

September 27, 2007

IDWR Western Region
Attn: Dan Nelson
2735 Airport Way
Boise, ID 83705

Dear Mr. Nelson,

Please find the attached transfer application for Water Right 63-32160 with the requested signatures. Paul Drury with ERO Resources had mentioned a conversation he had with you on August 15, 2007 where you indicated IDWR was considering a reduction in the allowable diversion rate to 0.16 cfs.

It is our understanding that IDWR recommended the full amount, and the SRBA Court decreed this water right for the full amount of 0.2 cfs without any limitations. ERO did a preliminary review and can find no basis for the proposed reduction in diversion rate. Please provide, in detail, the basis for the proposed reduction in diversion rate and cite the authority that permits IDWR to take a real property right that was decreed by the SRBA Court less than 1 year ago.

Thank you for your positive consideration regarding this application and we look forward to your response. As always, please contact Paul Drury, ERO Resources phone number (208) 373-7983 if you have any questions.

Sincerely,



Chris Meier

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WESTERN REGION