

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

SEP 07 2021

DEPARTMENT OF
WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 510

This is to certify that:

ETHOS GEOLOGICAL INC
820 N WALLACE AVE UNIT A
BOZEMAN, MT 59715-3024

filed an application to rent water from the Water Supply Bank ("Bank"). The Idaho Water Resource Board ("Board"), being authorized to operate a Bank and to contract by and through the Director of the Idaho Department of Water Resources ("Director, Department") for rental of water from the Bank, agrees to rent water as follows:

Summary of Water Rights or Portions Rented from the Bank

Water Right No.	Priority Date	Source	Diversion Rate (CFS)	Diversion Volume (AF)	Acres (AC)
75-7073	11/23/1976	BUCKTAIL CREEK	0.05	4.4	Not Stated
Combined Rental Totals			0.05	4.4	Not Stated

Term of Rental: This rental agreement shall take effect when all parties have signed it and shall continue in effect until December 31, 2021. Use of rental water shall be authorized as of either the date this rental agreement takes effect or the first day of the rental season of use, in 2021, whichever occurs last.

Annual Rental Fee:

2021: \$88.00

The full fee for the rental of the above-described right(s) is \$88.00 for 2021. The rental fee includes an administrative fee of \$8.80 for 2021.

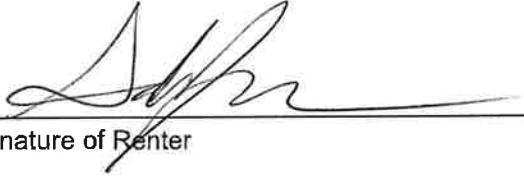
An annual payment shall be received by the Department on or before December 31 each year preceding the use of the rented water rights. The agreement will be void if payment is not received by the due date in a given year. Rental fees are non-refundable. To voluntarily terminate the agreement early, notify the Department in writing prior to the rental fee due date.

Detailed water right conditions are attached.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 510

The undersigned renter agrees to use the water rented under this agreement in accordance with the Water Supply Bank rules and in compliance with the limitations and conditions of use described in this agreement:



Signature of Renter

Aug 25 2021

Date

Scott Close

Printed Name

Exploration Manager

Title

*Title required if signing on behalf of a company or organization or with power of attorney

Having determined that this agreement satisfied the provisions of Idaho Code § 42-1763 and IDAPA 37.02.03.030 (Water Supply Bank Rule 30), for the rental and use of water under the terms and condition herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board.

By 

BRIAN PATTON, Acting Administrator
Idaho Water Resource Board

Date 9/9/21

Rental approved by IDWR 

Date 9/1/21

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

WATER SUPPLY BANK RENTAL AGREEMENT No. 510

WATER USE DETAILS

LOCATION OF POINT(S) OF DIVERSION

BIG DEER CREEK SWNE Sec. 8, Twp 21N, Rge 18E, LEMHI County

BENEFICIAL USE

MINING

DIVERSION RATE

0.05 CFS

VOLUME

4.4 AF

SEASON OF USE

From To
01/01 12/31

RENTERS PLACE OF USE: MINING

Twp	Rng	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
21N	18E	4											X	X					X
21N	18E	5		X	X	X									X			X	X
21N	18E	9					X	X											X

RENTAL AGREEMENT CONDITIONS OF ACCEPTANCE

1. The use of water under this agreement shall be subject to the provisions of Idaho Code § 42-1766.
2. Rental of the specified right from the bank does not, in itself, confirm the validity of the right or any elements of the water right, or improve the status of the right including the notion of resumption of use. It does not preclude the opportunity for review of the validity of this water right in any other department application process.
3. Use of water under this agreement does not constitute a dedication of the water to renter's place of use, and upon expiration of this agreement, the points of diversion and place of use of the water shall revert to those authorized under the water right and/or again be available to rent from the bank.
4. Use of water under this agreement shall not prejudice any action of the Department in its consideration of an application for transfer or permit filed by the applicant for this same use.
5. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
6. Renter agrees to hold the Board, the Director and the state of Idaho harmless from all liability on account of negligent acts of the renter while using water.
7. Renter acknowledges and agrees that the Director may terminate authorization for the use of a water right based on a water right's priority date.
8. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
9. Prior to the diversion and use of water under this approval, the right holder shall comply with all fish screening and/or fish passage requirements of the Idaho Department of Fish and Game.
10. This right does not grant any right-of-way or easement across the land of another.
11. Prior to diversion and use of water under this approval, the recipient shall obtain U.S. Forest Service authorization necessary to access the point of diversion and place of use or to convey water across Forest Service land.

Idaho Water Resource Board

Attachment to Water Supply Bank Rental Agreement No. 510

Effective until December 31, 2021

This map depicts the **rental place of use** pursuant to the rental agreement and is attached to the agreement solely for illustrative purposes.



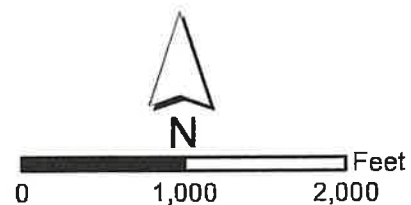
● Authorized Rental Point of Diversion

□ Authorized Rental Place of Use

□ Township/Range

□ Sections

□ QQ



STATE OF IDAHO
WATER RESOURCE BOARD

RECEIVED

JUL 20 2020

DEPT OF WATER RESOURCES

APPLICATION TO RENT WATER
FROM THE BOARD'S WATER SUPPLY BANKApplicant Name: Scott Close, Ethos Geological

Is this application being submitted with a lease application as a lease/rental package?

Yes ☒ No ☐

If yes, specify companion water rights in Section 4

This application must be completed according to the minimum requirement checklist below. This checklist is part of the rental application and must be included with the rental application. **Applications that do not meet the minimum requirements will not be placed in the processing queue and may be returned until all minimum requirements have been met.**

Rental applications should be submitted well in advance of the desired start date for the use of rental water. Rental applications may be processed as early as November 1 of the year prior to the intended use of rental water. Any rental application received on or before November 1 for use in the next year will be assigned a received date of November 1. Rental applications submitted more than one year in advance of the proposed start date for the use of rental water will not be accepted and will be returned to applicants. Rental applications may be returned to applicants if the desired start date for the use of rental water cannot be accommodated by the Water Supply Bank. Rental requests will not be accepted once the rental season of use period has concluded.

One rental application per beneficial use of water. For multiple beneficial uses of water, separate rental requests should be submitted for each unique beneficial use of water. One rental application can be submitted if you propose to rent water from multiple sources.

For additional instructions on completing a rental application, visit the Bank's website at http://idwr.idaho.gov/water_supply_bank.

MINIMUM REQUIREMENT CHECKLIST

Check All Items as Either Attached (Yes) or Not Applicable (N/A)

Yes

- ☐ Completed *Application to Rent Water from the Board's Water Supply Bank*
- ☐ Confirmation that this form has been printed single sided, per requirement of the Water Supply Bank

Attachment N/A Yes

- 2 ☐ A map showing the proposed point(s) of diversion, place(s) of use, and water diversion and distribution systems proposed to be used with your rental request
- 3A ☐ ☐ Detailed information on a proposed use of rental water
- 3F ☐ ☐ Authorization from the owner/operator of the rental point(s) of diversion
- 3H ☐ ☐ Water modeling to account for the impacts of the rental request
- 3J ☐ ☐ Documents justifying a rate of flow greater than 0.02 cfs/acre
- 3K ☐ ☐ Authorization from the owner/operator of the property at the proposed rental place(s) of use
- 4B ☐ ☐ Explanation of how the rental water will sufficiently accomplish your rental purposes
- 4C ☐ ☐ Explanation of consumptive use amounts for water rights experiencing a change in nature of use

Department Use Only – Proposed Water Right(s)

75-7073

**STATE OF IDAHO
WATER RESOURCE BOARD**

Application to Rent Water (Continued)

1. CONTACT INFORMATION

A. Applicant Scott Close, Ethos Geological

Mailing Address 920 N. Wallace Ave. Bozeman MT 59715
Street City State Zip Code

Email Address scott@ethosgeo.com Phone Number (406) 366-3880

B. Is this application being completed by an authorized representative on behalf of the applicant? Yes ☒ No ☐
 If yes, representatives (includes company employees if the applicant is a corporation, as well as legal counsel or consultants) should provide their information below if they desire to be included on correspondence with the rental applicant.

Representative Dillion Asher Professional Title Consulting Geologist

Organization Ethos Geological Relationship to Applicant employee

Mailing Address 920 N. Wallace Ave., Bozeman MT 59715

Email Address dillion@ethosgeo.com Phone Number (412) 888-7670

2. MAP

Create a map of the proposed point(s) of diversion, place(s) of use and water diversion, delivery and distribution systems. Make sure the rental place of use is outlined and annotated with legal land descriptions (Township, Range, Section and Quarter-Quarters) or with GPS coordinates. For irrigation purposes, mark the number of acres you desire to irrigate. Attach the map to this application and label it **Attachment 2**.

3. DESCRIPTION OF PROPOSED USE FOR RENTAL WATER

A. Describe why you desire to rent water and provide a detailed description of your proposed use. If the proposed use is not for irrigation, describe in detail how you determined the amount of rental water required. If the space below is insufficient, attach additional sheets as required and label them **Attachment 3A**:
Water right 75-14186 not available, require alternate water source within Panther Creek drainage for exploratory
core drilling operations related to mining; water to be used for the drilling of 9 boreholes, estimated operational
duration of 80 days, maximum daily volume of 8,000 gals, maximum project volume of 4.4 acre-feet required.

B. Enter the desired and/or minimum rates of flow, volume, or irrigable acres requested for your rental purposes:

Desired Rate (Cubic Feet/Second)	Desired Volume (Acre-Foot)	Minimum Rate* (Cubic Feet/Second)	Minimum Volume* (Acre-Foot)	Desired Acres (if applicable)
0.05 CFS	4.4 AF	0.025 CFS	2.0 AF	n/a AC

* Sometimes water rights provide an exceptionally low rate per acre and/or low volume per acre. This section is meant to establish an acceptable range of water sufficient for your proposed water use. Please see question 4B and complete if necessary.

C. This section must be completed in full. Enter the proposed start date and latest possible start date for using rental water as well as the number of years you would like to rent water. The latest possible start is the latest possible date by which you would be willing to pay for a rental and be able to benefit from utilizing rental water.

Desired Start Date (month/day/year)	Latest Possible Start Date (month/day/year)	*Mark Desired Rental Duration (Calendar Years)					**Applicant's preference if rental application cannot be processed prior to the latest possible start?	
10/1/2020	10/1/2020	☐ 1	☒ 2	☐ 3	☐ 4	☐ 5	☒ Process application as soon as possible	☐ Return application to applicant

* The number of years permissible for a rental is subject to the lease contract duration for the water right(s) being rented.

** Per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right. Water Supply Bank rental applicants are not authorized to utilize rental water prior to the execution of an approved rental agreement. Rental requests may be returned to applicants if no water is available from the Bank to fulfill a rental request.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

- D. Describe your water distribution system and how rental water will be delivered from the point(s) of diversion (POD) to the proposed place of use (POU):

Small portable pump to be used to fill storage tank, which will then be transported locally to proposed places of use on existing roads/trails (6 separate drilling pads shown on project area map).

- E. Describe the physical type (pump, headgate, etc.) and location of the POD from which rental water is proposed to be diverted:

POD Description	Water Source	Other Water Rights Diverted from this POD
gas-powered pump	Big Deer Creek	none

If the POD(s) above are located where water is turned into a canal, lateral or ditch, or if they are located on your property but are serviced by water that is delivered via a canal, lateral or ditch, your rental request must include documented authorization from all relevant canal companies, irrigation districts and/or water delivery entities, confirming that they consent to your diversion of water from their system.

- F. Has documented consent from all relevant water delivery entities been obtained? Yes ☐ N/A ☐
If yes, include documented consent as **Attachment 3F**.

- G. Do any POD(s) identified in Question 3E divert from a water source that may require water modeling? Yes ☐ No ☒
Refer to the Water Modeling Requirements Information Sheet to determine if a rental POD may require water modeling.

- H. Has water modeling been provided with your rental request? Yes ☐ N/A ☒
If yes, label modeling Attachment 3 H.
Rental applications that require modeling will be returned if modeling is not provided.

- I. Specify the desired beneficial use of water and the requested season of use or number of acres required:

- ☐ Irrigation _____ (number of acres) Duration: Subject to IDWR standard seasons of use
- ☐ Commercial from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Stockwater from: _____ (mm/dd) to: _____ (mm/dd)
- ☐ Industrial from: _____ (mm/dd) to: _____ (mm/dd)
- ☒ Other: mining from: 10/2020 (mm/dd) to: 10/2022 (mm/dd)

- J. For irrigation uses, do you propose to divert water at a rate greater than 0.02 cfs/acre? N/A ☒ Yes ☐ No ☐
If yes, justify the rate of flow and attach any supporting documents as **Attachment 3J**. Justification may include information on soil composition, conveyance losses, crop type, irrigation systems, public access areas, etc. A rate of 0.03 cfs/acre is permissible for irrigation of 5 acres or less.

Not for irrigation use.

- K. Do you own the land at the proposed rental place of use (POU)? Yes ☐ No ☒
If no, attach documentation from the POU owner/operator confirming your authorization to use the POU and label it **Attachment 3K**.

- L. List all other water rights and sources of water at the rental place of use for the same purpose, including privately owned water rights and water received from a municipal supplier, an irrigation district, a canal company or any other water delivery entity. Explain why additional water is required:

No other water rights are documented in the area.

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

4. RENTAL REQUESTS FOR SPECIFIC WATER RIGHTS

A. Are you requesting to rent specific water rights?

Yes ☒ No ☐

If yes, specify below the elements of the water rights you are requesting to rent. If no, continue to Question 4B.

Important Information: Diversion rates and volumes sought for rent must be proportionate to the per acre diversion rates and per acre volume limits of the water right under lease contract to the Water Supply Bank. Prior to completing this section, applicants should review all water right lease contracts and any active rental agreements to determine which elements of a water right are available to satisfy a rental request. Lease and rental documents are searchable via [IDWR's website](#).

Water rights identified below must either already be leased to the Bank or a lease proposal should accompany this rental request. **Rental requests for water rights not yet leased to the Bank will be returned if companion lease applications are not provided with the rental request.** For leased rights featuring combined limits, rentals must be consistent with combined diversion rate, volume or acre limits. Combined limits should be listed on a row below water right numbers.

Water Right Elements Leased to Water Supply Bank					Leased totals, minus water right elements involved in active rental agreements, equals water right elements available for rent	Water Supply Bank Rental Request		
Water Right Number (leave blank if sub-total of combined limits)	Nature of Use	Diversion Rate (CFS)	Volume (AF)	Acres (AC)		Diversion Rate (CFS)	Volume (AF)	Acres (AC)
75-7073	mining	1.0	n/a	n/a		0.05	4.4	n/a
Applicants must ensure the requested rate per acre and volume per acre do not exceed the rate per acre and volume per acre limits of water rights leased to the Water Supply Bank					TOTAL	0.05	4.4	n/a
						CFS	AF	AC

**Attach multiple copies of this page if space above is insufficient to list all water rights requested to be rented on this application.*

B. If water right conditions, combined limits, or the sum of all water right elements being requested provide an unconventional duty of water (e.g., an unusually low rate per acre or volume per acre for irrigation use), explain how your proposed rental will sufficiently accomplish your intended purposes. Attach a separate page if space is insufficient and label it **Attachment 4B**:
Not for irrigation use. Intended operational timeline is 80 days, equal to 2 acre-ft; proposed volume of 4.4 acre-ft is sufficient to provide 8,000 gallons/day for one coring rig operating on a 24-hour basis for a period up to 180 days.

C. Does your rental request propose to change the nature of use for any water right(s) being rented?

Yes ☐ No ☒

If yes, explain how the water right(s) will be converted to new uses. Include the historic, consumptive use amounts for the water right being rented if you have it, as well as the new consumptive use amount for your proposed beneficial use. If space below is insufficient, attach a separate page and label it **Attachment 4C**:

STATE OF IDAHO
WATER RESOURCE BOARD

Application to Rent Water (Continued)

5. ADDITIONAL INFORMATION

- A. Is this the first time that rental water is being requested for this purpose at the rental place of use? Yes ☒ No ☐
If no, list previous rental requests/agreements and explain why you have not secured a permanent water right for your needs:

- B. Have you or do you intend to submit an application for permit or transfer proposing a similar use as this rental? Yes ☐ No ☒
If yes, describe:

- C. Was this rental application submitted in response to a Notice of Violation (NOV) or a pending NOV? Yes ☐ No ☒
If yes, describe the date and location of the NOV.

- D. Additional Information

Re: landowner permission from Sec. 3K: project located on USFS lands. Contact individual is Glenwood Brittain,
Program Manager, Salmon-Challis National Forest (208-756-5169; glenwood.brittain@usda.gov).

DECLARATION

I hereby assert that the information contained in this application is true to the best of my knowledge. I understand that any willful misrepresentations made in this application may result in rejection of the application or cancellation of an approval. I understand that if this rental application is approved, it will be subject to the provisions of Section 42-1766, Idaho Code and all applicable state and federal laws. I understand that the submission of a rental application provides no guarantee for approval of a rental agreement. I also understand that, per Idaho Code 42-201, it is unlawful to divert or use water without a valid water right and that I am not authorized to utilize water as proposed in this application prior to the execution of an approved rental agreement.

Signature of Applicant

Printed Name of Applicant

Date

Signature of Representative

Dillion Asher

Printed Name of Representative

July 17, 2020

Date

Mail to:

Idaho Department of Water Resources
P.O. Box 83720
Boise, ID 83720-0098

STATE OF IDAHO
WATER RESOURCE BOARD

Water Modeling Requirement Information Sheet

Information on water modeling requirements for rental requests within special administrative areas

Important information on requesting rental water within special administrative areas: Refer to the information below to determine whether the modeling of potential impacts from your rental request is necessary. Use Section 4 of the rental application to identify selected water rights. **If you submit an application to rent water from within a special administrative area and water modeling is required, your rental request will be returned if water modeling is not provided.**

Water modeling may be required when an application to rent water involves one of two scenarios:

Scenario 1: The rental request proposes to divert water from a regulated water source and/or within a special administrative area AND the distance between the rental point(s) of diversion (POD) and the POD(s) for the leased water right(s) is greater than the administratively established, acceptable distance.

Regulated water sources may areas include:

- A. Ground water resources within the modeled area of the Eastern Snake Plain Aquifer (ESPA) and tributary aquifers;
- B. Ground water within Ground Water Management Areas (GWMAs) or Critical Ground Water Areas (CGWAs);
- C. Water resources within other specified administrative areas, as established by the Idaho Water Resource Board (IWRB) or the Idaho Department of Water Resources.

The distance between any rental POD(s) and the POD(s) for a leased water right to be rented is important. On the ESPA, distance is measured in terms of model cells that cover an area of one square mile. Ground water modeling is not required if lease POD(s) and rental POD(s) are located within the same model cell or within adjacent model cells. If the lease and rental PODs are separated by more than one model cell groundwater modeling must be completed using the IDWR ESPA Transfer Tool and modeling results must be submitted with the rental application. ESPA modeling tools can be accessed and freely downloaded from IDWR's website by visiting: www.idwr.idaho.gov/WaterManagement/WaterRights/WaterRightTransfers/resources.htm.

Ground water modeling may be required within GWMAs, CGWAs or other regulated administrative areas. Applicants who desire to rent water within an established GWMA, CGWA or other regulated administrative area should consult IDWR's website before submitting their application to review the current status of administrative orders related to regulated administrative areas. Consult www.idwr.idaho.gov/WaterInformation/GroundWaterManagement/designated_areas.htm for information on GWMAs or CGWAs, visit <https://idwr.maps.arcgis.com/home/> to use mapping tools to find other regulated areas.

Applicants interested in renting water within a GWMA, CGWA or other regulated administrative areas should request water rights that have been leased into the Bank from within the same administrative area. Generally, the Bank will not permit a rental of water within a regulated administrative area if the leased water rights are not located within that same administrative area.

Scenario 2: A rental request proposes to divert water from a different but hydraulically connected water source.

Modeling situations may include:

- A. Rental requests that propose to divert surface water rights via ground water POD(s) (wells); and
- B. Rental requests that propose to divert ground water from one aquifer when the right being rented authorizes the diversion of ground water from a hydraulically connected, tributary aquifer.

Rental requests that propose to divert surface water rights from ground water points of diversion may be considered if ground water modeling establishes that the surface and ground water resources are directly and immediately hydraulically connected. An acceptable hydraulic connection occurs when at least 50 percent of the total depletions from a well are detectable from the original water source within a 24 hour period. The existing (leased) POD and proposed (rental) POD must be proximate such that diversion and use of water from the proposed POD would have substantially the same effect on the hydraulically-connected source as diversion and use of water from the original POD.

Requests to rent ground water across tributary aquifer sources may be considered if ground water modeling is provided to demonstrate that two aquifers are hydraulically connected and the anticipated impacts of diverting ground water from one source through the other is modeled accordingly.

For more information about rental application requirements, contact IDWR at (208) 287-4800.



IDAHO DEPARTMENT OF
WATER RESOURCES

322 E Front Street, Suite 648, Boise ID 83702 • PO Box 83720, Boise ID 83720-0098
Phone: 208-287-4800 • Fax: 208-287-6700 • Email: idwrinfo@idwr.idaho.gov • Website: idwr.idaho.gov

Governor Brad Little

Director Gary Spackman

September 14, 2021

ETHOS GEOLOGICAL INC
820 N WALLACE AVE UNIT A
BOZEMAN, MT 59715-3024

**RE: RENTAL OF WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 75-7073 AGREEMENTS 510**

Dear Renter:

Please find enclosed a receipt in the amount of **\$88.00** and a copy of a fully executed Water Supply Bank Rental Agreement in connection with the rental of 4.4 acre-feet of water for mining during 2021. Upon receipt of this fully executed agreement, you are authorized to divert water in compliance with the conditions of water use described in the agreement.

Pursuant to the Water Supply Bank Rules, 90% or \$79.20 of the rental fee will be paid to the lessor(s) and 10% or \$8.80 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosures: Receipt No. C110844
Rental Agreement (copy)

c: Sascha Marston – Fiscal
IDWR Eastern Regional Office



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

July 26, 2021

ETHOS GEOLOGICAL INC
820 N WALLACE AVE UNIT A
BOZEMAN, MT 59715-3024

RE: REQUEST FOR RETURN OF SIGNED RENTAL AGREEMENT 510 AND PAYMENT
FOR WATER RIGHT(S) 75-7073

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant:

The Department of Water Resources ("Department") mailed a **Water Supply Bank Rental Agreement ("Agreement")** for your review and signature on April 2nd 2021. The signed agreement and rental fee has not been returned to the Department.

Please sign the rental agreement and return it with the rental payment in the amount of \$88.00 within ten (10) days of this letter to complete processing. Diversion and use of the water right(s) is not authorized under the proposed agreement until it has been signed by both the renter and the Department. Any use associated with your proposed rental request before it has been executed is considered unauthorized and, if occurring, will be subject to any necessary enforcement action.

If the signed rental agreement and fee is not received by the department within the 10-day period, the rental application will be returned, and the proposed rental right(s) made available for other rental applicants. You can reapply to rent water from the Bank again in the future by submitting a new rental application form that will be processed in turn with other pending applications.

If you have questions regarding this matter, please contact this office at bank@idwr.idaho.gov or 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

April 2, 2021

ETHOS GEOLOGICAL INC
820 N WALLACE AVE UNIT A
BOZEMAN, MT 59715-3024

RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 75-7073 AGREEMENT 510

TIME SENSITIVE RESPONSE REQUIRED

Dear Applicant:

The Department of Water Resources acknowledges receipt of your application to rent water from the Water Supply Bank. **I have enclosed a Water Supply Bank Rental Agreement for your review and signature.** Upon signature and return of the original agreement, together with the rental fee described below, the Department will also sign the original agreement and return an executed copy to you. Execution of the agreement and compliance with the conditions of approval authorize diversion and use of water as provided in the agreement.

A rental fee of \$88.00 was calculated based on the current rental rate of \$20.00 per acre-foot times a diversion volume of 4.4 acre-feet.

Please send a check for \$88.00 made payable to the Idaho Department of Water Resources, **together with the signed rental agreement, within 14 days** so I can complete processing.

Pursuant to the Water Supply Bank Rules, 90% or \$79.20 of the rental fee will be paid to the lessor(s) and 10% or \$8.80 will be retained by the Department to offset administrative costs.

If you have any questions, please contact this office at bank@idwr.idaho.gov or (208) 287-4800.

Sincerely,

Amanda Johnson-Veibell

for
Water Supply Bank

Enclosure

c: IDWR Front Desk

Memorandum

To: Water Right 75-7073

From: Justin Ferguson

Date: March 10, 2021

Re: Water Supply Bank Rental Application

Purpose/Narrative: An application was received by the Department July 20, 2020 from Ethos Geological, requesting a two year rental of water right 75-7073. The applicant has requested the use of rental water to drill nine boreholes, related to exploration mining, located near T21N R18E S05 along the Indian and Big Deer Creeks.

Authority to File: The application was prepared by Mr. Dillion Asher of Ethos Geological on behalf of Mr. Scott Close. Review of the Montana Secretary of State information indicates Mr. Close as an Agent for Ethos Geological. Authorization was affirmed by Mr. Glenwood Brittan on behalf of the US Forest Service. No concerns at this time.

Water Right Validity/Forfeiture Evaluation: The water right being used for this rental is currently leased to the Bank and available for rent. No concerns at this time.

Injury Evaluation: From a review of the intended places of use, it appears there are no other water rights that may be injured except, possibly, the minimum stream flow water right held by the IWRB, water right 75-14186, for Panther Creek. While there is no current USGS or AqualInfo data, historical data indicates that the minimum streamflow along Panther Creek does not appear to have been met for more than half of the total period measured. The most current data points available end in mid-2015 at the confluence of Big Deer Creek with Panther Creek and further indicate that the minimum flows do not appear at this station.

However, water right 75-7073 has a senior priority date of 11/23/1976 over the MSF right (4/1/2005) so diverting a portion of this right should not impact the minimum streamflow.

Enlargement of Use: No enlargement is evident as the intended rental place of use will not receive water from any other source. The lease contract recognizes a diversion volume associated with continuous diversion at 1.0 cfs. The rental and use of 4.4 af is not considered an enlargement. Further, as the intent is to use the water while drilling the nine separate boreholes, it may be possible that the water is minimally consumptively used while also being returned to the natural flow.

Local Public Interest: Staff are unaware of any local public interests that are averse to the rental.

Beneficial Use/Conservation of Water Resources: The rental appears consistent with the conservation of water resources in Idaho.

Department/Watermaster Comments: IDWR Eastern Region comments were requested on

Water Supply Bank Evaluation: Bank staff recommend the approval of this application through 2021



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 E Front Street, Suite 648 • PO Box 83720 • Boise ID 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700

Website: idwr.idaho.gov • Email: idwrinfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

February 4, 2021

ETHOS GEOLOGICAL INC
820 N WALLACE AVE UNIT A
BOZEMAN, MT 59715-3024

**RESPONSE DEADLINE:
MARCH 8, 2021**

RE: Action Required on WSB Rental Application 1754

Dear Applicant,

The Department of Water Resources (Department) has conducted a preliminary review of your application to rent water right from the Water Supply Bank (application 1754) and has determined that additional information is required to make a determination on your rental proposal. Specifically, the following items are requested to finalize processing of your application:

- Confirmation that the owner of the land on which they will use water under this rental has no objections to their use of such water

To continue processing of your application, our office requires that you provide us with the above information within the next thirty days, prior to a deadline of March 8, 2021. If we do not hear from you prior to the established deadline, your application will be returned to you.

If you have any questions, please contact me at (208) 287-4918.

Regards,

A handwritten signature in black ink, appearing to be 'JF' or 'Justin'.

Justin Ferguson
Water Supply Bank Specialist

cc – Glenwood Brittan – USDA/FS

Veibell, Amanda

From: Ferguson, Justin
Sent: Thursday, January 21, 2021 4:09 PM
To: Kate Close; Brittain, Glenwood A -FS
Cc: Bank; Dillion Asher
Subject: RE: Bonanza water rental permit

Katie, Glenwood,

I wanted to follow up quick and check in on the status of the land use agreement between Ethos and the Forest Service. If the document could be provided within the next 60 days I believe we can move forward with the rental else, we can return the application until all the documents can be provided. With all the moving parts of this application I did not want anything to fall through the cracks on our end and hold up the process. If we need to return it and wait for all the documents I do not believe we have any other rentals as this time requesting the use of that water right.

Thank you!

Justin

From: Ferguson, Justin
Sent: Thursday, September 3, 2020 1:07 PM
To: 'Kate Close' <kate@ethosgeo.com>; Brittain, Glenwood A -FS <glenwood.brittain@usda.gov>
Subject: RE: Bonanza water rental permit

Glad to help! At this time we do not have a standard form, a letter signed by the appropriate parties would work perfect for us

Justin

From: Kate Close [<mailto:kate@ethosgeo.com>]
Sent: Thursday, September 3, 2020 12:52 PM
To: Brittain, Glenwood A -FS <glenwood.brittain@usda.gov>
Cc: Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov>
Subject: Re: Bonanza water rental permit

Thanks to you both for following up on this.

Justin, is the land use authorization letter a formal document/application we need to fill out or do we draft the letter and have it signed by the appropriate parties?

Glenwood, are the two outstanding items you mentioned in your court or is there anything else you need from us at this time? Otherwise, we should have everything needed in place to move forward by next spring. Is that a correct assumption?

Thank you, Kate

On Tue, Sep 1, 2020 at 1:03 PM Brittain, Glenwood A -FS <glenwood.brittain@usda.gov> wrote:

To add to what Justin said, I think we now have a pretty good proposed action to go to the Forest Service interdisciplinary team with. I believe there is still some follow up for cultural work (I think our archaeologist is just waiting for a report from Phil) and I think we have what we need to analyze for ESA fish based on the proposed drafting sites. The fisheries portion may take a few months through the winter considering the need to consult with the U.S. Fish and Wildlife Service and National Marine Fisheries Service.

I anticipate being able to analyze the rest of this project over the winter and having the authorization (or plan of operation) ready by spring next year.

From: Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov>
Sent: Tuesday, September 1, 2020 12:55 PM
To: Kate Close <kate@ethosgeo.com>; Brittain, Glenwood A -FS <glenwood.brittain@usda.gov>
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Afternoon!

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Let me know if there is anything I can do to help!

Justin Ferguson

Water Supply Bank Specialist

Idaho Department of Water Resources

322 East Front Street, Boise, ID, 83720

T: (208) 287-4936 | Justin.Ferguson@IDWR.Idaho.gov

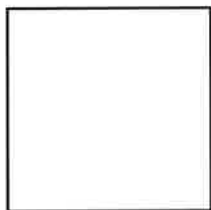
From: Kate Close [<mailto:kate@ethosgeo.com>]
Sent: Tuesday, September 1, 2020 11:12 AM

To: Ferguson, Justin <Justin.Ferguson@idwr.idaho.gov>; glenwood.brittain@usda.gov
Subject: Fwd: Bonanza water rental permit

Hello gentlemen,

My name is Kate Close, I am the business manager for Ethos Geological. Our project manager, Dillion asked me to connect the two of you so we can proceed with the water rental permit for our Bonana Project. Dillion is in the field for the rest of the month so he asked me to help finalize the permit. I have attached a project area map showing two proposed water drafting locations, as well as a .pdf copy of the water rights rental application.

Please let me know what steps we need to take to wrap this up, thank you!



----- Forwarded message -----

From: Dillion Asher <dillion@ethosgeo.com>
Date: Sat, Aug 29, 2020 at 6:15 PM
Subject: Re: Bonanza water rental permit
To: Kate Close <kate@ethosgeo.com>

Fantastic, thank you so much Kate!

Our points of contact are Justin Ferguson at the Idaho Water Bank (Justin.Ferguson@idwr.idaho.gov, 208-287-4936) and Glenwood Brittain at Salmon-Challis National Forest (glenwood.brittain@usda.gov, 208-756-5169). A conference call with the two of them should help us clarify any remaining sticking points, as I believe we have everything they would need to proceed. I've attached a project area map showing two proposed water drafting locations, as well as a .pdf copy of the water rights rental application.

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At this stage, the Idaho Water Bank is awaiting a statement of approval from the USFS (Glenwood Brittain) re: our proposed drafting locations and operating on Forest Service Land. The USFS is awaiting an acknowledgement from the Water Bank (Justin Ferguson) that water will be available to rent. A bit of a catch-22, but both parties have been in contact and we're mostly there.

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Business Manager, Ethos Geological, Inc.

1-833 GEOPHYS (436-7497)

www.ethosgeo.com

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T: (208) 287-4936 | Justin.Ferguson@IDWR.idaho.gov

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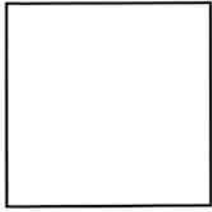
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Veibell, Amanda

From: Dillion Asher <dillion@ethosgeo.com>
Sent: Friday, July 17, 2020 11:01 AM
To: Ferguson, Justin
Subject: Application to Rent Water (75-7073)
Attachments: WSB-rental-application.pdf

Justin,

Attached is a copy of our application, pending approval from the USFS. Let me know if you have any problems viewing info in the .pdf.

I've included an area map in the email. As of yet it doesn't show a proposed point of extraction for water, but we're assuming that will be as close as permissible to the confluence of Indian and Big Deer Creeks. We'll add a location on a revised project area map prior to submission.

Regarding the landowner permissions in Sec.3K, our USFS contact person is Glenwood Brittain, 208-756-5169 (office), 208-768-7782 (cell), glenwood.brittain@usda.gov

Thank you again for your assistance!

Kind regards,
Dillion Asher

