

Skinner, Corey

From: Dylan Lawrence [DBL@moffatt.com]
Sent: Friday, February 22, 2008 11:35 AM
To: Skinner, Corey
Cc: Scott King
Subject: RE: Thompson Creek Mining Company Water Right Applications

Hi Corey. I think we are very close to having all of the follow-up items ready to finalize and submit to IDWR. Before we do that, I just want to make sure that what we have done is what you need. I spoke to Scott King earlier today, and he should be providing you with draft letters on the storage issue and a draft map to accompany the transfer application shortly. Again, we just want to make sure they say what you need them to say. Also, I have been working on the remaining follow-up items, and believe I still need to obtain one item from Bert Doughty.

It sounds like you are out of town until early/mid-next week. When you return to the office, please give me a call when you have a minute so that we can briefly discuss these items and complete the applications.

Thank you,
Dylan

Dylan Lawrence
Moffatt Thomas Barrett Rock & Fields, Chtd.
P.O. Box 829
Boise, Idaho 83701-0829
Phone & fax: (208) 385-5417

From: Skinner, Corey [mailto:Corey.Skinner@idwr.idaho.gov]
Sent: Wednesday, February 13, 2008 3:03 PM
To: Dylan Lawrence
Subject: FW: Thompson Creek Mining Company Water Right Applications

Dylan,

I had a chance to talk item # 3 over with our state office staff. It sounds like that if Thompson Creek Mining Company (transfer applicant) is indeed the parent company of Cyprus Thompson Creek Mining Company, then we should be able to continue with everything in the name of Thompson Creek Mining Company. However, we will need some sort of evidence (document) that Thompson Creek Mining Company (transfer applicant) is indeed the parent company of Cyprus Thompson Creek Mining Company for the transfer file.

It looks like you are on the right track on the rest of the items. If you were to submit a letter asking for the applications to be amended to reflect the items outlined in your e-mail, and provide copies of the necessary supporting information, then hopefully we should be good to go on the transfer and then the application for permit once we get positive comments from the IDF&G.

Let me know if you have any questions. I will be gone for the next few days, but should be available next Wednesday (the 20th).

Corey

From: Skinner, Corey
Sent: Tuesday, February 12, 2008 9:34 AM
To: 'Dylan Lawrence'
Subject: RE: Thompson Creek Mining Company Water Right Applications

Dylan,

Every Wednesday morning our office has a teleconference with our State Office staff to discuss various water right processing issues. If possible, I would like to go over these items, in particular item # 3, before proceeding. I can let you know probably mid morning tomorrow what their thoughts are and then hopefully you can proceed from there.

Corey

From: Dylan Lawrence [mailto:DBL@moffatt.com]
Sent: Tuesday, February 12, 2008 9:26 AM
To: Skinner, Corey
Cc: Debby Long; Lela Wood; Scott King
Subject: RE: Thompson Creek Mining Company Water Right Applications

Hello, Corey. I have been working on these five issues and want to provide you with an update.

1) Use in S1, SWSE: I have confirmed with Scott King of SPF that there was no actual industrial use of water in this quarter-quarter section. And, as we discussed previously, Scott determined that the storage capacity is well below the 24-hour storage potential. As you instructed, Scott will be preparing a letter clarifying this issue to the state office for the licensing amendment (72-7573), and will be preparing a letter directly to you on the transfer application (72-7414) and the application for permit (72-16728).

2) Map for transfer application: Scott King will be preparing and providing this, as well.

3) Proof of ownership of place of use for transfer application: I spoke with Bert Doughty about this. Apparently, Cyprus Thompson Creek is a wholly-owned subsidiary of Thompson Creek Mining Company, and the mining patent is still in the name of Cyprus. Therefore, I would suggest that we provide you with some sort of approval issued by Cyprus authorizing the transfer application--perhaps even a corporate resolution to that effect. Please let me know your thoughts on this and/or if there are any particular formalities that we need to satisfy.

4) Authority to sign transfer application: I have attached a corporate resolution provided to me by Bert D., which shows Kent Watson as a VP. The reason he is not listed on the annual report is that, as you will see, the annual report form provided by the Secretary of State does not ask for VPs.

5) Impoundment place of use: I confirmed your suspicion with Bert Doughty that locations in Section 4 and Section 11 should not have been included in the application for permit. As you requested, I will issue a letter to you to that effect.

We will proceed as described. Please let me know any additional thoughts that you may have about these items.

Thanks,
Dylan

Dylan Lawrence
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Phone & fax: (208) 385-5417

From: Skinner, Corey [mailto:Corey.Skinner@idwr.idaho.gov]
Sent: Friday, January 18, 2008 3:20 PM
To: Dylan Lawrence
Subject: Thompson Creek Mining Company Water Right Applications

Dylan,

After reviewing the transfer application you submitted in the name of Thompson Creek Mining Co involving right 72-7414 it appears that there are a few items we need to discuss and/or where you need to provide further information....

- The first item relates to the proposed water use in the SWSE of Section 1. I would like to discuss the exact nature of this use with you. I suspect that we have talked about this in the past, but I cannot recall the specifics of this particular use. The SWSE of Section 1 is listed as industrial use in the transfer application involving right 72-7414, but Thompson Creek's existing industrial water right 72-7193 does not list this particular location as a place of use. Thompson Creek's existing industrial water permit, 72-7573, also does not list this location, but it is proposed to be added via the licensing amendment. I assume this was a result of Scott King's licensing exam performed last summer. After a review of the exam, and a conversation with Scott, it seems like this tract may have been added because water diverted from the pit may be stored at this location in tanks before being used in the mill (located in the north ½ of the northeast ¼ of Section 12). The size of these tanks may possibly factor in the decision on whether or not this location needs to be described on the right(s) or not, depending on the relative diversion rate amounts listed on the right(s). Examination of the Application for Permit, 72-16728, that you submitted for Thompson Creek reveals that the SWSE of Section 1 is listed as part of the place of use for industrial and industrial from storage uses, but not industrial storage. Anyways, I want to make sure of the proposed water use in the SWSE of Section 1, and then make sure it is correctly described on everything you have filed.
- The second item relates to the need for having a map included with the transfer application showing the proposed points of diversion and places of use. However, what is decided regarding the proposed water use in the SWSE of Section 1 will impact exactly what the map for the transfer should look like (i.e. include the SWSE of Section 1, or not).
- The third item relates to the proof of the ownership of the land for the place of use proposed by the transfer. For transfer applications, the applicant (in this case Thompson Creek Mining Company) must show that they own the right being transferred and the place of use (land) proposed by the transfer if it is different than what is listed on the current right. Thompson Creek Mining Company is listed as the current owner of right 72-7414, so they can transfer the water right. However, for any lands they move the right to they must show that they own, or show who owns the land and have permission from the landowner to move their water to the land. The transfer application includes a 265-acre mining patent (11-85-0029) in the name of Cyprus Thompson Creek Mining Company. However, there is no documentation showing that this land was transferred to Thompson Creek Mining Company (the actual transfer applicant).
- The fourth item relates to the signature on the transfer application. Kent Watson, apparently the vice-president of Thompson Creek Mining Company, signed the transfer. For transfer applications in the name of companies, corporations, etc. the Department checks to see if the entity is registered with the Idaho Secretary of State. The current registration with the Idaho Secretary of State for Thompson Creek Mining Company does not list Mr. Watson as an officer. Actually, no vice president is listed on the registration. Some sort of clarification should be included showing that Mr. Watson can sign on behalf of Thompson Creek Mining Company.
- On a side note, it appears that the water impoundment facilities on Buckskin Creek (Section

4) and Pat Hughes Creek (Section 11) were listed as storage places of use on the Application for Permit, 72-16728, which you submitted for Thompson Creek. I believe that these facilities are unique to these particular sources per right 72-7193 (i.e. water diverted from the mine pit does not get stored in the impoundment facilities on Buckskin Creek and Pat Hughes Creek. If this is the case, then these places of use should be deleted from the application for permit.

When you get a chance, give me a call so we can discuss these items and where we need to go from here.

Thanks,

Corey Skinner

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