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MAY 01 2009

DEPARTMENT OF
WATER RESOURCES

SIDNEY E. SMITH III

3792 W. HOUSELAND COURT, EAGLE, IDAHO 83616-2201
208-938-0355

Mr. Jeff Peppersack, Bureau Chief
State of Idaho, Dept. of Water Resources
322 East Front St.
Boise, ID 83720-0098

April 28, 2009

Dear Mr. Peppersack,

RE: Permit # 65-13962

Regarding the above referenced permit for beneficial irrigation water at our property located in Round Valley, I need to clarify some discrepancies.

-The permit that was transferred from Timothy Shields and Penny Sue Durst to my wife and I, in 2008, was done incorrectly. It should have been transferred to Sidney E. Smith III and Kristine A. Smith, a copy of the closing document and title deed are included. The listing of Sandy Smith, on the permit is incorrect and resulted in the refusal of delivery of the certified letter in January of 2009.

-Prior year Water District 65 assessment was paid in a timely manner and account is in good standing.

-Due to excessive run-off in April of 2008, the extraction point was washed out requiring extensive rebuilding and making extraction of the allotted water impossible for most of the irrigation season. A copy of the invoice from the contractor, for reconstruction, is also included for your reference.

As I outlined to Ms. Block during our phone conversation, on April 16th, I am engaged in aircraft leasing. Due to the state of the economy several customers have taken to sending notices of deficiency for airworthiness on their leased aircraft, as attempt to not pay monthly obligations. Since the postal service would not allow me to inspect the letter's sender and it was not appropriately addressed, delivery was refused. For your reference, Sandy, is my nickname and is not registered as a legal alias. Hence, I would be unable to provide identification to sign for the letter.

Therefore, I am requesting that the water right be reinstated as before with the change to the proper names on the permit be listed. Beneficial water was used in 2008 season to irrigate approximately 15 acres of pasture on an intermittent basis.

Please feel free to contact me for any further clarification you may need.

Sincerely,


S.E. Smith III

Enc.