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May 8, 2000

RECEIVED

JUL - 3 2001

Dave Carlson
Jennifer Crabtree
Idaho Department of Water Resources
900 N. Skyline Drive, Suite A
Idaho Falls, Idaho 83402-1718

Department of Water Resources

Re: FMC/Astaris Water Rights Change in Ownership

Dear Dave and Jennifer:

Your letter dated May 2, 2000, indicating the changes in ownership made to the Department's records, does not reflect accurately the change in ownership reported by the Notice of Change in Ownership submitted by Astaris Production LLC. The following paragraphs describe how the water rights ownership should be reflected in the Department's and SRBA's files:

1. A27-02050 and A27-02053. You indicate that these are owned by FMC, NuWest DBA Agrium, and Astaris Production LLC. This is not correct. In 1998, FMC and NuWest purchased undivided interests in the Holmgren Anderson ranch and these water rights. FMC owned an undivided 23% interest in these rights, and Agrium owns the other 77%. A Notice of Change in Ownership was filed at that time, and we received confirmation from the Department of ownership in these percentages. Astaris Production LLC has now acquired all of FMC's interest in these water rights (i.e., FMC's undivided 23% interest) and the underlying property. Accordingly, as reflected in the Notice filed with you on April 21, 2000, and in the Special Warranty Deed submitted with the Notice, **these two water rights are owned 77% by Agrium and 23% by Astaris Production LLC.** FMC has no further interest in these water rights. Please correct your records to accurately reflect the parties' recent transaction.

2. Similarly, 27-02162 was owned 50% by FMC and 50% by Agrium. Astaris Production now has purchased FMC's 50% undivided interest. Accordingly, **this water right is now owned 50% by Agrium and 50% by Astaris Production LLC.** FMC has no further ownership interest in this water right. Please correct your records (and the records in the SRBA court and Boise office) to accurately reflect the parties' recent transaction.

Dave Carlson
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3. FMC owned, and Astaris Production now owns, 100% of water right A29-02255C. Please correct your records to reflect **ownership 100% by Astaris Production LLC**.

4. FMC owned, and Astaris Production now owns, 100% of 27-04063 (partially decreed) and 27-07057 and 27-07058 (licensed). You indicated that you had sent the Notice to Boise for processing. Please forward a copy of this letter to the appropriate person in Boise, so that the records for these water rights/licenses accurately reflect 100% ownership in Astaris Production LLC.

The changes made to the other four water rights, from FMC to Astaris Idaho LLC, are correct and we will add your new profiles in our files.

Please give me a call if you require further clarification.

Sincerely,

HOLLAND & HART LLP



Linda B. Jones

LBJ:cd

Enclosures

cc: Miguel Ugarte
Patrick Hyland
Gary Resh
Rob Hartman
(w/encls.)

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