

FAX TRANSMISSION RECORD

Bureau of Reclamation
Pacific Northwest Region
1150 North Curtis Road, Suite 100
Boise, ID 83706-1234

RECEIVED**APR 04 2004****DEPARTMENT OF WATER RESOURCES****From: E. Gail McGarry**

PN-3100, Program Manager, Water Rights and Acquisition
Phone: 208-378-5306 Fax: 208-378-5305

Date: 4-4-04**To: Cynthia Clark**

Fax/Phone Number: 327-7866

Number of pages including this sheet: 5

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Comments:

Cynthia,

Here is the authorization for Blaine Hulet/Huey farms

Gail

**RINGERT
CLARK**
CHARTERED
LAWYERS

March 18, 2004

****Transmitted by Facsimile****

Ms. Gail McGarry
Ms. Ruth Page
Bureau of Reclamation
Pilot Water Leasing Program
1150 North Curtis Road
Boise, Idaho 83706
Fax: (208)378-5305

Re: Murphy Flats Water Company

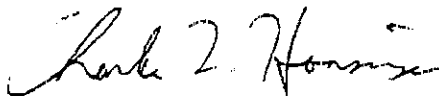
Dear Ms. McGarry and Ms. Page:

This correspondence will clear up the confusion you expressed to me regarding my correspondence of yesterday, March 17, 2004.

The Resolution passed by the Board of Directors of the Murphy Flats Water Company is not intended to apply to Blaine Hulet's 2004 application to place Company water rights into the Bureau of Reclamation's Pilot Leasing Program - so long as that Application as amended remains within the limits of the original Application. However, as the Resolution states, in the future, only those who are Company shareholders, or who have entered into a lease with the Company may use the Company's water rights - this requirement will, of course, apply to 2005 applications to place the Company's water rights in the Pilot Leasing Program, if such program exists at that time.

Please feel free to contact me regarding this correspondence.

Sincerely,



Charles L. Honsinger

enclosures

cc: Client
Blaine Hulet

Laura E. Dumi
Jeffrey K. Christensen
David P. Claiborne
D. Blair Clark
Michael J. Doolittle
S. Bryce Farris
David Hammarquist
Charles L. Honsinger
Joseph M. Jones
James P. Kaufman
Jennifer Reid Mahoney
James G. Reid
Daniel V. Steenson
Alynn L. Sweeney
William P. Ringen, of Counsel
Samuel Kaufman (1991-1996)

WTR 4.10

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RINGERT
 CLARK
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LAWYERS

BUREAU OF RECLAMATION
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MAR 18 '64

March 17, 2004

Laura E. Buri
Jeffrey R. Christenson
David P. Clalborne
D. Blair Clark
Michael J. Doolittle
S. Bryce Farris
David Hammerquist
Charles L. Honsinger
Joseph B. Jones
James P. Kaufman
Jennifer Reid Mahoney
James G. Reid
Daniel V. Stenson
Alynn L. Sweeney

William F. Ringer, of Counsel
Samuel Kaufman (1921-1986)

CONTROL #: 4-260
FOLDER #: 8227-2

Ms. Ruth Page
Bureau of Reclamation
Pilot Water Leasing Program
1150 North Curtis Road
Boise, Idaho 83706

Re: **Murphy Flats Water Company's Authorization to Place Water Rights in Pilot Leasing Program**

Dear Ms Page:

This law firm represents the interests of the Murphy Flats Water Company. I enclose with this correspondence an Authorization which permits the water rights owned by the Murphy Flats Water Company which are appurtenant to lands owned by Blaine Hulet to be placed in the Bureau of Reclamation's Pilot Leasing Program.

As you are aware, Blaine Hulet is neither a shareholder in the Company, nor has he entered into a written lease for his use of the Company's water rights. Michael B. Ihli, the Treasurer/Secretary of the Murphy Flats Water Company, informs me that the Bureau of Reclamation has previously required any individual or entity attempting to place water rights owned by the Murphy Flats Water Company into the Pilot Leasing Program to either be a shareholder in the Company, or to have entered into a written lease with the Company. The Bureau's policy is consistent with Idaho Code Section 9-503 which requires that transfers of real property (including water rights) must be in writing, and echoes the resolution recently passed by the Company's Board of Directors. That resolution provides that users of Company water rights must either be shareholders, or must enter into a written lease agreement with the Company for the use of its water rights. A copy of the same is enclosed for your records.

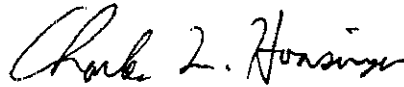
Based upon the Board's resolution, it is the Company's position that all future actions relating in any way to its water rights, including placement of its water rights into the Bureau's Pilot Leasing Program must be undertaken only by shareholders, or those entities or individuals who have entered into a written lease with the Company. Unless either my client or I hear otherwise from you, it will be our understanding that you will require that individuals or entities attempting to place the Company's water rights in the Pilot Leasing Program be either lessees (pursuant to a written lease) or shareholders. In addition to this requirement, the Company also requires that its shareholders/lessees be current on assessments prior to applying to the Bureau of

Ruth Page
March 17, 2004
Page 2

Reclamation to place Company water rights in the Pilot Leasing Program. The authorization included with this correspondence has been delayed because of Blaine Hulet's failure to pay his assessments in a timely manner.

Please feel free to contact me regarding this correspondence

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles L. Honsinger".

Charles L. Honsinger

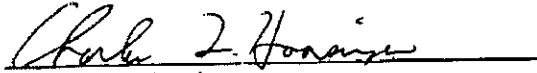
enclosures

cc: Client
Blaine Hulet

AUTHORIZATION

THE MURPHY FLATS WATER COMPANY, INC does hereby authorize BLAINE HULET to enter land owned by him with water rights owned by Murphy Flats Water Company, Inc into the Bureau of Reclamation Snake River Pilot Leasing Program. Said lands are located in Township 3 South, Range 1 West, Boise Meridian, Owyhee County

Date: March 17, 2004

A handwritten signature in cursive script, appearing to read "Charles L. Honsinger", is written over a horizontal line.

Charles L. Honsinger

Attorney In Fact for the Murphy Flats Water Company, Inc.