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Ernie, please give me a call when you receive this.

Thank you

Jody L. Williams

Transfer No. 74119

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SALT LAKE CITY BOULDER COLORADO SPRINGS DENVER

LONDON LOS ANGELES MUNICH PHOENIX SAN FRANCISCO

SALT LAKE CITY

October __, 2008

Idaho Department of Water Resources, Eastern Region
Ernie Carlsen
900 No. Skyline Dr.
Idaho Falls ID 83402-1718

BOULDER

Re: Transfer No. 74119 (Targhee Hill Estates, LLC)

COLORADO SPRINGS

Dear Mr. Carlsen:

DENVER

Targhee Hill Estates LLC ("Targhee") is the owner of Transfer Application No. 74119, filed on Idaho Permit Nos. 22-13630 and 22-13628 to account for filling and evaporation of water from ponds to be built on Targhee's subdivision near Driggs, Idaho. Fremont-Madison Irrigation District ("District") protested Targhee's Transfer Application on March 17, 2008. The parties met at your office in Idaho Falls on August 6, 2008 to attempt to settle the protest, allowing the Transfer to be approved without a hearing.

LONDON

The parties have executed an agreement settling the protest, subject to the following being entered as part of the remarks of the Transfer approval:

LOS ANGELES

1. Applicant will divert water from the Waddell Ditch to the subdivision only during the periods during the irrigation season when normal irrigation diversions from the Waddell Ditch are occurring in the immediate area.

MUNICH

2. Diversion for Permit No. 22-13630 is limited to 1.32 cfs, with 0.1 cfs transferred to storage and 1.22 cfs remaining for irrigation. Diversion for Permit No. 22-13628 is limited to 0.61 cfs, with 0.05 cfs transferred to storage and 0.56 remaining for irrigation. Collectively, Permit Nos. 22-13630 and 22-13628 are limited to the irrigation of 73.7 acres and storage of 13.8 acre feet in the ponds.

PHOENIX

3. Depletion will not exceed 13.8 acre feet annually.

SAN FRANCISCO

4. Applicant shall install a control structure at each of the locations on the Waddell Ditch marked on the attached map to insure that water shall not be diverted from the Waddell Ditch into the ponds at times not authorized by this Transfer.

Jody L. Williams jody.williams@hro.com

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Idaho Department of Water Resources, Eastern Region
October __, 2008
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5. Applicant will measure the amount of storage remaining in the Ponds at the beginning of the irrigation season prior to diverting water into them and provide the measurements annually to the Department or its designated watermaster.

We believe that these conditions should resolve all concerns over the Transfer and ask that the Department approve it as soon as possible. If you have any further questions, please do not hesitate to contact us.

Thank you.

Sincerely,

Jody L. Williams

FREMONT-MADISON IRRIGATION DISTRICT hereby withdraws its protest to Transfer Application No. 74119 upon inclusion of the 5 conditions listed above in the Transfer.

Its: _____

Date: _____