

PARSONS, SMITH & STONE, LLP

ATTORNEYS AT LAW

137 WEST 13TH STREET

P. O. BOX 910

BURLEY, IDAHO 83318

WILLIAM A. PARSONS
RICHARD K. SMITH
RANDOLPH C. STONE
LANCE A. LOVELAND
DAVID F. SHIRLEY

TELEPHONE
(208) 878-8382

FAX NO.
(208) 878-0146

pss@pmt.org

RECEIVED

APR 28 2003

Department of Water Resources

April 25, 2003

Mr. L. Glen Saxton
Department of Water Resources
1301 North Orchard
P. O. Box 83720
Boise, ID 83720-0098

RE: 45-07727 and 45-07360
Our File No. 15999.960010

Dear Glen:

It's been some time since we've corresponded relative to the water subject to the above numbers.

As the file will reflect there was a Stipulation entered into between Tony Thompson and the Oakley Canal Company and Shoulder 3 Ranches, Inc. back in 1996. Subsequently the Department issued a permit for certain fish propagation, domestic and commercial. There was not any substantive compliance with the Stipulation, nor the terms and conditions of your permit. Tony Thompson subsequently filed bankruptcy in Utah as Case No. 02-34096. I have a letter from R. Kimbell Mosier that any interest in property of Tony Thompson was abandoned and not a part of the estate. Since that time, of course, there has been even less activity on the site and in fact almost nonexistent.

On behalf of Oakley Canal Company and Shoulder 3 Ranches, Inc. we respectfully request that you implement proceedings to cancel the permit and the claim under the above serial numbers.

We've had correspondence from the Department and recognizing that the Department is subject to the current financial position of the State of Idaho, nevertheless we believe that sufficient time has elapsed that an inspection should be made and that the permits and claim be cancelled.

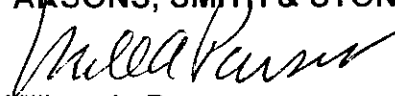
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Oakley Canal Company owns the water flowing under the surface as it having been reserved in a prior deed. If we need to file something different with you to initiate the action then please advise me and we will comply on behalf of our two clients.

We need to get this matter in motion and take out all of the contingencies in the case at this juncture.

Very truly yours,

PARSONS, SMITH & STONE, LLP



William A. Parsons

WAP:sw

cc: Oakley Canal Company
Shoulder 3 Ranches