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FAX COVER SHEET

RECEIVED

AUG 30 2007

Department of Water Resources

DATE: August 30, 2007

TO: Shelley Keen

FAX: 287-6700

FROM: Dana Hofstetter

RE: Water Supply Bank Application – Water Right No. 63-3609

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August 30, 2007

RECEIVED

AUG 30 2007

Department of Water Resources

Via Facsimile and U.S. Mail

Shelley Keen
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Water Supply Bank Application for Water Right No. 63-3609

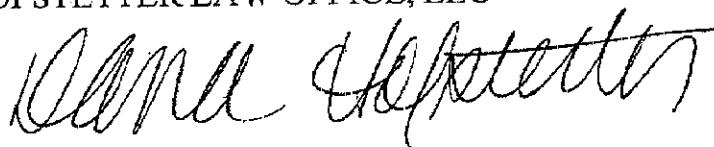
Dear Mr. Keen:

As we discussed today on the telephone, I submitted an Application to lease Water Right No. 63-3609 to the Water Supply Bank on behalf of my client, Atlanta Gold Corporation, on May 10, 2007. Recently, I learned that the Application has not yet been processed and may not be processed due to staffing limitations by the end of this year. My concern is that if the Application is not reviewed and approved before the end of this irrigation season, it may become a moot application and may never actually be reviewed or approved by the Idaho Department of Water Resources. As you know, the requested lease term was through the end of 2007.

While you indicated that you would be out of the office tomorrow and also on Monday, Labor Day, you indicated that you would get back to me on Tuesday, September 4, 2007, upon your return, to identify an appropriate option for addressing this matter. Please let me know if I am incorrect about our discussion in any regard. This matter needs to be resolved as soon as possible to ensure the continued protection of the water right's legal status. Thank you for your assistance with this matter.

Sincerely,

HOFSTETTER LAW OFFICE, LLC



Dana L. Hofstetter

cc: Atlanta Gold Corporation
E:4039.1C/7657