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DEPARTMENT OF WATER RESOURCES

BLUE LAKES TROUT FARM, Inc.

P.O. BOX 1237 (208) 733-4631

TWIN FALLS, IDAHO 83303-1237

TELEFAX: 208-733-0325

March 22, 2005

BY HAND DELIVERY

Karl Dreher, Director
Idaho Department of Water Resources
1301 North Orchard Street
Boise, Idaho 83706

Re: Delivery of Water to Water Right Nos. 36-02356, 36-07210, and 36-07427

Dear Mr. Dreher:

Blue Lakes Trout Farm, Inc. ("Blue Lakes") is entitled to delivery of 197.06 cfs from Alpheus Creek pursuant to water right nos. 36-02356 (5/29/58 priority for 99.84 cfs), 36-07210 (11/17/71 priority for 45 cfs), and 36-07427 (12/28/73 priority for 52.23 cfs). As you know, Alpheus Creek is hydrologically connected to the Eastern Snake River Plain Aquifer. Currently, Blue Lakes is receiving 137.7 cfs . At its low point in 2003, Blue Lakes received only 111 cfs. It is very likely that Blue Lakes will experience even greater shortages during 2005. The current and ongoing water shortages have significantly reduced Blue Lakes' production.

Blue Lakes hereby demands that you direct the Watermaster for Water District 130 to administer water rights in the Water District as required by Idaho Code § 42-607 in order to supply Blue Lakes' prior rights.

Sincerely,

Gregory Kaslo

Gregory Kaslo, Director
Blue Lakes Trout Farm, Inc.