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— & —
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January 19, 2006

RECEIVED

JAN 20 2006

Department of Water Resources
Southern Region

Corey Skinner
IDAHO DEPARTMENT OF WATER RESOURCES
1341 Fillmore St., Ste. 200
Twin Falls ID 83301-3380

Re: **Hawker**, Rick & Sharon -- Transfer Application

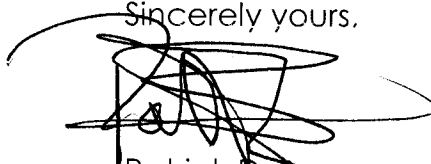
Dear Corey:

To address IDWR concerns about title to the water which is being transferred, I am enclosing a copy of the correction deed that has been recorded in Cassia County. This should eliminate any concern raised by Mr. Pickett's submission of materials to IDWR.

If you need any other information or have any questions regarding ownership, please give me call. Also, I assume IDWR will now resume processing the transfer and be ready to advertise it soon. Please let me know if this is, in fact, the case. I look forward to hearing from you soon and appreciate your attention this matter.

Thank you.

Sincerely yours,



Patrick D. Brown

/cb
Enc.
cc: Rick & Sharon Hawker, w/enc.

JAN 20 2006

NO. 399

10002

306263

QUITCLAIM DEED WATER RIGHTS ONLY

Department of Water Resources
Southern Region

70#

For Value Received, as hereafter recited

Pickett Ranch & Sheep Company, an Idaho corporation

Hereinafter called the Grantor,

Dennis K. Smith, an unmarried person

ADDRESS: P. O. Box 233

Oakley, Idaho 83346

RECORDED AT THE REQUEST OF
LAND TITLE & ESCROW

2006 JAN 18 AM 10 32

FEE 600 DEPUTY 26

CASSIA COUNTY, IDAHO
LARRY A. MICKELSEN
RECORDER

306263

hereinafter called the Grantee, hereby conveys unto the Grantee the Water Rights evidenced by Partial Decrees 45-12444B and 45-11164 on file with the Department of Water Resources as they pertain to the following property in Cassia County, Idaho:

**TOWNSHIP 13 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO**

Section 20: S½SE¼NW¼, SE¼SW¼NW¼ and E½SW¼, EXCEPT the following described tract:

Beginning at the Southeast corner of the E½SW¼ of said Section 20;
Thence North 455 feet;
Thence West 685 feet;
Thence South 455 feet;
Thence East 685 feet to the Point of Beginning.

ALSO SAVE AND EXCEPT THE FOLLOWING DESCRIBED TRACT:

Beginning at the Southwest corner of the SE¼SW¼; thence East 267 feet to the True Point of Beginning;
Thence 115 feet East;
Thence 250 feet North;
Thence 115 feet West;
Thence 250 feet South to the True Point of Beginning.

The consideration of this conveyance is to convey to the Grantee the above described water rights which were not intended to be transferred but were not expressly excluded on the Warranty Deed from Dennis K. Smith to Pickett Ranch & Sheep Company dated February 4, 2000 and recorded as instrument number 267315, records of Cassia County, Idaho on February 9, 2000.

This conveyance conveys WATER RIGHTS ONLY and does not convey any interest in the expressly above described real estate. This conveyance expressly excludes any shares of common stock in the Oakley Canal Company.

TO HAVE AND TO HOLD the said water rights unto said Grantee, and the grantee's heirs and assigns forever.

Dated: January 9, 2006

PICKETT RANCH & SHEEP COMPANY

By: Don E. Pickett

Don E. Pickett, President

ATTEST

David J. Pickett
David J. Pickett, Secretary

STATE OF IDAHO)

) ss.

COUNTY OF Cassia)

On this 9 day of January, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared **Don F. Pickett and David J. Pickett**, known or identified to me to be the President and Secretary of the corporation that executed the instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

WYNELL WICKEL
Notary Public
State of Idaho

Wynell Wickel
Notary Public

Residing at: Malta, Id

My Commission expires: February 23, 2007

**MY COMMISSION EXPIRES
February 23, 2007**