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January 17, 2007

RECEIVED

JAN 19 2007

Department of Water Resources
Eastern Region

Roger Warner
Dennis Dunn
IDWR-Eastern Division
900 N. Skyline Drive, Suite A
Idaho Falls, Idaho 83402

Re: *Sam's Hollow Water Company Permit Nos. 11-07481, 11-07491*

Dear Roger and Dennis:

To follow up on our phone conversation last week, enclosed please find the original and two extra copies of Second Application for Amendment of Permit pertaining to Permit Nos. 11-07481 and 11-07491, together with a \$100 check for filing fees (\$50 for each Application). Please file the original and conform stamp and return one copy to me and one copy to Doug Johnson in the stamped and addressed return envelopes enclosed.

The purpose of these Second Amendments is to add one additional point of diversion, being SW SW, Section 2, T. 16 S., R. 43 E., B.M., Bear Lake County. Otherwise these Second Applications for Amendment are identical to the original Applications for Amendment filed September 11, 2006, with two changes. First, the place of use excludes the BLM property (SE NW, NE SW, Section 10, T. 16 S., R. 43 E., B.M.), which was excluded after the original filing per my letter of November 13, 2006, based upon which the BLM withdrew its Objection by letter dated December 11, 2006. Second, on the attached map the additional point of diversion to be added is depicted by an additional "W".

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I have been able to determine how the mistake in the legal description of the point of diversion occurred. When the original Application for Amendment was filed on May 25, 2006, as a combined Application for both permits, the attached legal description of the points of diversion was correct. However, when they were resubmitted with my September 7, 2006 letter as separate Applications for each Permit as requested by the Department, it appears that the attached legal description of the points of diversion was inadvertently switched, utilizing the description from the earlier draft that was submitted to the Department for a preliminary review.

It is our understanding that the First Amendment has been submitted to Boise for final approval. Anticipating approval will be received shortly on the First Application, this Second Amendment makes a single change to add the SW SW of Section 2 to the point of diversion. Under the circumstances and since the Applicant applied for a well permit and drilled a well within the SW SW of Section 2, believing that it was within the authorized points of diversion and being unaware of the mistake until now, we would greatly appreciate it if you would expedite the processing, publication and approval of this Second Amendment.

Thank you for your cooperation and assistance. If you have any questions, please don't hesitate to give me a call.

Sincerely,


RANDALL C. BUDGE

RCB:rr

Enclosures

cc: Douglas Johnson (w/encls.)