



State of Idaho

DEPARTMENT OF WATER RESOURCES

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DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

May 27, 2003

JOHN F KANE
PRESIDENT PTR INC
9949 W EDNA
BOISE ID 83704

Re: Water Right Records for PTR Inc.

Dear Mr. Kane:

Enclosed are requested copies of the recent exchange and transfer applications in addition to the change in ownership form submitted by your organization. Please note the latter document was included as an attachment to the transfer application. The premise of the ownership change is that the line between Pine Tree Ranch and PTR has been somewhat blurred over the years. Although the water rights have been in name of the former organization for many years, PTR's 1978 incorporation clearly delineated its role in providing water services to the water users. I think the information you provided plus the information from the Idaho Secretary of State "business entity" search adequately links the entities and supports the change in ownership of the water rights.

The exchange application will be processed without delay. Processing of the transfer application and ownership change must be delayed pending additional documentation for two items. The first item concerns four acres in SWNW and SENW of Section 23 as we discussed in your recent visit. Adequate documentation to link PTR Inc. to the four acres will ensure full inclusion of water rights 65-3222 and 65-8290 in all three actions initiated by your organization. Without that link, portions of water rights serving the four acres most likely will become unusable by your group.

Please provide written information linking PTR Inc. to the four acres in question for Section 23. Conceivably this could include proof of *land* ownership by another party with written acknowledgment by that party that your organization retains the *water rights* serving the four acres. Lacking such information, the probable outcome of the three processes involving water rights 65-3222 and 65-8290 would involve splitting the rights to slightly reduce the amount of water and number of acres under PTR's portion of the rights.

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A second ownership item needs to be clarified. Water right 65-8284 describes a spring located in and used for stock water purposes in SESE Section 22. That tract is also listed in Scriver Creek rights 65-3222 and 65-8290. Please confirm in writing if the stock water use occurs within the irrigated land in that tract. If the stock water use occurs beyond the irrigated land in SESE Section 23, please provide a plat of property or survey map showing the location of the spring and of the stock water use. A plat or map is probably available from the county offices. Water right 65-8284 covers county parcel number 10N04E227780A.

None of the three actions you initiated for water rights currently in the name of Pine Tree Ranch Inc. can be concluded without resolving the above two items.

Please submit the above requested information within thirty (30) days of the date of this letter. Thank you for your attention to these matters, and please let me know if you need more information for anything related to the Pine Tree Ranch/ PTR Inc. water right situation.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Lester", written in a cursive style.

Steve Lester
Water Rights Supervisor

Enclosure