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Robert E. Bakes, *of counsel*

Willis C. Moffatt, 1907-1980
Kirk R. Helvie, 1956-2003

September 11, 2008

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RECEIVED

SEP 12 2008

DEPARTMENT OF
WATER RESOURCES

Aaron Marshall
Idaho Department of Water Resources
322 E. Front St
PO Box 83720
Boise, Idaho 83720-0098

Re: Annual Diversion Volume Data
Water Right 72-7573 (Thompson Creek Mining Co.)
MTBR&F File No. 18976.0005

Dear Aaron:

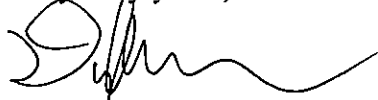
Thank you for meeting with Scott King and me earlier today regarding the above-referenced matter. I am writing to confirm the plan that we agreed upon during our meeting.

As we discussed, after substantial efforts to retrieve groundwater withdrawal data during the permit period, we have concluded that the data is unreliable and, therefore, that any annual diversion volume limitation that is based upon such data would not accurately reflect site operations. At this time, we are not certain why the historical data is so erratic, but Scott King suspects that it is due to a malfunctioning data logging device. During our meeting, we agreed that Thompson Creek would attempt to correct the problem that is causing the erratic data, and then measure withdrawals from the mining pit for one year in order to provide reliable data on which to base an annual diversion volume. As I explained during our meeting, Thompson Creek uses this water right to remove groundwater seepage from a mining pit. Because the permit period only recently concluded, data collected over the next year or two should closely reflect the mine's withdrawals during the permit period.

Aaron Marshall
September 11, 2008
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If you believe I have not accurately described our meeting, then please let me know.
Otherwise, thank you again for taking the time to meet with us to address this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dylan B. Lawrence', with a long, sweeping horizontal line extending to the right.

Dylan B. Lawrence

DBL/llw

cc: Bert Doughty
Scott King
Scott L. Campbell