



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

September 19, 2006

JAMES E. RISCH
Governor

KARL J. DREHER
Director

BRIAN MC COY
SEABOARD CORPORATION
PO BOX 3510
KETCHUM ID 83340

PROOF ACKNOWLEDGMENT LETTER

**RE: Water Right Permit nos. - 37-8877 (in the name of Seaboard Corporation),
and 37-21435 (in the name of Seaboard Properties, Inc.)**

Dear Permit Holder:

The department acknowledges receipt of the Proof of Beneficial Use ("proof") form submitted for the referenced permits. (A copy of the proof is enclosed.) The next step in the process of developing a water right is for the department to contact you to schedule a field examination to determine and confirm the use being made of the water, and that it meets the permitted beneficial use.

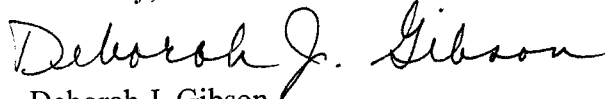
Be advised that Section 42-248, Idaho Code requires you or the owner of these water rights to maintain current ownership and address records on file with the department. However, during my review of your proof, I found that you completed question one on the proof by providing Bluegrouse Ridge Homeowners Association as the permit holder. The department's records reflect Seaboard Corporation as the current permit holder for no. 37-8877, and Seaboard Properties, Inc. as the current permit holder for no. 37-21435. The department cannot change permit holder's information without the permit holder providing the department with written instructions, preferably on the appropriate form, and paying a filing fee if required. Without an assignment of permit filed for these permits the licenses will be issued in the name currently on record with the department.

If you wish to change the permit holders' information on these water rights, I have enclosed an Assignment of Permit form for your use. Please complete an assignment for each permit, using the name the department used when the permit was issued, assigning it to Bluegrouse Ridge Homeowners Association. Be sure to complete all blanks that are applicable, and sign the form before a notary. Return it to the department with a \$25.00 filing fee for each assignment or permit you reference.

Page 2
September 19, 2006

If you have questions concerning the field examination, please contact the **Southern** Regional Office of the department in Twin Falls at (208) 736-3033. If I may be of assistance regarding the assignment form, contact me at (208) 287-4942.

Sincerely,

A handwritten signature in cursive script that reads "Deborah J. Gibson".

Deborah J. Gibson
Administrative Assistant
Water Allocation Bureau

Encl.

Cc: Seaboard Properties, Inc., C/O Jeff Loomis, Galena Engineering Inc

Page 3
September 19, 2006

SEABOARD PROPERTIES INC
C/O JEFF LOOMIS
GALENA ENGINEERING INC
PO BOX 425
KETCHUM ID 83340