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January 18, 2006

Gary Spackman
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

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

Dear Gary:

Enclosed for your convenient reference is a copy of the letter which I sent to you on September 15, 2005, submitting a revised Water Management and Operation Plan for Mitigation, together with an Operating Manual. The purpose was to satisfy condition 4 of Permit Nos. 11-07481 and 11-07491. We also simultaneously submitted to Brian Patton and Cynthia Bridge-Clark an Application to Sell or Lease Water to the Water Supply Bank to comply with condition 7(b) of the approval of the permit. As we haven't received any responses, it would be greatly appreciated if these submissions could be reviewed and approved as soon as possible.

We simultaneously submitted to Dave Carlson in the Eastern Region an Application for Transfer for the purpose of adding mitigation as an additional authorized use. The Application for Transfer goes to publication on January 18 and 25, 2006, in the News Examiner.

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JAN 19 2006

Department of Water Resources
Eastern Region

Gary Spackman
January 18, 2006
Page 2

As development started last fall and will be proceeding in earnest as soon as weather permits in the spring, it is critically important that these remaining outstanding water right issues be finalized as soon as possible.

Sincerely,

RANDALL C. BUDGE

RCB:rr

Enclosures

cc: Doug Johnson, President, Sam's Hollow Water Company
IDWR Eastern Region/Dave Carlson
IDWR/Brian Patton, Cynthia Clark
Charles Brockway

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