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JUN 29 2007

DEPARTMENT OF
WATER RESOURCES

SWAN VALLEY OFFICE
980 RAINEY CREEK ROAD
SWAN VALLEY, IDAHO 83449
TEL (208) 483-2002

LAW OFFICES OF
McGRATH, MEACHAM & SMITH, PLLC

414 SHOUP

POST OFFICE BOX 50731
IDAHO FALLS, IDAHO 83405

TELEPHONE (208) 524-0731

FAX (208) 529-4166

e-mail: info@eidaholaw.com

STEPHEN J. McGRATH
GREGORY P. MEACHAM
BRYAN D. SMITH*
B. J. DRISCOLL
MICHAEL G. DUSTIN**

*ALSO ADMITTED IN CALIFORNIA

**ALSO ADMITTED IN OREGON AND WASHINGTON

June 27, 2007

Jeanette Wolfley
Shoshone-Bannock Tribes
202 N. Arthur
Pocatello, ID 83202

David J. Barber
State of Idaho
P.O. Box 44449
Boise, ID 93711-4449


Director, Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

Re: Hearing on Status of Permit in Subcase 27-07420

Ladies and Gentlemen:

I expect each of you received the Notice Setting Hearing ("Notice") dated May 18, 2007, regarding subcase no. 27-07420 ("Claim") wherein the City of Shelley ("City") is the claimant, as your addresses were on the certificate of mailing. Even though this hearing is not scheduled until October 17, 2007, I write to discuss the status of the Claim before the hearing date.

Perhaps like me, you were a bit surprised to receive the Notice. The last signature to complete the Amended Standard Form 5 stipulation to this Claim was added on February 1, 2007. However, the Notice refers to the "status of permit." After some research, I confirmed that the Claim is still in the permit stage. The City provided IDWR with proof of beneficial use on this Claim on June 17, 2003. IDWR conducted its field exam on June 3, 2004. However, IDWR's Boise office did not receive the full report and application for this Claim until April 23, 2007. From what I understand, IDWR will issue its final approval on this Claim sometime around December of this year.

I understand that although this Claim still has "permit" status for a few more months, the parties have resolved any objections they may have pursuant to the stipulation. If there are any other issues we need to discuss or clarify before the October 2007 hearing, please advise. Otherwise, we should be able to quickly provide the court with the status of the Claim. Thank you for your cooperation.

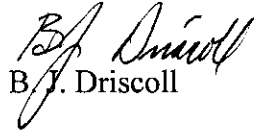
Letter re: Subcase 27-07420

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Yours very truly,

McGRATH, MEACHAM & SMITH, PLLC

A handwritten signature in black ink, appearing to read "B.J. Driscoll". The signature is written in a cursive, flowing style with a large initial "B".

B. J. Driscoll

cc: City of Shelley

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