

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A37-01232
Date Received: 10/27/1988
Receipt No: C003080
Received By: _____

COPY FOR
YOUR FILES

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

COPY FOR
YOUR FILES

1. Name: NATURAL ENERGY RESOURCES INC
Address: PO BOX 448
SUN VALLEY ID 83353

2. Date of Priority: JUN 30, 1880

3. Source: GUYER HOT SPRINGS Trib. to: WARM SPRINGS CREEK

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
04N	17E	15	NE	NE			BLAINE

5. Description of diverting works:
DAM, RESERVOIRS, PIPELINES

6. Water is used for the following purposes:

Purpose	From	To	C.F.S	(or)	A.F.A.
COMMERCIAL	01/01	12/31	0.350		
HEATING	01/01	12/31	4.000		
DOMESTIC	01/01	12/31	0.040		

7. Total Quantity Appropriated is:
4.000 C.F.S. (and/or)

A.F.A.

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:
C/BATHING, G/HEATING

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
04N	17E	11	NE	SW		HEAT	
			NE	SW		COMMER	

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10. Place of Use: Continued

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	11	SW SW		HEAT	
			SW SW		COMMER	
			SE SW		HEAT	
			SE SW		COMMER	
			NE SE		HEAT	
			NE SE		COMMER	
			NW SE		HEAT	
			NW SE		COMMER	
			SW SE		HEAT	
			SW SE		COMMER	
			SE SE		COMMER	
			SE SE		HEAT	
	12		NE NE		COMMER	
			NE NE		HEAT	
			NW NE		COMMER	
			NW NE		HEAT	
			SW NE		COMMER	
			SW NE		HEAT	
			SE NE		COMMER	
			SE NE		HEAT	
			NE NW		COMMER	
			NE NW		HEAT	
			SE NW		HEAT	
			SE NW		COMMER	
			NE SW		COMMER	
			NE SW		HEAT	
			NW SW		COMMER	
			NW SW		HEAT	
			SW SW		COMMER	
			SW SW		HEAT	
			SE SW		COMMER	
			SE SW		HEAT	
			NE SE		COMMER	
			NE SE		HEAT	
			NW SE		COMMER	
			NW SE		HEAT	
			SW SE		COMMER	
			SW SE		HEAT	
			SE SE		COMMER	
			SE SE		HEAT	
	13		NE NE		COMMER	
			NE NE		HEAT	
			NW NE		COMMER	
			NW NE		HEAT	
			SW NE		COMMER	
			SW NE		HEAT	
			SE NE		COMMER	
			SE NE		HEAT	

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10. Place of Use: Continued

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	13	NE NW		COMMER	
			NE NW		HEAT	
			SE NW		COMMER	
			SE NW		HEAT	
			NE SE		COMMER	
			NE SE		HEAT	
			NW SE		COMMER	
			NW SE		HEAT	
			SW SE		COMMER	
			SW SE		HEAT	
			SE SE		COMMER	
			SE SE		HEAT	
		14	NE NW		COMMER	
			NE NW		HEAT	
			NW NW		COMMER	
			NW NW		HEAT	
			SW NW		COMMER	
			SW NW		HEAT	
			SE NW		COMMER	
			SE NW		HEAT	
		15	NE NE		COMMER	
			NE NE		HEAT	
			SE NE		COMMER	
			SE NE		HEAT	
		18	NE NW		COMMER	
			NE NW		HEAT	
			NW NW		COMMER	
			NW NW		HEAT	
			SW NW		COMMER	
			SW NW		HEAT	
			SE NW		HEAT	
			SE NW		COMMER	
			NE SW		COMMER	
			NE SW		HEAT	
			NW SW		COMMER	
			NW SW		HEAT	
			SW SW		COMMER	
			SW SW		HEAT	
			SE SW		COMMER	
			SE SW		HEAT	

11. Place of use in counties: BLAINE

12. Do you own the property listed above as place of use? NO

13. Other Water Rights Used:

37-2451, 37-4327, 37-7163

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14. Remarks:

PROPERTY LOCATED AT POINT OF DIVERSION IS OWNED BY CLAIMANT;
OTHER PROPERTIES IN KETCHUM SERVED BY THE HOT WATER HEATING
SYSTEM ARE NOT OWNED BY CLAIMANT.

15. Basis of Claim: DECREED

Case Number:

Court :

Decree date: / /

GUYER HOT SULFUR SPRINGS CO.

Decree Plaintiff

MIZER

vs

Decree Defendant

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AUG 24 1994

CHANGE IN OWNERSHIP

Page 1

This form is solely for purposes of notifying IDWR of a change in ownership of an adjudication claim.

[] Water Right Number(s): A37-01232; A37-02451; A37-07163

[] Name and Address of Former Claimant(s): Security Pacific National Bank

333 South Hope Street

Los Angeles, California 90007-1000

[] New Claimant(s): Natural Energy Resources, Inc.

James N. Cimino, Secretary

[] New Mailing Address: P.O. Box 448

Sun Valley, Idaho 83353

New Telephone Number: (208) 622 -4556

[] Does the change in ownership result in a splitting of the water right claimed? yes x no
If yes, then describe the portion of the water right that is now claimed by the new owner:

[] Attach proof of ownership Deeds and Assignments
Describe proof attached:
(Proof of ownership must describe either the property conveyed or include the claim number. Proof of ownership is not required if this form is signed by the former claimant.)

[] Signature of New Claimant(s): *J. N. Cimino*
Natural Energy Resources, Inc.
an Idaho corporation

Its Secretary

Date: September 23, 1992

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SEP 25 1992

Department of Water Resources
Southern Region Office

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AUG 24 1994

CHANGE IN OWNERSHIP

Page 2

[] Signature of Former Claimant(s): _____

Date: _____

(Signature of former claimant(s) is not required if proof of ownership is attached.)

FOR IDWR USE ONLY:

Initial Review and Data-Entry

Date: _____ By: _____

Further Action Needed:

Further Action Taken

Date: _____ By: _____

Final Review and Data-Entry

Date: _____ By: _____

Claim Numbers of Split, if any:

After form has been completed, please return to the nearest IDWR office below:

WESTERN REGIONAL OFFICE

2735 AIRPORT WAY

BOISE, IDAHO 83705

(208) 334-2190

EASTERN REGIONAL OFFICE

150 SHOUP SUITE #15

IDAHO FALLS, IDAHO 83402

(208) 525-7161

STATE OFFICE

1301 N. ORCHARD ST.

STATEHOUSE MAIL

BOISE, IDAHO 83720

(208) 327-7906

SOUTHERN REGIONAL OFFICE

222 SHOSHONE STREET EAST

TWIN FALLS, ID 83301

(208) 734-3578

NORTHERN REGIONAL OFFICE

1910 NORTHWEST BLVD. SUITE 210

COEUR D'ALENE, IDAHO 83814

(208) 765-4639

RECEIVED

APR 15 1984

HAWLEY TROXELL ENNIS & HAWLEY

ATTORNEYS AND COUNSELORS

FIRST INTERSTATE CENTER

SUITE 1000

POST OFFICE BOX 1617

BOISE, IDAHO 83701

TELEPHONE

(208) 344-8000

FAX

(208) 342-3829

POCATELLO OFFICE

125 NORTH GARFIELD

POST OFFICE BOX 4167

POCATELLO, IDAHO 83205

TELEPHONE

(208) 233-0845

BRIAN L. BALLARD

September 24, 1992

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Department of Water Resources
Southern Region Office

Idaho Department of Water Resources
Southern Regional Office
222 Shoshone Street East
Twin Falls, Idaho 83301

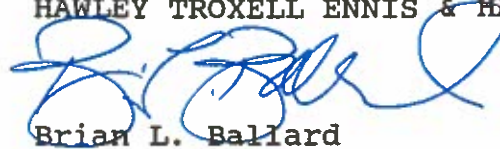
Re: Water Right No's. A37-01232; A37-02451; A37-07163

Gentlemen:

Enclosed please find a Change in Ownership form for the above-referenced water right numbers. Please contact me if you have any questions or comments.

Very truly yours,

HAWLEY TROXELL ENNIS & HAWLEY



Brian L. Ballard

BLB/lkc

Enclosures

MICROFILMED
AUG 24 1994

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ASSIGNMENT

SEP 25 1992

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, CARBON HILL HOT SPRINGS, INC., an Idaho corporation, as Grantor, the owner of the following described real property located in Blaine County, Idaho, to wit:

(SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE)

hereby assigns and transfers to NATURAL ENERGY RESOURCES, INC., an Idaho corporation, whose address is P.O. Box 448, Sun Valley, Idaho 83353, as Grantee, all of Grantor's right, title and interest, if any, in and to the water rights and water right permits appurtenant to the above-described property, including, without limitation, the following:

<u>WATER RIGHT NO.</u>	<u>PRIORITY DATE</u>
A37-01232	06/30/1880
A37-02451	06/30/1936
A37-07163	09/01/1972
A37-04327	01/01/1962
(permit) 37-08282	10/14/1986

together with all of Grantor's rights in any delivery system now in place to facilitate the delivery of said water rights.

DATED this 23rd day of September, 1992.

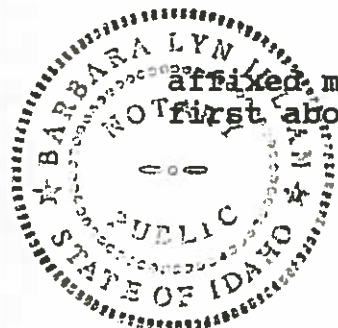
CARBON HILL HOT SPRINGS, INC.

By: [Signature]
Its: Secretary

STATE OF IDAHO)
County of Blaine) ss.

On this 23rd day of September, 1992, before me, the undersigned, a Notary Public in and for said State, personally appeared James N. Cimino, known or identified to me to be the Secretary of CARBON HILL HOT SPRINGS, INC., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



[Signature] **MICROFILMED**
Notary Public for Idaho **AUG 24 1994**
Residing at Hailey
My commission expires 2.23.93

EXHIBIT "A"

POOR ORIGINAL

All that part of the Carbon Hill Millsite, Climax Millsite and Hot Springs Lode Claim, Patented, located in Sections 14 and 15, Township 4 North, Range 17 E., B.M., Blaine County, Idaho, and more particularly described as follows:

COMMENCING at Corner No. 1 of Carbon Hill Millsite;
THENCE S. 38°46'36" E., 162.12 feet;
THENCE S. 71°35'10" W., 143.94 feet;
THENCE S. 38°30'53" E., 331.85 feet to a point on line 2-3 of Carbon Hill Millsite;
THENCE S. 75°02'25" W., 150.05 feet;
THENCE S. 75°07'04" W., 150.36 feet to Corner No. 3 of said Carbon Hill Millsite;
THENCE N. 81°16'51" W., 207.53 feet to Corner No. 4 of Carbon Hill Millsite;
THENCE N. 6°11'05" W., 21.02 feet;
THENCE N. 74°24'53" W., along the centerline of Warm Springs Creek 265.24 feet to a point on the South boundary of Climax Millsite;
THENCE S. 79°33'52" W., 261.80 feet to Corner No. 3 of Climax Millsite;
THENCE N. 39°14'16" W., 425.68 feet to Corner No. 2 of Climax Millsite;
THENCE N. 79°36'29" E., 432.23 feet;
THENCE S. 41°50'42" E., 85 feet;
THENCE N. 79°36'29" E., 150 feet to a point on the East boundary of Climax Millsite;
THENCE S. 41°50'42" E., 79.74 feet to Corner No. 7 of Carbon Hill Millsite;
THENCE N. 74°10'30" E., 442.47 feet to Corner No. 1 of Carbon Hill Millsite, the Point of Beginning.

EXCEPT

A parcel of land lying within Sections 14 and 15, Township 4 North, Range 17 E., B.M., Blaine County, Idaho, being more particularly described as follows:

COMMENCING at the BLM brass cap marking the Section corner common to Sections 10, 11, 14 and 15;

THENCE S. 1°12'35" W., 1025.33 feet to the 1" bar by Forsgren and Perkins in 1973 marking Corner No. 1 of the Carbon Hill Millsite being the True Point of Beginning.

THENCE N. 77°01'07" E., 4.97 feet to a fence corner;
THENCE S. 38°10'49" E., 169.98 feet to a fence corner;
THENCE S. 65°33'27" W., 120.84 feet to a fence corner;
THENCE N. 32°07'44" W., 182.92 feet to a point on the North boundary of the Carbon Hill Millsite as surveyed by Sawtooth Engineers;
THENCE N. 74°10'30" E., 101.20 feet along said North boundary to the True Point of Beginning.

RECEIVED

SEP 25 1992

Department of Water Resources
Southern Region Office

MICROFILMED

AUG 24 1994

CORPORATION WARRANTY DEED

POOR ORIGINAL

FOR VALUE RECEIVED,

SECURITY PACIFIC NATIONAL BANK, a National Banking Association

a corporation duly organized and existing under the laws of the State of _____ grantor, does hereby
Grant, Bargain, Sell and Convey unto

CARBON HILL HOT SPRINGS, INC., an Idaho Corporation
whose address is: P. O. Box 297; Ketchum, Idaho 83340

grantee, the following described real estate, situated in Blaine County, Idaho, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

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SEP 25 1992

Department of Water Resources
Southern Region Office

306014
BLAINE CO. REQUEST
of
MAY 31 PM 2 26
MARY GREEN, CLERK
FEES \$6.00

TO HAVE AND TO HOLD, the said premises, with their appurtenances unto the said Grantee and to the Grantee's heirs and assigns forever. And the Grantor does hereby covenant to and with the said Grantee, that the Grantor is the owner in fee simple of said premises; that they are free from all incumbrances except as above described and that Grantor will warrant and defend the same from all lawful claims whatsoever.

IN WITNESS WHEREOF, The Grantor, pursuant to a resolution of its Board of Directors has caused its corporate name to be hereunto subscribed by its President and its Secretary.

Dated: May 24, 1989

SECURITY PACIFIC NATIONAL BANK

By



V.P. PRESIDENT.

ATTEST:



SECRETARY.

STATE OF CALIFORNIA

COUNTY OF Los Angeles

SS.

On May 30, 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared
Gerald P. Gamble personally known to me as the Vice President, and Donald W. Smith
on the basis of satisfactory evidence to be the Vice President, Secretary of the Corporation that executed the within instrument, known to me to be the
who executed the within instrument on behalf of the Corporation therein named, and acknowledged to me that such Corporation executed the within
instrument and that such Corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors

I WITNESS my hand and official seal



Sue Henwood
(Notary Public's Signature)

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AUG 24 1994

EXHIBIT "A"

POOR ORIGINAL

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THENCE S. 75°02'25" W., 150.05 feet;
THENCE S. 75°07'04" W., 150.36 feet to Corner No. 3 of said Carbon Hill Millsite;
THENCE N. 81°16'51" W., 207.53 feet to Corner No. 4 of Carbon Hill Millsite;
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THENCE S. 79°33'52" W., 261.80 feet to Corner No. 3 of Climax Millsite;
THENCE N. 39°14'16" W., 425.68 feet to Corner No. 2 of Climax Millsite;
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THENCE S. 41°50'42" E., 85 feet;
THENCE N. 79°36'29" E., 150 feet to a point on the East boundary of Climax Millsite;
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THENCE N. 74°10'30" E., 442.47 feet to Corner No. 1 of Carbon Hill Millsite, the Point of Beginning.

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A parcel of land lying within Sections 14 and 15, Township 4 North, Range 17 E., B.M., Blaine County, Idaho, being more particularly described as follows:

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THENCE S. 38°10'49" E., 169.98 feet to a fence corner;
THENCE S. 65°33'27" W., 120.84 feet to a fence corner;
THENCE N. 32°07'44" W., 182.92 feet to a point on the North boundary of the Carbon Hill Millsite as surveyed by Sawtooth Engineers;
THENCE N. 74°10'30" E., 101.20 feet along said North boundary to the True Point of Beginning.

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SEP 25 1992

Department of Water Resources

Salt Lake City Office
MICROFILMED

AUG 24 1994

Order No. 22-8775

WARRANTY DEED IN LIEU OF FORECLOSURE

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, GUYER SPRINGS LAND CO., a Delaware corporation, and GUYER SPRINGS WATER CO., a Delaware corporation, jointly the "Grantor," hereby grants and conveys unto SECURITY PACIFIC NATIONAL BANK, a national banking association, the "Grantee," with its principal place of business at 333 South Hope Street, Los Angeles, California 90071, all right, title and interest of Grantor in the real property of the Grantor located in the County of Blaine, State of Idaho, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (hereinafter referred to as "Subject Property").

TOGETHER with all and singular the buildings, structures, improvements, tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, the reversions, remainders, rents, issues and profits thereof;

TOGETHER with all water rights, including, but not limited to, License and Certificate of Water Right No. 18318 issued to Carl E. Brandt by the State of Idaho with a priority date of June 30, 1936, which water right is known and referred to as License No. 37-2451; and Application for Permit No. 37-7163 filed by D.C. Brandt with the State of Idaho with a priority date of September 1, 1972; and a water right for domestic water for heating and recreation as described in that Claim to Water Right No. 37-4327 filed by Dave Brandt and Dorothy Brandt with the

WARRANTY DEED IN LIEU OF FORECLOSURE - 1

RECORDED MICROFILMED

AUG 24 1994
SEP 25 1992

Department of Water Resources
Southern Region Office

State of Idaho with a priority date of 1962; and any other water rights, whether licenses, permits, claims to a water right, or applications for a water right pertaining to the Subject Property;

SUBJECT TO those exceptions to title set forth in Exhibit "B" attached hereto and incorporated by this reference.

SUBJECT TO those exceptions to title to which this conveyance is expressly made and those made, suffered or done by the Grantee, the Grantor covenants to the Grantee, its successors and assigns, that the Grantee shall enjoy the quiet and peaceful possession of the above-described premises, and Grantor warrants to the Grantee, its successors and assigns, that Grantor is the owner of said premises in fee simple and has the right and authority to convey the same to Grantee, and it will defend the same from all lawful claims by, through and under the Grantor.

TO HAVE AND TO HOLD, unto the said Grantee, its successors and assigns forever.

This Warranty Deed in Lieu of Foreclosure (hereinafter referred to as "Deed"), is given in lieu of foreclosure of the Deed of Trust executed by GUYER SPRINGS LAND CO., a Delaware corporation and GUYER SPRINGS WATER CO., a Delaware corporation, jointly as Grantors, to SECURITY PACIFIC NATIONAL BANK, a national banking association, as Beneficiary, dated December 30, 1986, recorded December 31, 1986, as Instrument No. 280685, records of Blaine County, Idaho, covering the Subject Property (the "Deed of Trust"); provided, however, that Grantee's Deed of

WARRANTY DEED IN LIEU OF FORECLOSURE - 2

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SEP 25 1992
AUG 24 1994
Department of Water Resources
Southern Region Office

Trust lien in and to the Subject Property shall not be deemed to have merged into this Deed, but shall survive the execution, delivery and recording of this Deed, and Grantee expressly reserves and retains its priority of lien in and to the Subject Property for the purpose of protecting Grantee against any third party liens, claims or interest, known or unknown, disclosed or undisclosed, liquidated or unliquidated, of whatever kind or nature.

It is expressly covenanted and agreed by and between the parties hereto that by accepting delivery of and/or by recording this Deed (1) Grantee will thereby release Grantor from any liability for any and all promissory notes, debts, obligations, costs or charges, the payment of which was secured by the Deed of Trust, and any deficiency judgment related thereto, and (2) Grantee does not assume any liability arising out of or in connection with the ownership or use of the Subject Property by the Grantor or their predecessors in interest.

Grantor intends by this Deed to vest the absolute and unconditional title to the Subject Property in Grantee, and to forever estop and bar Grantor and Grantor's heirs, executors or administrators or anyone claiming or having any right, title or interest of any nature whatsoever, either in law or in equity, or in possession or in expectancy, in and to the Subject Property, or any part thereof.

WARRANTY DEED IN LIEU OF FORECLOSURE - 3

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Department of Wildlife Resources
AUG 24 1994
Southern Region Office

IN WITNESS WHEREOF, the Grantor has duly executed this instrument this FIRST day of JULY, 1988.

GUYER SPRINGS LAND CO.

By [Signature]
its President

GUYER SPRINGS WATER CO.

By [Signature]
its President

STATE OF IDAHO)
County of Ada Blaine) ss.

On this 1st day of July, 1988, before me, [Signature], a Notary Public in and for said State, personally appeared [Signature], known or identified to me to be the president of GUYER SPRINGS LAND CO., the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

[Signature]
Notary Public for Idaho
Residing at [Signature] Idaho
My commission expires on Feb 1, 1993

WARRANTY DEED IN LIEU OF FORECLOSURE - 4

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SEP 25 1992
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Department of Water Resources
AUG 24 1994

STATE OF IDAHO)
County of Blaine) ss.

On this 1st day of July, 1988, before me,
James J. Franklin, Notary Public in and for
said State, personally appeared Robert H. Pasch,
known or identified to me to be the president of GUYER SPRINGS
WATER CO., the corporation that executed the within instrument or
the person who executed the instrument on behalf of said
corporation, and acknowledged to me that such corporation
executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal the day and year in this certificate
first above written.

James J. Franklin
Notary Public for Idaho
Residing at San Valley, Idaho
My commission expires on 4-1, 1993

WARRANTY DEED IN LIEU OF FORECLOSURE - 5

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Department of Water Resources
AUG 24 1994
So. Idaho Office

All that part of the Carbon Hill Millsite, Climax Millsite and Hot Springs Lode Claim, Patented located in Sections 14 & 15, Township 4 North, Range 17 E.B.M., Blaine County, Idaho, and more particularly described as follows:

Commencing at Corner No. 1 of Carbon Hill Millsite;
THENCE S. 38°46'36" E., 162.12 feet;
THENCE S. 71°35'10" W., 143.94 feet;
THENCE S. 38°30'53" E., 331.85 feet to a point on line 2-3 of Carbon Hill Millsite;
THENCE S. 75°02'25" W., 150.05 feet;
THENCE S. 75°07'04" W., 150.36 feet to Corner No. 3 of said Carbon Hill Millsite;
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THENCE N. 74°10'30" E., 442.47 feet to Corner No. 1 of said Carbon Hill Millsite, the Point of Beginning.

EXCEPTING THEREFROM:

A parcel of land lying within Sections 14 and 15, Township 4 North, Range 17 E., B.M., Blaine County, Idaho, being more particularly described as follows:

Commencing at the BLM brass cap marking the Section corner common to Sections 10, 11, 14 and 15;
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THENCE N. 74°10'30" E., 101.20 feet along said North boundary to the True Point of Beginning.

EXHIBIT A

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Department of the Interior
AUG 24 1994
Southern Region Office

POOR ORIGINAL

3. Reservations in U.S. Patents, Recorded in Book 99 of Patents at Page 630, are as follows:

FIRST: That the premises hereby granted, with the exception of the surface may be entered by the proprietor of any other vein, lode, or ledge, the top of which lies outside of the boundary of said granted premises, should the same in its dip be found to penetrate, intersect, or extend into said premises, for the purpose of extracting and removing the ore from such other vein, lode, or ledge.

SECOND: That the premises hereby granted shall be held subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights as may be recognized and acknowledged by the local laws, customs, and decisions of courts. And there is reserved from the lands hereby granted, a right of way for ditches or canals constructed by the authority of the United States.

THIRD: That in the absence of necessary legislation by Congress, the legislature of Idaho may provide rules for working the mining claim or premises hereby granted, involving easements, drainage, and other necessary means to complete development.

EXHIBIT B - P. 2

BLAINE CO.
REQUEST FOR
DEPUTY
FFS R
240

296304
Sun Valley Title Co.

RECEIVED

SEP 25 1992

Dep. of Resources

Southern Region
AUG 24 1994

IN THE DISTRICT COURT OF THE FIFTH JUDICIAL DISTRICT OF THE STATE OF IDAHO,
IN AND FOR THE COUNTY OF TWIN FALLS

IN RE THE GENERAL ADJUDICATION
OF RIGHTS TO THE USE OF WATER FROM
THE SNAKE RIVER BASIN WATER SYSTEM.

CIVIL CASE NUMBER: 39576

Ident. Number: A37-01232

Date Received: 10/27/1988

Receipt No: C003080

Received By: _____

NOTICE OF CLAIM TO A WATER RIGHT
ACQUIRED UNDER STATE LAW

1. Name: SECURITY PACIFIC NATIONAL BANK 213-345-4489
Address: 333 S. HOPE ST.
LOS ANGELES, CA 90007-1000

2. Date of Priority: JUN 30, 1880

3. Source: GUYER HOT SPRINGS Trib. to: WARM SPRINGS CREEK

4. Point of Diversion:

Township	Range	Section	1/4 of	1/4 of	1/4	Lot	County
04N	17E	15	NE	NE			BLAINE

5. Description of diverting works:
DAM, RESERVOIRS, PIPELINES

6. Water is used for the following purposes:

Purpose	From	To	C.F.S.	(or)	A.F.A.
COMMERCIAL	01/01	12/31	0.350		
HEATING	01/01	12/31	4.000		
DOMESTIC	01/01	12/31	0.040		

7. Total Quantity Appropriated is:
4.000 C.F.S. (and/or)

A.F.A.

8. Total consumptive use is Acre Feet Per Annum.

9. Non-irrigation uses:
C/BATHING, G/HEATING

10. Place of Use:

Township	Range	Section	1/4 of	1/4	Lot	Use	Acres
04N	17E	11	NE	SW		HEAT	

A37-01232

Page 1

Date: 02/16/89

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FEB 23 1993

10. Place of Use: Continued

Township	Range	Section	1/4 of 1/4	Lot	Use	Acres
04N	17E	11	NE SW		COMMER	
			SW SW		HEAT	
			SW SW		COMMER	
			SE SW		HEAT	
			SE SW		COMMER	
			NE SE		HEAT	
			NE SE		COMMER	
			NW SE		HEAT	
			NW SE		COMMER	
			SW SE		HEAT	
			SW SE		COMMER	
			SE SE		COMMER	
			SE SE		HEAT	
		12	NE NE		COMMER	
			NE NE		HEAT	
			NW NE		COMMER	
			NW NE		HEAT	
			SW NE		COMMER	
			SW NE		HEAT	
			SE NE		COMMER	
			SE NE		HEAT	
			NE NW		COMMER	
			NE NW		HEAT	
			SE NW		HEAT	
			SE NW		COMMER	
			NE SW		COMMER	
			NE SW		HEAT	
			NW SW		COMMER	
			NW SW		HEAT	
			SW SW		COMMER	
			SW SW		HEAT	
			SE SW		COMMER	
			SE SW		HEAT	
			NE SE		COMMER	
			NE SE		HEAT	
			NW SE		COMMER	
			NW SE		HEAT	
			SW SE		COMMER	
			SW SE		HEAT	
			SE SE		COMMER	
			SE SE		HEAT	
		13	NE NE		COMMER	
			NE NE		HEAT	
			NW NE		COMMER	
			NW NE		HEAT	

10. Place of Use: Continued

Township	Range	Section	1/4	of	1/4	Lot	Use	Acres
04N	17E	13	SW		NE		COMMER	
			SW		NE		HEAT	
			SE		NE		COMMER	
			SE		NE		HEAT	
			NE		NW		COMMER	
			NE		NW		HEAT	
			SE		NW		COMMER	
			SE		NW		HEAT	
			NE		SE		COMMER	
			NE		SE		HEAT	
			NW		SE		COMMER	
			NW		SE		HEAT	
			SW		SE		COMMER	
			SW		SE		HEAT	
			SE		SE		COMMER	
			SE		SE		HEAT	
		14	NE		NW		COMMER	
			NE		NW		HEAT	
			NW		NW		COMMER	
			NW		NW		HEAT	
			SW		NW		COMMER	
			SW		NW		HEAT	
			SE		NW		COMMER	
			SE		NW		HEAT	
		15	NE		NE		COMMER	
			NE		NE		HEAT	
			SE		NE		COMMER	
			SE		NE		HEAT	
		18	NE		NW		COMMER	
			NE		NW		HEAT	
			NW		NW		COMMER	
			NW		NW		HEAT	
			SW		NW		COMMER	
			SW		NW		HEAT	
			SE		NW		COMMER	
			SE		NW		HEAT	
			NE		SW		COMMER	
			NE		SW		HEAT	
			NW		SW		COMMER	
			NW		SW		HEAT	
			SW		SW		COMMER	
			SW		SW		HEAT	
			SE		SW		COMMER	
			SE		SW		HEAT	

11. Place of use in counties: BLAINE

A37-01232

Page 3

Date: 02/16/89

MICROFILMED

FEB 23 1993

12. Do you own the property listed above as place of use? NO

13. Other Water Rights Used:
37-2451, 37-4327, 37-7163

14. Remarks:
PROPERTY LOCATED AT POINT OF DIVERSION IS OWNED BY CLAIMANT;
OTHER PROPERTIES IN KETCHUM SERVED BY THE HOT WATER HEATING
SYSTEM ARE NOT OWNED BY CLAIMANT.

15. Basis of Claim: DECREED
Case Number:
Court :
Decree date:

GUYER HOT SULFUR SPRINGS CO.
Decree Plaintiff

vs

MIZER
Decree Defendant

16. Signature(s)

(a.) By signing below, I/We acknowledge that I/We have received, read and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not _____ wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments: _____

For Organizations:

I do solemnly swear or affirm that I am _____ of
_____, that I have signed the foregoing
Organization
document in the space below as _____ of
_____, Title
and that the statements contained in the
Organization
foregoing document are true and correct.

Signature of Authorized Agent

Title and Organization

Date

State of Idaho)
County of _____) SS.

Subscribed and sworn (or affirmed) before me this _____ day
of _____ 19 _____

Notary Public

Seal

Residing at _____

My Commission Expires _____

6. Water is claimed for the following purposes: AMENDED
(both dates are inclusive) (cfs) (acre feet)
- For domestic purposes from 1-01 to 12-31 amount .04 cfs
- For heating purposes from 1-01 to 12-31 amount 4 cfs or
- For bathing purposes from 1-01 to 12-31 amount .35 cfs or
- For _____ purposes from _____ to _____ amount _____ or _____
7. Total quantity claimed (a) 4.00 (cfs) and/or (b) _____ (acre feet)
8. Total consumptive use claimed is None acre feet per annum.
9. Non-irrigation uses; describe fully (eg. Domestic: Give number of households served; Stockwater: Type and number of livestock Etc.) bathing, heating and domestic
10. Description of place of use:
a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
b. If water is used for other purposes, place a symbol of use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RNG	SEC	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	

Total number of acres irrigated --

11. In which county (ies) are lands listed above as place of use located? Blaine
12. Do you own the property listed above as place of use? Yes X No X
If your answer is No, describe in Remarks below the authority you have to claim this water right.
13. Describe any other water rights used at the same place and for the same purposes as described above.
37-241 (license); 37-4327 (claim); 37-7163 (permit) or None ()
37-2451
14. Remarks: Property located at point of diversion is owned by Claimant;
other properties in Ketchum served by the hot water heating
system are not owned by Claimant.

COPY

RECORDED
FEB 23 1993

Last Name _____ Ident No. 437-0232

NOV 23 1988
Copies: White - State, Yellow - Claimant

EXHIBIT A

TWP	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
4N	17E	11									HC R		HC R	HC R	HC R	HC R	HC R	HC R	
4N	17E	12	HC R	HC R	HC R	HC R	HC R			HC R	HC R	HC R	HC R	HC R	HC R	HC R	HC R	HC R	
4N	17E	13	HC R	HC R	HC R	HC R	HC R			HC R					HC R	HC R	HC R	HC R	
4N	17E	14					HC R	HC R	HC R	HC R									
4N	17E	15	HC			HC													
4N	18E	18					HC R	HC R	HC R	HC R	HC R	HC R	HC R	HC R					

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COPY

RECEIVED

NOV 23 1988.

MICROFILMED

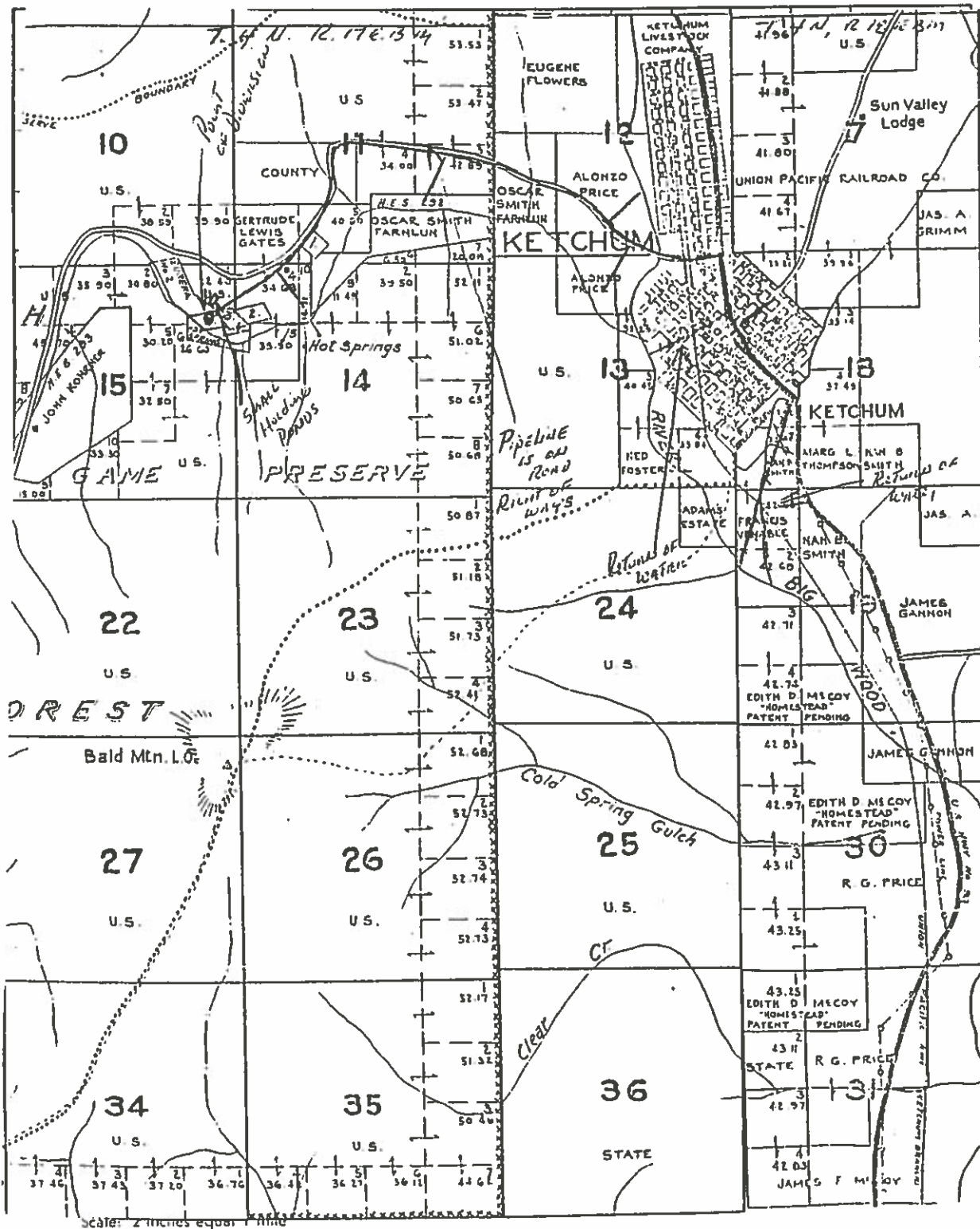
Department of State Resources

FEB 23 1993

A27-010 20

EXHIBIT B

11. Map of proposed project:



BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

COPY

A37-01232

RECORDED
MICROFILMED
NOV 23 1988
FEB 23 1993

37 7163

6. Water is claimed for the following purposes:

(both dates are inclusive)

(cfs)

(acre feet)

For Bathing, heating and domestic purposes from Jan. 1 to Dec. 31 amount 4 cfs or _____
 For _____ purposes from _____ to _____ amount _____ or _____
 For _____ purposes from _____ to _____ amount _____ or _____
 For _____ purposes from _____ to _____ amount _____ or _____

7. Total quantity claimed (a) 4.00 (cfs) and/or (b) _____ (acre feet)

8. Total consumptive use claimed is None acre feet per annum.

9. Non-irrigation uses; describe fully (eg. Domestic: Give number of households served; Stockwater: Type and number of livestock Etc.) Bathing, heating and domestic.

10. Description of place of use:

- If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
- If water is used for other purposes, place a symbol of use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

TWP	RNG	SEC	NE 1/4				NW 1/4				SW 1/4				SE 1/4				Totals
			NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	NE1/4	NW1/4	SW1/4	SE1/4	
4N	17E	15	D, H																

Total number of acres irrigated _____

11. In which county (ies) are lands listed above as place of use located? Blaine

12. Do you own the property listed above as place of use? Yes X No _____
 If your answer is No, describe in Remarks below the authority you have to claim this water right.

13. Describe any other water rights used at the same place and for the same purposes as described above.
37-2451 (License #18318), 37-4327 (claim), 37-7163 (permit) or None ()

14. Remarks:

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 FEB 23 1993

Last Name _____ Ident No. A37-01232

Copies: White -State, Yellow-Claimant

Scale: 2 inches equals 1 mile

[illegible]

COPY

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FEB

FEB 23 1993

Last Name _____ Ident No. _____

Copies: White-State, Yellow-Claimant

15. Basis of Claim (check one) Beneficial Use _____ Posted Notice _____ License _____ Permit _____

Decree x

If applicable provide IDWR Water Right Number 37-1232

Court _____ Case Number _____ Decree Date Feb. 10, 1914

Plaintiff vs Defendant Guyer Hot Sulphur Springs Co. vs. Mizer

16. Signature (s)

(a.) By signing below, I/We acknowledge that I/We have received, read, and understand the form entitled "How you will receive notice in the Snake River Basin Adjudication." (b.) I/We do _____ do not x wish to receive and pay a small annual fee for monthly copies of the docket sheet.

Number of attachments _____

For Individuals: I do solemnly swear or affirm that the statements contained in the foregoing document are true and correct.

Signature of Claimant (s) _____ Date _____

_____ Date _____

For Organizations: I do solemnly swear or affirm that I am an attorney

Title

of Hawley Troxell Ennis & Hawley, that I have signed the foregoing

Organization

document in the space below as attorney in fact of Security Pacific National Bank

Title

Organization

and that the statements contained in the foregoing document are true and correct.

Signature of Authorized Agent Rita L Berry

Title and Organization attorney, Hawley Troxell Ennis & Hawley Date October 25, 1988

(See Special Power of Attorney attached)

State of Idaho/ADA)
County of ADA) SS.

Subscribed and sworn (or affirmed) before me this 25th day of October 19 88

SEAL

Notary Public Opal G. Nalley

Residing at Boise, Idaho

My Commission Expires 6/21/91

Please Print Name

17. Notice of Appearance: Rita L. Berry of Hawley

Notice is hereby given that I, Troxell Ennis & Hawley will be acting as attorney at law on behalf of the claimant signing above, and that all notices required by law to be mailed by the director to the claimant signing above should be mailed to me at the address listed below.

Signature Rita L Berry

Address P.O. Box 1617, Boise, Idaho 83701

Date October 25, 1988

COPY

Last Name _____ Ident. Number _____

Copies White-State, Yellow-Claimant

SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

That SECURITY PACIFIC NATIONAL BANK, a national banking association, with its principal place of business in Los Angeles, County of Los Angeles, State of California, has made, constituted and appointed, and by these presents does make, constitute and appoint RITA L. BERRY, of the firm of Hawley Troxell Ennis & Hawley, of Boise, County of Ada, State of Idaho, its true and lawful attorney for and in its name, place and stead, and for its use and benefit to complete, sign, deliver and acknowledge such documents as may be necessary or proper to evidence Security Pacific National Bank's water rights or other claims to water as required by the case of *In Re General Adjudication of Rights to the Use of Water from the Snake River Basin Water System*, Civil Case No. 39576, in the District Court of the Fifth Judicial District of the State of Idaho, in and for the County of Twin Falls, including, but not limited to, one or more Notice of Claim to Water Right.

Giving and granting unto its said attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in and about the premises, as fully to all intents and purposes as it might or could do if personally present (with full power of substitution or revocation), hereby ratifying and confirming all that its said

MICROFILMED
FEB 23 1993

attorney (or his substitute or substitutes) shall lawfully do or cause to be done by virtue of these presents.

DATED this 21st day of October, 1988.

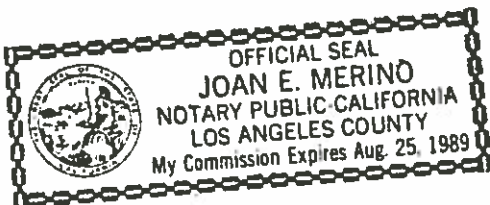
SECURITY PACIFIC NATIONAL BANK

By [Signature]
Gerald G. Gamble
Its Vice President

STATE OF CALIFORNIA)
County of Los Angeles) ss.

On this 21st day of October, 1988, before me, JOAN E. MERINO, a Notary Public in and for said State, personally appeared GERALD G. GAMBLE, known or identified to me to be the vice president of SECURITY PACIFIC NATIONAL BANK, the corporation that executed the within instrument or the person who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.



Joan E. Merino
Notary Public for California
Residing at Los Angeles, California
My commission expires on Aug, 1989

Scale: 2 inches equals 1 mile

AMENDED

See map attached as Exhibit B

[illegible]

REC

NOV 23 1988

MICROFILMED

Department of Water Resources
Copies: State, Yellowknife
FEB 23 1993

Last Name

Ident No. A37-01232

Copies. **Departments** **Water Resources**
Copies. In State, Yellow **1002**

01/09/2007

IDAHO DEPARTMENT OF WATER RESOURCES
PRELIMINARY RECOMMENDATION OF WATER RIGHTS ACQUIRED UNDER STATE LAW

RIGHT NUMBER: 37-1232

NAME AND ADDRESS: NATURAL ENERGY RESOURCES INC
PO BOX 448
SUN VALLEY ID 83353

SOURCE: GUYER HOT SPRINGS

TRIBUTARY: WARM SPRINGS CREEK

QUANTITY: 1.130 CFS

The rights listed below are limited to a total combined diversion rate of 1.13 cfs. Combined Right Nos.: 37-1232, 37-2451, 37-7163, & 37-4327.

PRIORITY DATE: 06/30/1880

POINT OF DIVERSION:

T04N R17E S15 SWNE Within BLAINE County

PURPOSE AND
PERIOD OF USE:

<u>PURPOSE OF USE</u>	<u>PERIOD OF USE</u>	<u>QUANTITY</u>
HEATING	01/01 12/31	1.130 CFS
DOMESTIC	01/01 12/31	0.040 CFS

Domestic use is for internal use.

PLACE OF USE: HEATING in BLAINE County

T04N R17E S11	SESW	T04N R17E S11	NESE
T04N R17E S11	NWSE	T04N R17E S11	SWSE
T04N R17E S11	SESE	T04N R17E S12	NESW
T04N R17E S12	NWSW	T04N R17E S12	SWSW
T04N R17E S12	SESW	T04N R17E S12	SWSE
T04N R17E S13	NENE	T04N R17E S13	NWNE
T04N R17E S13	SENE	T04N R17E S13	NENW
T04N R17E S14	NENW	T04N R17E S14	NWNW
T04N R17E S15	NENE	T04N R18E S18	SWNW
T04N R18E S18	NWSW		

DOMESTIC same as HEATING

OTHER PROVISIONS NECESSARY FOR DEFINITION OR ADMINISTRATION OF THIS WATER RIGHT:

This partial decree is subject to such general provisions necessary for the definition of the rights or for the efficient administration of the water rights as may be ultimately determined by the Court at a point in time no later than the entry of a final unified decree. Section 42-1412(6), Idaho Code.

EXPLANATORY MATERIAL: BASIS OF CLAIM - Decreed



Idaho Department of Water Resources

SRBA Recommendation:

37-1232

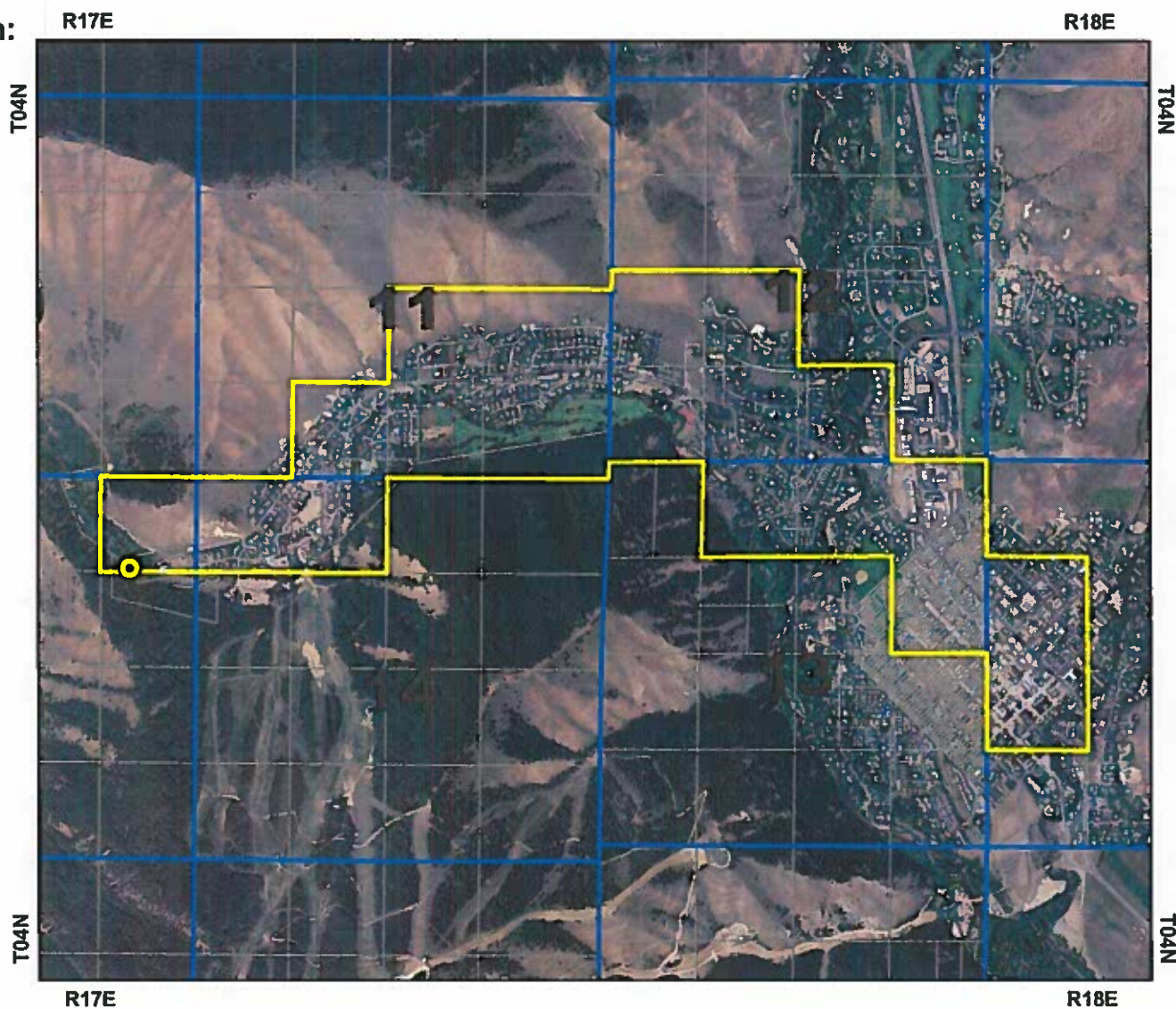
(Heating)

Legend

-  Point of Diversion
-  Place of Use
-  B37 sections.shp
-  T04n17e.shp



Blaine County
IDWR Basin 37



0 0.9 1.8 Miles



Prepared by C. Saxton
On Tuesday, January 9, 2007
1987/88 Aerial Photography



Idaho Department of Water Resources

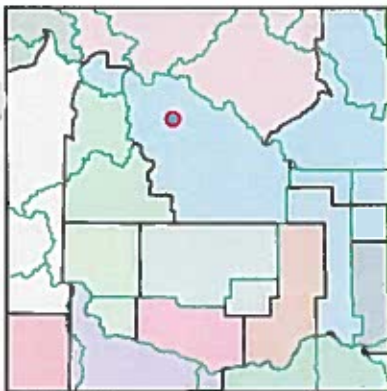
SRBA Recommendation:

37-1232

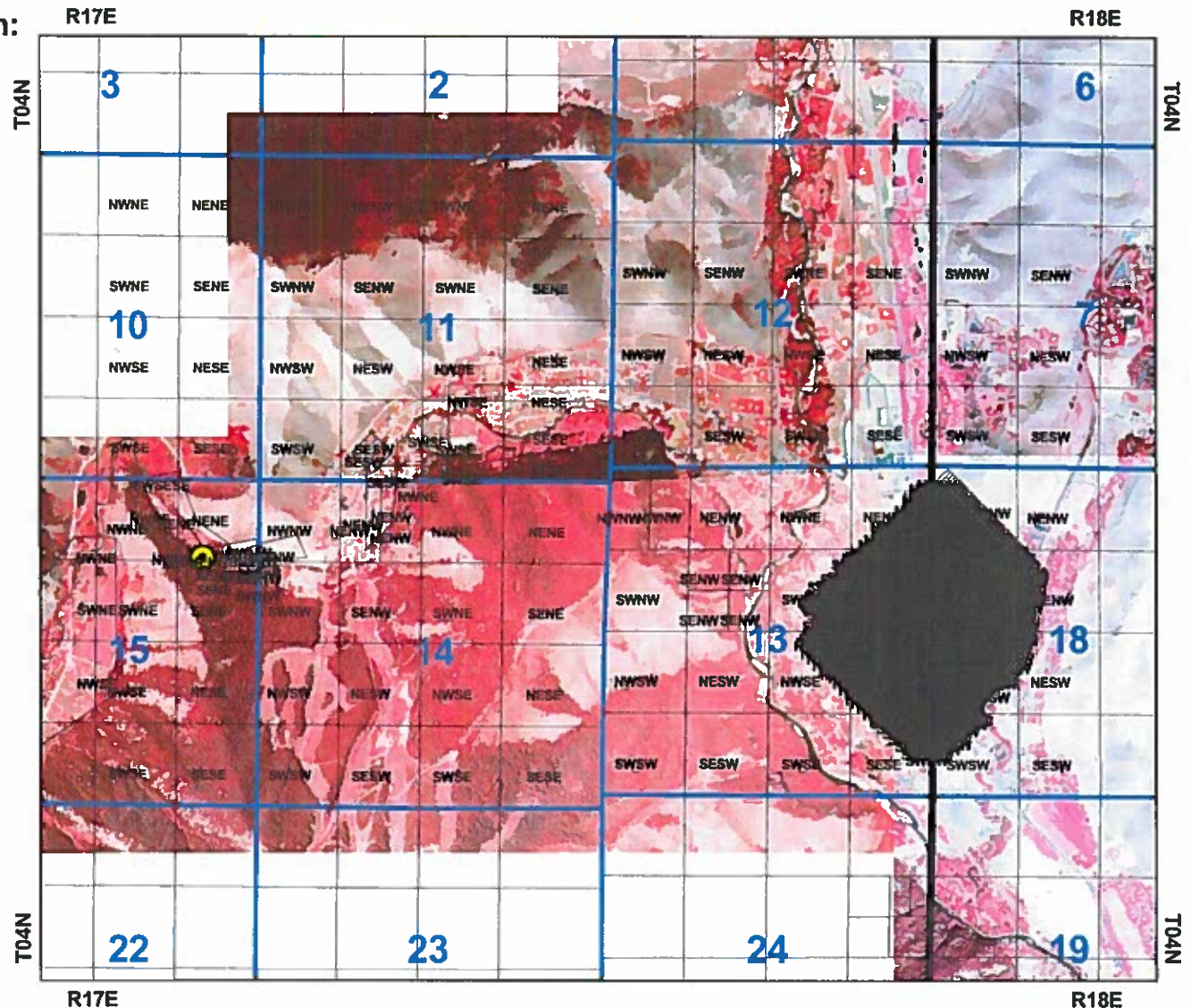
(Heating)

Legend

-  **Point of Diversion**
-  **Place of Use**
-  **Townships**
-  **PLS Sections**
-  **Quarter Quarters**



Blaine County
IDWR Basin 37



0 1 2 Miles

Prepared by C. Saxton
On Tuesday, January 9, 2007
1987/88 Aerial Photography

Review and Narrative

1/8/2007

Sandy Hemenway

A37-04327, 37-1232, 37-2451, and 37-7163 are all tied into one system. 37-2451 is an expansion of 37-01232. 37-7163 and 37-4327 contribute to the capacity of the entire system.

37-01232 Natural Energy Resources Inc., Priority Date 6/30/1880

Source: Guyer Hot Springs Tributary: Warm Springs Creek

POD: 4N, 17E, Sec 15 NENE

POU: 4N, 17E, Sec 11, 12, 13, 14, 15, 18

Appropriated Quantity: 4.0cfs

Field Exam Results:

Use: Heating 1/1-12/31; Domestic 1/1-12/31; Commercial 1/1-12/31

Non-irrigation: G/heating, C/bathing

System: Dam, reservoirs, pipelines; Diagram in 37-2451 & 37-01232 files show a collector channel that diverts into 3 separate concrete collection boxes that diverts to one single 10" (unknown type) pipe that crosses Warm Springs Creek. Just below the concrete boxes running parallel is buried 4" plastic pipe acting as a collector. This water is diverted by means of 3" (unknown type) pipe across Warm Springs Creek to a separate concrete collection box (in diagram referenced as "B") with (2) 1.5 Hp pumps that merge flow into the 10" pipe going to the system (in the diagram referenced as "A"). There is an overflow from site "B" that open discharges back to Warm Springs Creek (on diagram referenced as "C"). 10" pipe reduces to 6" (unknown type) pipe extending 2 ¾ miles to the village of Ketchum and the Bald Mountain Hot springs Resort. "Pipeline is road right of ways" (notation on 5/11/1983 map submitted). There is also a flume across Warm Springs Creek, conveying the water to a plunge at the site of the Old Guyer Hotel and near the POD conveying water to the cabins immediately adjacent for heating and domestic purposes.

System Measurement: **measurement shown with exam in file 37-2451**

Purpose of permit: initial filing for use

Change of Ownership: 3/10/1993, changed to Natural Energy Resources, Inc. James N. Cimino, Secretary, PO Box 448, Sun Valley, Idaho 83353 (208) 622-4556 (copy of letter in 37-4327 file)

****NOTE:** claimant owns POD. Claimant does not own property served.

37-2451 Natural Energy Resources Inc., Priority Date 6/30/1936

Source: Guyer Hot Springs Tributary: Warm Springs Creek

POD: 4N, 17E, Sec 15 NENE

POU: 4N, 17E, Sec 11, 12, 13, 14, 15, 18

Appropriated Quantity: 1.0cfs

Purpose of Permit: Expansion to the system conducted by the Bonin Brothers, and full amount utilized in the system with completion of project on 6/29/1941.

Field Exam Results:

Use: Heating 1/1-12/31; Domestic 1/1-12/31; Commercial 1/1-12/31

Non-irrigation: G/homes, C/natatorium (hand written note in the file, from an unknown source stated use as heating the lodge, bathing plunge---natatorium, 3 miles of pipeline to Ketchum heating for 40 cabins, and domestic use) **aka Bald Mountain Hot Springs Resort -**

System: Dam, reservoirs, pipelines; a collector channel that diverts into 3 separate concrete collection boxes that diverts to one single 10" (unknown type) pipe that crosses Warm Springs Creek. Just below the concrete boxes running parallel is buried 4" plastic pipe acting as a collector. This water is diverted by means of 3" (unknown type) pipe across Warm Springs Creek to a separate concrete collection box (in diagram referenced as "B") with (2) 1.5 Hp pumps that merge flow into the 10" pipe going to the system (in the diagram referenced as "A"). There is an overflow from site "B" that open discharges back to Warm Springs Creek (on diagram referenced as "C"). 10" pipe reduces to 6" (unknown type) pipe extending 2 ¾ miles to the village of Ketchum and the Bald Mountain Hot springs Resort. "Pipeline is road right of ways" (notation on 5/11/1983 map submitted). There is also a flume across Warm Springs Creek, conveying the water to a plunge at the site of the Old Guyer Hotel and near the POD conveying water to the cabins immediately adjacent for heating and domestic purposes.

System Measurement: On the same diagram are measurements taken 4/3/1985 site "A" 1.01cfs, "B" 0.16cfs, "C" 0.0, Total Q 1.01cfs; 10/23/1986 site "A" 1.02cfs, "B" 0.07cfs, and "C" .05cfs, **Total Q 1.07cfs.**

Change of Ownership: 3/10/1993, changed to Natural Energy Resources, Inc. James N. Cimino, Secretary, PO Box 448, Sun Valley, Idaho 83353 (208) 622-4556 (copy in 37-4327 file)

****NOTE:**claimant owns POD. Claimant does not own property served.

37-07163 Natural Energy Resources Inc., Priority Date 9/1/1972

Source: Brandt's Hot Spring Tributary: Warm Springs Creek

POD: 4N, 17E, Sec 15 NENE

POU: 4N, 17E, Sec 11, 12, 13, 14, 15, 18

Appropriated Quantity: 3.0cfs

Field Exam Results: 12/3/1980 Dave Brant, total Q measured = 1.13cfs (spring meter =1.02cfs) with 55 houses using water for heating and 1 public pool. Recommended 1.13cfs heating, 1.13cfs commercial (pool) **total 1.13cfs.**

Use: Heating 1/1-12/31

Non-irrigation: G/homes, businesses, pools, serving 65 homes in Ketchum.

System: per permit 2 small reservoirs, pipeline, concrete dam, 10', 600 gallon capacity; per 12/3/1980 Dave Brant's field exam: spring water is collected into a concrete collector then diverted into pipeline to the POU; small pump is used to supply part of this water.

Purpose of permit: to obtain right to flow from hot springs for heat system to serve additional 100 homes or businesses.

Location: Apparently this spring is just west of the Guyer Spring; appears to be used in the same pipeline.

Change of Ownership: 3/10/1993, changed to Natural Energy Resources, Inc. James N. Cimino, Secretary, PO Box 448, Sun Valley, Idaho 83353 (208) 622-4556 (copy in 37-4327 file).

****NOTE:** claimant owns POD. Claimant does not own property served.

37-04327 Natural Energy Resources Inc., Priority Date 1/1/1962

Source: Groundwater Tributary: -----

POD: 4N, 17E, Sec 15 NENE

POU: 4N, 17E, Sec 11, 12, 13, 14, 15, 18

Appropriated Quantity: 0.040 cfs

Use: Heating 1/1-12/31 (0.020cfs); Recreation 1/1-12/31 (0.020cfs)

Non-irrigation: G/home & bathing pool (10' X 20' X 5'), R/swimming pool

Change of Ownership: 3/10/1993, changed to Natural Energy Resources, Inc. James N. Cimino, Secretary, PO Box 448, Sun Valley, Idaho 83353 (208) 622-4556 (copy in 37-4327 file).

System: 6" casing, 47' deep well, 13' static, **30gpm (0.078 or 0.08 cfs)**, driller Billy Morts 8/21/1961.

****NOTE:** On WR claim, claimant stated that this system is tied into the spring, which supplies water to the City of Ketchum. Claimant owns POD. Claimant does not own property served.

Contacts:

Ed Lawson, attorney (208) 725-0055

Craig Phelan (CPA) 138 Canyon Dr. Ketchum, Idaho 83340 (208) 726-3799

Corporation:

Natural Energy Resources, Inc.

PO Box 976

Ketchum, Idaho 83340

(208) 622-4556

Registered Agent:

Edward A. Lawson

319 Walnut Ave.

Ketchum, ID 83340

Officers of Corporation:

Robert Cimino, President PO Box 363328, San Juan, PR 00936/2419 Warm Springs Rd. Ketchum, Idaho 83340 (208) 726-1885

David Cimino, Vice President

James Cimino, Secretary, PO Box 448 Sun Valley, Idaho 83353 (208) 622-4556

Guyer Hot Sulfer Springs Co. vs. Mizer (2-10-1914)

and it further appearing that the notice of the pendency and purpose of this action has been duly published for three (3) weeks in the Weekly Wood River Times, a newspaper printed and published in Blaine County, Idaho, said notice having been published pursuant to the order of the Judge of this Court, dated January 6th, 1914, the default of said defendant in the premises was duly entered according to law and certain oral and documentary evidence was introduced in behalf of plaintiff corporation and the cause was submitted to the Court for decision.

Therefore by virtue of the law, and by reason of the premises aforesaid, it is ordered, adjudged and decreed that plaintiff is entitled, and is the owner of the right, to the use, for ^{bathing} bathing and domestic purposes of Two Hundred (200) miner's 37-1232 inches, measured under a four inch pressure, or four (4) cubic feet per second of the waters of what is known as the Guyer Hot Springs, being certain hot mineral springs rising upon what is known as the Climax Millsite, patented in Warm Springs Creek Mining District, Blaine County, Idaho. (said hot springs being tributary to Warm Springs Creek, which is a tributary of the said Big Wood River), with priority from June 30th, 1880, for use for the aforesaid purposes upon the following described land, to-wit:

All that part of the Climax Millsite, patented, as follows, beginning on the survey line running S 79° W. from corner NO 1, to corner NO 2, of said Millsite 150 feet distant from corner NO 1, thence S 79° W 432 feet to corner NO 2: thence S. 39° 30' E 425 feet to corner NO 3; thence N. 79° E 582 feet to corner NO 4: thence N 39° 30' W. 340 feet to a point distant 85 feet in a S 39° 30' E direction, from corner NO 1, of said Climax Millsite: thence S 70° W 150 feet to point: thence N 39° 30' W 85 feet to

action has been duly published for three (3) weeks in the Weekly Wood River Times, a newspaper printed and published in Blaine County, Idaho, said notice having been published pursuant to the order of the Judge of this Court, dated January 6th, 1914, the default of said defendant in the premises was duly entered according to law and certain oral and documentary evidence was introduced in behalf of plaintiff corporation and the cause was submitted to the Court for decision.

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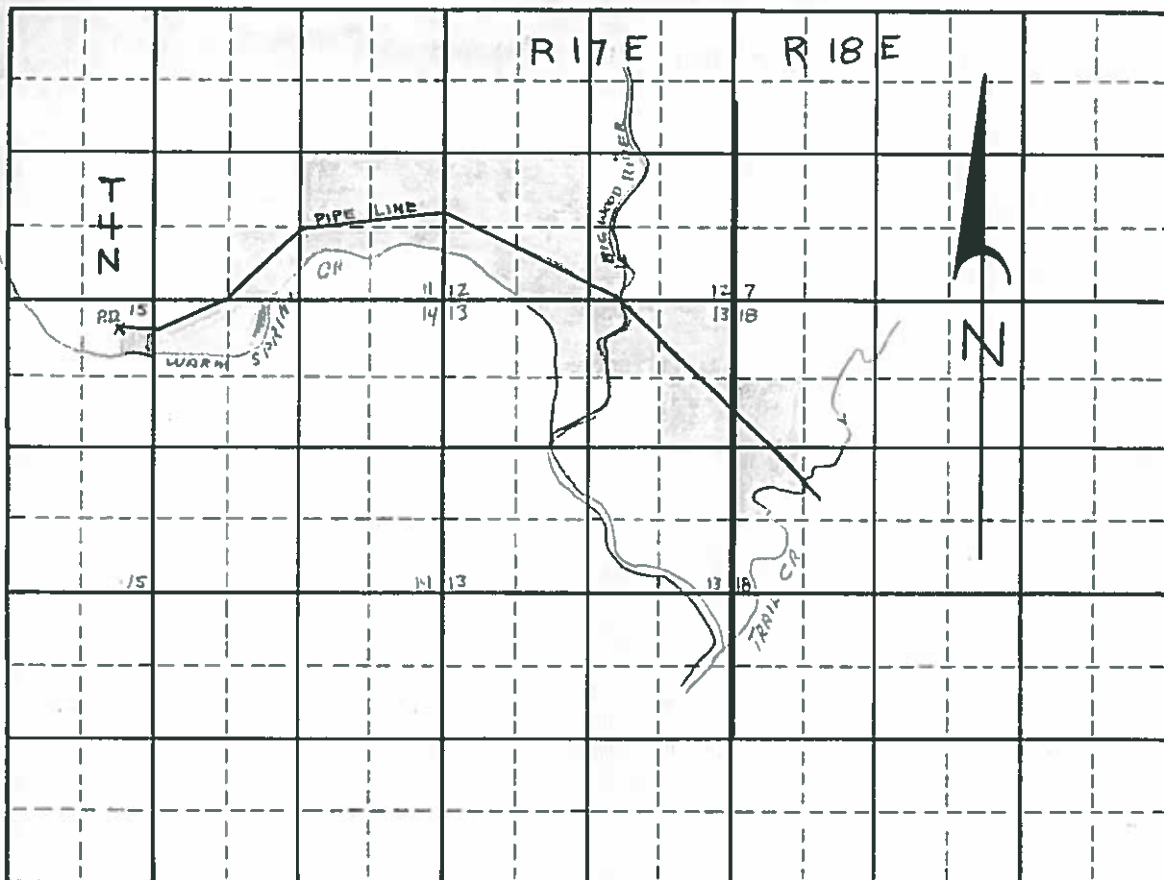
County of San Luis

W. M. J. J.
(Claimant)

Notary Public
Residing at Shenandoah Rd P3352

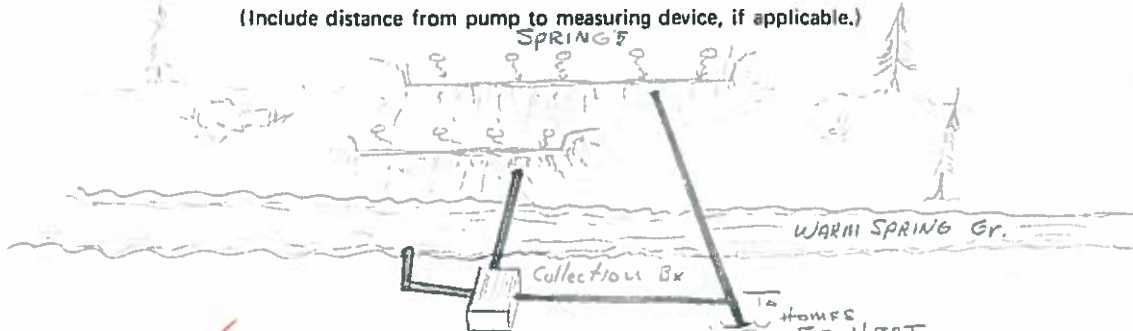
Received by mealy Date 5/12/83 Exception filed by: _____ Forwarded to _____ Date _____
Prelim. check by 1/83 Date 5-18-83 claimant by: _____
\$30.00 fee received by mealy Date 5/15/83 # 27338
Published in United Power Journal
Dates 6/30 & 7/7/83

MAP (Attach Aerial Photo)



SCHEMATIC DIAGRAM OF SYSTEM

(Include distance from pump to measuring device, if applicable.)



Point(s) of diversion: NE 1/4 NE 1/4; Sec. 15 T 4 N R 17 E

Place(s) of Use

TWP.	RGE.	SEC.	NE 1/4				NW 1/4				SW 1/4				SE 1/4				TOTALS
			NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	NE 1/4	NW 1/4	SW 1/4	SE 1/4	
4N	17E	11												X	X	X	X	X	
		12									X	X	X	X			X		
		13	X	X		X	X	X											
		14					X	X											
4N	18E	18							X			X							
4N	17E	15	X																

Recommended Amendments:

☐ Change P.D. as reflected above

☐ Add P.D. as reflected above

None

☐ Change P.U. as reflected above

☒ Add P.U. as reflected above

☐ Other

Examiner's Signature

Checked by

Approved by

Date 11/20/1980

Date 12-9-81

37-7163

Permit 37-7863
Application 37-8282

Permit 37-7863
Application 37-8282

L.H.



Date Measured	Flow at Points			Total Q
	A	B	C	
4/13/85	1.01 cfs	.16 cfs	0	1.01 cfs
10/23/86	1.02 cfs	.07 cfs	.05 cfs	1.07 cfs

Measurement Calculations

4/3/85 measurements

Point B: - 3" pipe outlet to Pump box.

Bucket Volume = 1.576 ft^3 - Filled 3 times in 10.8 sec

$$(3)(.574)/10.8 = \underline{\underline{.16 \text{ cfs}}}$$

Annular in 10" Pipe at Point A: $\Delta H = 1.38''$

$$3.85(10^2) \sqrt{1.38} = 452.27 \text{ gpm} \Rightarrow \underline{1.01 \text{ cfs}}$$

10/23/86 measurements

Point A: Annular in 10" Pipe; $\Delta h = 1.40"$

$$Q = 3.85(10^3) \sqrt{1.40} = 455.54 \text{ gpm} \Rightarrow \underline{1.02 \text{ cfs}}$$

Point B: Pipe to Pump box; 8.3 Sec to fill .576 ft³ bucket

$$1576/8.3 = .07 \text{ CFS}$$

Point c: Overflows from Penny box

#1 $.576 \text{ ft}^3 / 20.6 \text{ sec} = 103 \text{ cfs}$

$$42.1576 \text{ ft}^3 / 35.6 \text{ sec} = .02 \text{ cfs}$$

$$\#3 \text{ } 19\text{A}/30.5 \text{ sec} = .03 \text{ g/sec} \Rightarrow .0044 \text{ CFS}$$

Total Overflows at C = .05 cfs

37-1232

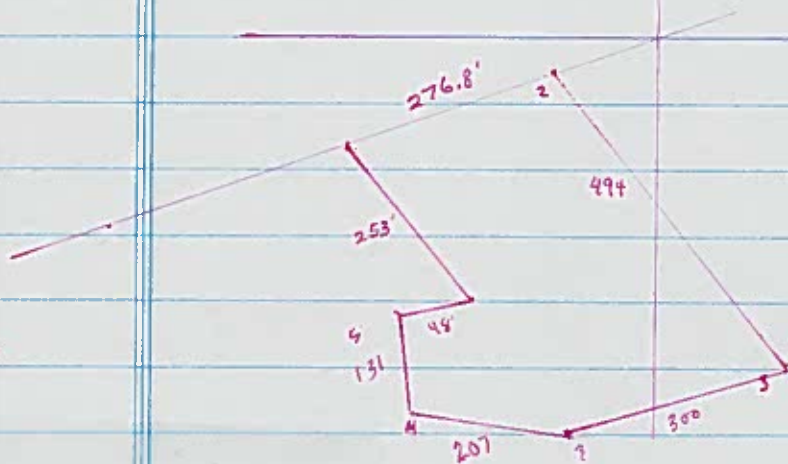
Guyer Hot Sp vs Jacob Mizer

Hot Springs Lode Claim

Survey 1090

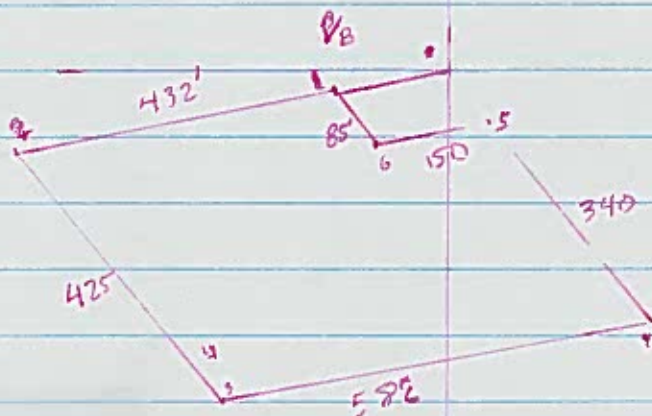


Carbon Hill Millsite

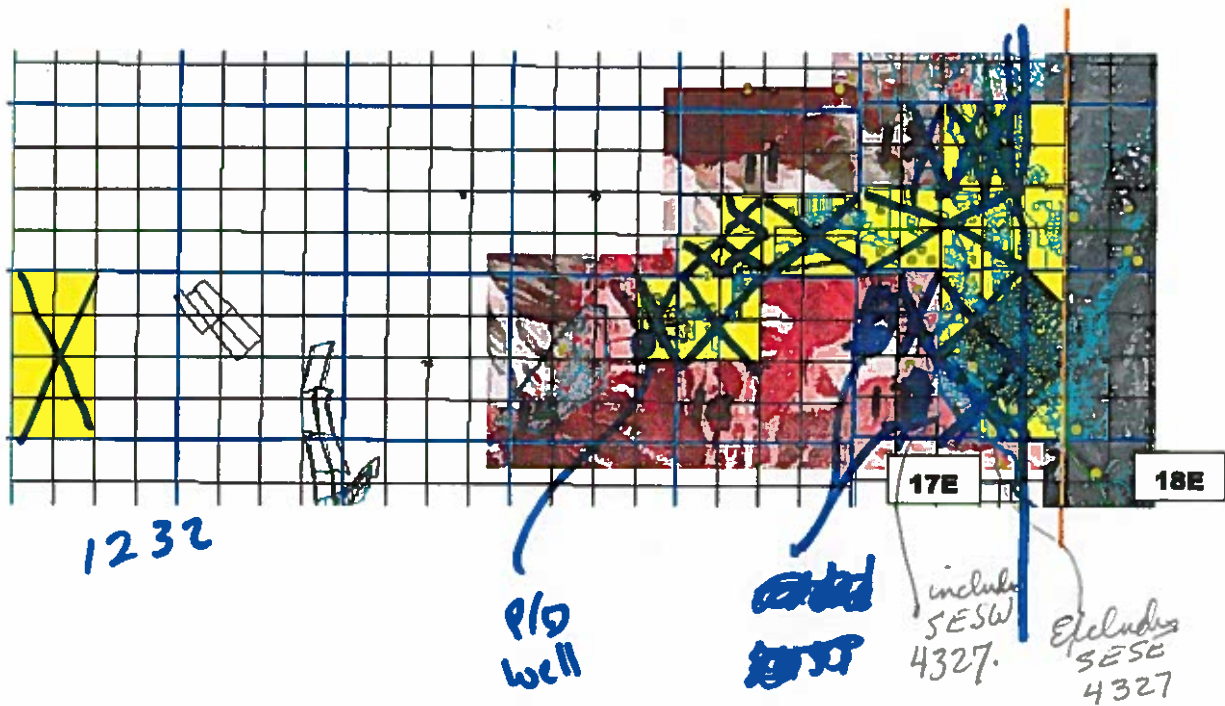


Climax Millsite

Carbon Hill Millsite

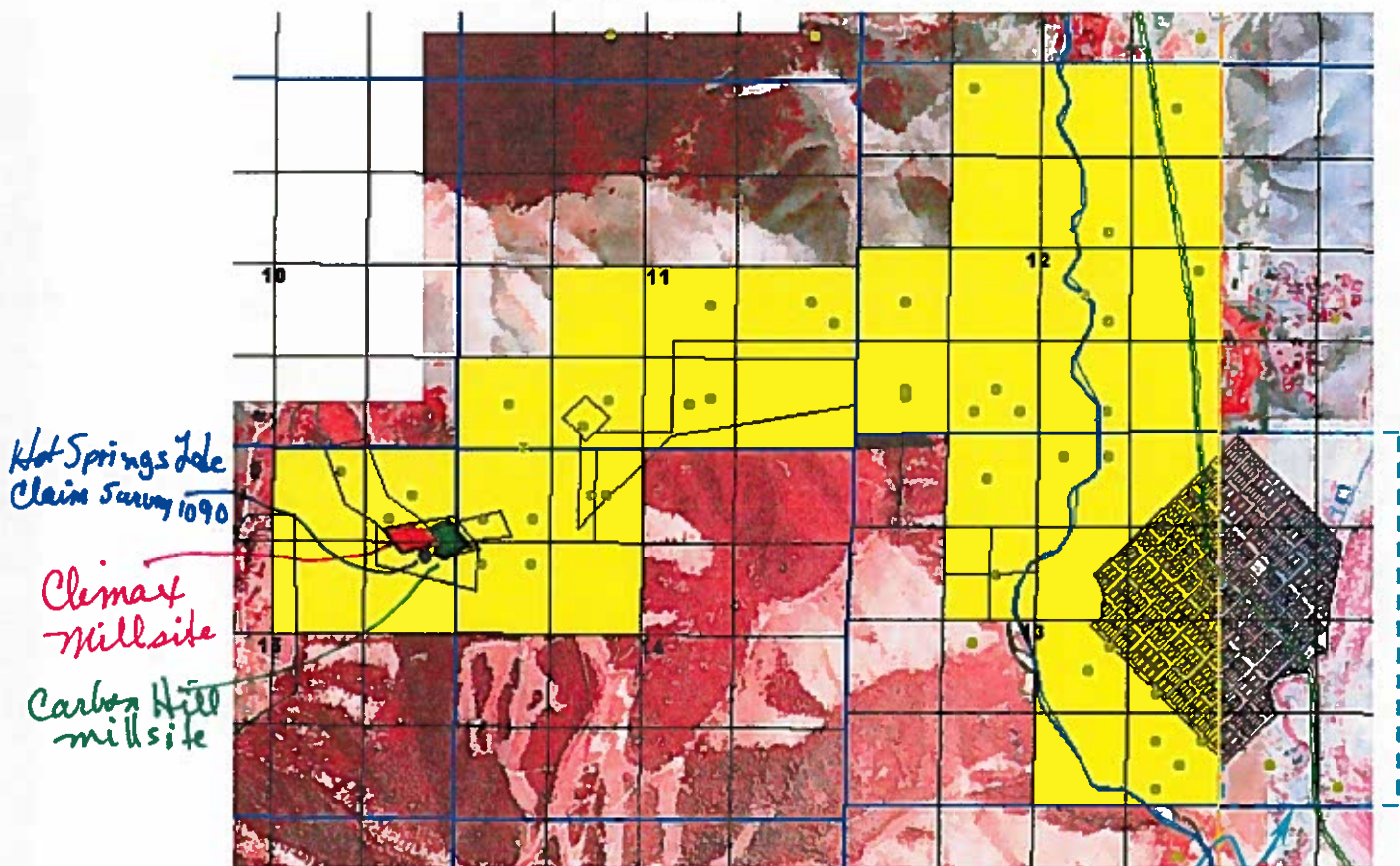
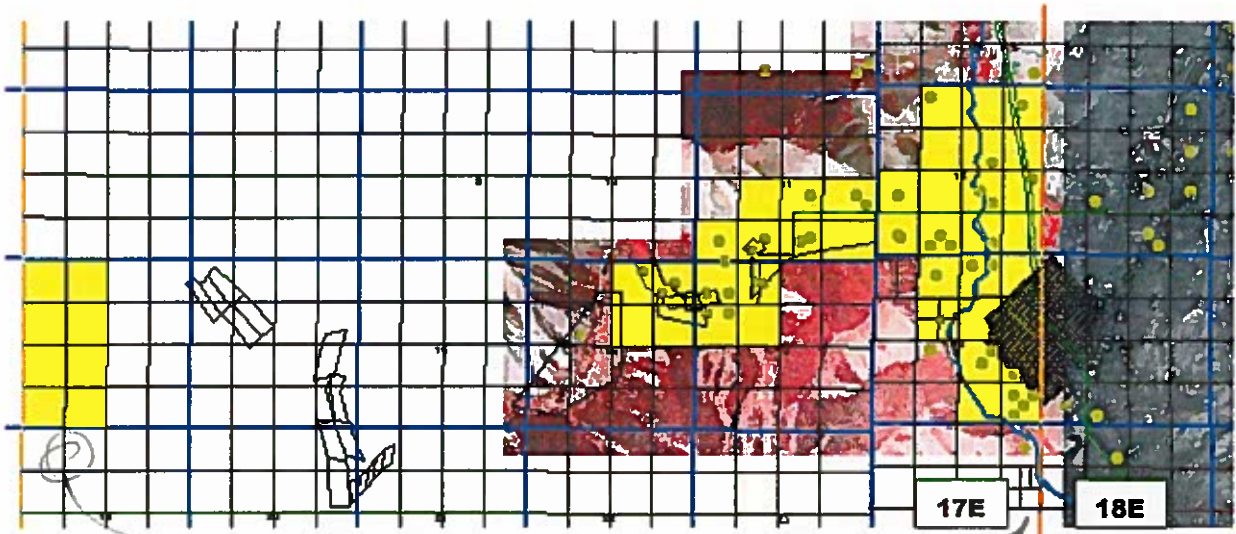


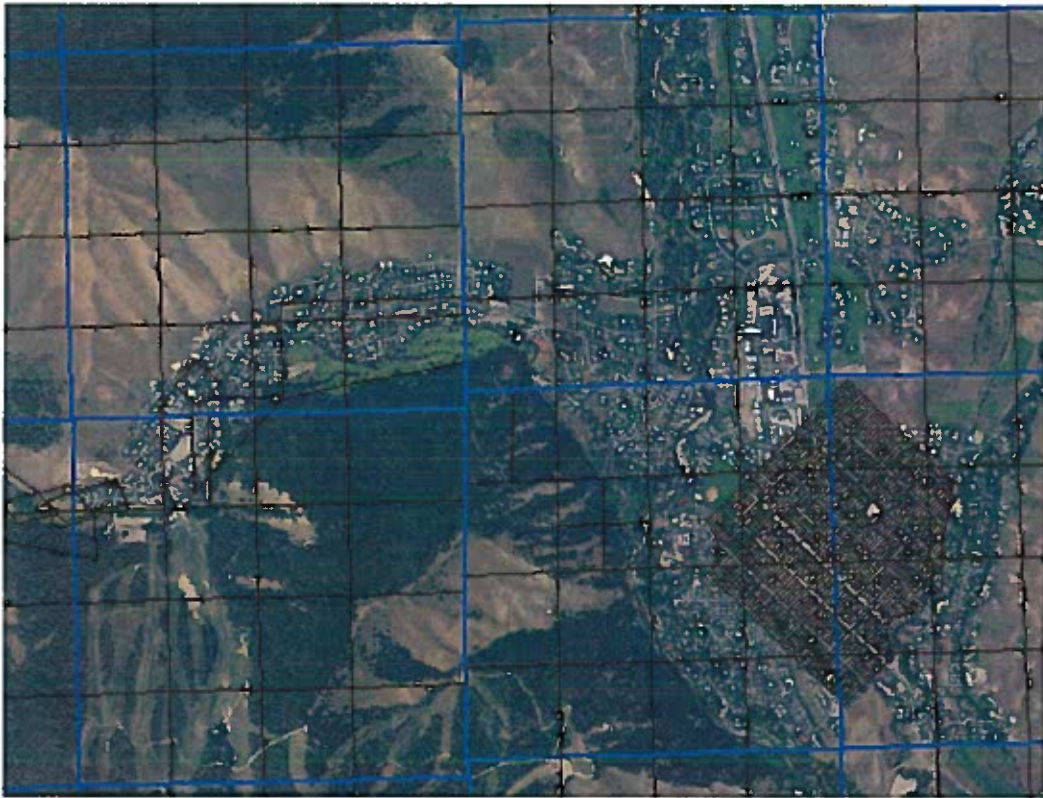
37-1232, 37-2451, 37-4327, and 37-7163 Claimed place of use. The claimed QQs in sec 18 probably should be in Twp 18E.



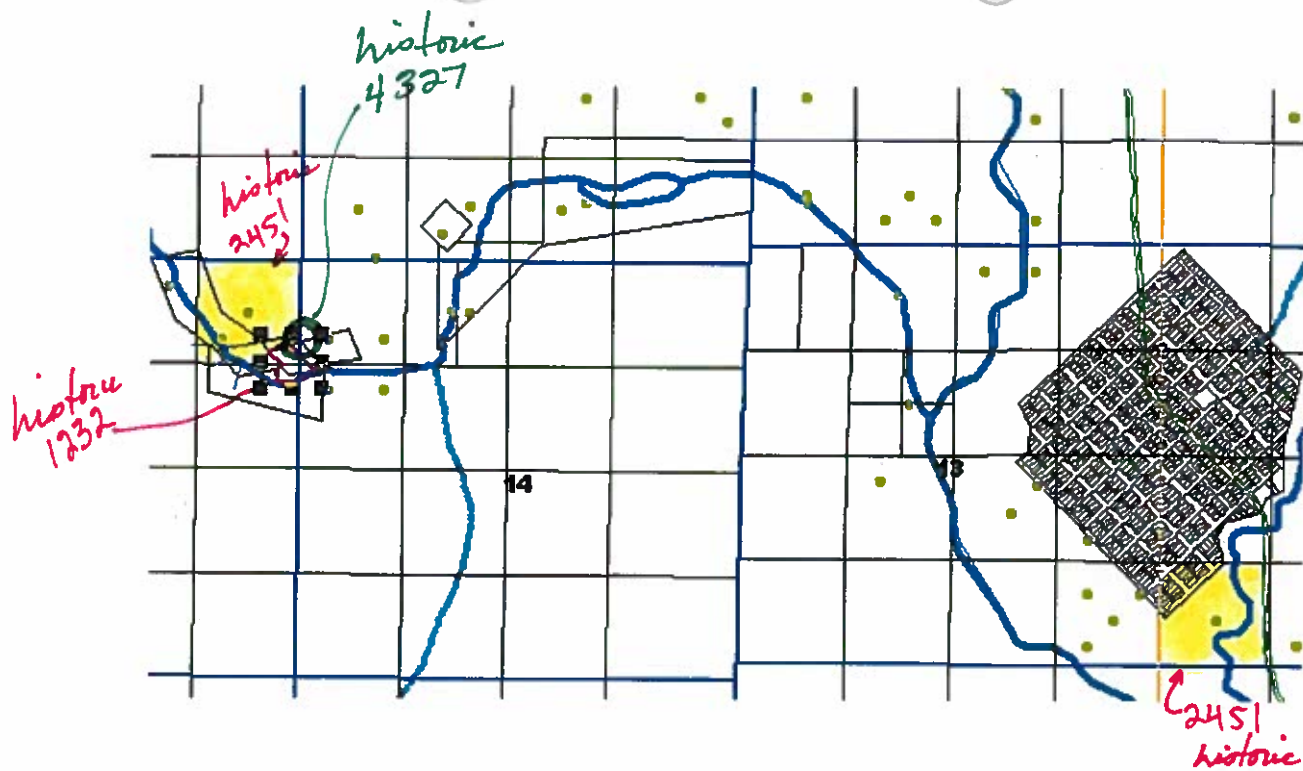
There are data entry errors on some of the claims.

37-1232, 37-2451, 37-4327, and 37-7163 Claimed place of use. The claimed QQs in sec 18 probably should be in Twp 18E.





37- 1232	6-30-1880	Guyer Hot Sp.	(Guyer Hot Sp. & Sp. vs Mijer)
2451	6-30-36	" " "	
4327	1-1-62	G.W.	no evidence of priority
7163	9-1-72	Brandt's Hot Sp.	(65 families)





State of Idaho

DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls, ID 83301-3380

Phone: (208) 736-3033 FAX: (208) 736-3037

SOUTHERN REGION

May 20, 1999

Natural Energy Resources Inc.
PO Box 448
Sun Valley, ID 83353

DIRK KEMPTHORNE
GOVERNOR

KARL J. DREHER
DIRECTOR

RE: Application for Permit 37-08874

Gentlemen:

Our office has recently completed advertising of your amended application to develop 7.0 cfs of hot water from Guyer Hot Springs and proposed wells for use in an expanded delivery system that proposes Commercial, Heating & Recreation uses in and around the City of Ketchum. Your application was not protested; however, we did receive a letter of concern from the Blaine County on Thunder Springs-Wareham's (your predecessor) initial application and a letter of no concern from F&G predicated on your only using the existing diversion works.

In reviewing your other water rights of record and the information contained in this and other files I have a question about your total intended capacity of use. The water right records indicate the following:

No.	Amt.	Priority	Status
37-01232	4.00 cfs	6/30/1880	Extent of Current Use Unknown*
37-02451	1.00 cfs	6/30/1936	Extent of Current Use Unknown*
37-07163	3.00 cfs	9/01/1972	Permit pending license
37-04327	0.04 cfs	1/01/1962	Claim*

*Subject to review in the Snake River Basin Adjudication

Field exams of the system in the 1980's for licensing of 37-07163 have measured the water actually being diverted and found it to be in the range of 1.02 cfs to 1.10 cfs. If you take the above rights on face value and assume that 37-07163 will be licensed at around 1.10 cfs then the current rights may add up to 6.14 cfs. (This may be a poor assumption in light of forfeiture issues for the old rights) If your intentions are to divert an additional 7.00 cfs with this application then the extreme potential may be for 13.14 cfs to be diverted and to be discharged. Please clarify your intent since there appears to be an issue of fluoride in the hot water and how its disposal impacts the groundwater and surface streams in the area.

IDAPA 37.03.08 (Water Appropriation Rules; copy enclosed) rule 40.05 allows the department to require additional information be submitted by the applicant so that there is an understanding of the issues involved and the impacts. Pursuant to the rules please provide the following information within 30 days:

-A statement of intent as to how this application relates to your other recorded rights. Is there intended to be more water diverted or is this an expansion of use of water already diverted into areas not currently served?

-A detailed plat showing the existing service area as it has existed over the last five years as well as details of how the system is to be modified and extended. The plat shall be of sufficient detail to allow determination of project impacts and implications. It must show how the water is intended to be disposed of or discharged after the heat value has been utilized.

-A plat locating the proposed wells relative to all existing wells

31-01234

and springs within 1/2 mile radius of the proposed well(s) site.
-Information concerning design, construction, or operation techniques which will be employed to eliminate or reduce the impact on other water rights.

-Information relative to sufficiency of water supply as follows:

-Information on the water requirements for the proposed project, including diversion rate during peak use and volume to be diverted throughout the year.

Information on the availability of water from the Guyer Hot Spring complex and the groundwater including quantity and quality of the water.

-Information regarding what actions have been taken place to obtain easements or rights-of-way for all project facilities.

-A cost estimate of the project and statement of financial resources.

-Comments from the following agencies

-DEQ regarding impact of discharge on surface or groundwater and particularly regarding fluoride impact.

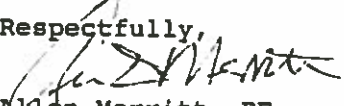
-F&G regarding impact of diversion of water from springs and impact of discharge back to surface water on fish and wildlife.

-City of Ketchum regarding easements, and impact on public facilities.

-Blaine County on impact to county.

Please feel free to contact this office if you have questions

Respectfully,


Allen Merritt, PE
Southern Region Manager

CC: DEQ - Doug Howard
F&G - Carl Nellis
City of Ketchum
IDWR-SRBA - Doug Jones
Blaine County Commissioners



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region, 222 Shoshone St. East, Twin Falls, Idaho 83301 (208) 736-3033

CECIL D. ANDRUS
Governor

R. KEITH HIGGINSON
Director

10-Mar-1993

Mr. James N. Cimino, Secretary
Natural Energy Resources Inc
PO Box 448
Sun Valley, ID

RE: Ownership Change for Adjudication Claims **A37-01232**, -02451,
-07163, -04327.

Dear Mr. Cimino:

Pursuant to the notification that you presently own the property in which the above-referenced Adjudication Claims are appurtenant, the Department has changed the record of the current owner as you requested. Please find enclosed copies of the computer record of the claims noting the change in claimant.

If you have any questions please contact this office.

Sincerely,

Francis G. Hitchcock
Water Resource Agent, Sr.

FH/abh

Enclosures

MICROFILMED

AUG 24 1994

RECEIVED

JUL 06 1994

6/9/94

Department of Water Resources
Southern Region Office

COMMUNICATION DOCUMENTATION

Claim No. A37-01232

This form is to be used to document public record information requests regarding any SRBA claim or claims. The form may also be used to document IDWR communications requesting information regarding any SRBA claim or claims when the request is not made in writing or the claim verification report is not readily available to document the request. This form is to be filed in all relevant claim files or a central office file.

IDWR Employee/Agent J. Sherman Date 06-30-94Contact Person(s) Scott Campbell, attorney
Elam & BurkeNature of Contact Att personal visit by Scott.

Substance of Communication Scott wanted a printed computer
Copy of A37-01232 + a copy of decree or
any portion thereof, depending on how much
Southern Region had in file, mailed to him.
Tara @ Southern will mail what they have of
decree; I printed him copy of claim.

MICROFILMED

AUG 24 1994

