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January 23, 2006

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Sharla Cox
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Re: Formation Capital Corporation
Application for Permit No. 75-13977
MTBR&F File No. 18992.0

RECEIVED
JAN 25 2006
Department of Water Resources
Eastern Region

Dear Sharla:

I am writing to you concerning the scheduling issues discussed in Michael Sasser's letter to you of January 19, 2006.

I have been able to discuss with my client the request Mr. Sasser made to conduct the pre-hearing conference in Boise instead of Idaho Falls. My client is willing to accommodate the request, despite the fact that he will have to travel from Salmon, Idaho to attend. He is willing to inconvenience himself because all three attorneys involved are located in Boise. Please note that this does not mean that we agree to conduct the hearing in this matter in Boise.

As to Mr. Sasser's comments about the Motion for Discovery we filed, Formation Capital does not agree with Mr. Sasser. Because of the likely delay in scheduling the pre-hearing conference, Formation Capital believes that discovery should be allowed as soon as the rules of practice of the Department allow. This approach will shorten the time frame for conducting a hearing and resolving this matter. Formation Capital has already been delayed for over three years in the water permit application process because of the Wilderness/Wild and Scenic Moratorium. Any additional delays should be avoided.

Consequently, my client requests an order allowing discovery as soon as possible.

I previously provided my unavailable dates for February and March. Please provide me with notice of the pre-hearing conference as soon as you are able to schedule it.

Sharla Cox
January 23, 2006
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Thank you very much for your assistance.

Very truly yours,



Scott L. Campbell

SLC/dll

cc: Bill Scales
Theodore Garrett
M. Michael Sasser
Bruce M. Smith

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