State of Idaho
DEPARTMENT OF WATER RESOURCES
Southern Region, 1341 Fillmore Street, Suite 200 • Twin Falls, Idaho 83301-3380
Phone: (208) 736-3033 • Fax: (208) 736-3037 • Web Site: www.idwr.idaho.gov

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

June 19, 2008

BIG WOOD CANAL CO
C/O CRAIG HOBDEY
PO BOX 176
GOODING ID 83330

INDIAN CREEK RANCH OWNERS ASSN INC
C/O DANA L. HOFSTETTER
HOFSTETTER LAW OFFICE
608 WEST FRANKLIN ST
BOISE ID 83702

RE: Application for Permit No. 37-22252 & Transfer No. 74449 (Dry Lot LLC) and Transfer No. 74661 (Old Cutters Inc.)

Dear Protestants:

The Department acknowledges receipt of your protest against the approval of the above referenced applications. A copy of your protest has been sent to the applicant. The Department suggests that you contact the applicant directly for details regarding the application and, if possible, to resolve the matter without action by the Department. In our experience, informal discussion between the parties prior to initiation of formal proceedings often leads to resolution of the protest.

The following are criteria the Department must consider in either approving or denying an Application for Transfer. (Section 42-222, Idaho Code).

1. Will other water rights be injured by the proposed transfer?
2. Will the proposed change constitute an enlargement in the use of the original right(s)?
3. Will the proposed change conflict with the local public interest in the public water resource?
4. Will the proposed change be contrary to conservation of water resources within the State of Idaho?
5. For transfer applications proposing to divert water from one watershed or local area into another, will the proposed change adversely affect the local economy of the watershed or local area where the source of water originates?

The following are criteria the Department must consider in either approving or denying an Application for Permit. (Section 42-203A, Idaho Code).

1. Will the proposed use reduce the quantity of water under existing water rights?
2. Is the proposed water supply insufficient for the purpose intended?
3. Is the application made in good faith or for delay or speculative purposes?
4. Has the applicant sufficient financial resources with which to complete the project?
5. Will the proposed use conflict with the local public interest in the public water resource?
6. Will the proposed use be contrary to the conservation of water resources within the State of Idaho?
7. For applications proposing to divert water from one watershed or local area into another, will the proposed use adversely affect the local economy of the watershed or local area where the source of water originates?

If the protest cannot be resolved informally, the matter will be scheduled for conference and/or hearing. You will be notified at a later date of the time and place of the conference and/or hearing. Please contact this office if you have any questions regarding this procedure.

Very truly yours,

Allen D. Merritt, P.E.
Southern Region Manager