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June 17, 2004

Sent via facsimile

Randy Budge
Racine, Olson, Nye, Budge & Bailey
477 Shoup Avenue, Suite 203A
Idaho Falls, Idaho 83402

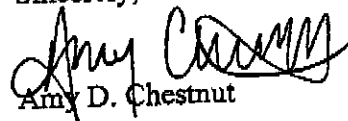
Re: Protest to Application for Transfer No. 70663, Andrew Povey

Dear Mr. Budge:

In light of the recent position by the Department of Water Resources, as indicated by Gary Spackman pursuant to phone conversation today, discovery can not be authorized without an order from the Department. A conference call is apparently being scheduled to further discuss this issue and determine how to proceed in light of the hearing date set for July 1. Therefore, it appears that all discovery requests and responses should be stayed until this issue is resolved.

Notwithstanding the Department's position, at this time, the Protestants Twin Falls Canal Company and North Side Canal Company generally object to and deny the requests for admission.

Sincerely,


Amy D. Chestnut

cc: Gary Spackman, IDWR
Kathleen Carr, USBR
Roger Ling