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November 8, 2004

VIA E-MAIL - jeff.peppersack@idwr.idaho.gov

ORIGINAL WILL NOT FOLLOW

Mr. Jeff Peppersack
IDAHO DEPARTMENT OF WATER RESOURCES
322 E. Front Street
P. O. Box 83720
Boise, ID 83720

***Re: Ralph Lapham/Lot 7, Block 2 Bellevue Farms Subdivision, Blaine County,
Idaho/ Water Right No. 37-2557V
Our File No. 1237/040151***

Dear Jeff:

I represent Mr. Ralph Lapham in his purchase of the above-described property in Blaine County, Idaho from Michael and Alison Depp. As we discussed by telephone earlier today, Water Right No. 37-2557V was created by Transfer No. 5062 issued to the Depps in May, 1998. The original licensed water right included the land that was subdivided into Lot 7 in its place of use. The Transfer simply split the water right and changed the point of diversion for the split-off portion. The SRBA claim for this water rights was also split and amended to reflect the approved Transfer.

Condition No. 5 of approval of the Transfer required that the authorized change be accomplished within one (1) year of the date of approval, i.e. on or before May 18, 1999. Although a well was drilled at the new point of diversion, an irrigation system was never installed and, therefore, this condition has not been met.

My client is only interested in purchasing the property if he can proceed to use the water right as transferred. It is his full intention to install an irrigation system and begin irrigating the entire ten acres next summer. Therefore, please consider this letter a request, on behalf of my client, to extend the time in which he can accomplish the changes authorized by Transfer No. 5062 to November 1, 2005.

Mr. Jeff Peppersack

November 8, 2004

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Mr. Lapham must waive the contingencies in his contract to purchase this property by the close of business on November 10, 2004. If it is at all possible for you to review this matter and issue the appropriate order by this deadline Mr. Lapham and I will be most appreciative! Please call me right away should you have any questions.

Thank you.

Sincerely yours,

SPECK & AANESTAD
A Professional Corporation

A handwritten signature in black ink, appearing to read "Jim", written over the printed name of James P. Speck.

James P. Speck

JPS/j

cc: client

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