



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082

PHONE: (208) 334-2190 FAX: (208) 334-2348 www.idwr.idaho.gov

**C.L. "BUTCH" OTTER, Governor
DAVID R. TUTHILL, JR., Director**

May 21, 2007

SNAKE RIVER DAIRIES LLC
C/O DYLAN LAWRENCE
MOFFATT THOMAS ET AL
PO BOX 829
BOISE ID 83701-0829

Re: Application for Permit No. 63-32659

Dear Applicant:

The above referenced application for permit to appropriate public ground water was received on April 27, 2007. The use of water for dairies is considered a consumptive use. Processing of the application must be delayed as explained in this letter.

Due to continued drought and to protect existing water rights and water supplies, the Idaho Department of Water Resources (IDWR) declared a moratorium in 1992 against approval of new consumptive uses of public water for the area in question. The moratorium was lifted in 1995. However, application processing was suspended in 1996 pending policy determinations being considered by IDWR. Application Processing Memorandum #59 (see enclosed copy) summarizes the current policy for a new consumptive use from a ground water source. At this time, IDWR cannot estimate when policy changes will allow application processing to resume.

Several options might be worth exploring as follows.

1. Transfer an existing ground water right. This option would replace your application for permit. This would involve an Application for Transfer of Water Right to be filed with and approved by IDWR. Please note that IDWR has a significant transfer application backlog, adding a considerable amount of time to the normal processing period.
2. Mitigate your application for permit by abandoning another ground water right to cover your proposed use. This could include your filing of a Notice of Change in Water Right Ownership with IDWR together with your written abandonment of that right.
3. Mitigate your application for permit with another type of mitigation plan approved by IDWR.

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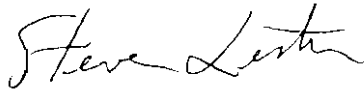
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The second or third options would allow your application for permit to be processed based on an acceptable mitigation plan.

This office will hold your application and will resume processing as soon as possible based on the above considerations. Processing generally follows the priority system in which older applications are addressed before newer ones are processed. Delays related to department actions do not affect the date of priority or seniority of an application. You will be informed of any changes with respect to your application.

Please contact me at 334-2190 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Steve Lester".

Steve Lester
Water Rights Supervisor

Enclosure: Application Processing Memorandum #59