



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street, P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 287-4800 Fax: (208) 287-6700 Web Site: www.idwr.idaho.gov

DECEMBER 1, 2004

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

KENNY CREEK RANCH AND LAND LLC
C/O STEVE YOUNG
PO BOX 101
TENDON ID 83468

RE: TERMINATION OF LEASE TO THE WATER SUPPLY BANK – WATER
RIGHT NO(S). 74-666, 74-2247 AND 74-15234.

Dear Mr. Young:

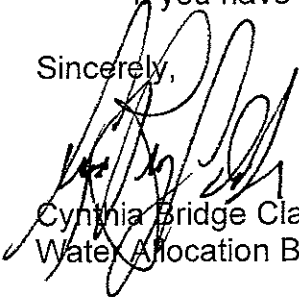
Idaho Department of Water Resources ("department") records show that the above referenced water right(s) has been leased through December 31, 2004 to the Water Supply Bank ("bank"). This letter is notice that the right will be considered released from the bank unless you advise the department, in writing, within fourteen (14) days of the date of this letter that you want to extend the period of the lease.

If you would like the right(s) to remain leased to the bank, please specify the date to which you want the lease extended. You may also request the right(s) remain leased to the bank for an "indefinite" period. In this case, the right(s) will remain in the bank indefinitely unless released earlier by the Water Resource Board or until the lessor submits a request to the department in writing to release of the right(s) from the bank.

Please consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the lease date of the right to the bank. If a written request is not received within fourteen (14) days, the right(s) will be considered released from the bank as of **December 31, 2004**.

If you have questions, feel free to contact me directly at (208) 287-4946.

Sincerely,


Cynthia Bridge Clark
Water Allocation Bureau

c: IDWR - Regional Office