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RECEIVED

MAY 02 2008

Department of Water Resources
Eastern Region

May 2, 2008

Idaho Department of Water Resources
900 N. Skyline Dr., Ste. A
Idaho Falls, ID 83402

RE: Application for Transfer of Water Right No. 31-10405A, 31-10415B, and 31-4117

Dear Ladies & Gentlemen:

Enclosed is an Application for Transfer we are filing on behalf of Michael D. Ferguson involving the above referenced water rights. The above three water rights have a combined diversion limitation of 6.16 cfs and 183 acre feet per year. The purpose of the Application for Transfer is to simply rearrange the 338 acres authorized under these water rights. Rearrangement of these acres will allow for irrigation under three center pivots.

A similar application was filed and approved last year, as Transfer No. 73538. During the course of this transfer, Mr. Ferguson was told that portions of this particular water right which was actually shown to authorize lands owned by other individuals, and not allowed to be transferred without a release from the landowner. Enclosed with this letter are two letters, one from Edna Marie Ellis, and the other from George and Ruth Hansen. Mr. Ferguson bought the property from the Hansens, and the Hansens had previously bought the property from Ms. Ellis. As you can see from these statements, the parties did not intend for any water rights to be retained, and as stated by the Hansens, Mr. Ferguson is "the sole owner of the water rights as pertaining to the property he bought in Montevue." We have also enclosed a copy of the Deed from the Hansens to Mr. Ferguson. As such, we believe this is sufficient authorization for moving the authorized acres from these particular parcels of property as we have provided for under the enclosed transfer.

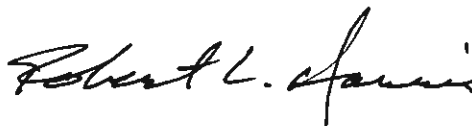
We have also enclosed a copy of the deed from the Ellises to their daughter, Wendy Doschades, dated January 4, 2008. The deed only makes reference to a 1/3 interest in an existing domestic well, not the irrigation wells under the above referenced water rights. Further, in our research, Ms. Doschades never filed an SRBA Claim for any portion of the above rights, nor did she file a Notice of Change of Water Right Ownership. The Ellises also indicated that Ms. Doschades' property has not been irrigated out of the irrigation wells that currently service the pivots.

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Lastly, in calculating the filing fee, we have not based such fee on the 6.16 cfs authorized under the above referenced three water rights because this simply involves a rearrangement in the place of use acres. If you look at how we have rearranged the acres, only approximately 18.7 acres have actually been shifted. The 18.7 acres divided by the total authorized acres at 338 results in a percentage of 5.5%. Five and one-half percent of the 6.16 cfs equals 0.34 cfs, and we have based our \$100.00 filing fee on this amount. Our methodology for doing so has been discussed previously with Ms. Sharla Cox of your office, and we believe this methodology is correct. As we further understand it, it has been the Department's position that rearrangement of acres does not move acres onto new quarter-quarter sections is typically not advertised. Please advise as to whether this transfer application will be advertised, or simply processed in house as it only involves a rearranging of acres on the place of use.

We appreciate your kind assistance with this matter. If you have any questions or concerns, please let us know. Further, we have prepared a GIS shape file for the new place of use, and are happy to provide it to you via email at your request.

Sincerely,



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

Enclosures

c: Michael D. Ferguson