

MEMORANDUM

Date: December 06, 2007
To: Water Right File 37-8670
From: medl
Re: license review

While reviewing this file for licensing, I found the following worth noting:

This property and the permit have changed ownership since the field exam was done. Neither the POD nor the POU shapes had been created prior to my review. I created them based on the field exam.

Brockway Engineering personnel conducted the field exam in 2001 and have performed recent pump tests on the wells within the permit holders property. A May 2007 pump test on the geothermal well nearest to the spring box/POD, confirmed the field examiners experience in 2001 and illustrated that the source of the water for the spring box and the well were the same geothermal resource. Based on that clarification, I changed the source of this license from groundwater to Hailey Hot Springs.

Because this license is on a low temperature geothermal resource, only those water uses which utilize the thermal component of the water can contribute to the overall volume and flowrate. The wildlife use does not utilize the heat component of the geothermal resource. Surplus geothermal water not utilized in the recreational and heating uses is incidental volume. It does not contribute additional volume or flowrate to this license.

The heat exchange systems in this license are entirely enclosed. There is no co-mingling of cold and thermal water, so other than a change in the temperature, there are no changes to the water quality.

Because the heat exchange systems do not consume water, license conditions for water use in the Moratorium Area of the Snake River or the Ground Water Management Area of the Big Wood River were not necessary.