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DEPARTMENT OF
WATER RESOURCES

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January 17, 2007

David Tuthill, Interim Director
Idaho Department of Water Resources
322 East Front St.
P. O. Box 83720
Boise, ID 83720-0098

RE: Request for Water Right Administration of Rangen, Inc.'s
Water Rights
Our File No. 107-179

Dear Interim Director Tuthill:

This letter is being sent on behalf of my client, Rangen, Inc., concerning the administration of its water rights in the Eastern Snake Plain Aquifer ("ESPA"). First of all I want to congratulate you on your appointment as the Interim Director of the Idaho Department of Water Resources. This is a tremendous accomplishment and comes at a time that is critical to the formation of policy that will significantly affect our lives as Idahoans both now and in the future.

The chronology and history of Rangen's requests for timely administration of their water rights is clearly outlined in previous correspondence to IDWR most recently in my August 31, 2006, letter to Mr. Dreher; therefore, I won't go into that chronology except to mention that I believe Rangen has done everything possible to have its water rights timely administered in priority. Rangen remains committed to "good faith" negotiations with junior ground water users to find a long-term solution; however, Rangen's damages continue unabated. The seasonal flow of water to Rangen's facility in Hagerman continues to decline. The need for the timely administration of Rangen's water rights is critical; and, any additional delay in administering those rights leaves Rangen's senior rights unfulfilled with the injury continuing. Now the Supreme Court has denied the State's Motion to Stay, Judge Wood's Order and with that denial Rangen

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expected a response to its previous requests for administration. Now, since Rangen has not received that response, Rangen has determined that is necessary to renew its request. Therefore, I hereby reaffirm Rangen's request that IDWR strictly administer its water rights in priority pursuant to the Idaho Constitution, Water Distribution Statutes, Idaho's Prior Appropriation Doctrine, Judge Wood's June 2, 2006, Order and the Supreme Court's denial of the Motion to Stay.

I look forward to your prompt response.

Very truly yours,

MAY, SUDWEEKS & BROWNING, LLP

A handwritten signature in cursive script, appearing to read "J-Dee May".

J-DEE MAY

JDM:mab

cc: Wayne Courtney