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May 27, 2004

RECEIVED
MAY 28 2004
Department of Water Resources
Eastern Region

Dave Carlson
Idaho Department of Water Resources
900 N. Skyline Dr., Ste. A
Idaho Falls, ID 83402

RE: Mickelsen Properties, LLC - Application for Transfer

Dear Dave:

I finally had time to review more carefully the matter you and I discussed in your office on May 19, regarding the dividing up of water right number 34-2426C. I hope it is not too inconsistent with what we were thinking when we were in your office.

I assume that at one time there was a water right number 34-2426 and that 2426C was a division of that right. In any event, when I first became familiar with 34-2426C, the total amount was 2.5 cfs.

In 1994, the Acors sold 30 acres of the home place to Dexter Douglas and included 28.6 miner's inches (0.572 cfs) of right number 2426C. That left a balance of 1.928 cfs which was dealt with in the 1999 water division agreement between Cannons and Acors by leaving 0.67 cfs with Acors and taking 1.258 cfs for Cannons to be diverted from another well and used on the 2,025 farm acres. The 0.67 was to remain with some of the lands Acors still owned of the original home place.

At some point in time, IDWR split right number 34-2426C into two new numbers, 34-13663 and 34-13664. 34-13663 appears to be in the amount of 1.93 cfs (I assume this is a rounding off of the 1.928) and 34-13664 is in the amount of 0.57 cfs (again, this looks like a rounding off of 0.572 cfs). At some point in time, we will apparently need to come up with new numbers or some sort of a split for right number 34-13663 to divide the 1.93 cfs into the 0.67

which remains on the Acor home place and 1.26 cfs acquired by the Cannons and which is now owned by Mickelsen Properties, LLC.

This is the best information I have been able to find. If it is not sufficiently confusing for you, please call me and perhaps I can make it even worse.

Yours very truly,



Kent W. Foster