



SEP 28 2007

WATER RESOURCES
WESTERN REGION

September 28, 2007

Idaho Department of Water Resources
Attn: Dan Nelson
2735 Airport Way
Boise, ID 83705

Re: Application for Permit 63-32499

Dear Mr. Nelson,

Enclosed on behalf of our clients Marty Goldsmith and Mayfield Townsite, LLC are 1) Application to Assign Permit from Marty Goldsmith to Mayfield Townsite, LLC, 2) Amended Application for Permit, and 3) additional information required for "large diversion projects" as you have requested in your May 24, 2007 letter. Completion of the Ground Water Supply Assessment for the Mayfield Property addressing the anticipated individual and cumulative impacts this appropriation may have on the aquifer along with providing additional information required for "large diversion projects" not addressed below is pending. This water supply assessment report is nearly complete. We are requesting an additional 30 days to complete this report and collect and supply the remainder of the requested information, and propose having this information to you by October 26, 2007.

The amendments made to the application include:

1. The original applicant, Marty Goldsmith, has assigned the application to Mayfield Townsite, LLC. The applicant of the amended application is now Mayfield Townsite, LLC. Marty Goldsmith, as managing member of Mayfield Townsite, LLC, has signed the amended application.
2. Additional place of use in sections 13 and 24, T1N R4E.
3. The addition of government lots.
4. The addition of water right 63-12447 in item no. 10.

As clarification, the proposed appropriation is for current beneficial needs rather than future anticipated needs. We anticipate that the system capacity and mainline system will be completed during the application development period.

The following additional "large diversion project" information is submitted per Idaho code 42-203A(5)(a-e) in support of the 10.0 cfs diversion rate requested on the application.

*Attachments noted here = Application Attachments e left side of
file -sl 5/23/08*

Effect on Existing Water Rights and Sufficiency of Water Supply

The anticipated effect on existing water rights and demonstration of sufficient water supply will be addressed in the pending Ground Water Supply Assessment. Work completed thus far on this water supply assessment includes:

1. Compile geologic data
2. Compile drillers' reports
3. Review well-test data
4. Evaluate ground water flow direction
5. Compile and review water quality data
6. Develop preliminary water budget
7. Begin assessment of impacts to Mountain Home GWMA

Pending items include completing the evaluation of water sustainability and evaluation of impacts to existing water users and GWMA.

Good Faith, Delay, or Speculative Purposes

The application is made in good faith, and is not for speculative purposes. The property subject for development is owned by Ark Properties, LLC and Marty Goldsmith. Marty Goldsmith has entered into an agreement with Ark Properties, LLC, to purchase this property (see Memorandum of Real Estate Option included in Attachment A). Further, Mr. Goldsmith has completed purchase of a portion of the property (see Warranty Deed in Attachment A).

Financial Resources

A July 6, 2007 statement from Marty Goldsmith's financier, RBC Builder Finance, demonstrates financial resources required for development of this application. A copy of this statement is included as Attachment B.

Local Public Interest

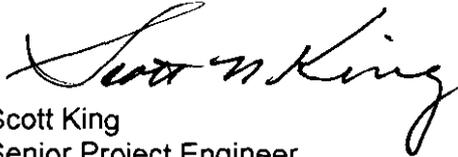
Mayfield Townsite, LLC was formed as an appropriate entity to develop and operate a municipal water supply system which will be regulated by IDEQ as a public water supply.

The applicant has diligently worked towards securing the appropriate Elmore County approval requirements. A July 5, 2007 letter from Paula Newbery, included as Attachment C, describes the work completed as of that date.

As directed by your letter, SPF Water Engineering has mailed request for comments letter to IDEQ. A copy of the letter has been included as Attachment D.

We look forward to submitting the water supply assessment report in the near future. In the meantime, please contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Scott King". The signature is written in a cursive style with a large, prominent "S" and "K".

Scott King
Senior Project Engineer

Cc: Brian McColl
Marty Goldsmith

Enclosures

Assignment of Permit
Amended Application for Permit
Attachment A: Memorandum of Real Estate Option and Warranty Deed
Attachment B: Letter from RBC Builder Finance
Attachment C: Letter from Paula Newberry
Attachment D: IDEQ Comment Request Letter

SPF Job No.: 310.0060