

May 5, 2004

Ronald Carlson,
Department of Water Resources, State of Idaho
900N. Skyline Dr. Suite A
Idaho Falls, Idaho, 83402

RECEIVED

MAY 06 2004

Department of Water Resources
Eastern Region

Re: Montpelier Irrigation Company
Water Right 11-1014

Dear Mr. Carlson:

I am a shareholder in Montpelier Irrigation an interest in what has been taken place as regard to state water laws, along with agricultural cooperative laws being abused by the officers of the above irrigation company. I have had shares in 4 different water companies in State of Utah, along with shares in 2 water companies in the State of Idaho. I have had 3 underground rights in the two above state, along with several filings for livestock watering. I have B.S. from Utah State University, Logan , Utah , which irrigation methods, measurments etc. were part of the classes.

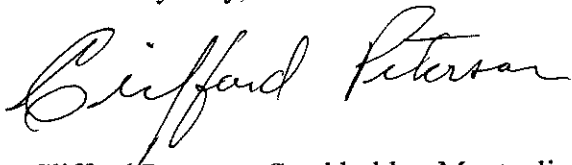
The meeting Monday , May 10, 2004, 8:00 P.M. in Montpelier, Idaho I will not be able to attend due to the fact I am employed at Newmont Mining Co. ,Elko, Nevada. I did however feel I needed to express my feelings of violations of the water companies policies as toward delivery of water, and the usage of water outside the descibed usage area of the Montpelier Irrigation Co. October 27, 2003, I received a letter from a Mr. W. Roger Warner, Dept. Of Water Resourses, in which the legal descriptions of usage areas were described. I was interested in the area near my ranch , North of town, section 21, range44E, Twp12S. In which the Phelps Brother operate a farm. Marden Phelps,being water company president, and brother being a board member of Montpelier Irrigation Co. Started pumping on June 26 th and contined to pump until August 2,2004, The stream at the cross of Joe's Gap road was approxiate 8 cfs. This stream was shared with one other farmer for this time frame. The description received from Mr. Warner the Phelps pumping was on land that is not in usage of Montpelier Irrigation Co., a clear violation of Idaho water law, along with these being in charge of a public resource. The amount of pumping at the rate of 5 cfs per share would have a farmer have 850 to 900 shares of water. These Farmers maybe have 150 shares to be used on in area lands only. The Water Master delivings these waters to lands out of usage area should be indirect violation of Idaho Water Law. Now it is assumed that the Phelps Brothers would like extend the Irrigation Companies Usage Area to include these lands in the usage area so not to be in violation. Ifeel until we , the stockholders in the usage area, get our fair share of the water desribed in above water right, we can not allow this to happen. These transfer of rights allowed by Water Resource Board in 1995 in which only two peoples lands are benefitted, Mr Phelps and also Mr. Burrick, a member of Montpelier Irrigation Company, these rights should be rescinded until a good and complete study be done by the Water Resouce people.

These policies of the present board can not be taken any longer, if I get 5cfs stream, I want it measured to me, I want each and every other shareholder to receive 5cfs also, no exceptions. If they pump, then what is delivered to pump and water going by pump is all counted in the delivery, then if they run the lines a long ways, then gasket leak a lot so be it and heads have openings taken a lot of gallons per minutes, again so be it, we are all charge the same amount and

thus, faith can be restored in company its elected officers. There would be no "BOSS HOG EFFECT", rewarding those who go along with Phelps pirating the company's water rights on lands not under the use area of the company, also; small streams of water rewarded to people for livestock watering for weeks at a time, perhaps 2 to 3 cfs, water going by pumps to irrigate a meadow or other lands for weeks at a time with any charge for this water, again perhaps 2 to 3 cfs or more.

In Summary, we as stockholders in the use area of Montpelier Irrigation Co. Can not allow the Phelps Brothers to transfer at their own greedy needs and leave the rest of us getting only a small portion of water in which we should be entitled to. We do have bankers to satisfy that we have a valid water right in which we are borrowing money against; also, drought programs that are paid in accordance with production of the most of us not getting proper share of water and all of tax payer being forced to pay for greed of the very few.

Yours very truly,

A handwritten signature in cursive script, reading "Clifford Peterson". The signature is written in dark ink and is positioned above the printed name.

Clifford Peterson, Stockholder, Montpelier Irrigation Company.

Cc:

Don Ispen