



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

FAX (208) 334-2348

June 22, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

LARRY & BARBARA HARPE
PO BOX 1638
EAGLE ID 83616

Re: Application for Transfer of Water Right No. 2-10257

Dear Applicants:

You recently filed two applications for transfer to change portions of the above referenced water right. Processing of the applications must be delayed as explained below.

The applications describe a water right for which a Snake River Basin Adjudication (SRBA) Claim has been filed. SRBA Claims in the area affected by the transfer applications are currently being reviewed. The Idaho Department of Water Resources (IDWR) role in the SRBA is to review claims and make recommendations regarding those claims to the SRBA Court. Recommendations are presented to the court in a Director's Report. Potentially affected parties may object to recommendations in a Director's Report. This process introduces uncertainty regarding water rights until the objection period is over. The good news in your situation is that a recommendation for the water right is pending at IDWR.

IDWR's limited staff resources must be used to complete the remaining Director's Reports during the coming months. Additionally, experience indicates that processing an application for transfer in an area where a Director's Report is being prepared can result in confusion and complications by mixing judicial (SRBA) and administrative (transfer) actions.

The SRBA objection period for the area in question is expected to conclude by next spring if not earlier. Based on that schedule and the above reasoning, the applications cannot be processed at this time. IDWR will hold the transfer applications and will notify you at the appropriate time when processing starts.

IDWR regrets the inconvenience undoubtedly caused by this necessary delay. Meanwhile, there is something you can do to facilitate eventual transfer processing and to protect your interest in the properties. Please review the enclosed information about filing an ownership change for the two subdivision lots. This will assure your involvement in securing portions of water right 2-10257 related to your property. The circled items on the ownership change form should be completed.

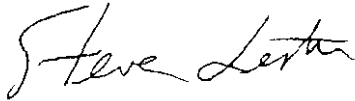
Application for Transfer of Water Right No. 2-10257

June 22, 2006

Page 2

Please return the completed form together with the information required under item 2 of the form. Ownership updates can then be completed while the transfer applications remain on hold. Please contact me at 208-334-2190 if you have any questions in this regard.

Sincerely,

A handwritten signature in cursive script that reads "Steve Lester". The signature is written in dark ink and is positioned above the printed name and title.

Steve Lester
Water Rights Supervisor

Enclosures