

March 16, 2004

RECEIVED

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IDAHO WATER RESOURCES;

Gentlemen:

Department of Water Resources

I am concerned about Last Chance Canal Co, and the Bear River water master becoming involved in the Farmers land an Irrigation Canal system.

I would appreciate your comments on this situation.

Thanks.

Robert Torgesen
Robert Torgesen

Box 45

Soda Springs,

Idaho--83276

March 16, 2004

Randy Budge
Pocatello, Idaho

Hi Randy,

I was disappointed that you forgot to tell me that you represent the Last Chance Canal Co.

As chairman of the Soda Creek IIB water district; I do not believe the Bear River water master has the authority to construct and maintain a measuring device or change the setting of a head gate; or measure the water from the Farmers Land and Irrigation canal system. Before we proceed any further I will need:

1. An easement clause with a compensation agreement.
2. Held harmless clause for my protection.
3. Letter of consent from Farmers Land and Irrigation.

I did not give Last Chance Canal Co. or Bear River water master permission to enter my property.

I recommend that Monsanto keep their water in the Soda Creek Drainage.

Thanks



Robert Torgesen
Box 45
Soda Springs,
Idaho, 83276

Cc
Farmers Land and Irrigation
Idaho Water Resources

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March 12, 2004

Robert Torgesen
Northwest of Soda Springs
Soda Springs, Idaho 83276

Re: Measuring Device Installation

Dear Bob:

This will confirm our March 10 phone conversation.

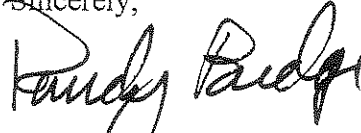
Thank you for providing permission to go upon your property to install a measuring device immediately below the waste gate located on the south bank of the Farmers Land & Irrigation Company Canal, approximately 200 yards west of their intake headgate located in the NE1/4 of Section 12, Township 9 South, Range 41 East. The measuring device will be a Parshall flume installed in the existing ditch. Arrangements have been made with Professional Engineer Charles E. Brockway to complete the installation on Tuesday, April 13.

The purpose of the flume is to measure a portion of Monsanto's water rights in Soda Creek which must bypass the canal and remain in Soda Creek for delivery to the downstream lessees. This consists of 1.0 cfs of water leased to the Oregon Trail Golf Course and 2.22 cfs leased to Last Chance Canal Company, pursuant to Lease Agreements entered into in 1999. The Idaho Department of Water Resources approved the change in the points of diversion and places of use of these water rights to the lessees' property pursuant to Transfer Nos. 5621 and 5622. The transfer order required Monsanto, as the right holder, to provide a means of measurement acceptable to the Department of measuring the flow in Soda Creek below the last diversion and above the confluence with the Bear River. Bear River Water Master Pete Peterson has directed that the flume be installed at the location immediately below the waste gate, as he desires to control the flows and make the measurements at this location.

Robert Torgesen
March 12, 2004
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This letter guarantees that any disturbance or other damage to your property will be fully restored and repaired to your satisfaction. Your cooperation is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Budge". The signature is fluid and cursive, with the first name "Randy" and last name "Budge" clearly distinguishable.

RANDALL C. BUDGE

RCB:rr

cc: Charles E. Brockway, P.E.

Monsanto

Mitch Hart

Dave Farnsworth

James R. Smith

Idaho Department of Water Resources

Pete Peterson, Bear River Water Master

Bill Ondrechen, Hydrologist

Marc Gibbs, President/Last Chance Canal Company