

June 5, 2008

Mr. Jeff Peppersack, Bureau Chief
Water Allocation Bureau
State of Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720-0098

RECEIVED

JUN 16 2008

DEPARTMENT OF
WATER RESOURCES

Re: Water Right Permit No. 63-31606

Dear Jeff:

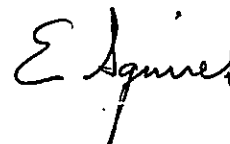
I write in regards to Water Right Permit No. 63-31606, owned by Castle Rock Development, Inc. (CDI), to request an extension of time to submit Proof of Beneficial Use. A slow down in the Boise real estate market has also affected CDI such that the subdivision has not built out as fast as was originally anticipated. All of the lots have sold but not all of the homes have been constructed. Considerable work has been accomplished toward this project with one of the two wells constructed, equipped, and on-line to the CDI water distribution system serving the subdivision at this time.

A second issue with this water right is that the Permit has been allowed to Lapse when Proof of Beneficial Use was not submitted on the due date of May 1st, 2008. According to the Proof Due letters in the Departments files, Hydro Logic, Inc. and CDI were both copied on the Proof Due and Lapsed Permit noticed but I can honestly say that the first time I can remember being aware of the lapse of permit was when Reed DeMordaunt sent me a copy of the lapse notice. Somehow, this situation has been allowed to sit idle for three months (seemed like three weeks) until, aghast, I picked it up again just today. As a result, the Proof Due for Water Right Permit No. 63-31606 has not been attended to as it should have been. CDI has contracted with Hydro Logic, Inc. to ensure that this filing gets made and that we also follow up with the Proof of Beneficial Use Field-Licensing Examination when that is appropriate. Please accept the attached Request for Extension of Time for this Permit. I understand that the priority would be advanced by an increment of days since the Proof Due date.

Please send all correspondence with respect to this Permit through my offices at the above address and feel free to call on me with any questions the Department may have.

Respectfully,

Ed Squires



c: Reed DeMordaunt, Castle Rock Development., Inc.