

WARM SPRINGS DITCH COMPANY
280 E. CORPORATE DRIVE, STE. 200
MERIDIAN, IDAHO 83642
208-884-2002

February 7, 2005

S. Bryce Farris
Ringert Clark Chartered
455 S. Third, PO Box 2773
Boise, Idaho 83701

Dear Bryce,

On January 14, 2004, Drainage District 4 (DD4) through their attorney Ringert Clark Chartered, filed a protest on application for transfer 70620 filed by Warm Springs Ditch Company, citing an interest/ownership in claim 63-31728, as listed by Warm Springs Ditch Co.

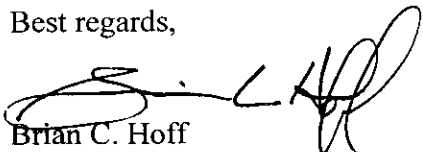
Since that time, Mel Schulte of the Idaho Department of Water Resources (IDWR) has provided review of the water rights in the Warm Springs Ditch Company service area in preparation for a recommendation to the SRBA court. As of the date of this letter, claim 63-31728 was recommended to be disallowed by IDWR because the right claimed is recommended pursuant to another right (63-31936 owned by DD4).

At a pre-hearing meeting on December 17, 2004 at IDWR, a solution to DD4's protest was made such that if Warm Springs Ditch Company will remove claim 63-31728 from the application for transfer, DD4 will withdraw their protest. Therefore, an amended application for transfer was filed with IDWR on February 7, 2005 to satisfy that agreement. A copy of the amended transfer is attached to this letter. It is understood that the current rights for 2.55 cfs of delivery to Warm Springs Canal will continue as before under DD4's claim 63-31936.

Warm Springs Ditch Company looks forward to the protest being withdrawn in order for the processing of the transfer to resume.

If there are any questions, please call me.

Best regards,


Brian C. Hoff
President, Warm Springs Ditch Company

Cc: IDWR, Western Regional Office, Attn: Lori Graves
ERO, Attn: Steve Hannula