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RECEIVED
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DEPARTMENT OF
WATER RESOURCES

July 8, 2011

VIA US MAIL

Gary Spackman, Director
Idaho Department of Water Resources
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Delivery of Water to Water Right Nos. 36-07072 and 36-08356

Dear Mr. Spackman:

Seapac of Idaho, Inc. ("Seapac") is entitled to delivery of 193.2 cfs from Thousand Springs pursuant to Water Right Nos. 36-07072 (9/5/1969 priority for 148.2 cfs) and 36-08356 (5/9/1988 priority for 45 cfs). These water rights are all within Water District 130, and are hydrologically connected to the Eastern Snake River Plain Aquifer. In 2009, Seapac received an average daily flow of only 94.2 cfs.

The Idaho Department of Water Resources' past and current failure to administer the water rights in accordance with Idaho law and without the proper regulation of hydraulically connected junior priority ground water rights has caused past and immediate and material damage to Seapac's beneficial use of the water consistent with its decreed water rights. As you know, a legally acquired water right is a property right. A water right cannot be taken for public or private use without due process of law and without just compensation.

As Idaho follows the doctrine of prior appropriation, when there is insufficient water to satisfy the senior appropriator's water rights, allowing a junior appropriator's continued use, without curtailment or limitation, constitutes a taking of property for which compensation must be paid pursuant to the Constitutions of Both the State of Idaho and the United States of America. Consequently, the Department's failure to administer the

water rights in accordance with Idaho law deprives Seapac of its property without due process and without just compensation.

Any further delays in the administration of water rights to effectuate said deliveries will only further injury Seapac's operations. Therefore, Seapac 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 Seapac's prior appropriation rights.

Sincerely,

HAWLEY TROXELL ENNIS & HAWLEY LLP

Geoffrey M. Wardle

GMW/