



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way, Boise, Idaho 83705-5082 - (208) 334-2190

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February 13, 2003

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

GIVENS PURSLEY LLP
ATTN MICHAEL C CREAMER
PO BOX 2720
BOISE ID 83701

***RE: APPLICATION FOR TRANSFER FOR EUREKA WATER
COMPANY***

Dear Mr. Creamer:

This letter is to confirm our telephone conversation on 2/7/2003 concerning the Eureka Water Company (EWC) transfer for water right 63-145. In this telephone conversation we discussed the descepeny I found during my review of the transfer filing.

It is my understanding that this transfer was filed to supply mitigation for applications for permit 63-31134, 63-31135, and 63-31136. The mitigation plan for these permits states that the appurtenant surface water for 10.5 acres of EWC water would be transferred to account for the evaporative and seepage losses of the ponds described in these three permits.

The transfer only proposes to transfer 7.5 acres of appurtenant EWC water to mitigate for the ponds. The difference between the permits mitigation plan and the transfer is 3 acres of appurtenant EWC water or 10.5 afa.

We can still process the transfer with the 7.5 acres, however, this may cause a reduction in the amount of water that could be appropriated by the permits. You asked that I hold the transfer application until you could clarify this situation.

Administrative Memo number 24 regarding transfer processing, policies, and procedures, dated 10/30/2002, asks that information requested be returned within a reasonable time (30-days). I would appreciate it if you get back to me on this issue within this time frame. If you have any questions or concerns please contact me at the above address.

Respectfully,

A handwritten signature in cursive script, reading 'Daniel A. Nelson'.

Daniel A. Nelson
Sr. Water Right Agent