



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

December 24, 2007

C. L. "BUICH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

PETER AND ARLENE CANNON
2001 S WOODRUFF AVE STE 4
IDAHO FALLS, ID 83401

RE: WATER SUPPLY BANK LEASE WATER RIGHT NOS. 35-2683C, 35-13555,
AND 35-13556

Dear Lessor:

Idaho Department of Water Resources ("department") records show that water right no. 35-2683C was originally accepted in its entirety into the bank on March 23, 2006, in the name of Peter and Arlene Cannon with an expiration date of December 31, 2007. Transfer no. 72722, approved on March 30, 2007, split this right into water right nos. 35-13555 and 35-13556. Following are the split portions of each water right:

<u>Water Right No.</u>	<u>Rate</u>	<u>Volume</u>	<u>Acre Limits</u>	<u>Total Acres</u>
35-13555	0.32 cfs	106.8 ac ft	26.7 acres	489.7 ac
35-13556	1.51 cfs	295.8 ac ft	N/A	N/A

This letter is notice that these rights will be considered released from the bank as of December 31, 2007, unless you advise the department within thirty (30) days of the date of this letter that you want to extend the period of the lease. Notice should be submitted in writing or on the attached Lease Term Extension and Release Form.

Please note, while a right is in the bank, the owner of the right may not use the right without approval of the department even if the right is not rented from the bank. Any violation of the terms of this lease may result in enforcement procedures pursuant to Section 42-351, Idaho Code, for illegal diversion and use of water, and may include civil penalties pursuant to Section 42-1701B, Idaho Code. Also consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank.

If you have any questions regarding this matter, please contact me at (208) 287-4943

Sincerely,

for Aaron Marshall
Water Allocation Bureau

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c Lyle Swank – IDWR Eastern Regional Office