



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

C.L. "BUTCH" OTTER

Governor

GARY SPACKMAN

Interim Director

July 10, 2012

MOSQUITO CONSOLIDATED GOLD MINES LTD
PO BOX 767
GARDEN VALLEY ID 83622

**RE: APPLICATION TO RENT WATER FROM THE WATER SUPPLY BANK
WATER RIGHT NO(S). 63-2338**

Dear Renter:

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 \$140.00 per year was calculated based on the current rental rate of \$14.00 per acre-foot times a diversion volume of 10 acre-feet. The Department must receive payment prior to the execution of this agreement and prior to March 1, the beginning of the season, in all subsequent years for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. If you would like to terminate the agreement prior to the end of the rental period, you must submit written notice of your intent to the Department at least 30 days prior to the rental fee due date.

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

If you have any questions, please contact me at (208) 287-4907.

Sincerely,

Monica Van Bussum
Sr. Water Resource Agent

Enclosure(s)

c: John Westra – IDWR Western Regional Office
Rex Barrie – Watermaster, Water District 63
Hal Anderson – Idaho Water Engineering

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
WATER SUPPLY BANK RENTAL AGREEMENT

This is to certify that: MOSQUITO MINING CORP
 PO BOX 767
 GARDEN VALLEY ID 83622
 (208) 866-8579
 K.FEND.CUMO@GMAIL.COM

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	Rented Rate	Annual Rented Volume	Total Rented Acres
	63-2338	0.67 CFS	10.0 AF	NA
COMBINED RENTAL TOTALS:		0.67 CFS	10.0 AF	NA

TERM OF RENTAL: June 5, 2012, to November 30, 2012
March 1, 2013, to November 30, 2013
March 1, 2014, to November 30, 2014
March 1, 2015, to November 30, 2015
March 1, 2016, to November 30, 2016

The fee for rental of the above-described water is \$140.00 per year. An annual payment shall be received by the Department prior to March 1, the beginning of the season, each year for the duration of the rental period. The agreement will be void if payment is not received prior to the due date in a given year. To terminate the agreement prior to the end of the rental period, written notice must be received by the Department at least 30 days prior to the rental fee due date.

RENTAL FEE: \$140.00 annually

Detailed water right specific limitations and conditions attached.

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:

Dated this _____ day of _____, 20_____.

By: _____
 (Print Name) (Signature)

 (Title if on behalf of company or organization)

Having determined that this agreement satisfies 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 conditions herein provided, and none other, I hereby execute this Rental Agreement on behalf of the Idaho Water Resource Board this ____ day of _____, 20_____.

 GARY SPACKMAN, Interim Director
 Department of Water Resources

WATER RIGHT NO. 63-2338
WATER SUPPLY BANK RENTAL AGREEMENT

The 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 below:

Renter: MOSQUITO MINING CORP
 PO BOX 767
 GARDEN VALLEY ID 83622
 (208) 866-8579
 K.FEND.CUMO@GMAIL.COM

Priority Date: 11/12/1919

Source: GRIMES CREEK **Tributary to:** MORES CREEK
 UNNAMED STREAM GRIMES CREEK

<u>BENEFICIAL USE</u>	<u>From</u>	<u>To</u>	<u>Diversion Rate</u>	<u>Volume</u>
MINING	03/01	to 11/30	0.67CFS	10.0 AF
	Total:			0.67 CFS
				10.0 AF

LOCATION OF RENTER'S POINT(S) OF DIVERSION:

UNNAMED STREAM NE¼SW¼NE¼	Sec. 18	Twp 08N	Rge 06E	BOISE County
GRIMES CREEK NE¼SW¼NE¼	Sec. 8	Twp 08N	Rge 06E	BOISE County
GRIMES CREEK SW¼NW¼	Sec. 19	Twp 08N	Rge 06E	BOISE County

RENTER'S PLACE OF USE: MINING

Twp	Rge	Sec	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
08N	06E	17					X	X	X	X	X	X	X	X					NA
08N	06E	18	X	X	X	X									X	X	X	X	NA

Total Acres: NA

CONDITIONS OF WATER USE

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. This rental does not grant any right-of-way or easement to use the diversion works or conveyance works of another party.
5. 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.
6. Renter agrees to comply with all applicable state and federal laws while using water under this agreement.
7. 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.

WATER RIGHT NO. 63-2338
WATER SUPPLY BANK RENTAL AGREEMENT

CONDITIONS OF WATER USE

8. Renter acknowledges and agrees that the Director may terminate diversion of water if the Director determines there is not a sufficient water supply for the priority of the right or portion thereof being rented.
9. Failure of the renter to comply with the conditions of this agreement is cause for the Director to rescind approval of the rental agreement.
10. Use of water under this agreement will 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. 63.
11. The renter shall install and 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).
12. Prior to the diversion and use of water under this approval, the right holder shall comply with applicable water quality permitting requirements administered by the Department of Environmental Quality or the Department of Agriculture.
13. The right holder shall comply with any bonding requirements for matters administered by the Department of Water Resources that are applicable to the use of water under this right.