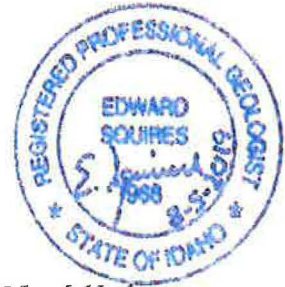


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REBUTTAL EXPERT REPORT

OVERVIEW

This report by Edward Squires, Idaho Registered Professional Geologist No. 968, is an expert report on behalf of Double Anchor Ranches (DAR) in rebuttal to Casa Del Norte's (CDN) Expert Report by SPF Water Engineering (SPF), dated July 22, 2019, in the contested water right transfer application No. 80342 (Transfer) before the Idaho Department of Water Resources (Department).

SPF found no concerns with any of the five tenets of Idaho Code §42-222 that the Department may consider in approving the Transfer.

The following is DAR's Rebuttal Expert Report for the record:

1) CONCERNS ABOUT REDUCTION OF WATER UNDER EXISTING WATER RIGHTS:

a. SPF concluded Transfer No. 80342 would not reduce the quantity of water under existing water rights. The available data suggest this may not necessarily be so because:

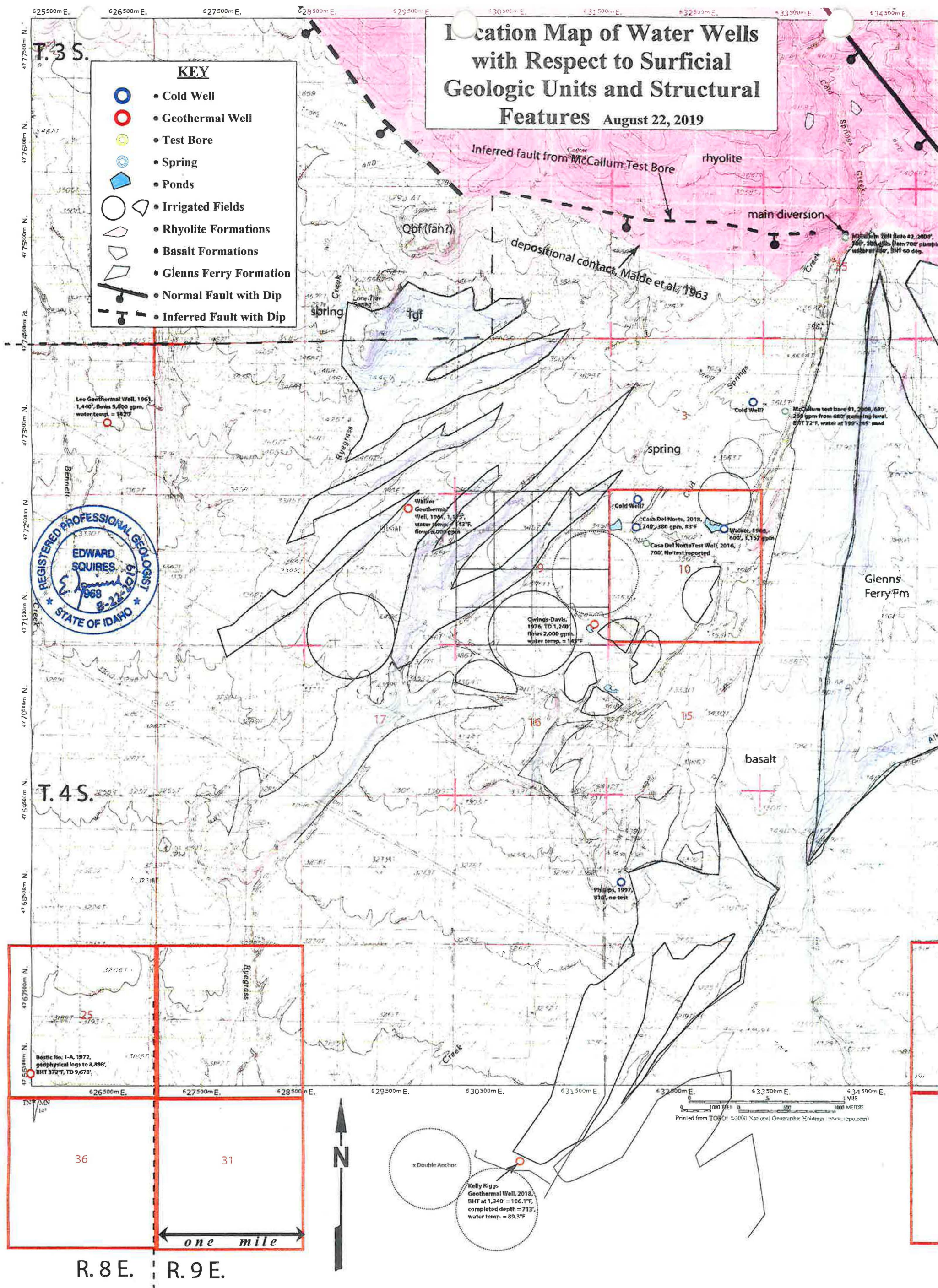
- i. A direct hydraulic interconnection between surface waters of Cold Springs Creek (CSC) and the volcanic rock completion interval of the new Casa Del Norte (CDN) well may exist in the subsurface.
- ii. In fact, structural faulting along the mountain front may provide a fractured permeable conduit from where the stream is incised into the volcanic rocks very near CDN's uppermost diversion from CSC to the layered and highly fractured volcanic rocks down-dropped beneath the CDN area.
- iii. This is illustrated by CDN's main irrigation well, a POD of the water rights subject to the Transfer, apparently producing ground water with a temperature that is much colder than would be usual for a ground water source and especially in this area where most wells 500 feet deep produce warm water (as the new CDN POD well does).

b. Additional injury may occur as a result of approval of this Transfer because the non-consumptive portion of the pumped ground water, the portion that

EXHIBIT

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Draft composite map, cropped and modified from Malde (1963), showing selected surficial geologic units and structural features with respect to water well locations and irrigated areas in the Cold Springs Creek and Ryegrass Creek drainage basins.

now returns into the sub-surface floodplain gravels of the CSC drainage, would then be taken out of basin, to the Ryegrass Creek drainage thus depriving DAR of a source of water to its springs and return flows to CSC it has depended upon for the last 50 years.

2) CONCERNS ABOUT ENLARGEMENT OF WATER RIGHTS UNDER THE TRANSFER:

- a. CDN's newly constructed Well proposed as a POD for the four water rights appurtenant to this Transfer, was apparently drilled without a valid drilling permit and without a water right. According to the Department, the Well was drilled as a "Replacement" well which requires that the well to be replaced be abandoned before the well driller removes its rig from the site. My understanding is that the original well to be replaced was not abandoned and the Well Driller's Report for the Well reports the Well as a "New" well; not a replacement. Therefore, it seems the Well was also drilled, constructed and tested without any appurtenant water right, counting on approval of the Transfer, and without notice to DAR in this contested proceeding. It seems this could result in an enlargement of the water right because it allows CDN to pump more water than it would otherwise be able to pump absent this Transfer which could result in enlargement. Additionally, it is possible that one or more of the water rights have been partially forfeit. Indeed, the SPF Response itself states that the existing wells have declined in productivity; moreover, the decree for the water rights was issued in 2002 (now 17-years ago).

3) CONCERNS ABOUT THE TRANSFER BEING IN THE LOCAL INTEREST:

- a. Transferring pumped ground water to a separate, different drainage basin is not in the public interest.
- b. Potential injury to DAR through reduced flows in CSC and springs is not in the local public interest.

4) CONCERNS ABOUT THE TRANSFER AFFECTING THE LOCAL ECONOMY:

- a. The Transfer, if approved, by removing a water source from the local drainage, and moving to an adjoining drainage, may benefit the economy of CDN but negatively impact DAR's economy of farming and ranching on its property downstream of CDN.