



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

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DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

April 12, 2006

SUNDANCE LIMITED CO LLC
C/O SCOTT KING
600 E RIVER PARK LN STE 105
BOISE ID 83706

Re: Application for Transfer of Water Right No. 63-4983

Dear Applicant:

The above referenced application for transfer to change a water right(s) was recently received. Processing of the application must be delayed as explained below.

The application describes a water right for which a Snake River Basin Adjudication (SRBA) Claim has been filed. SRBA Claims in the area affected by the transfer application are currently being reviewed. The role of the Idaho Department of Water Resources (IDWR) 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.

IDWR's limited staff resources must be used to complete the remaining Director's Reports during the next year. 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 sometime during the latter half of next year if not earlier. Based on that schedule and the above reasoning, the application cannot be processed at this time. IDWR will hold the transfer application and will notify you at the appropriate time for it to be processed.

IDWR regrets the inconvenience undoubtedly caused by this necessary delay. Please contact me at 208-334-2190 if you have any questions in this regard.

Sincerely,

Steve Lester
Water Rights Supervisor