

June 9, 2007

Mr. Manual Rauhut
State of Idaho Department of Water Resources
322 E. Front Street
P.O. Box 83720
Boise, ID 83720-0098

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DEPARTMENT OF
WATER RESOURCES

65-7136
65-7603

Dear Mr. Rauhut,

SUBJECT: WATER RIGHT NO. 65-22979

The soil composition located at the north side of the feeder canal of the Dry Creek Reservoir is poor and unstable. Due to the instability and continuous sloughing of soil into the canal it was necessary to perform a substantial amount of work to the canal and embankment during the summer and fall of 2006.

Due to the ongoing issue mentioned above, I would appreciate an extension period in order to further evaluate our options with regard to soil composition and how this impacts the expansion plans I have previously made with the Department of Water Resources and Don Watts at A&B Engineering.

Thank you for your time and consideration regarding this matter.

Sincerely,



J.G. Schwarz
cc: Don Watts, A&B Engineering