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RECEIVED

JUN 19 2003

WATER RESOURCES
WESTERN REGION

June 19, 2003

Gary Spackman
Idaho Department of Water Resources
2735 Airport Way
Boise, Idaho 83705

RE: Application for Transfer – Van Ess Dairy

Dear Gary:

Enclosed is an Application for Transfer of water rights 63-8796 and 63-9972 in the name of the Van Ess Dairy LLC.

A concern for this transfer is that the Seller stipulated a 1-year timeframe to complete this transaction. On May 22, 2003 you and I had a telephone conversation in which I sought your suggestions on how best to handle the 1-year timeframe. I had suggested that in addition to filing the transfer, we would use these water rights as mitigation for an existing Application for Permit (63-12519), which can be processed faster than a transfer. Your suggestion was to stick to the goal of transferring the water rights and not propose mitigation for the permit. If some unforeseen circumstance comes along, we can then consider proposing a mitigation plan and request processing of the permit.

This Application for Transfer is one of several that IDWR will receive regarding the sale of Renata Ham's water rights from Stonecreek Turf Farm. As such, the ownership determination from the other filings should be applicable, however, I am including the supporting documents too.

I hope you find all of the necessary information you need for processing this transfer in this package. If you have any questions, please feel free to contact me.

Regards,

A handwritten signature in cursive script that reads "Steven R. Hannula". The signature is fluid and elegant, with a large, sweeping "S" at the beginning.

Steven R. Hannula