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Department of Water Resources

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March 27, 2003

*Via Facsimile (208) 934-5570
and U.S. Mail*

Mike Faulkner
1989 South 1875 East
Gooding, ID 83330

RE: Faulkner Land & Livestock Co., Inc.
Water Right 37-08720

Dear Mike:

I enclose for your signature the APPLICATION FOR AMENDMENT (for licensing purposes) for water right 37-08720. Page 1 of the Application for Amendment shows corrected legal locations for the 324 acres at the place of use. The 324 acres are served by three ground water rights: 37-08005B, 37-08812 and 37-08720. Permit 37-08720, which is being amended for purposes of licensing, is limited to the irrigation of 160 acres within the 324 acres in a single irrigation season. We enclose an additional copy of page 1 showing the quarter/quarters where the legal corrections were made. Please let us know if you have any questions about the corrected legal descriptions.

Page 2 of the Application for Amendment lists six conditions. These conditions are identical to conditions 1, 2, 3, 5, 6 and 9 on the Application for Amendment included with Shelley Keen's letter of December 5, 2002. Conditions 4, 7 and 8 from the December 5, 2002 draft have been removed. Those three conditions had provided:

4. Rights 37-08005B, 37-08005D, 37-08702, 37-08812 and 37-08720 when combined shall not exceed a total diversion rate of 7.09 cfs.
7. The right holder shall use the full allotment of appurtenant surface water rights in conjunction with ground water diverted under this right.
8. If the surface water right(s) appurtenant to the place of use is sold, transferred, leased or used on any other place of use, this right to divert groundwater shall not be used without an approved transfer pursuant to Section 42-222, Idaho Code, or approval of the Department if a transfer is not required.

Mike Faulkner
March 27, 2003
Re: Permit 37-08720
Page 2

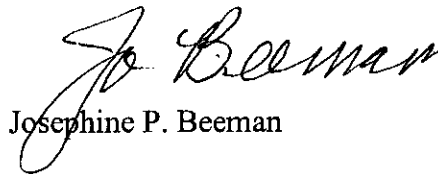
Since this document is an Application for Amendment of Permit 37-08720 for licensing purposes, the amendment (and final license) must still be reviewed and signed by IDWR Director Karl J. Dreher. This will include legal review and final technical/policy review within IDWR. Since Norm Young and Phil Rassier had been involved in earlier meetings about water right 37-08720, I phoned Phil this afternoon to advise him of the status of the Application for Amendment. Due to the extensive documentation from the work and meetings with Shelley Keen following December 5, 2002, I also let Phil know that I would be prepared to meet at anytime.

Please note that the Application for Amendment states the maximum diversion rate for permit 37-08720 which is 3.2 cfs. The capacity of the well will be addressed in the final licensing process. The five ground water rights which divert from this well total 8.95 cfs.

If the Application appears in order, please sign page 1 and return pages 1 and 2 to our office in the enclosed self-addressed stamped envelope. We will make appropriate copies and file the original with IDWR. The amendment fee has already been paid.

Sincerely,

BEEMAN & ASSOCIATES, P.C.

A handwritten signature in cursive script, appearing to read "Jo Beeman".

Josephine P. Beeman

JPB:tjw
Enclosures
cc: Shelley Keen
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