



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

December 7, 2007

C. L. "BUICH" OTTER
Governor

DAVID R. TUTHILL, JR.
Director

BRUCE THORNDYCRAFT
ATLANTA GOLD CORP
SUITE D
1509 TYRELL LANE
BOISE ID 83706

**RE: NOTIFICATION OF WATER SUPPLY BANK LEASE EXPIRATION WATER
RIGHT NO(S). 63-3609.**

Dear Lessor:

Idaho Department of Water Resources ("department") records show that all or a portion of each of the above referenced water right is leased to the Water Supply Bank ("bank") through December 31, 2007. This letter is notice that the right will be considered released from the bank unless you advise the department within thirty (30) days of the date of this letter that you want to extend the period of the lease. Notice should be submitted in writing or on the attached Lease Term Extension and Release Form.

If you would like the right to remain leased to the bank, please specify the date to which you want the lease extended. All leases expire as of December 31, unless otherwise specified in the lease agreement. You also may request the right remain leased to the bank for an "indefinite" period. In this case, the right will remain in the bank indefinitely unless released earlier by the Water Resource Board or until the lessor submits a request to the department in writing to release the right from the bank.

Please consider that the five (5) year period of nonuse related to forfeiture of a water right shall begin to accrue upon release of the right from the bank or shall continue to accrue if a period of nonuse occurred prior to the date the leased right was accepted into the bank.

If you have questions regarding this matter, feel free to contact me at (208) 287-4954.

Sincerely,

Diana L. Ball
Water Allocation Bureau

Enc: 1

c: John Westra – IDWR Western Regional Office