

January 26, 2004

Steve Lester
Western Regional Office
Idaho Department of Water Resources
2735 Airport Way
Boise, ID 83705-5082

Re: Application for Transfer in the Name of New Union Ditch Company, Ltd.

Dear Steve:

Per your discussion with Mike Creamer, I am enclosing replacement pages 1 and 4 for a transfer application filed by the New Union Ditch Company Ltd. ("New Union") on May 15, 2003 (the "Transfer"). (The Transfer has not yet been assigned a processing number.) These replacement pages amend the Transfer to take advantage of the Department's new policy for transferring an irrigation purpose of use to ground water recharge.

The Transfer originally proposed to change the nature of use for a 0.44 cfs-portion of right 63-146 from irrigation to ground water recharge. As explained in the Transfer, this quantity of water is represented by 22 shares in the New Union Ditch Company (0.02 cfs per share). The Transfer proposed to retire 22 acres of irrigation to account for evaporative losses from 18.1 acres of pond surface area. We calculated this conversion based on Department policy at the time, which required a complex calculation accounting for consumptive use data for specific crops at specific locations.

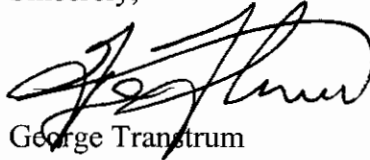
After we filed the Transfer, the Department has adopted a more simplified, acre-for-acre approach in applications such as the Transfer where relatively high-consumptive use crops were grown on the property, which as indicated in the Transfer narrative, is the case here. We would like to adjust the Transfer to conform with the Department's new policy. The enclosed replacement pages reflect the changes necessary to bring the Transfer into line with the new policy. Specifically, we now need to transfer only a 0.36 cfs portion of right 63-146 from irrigation to ground water recharge. This is the quantity of water associated with 18.1 acres of irrigation (at 0.02 cfs per acre) rather than 22 acres identified for retirement under the original Transfer. Also, the narrative attached to the Transfer explains our calculations in arriving at the need to retire 22 acres and 0.44 cfs under right 36-146. Because of the changes described herein and in the enclosed replacement pages, this narrative does not accurately reflect the Transfer. Please treat this narrative as amended to reflect the explanation of the transfer reflected in this letter (i.e., replace "0.44" with "0.36" and "22" with "18.1" in each instance).

Steve Lester
January 26, 2004
Page 2

I understand that because we are taking advantage of a policy change and because the Transfer has not yet been assigned an application number, a formal amendment is not required beyond submission of the replacement pages. If a formal amendment is required, or if other signatures or initials are required to reflect the changes we have made, New Union hereby grants attorneys with the law firm of Givens Pursley LLP, which represents the shareholder of the New Union shares at issue in the Transfer, the limited power of attorney solely to amend the Transfer to be consistent with the instructions in this letter and to sign and/or initial on behalf of New Union. This authority expires February 14, 2004, which should be sufficient time to identify such issues.

Please direct any questions you have regarding the changes to the Transfer to Mike Creamer of Givens Pursley LLP. You can reach Mike at 388-1200.

Sincerely,



George Tanstrum

Enclosures

cc: Michael C. Creamer

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. _____

RECEIVED

FEB 12 2004

APPLICATION FOR TRANSFER OF WATER RIGHT
PART 1WATER RESOURCES
WESTERN REGION

New Union Ditch Company, Limited

Phone 208-939-2808

Post Office address c/o George Transtrum, Pres. P.O. Box 31, Eagle, ID 83616 with copy to Michael C. Creamer, P.O. Box 2720, Boise, ID 83701

A. PURPOSE OF TRANSFER

1. ☐ Change point of diversion ☐ Add diversion point(s) ☐ Change place of use
☒ Change nature of use ☐ Change period of use ☐ Other _____
2. Describe the reason for the proposed changes Portion of water right associated with 18 shares of New Union stock to be used to offset evaporation from excavated ponds intercepting shallow groundwater. The transfer affects only 0.36 cfs of water right 63-146.

B. DESCRIPTION OF RIGHT(S) OR PORTION HEREOF, AFTER THE REQUESTED CHANGE

1.	Right Number	Priority	Amount (cfs / ac-ft)	Nature of Use	Period of Use	
	63-146	06/01/1865	13.40	Irrigation	3-15	to 11-15
			0.36	Ground Water Recharge	3-15	to 11-15
					to	
					to	

2. Total amount of water being transferred
- 13.76
- cubic feet per second and/or _____ acre-feet per annum.

3. Source of water
- Boise River
- tributary to
- Snake River

4. Point(s) of Diversion:

Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Local name for diversion
		NE	SE	23	4N	1E	Ada	New Union Ditch - Boise River Diversion

5. Lands irrigated or place of use: See Exhibit A.

Twp.	Rge.	Sec.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE 1/4	NW 1/4	SE 1/4	SW 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
4N	1E	14											E						
		15																E	
		23					E	E											

Total acres 18

PART 2

10. To your knowledge, has any portion of this water right undergone a period of five or more consecutive years of non-use?

_____ No _____ If yes, describe _____

B. DESCRIPTION OF PORTION OF RIGHT BEING TRANSFERRED This does not involve split of right.*(If the entire right is to be changed by the applicant, omit part B and C.)*

1. amount 0.36 cfs for Irrigation purposes from 3-15 to 11-15
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion: No Change

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local name for diversion
		NE	SE	23	4N	1E	Ada	New Union Ditch - Boise River Diversion

3. Lands irrigated or place of use:

Twp.	Rge.	Sec.	NE ¼				NW¼				SW¼				SE¼				Totals
			NE¼	NW¼	SE¼	SW¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
4N	1E	14											1.9						1.9
		15																5.2	5.2
		23					2.4	8.6											11.0

Total acres 18.1**C. DESCRIPTION OF UNCHANGED PORTION OF RIGHT** *(omit if there is no change)*

1. amount _____ for **Balance of Water Right** purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)
 amount _____ for _____ purposes from _____ to _____
 (cfs/ac-ft)

2. Point(s) of Diversion:

Lot	¼	¼	¼	Sec.	Twp.	Rge.	County	Local name for diversion

3. Lands irrigated or place of use:

Twp.	Rge.	Sec.	NE ¼				NW¼				SW¼				SE¼				Totals
			NE¼	NW¼	SE¼	SW¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

Total acres _____