



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

September 10, 2007

C. L. "BUTCH" OTTER
Governor

DAVID R. TUTHILL, JR.
Interim Director

JOHN R CHALLIS
PATRICIA W CHALLIS
CHALLIS CREEK RANCH
PO BOX 1220
CHALLIS ID 83226-1220

RE: PERMIT NO. 72-16686

Dear Permit holder:

Enclosed is the Proof of Beneficial Use ("proof") form you filed with the department on September 10, 2007. The department cannot accept this document without the appropriate license examination fee. Because you have both a surface water and a ground water source you will be required to pay the \$50.00 fee.

Please resubmit the form with the appropriate fee before the August 1, 2008 proof deadline. If I do not receive the form and the filing fee on or before the proof deadline, the permit will lapse and be of no force nor effect.

If you have any questions, please contact me at (208) 287-4942.

Sincerely,

A handwritten signature in black ink that reads "Deborah J. Gibson". The signature is written in a cursive, flowing style.

Deborah J. Gibson
Administrative Assistant
Water Allocation Bureau

Enclosure

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

RECEIVED

SEP 10 2007

DEPARTMENT OF
WATER RESOURCES

PROOF OF BENEFICIAL USE

The Idaho Department of Water Resources considers this form a statement that the permit holder(s) has/have completed all development that will occur under this permit and that water has been applied according to the provisions of the permit for the beneficial use(s) described below. This form must be accompanied by a license examination fee, when necessary, or be accompanied by a completed field examination report prepared by a certified water right examiner.

1. Permit No. 72-16686 Telephone No. (208) 879-4617

2. Name of Permit Holder(s): J.R. and/or Patricia W. Challis

3. Mailing Address: CHALLIS CREEK RANCH, LLC P.O. Box 1220

City CHALLIS State ID Zip 83226-1220

4. Source of Water: UNNAMED STREAM GROUND WATER If GROUNDWATER (well), Date Drilled: mo. N/A / yr. _____

Well Driller: N/A Drilling Permit Number: N/A

5. Use(s) (as authorized by the water right permit):

Domestic (No. of households): _____ Stockwater (No. and type of stock): _____

Irrigation (No. of acres): _____ Other: RECREATION & AESTHETIC STORAGE

6. Total rate of diversion and/or volume for which proof is submitted: _____ cfs OR ONE acre-feet

7. Measuring Device Requirement: (refer to the approval conditions on your permit and respond accordingly)

(This question is **not** optional. Please check either yes or no. Proofs returned not checked accordingly, will be considered incomplete)

Measuring Device: Is a measuring device required?

Yes _____ or No X

Has the measuring device been installed?

Yes X or No _____

— PLEASE SEE ENCLOSED —

8. Fee Enclosed: \$ N/A (See Fee Schedule on back of the instructions for filing proof of beneficial use)

9. Person to contact to accompany the Department representative during field examination of the water system.

Name: J.R. Challis Telephone Number: (208) 879-4617

Address: CHALLIS CREEK RANCH, LLC P.O. Box 1220 CHALLIS, ID 83226-1220

(8849 CHALLIS CREEK ROAD)

10. The information given on this form is my true statement of the extent to which the above numbered permit has been developed and water has been diverted. I agree to relinquish any undeveloped portion of the permit to the State of Idaho.

Signature of permit holder: J.R. Challis Date: 9/7/07
(include your title, if on behalf of company or organization)

J.R. CHALLIS, OWNER/MANAGER
CHALLIS CREEK RANCH, LLC