

August 30, 1998


Steve Lester
Department of Water Resources
2735 Airport Way
Boise, Idaho 83705-5082

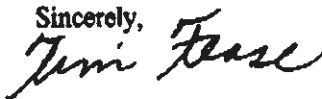
Dear Steve,

On July 16, 1998, Kenley Hinrichs and Lisa O'Toole filed a protest against Application for Permit No. 63-12459 for the Fease/Ellensohn pond and Transfer No. 5284 for Ballentyne Ditch Company shares. On July 31, 1998, you wrote Hinrichs/O'Toole a letter requesting they *enhance* their protest by putting their *concerns in writing*.

Last Thursday, July 27, 1998, I spoke with you on the telephone and you told me that Hinrichs/O'Toole had not yet responded to your letter requesting clarification of their protest. Forty-five(45) days have passed since these protests were filed with IDWR and we still do not know what the objection(s) is nor do we know if one will be provided anytime soon.

Section 42-203A, Idaho Code, states that "*hearing upon the protest so filed shall be held within sixty(60) days from the date such protest is received.*" Would you please schedule a hearing for us immediately so we can put this matter behind us as soon as possible.

Sincerely,


Tim Fease