



State of Idaho

DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls ID 83301-3380

Phone: (208) 736-3033 FAX: (208) 736-3037

SOUTHERN REGION

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

January 17, 2005

Susie Moore
Title Fact, Inc
PO Box 486
Twin Falls, ID 83303

Dear Ms. Moore:

Please find enclosed a packet of information, including a change of ownership form and an Assignment of Permit form, which was recently submitted to our office. Also enclosed is the \$25.00 check (Title Fact check # 25160) that accompanied the packet of information that deals with changing the ownership of water rights associated with a land transaction from Loughmiller Farms Inc. / Loughmiller Inc. to John Reitsma. The packet of information is being returned because our office is unable to determine the exact intent of the submitted information. In addition, it appears that insufficient filing fees accompanied the submitted information.

Examination of IDWR records reveals that only water right permit 47-8238 and decreed water right 47-13651 are appurtenant to the land involved in the transaction and described on the included warranty deeds. In addition, some of the property, including water right 47-13651, is subject to two pending water right transfer applications, yet to be assigned #s by IDWR, filed by Loughmiller Inc. These applications were filed on October 31, 2004, and one of the applications was subsequently amended on December 22, 2005.

A couple of weeks ago, I spoke with Clay Nannini, the realtor that was selling the Loughmiller Inc property, and he indicated that the new owner was obtaining the filed applications along with the property. These two applications both involve water right 47-8011A, which is not appurtenant to the property described on the included warranty deeds. If the intent of the Loughmiller Farms Inc. / Loughmiller Inc. to John Reitsma transaction is for Mr. Reitsma to obtain ownership of the pending transfer applications and the rights involved, then a quitclaim deed should be prepared conveying the Loughmiller Farms Inc. / Loughmiller Inc. right, title, and interest in right 47-8011A to John Reitsma. In addition, an "Assignment of Transfer Application(s)" form should be completed and submitted to our office. I have included a partially completed "Assignment of Transfer Application(s)" form for your reference and possible use.

January 17, 2005

In summary, if the intent of the Loughmiller Farms Inc. / Loughmiller Inc. to John Reitsma transaction is that Mr. Reitsma will obtain ownership of all the water rights associated with the land he purchased **and** the two water right transfer applications, and Mr. Reitsma wishes to pursue the pending transfer applications, then the following needs to be submitted....

- A completed ownership change form listing rights 47-8011A and 47-13651 (item #1 on form). The two Warranty Deeds that were submitted and a Quitclaim Deed conveying all Loughmiller Farms Inc / Loughmiller Inc right, title, and interest in right 47-8011A to John Reitsma need to be attached supporting the ownership change. Note that Mr. Reitsma's phone number also needs to be listed on the form (item # 4 on form). There is a \$25.00 filing fee per right for updating ownership of rights 47-8011A and 47-13651 (\$50.00 total).
- A completed Assignment of Permit form for permit 47-8238. Note that the form should list "Loughmiller Farms Inc." (actual Permit holder), rather than Bill Loughmiller, as the permit holder. Also note that John Reitsma's address and phone number need to be included on the form. There is a \$25.00 filing fee for the Assignment of Permit.
- A completed "Assignment of Transfer Application(s)" form describing the two transfer applications involving rights 47-8011A and 47-13651 filed on October 31, 2004, with one of the applications subsequently amended on December 22, 2005. There is no filing fee for an Assignment of Transfer Application(s).

If the intent of the Loughmiller Farms Inc. / Loughmiller Inc. to John Reitsma transaction is that Mr. Reitsma will obtain ownership of only the water rights associated with the land he purchased, then the following needs to be submitted....

- A completed ownership change form listing right 47-13651 (item #1 on form). The two Warranty Deeds that were submitted need to be attached supporting the ownership change. Note that Mr. Reitsma's phone number also needs to be listed on the form (item # 4 on form). There is a \$25.00 filing fee for updating ownership of right 47-13651.
- A completed Assignment of Permit form for permit 47-8238. Note that the form should list "Loughmiller Farms Inc." (actual Permit holder), rather than Bill Loughmiller, as the permit holder. Also note that John Reitsma's address and phone number need to be included on the form. There is a \$25.00 filing fee for the Assignment of Permit.

Page 3

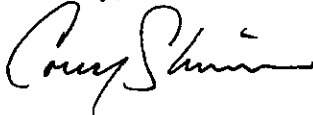
Title Fact / Loughmiller to Reitsma Letter

January 17, 2005

- Clarification relating to the status of the two pending water right transfer applications (ie does Mr. Reitsma want to pursue the applications filed by Loughmiller Inc.?) If Mr. Reitsma wants to continue to pursue the applications filed by Loughmiller Inc., then how will the ownership of right 47-8011A (owned by Loughmiller Inc.) be resolved? If Mr. Reitsma does not want to pursue the applications, then perhaps Loughmiller Inc. should withdraw the applications, which would result in Mr. Reitsma obtaining just right 47-13651 (as presently recorded) and water right permit 47-8238.

If you want to discuss this matter, or if I can be of any further assistance, feel free to contact me at your convenience.

Sincerely,



Corey Skinner, PE
Water Resource Engineer

Enclosures

cc: John Reitsma - w/o enclosures
Loughmiller Inc. - w/o enclosures
Brockway Engineering - w/o enclosures