

January 30, 2003

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Department of Water Resources

Mr. Shelley Walter Keen
State of Idaho
Water Rights Supervisor
Department of Water Resources
1301 North Orchard Street
Boise, Idaho 83706

Dear Mr. Keen,

Subject: Faulkner Water Right

In 1991 I went to IDWR and applied for a well permit for my property. The permit was a primary right for new land I intended to develop at that time.

However, after I had this permit secured, I discovered the cost of 3-phase power to be cost prohibitive and determined this project unfeasible at this time.

I was approached by Faulkner Land & Livestock to purchase this permit. I also helped in the transfer proceedings to the Gooding area.

Still wanting to develop this property, I looked into irrigating the same property with canal water and bought Big Wood Canal shares to develop the acres in question that are being irrigated today.

In summary, the well permit I sold was always a primary right not supplemental right.

Thank you,
Jerry Nance

A handwritten signature in cursive script that reads "Jerry Nance". The signature is written in black ink and is positioned below the typed name "Jerry Nance".