

September 24, 2008

Ed Terrazas and Jackie Weseloh
109 Ridgeview Dr.
Bellevue, Id 83313

Gary and Mari Mc Stay
P.O. Box 777
Bellevue, Id 83313

RE: Split of water rights 37-313 & 37-314

Dear Ladies and Gentlemen,

I have recently been contacted by Bruce Bothwell of Anchor, Inc and he stated that he is no longer involved in the above mentioned water rights and Willow Creek Ranch and that he has sold his interest in this property.

As of this date I have not received any correspondence from Mr. Terrazas, Ms. Weseloh or Mr. and Mrs. Mc Stay as to how the water rights were to be split. A Notice of Change in Water Right Ownership was submitted to the Department in 2006 which included a copy of an agreement that outlined how water rights 37-313 & 37-314 were to be divided. This agreement indicated that 83.33% of the water rights were to be retained by Terrazas/Weselon, and 16.67% of the water rights were to be conveyed to the Mc Stay's. The Department proceeded to split water rights 37-313 & 314 according to the information submitted with the ownership change.

If no additional information is submitted to clarify how the water rights are to be split within 30 days of the date of this letter. I will proceed with the pending application for transfer (transfer #74712) as it is currently filed with the water rights split as mentioned, 83.33% of the water rights were to be retained by Terrazas/Weselon, and 16.67% of the water rights were to be conveyed to the Mc Stay's.

If you have any questions, or if I can be of any further assistance, feel free to contact me at your convenience.

Sincerely,

Benny Walker
Water Resource Agent