



State of Idaho

## DEPARTMENT OF WATER RESOURCES

1341 Fillmore Street, Suite 200, Twin Falls ID 83301-3380

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SOUTHERN REGION

DIRK KEMPTHORNE  
Governor

KARL J. DREHER  
Director

December 14, 2005

US Geothermal  
ATTN: Douglas Glaspey  
1509 Tyrell Lane Suite B  
Boise, ID 83706

RE: App For Transfer 72440

Dear Doug;

Jeff Peppersack of our Boise office has determined that you can only transfer the portion of the decreed annual volume of these irrigation rights that can be justified as historic consumptive use based on the operational efficiency of the irrigation system in use on this property. Please provide a detailed description of the existing system, including your estimate of its efficiency.

Sec. 42-222(1) of the Idaho Code states that the director shall not approve a change in the nature of use of an agricultural right where such change would significantly affect the agricultural base of the local area. Please submit information as to why your transfer should be approved in light of this statute.

We continue to discuss your application at our weekly transfer meeting, so I will be keeping in touch with you as soon as new issues arise.

Regards,

A handwritten signature in cursive script that reads 'Jim', representing James E. Stanton.

James E. Stanton  
Sr. Water Resource Agent