



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

FAX (208) 334-2348

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

August 31, 2004

ERO RESOURCES CORP
ATTN STEVE HANNULA
1106 N COLE RD SUITE C
BOISE ID 83704-8661

***RE: APPLICATION FOR PERMIT AND TRANSFER FOR LANCE
HESS***

Dear Mr. Hannula:

Our office received an application for permit and application for transfer for Lance Hess on 6-3-2004. There are couple of issues that I need to clarify, before I can continue with processing.

These applications are for Fish Propagation and wildlife and storage. Typically, Fish Propagation is a use for a commercial fish production operation. Generally, we use Recreation, and Recreation storage for fishponds and lakes designed for fishing or other types of recreation. Using these definitions, would your client use be considered Fish Propagation or Recreation and Recreation Storage?

The pond dimensions (surface area and depth) were not included on the application. Please supply us with the width → length → and depth of the pond (s). You may also use the surface area and depth.

Information on the ponds is a little vague. Will these ponds consist of a flow through system or a fill and maintain water level type system? From the description on the transfer is seems as though the water will be moved back and forth between the ponds. If this is the case, will the water be moved between the ponds by ditch or pipeline?

The transfer looks as though the applicant would like two separate water rights. This would be necessary if they are two separate systems. Is a new point of diversion being requested or are these delivered through the same ditch system? If they are delivered through the same ditch system, then it might be best to keep these as a single water right instead of splitting the current right into two separate water rights.

Page 2

Hess

The above items will be needed to begin processing this application. Please provide me with the additional information so review can continue. With this new information, I will be able to actually look at the application and determine which path would be best from this point forward.

The Department will hold further processing of your application for 30 days to allow submittal of the required information. Additional time may be granted by the Department upon receipt of a written request and sufficient justification for an extension. After that time, if adequate information is not received, the Department will issue a preliminary order to reject or deny the application.

If you have any questions or concerns please contact me at the above address.

Respectfully,

A handwritten signature in black ink, appearing to read "Daniel A. Nelson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Daniel A. Nelson

Sr. Water Right Agent