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January 6, 2004

Department of Water Resources

Mr. Carl J. Dreher Director Idaho Department of Water Resources 1301 North Orchard Street Boise ID 83706

RE: Oakley Canal Company and Southwest Irrigation District

Dear Mr. Dreher:

WILLIAM A. PARSONS

RANDOLPH C. STONE

LANCE A. LOVELAND

DAVID F. SHIRLEY

RICHARD K. SMITH

On June 4, 2003, I sent to you a letter on behalf of Oakley Canal Company and Southwest Irrigation District concerning having said entities placed in a separate Water District separate and apart from Water District #130.

The Directors of each of the entities asked me to inquire whether or not there has been any determination made in this regard or whether a motion has been set in a procedure for determining said request.

If you could give us an update on the process we can then communicate to our clients.

Yours Very Truly,

PARSONS, SMITH & STONE, LLP

William A. Parsons

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