks and Van Es, the Loucks continue to have security interest in some of the lands listed in a contract dated May 30, 2001, which describes the entire property prior to splits, and all of the lands listed in a contract dated March 13, 2006, which describes the property split to the Loucks.

To support final approval of Transfer No. 74776, attached are the following:

- Revised and signed Transfer Part 1 pages indicating Loucks and Van Es have agreed to become joint applicants.
- Copy of contract dated May 30, 2001.
- Copy of contract dated March 13, 2006.

- Signed transfer authorization from D. L. Evans Bank.
- E-mail statement dated May 14, 2010 from the attorney for Wells Fargo Bank.

As indicated in the attached documents, all the parties involved are in favor of the transfer proposal. Although Wells Fargo Bank has not yet submitted authorization for the joint transfer, they do not object to the integrated irrigation system. Once an agreement is in place, Wells Fargo Bank will provide their authorization to allow the Department to finalize Transfer No. 74776. We request that the Department please allow an additional 30 days for completion of the agreement and submittal of authorization for the transfer from Wells Fargo Bank.

Thanks John. Please let me know if you have any questions.

Sincerely,



Lori Graves
Water Rights Specialist

Cc: Dale and Jackie Van Es
Les and Lavada Loucks
David Jensen with Moffatt Thomas for Wells Fargo Bank

Enclosures

SPF file number: 693.0010