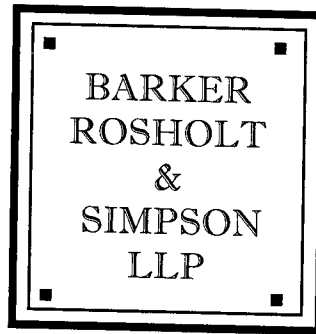


*John A. Rosholt
Albert P. Barker
John K. Simpson
Travis L. Thompson
Shelley M. Davis
Paul L. Arrington*



Travis L. Thompson
tlr@idahowaters.com

113 Main Ave. W., Suite 303
P.O. Box 485
Twin Falls, ID 83303-485
(208) 733-0700 telephone
(208) 735-2444 facsimile
jar@idahowaters.com

205 N. Tenth St., Suite 520
P.O. Box 2139
Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

September 22, 2005

Via Hand Delivery

Mr. Corey Skinner
Idaho Department of Water Resources
Southern Region
1341 Fillmore St., Suite 200
Twin Falls, Idaho 83301-3380

RECEIVED
SEP 22 2005
Department of Water Resources
Southern Region

Re: Six S Ranch LLC Application for Permit No. 45-13852

Dear Corey:

This letter responds to the Department's July 26, 2005 request for additional information on application for permit no. 45-13852 filed by Six S Ranch LLC. I have listed the categories of information requested separately (IDAPA 37.03.08.040.05.c.iii, d.i, d.ii, e.i, e.ii, f.i, f.ii, and g.), along with Six S Ranch's responses to each below.

1) Information shall be submitted concerning design, construction, or operation techniques which will be employed to eliminate or reduce the impact on other water rights.

Please find attached a copy of the updated design plan for the sediment catchment basin prepared by Bush & Gudgell, Inc. See Exhibit A. Since the construction will take place off-stream there is no potential for impacts on other water rights on Marsh Creek.

2) Information shall be submitted on the water requirements of the proposed project, including, but not limited to, the required diversion rate during the peak use period and the average use period, the volume to be diverted per year, the period of year that water is required, and the volume of water that will be consumptively used per year.

Please find attached copies of Bruce Lium's August 31, 2004 letter¹, John Probasco's July 30, 2004 letter, and an August 25, 2005 fax from Bush & Gudgell calculating the sediment

¹ Please disregard the content referring to transfer application no. 71402 since that application was withdrawn on July 14, 2005.

settling capacity for the basins. *See* Exhibit B. The letters and fax detail the peak and average flows on Marsh Creek and the expected diversion requirements and proposed operations of the sediment catchment basins. Since the proposed use is non-consumptive, there was no need to perform any proposed volume calculations.

3) Information shall be submitted on the quantity of water available from the source applied for, including, but not limited to, information concerning flow rates for surface water sources available during periods of peak and average project water demand.

See Response to #2 above.

4) The Applicant shall submit copies of deeds, leases, easements or applications for rights-of-way from federal or state agencies demonstrating a possessory interest in the lands necessary for all project facilities.

The project will be located entirely on Six S Ranch's property. Please find attached a copy of the warranty deed demonstrating Six S Ranch's ownership. *See* Exhibit C.

5) The Applicant shall submit copies of applications for other needed permits, licenses and approvals, and must keep the department apprised of the status of the applications and any subsequent approvals or denials.

Six S Ranch is presently working with the Department to determine what additional permits, if any, are needed. Six S Ranch will prepare and file any necessary permits as soon as possible.

6) The Applicant shall submit a current financial statement certified to show the accuracy of the information contained therein, or a financial commitment letter along with the financial statement of the lender or other evidence to show that it is reasonably probable that financing will be available to appropriate the water and apply it to the beneficial use proposed.

Please find attached an accountant's report for Six S Ranch LLC prepared by Herald O. Johnson, C.P.A on September 6, 2005. *See* Exhibit D.

7) The Applicant shall submit plans and specifications along with the estimated construction costs for the project works. The plans shall be definite enough to allow for determination of project impacts and implications.

See Response to #2 above. Also, the estimated construction cost for the project is approximately \$85,000.

8) The Applicant shall seek comment and shall submit all letters of comment on the effects of the construction and operation of the proposed project from the governing body of the city and/or county and tribal reservation within which the point of diversion

Mr. Corey Skinner – IDWR
September 22, 2005
Page - 3

and place of use are located, the Idaho Department of Fish & Game, the Idaho Department of Environmental Quality, and any irrigation district or canal company within which the proposed project is located and from other entities as determined by the director.

Please find attached a copy of the letter sent to the Cassia County Board of Commissioners requesting comment on the project. *See Exhibit E.* It is Six S Ranch's understanding that the Department has already sought comment from the Idaho Department of Fish & Game and the Idaho Department of Environmental Quality. The project is not located within the boundaries of an Indian Reservation, irrigation district, or canal company.

Please contact me if you have any questions on the responses and documents listed above, or if the Department needs any additional information to continue processing the application. Thank you for your attention to this matter.

Sincerely,

BARKER ROSHOLT & SIMPSON LLP

A handwritten signature in black ink, appearing to read 'T. L. Thompson', with a long horizontal flourish extending to the right.

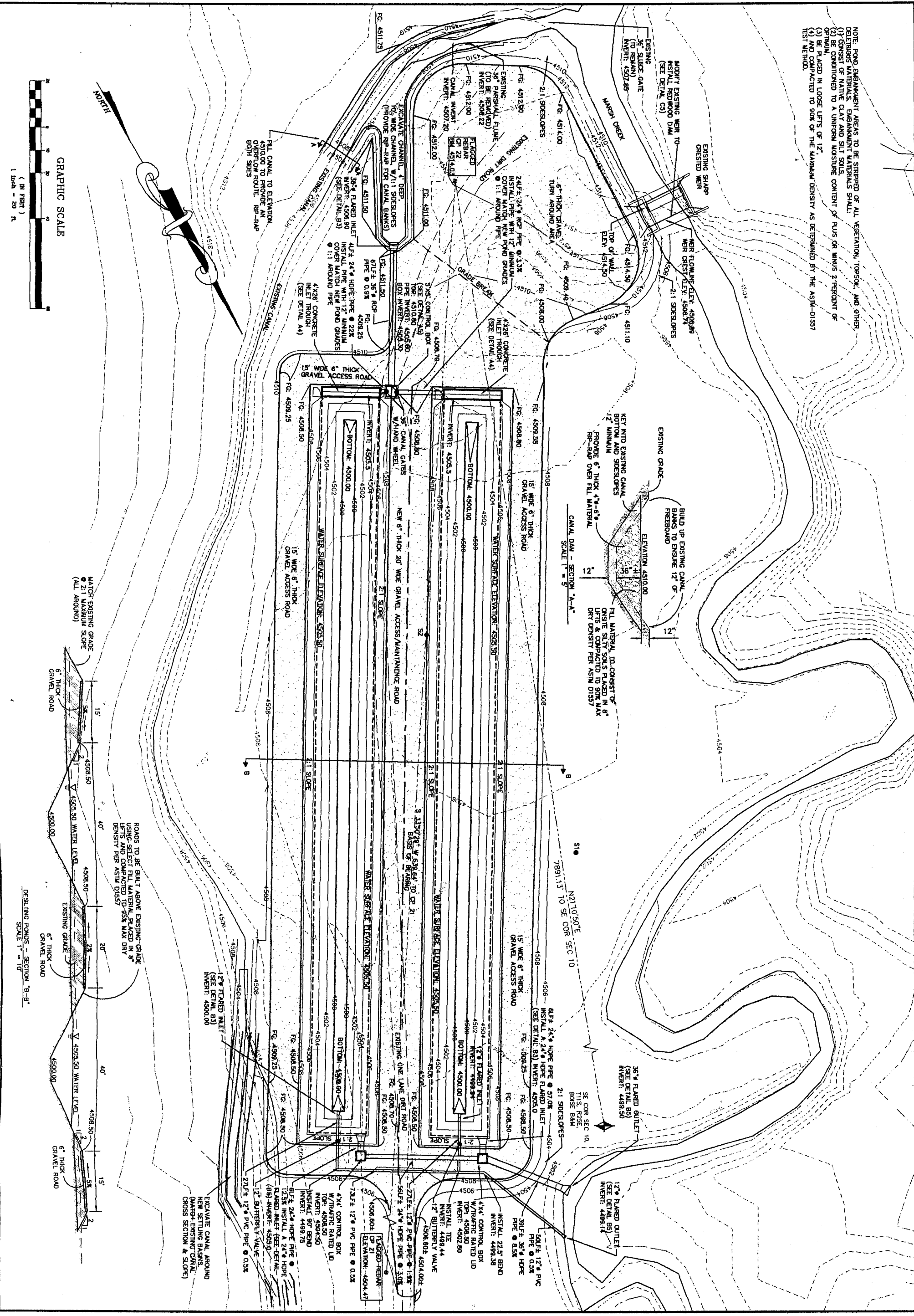
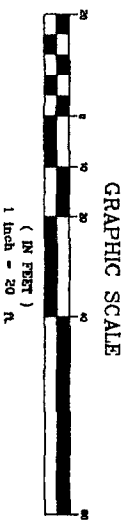
Travis L. Thompson

Enc.

cc: Mark Skaggs / Pat McCammon (Six S Ranch LLC)

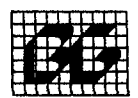
EXHIBIT “A”

NOTE: POND EMBANKMENT AREAS TO BE STRIPPED OF ALL VEGETATION, TOPSOIL, AND OTHER DEBRIS MATERIALS. EMBANKMENT MATERIALS SHALL:
 (1) CONSIST OF NATIVE CLAY AND SILT SOILS.
 (2) BE CONDITIONED TO A UNIFORM MOISTURE CONTENT OF PLUS OR MINUS 2 PERCENT OF OPTIMUM.
 (3) BE PLACED IN LOOSE LIFTS OF 12".
 (4) AND COMPACTED TO 90% OF THE MAXIMUM DENSITY AS DETERMINED BY THE ASTM-D1557 TEST METHOD.



**PLAN VIEW
DESILTING PONDS**
 PREPARED FOR: SIX S RANCH
 LOCATION: ALBION IDAHO

Drawn: BKS Date: 14FEB01
 Checked: _____
 Approved: _____
 Scale: 1"=20'
 Job No: 46522



BUSH & GUDGELL, INC.
 Engineers - Planners - Surveyors
 555 South 300 East, Salt Lake City, Utah 84111
 (801) 364-1212 Fax (801) 364-1225
 Offices: St. George, Utah

No.	Date	By	Revision
1	7NOV04	BKS	CHANGE DIMENSIONS PER OWNER
2			
3			
4			
5			

SHEET
 3
 5
 SHEETS
 FILE: 46522

USGS STREAM GAUGING STATION 13082300
MARSH CREEK NEAR ALBION IDAHO

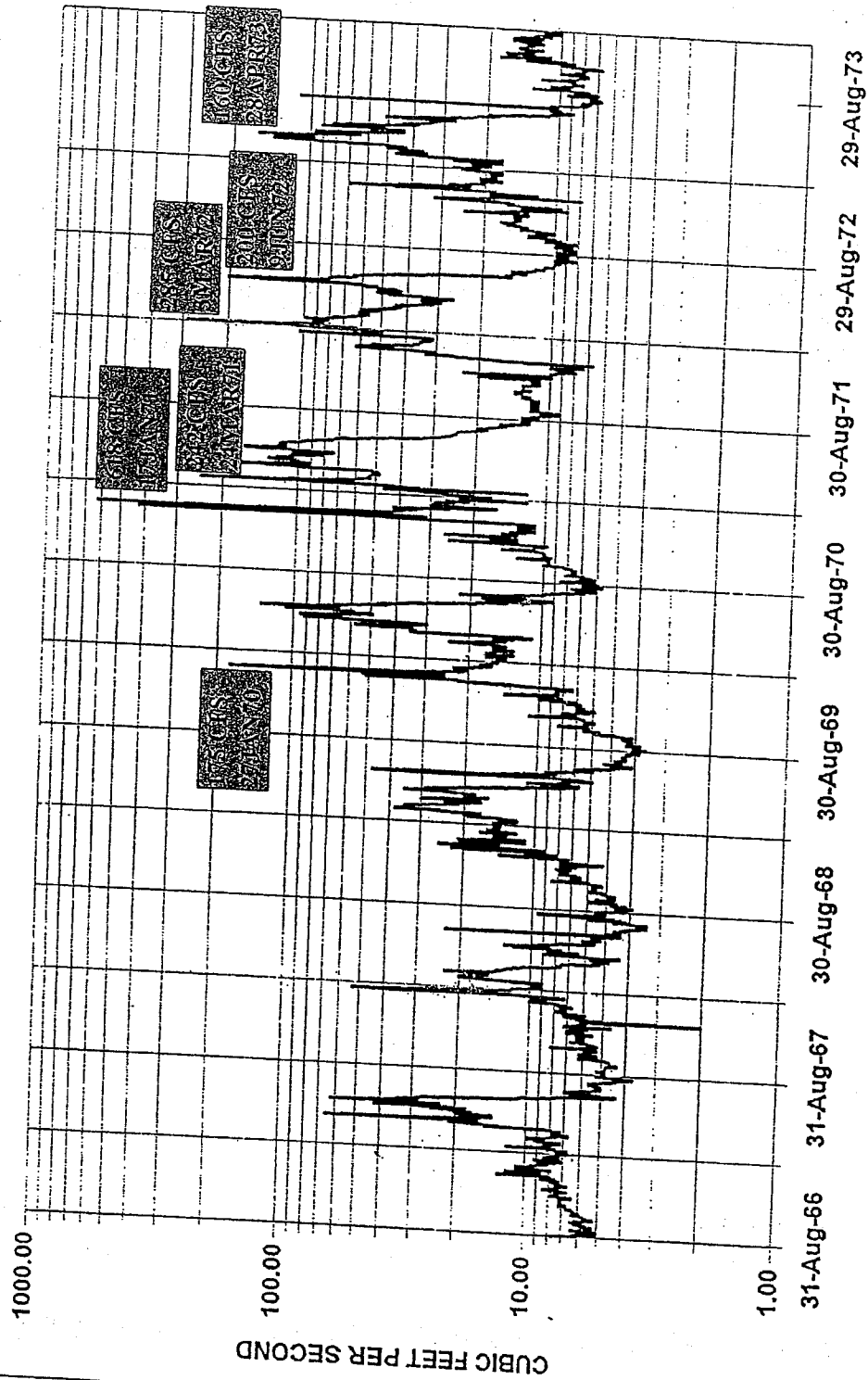


FIGURE B-1

EXHIBIT “B”

AMERICAN WATER RESOURCES COMPANY

August 31, 2004

Corey Skinner
Idaho Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301-3380

Re: Six-S Ranch Application for Transfer No. 71402 / Application for Permit No. 45-13852

Corey,

This letter responds to your request to justify the amounts of water identified on the water right transfer and application for permit covering the wildlife and water quality improvement uses of the water for the Six-S Ranch project (sediment catchment basins and wetlands). The project was conceived over three years ago, and the principal idea behind the project was to create wildlife habitat within a reach on Marsh Creek encompassing 806 acres; this wildlife habitat is now called the Skaggs Wildlife Habitat Restoration Project. The basic premises for the project are to 1) replace the existing storage reservoir that has filled with sediment with a new reservoir, 2) make good use of the filled reservoir as wildlife habitat, 3) at the furthestmost point upstream on Marsh Creek (within the 806 acres) place two sediment catchment basins in order to reduce the amount of sediment moving into the new reservoir and continuing along Marsh Creek, and 4) downstream of the new Point of Rocks Dam (which creates the new reservoir) place a series of three wetland areas which were designed to further reduce sediment and nutrient load within Marsh Creek and create even more wildlife habitat. The project would also incorporate and fully complement Six-S Ranch's current irrigation system, which includes the existing and proposed reservoirs. In the early stages of this project approximately three years ago there were interagency meetings scheduled at the ranch with the purpose of ensuring that each of these agencies were aware of the initial plans for the project and their concerns could be addressed.

In order to satisfy IDWR's request, I offer the following comments for its consideration on the transfer and application for permit. First, the volumes of water going through the sediment catchment basins and wetlands were designed by Bush and Gudgeon, Inc. (an engineering firm in Salt Lake City, Utah), to minimize the amount of sediment in the Marsh Creek system and to maximize the amount of wetlands within the project area.

The plan is to divert 30 cfs from Marsh Creek through the sediment catchment basins and then return the water immediately back into the stream. The water will then flow approximately 1,500 feet down the existing channel to the top of the reservoir formed by the Point of Rocks Dam. The top of the reservoir will be approximately 2,600 feet upstream of the dam. Since we are filling and compacting the old channel within the reservoir area approximately 3,600 feet of open ditch will be eliminated. There should be

AMERICAN WATER RESOURCES COMPANY

an increase in the water available at the dam site, although some water will be lost to evaporation (Bush and Gudge, Inc.). The evaporation at the new reservoir was mitigated for in transfer No. 70463 approved by IDWR last year.

The primary reason for the design of and location for the sediment catchment basins at the site above the Point of Rocks Dam impounded area is to limit the amount of sediment from Marsh Creek that reaches the new storage facility in order to increase the longevity of the new reservoir. The size and volume capacities of the two basins were designed to capture the maximum amount of sediment possible during high flows when sediment concentrations would be highest (Bush and Gudge, Inc.). See attached July 30, 2004 letter from John Probasco.

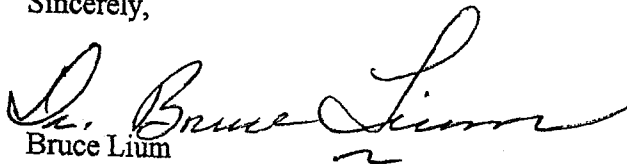
The wetlands were designed to be located along Marsh Creek between the Point of Rocks Dam and the existing reservoir to maximize water for habitat and wildlife in this area. Each dike site was chosen so that it was located at the least distance between the adjacent valley contours/cross-section. The height of each dike was designed to provide a maximum amount of wetland while keeping the dike height relatively low. The wetland sites will also provide areas for settling out sediment and nutrients. The aesthetic values were also considered in determining the locations (Bush and Gudge, Inc.).

The volume of water to be stored in the wetland area formed by the dikes was calculated from the contours shown on the aerial maps and using the high water elevation of each dike. A computer program was used which runs sections across the area in several places and determines the volume of water stored (Bush and Gudge, Inc.).

I am enclosing 8 1/2 x 11 design plans for the sediment catchment basins and wetlands. I also have access to reports by Bush and Gudge, Inc., which describe specifications for these two projects.

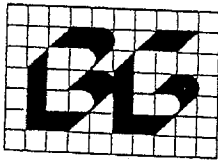
My personal feeling is that the Skaggs are voluntarily willing to develop wildlife habitat, improve riparian systems and water quality, create wetlands, reduce sediment in Marsh Creek, and address their water right and water storage issues for the overall benefit of the lower Marsh Creek watershed. As we know, this is usually not the case. We should embrace their tremendous effort to improve water quality and enhance habitats.

Sincerely,



Bruce Lium
American Water Resources

Enc.



BUSH & GUDGELL, INC.
Engineers • Planners • Surveyors
555 South 300 East
Salt Lake City, Utah 84111
(801) 364-1212
FAX (801) 364-1225

July 30, 2004

Mr. Bruce Lium, PhD
American Water Resources
P.O. Box 1979
Hailey, ID 83333

Re: Six S Ranch Wetlands Transfer

Dear Bruce:

The following information is provided to help you respond to Mr. Tompson's letter dated July 26, 2004:

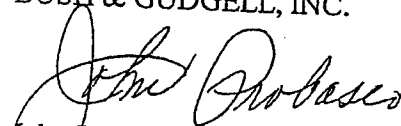
1. Enclosed is a copy of the gauging record of Station 1308230 that was installed in Marsh Creek from 1966 to 1973. This record was included in our report for the proposed water retention dam dated February 2003. Each settling pond is designed for a flow of 30 cfs.

If both ponds are operating with a stream flow of 60 cfs the majority of particles will be removed from the stream. You will note from the graph that all of the stream flow did not exceed 60 cfs except peaks that occurred in 1970, 1971, 1972 and 1973 and that one pond operating handling 30 cfs would give satisfactory removal except certain days during spring run off.

2. Any seepage loss in the wetlands would return to Marsh Creek.

Sincerely,

BUSH & GUDGELL, INC.


John L. Probasco, PE & PLS
Project Manager

JLP:ccd

enclosure

100-Year Maximum Q = 1,120 cfs
500-Year Maximum Q = 1,830 cfs

Typical Marsh Creek flows (excluding spring runoff or heavy storms) = 5 cfs - 15 cfs

The amount of water able to pass through the sedimentation ponds before overtopping the sharp crested weir to the east, or the canal to the west would 50cfs+/-

The amount of water able to pass through the sedimentation ponds, over the sharp crested weir to the east, or the canal to the west before causing any localized site flooding would be 110cfs+/-

Changes in flow rates through the settling basins and the amount that overtops the existing sharp-crested weir may be modified using the wooden dams in the sharp-crested weir

Settling Basin Calculations						
Single Basin Volume is 33,297 cubic feet, and the surface area per basin is 10,080 square feet						
Particle Diameter	Particle	Settling Velocity (ft/s)				
0.0033	Sand	0.66				
0.00033	Fine Sand	0.033				
3.3E-05	Silt	0.00033				
3.3E-06	Clay	3.3E-06				
%Removed (Both Basins)						
Diverted Marsh Creek Flow (cfs)	Inflow per Basin (cfs)	Settling Velocity (ft/s)	Sand	Fine Sand	Silt	Clay
1	0.5	9.92E-05	100%	100%	100%	3%
2	1	1.98E-04	100%	100%	100%	2%
3	1.5	2.98E-04	100%	100%	100%	1%
4	2	3.97E-04	100%	100%	83%	1%
5	2.5	4.96E-04	100%	100%	67%	1%
10	5	9.92E-04	100%	100%	33%	0%
15	7.5	1.49E-03	100%	100%	22%	0%
20	10	1.98E-03	100%	100%	17%	0%
30	15	2.98E-03	100%	100%	11%	0%
40	20	3.97E-03	100%	100%	8%	0%
50	25	4.96E-03	100%	100%	7%	0%
60	30	5.95E-03	100%	100%	6%	0%
70	35	6.94E-03	100%	100%	5%	0%
80	40	7.94E-03	100%	100%	4%	0%
90	45	8.93E-03	100%	100%	4%	0%
100	50	9.92E-03	100%	100%	3%	0%
110	55	1.09E-02	100%	100%	3%	0%
120	60	1.19E-02	100%	100%	3%	0%
130	65	1.28E-02	100%	100%	3%	0%
140	70	1.39E-02	100%	100%	2%	0%
150	75	1.49E-02	100%	100%	2%	0%

EXHIBIT “C”

WARRANTY DEED

THIS INDENTURE, made this 6th day of August, 2004, between Six S Ranch, Inc., of P.O. Box 1760 Eagle, Idaho 83616 ("Grantor"), and Six S Ranch, LLC, whose address is P.O. Box 1760 Eagle, Idaho 83616, ("Grantee").

WITNESSETH:

The Grantor for and in consideration of the corporate reorganization, and other good and valuable consideration, the receipt whereof is hereby acknowledged, has granted, bargained, and sold and by these presents does grant, bargain and sell, convey and confirm unto the Grantee, and to the successors and assigns of Grantee forever, all of the following described real estate situated in the County of Cassia, State of Idaho, to-wit:

See Exhibit "A"

SUBJECT TO: Accruing taxes, levies and assessments, easements and right of ways of record.

TOGETHER with all water rights appurtenant including but not limited to those described on Exhibit "B," attached hereto and made a part hereof by reference, all mineral rights, and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all estate, right, title and interest in and to said property as well in law as in equity of the Grantor.

TO HAVE AND TO HOLD, all and singular the above-mentioned and described premises, together with appurtenances unto the Grantee and to the

1 successors and assigns of Grantee forever.

2 The Grantor shall and will warrant and by these presents will forever
3 defend the said premises in the quiet and peaceable possession of the Grantee, and
4 the successors and assigns of Grantee against all and every person and persons
5 whomsoever lawfully claiming the same, except as aforesaid.
6

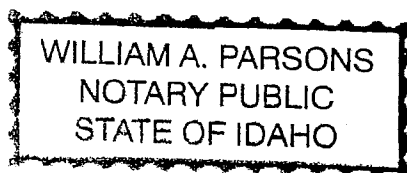
7 IN WITNESS WHEREOF, the Grantor has executed this Deed the day
8 and year first above written.

9 SIX S RANCH, INC.

10
11 By: [Signature]
12 Its: Vice President & Gen. Manager

13
14 STATE OF IDAHO)
15) ss.
16 County of Cassia)

17 On this 6 day of ~~July~~ ^{AUGUST}, in the year 2004, before me, the undersigned, a
18 Notary Public in and for said State, personally appeared GEORGE MOOSMAN,
19 known or identified to me to be the Vice President of Six S Ranch, Inc., the
20 corporation that executed the instrument or the person who executed the instrument
21 on behalf of said corporation, and acknowledged to me that such corporation
22 executed the same.



[Signature]
Notary Public for Idaho
Residing at Burley
My commission expires on 7/22/2010

TOWNSHIP 10 SOUTH, RANGE 25 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 21:

That portion of the S $\frac{1}{2}$ of Section 21 lying South of the State Highway

Section 22:

All that portion of the S $\frac{1}{2}$ of Section 22, lying South of State Highway, the South side of which is described as follows:

Beginning at a point on the intersection of the West side of said Section 22 and the South side of said highway, a point on curve 500 feet, more or less, from the West quarter corner of said Section 22, Highway Station 696+47;
Thence Easterly around curve right 1152.4 feet with central angle of 6°35', a radius of 10,051.8 feet to Station 707+99.4 the point, which is a point of equation, 707+99.4 back = 710+59.2 ahead;
Thence North 86°20' East 4040.8 feet to the intersection with the East side of said Section 22, 160 feet South, more or less, from the East quarter corner.

Section 23:

All that portion of the SW $\frac{1}{4}$ and SE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 23, lying South of the centerline of State Highway, said line described as follows:

Beginning at a point on the West side of said Section 23, the intersection of said centerline and West side, 90 feet South of the West quarter corner of said Section 23;
Thence North 86°20' East 2648 feet, to the intersection with the East side of SE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 23;

EXCEPTING THEREFROM the highway right-of-way.

Section 24:

That portion of Section 24, lying South of the centerline of U.S. Highway No. 30 as constructed, more particularly described as follows:

The W $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 24 and those portions of the S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ lying southerly of the following described centerline of said U.S. Highway No. 30;
Beginning at Highway Station 804+05 which point is on a curve and on a section line North 320 feet, more or less, from the West quarter corner of said Section 24;
Thence 1706.3 feet around curve with a 2° curve right, said curve having a central angle of 34°25' and radius of 2865 feet to Station 821+11.3, which station is a point on tangent;
Thence South 59°15' East on tangent 4348.7 feet to Station 86+-60, which station is a point on tangent approximately 344 feet North from the Southeast corner of Section 24.

EXCEPTING THEREFROM the highway right-of-way.

Section 27:

ALL

Section 28:

ALL, EXCEPTING THEREFROM Railroad Right of Way, and further EXCEPTING:

Beginning at the South Quarter Corner of said Section 28 which shall be the Point of Beginning;

Thence North along the quarter section line for 25 feet;

Thence East for 2640 feet, more or less, to a point on the East line of said Section 28;

Thence South along said East section line for 25 feet to the Southeast corner of Section 28;

Thence West along the South line of Section 28 for 2640 feet, more or less, to the Point of Beginning.

Section 29:

S $\frac{1}{2}$ and that part of the S $\frac{1}{2}$ NW $\frac{1}{4}$ and the S $\frac{1}{2}$ NE $\frac{1}{4}$ lying South of the right-of-way of the Idaho Branch of the Oregon Short Line Railroad Company, EXCEPTING THEREFROM the following described tract:

Beginning at a point on a course North 57°40' East 2660.06 feet, and South 83°35' East 50 feet from the Southwest corner of said Section 29;

Thence South 83°35' East 581 feet;

Thence North 56°35' East 450 feet;

Thence North 26°38' East 90 feet;

Thence North 11°13' West 396 feet;

Thence South 76°33' West 650 feet;

Thence South 27°26' West 550 feet to the Point of Beginning.

Section 30:

That part of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ lying East of the Government Third Lift "J" Canal and South of the railroad right-of-way.

Section 30:

E $\frac{1}{2}$ SE $\frac{1}{4}$, EXCEPT that part of said E $\frac{1}{2}$ SE $\frac{1}{4}$ lying West of the Government Third Lift or "J" Canal, and EXCEPT the following described tract:

Beginning at a point in the East and West centerline of said Section 30 that is 530 feet, more or less, distant West from the East Quarter corner; said point being 50 feet distant Southeasterly measured at right angles, from the centerline of the main track of the Raft River Branch of the Oregon Short Line Railroad Company as formerly constructed and operated;

Thence South 83°37' West along a line parallel with and 50 feet distance Southeasterly, measured at right angles, from said centerline of main track as formerly constructed and operated, a distance of 820 feet, more or less, to a point in the West line of said NE $\frac{1}{4}$ SE $\frac{1}{4}$;

Thence North along said West line a distance of 105 feet, more or less, to a point in said East and West centerline of Section:

Thence East along said East and West centerline a distance of 810 feet, more or less, to the Point of Beginning.

Section 30:

A triangular parcel of land situated in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 30, more particularly described as follows:

Beginning at a point in the East and West centerline of said Section 30 that is 530 feet, more or less, distant West from the East Quarter corner; said point being 50 feet distant Southeasterly measured at right angles, from the centerline of the main track of the Raft River Branch of the Oregon Short Line Railroad Company as formerly constructed and operated;
Thence South 83°37' West along a line parallel with and 50 feet distance Southeasterly, measured at right angles, from said centerline of main track as formerly constructed and operated, a distance of 820 feet, more or less, to a point in the West line of said NE $\frac{1}{4}$ SE $\frac{1}{4}$;
Thence North along said West line a distance of 105 feet, more or less, to a point in said East and West centerline of Section;
Thence East along said East and West centerline a distance of 810 feet, more or less, to the Point of Beginning.

Section 30:

An irregular tract of land situated in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 30, more particularly described as follows:

Beginning at the East Quarter corner of said Section 30;
Thence North along the East line of said Section a distance of 231.6 feet to a point 100 feet distance Northwesterly, measured at right angles from said centerline of main track of the Raft River Branch as formerly constructed and operated;
Thence South 83°37' West along a line parallel with and 100 feet distance Northwesterly, measured at right angles, from said centerline of main track of the Raft River Branch as formerly constructed and operated, a distance of 1332.8 feet to a point in the West line of said SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South along said West line a distance of 47.3 feet to a point in the East and West centerline of said Section;
Thence East along said East and West centerline a distance of 1320 feet, more or less to the Point of Beginning.

-Continued-

Section 31:

N $\frac{1}{2}$ NE $\frac{1}{4}$ EXCEPT that part lying West and North of the Government Third Lift or "J" Canal, and EXCEPT the following described tracts:

Tract No. 1:

Beginning at the Northwest corner of the NE $\frac{1}{4}$ of said Section 31;
Thence South 0°10' East 1320 feet;
Thence North 89°50' East 50 feet;
Thence North 0°10' West 1320 feet;
Thence North 89°50' West 50 feet to the Point of Beginning.

Tract No. 2:

Part of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ more particularly described as follows:
Beginning at the Southeast corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 31, said point marked by a 5/8 inch rebar; Thence North 88°31'11" West along the 1/16th section line for 220.65 feet to a 1/2 inch rebar on the centerline of a gravel road which shall be the True Point of Beginning;
Thence North 88°31'11" West along the 1/16th section line for 429.35 feet to a 1/2 inch rebar;
Thence North 40°31'03" West for 147.19 feet to a P.K. nail on the centerline of a county road;
Thence North 78°29'39" East along the centerline of a gravel road for 212.66 feet to a 1/2 inch rebar;
Thence South 85°18'31" East along said gravel road centerline for 113.99 feet to a 1/2 inch rebar;
Thence South 61°00'06" East along said gravel road centerline for 112.70 feet to a 1/2 inch rebar;
Thence South 45°47'12" East along said gravel road centerline for 145.48 feet to the True Point of Beginning.

Tract No. 3:

Part of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 31, more particularly described as follows:
Beginning at the Southeast corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 31, said point marked by a 5/8 inch rebar; Thence North 88°31'11" West along the 1/16th section line for 650.00 feet to a 1/2 inch rebar which shall be the True Point of Beginning;
Thence North 88°31'11" West along the 1/16th section line for 332.79 feet to a 1/2 inch rebar;
Thence North 66°27'20" East for 258.59 feet to a P.K. nail;
Thence South 40°31'03" East for 147.19 feet to the True Point of Beginning.

Section 31:

Part of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 31, more particularly described as follows:
Beginning at the Northeast corner of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 31, said point marked by a 5/8 inch rebar which shall be the True Point of Beginning;
Thence South 0°47'27" West along the Section line for 210.80 feet to a 1/2 inch rebar on the centerline of a gravel road;
Thence North 45°09'24" West along the centerline of a gravel road for 306.99 feet to a 1/2 inch rebar on the North line of the SE $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence South 88°31'11" East along the 1/16th section for 220.65 feet to the True Point of Beginning.

Section 32:

ALL, EXCEPT the following described tract:

Beginning at the Northwest corner of said Section 32; thence South $49^{\circ}23'$ East for 1236.95 feet to a point on the centerline of a county road; thence South $79^{\circ}16'53''$ East for 237.45 feet to a point which is a steel pin and shall be the True Point of Beginning;
Thence South $79^{\circ}16'53''$ East for 1104.94 feet to a point;
Thence North $79^{\circ}00'57''$ East for 107.58 feet to a point;
Thence North $61^{\circ}44'57''$ East for 194.0 feet to a point;
Thence South $28^{\circ}37'06''$ East for 1923.88 feet to a point;
Thence West for 779.57 feet to a point;
Thence North $40^{\circ}09'55''$ West for 2331.91 feet to the True Point of Beginning.

EXCEPTING FROM said Sections 29, 31 and 32, the following described tract:

Beginning at a point 901.6 feet North $89^{\circ}55'$ East from the Southwest corner of said Section 29;
Thence North $34^{\circ}11'$ East 142.5 feet;
Thence North $54^{\circ}36'$ East 1145.35 feet;
Thence North $27^{\circ}26'$ East 1321.4 feet;
Thence North $76^{\circ}33'$ East 1262 feet;
Thence North $38^{\circ}16'$ East 345 feet, more or less, to a point 100 feet South of the Northwest corner of the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 29;
Thence South 62.6 feet;
Thence South $38^{\circ}16'$ West 344 feet;
Thence South $76^{\circ}33'$ West 1212 feet;
Thence South $27^{\circ}26'$ West 1271.4 feet;
Thence South $54^{\circ}36'$ West 1145.35 feet;
Thence South $34^{\circ}11'$ West 375.6 feet;
Thence South $51^{\circ}00'$ West 507 feet;
Thence South $41^{\circ}04'$ West 391 feet;
Thence South $65^{\circ}37'$ West 1170 feet;
Thence North $47^{\circ}46'$ West 50 feet;
Thence North $65^{\circ}37'$ East 1170 feet;
Thence North $41^{\circ}04'$ East 391 feet;
Thence North $51^{\circ}00'$ East 507 feet;
Thence North $34^{\circ}11'$ East 233 feet to the Point of Beginning.

Section 33:

All

Section 34:

All

SAVE AND EXCEPTING from Sections 27, 28, 33 and 34 the following described tracts:

TRACT NO. 1:

Beginning 1320 feet North of the Southeast corner of said Section 33;
Thence North 1020 feet;
Thence West 370 feet;
Thence North 300 feet;
Thence West 2552 feet;
Thence South 60 feet;
Thence East 2502 feet;
Thence South 300 feet;
Thence East 370 feet;
Thence South 970 feet;
Thence East 50 feet to the Point of Beginning.

(This tract being deeded to the Albion highway District by a Deed dated May 26, 1932 and recorded September 10, 1943 as Instrument No. 146042 in Book 48 of Deeds, Page 378, records of Cassia County, Idaho.)

TRACT NO. 2:

Beginning at the North Quarter corner of Section 33;
Thence West 50 feet;
Thence South 2°53' West 2662.5 feet, more or less, to a point on the East and West subdivision line of said Section, said point being 212.4 feet West of center corner of Section 33;
Thence East 50 feet;
Thence North 2°53' East 2662.5 feet to the Point of Beginning.

(This tract being deeded to the Burley Highway District by a Deed dated May 10, 1932 and recorded June 29, 1932 as Instrument No. 105732 in Book 42 of Deeds, Pages 372 and 373, records of Cassia County, Idaho.)

TRACT NO. 3:

Beginning at the Quarter corner between Sections 28 and 33;
Thence North 25 feet;
Thence East 4020 feet;
Thence South 50 feet;
Thence West 4020 feet;
Thence North 25 feet to the Point of Beginning.

(This tract being deeded to the Burley Highway District by a deed dated March 22, 1963 and recorded November 5, 1963 as Instrument No. 15462 on Film No. 23, records of Cassia County, Idaho.)

Section 35:

W $\frac{1}{4}$ SW $\frac{1}{4}$. SW $\frac{1}{4}$ NW $\frac{1}{4}$

TOWNSHIP 10 SOUTH, RANGE 26 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 19: Part of the SW $\frac{1}{4}$ SW $\frac{1}{4}$, more particularly described as follows:

Beginning at the Southwest corner of said Section 19, said corner being marked by a 5/8 inch rebar which shall be the Point of Beginning;
Thence North 00°02'12" West along section line for a distance of 288.27 feet to a 1/2 inch rebar on the South right of way of State Highway 81;
Thence South 59°09'16" East along the South right of way of State Highway for a distance of 562.26 feet to a 1/2 inch rebar on the South line of Section 19;
Thence North 89°59'54" West along the South line of Section 19 for a distance of 482.54 feet to the Point of Beginning.

Section 29: All that part of the N $\frac{1}{2}$ SW $\frac{1}{4}$ lying South and West of U.S. Highway No. 30 South.

Section 29: That part of the S $\frac{1}{2}$ S $\frac{1}{2}$ lying South and West of U.S. Highway No. 30 South, to-wit:

Section 30: That part of the following described parcel (Tax Number 1025) which lies South and West of U.S. Highway No. 30 South, to-wit:
Beginning at the Northeast corner of the NW $\frac{1}{4}$ of said Section 30;
Thence South 1320 feet;
Thence West 648 feet;
Thence Northwesterly to the Northwest corner of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 30;
Thence East to the Point of Beginning.

Section 30: NE $\frac{1}{4}$ lying South and West of U.S. Highway No. 30 South.

Section 30: All that part of the N $\frac{1}{2}$ SE $\frac{1}{4}$ lying South and West of U.S. Highway No. 30 South.

Section 30: SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ EXCEPT railroad right of way, and the E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 30: Lots 1, 2, and 3, EXCEPT highway right of way and railroad right of way, AND EXCEPTING THEREFROM that portion in the Northeast corner of said Lot 1 lying North and East of State Highway No. 30 South.

Section 30: NE $\frac{1}{4}$ SW $\frac{1}{4}$, EXCEPT railroad right of way.

Section 30: That part of the following described parcel (Tax No. 1024) which lies South and West of U.S. Highway No. 30 South, to-wit:

Beginning at the Northwest corner of the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of said Section 30;
Thence South 1320 feet;
Thence East 660 feet;
Thence Northwesterly to the Point of Beginning, EXCEPTING railroad right of way.

Section 30:

SE $\frac{1}{4}$ NW $\frac{1}{4}$, EXCEPT railroad right of way

ALSO EXCEPTING AND RESERVING a right of way two rods wide extending East and West along the South side of the land above described, said right of way to be used for road purposes and an electric power line.

Section 30:

E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

EXCEPT railroad right of way AND EXCEPTING that portion of the above described property dedicated for public use as shown on the recorded plat of Cotterel Townsite.

• Section 31:

E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

EXCEPT railroad right of way AND EXCEPTING that portion of the above described property dedicated for public use as shown on the recorded plat of Cotterel Townsite.

Section 32:

S $\frac{1}{2}$, NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, EXCEPT railroad right of way.

Section 32:

All that part of the E $\frac{1}{2}$ NE $\frac{1}{4}$ lying South and West of U.S. Highway No. 30 South.

Section 33:

All that part of the W $\frac{1}{2}$ lying South and West of U.S. Highway No. 30 South, EXCEPTING THEREFROM the following described tract:

Beginning at a point where the East boundary line of the W $\frac{1}{2}$ of said Section 33, Township 10 South, Range 26 East of the Boise Meridian, intersects the Southwest right-of-way line of U.S. Highway No. 30 South;
Thence South along the said East boundary line 990 feet;
Thence North 59° 15' West parallel to the South right-of-way line of U.S. Highway No. 30 South, a distance of 2640 feet;
Thence North parallel with the said East boundary line 990 feet to the Southwest right-of-way line of U.S. Highway No. 30 South;
Thence Southeasterly along said right-of-way a distance of 2640 feet to the Point of Beginning.

Section 33:

Beginning at a point where the East boundary line of the W $\frac{1}{2}$ of said Section 33 intersects the Southwest right-of-way line of U.S. Highway No. 30 South;

Thence South along the said East boundary line 990 feet;
Thence North 59° 15' West parallel to the South right-of-way line of U.S. Highway No. 30 South, a distance of 2640 feet;
Thence North parallel with the said East boundary line 990 feet to the Southwest right-of-way line of U.S. Highway No. 30 South;
Thence Southeasterly along the said right-of-way a distance of 2640 feet to the Point of Beginning.

TOWNSHIP 11 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 24: N $\frac{1}{2}$ and NE $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 11 SOUTH, RANGE 25 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 2: SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$

Section 3: All

Section 4: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Section 5: E $\frac{1}{2}$ NE $\frac{1}{4}$ and West Half of Lot 4

Section 6: Lot 1

Section 7: SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 8: S $\frac{1}{2}$

Section 9: S $\frac{1}{2}$ N $\frac{1}{2}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 10: ALL

Section 11: W $\frac{1}{2}$

Section 14: NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

Section 15: ALL, EXCEPT SW $\frac{1}{4}$ SW $\frac{1}{4}$

Section 16: All

Section 17: W $\frac{1}{2}$

Section 18: E $\frac{1}{2}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$

Section 19: Lots 1 and 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ and NE $\frac{1}{4}$ SE $\frac{1}{4}$ AND SE $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 20: S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 22: NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$

Section 29: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 29:

Part of the SE $\frac{1}{4}$, more particularly described as follows:

Beginning at the Southeast corner of said Section 29, said corner marked by a $\frac{5}{8}$ inch rebar which shall be the Point of Beginning;
Thence North 89°38'32" West along section line for 1511.20 feet to a $\frac{1}{2}$ inch rebar;
Thence North 14°03'08" East for 30.37 feet to a $\frac{1}{2}$ inch rebar;
Thence North 27°52'13" East for 226.46 feet to a $\frac{1}{2}$ inch rebar;
Thence North 50°26'40" East for 101.28 feet to a $\frac{1}{2}$ inch rebar;
Thence North 27°27'34" East for 449.80 feet to a $\frac{1}{2}$ inch rebar;
Thence North 32°53'45" East for 857.51 feet to a $\frac{1}{2}$ inch rebar;
Thence North 19°14'26" East for 587.88 feet to a $\frac{1}{2}$ inch rebar;
Thence North 78°17'51" East for 454.81 feet to a $\frac{1}{2}$ inch rebar on section line;
Thence South 0°13'00" East along section line for 2070.17 feet to the Point of Beginning.

Section 30:

Part of the NW $\frac{1}{4}$ NE $\frac{1}{4}$, more particularly described as follows:

Beginning at the Southwest corner of said NW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence East along the South line to the Southeast corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence North along the East line to the Northeast corner of the NW $\frac{1}{4}$ NE $\frac{1}{4}$;
Thence Southwesterly to the Point of Beginning.

Section 30:

E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$

Section 31:

E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$

Section 32:

W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$

TOWNSHIP 11 SOUTH, RANGE 26 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 5: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, EXCEPT railroad right of way.

Section 6: Lots 1 and 2.

Section 8: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$.

Section 9: SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, EXCEPT railroad right of way.

TOWNSHIP 12 SOUTH, RANGE 24 EAST OF THE BOISE MERIDIAN,
CASSIA COUNTY, IDAHO

Section 14: NE $\frac{1}{4}$ SE $\frac{1}{4}$

WATER RIGHT NO.	SOURCE	PRIORITY DATE	CFS
A45-241	Marsh Creek	4-12-1892	3.20
A45-257	Marsh Creek	4-12-1892	24.90
A45-258	Land Creek	3-01-1875	2.00
A45-259B	Rose Creek	3-01-1875	.60
A45-261	Marsh Creek	3-31-1882	1.00
A45-262	Marsh Creek	11-30-1879	1.20
A45-263	Marsh Creek	4-16-1881	1.20
A45-264	Marsh Creek	7-21-1884	1.20
A45-265	Marsh Creek	6-25-1887	9.60
A45-267	Marsh Creek	6-05-1875	1.00
A45-268	Marsh Creek	5-30-1879	2.67
A45-269	Marsh Creek	4-20-1881	10.00
A45-270	Marsh Creek	4-20-1881	10.00
A45-281	Marsh Creek	4-30-1873	3.20
A45-282	Marsh Creek	4-30-1874	2.00
A45-298	Marsh Creek	4-01-1881	.80
A45-302	Marsh Creek	3-31-1882	.80
A45-307D	Marsh Creek	4-01-1873	.60
A45-308A	Marsh Creek	3-01-1875	1.08
A45-318	Marsh Creek	4-01-1885	3.20
A45-328	Howell Creek	3-10-1881	3.20
A45-527	Marsh Creek	3-31-1878	.90
A45-13503	Marsh Creek	4-12-1892	33.64
A45-2454	Well	8-18-1953	2.96
A45-2625	Well	9-29-1960	2.39
A45-2738	Well	3-06-1967	1.80
A45-7021	Well	12-01-1967	1.55
A45-7024	Well	2-01-1968	6.00
A45-7031	Well	7-24-1968	10.52
A45-13507	Well	8-25-1969	

EXHIBIT B

297591

CASSIA COUNTY, IDAHO
LARRY A. MICKELSEN
RECORDER

FEE 39.00 DEPUTY 26

2001 AUG 20 PM 4 16

RECORDED AT THE REQUEST OF
Valano & Smith

EXHIBIT “D”

HERALD O. JOHNSON
CERTIFIED PUBLIC ACCOUNTANT
5955 FARDOWN COURT
HOLLADAY, UTAH 84121-1417
801-277-0613

Accountants Report

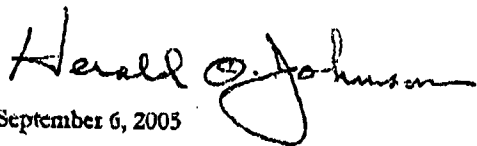
Six S Ranch, LLC
1354 East Six S Ranch Road
Declo, Idaho 83323

I have reviewed the accompanying balance sheet of Six S Ranch, LLC as of August 31, 2005 and the related statement of Income and Retained Earnings, and Cash flows for the Eight month period ending August 31, 2005 then ended in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Six S Ranch LLC.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statement taken as a whole. Accordingly, I do not express an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principals. The accompanying supplementary information, which is presented supplementary analysis purpose, has been subjected to the same inquiry and analytical review procedures applied in the review of the basic financial statements. I did not become aware of material modifications that should be made to the supplementary information.


September 6, 2005

**Six S Ranch LLC
Balance Sheet
As of August 31, 2005**

Cash Basis

	<u>Aug 31, 05</u>
ASSETS	
Current Assets	
Checking/Savings	
DL Evans Bank - General	849,470.93
DL Evans Bank - Petty Cash Ck	3,809.80
DL Evans Payroll Account	24,774.85
Total Checking/Savings	878,055.58
Other Current Assets	
Construction in Progress	419,556.29
Suspense	25,558.47
Work-In-Process	14,218.32
Total Other Current Assets	459,633.08
Total Current Assets	1,337,688.66
Fixed Assets	
Accumulated Depreciation	-164,338.00
ATV's	2,450.00
Buildings	1,419,965.52
Cattle Equipment	12,650.00
Construction Equipment	94,500.00
Dams & Wetland Dikes	1,174,890.70
Deep Wells/Pumps/Panels	62,066.00
Fence	514,917.00
Furniture & Fixtures	1,855.00
Irrigation Equipment	39,820.00
Land	4,050,010.00
Lawn Equipment	17,230.00
Machinery & Equipment	47,483.18
Motors	10,600.00
Pick-up Trucks	42,475.00
Pivots	451,890.21
Shop Equipment	11,416.44
Tractors	20,050.00
Trailers	12,300.00
Trucks	51,500.00
Total Fixed Assets	7,873,631.05
TOTAL ASSETS	<u><u>9,211,319.71</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Contract Obligations	74,457.10
Health Insurance Liability	1,557.10
Payroll Liabilities	-5,469.39
Total Other Current Liabilities	70,544.81
Total Current Liabilities	70,544.81
Total Liabilities	70,544.81
Equity	
Partner Equity-CSL	2,290,197.32
Partner Equity-DLS	2,290,197.33
Partner Equity-LSB	2,290,197.33
Partner Equity-MSS	2,290,197.33
Retained Earnings	-26,002.69
Net Income	5,988.28
Total Equity	9,140,774.90
TOTAL LIABILITIES & EQUITY	<u><u>9,211,319.71</u></u>

Six S Ranch LLC
Profit & Loss
 January through August 2005

Cash Basis

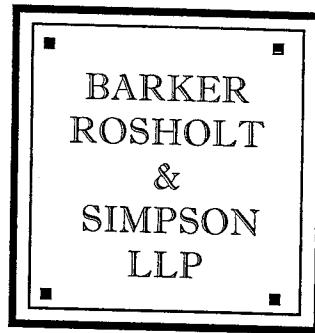
	<u>Jan - Aug 05</u>
Ordinary Income/Expense	
Income	
Crops	194,287.43
Pasture Rent	38,430.26
Total Income	<u>232,717.69</u>
Gross Profit	232,717.69
Expense	
Auto and Truck	10,549.35
Bank Service Charges	129.75
Cats - Vet & Food	434.58
Chemicals	13,311.59
Cleaning	187.19
Dues and Subscriptions	13.00
Fertilizers	4,084.40
Fuel	7,726.81
Fuel - Off Road Diesel	7,611.32
Grazing Fees	1,023.52
Insurance	5,707.55
Irrigation	209.84
Landscaping & Yard Care	950.49
Licenses and Permits	1,553.25
Machine Hire	2,861.00
Miscellaneous	261.23
Office Supplies	1,133.39
Payroll Expenses	70,649.22
Postage and Delivery	262.01
Professional Fees	7,995.13
Repairs	28,318.13
Spraying	21,088.95
Supplies	314.08
Taxes	20,539.27
Telephone	877.64
Travel & Ent	53.27
Utilities	29,282.12
Total Expense	<u>235,078.04</u>
Net Ordinary Income	-2,360.35
Other Income/Expense	
Other Income	
Discounts taken	2,526.96
Gravel Sales	4,149.00
Other Income	1,269.80
Patronage Dividend	635.34
Refunds & Reimbursements	587.38
Rental of Living Quarters	3,150.00
Sale of Assets	3,650.00
Total Other Income	<u>15,878.18</u>
Other Expense	
Other Expenses	7,529.55
Total Other Expense	<u>7,529.55</u>
Net Other Income	<u>8,348.63</u>
Net Income	<u><u>5,988.28</u></u>

Six S Ranch LLC
Statement of Cash Flows
 January through August 2005

	<u>Jan - Aug 05</u>
OPERATING ACTIVITIES	
Net Income	5,988.28
Adjustments to reconcile Net Income to net cash provided by operations:	
Construction in Progress:Point-of-Rocks Reservoir	-6,389.13
Construction in Progress:PoR Dam, Wetlands, & Ponds	-69,739.49
Suspense	-25,958.47
Work-in-Process:Water Adjudication	-168.08
Health Insurance Liability	1,557.10
Payroll Liabilities:Federal Income Tax Deposits	-12,481.81
Payroll Liabilities:Federal Income Taxes WH	3,627.00
Payroll Liabilities:Idaho Income Taxes WH	348.81
Payroll Liabilities:Medicare Taxes WH	807.13
Payroll Liabilities:Simple IRA Deductions	-1,513.92
Payroll Liabilities:Social Security Taxes WH	3,545.40
Net cash provided by Operating Activities	-100,159.18
INVESTING ACTIVITIES	
Buildings:1354 Six S Ranch Rd	-2,985.52
Dams & Wetland Dikes:Point of Rocks Dam:Point of Rocks - Change Orders	3,700.00
Dams & Wetland Dikes:Point of Rocks Dam:Point of Rocks Dam-Original Bid	-148,644.40
Machinery & Equipment:Machinery & Equip Cost	-8,778.18
Pick-up Trucks	-250.00
Pick-up Trucks:Trucks	-23,475.00
Pivots:Pivots Cost	-5,189.21
Shop Equipment:Shop Equip Cost	-211.44
Net cash provided by Investing Activities	-185,811.75
Net cash increase for period	-285,070.93
Cash at beginning of period	1,164,026.51
Cash at end of period	<u>878,055.58</u>

EXHIBIT “E”

*John A. Rosholt
Albert P. Barker
John K. Simpson
Travis L. Thompson
Shelley M. Davis
Paul L. Arrington*



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September 22, 2005

Board of Commissioners
Cassia County
1459 Overland Ave.
Burley, Idaho 83318

Re: Six S Ranch LLC Application for Water Right Permit No. 45-13852

Dear Board of Commissioners:

This firm represents Six S Ranch LLC with regards to the above application for permit that was recently filed with the Idaho Department of Water Resources ("Department"). As set forth below, the Department's water appropriation rules require Six S Ranch to seek your comments on the application:

The Applicant shall seek comment and shall submit all letters of comment on the effects of the construction and operation of the proposed project from the governing body of the city and/or county and tribal reservation within which the point of diversion and place of use are located, the Idaho Department of Fish & Game, the Idaho Department of Environmental Quality, and any irrigation district or canal company within which the proposed project is located and from other entities as determined by the director.

IDAPA 37.03.08.040.g

The application seeks a water right permit for purposes of constructing and operating two sediment catchment basins located adjacent to Marsh Creek on Six S Ranch's property east of Declo, Idaho. The proposed use is non-consumptive since water diverted from Marsh Creek will be immediately returned after passing through the sediment catchment basin. The project is part of Six S Ranch's efforts to remove silt and sediment and improve water quality in the lower Marsh Creek watershed. Once implemented, the project will improve water quality and fish and wildlife habitat in Marsh Creek.

For your information and review I have enclosed copies of the application for permit (Exhibit A), the design plans for the sediment catchment basins (Exhibit B), and letters from Six S Ranch's engineers describing the purpose and proposed operations of the project (Exhibit C).¹

Please contact me at 733-0700 if you have any questions on the proposed project or the water right application. Also, feel free to contact Corey Skinner (736-3033) at the Department if you have any questions about its requirements. Thank you for your attention to this matter and I look forward to receiving your comments.

Sincerely,

BARKER ROSHOLT & SIMPSON LLP



Travis L. Thompson

Enc.

cc: Mark Skaggs / Pat McCammon (Six S Ranch LLC)

¹ Please disregard the comments in Bruce Lium's August 31, 2004 letter on transfer application no. 71402. That application was recently withdrawn and Six S Ranch is currently working on new designs for the proposed wetlands.