



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

April 10, 2006

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

Steven Hannula
ERO Resources Corp
3314 Grace Street
Boise ID 83703

RE: Application for Transfer and Drill Permit – Charles Degroot

Dear Mr. Hannula:

Your request letter of February 22, 2006 regarding the transfer and drilling permit applications for Charles Degroot have been forwarded to me. The transfer seeks an additional (new) point of diversion and place of use change for existing irrigation, commercial, and stockwater rights.

As you aware the water rights involved are based on Adjudication Claims in the Snake River Basin Adjudication (SRBA). Currently, the claims are being processed in the SRBA process. The mixing of the water right administrative transfer process and a court judicial adjudication action produces confusion and complications. In addition, our administration has made completing the SRBA a first priority; our office staff resources are presently re-assigned to the SRBA task and are not processing applications/transfers. The transfer application will be held over the next several months until the SRBA has been completed.

Your letter also requested the transfer public notice fall under the language of Idaho Code (IC) 42-222. Although this statute allows discretion to the Director concerning transfer public notices, it has been policy to reserve this only for correction of errors and minor clarifications. The normal public notice process will be followed for the DeGroot transfer application.

Although it has been requested the construction of the new well be expedited, our rules address directly the approval of drilling permits relating to pending water right permits, transfers, and amendments. Rule 45-01-d of the Department's Well Constructions Standards Rules states: *drilling permits will not be issued for construction of a well which requires another separate approval from the Department, such as a water right permit, transfer, or amendment until the separate approval have given by the Department.* Our office will continue to hold the drilling application until such time the transfer application has been approved.

Your cooperation is appreciated. Should you have any questions, please contact me at the Western Regional Office, phone 334-2190.

Sincerely,

A handwritten signature in cursive script, appearing to read 'John Westra'.

John Westra
Western Regional Manager