June 20, 2007

«CurrentOwner» «StreetAddress» «City», «StateCode» «PostalCode»

RE: Curtailment of Ground Water Rights with Priority Dates Later than December 9, 1990 Located in IDWR Administrative Basin 34 and Water District No. 34 - Blue Lakes Delivery Call

Affected Right Nos: «rights»

Dear Water Right Holder:

The records of the Idaho Department of Water Resources ("IDWR") and Water District 34 indicate that you are the holder of one or more consumptive ground water rights bearing a priority date later than December 9, 1990. On June 15, 2007, the Director of IDWR issued an order directing IDWR staff to notify holders of certain consumptive ground water rights with priority dates later than December 9, 1990 that their water rights will be subject to curtailment unless they are participants in an approved mitigation plan or substitute curtailment plan to offset depletions of flows to Alpheus Creek caused by their ground water pumping.

The order was issued in response to a call for delivery of water rights held or used by the Blue Lakes Trout Farm, Inc. ("Blue Lakes"). These water rights authorize the diversion of water from Alpheus Creek located north of Twin Falls. The Director determined that diversion and use of consumptive ground water rights within Water District 130 (Thousands Springs Area) and a small portion of Water District 34 (Big Lost River Basin) that are junior to December 9, 1990 cause material injury to Blue Lakes' December 28, 1973 priority water right. Water District 130 and the area within Water District 34 is located within the Eastern Snake Plain Aquifer ("ESPA").

The order affects consumptive ground water rights for irrigation, commercial, industrial, municipal, non-exempt domestic and stockwater use, and other consumptive uses. Non-consumptive uses and culinary in-house uses of water are not subject to curtailment.

The Director's order requires curtailment of ground water rights beginning on July 6, 2007, unless plans for additional mitigation, replacement water, or substitute curtailment are submitted. Plans submitted by ground water districts on behalf of members or non-member participants must be received by June 29, 2007. Plans received after this date will not be considered. Affected right holders who are not currently members of a ground water district and/or whose rights are located outside of the boundaries of a ground water district will be deemed non-member participants in the nearest ground water district for mitigation purposes.

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To the extent that ground water districts do not provide acceptable mitigation or replacement water plans, individual right holders may submit mitigation plans, replacement water plans, or substitute curtailment plans (collectively, "individual mitigation plans") to IDWR on or before June 29, 2007. Please refer to suggested guidelines for individual mitigation plans which are posted on the IDWR website.

A copy of the order signed by the Director dated June 15, 2007 can be found on IDWR's website at: <a href="https://www.idwr.idaho.gov">www.idwr.idaho.gov</a>. At the website, navigate to the curtailment information at <a href="https://www.idwr.idaho.gov">Potential Curtailment</a> Order Information <a href="https://www.idwr.idaho.gov">Potential Curtailment</a> Order and this correspondence, you may contact me directly at 208-287-4959, or contact the IDWR state office in Boise at 208-287-4800.

Sincerely,

Tim Luke

Manager, Water Distribution

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Enclosure: Explanatory Information to Accompany a Final Order

cc: David R. Tuthill, Jr., Director, IDWR Bob Shaffer, Watermaster, Water District 34 IDWR Eastern Region