

February 26, 2010

Mr. Dave Carlson  
Idaho Department of Water Resources  
900 North Skyline Drive, Suite A  
Idaho Falls, ID 83402-1718

RECEIVED  
FEB 26 2010  
Department of Water Resources  
Eastern Region

Dear Dave,

**L-52 (Lemhi River current point of diversion).** Currently, McFarland Livestock has a base water right (74-1562) of 4.06 cfs in L-52, a diversion of the Lemhi River located near Lemhi, Idaho. Our water right, represents 88% of the total water rights on L-52. We share the lateral with Cottom Ranch, which is currently owned by The Nature Conservancy (contact – Ron Troy @ (208) 220-2266) and their .54 cfs (12%) water right on L-52 is 74-1588. The L-52 ditch currently originates on the Cottom Ranch at the Lemhi River. The Cottom Ranch irrigates an area of pasture near the origination of the ditch. The ditch is then bisected by Little Springs. Our water is then transported down Little Springs for approximately .5 miles where before entering the lower segment of L-52 which continues for approximately 6.5 miles before terminating at our area of use.

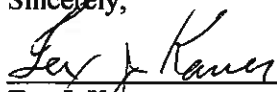
**L-46A (proposed new point of diversion).** Currently, McFarland Livestock shares L-46A with 3 other water users; The Shiner Ranch, Far Niente Ranch and Rand Robison. All three water users are aware of our desire to transfer L-52 water into L-46A and have expressed their approval verbally. A weir is located between the proposed pumping station and the diversion on the Lemhi River.

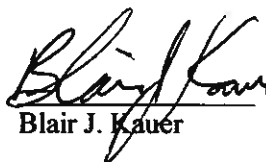
**High water flow claim.** McFarland Livestock as well as Lemhi Irrigation District have filed high water claims for 13.1 cfs for L-52. McFarland Livestock is willing to forfeit any and all right to their high water claim associated with water right 74-1562 during the period in which McFarland Livestock withdraws their 74-1562 base water right from L-46A. McFarland livestock would also appreciate if Lemhi Irrigation District would also forfeit the 88% of their high water claim of 13.1 cfs associated with water right 74-1562 at L-52 during the period in which McFarland Livestock withdraws McFarland's 74-1562 base water right from L-46A.

Tim Dodds with the Natural Resource Conservation Service (NRCS) is the engineer we are working with on the design of the on-farm pressurized system and has assisted us with the attached maps. Tim is located at the Salmon, Idaho office and can be contacted at (208) 756-3211 ext. 3. Their address is; 945 Riverfront Drive, Salmon, Idaho 83467-5407.

We at McFarland Livestock appreciate your consideration of the attached application for the closure of the lower segment of L-52 and the proposed transfer of the base water right associated with 74-1562 to L-46A. If you have any questions or concerns, please do not hesitate to contact McFarland Ranches (208) 303-0653/ (208) 768-2711 or Ron Troy (208) 220-2266.

Sincerely,

  
Tex J. Kauer                      Date      2-26-10

  
Blair J. Kauer                      Date      2-26-10

  
Melva A. Kauer                      Date      2-26-10