



State of Idaho

DEPARTMENT OF WATER RESOURCES

900 N. SKYLINE DR., SUITE A, IDAHO FALLS, ID 83402-1718

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EASTERN REGION
November 14, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

Sam's Hollow Water Company
C/O Randall C Budge
PO Box 1391
Pocatello ID 83204-1391

RE: Applications for Amendment of a Permit No. 11-7491 and 11-7481

Dear Applicant:

Enclosed are copies of a protest filed against the issuance of the above referenced applications. The Department suggests you contact the protestant directly in an effort to determine the nature of the protest and to attempt to resolve the protest.

Unless this office is advised that either the matter has been resolved or there exists extenuating circumstances, our objective is to schedule a conference and/or hearing in the near future to consider the protests. At a conference and/or hearing, the following are the principle items the Department can consider in either approving or denying the application for permit (Idaho Code ' 42-203):

1. Will the proposed use reduce the quantity of water under existing water rights?
2. Is the proposed water supply insufficient for the purpose intended?
3. Is the application made in good faith or for delay or speculative purposes?
4. Has the applicant sufficient financial resources with which to complete the project?
5. Will the proposed use conflict with the local public interest?
6. Is the proposed use contrary to conservation of water resources within the State of Idaho?

Please be aware that you must contact us and request a date for a conference or formal hearing if you intend to continue with this application.

The applicant must be prepared to present evidence and/or testimony addressing each of the six items. Although representation by legal counsel is not mandatory at a proceeding before the Department, you may retain an attorney in your behalf.

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If this office can be of further assistance, please contact us.

Sincerely,

**Sharla Cox
Administrative Assistant**

Enclosure