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APR 28 2003

Department of Water Resources
Southern Region

April 28, 2003

Mr. John Frietag
Idaho Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301

Re: Additional Information for Water Right Transfer – Timothy Deeg

Dear John:

You had requested additional information on the agreements between Timothy and Diane Deeg and Richard and Arthur Nelson for lease of the water rights involved in the recent transfer application.

I am enclosing copies of the documents extending the lease terms on Water Right 41-07030 and 41-07034 for an additional five years. Also, enclosed is a letter from Otto and Ida Deeg authorizing the transfer to create a permissible place of use for the three water rights involved in the transfer application within a couple of days.

As I mentioned, we need a letter from IDWR indicating that the transfer application submittal is complete so that we can furnish that information to the SRBA court. I would appreciate it if you or Allen Merritt could prepare the letter.

Thanks for your efforts on this matter.

Sincerely,

Charles E. Brockway P.E., Ph.D.

Enclosure: Extension of Term Agreement (WR 41-07034)
Extension of Term Agreement (WR 41-07030)

cc: Mr. Timothy Deeg w/o enclosure
Mr. Kent Foster

CHARLES E.
BROCKWAY,
PH.D., P.E.

CHARLES G.
BROCKWAY,
PH.D., P.E.

2016 NORTH
WASHINGTON
STREET • SUITE 4

TWIN FALLS,
IDAHO 83301

208•736•8543

FAX: 736•8506

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APR 28 2003

Department of Water Resources
Boise, Idaho

Memo

To: Idaho Department of Water Resources
From: Otto and Ida Deeg
CC: Timothy P. Deeg
Date: 04/28/03
Re: Permissible Place of Use

Dear Gentlemen:

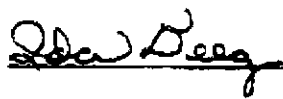
The purpose of this memo is to provide assurance to all parties of concern, that the water rights (41-07030, 41-07034, 41-04071) involved in this permissible place of use transfer, as it relates to the lease agreement between Otto and Ida Deeg, Lessor, and Timothy and Diane Deeg, Lessee. Hereinafter, are in agreement with the transfer process for the creation of a permissible place of use, within the designated boundary.

Should you have any questions, please call or write.

Respectfully,



Otto Deeg



Ida Deeg

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APR 28 2003

Department of Water Resources
Southern Region**EXTENSION OF TERM
WATER RIGHTS LEASE AGREEMENT**

This agreement entered into this 24th day of April, 2003, is for the purpose of continuing the attached Water Rights Lease, between Richard G. Nelson and Arthur Gene Nelson, hereinafter referred to as "Lessor", hereby leases to Timothy P. Deeg and Diane J. Deeg, hereinafter referred to as "Lessee", all of the Lessor's right, title and interest in and to Water Right No. 41-07030. The extension of term is for an additional (5) five years, beginning as of the date of the execution of this agreement. No other terms and conditions have been modified, and the lease agreement will remain in full force and effect.

LESSOR

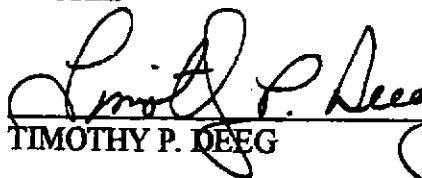


RICHARD G. NELSON

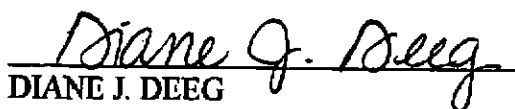


ARTHUR GENE NELSON

LESSEE



TIMOTHY P. DEEG



DIANE J. DEEG

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Department of Water Resources
Southern Region**EXTENSION OF TERM
WATER RIGHTS LEASE AGREEMENT**

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LESSOR

Richard G. Nelson
RICHARD G. NELSON

Arthur Gene Nelson
ARTHUR GENE NELSON

LESSEE

Timothy P. Deeg
TIMOTHY P. DEEG

Diane J. Deeg
DIANE J. DEEG