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**DEPARTMENT OF
WATER RESOURCES**

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April 5, 2005

Ms. Kandice McDermott
Records Analyst
Department of Water Resources
327 East Front Street
P.O. Box 83720
Boise, ID 83720-0098

Re: Your letter of March 10, 2005, Water Right Nos. 74-4028, 74-4029, 74-4030 and 74-4031.

Dear Ms. McDermott:

I am writing on behalf of my client, Eagle Valley Ranch, LLC. This letter will follow up our telephone conversation on April 5, 2005.

I received a copy of your letter, originally directed to Eagle Valley Ranch, LLC at its Salmon, Idaho home office. I have now had the opportunity to obtain copies of appropriate documents from Alliance Title, in Salmon, Idaho and analyze matters.

It now appears that you are correct with respect to Water Right Nos. 74-04028, 04029 and 04031. With respect to Right Nos 74-04028 and 74-04029 these are located on land owned by other individuals in small acreages in that area. Right No. 74-04031 appears to be part of a BLM permit associated with land that my client acquired from some folks by the name of Jackson. Since they now are the holder of that BLM permit, it should pose no further problem.

With regard to Water Right No. 74-04030, this is a water right associated with land my clients originally bought from Swahlen Ranch Limited Partnership. This transaction occurred on in May, 2003.

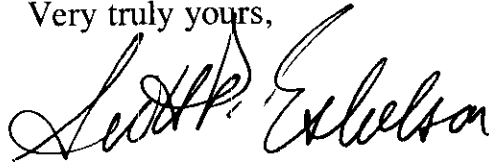
Ms. Kandice McDermott
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I will include with this letter a copy of Instrument No. 254515, records of Lemhi, County, Idaho. This is the Deed from Swahlen Ranch to my client, Eagle Valley Ranch, LLC. Please note in the legal description that I have drawn an arrow to the pertinent section, that is, Township 21 N., Range 23 E.B.M., Section 22: N1/2NE1/4NE1/4.

I also will include a copy of a map prepared by our surveyors, Anderson Consulting Engineers, that outlines the boundaries of the Swahlen Ranch. I have included that portion of the map which indicates the location of this land.

I believe this responds adequately to your letter of March 10, 2005, but if further action needs to be taken, please advise. Otherwise, I will appreciate receiving a copy of the completed transfer so that I may keep my files up to date and complete.

Very truly yours,

A handwritten signature in black ink, appearing to read "Scott P. Eskelson". The signature is fluid and cursive, with the first name "Scott" being more prominent.

Scott P. Eskelson

Enclosure

cc: Mike Kossler
Nikos Monoyios
Valerie Brackett
Mark Norem