KARL

J.R. SIMPLOT COMPANY ONE CAPITAL CENTER 999 MAIN STREET SUITE 1300
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CORPORATE HEADQUARTERS

RECEIVED
MAR 12 2004
Department of Water Resources

March 11, 2004

Karl J. Dreher, Director
State of Idaho
Department of Water Resources
1301 North Orchard
Boise, ID 83706-2237

Re: Rangen Order.

Dear Director Dreher:

The J. R. Simplot Company ("Simplot") is the owner of the following water rights that are subject to curtailment pursuant to your Order dated February 25, 2004:

Table 1

Water Right/Permit No.	Priority	Status	Use	Quantity (flow rate)	Annual volume Acre feet	Simplot Location
36-7333	April 27, 1973	Decreed	Industrial	0.04 cfs	16.9 afa	Jerome Potato Storages
36-7636	July 27, 1976	Decreed	Industrial	0.49 cfs	1.8 afa	Mini-Cassia Grower Solution
36-8469	October 12, 1989	License	Irrigation	0.28 cfs	64 afa	Mini-Cassia Grower Solution Unit
36-8471	October 4, 1989	License	Commercial	0.18 cfs	3.9 afa	Jerome Grower Solution Unit
				Total	**86.60 afa**	

Without waiving any right to challenge the alleged injury to water right no. 36-2551 ("Rangen Water Right") presumably caused by exercising the above rights, Simplot will offset the water diverted at these locations by foregoing its right to divert 86.60 acre feet under decreed water right no. 36-4179. The priority date for 36-4179 is August 9, 1959, which allows the right to divert up to 4.27 cfs of groundwater for industrial purposes. The total annual volume available to Simplot for diversion under this 1959 priority is 2,950.33 acre feet per year. Until November, 2003, this water right was used to operate

our Potato Processing operation in Heyburn, Idaho. We will not divert our decreed volume to operate the Heyburn Plant during 2004.

Our forbearing from diverting 86.60 acre feet of August 9, 1959 priority groundwater will cover the sum of the maximum annual volume licensed and decreed under the above rights. This replaces the entire volume for those rights shown in Table 1. Should Rangen, or another water right holder make a similar call for administration in the future, Simplot reserves the right to reduce the annual volume it will forego under water right 36-4179 to accurately correspond with the actual injury caused by exercising the above rights.

Simplot owns the following water rights that are also subject to curtailment pursuant to the Rangen Order:

Table 2

36-4180	August 1, 1962	Decreed	Irrigation	0.02 cfs	Heyburn Plant
36-4181	Sept. 8, 1962	Decreed	Irrigation	0.02 cfs	Heyburn Plant
36-4182	October 10, 1962	Decreed	Industrial	0.02 cfs	Irrigation
36-2729	March 3, 1964	Decreed	Industrial	0.56 cfs	Heyburn Plant
36-2648A	April 6, 1966	Decreed	Industrial	1.96 cfs	Heyburn Plant
36-2648B	April 6, 1966	Decreed	Industrial	0.49 cfs	Heyburn Plant
36-8154	February 24, 1983	Decreed	Industrial	1.20 cfs	Heyburn Plant

Simplot does not intend to divert water under the rights identified in Table 2 during 2004. Should diversions pursuant to the rights listed under Table 2 become necessary, prior to any such diversion, Simplot will submit another written proposal to you describing our specific plan to forebear the diversion of additional water under rights senior to Rangen's water right no. 36-2551.

I am expressing our plan to conform to your Order for those rights listed in Table 2 to assist in listing the specific rights that will not be exercised during 2004. However, please consider this letter Simplot's Petition proposing our plan to offset the use of water under the rights identified in Table 1 by foregoing a comparable volume of water under a water right senior to the Rangen call.

Sincerely,

Vic Conrad
Land, Water & Asset Recovery