

IOFSTETTER LAW OFFICE

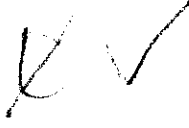
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February 22, 2008



RECEIVED

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DEPARTMENT OF
WATER RESOURCES

Via Facsimile and US Mail

Jeff Peppersack
Bureau Chief – Water Allocation Bureau
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Transfer No. 71619 and Water Right Nos. 63-3182, 63-3583, 63-7177, 63-7903
(split into 63-31839 and 63-31840), 63-7349 (split into 63-31841 and 63-31842), 63-3308
(split into 63-31854 and 63-31855) and 63-7533

Dear Mr. Peppersack:

As you recall, last year Basin and Range Resource Company, LLC was under contract to purchase the land and above-referenced associated water rights. Basin and Range and the Seller, Jim Scarrow, requested an extension of time for the implementation of Transfer No. 71619 pending closing of the transaction and conclusion of the relevant Snake River Basin Adjudication ("SRBA") proceedings. The Idaho Department of Water Resources ("IDWR") granted the requested extension to February 25, 2008. The transaction has closed, the respective SRBA proceedings remain pending and Basin and Range anticipates filing a new Transfer Application within a week to address its water use on the property. Accordingly, on behalf of Basin and Range Resource Company, I request another one-year extension to implement Transfer No. 71619, pending submission and processing of a new Transfer Application and conclusion of the relevant SRBA proceedings. If you have any questions about this request or need any additional information, please do not hesitate to contact me. Thank you.

Sincerely,

HOFSTETTER LAW OFFICE, LLC



Dana L. Hofstetter