



Oregon

Theodore R. Kulongoski, Governor

Water Resources Department

North Mall Office Building
725 Summer Street NE, Suite A

Salem, OR 97301-1271

503-986-0900

FAX 503-986-0904

May 12, 2004

VIA FAX AND U.S. MAIL

Richard M. Glick
Davis Wright Tremaine LLP
Suite 2300
1300 SW Fifth Avenue
Portland, Oregon 97201

David Filippi
Stoel Rives LLP
900 SW 5th Ave. Suite 2600
Portland, Oregon 97204

RE: Request for Reconsideration – Temporary Transfer Application T-9431 in the name of James R. Bauersfeld, Jr., and Christine R. Bauersfeld and Temporary Transfer Application T-9432 in the name of Billy L. Coffey Trust and Billy L. Coffey.

Dear Mr. Glick and Mr. Filippi:

On July 21, 2003, the Department approved Temporary Transfer Application T-9431 and issued a final order approving temporary changes in place of use and point of diversion. On July 22, 2003, the Department approved Temporary Transfer Application T-9432 and issued a final order approving temporary changes in place of use and point of diversion. Both final orders approved the temporary changes for up to for five years.

On September 18, 2003, Mr. Filippi, on behalf of Lawrence W. Downing, timely submitted a Request for Reconsideration and Request for Stay for Temporary Transfers T-9431 and T-9432. Upon review of the petition and subsequent filings by Mr. Glick on behalf of the Applicants named above, the Department granted the request for reconsideration. In granting reconsideration, the Department indicated that if its Order on Reconsideration is not issued by May 1, 2004, the final orders approving applications T-9431 and T-9432 would be stayed until such Order on Reconsideration is entered.

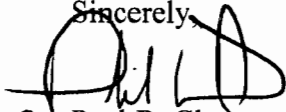
On April 30, 2004, Mr. Glick, on behalf of the Applicants named above, requested the Department lift the stay through the 2004 irrigation season.

In consideration of all the filings in this matter, which raise significant issues and conflicting factual information, the Department has determined that an evidentiary hearing is necessary to make a final determination on Temporary Transfer Applications T-9431 and T-9432. Therefore, the Department is withdrawing its final orders approving Temporary Transfer Applications T-9431 and T-9432 and referring the matter to the Office of Administrative Hearings for a contested case hearing. The final orders

approving Temporary Transfer Applications T-9431 and T-9432 are of no further force or effect. Department staff will notify you shortly of the referral of this matter to a contested case hearing.

If you should have additional questions about this matter please feel free to contact Adam Sussman of my staff at (503) 986-0877.

Sincerely,



for Paul R. Cleary
Director

Cc: Shannon O'Fallon
Kyle Gorman
Juno Pandian
Applications T-9431 and T-9432