

ERO Resources Corp.
1106 N. Cole Rd., Suite C
Boise, ID 83704-8661
(208) 373-7983
Fax: 373-7985



Denver • Boise

www.eroresources.com
eroboise@eroresources.com

RECEIVED

JUL - 1 2003

DEPARTMENT OF WATER RESOURCES

July 1, 2003

Idaho Department of Water Resources
1301 N Orchard
Boise, ID 83706

RE: South Elmore Irrigation Company

Dear Cynthia:

Enclosed is an Amended Notice of Claim to A Water Right for 02-2269 and 02-2367 in the name of South Elmore Irrigation Company. The purpose of these amended claims is to define the place of use to include lands that have been irrigated with SEIC water since before 1987 but were not correctly identified with the existing water rights. These amended claims do not add more irrigated acres or claim more water than the licenses allow. The distribution of the irrigated lands is shown on the enclosed map.

The goal of these amended claims is to settle up any remaining issues surrounding the 2002 rental of water from high-lift pumpers from the Snake River to the Water Supply Bank (Memorandum of Agreement (MOA) No. 1425-02-MA-10-3460). Specifically, this letter addresses questions of eligibility regarding the Squaw Creek Farms LLC portion.

Also, an Affidavit from the former president of the SEIC is included to state that SEIC and Snake River water was used to historically irrigate the lands belonging to Squaw Creek Farms LLC.

If you have any questions, please call.

Regards,

A handwritten signature in cursive script that reads "Steve R. Hannula".

Steven R. Hannula

RECEIVED

JUL - 1 2003

DEPARTMENT OF WATER RESOURCES

AFFIDAVIT OF JOHN WISSEL

former President of South Elmore Irrigation Company

I, John Wiszel, was president of South Elmore Irrigation Company (SEIC) from the late 1970s to the mid-1980s. As president, I was familiar with the daily operations and use of water by the irrigation company during that time period. The following is my statement regarding water delivery to the land suitable for growing crops in the SW Section 15 and all of the land in the west half of Section 22 T3S, R6E.

These lands were irrigated by South Elmore Irrigation Company water. The water delivered was tail water from the SEIC pumping system. This tail water was generally available for crops in most years. There were some years when water ran short or acres were shifted around so a full allotment of SEIC water was not or could not be delivered.

SEIC water is the only source of water available to these lands. Crops grown on these lands were irrigated by SEIC water or not at all.

The information contained in this statement is true to the best of my knowledge.

John Wiszel
John Wiszel

Subscribed and sworn before me this

April

20 03

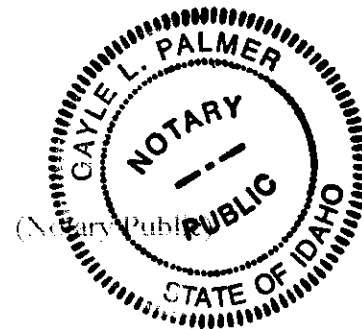
17th

day of

Gayle L. Palmer

My commission expires

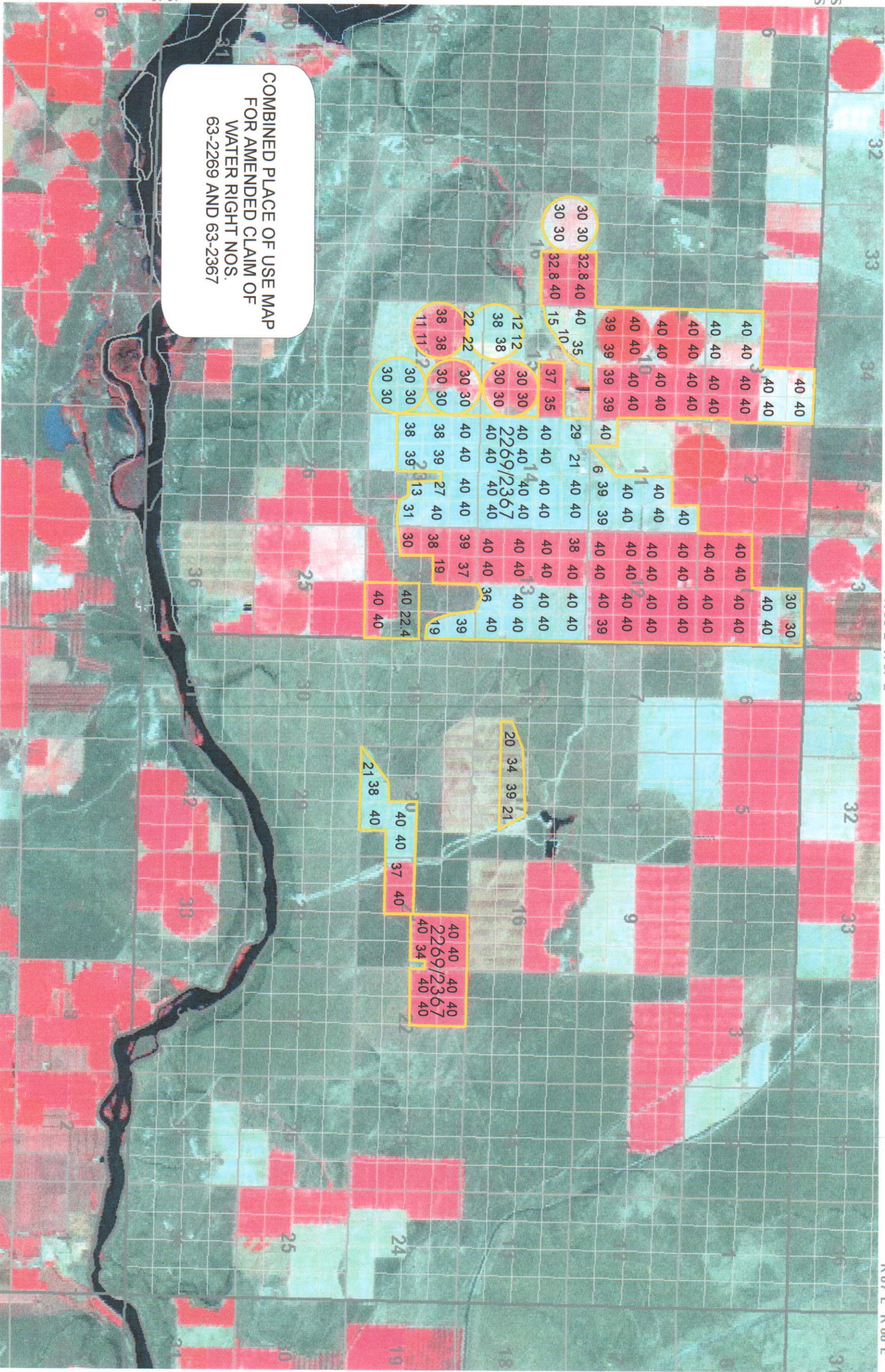
7-26-07



T 04 S
T 05 S

R 06 E R 07 E

R 07 E R 08 E



T 05 S
T 06 S

COMBINED PLACE OF USE MAP
FOR AMENDED CLAIM OF
WATER RIGHT NOS.
63-2269 AND 63-2367



South Elmore Irrigation Company

Satellite Imagery collected: July 26, 2002

RECEIVED
JUL - 1 2003

DEPARTMENT OF WATER RESOURCES

RECEIVED

Should questions arise during the processing of this application please contact:
Steven Hannula - ERO Resources Corp. (208) 373-7983

III - 1 2003

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

DEPARTMENT OF WATER RESOURCES

**IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM**

CIVIL CASE NUMBER: 39576

Ident. Number

Date Received

Receipt Number

**AMENDED NOTICE OF CLAIM
TO A
WATER RIGHT (02-2367)
ACQUIRED UNDER STATE LAW**

Please type or print clearly

1. Name of Claimant(s) SOUTH ELMORE IRRIGATION CO Phone (208) 587-9881
Mailing Address P.O. Box 396, Mountain Home, ID Zip 83647
2. Date of Priority (Only one (1) per claim) Mar 22, 1965
3. Source of water supply (a) SNAKE RIVER
Which is tributary to (b) COLUMBIA RIVER
4. a. Location of point of diversion is: Township 5S Range 7E Section 28,
1/4 of NE 1/4 of SW 1/4, Govt. Lot 02, B.M., County of ELMORE
Additional points of diversion if any: _____
b. If instream flow, beginning point of claimed instream flow is:
Township _____ Range _____ Section _____, _____ 1/4 of _____ 1/4 of
_____ 1/4, Govt. Lot _____ B.M., County of _____
5. Description of existing diversion works (Dams, Reservoirs, Ditches, Wells, Pumps, Pipelines, Headgates, Etc.),
including the dates of any changes or enlargements in use, the dimensions of the diversion works as constructed and as
enlarged and the depth of each well. Water is pumped from the Snake River and delivered to the land through a series of
relifts, pumps, ponds and pipes.

6. Water is claimed for the following purposes:

(both dates are inclusive)
For IRRIGATION purposes from 4-1 to 10-31 amount 12.92 (cfs) or 2584 (acre feet)

For _____ purposes from _____ to _____ amount _____ or _____

For _____ purposes from _____ to _____ amount _____ or _____

For _____ purposes from _____ to _____ amount _____ or _____

7. Total quantity claimed (a) 12.92 (cfs) and/or (b) 2584 (acre feet)

8. Total consumptive use claimed is _____ acre feet per annum.

9. Non-irrigation uses; describe fully. (Domestic: Give number of households served; Stockwater: Type and number of livestock, Etc.) _____

10. Description of place of use:

a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.

b. If water is used for other purposes, place a symbol of use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RNG	SEC	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
			¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	
(see attached land list)																			

Total number of acres irrigated 646

11. In which county (ies) are lands listed above as place of use located? ELMORE

12. Do you own the property listed above as place of use? Yes _____ No XX
If your answer is No, describe in Remarks below the authority you have to claim this water right.

13. Describe any other water rights used at the same place and for the same purposes as described above.
02-2269

_____ or None ()

14. Remarks:

South Elmore Irrigation Company (SEIC) owns the water right, the land is owned by SEIC share owners.

Last Name _____ Ident. Number _____

15. Basis of Claim (Check One) Beneficial Use _____ Posted Notice _____ License XX Permit _____

Decree _____

If applicable provide IDWR Water Right Number 02-2367

Court _____ Case Number _____ Decree Date _____

Plaintiff vs Defendant _____

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read, and understand the form entitled "How you will received notice in the Snake River Basin Adjudication." I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of Attachments _____

For Individuals: I do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s) _____ Date _____

_____ Date _____

For Organizations: I do solemnly swear or affirm that I am President

of South Elmore Irrigation Co. Title _____

Organization _____ that I have signed the foregoing document in the space below as President of South Elmore Irrigation Co.

and that the statements contained in the foregoing document are true and correct. Organization _____

Signature of Authorized Agent [Signature]

Title and Organization President, South Elmore Irrigation Co. Date June 23, 2003

State of Idaho/or _____)
County of Elmore) SS.

Subscribed and sworn (or affirmed) before me this 23rd day of June 20 03

Notary Public [Signature]

Residing at Mountain Home, Idaho

My Commission Expires 01-20-04

17. Notice of Appearance:

Please Print Name

Notice is hereby given that I, Jay R. Friedly will be acting as attorney at law on behalf of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above should be mailed to me at the address listed below.

Signature [Signature]

Address 340 East 2nd North, Mountain Home, ID 83647

Date June 23, 2003

Last Name _____ Ident. Number _____

Land List for AMENDED CLAIM of 2367

[illegible]

Combined Land List for AMENDED CLAIM for 02-2269 & 02-2367

[illegible]

Should questions arise during the processing of this application please contact:
Steven Hannula - ERO Resources Corp. (208) 373-7983

JUL 1 - 2003

RECEIVED

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE
 STATE OF IDAHO, IN AND FOR THE COUNTY OF TWIN FALLS

**IN RE THE GENERAL ADJUDICATION
 OF RIGHTS TO THE USE OF WATER FROM
 THE SNAKE RIVER BASIN WATER SYSTEM**

CIVIL CASE NUMBER: 39576

Ident. Number

Date Received

Receipt Number

**AMENDED NOTICE OF CLAIM
 TO A
 WATER RIGHT (02-2269)
 ACQUIRED UNDER STATE LAW**

Please type or print clearly

1. Name of Claimant(s) SOUTH ELMORE IRRIGATION CO Phone (208) 587-9881
 Mailing Address P.O. Box 396, Mountain Home, ID Zip 83647
2. Date of Priority (Only one (1) per claim) Feb 19, 1964
3. Source of water supply (a) SNAKE RIVER
 Which is tributary to (b) COLUMBIA RIVER
4. a. Location of point of diversion is: Township 5S Range 7E Section 28
1/4 of NE 1/4 of SW 1/4, Govt. Lot 02, B.M., County of ELMORE
 Additional points of diversion if any: _____
 b. If instream flow, beginning point of claimed instream flow is:
 Township _____ Range _____ Section _____ 1/4 of _____ 1/4 of
1/4, Govt. Lot _____ B.M., County of _____
5. Description of existing diversion works (Dams, Reservoirs, Ditches, Wells, Pumps, Pipelines, Headgates, Etc.),
 including the dates of any changes or enlargements in use, the dimensions of the diversion works as constructed and as
 enlarged and the depth of each well. Water is pumped from the Snake River and delivered to the land through a series of
relifts, pumps, ponds and pipes.

6. Water is claimed for the following purposes:

(both dates are inclusive) (cfs) (acre feet)
For IRRIGATION purposes from 4-1 to 10-31 amount 87.11 or 22580

For _____ purposes from _____ to _____ amount _____ or _____

For _____ purposes from _____ to _____ amount _____ or _____

For _____ purposes from _____ to _____ amount _____ or _____

7. Total quantity claimed (a) 87.11 (cfs) and/or (b) 22580 (acre feet)

8. Total consumptive use claimed is _____ acre feet per annum.

9. Non-irrigation uses; describe fully. (Domestic: Give number of households served; Stockwater: Type and number of livestock, Etc.) _____

10. Description of place of use:

a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.

b. If water is used for other purposes, place a symbol of use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RNG	SEC	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
			¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	¼	
(see attached land list)																			

Total number of acres irrigated 5645

11. In which county (ies) are lands listed above as place of use located? ELMORE

12. Do you own the property listed above as place of use? Yes _____ No XX
If your answer is No, describe in Remarks below the authority you have to claim this water right.

13. Describe any other water rights used at the same place and for the same purposes as described above.
02-2367

14. Remarks: _____ or None ()

South Elmore Irrigation Company (SEIC) owns the water right, the land is owned by SEIC share owners.

Last Name _____ Ident. Number _____

15. Basis of Claim (Check One) Beneficial Use _____ Posted Notice _____ License XX Permit _____

Decree _____

If applicable provide IDWR Water Right Number 02-2269

Court _____ Case Number _____ Decree Date _____

Plaintiff vs Defendant _____

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read, and understand the form entitled "How you will received notice in the Snake River Basin Adjudication." I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of Attachments _____

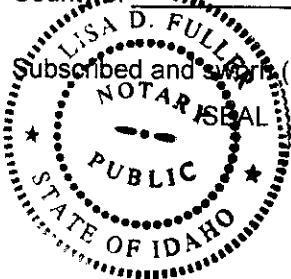
For Individuals: I do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant(s) _____ Date _____
_____ Date _____

For Organizations: I do solemnly swear or affirm that I am President
of South Elmore Irrigation Co. Title _____
Organization _____, that I have signed the foregoing
document in the space below as President of South Elmore Irrigation Co.
Organization _____
and that the statements contained in the foregoing document are true and correct.

Signature of Authorized Agent X _____
Title and Organization President, South Elmore Irrigation Co. Date June 23, 2003

State of Idaho/or _____)
County of Elmore) SS.



Subscribed and sworn (or affirmed) before me this 23rd day of June 20 03

Notary Public Lisa D. Fuller

Residing at Mountain Home, Idaho

My Commission Expires 01-20-04

17. Notice of Appearance:

Please Print Name

Notice is hereby given that I, Jay R. Friedly will be acting as attorney at law on behalf of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above should be mailed to me at the address listed below.

Signature Jay R. Friedly

Address 340 East 2nd North, Mountain Home, ID 83647

Date June 23, 2003

Last Name _____ Ident. Number _____

Land List for AMENDED CLAIM OF 02-2269

TWP	RANGE	SEC	NE¼				NW¼				SW¼				SE¼				Total
			NE%	NW%	SW%	SE%	NE%	NW%	SW%	SE%	NE%	NW%	SW%	SE%	NE%	NW%	SW%	SE%	
5S	6E	1	30	30	40	40							40	40	40	40	40	40	460
		3	40	40	40	40							40	40	40	40	40	40	480
		10	40	40	40	40				40	40	40	40	40	39	40	39	39	636
		11	40		40	40									40	40	39	39	318
		12	40	40	40	40				40	40	40	40	40	40	40	39	39	639
		13	40	40	40	40				36	38	40	40	40	40	40	36	40	630
		14	40	40	40	40				21	29	40	40	40	40	40	40	40	610
		15			37	35						15	2	2		38	30	30	249
		16	40	32.8	32.8	40													145.6
		22	30			30				22	22	38	8	11	3.4			30	224.4
		23	40	40	27	40				40	40	38	39				31	13	348
		24	39			19				37	39	38	19		30				221
5S	7E	17												39	34		21		94
		18															20		20
		20														21	38	40	179
		21	40	40	40	34								40	37				231
		22								40	40	40	40						160

5645.0

Combined Land List for AMENDED CLAIM for 02-2269 & 02-2367

TWP	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				Total
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
5S	6E	1	30	30	40	40					40	40	40	40	40	40	40	40	460
		3	40	40	40	40					40	40	40	40	40	40	40	40	480
		10	40	40	40	40	40	40	40	40	40	40	39	39	40	40	39	39	636
		11	40		40	40							40	6	40	40	39	39	324
		12	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	39	639
		13	40	40	40	40	36	38	40	40	40	40	40	40	40	40	36	40	630
		14	40	40	40	40	21	29	40	40	40	40	40	40	40	40	40	40	610
		15			37	35	35	40	15	10	12	12	38	38	30	30	30	30	392
		16	40	32.8	32.8	40	30	30	30	30									265.6
		22	30	30	30	30	22	22	38	38	11	11			30	30	30	30	382
		23	40	40	27	40	40	40	38	39	39	38			31	13			425
		24	39			19	37	39	38	19		30			22.4	40	40	40	363.4
5S	7E	17									39	34				21			94
		18													20				20
		20											21	38	40	40	40		179
		21	40	40	40	34					40	37							231
		22					40	40	40	40									160

6291.0