

State of Idaho
Department of Water Resources
Water Right License
Water Right No. 72-7511

Priority: March 22, 1993

Maximum Diversion Rate: 7.36 CFS

Maximum Diversion Volume: 500.0 AF

It is hereby certified that:

HECLA MINING CO
PO BOX 647
CHALLIS ID 83226-0647

has complied with the terms and conditions of the permit, issued pursuant to Application for Permit dated March 22, 1993, and has submitted Proof of Beneficial Use on September 28, 1998. An examination confirms water is diverted from:

Source : JORDAN CREEK
Source : SPRINGS
Source : UNNAMED STREAM
Source : UNNAMED STREAM

Tributary: YANKEE FORK
Tributary: PINYON LAKE CREEK
Tributary: JORDAN CREEK
Tributary: PINYON LAKE CREEK

<u>Beneficial Use</u>	<u>Period of Use</u>	<u>Rate of Diversion</u>	<u>Annual Volume</u>
DIVERSION TO STORAGE	1/01 to 12/31	7.36 CFS	
WATER QUALITY IMPROVEMENT STORAGE	01/01 to 12/31		500.0 AF
WATER QUALITY IMPROVEMENT FROM STORAGE	01/01 to 12/31		500.0 AF

Location of Point(s) of Diversion

UNNAMED STREAM NW¼ SW¼, Sec. 29, Twp 13N, Rge 15E, B.M. CUSTER County
UNNAMED STREAM SW¼ NW¼, Sec. 29, Twp 13N, Rge 15E, B.M. CUSTER County
JORDAN CREEK SW¼ SE¼, Sec. 20, Twp 13N, Rge 15E, B.M. CUSTER County
SPRINGS NE¼ SW¼ SW¼, Sec. 29, Twp 13N, Rge 15E, B.M. CUSTER County

Place of Use: WATER QUALITY IMPROVEMENT STORAGE

Twp	Rng	Sec	NE				NW				SW				SE				No QQ	Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
13N	15E	29					X		X	X	X	X	X							

Place of Use: WATER QUALITY IMPROVEMENT FROM STORAGE

Twp	Rng	Sec	NE				NW				SW				SE				No QQ	Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
13N	15E	29											X	X						

State of Idaho
Department of Water Resources
Water Right License
Water Right No. 72-7511

Conditions of Approval

1. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 170.
2. Upon specific notification by the Department, the right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
3. The storage of water under this right is contingent upon continued certification by the Department of Water Resources under the dam safety provisions of the Idaho Code, authorizing storage.
4. The issuance of this right does not grant any right-of-way or easement across the land of another.

This license is issued pursuant to the provisions of Idaho Code § 42-219. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

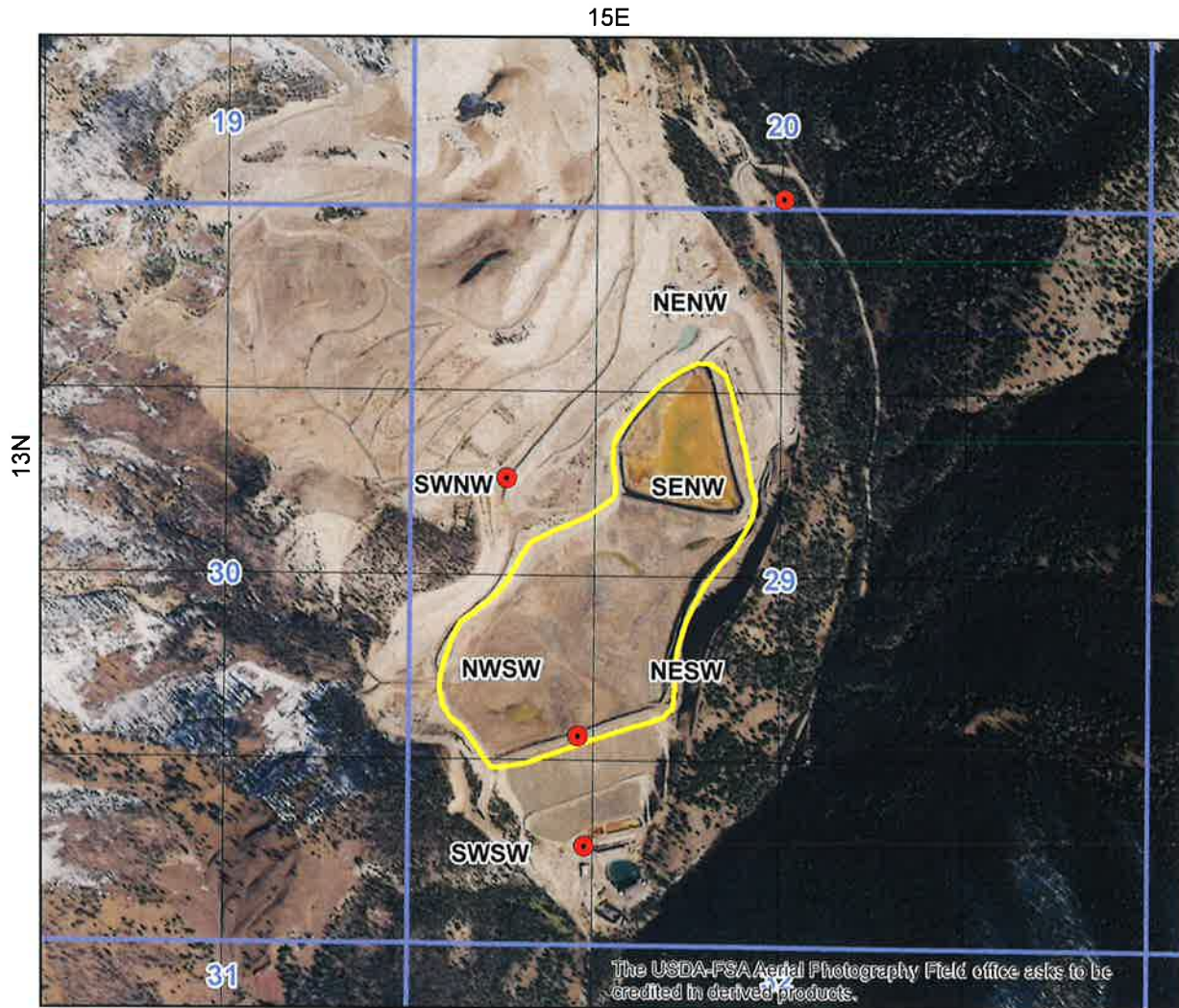
Signed this 2nd day of September, 2020.



COREY SKINNER
Southern Regional Manager

State of Idaho
Department of Water Resources
Attachment to Water Right License
72-7511

This map depicts the WATER QUALITY IMPROVEMENT STORAGE place of use boundary for this water right at the time of this approval and is attached to the approval document solely for illustrative purposes.



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

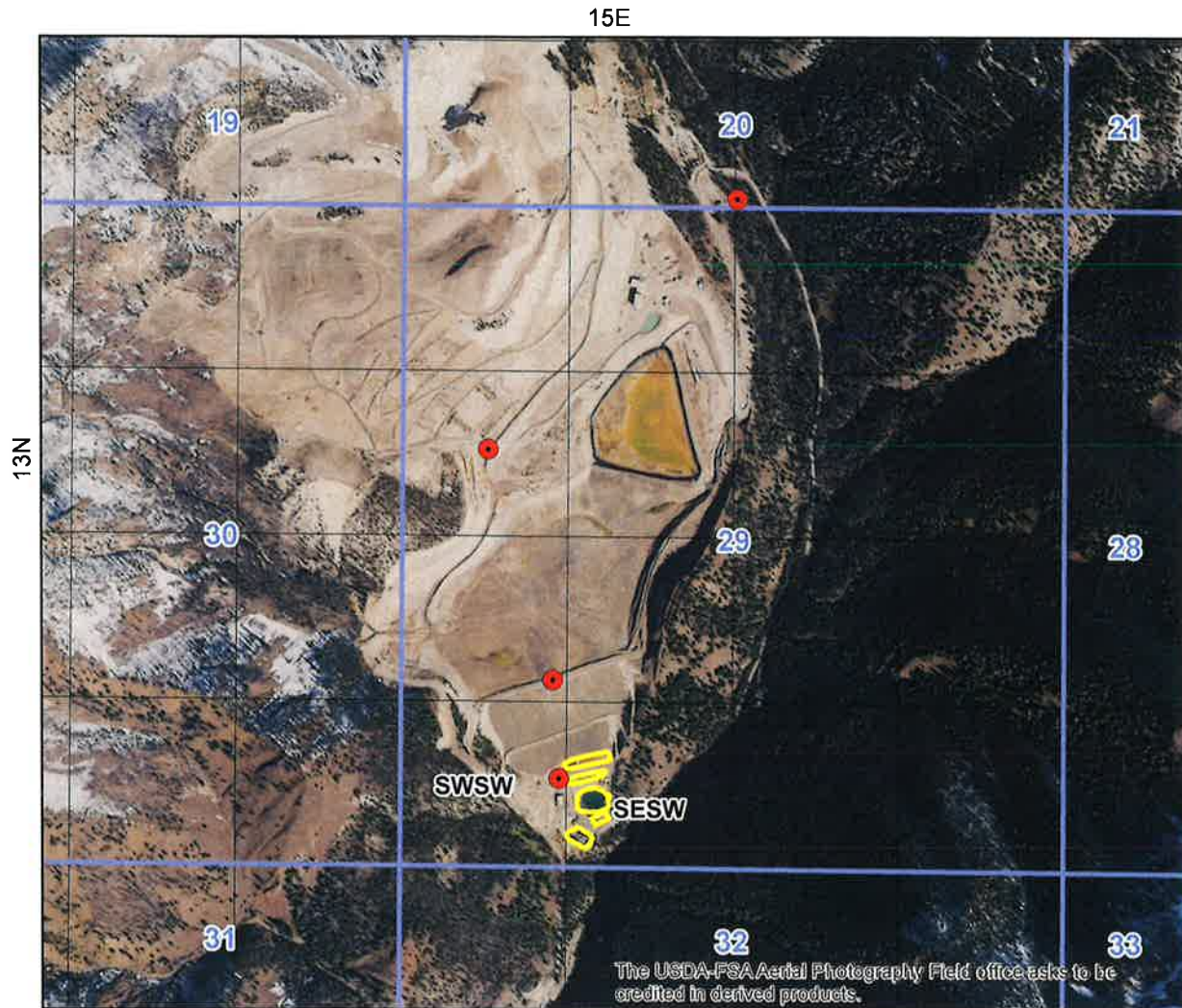
0 0.15 0.3 0.6 Miles



State of Idaho
Department of Water Resources

Attachment to Water Right License 72-7511

This map depicts the WATER QUALITY IMPROVEMENT FROM STORAGE place of use boundary for this water right at the time of this approval and is attached to the approval document solely for illustrative purposes.



- Point of Diversion
- Place Of Use Boundary
- Townships
- PLS Sections
- Quarter Quarters

0 0.175 0.35 0.7 Miles





State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 ADDISON AVE W STE 500 • TWIN FALLS, ID 83301-5858
Phone: (208)736-3033 • Fax: (208)736-3037 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

September 4, 2020

HECLA MINING CO
PO BOX 647
CHALLIS ID 83226-0647

RE: License No. 72-7511

Issuance of License

Dear Water Right Holder(s):

The Department of Water Resources ("Department") has issued the enclosed Water Right License confirming that a water right has been established in accordance with your permit. Please be sure to thoroughly review all the conditions of approval listed on your license. The conditions may include ongoing requirements, such as maintenance of a measuring device or implementation of mitigation, as well as information about how your water use may be administered, such as regulation by a watermaster in a water district. Also enclosed is a copy of the approved application for amendment.

The license is a PRELIMINARY ORDER issued by the Department pursuant to Rule 730 of the Department's Rules of Procedure (IDAPA 37.01.01.730). It can and will become a final order without further action by the Department unless a party petitions for reconsideration, files exceptions, or requests a hearing as described in the enclosed information sheet.

Also, please note that water right owners are required to report any change of water right ownership and/or mailing address to the Department within 120 days of the change. Failure to report these changes could result in a \$100 late filing fee. Water right forms are available from any office of the Department or on the Department's website at idwr.idaho.gov

If you have any questions concerning the enclosed information, please contact me at (208) 736-3033.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Corey Skinner'.

Corey Skinner
Southern Regional Manager

Enclosure(s)

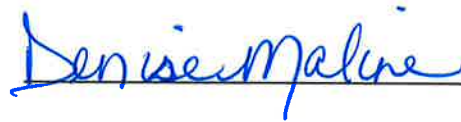
CERTIFICATE OF SERVICE

I hereby certify that on September 4, 2020, I served a true and correct copy of Water Right License No. 72-7511 by U.S. Mail, postage prepaid, to the following:

HECLA MINING CO (Current Owner)
PO BOX 647
CHALLIS ID 83226-0647

ALBERT P BARKER (Attorney)
BARKER ROSHOLT & SIMPSON LLP
1010 W JEFFERSON ST STE 102
PO BOX 2139
BOISE ID 83701-2139

WATER DISTRICT #170
CINDY YENTER (Watermaster)
102 S WARPATH
SALMON ID 83467



Denise Maline
Administrative Assistant 1

EXPLANATORY INFORMATION TO ACCOMPANY A PRELIMINARY ORDER

(To be used in connection with actions when a hearing was **not** held)

(Required by Rule of Procedure 730.02)

The accompanying order or approved document is a "**Preliminary Order**" issued by the department pursuant to section 67-5243, Idaho Code. **It can and will become a final order without further action of the Department of Water Resources ("department") unless a party petitions for reconsideration, files an exception and brief, or requests a hearing as further described below:**

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the department within fourteen (14) days of the service date of this order. **Note: the petition must be received by the department within this fourteen (14) day period.** The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5243(3) Idaho Code.

EXCEPTIONS AND BRIEFS

Within fourteen (14) days after: (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding with the Director. Otherwise, this preliminary order will become a final order of the agency.

REQUEST FOR HEARING

Unless a right to a hearing before the Department or the Water Resource Board is otherwise provided by statute, any person aggrieved by any final decision, determination, order or action of the Director of the Department and who has not previously been afforded an opportunity for a hearing on the matter may request a hearing pursuant to section 42-1701A(3), Idaho Code. A written petition contesting the action of the Director and requesting a hearing shall be filed within fifteen (15) days after receipt of the denial or conditional approval.

ORAL ARGUMENT

If the Director grants a petition to review the preliminary order, the Director shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Director will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Director orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Director in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with IDAPA Rules 37.01.01302 and 37.01.01303 (Rules of Procedure 302 and 303).

FINAL ORDER

The Director will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Director may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its service date if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) The petition for reconsideration is disposed of; or
- (b) The petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

State of Idaho
Department of Water Resources
Application for Amendment
(For Licensing Purposes)
Water Right No. 72-7511

RECEIVED

AUG 31 2020

DEPT OF WATER RESOURCES
SOUTHERN REGION

Priority: March 22, 1993

Maximum Diversion Rate: 7.36 CFS

The owner and holder of Permit to appropriate the Public Waters of the State of Idaho No. 72-7511

HECLA MINING CO
PO BOX 647
CHALLIS ID 83226-0647

requests the permit be changed as follows:

Source : JORDAN CREEK
Source : SPRINGS
Source : UNNAMED STREAM
Source : UNNAMED STREAM

Tributary: YANKEE FORK
Tributary: PINYON LAKE CREEK
Tributary: JORDAN CREEK
Tributary: PINYON LAKE CREEK

Beneficial Use	Period of Use	Rate of Diversion	Annual Volume
DIVERSION TO STORAGE	1/01 to 12/31	7.36 CFS	
WATER QUALITY IMPROVEMENT STORAGE	01/01 to 12/31		500.0 AF
WATER QUALITY IMPROVEMENT FROM STORAGE	01/01 to 12/31		500.0 AF

Location of Point(s) of Diversion

UNNAMED STREAM NW¼ SW¼, Sec. 29, Twp 13N, Rge 15E, B.M. CUSTER County
UNNAMED STREAM SW¼ NW¼, Sec. 29, Twp 13N, Rge 15E, B.M. CUSTER County
JORDAN CREEK SW¼ SE¼, Sec. 20, Twp 13N, Rge 15E, B.M. CUSTER County
SPRINGS NE¼ SW¼ SW¼, Sec. 29, Twp 13N, Rge 15E, B.M. CUSTER County

Place of Use: WATER QUALITY IMPROVEMENT STORAGE

Twp	Rng	Sec	NE				NW				SW				SE				No QQ	Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
13N	15E	29					X		X	X	X	X	X							

Place of Use: WATER QUALITY IMPROVEMENT FROM STORAGE

Twp	Rng	Sec	NE				NW				SW				SE				No QQ	Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE		
13N	15E	29											X	X						

State of Idaho
Department of Water Resources
Application for Amendment
(For Licensing Purposes)
Water Right No. 72-7511

Permit holder asserts that no one will be injured by such change and that such change will be made at permit holder's own risk.

Signed this 27th day of August, 2020.



(Signature)

State of Idaho
Department of Water Resources
Application for Amendment
(For Licensing Purposes)
Water Right No. 72-7511

FOR DEPARTMENT USE ONLY

Preliminary check by SG Fee = \$100 Received by SG # 5038112 Date 8/31/20

ACTION OF THE DEPARTMENT OF WATER RESOURCES

The Idaho Department of Water Resources hereby approves the above Application for Amendment for Permit No. 72-7511 with the following:

Conditions of Approval

1. Use of water under this right may be regulated by a watermaster with responsibility for the distribution of water among appropriators within a water district. At the time of this approval, this water right is within State Water District No. 170.
2. Upon specific notification by the Department, the right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s).
3. The storage of water under this right is contingent upon continued certification by the Department of Water Resources under the dam safety provisions of the Idaho Code, authorizing storage.
4. The issuance of this right does not grant any right-of-way or easement across the land of another.

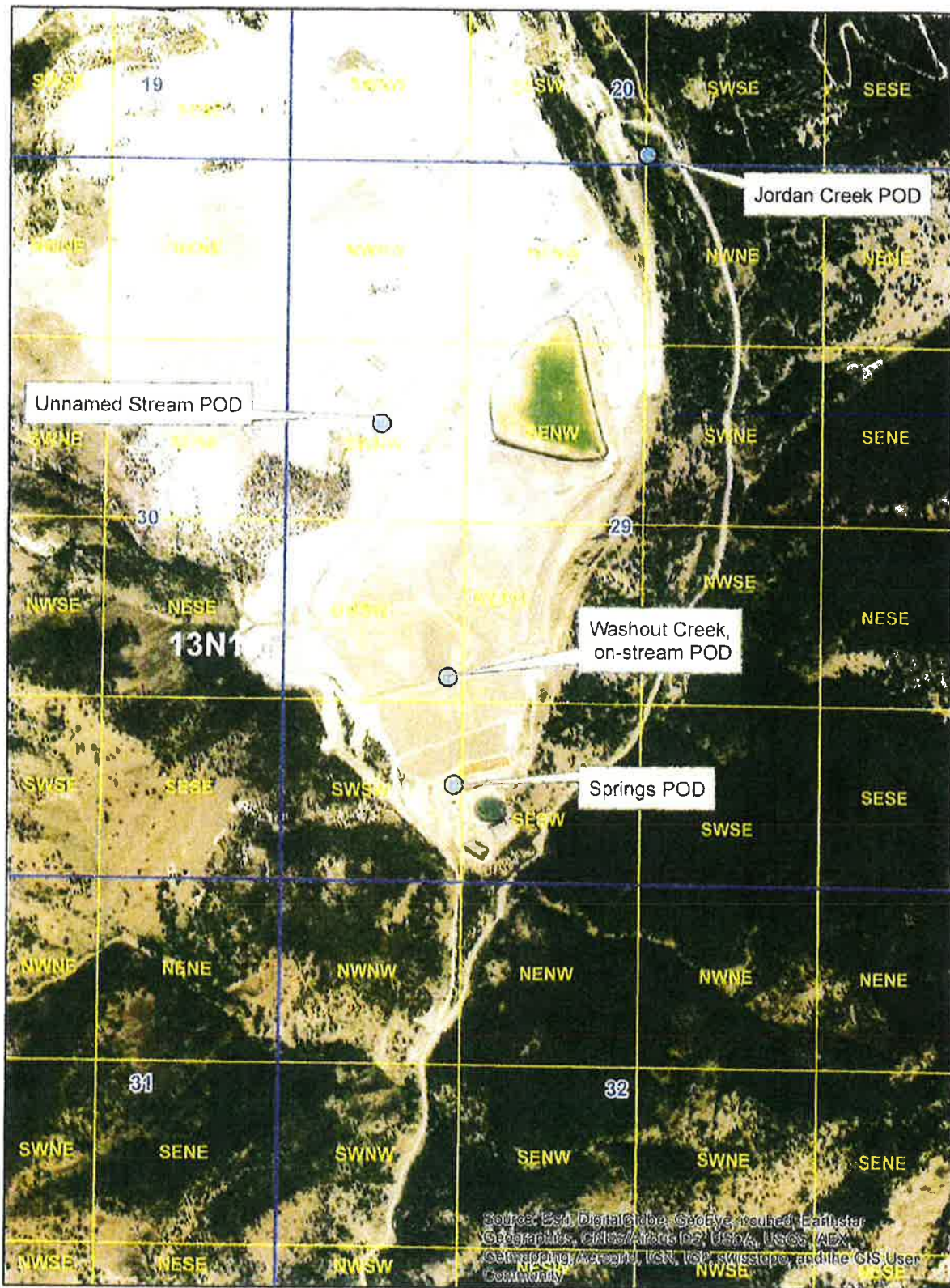
This amendment is issued pursuant to the provisions of Idaho Code § 42-211.

Signed this 2nd day of September, 2020.



COREY SKINNER
Southern Regional Manager

72-7511 Licensing Amendment - Points of Diversion



Legend

- Township/Range
- Sections
- QQ

0 0.075 0.15 0.3 Miles



72-7511 Licensing Amendment - Place of Use



Legend

- Township/Range
Sections
QQ

0 0.05 0.1 0.2 Miles

Z



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 ADDISON AVE W STE 500 • TWIN FALLS, ID 83301-5858
Phone: (208)736-3033 • Fax: (208)736-3037 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

August 24, 2020

HECLA MINING CO
PO BOX 647
CHALLIS ID 83226-0647

RECEIVED

AUG 31 2020

DEPT OF WATER RESOURCES
SOUTHERN REGION

RE: Water Right Permit No. 72-7511 - Change to Amendment of Permit Conditions

Dear Permit Holder:

The Department of Water Resources is reviewing the permit referenced above prior to issuing a water right license. By issuing a license, the Department confirms the extent of development that has been established in compliance with the terms of the permit.

The examiner who verified your water use reported that certain elements of the permit have been developed differently than described on your permit. Changes that do not increase the authorized use of water under the permit can be requested and approved in accordance with Idaho Code § 42-211. Before a license can be issued, your permit must be amended to depict your water use as it was actually developed.

Based on the examiner's report, the following elements were developed differently than described on your permit:

 X Points of Diversion

 X Places of Use

 X Nature of Use

The enclosed Application for Amendment form depicts the elements of the water right as they will appear on the license when issued. Please review the amendment form carefully. If you concur with the information presented, please sign and return the form with the filing fee of \$100.00 within fourteen (14) days.

Note that the only change made on the Application for Amendment of Permit from the Application sent on August 21, 2020 is to Condition of Approval #2, which now reads: *"Upon specific notification by the Department, the right holder shall maintain a measuring device and lockable controlling works of a type approved by the Department in a manner that will provide the watermaster suitable control of the diversion(s)".*

If you have any questions, please call me at (208) 293-9909.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jim Bitzenburg", with a stylized flourish extending to the right.

Jim Bitzenburg
Senior Water Resource Agent

Enclosure(s): Application for Amendment; POD, POU Maps

CC: Albert P. Barker, Barker, Rosholt, & Simpson, LLP; Corey Skinner, IDWR



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 ADDISON AVE W STE 500 • TWIN FALLS, ID 83301-5858
Phone: (208)736-3033 • Fax: (208)736-3037 • Website: www.idwr.idaho.gov

Brad Little
Governor

Gary Spackman
Director

August 21, 2020

HECLA MINING CO
PO BOX 647
CHALLIS ID 83226-0647

RE: Water Right Permit No. 72-7511

Dear Permit Holder:

The Department of Water Resources is reviewing the permit referenced above prior to issuing a water right license. By issuing a license, the Department confirms the extent of development that has been established in compliance with the terms of the permit.

The examiner who verified your water use reported that certain elements of the permit have been developed differently than described on your permit. Changes that do not increase the authorized use of water under the permit can be requested and approved in accordance with Idaho Code § 42-211. Before a license can be issued, your permit must be amended to depict your water use as it was actually developed.

Based on the examiner's report, the following elements were developed differently than described on your permit:

 X Points of Diversion

 X Places of Use

 X Nature of Use

The enclosed Application for Amendment form depicts the elements of the water right as they will appear on the license when issued. Please review the amendment form carefully. If you concur with the information presented, please sign and return the form with the filing fee of \$100.00 within fourteen (14) days.

If you have any questions, please call me at (208) 293-9909.

Sincerely,

Jim Bitzenburg
Senior Water Resource Agent

Enclosure(s): Application for Amendment; POD, POU Maps

CC: Albert P. Barker, Barker, Rosholt, & Simpson, LLP; Corey Skinner, IDWR

Skinner, Corey

From: Albert Barker <apb@idahowaters.com>
Sent: Tuesday, August 11, 2020 4:23 PM
To: Skinner, Corey; Bitzenburg, James
Subject: RE: Notice of Intent to Void Letter

In the interim I had a meeting set on me at 3 on Friday. Sorry. I think the 3 pm meeting should be done by 4 if you want to try for 4 on Friday.

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Tuesday, August 11, 2020 4:18 PM
To: Albert Barker <apb@idahowaters.com>; Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Let's shoot for Friday at 3:00. Jim and I will call you.

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Tuesday, August 11, 2020 3:22 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>; Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Thursday at 3
Friday at 3
Monday morning
Tuesday anytime

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Tuesday, August 11, 2020 3:12 PM
To: Albert Barker <apb@idahowaters.com>; Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

What days/times would work for you?

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Tuesday, August 11, 2020 2:52 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>; Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Of course. Just let me know when.

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Tuesday, August 11, 2020 2:44 PM
To: Albert Barker <apb@idahowaters.com>; Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Al,

We have had a chance to review on our end, and talk it over with our state office also. Would you be open sometime for a follow up phone call?

Corey

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Friday, August 07, 2020 4:03 PM
To: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Gentlemen-

Attached is a response on behalf of Hecla with respect to these water right permits. The original is in the mail to your office. I am happy to discuss any of the issues set out in this letter or with respect to the water rights.

From: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Sent: Wednesday, July 15, 2020 8:53 AM
To: Albert Barker <apb@idahowaters.com>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Thanks- we really do appreciate your help with this.

Jim Bitzenburg
Water Resource Agent
Idaho Department of Water Resources
Southern Regional Office
Phone (208)-736-3033
james.bitzenburg@idwr.idaho.gov

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Wednesday, July 15, 2020 8:49 AM
To: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: Notice of Intent to Void Letter

Jim and Corey-

I had another conversation with Hecla this week. I think we have most of the information that we need to submit. The plan is to ask for a license on 72-7511. Hecla did put the water under all the permits to beneficial use, but demonstrating the necessary elements on all the permits will be difficult. Preserving 72-7511 is essential for Hecla, and the other permits less so.

I hope to have a response out to you by the first of next week.

Albert P. Barker
Barker Rosholt & Simpson LLP
1010 W Jefferson, Suite 102
Boise, Idaho 83702
(208) 336-0700

CONFIDENTIALITY NOTICE: This e-mail and its attachments are confidential and may be privileged. If you believe this e-mail has been sent to you in error, please notify the sender immediately and delete this email. Do not deliver, distribute or copy this transmission.

Barker Rosholt & Simpson LLP is the Idaho representative of the **Environmental Law Network**

From: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Sent: Wednesday, July 15, 2020 8:28 AM
To: Albert Barker <apb@idahowaters.com>
Cc: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: Notice of Intent to Void Letter

Al-

We are sending out a *Notice of Intent to Void Permits* letter to Hecla Mining Company in today's mail and we wanted to give you early notice of the letter in this email. You will also be copied via regular mail.

Thanks for your assistance with these permits.

Jim

Jim Bitzenburg
Water Resource Agent
Idaho Department of Water Resources
Southern Regional Office
Phone (208)-736-3033
james.bitzenburg@idwr.idaho.gov



State of Idaho

DEPARTMENT OF WATER RESOURCES

Southern Region • 650 Addison Ave W, Suite 500 • Twin Falls ID 83301-5858

Phone: (208) 736-3033 • Fax: (208) 736-3037

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

BRAD LITTLE
Governor

GARY SPACKMAN
Director

July 14, 2020

HECLA MINING CO
PO BOX 647
CHALLIS ID 83226-0647

RE: Water Appropriation Permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511

Notice of Intent to Void Permits

Dear Permit Holder:

From 1975 until 1994, the Idaho Department of Water Resources (IDWR) issued six Permits to Appropriate Water which are associated with the Grouse Creek Mine in the Yankee Fork drainage in Custer County, with places of use and points of diversion located within Township 13 North, Range 15 East, Sections 20, 29, and 30, B.M. The various uses include mining, industrial, domestic, mining storage, mining from storage, and diversion to storage. Proof of Beneficial Use was filed for the permits from 1995 through 1998. In phone conversations with Albert Barker, attorney for Hecla Mining Company, it appears that permit 72-7511 may be able to be licensed, with some amendment, pending further information.

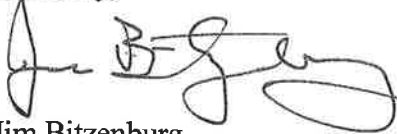
IDWR personnel have made several attempts to investigate the permits, and made an actual field exam at the mine site in 2013. The examination revealed that many of the potential developments described by the permits were nonexistent, as the mill to where they were appurtenant had been dismantled and moved off-premises. Because it does not appear that the elements (point of diversion and place of use locations, quantities of water diverted, etc.) for permits 72-7049, 72-7115, 72-7116, 72-7472, and 72-7503 can be determined, it does not appear that water right licenses can be issued for these permits. Unless you can provide information documenting the developed elements of the permits IDWR will initiate action to void the permits.

If you believe water right licenses should be issued to you, please supply information to demonstrate that you established a beneficial use of water during the development period of each permit, and the

extent of the beneficial use established, in accordance with each permit. If we do not receive the requested information from you within twenty-one days, we will take action to void your permits under the provision of Section 42-219(8) of the Idaho Code. If you agree that no beneficial use of water occurred under the above referenced permits, you can shorten the voiding process by completing the enclosed relinquishment form and returning it to IDWR.

If you have any questions, please contact our office at 208-736-3033.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Bitzenburg", written over a horizontal line.

Jim Bitzenburg
Water Resource Agent

Enclosure

CC: Albert P. Barker- Barker, Rosholt, and Simpson, LLP

Skinner, Corey

From: Albert Barker <apb@idahowaters.com>
Sent: Tuesday, June 23, 2020 4:56 PM
To: Skinner, Corey
Cc: Bitzenburg, James
Subject: RE: Hecla Mining Company

You are on. One preliminary question. If we need to get to the records of dam safety to look at their files, who do I call?

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Tuesday, June 23, 2020 4:35 PM
To: Albert Barker <apb@idahowaters.com>
Cc: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

That will work. Give us a call at (208)736-3033 at 10:00.

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Tuesday, June 23, 2020 4:34 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Cc: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

Sure – How about 10 am?

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Tuesday, June 23, 2020 4:33 PM
To: Albert Barker <apb@idahowaters.com>
Cc: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

Jim and I will be available. Do you want to set a time?

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Tuesday, June 23, 2020 4:30 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Cc: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

Corey-

Do you have time for a call on these rights on Thursday? Any time after 10?

From: Albert Barker
Sent: Friday, June 19, 2020 2:55 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Cc: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

Sorry Corey. We got started on this and made some progress, but stalled out. Give me a few days to get back to you.

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Friday, June 19, 2020 2:40 PM
To: Albert Barker <apb@idahowaters.com>
Cc: Bitzenburg, James <James.Bitzenburg@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

Al,

It has been over a month since Jim and I visited with you concerning the Hecla permits (72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511). I was wondering if anything was happening on your end. Should we start down the voiding process? The first step would be sending out a notice of intent to void letter which would give 21 days before we issued void orders. Any chance some of these, if not all, might be relinquished?

Corey

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Wednesday, May 06, 2020 3:22 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

If you can call my office that would be great.
208-336-0700

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Wednesday, May 6, 2020 3:17 PM
To: Albert Barker <apb@idahowaters.com>
Subject: RE: Hecla Mining Company

Let's shoot for Friday afternoon at 3:00. Do you want to call me or, should I call you?

From: Albert Barker [<mailto:apb@idahowaters.com>]
Sent: Wednesday, May 06, 2020 1:50 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: RE: Hecla Mining Company

It's not Monday any more.
How about tomorrow afternoon or Friday afternoon for a call?

From: Albert Barker
Sent: Friday, May 1, 2020 7:32 PM
To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Subject: Re: Hecla Mining Company

Sure

Sent from my iPhone

On May 1, 2020, at 6:40 PM, Skinner, Corey <Corey.Skinner@idwr.idaho.gov> wrote:

I should have some time next week. Maybe touch base with me Monday and we can set up a time?

Sent from my iPhone

On May 1, 2020, at 5:57 PM, Albert Barker <apb@idahowaters.com> wrote:

Corey-

I've reviewed the files and talked with Hecla. Do you have some time to discuss next week?

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>

Sent: Friday, April 24, 2020 9:50 AM

To: Albert Barker <apb@idahowaters.com>

Subject: RE: Hecla Mining Company

Al,

The attached letter was mailed out today regarding permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511. You should be receiving a hard copy in the mail in the next few days. There are quite a few issues with these permits with regards to the possibility of getting them licensed. There are also additional issues that I did not mention in the letter. I tried to just touch on some of the bigger issues in the letter.

I am not sure how serious Hecla is about these permits, but perhaps this can start some conversations. I sent the letter to Hecla Mining Co at our last address of record (a PO Box in Challis) for these permits. I am not sure if this is the best address for the company regarding these matters.

After you have a chance to review, and perhaps touch base with the folks at Hecla, I am open to having a discussion relating to these permits and possible options to move forward.

Corey

From: Skinner, Corey

Sent: Tuesday, February 25, 2020 2:21 PM

To: 'Albert Barker' <apb@idahowaters.com>

Subject: RE: Hecla Mining Company

Thanks! I will be sending out a letter in the near future relating to these permits and I will be sure to include you in the loop.

From: Albert Barker [<mailto:apb@idahowaters.com>]

Sent: Tuesday, February 25, 2020 2:16 PM

To: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>

Subject: RE: Hecla Mining Company

Corey-

I doubled back with Hecla and please do communicate with me about these rights. Let me know if you need anything.

Albert P. Barker
Barker Rosholt & Simpson LLP
1010 W Jefferson, Suite 102
Boise, Idaho 83702
(208) 336-0700

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Barker Rosholt & Simpson LLP is the Idaho representative of the **Environmental Law Network**

From: Skinner, Corey <Corey.Skinner@idwr.idaho.gov>
Sent: Tuesday, February 25, 2020 1:52 PM
To: Albert Barker <apb@idahowaters.com>
Subject: Hecla Mining Company

Al,

We have been working on licensing old water right permits and I noticed that we have several old permits in the name of Hecla Mining Company &/or Hecla LTD. Specifically the permits are 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511. These permits are associated with Hecla's Grouse Creek Mine project in the Jordan Creek area in the upper Yankee Fork area in Custer County. I believe that this mining project was closed down in the mid to late 1990s. The files include a letter (see attached) that you sent to IDWR in September of 2001 indicating that you were now representing Hecla Mining Company relating to the previously mentioned permits. The letter also mentioned right 72-7050 which was decreed as disallowed in the SRBA on January 16, 2001 and 72- 7471 which is an application for permit that was withdrawn in December of 2000.

Are you still representing Hecla Mining Company and are you a point of contact for these permits?

Corey



State of Idaho

DEPARTMENT OF WATER RESOURCES

SOUTHERN REGION • 650 ADDISON AVE W STE 500 • TWIN FALLS ID 83301-5858

Phone: (208) 736-3033 • Fax: (208) 736-3037

Website: www.idwr.idaho.gov • Email: southerninfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

April 24, 2020

Hecla Mining Co
PO Box 647
Challis, ID 83226-0647

RE: Water Appropriation Permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511

Gentlemen:

Examination of Idaho Department of Water Resources (IDWR) records indicate that you are identified as the owner of water appropriation permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and/or 72-7511. These particular permits are associated with the Grouse Creek Mine in the Yankee Fork drainage in Custer County. As you are aware this particular mine site has not been in operation since the mid to late 1990s. These particular permits can be summarized as follows:

72-7049 in the name of Hecla Mining Co is based on an application filed by Vernon F Taylor III on July 23 1975. The permit was granted on October 21, 1975 and proof of beneficial use was submitted by Hecla Mining Co on September 29, 1995. The permit authorizes the diversion of up to 4.45 cfs of water from Jordan Creek for mining use. The authorized point of diversion (from Jordan Creek) is within the SESW of Section 20, Township 13 North, Range 15 East and the authorized location of the place of use (for mining use) is within the NWNW of Section 29, Township 13 North, Range 15 East.

72-7115 in the name of Hecla Mining Co is based on an application filed by Vernon F Taylor III on November 26, 1980. The permit was granted on August 26, 1981 and proof of beneficial use was submitted by Hecla Mining Co on July 22, 1996. The permit authorizes the diversion of up to 0.28 cfs of water from a spring tributary to Pinyon Lake Creek for industrial use. The authorized point of diversion (from the spring) is within the NESW of Section 29, Township 13 North, Range 15 East and the authorized location of the place of use (for industrial use) is within the south ½ of the NW ¼ and the SW ¼ of Section 29, Township 13 North, Range 15 East.

72-7116 in the name of Hecla Mining Co is based on an application filed by Vernon F Taylor III on November 26, 1980. The permit was granted on August 26, 1981 and proof of beneficial use was submitted by Hecla Mining Co on July 22, 1996. The permit authorizes the diversion of up to 0.05 cfs of water from a spring tributary to Pinyon Lake Creek for industrial use. Note that examination of the map submitted with the original application indicates that this appears to be a different spring than what is described by permit 72-7115. The authorized point of diversion (from the spring) is within the NESW of Section 29, Township 13 North, Range 15 East and the authorized location of the place of use (for industrial use) is within the south $\frac{1}{2}$ of the NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ of Section 29, Township 13 North, Range 15 East.

72-7472 in the name of Hecla Mining Co is based on an application filed by Grouse Creek Mining Inc. on July 30, 1990. The permit was granted on March 10, 1994 and proof of beneficial use was submitted by Hecla Mining Co on March 1, 1996. The permit authorizes the diversion of up to 0.11 cfs of water from a groundwater (well) source for domestic use. The authorized point of diversion (well) is within the NESW of Section 20, Township 13 North, Range 15 East and the authorized location of the place of use (for domestic use) is within the NENW of Section 29, Township 13 North, Range 15 East.

72-7503 in the name of Hecla Mining Co is based on an application filed by Hecla Mining Co on January 21, 1992. The permit was granted on October 12, 1993 and proof of beneficial use was submitted by Hecla Mining Co on August 28, 1998. The permit authorizes the diversion of up to 1.0 cfs of water from an unnamed stream (locally known as Washout Creek) tributary to Jordan Creek for industrial use. The authorized point of diversion (from Washout Creek) is within the NWSW of Section 29, Township 13 North, Range 15 East and the authorized location of the place of use (for industrial use) is within the SENW of Section 29, Township 13 North, Range 15 East.

72-7511 in the name of Hecla Mining Co is based on an application filed by Hecla Mining Co on March 22, 1993. The permit was granted on October 25, 1993 and proof of beneficial use was submitted by Hecla Mining Co on September 28, 1998. The permit authorizes the diversion of up to 7.36 cfs of water from multiple sources for up to 500 acre-feet of water storage which can then be used for mining use (mining from storage up to 500 acre-feet). The sources are identified on the permit as an unnamed stream (locally known as Washout Creek) tributary to Jordan Creek, two springs (tributary to Pinyon Lake Creek) within the NWNESW of Section 29, Township 13 North, Range 15 East, an unnamed stream tributary to Pinyon Lake Creek, two groundwater (well) sources, and Jordan Creek. The permit identifies the mining storage place of use in the NWNW of Section 29, Township 13 North, Range 15 East, and the mining from storage place of use is identified in the east $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 28, Township 13 North, Range 15 East.

The final step in the water appropriation process is the issuance of a water right license. By issuing a license, IDWR recognizes that the water user has met the requirements for establishing a water right. The elements (locations, amounts, uses, etc.) of the water right license are determined by an examination of the water development. Additionally, once the development period authorized by a permit expires, a permit cannot be retained to cover future development of the water.

It appears that IDWR has made multiple attempts over the years to at least initiate the examination of the water developments described by permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511. In 2013, IDWR actually visited the mine site, accompanied by Brant Tritthart of Hecla Mining Co, in an attempt to complete the examination of the development of these permits. This examination revealed that many of the potential developments described by the permits were nonexistent including the mill site where the mining/industrial uses described on permits 72-7049, 72-7115, 72-7116, 72-7503, and 72-7511 would have occurred. Mr. Tritthart indicated that the mill had been moved to another mine site in South America. Spring locations (identified on permits 72-7115, 72-7116, and 72-7511) were now buried under the tailings impoundment. The unnamed stream (locally known as Washout Creek) identified on permits 72-7503 and 72-7511 was routed through a bypass/treatment system rather than being used for mining or industrial purposes. Mr. Tritthart indicated that he could not recall if groundwater (listed as sources on permits 72-7472 and 72-7511) was ever actually utilized at the mine site. Mr. Tritthart was able to show IDWR a pump house that more than likely was part of the diversion system from Jordan Creek (listed as a source for permits 72-7049 and 72-7511), but the pump house was no longer in operation. It was evident from the visit, that there is not enough infrastructure remaining on the mine site to document and/or determine developed elements (point of diversion and place of use locations, quantities of water diverted, etc.) for permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511.

Because it does not appear that the elements (point of diversion and place of use locations, quantities of water diverted, etc.) for permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511 can be determined, it does not appear that water right licenses can be issued for these permits. Unless you can provide information documenting the developed elements of the permits IDWR will initiate action to void the permits. As an alternative, I have enclosed a copy of a relinquishment form that can be completed and signed to relinquish a permit to expedite this process. **If no response is received within 30 days of this letter, IDWR will initiate action to void the permits.**

If you have any questions, or if I can be of any further assistance, feel free to contact me at your convenience at (208)736-3033.

Sincerely,



Corey Skinner, PE
IDWR Southern Region Manager

Enclosure

cc: Albert P Barker

Skinner, Corey

From: Albert Barker <apb@idahowaters.com>
Sent: Tuesday, February 25, 2020 2:16 PM
To: Skinner, Corey
Subject: RE: Hecla Mining Company

Corey-

I doubled back with Hecla and please do communicate with me about these rights. Let me know if you need anything.

Albert P. Barker
Barker Rosholt & Simpson LLP
1010 W Jefferson, Suite 102
Boise, Idaho 83702
(208) 336-0700

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Subject: Hecla Mining Company

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Are you still representing Hecla Mining Company and are you a point of contact for these permits?

Corey

MEMORANDUM

TO: Permit Files 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511

FROM: Jeff Cooper

DATE: July 8, 2013

SUBJECT: Attempt at Licensing Field Exams

Last Tuesday, July 2nd, Corey Skinner (IDWR dam safety engineer) and I visited the Grouse Creek Mine in the Yankee Fork drainage in Custer County. Corey was visiting the site to inspect the tailings dams and I tagged along to conduct the licensing exams for permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511. We were accompanied by Brant Tritthart of Hecla Mining Company.

During the visit, Mr. Tritthart explained that the mine site has not been in operation since the mid to late 1990s and that much of the infrastructure (buildings, pumps, etc.) have been removed from the site. During the visit, it was evident that many of the potential developments described by the permits were nonexistent including the mill site where the mining/industrial uses described on permits 72-7049, 72-7115, 72-7116, 72-7503, and 72-7511 would have occurred. Mr. Tritthart indicated that the mill had been moved to another mine site in South America. Spring locations (identified on permits 72-7115, 72-7116, and 72-7511) were now buried under the tailings impoundment. The unnamed stream (locally known as Washout Creek) identified on permits 72-7503 and 72-7511 is now routed through a bypass/treatment system rather than being used for mining or industrial purposes. Mr. Tritthart indicated that he could not recall if groundwater (listed as sources on permits 72-7472 and 72-7511) was ever actually utilized at the mine site. Mr. Tritthart was able to show us a pump house that more than likely was part of the diversion system from Jordan Creek (listed as a source for permits 72-7049 and 72-7511), but the pump house was no longer in operation.

It was evident from the visit, that there is not enough infrastructure remaining on the mine site to document and/or determine developed elements (point of diversion and place of use locations, quantities of water diverted, etc.) for permits 72-7049, 72-7115, 72-7116, 72-7472, 72-7503, and 72-7511. Without additional historical information being provided by the permit holder, it does not appear that these permits can be accurately licensed.

*John A. Rosholt
Albert P. Barker
John K. Simpson
Amy D. Chestnut
Travis L. Thompson*



1221 West Idaho Street, Suite 600
Post Office Box 2139
Boise, ID 83701-2139
(208) 336-0700 telephone
(208) 344-6034 facsimile
brs@idahowaters.com

142 3rd Avenue
Post Office Box 1906
Twin Falls, ID 83303-1906
(208) 734-0700 telephone
(208) 736-0041 facsimile
shs@idahowaters.com

Albert P. Barker
apb@idahowaters.com

September 11, 2001

Idaho Department of Water Resources
Southern Regional Office
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301-3380

RECEIVED
SEP 12 2001
Department of Water Resources
Southern Region

Re: Hecla Mining Company

Dear Agent:

Please be advised that the undersigned now represents Hecla Mining Company, and all correspondence regarding Hecla Mining Company's water rights should be addressed to me as follows:

Albert P. Barker
Barker Rosholt & Simpson LLP
P.O. Box 2139
Boise, Idaho 83701-2139

Our records indicate that the following water rights within the jurisdiction of your office are involved:

72-07049; 72-07050; 72-07115; 72-07116; 72-07471; 72-07472; 72-07503; 72-07511

Please let me know if your records differ in any way on Hecla Mining Company's water rights. Thank you for your attention to this matter.

Very truly yours,

BARKER ROSHOLT & SIMPSON LLP


Albert P. Barker

cc: Michael B. White