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State of Idaho

DEPARTMENT OF WATER RESOURCES

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JAN 31 2006

DEPARTMENT OF
WATER RESOURCES

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

January 27, 2006

ATTN MIKE MC INTYRE
MICRON TECHNOLOGY INC
PO BOX 6
BOISE ID 83707-0006

Re: Transfer No. 68944 for Water Permit No. 63-31183

Dear Mr. McIntyre:

This office received an application for drilling permit for a new Micron well in T2N, R3E, Section 6, SESW. The application listed numbers 63-8992, 63-9029 and 63-31183 as the underlying basis for adding the new well.

Water Right Nos. 63-8992 and 63-9029 and Water Permit No. 63-31183 all include the same new well to be added in this location. The two older water rights were last codified in approval of Transfer No. 68944, copy enclosed. The water permit was approved at the same time. The drilling permit application can be approved based on the water permit because (a) the development period for the latter has not expired, and (b) a new well has not been drilled in Section 6 SESW yet.

Transfer approval in early 2002 included a condition of approval that the changes authorized under the transfer were to be accomplished by mid-February 2003 (condition 7, page 3 and condition 4, page 4). Furthermore, another condition cautioned that the transfer could be rescinded for failure to comply with conditions of approval.

The new well identified under the transfer has not been completed and beneficially used within one year from the date of transfer approval. Although the new well can be drilled under 63-31183, it cannot be used under 63-8992 and 63-9029 until the right holder seeks and obtains additional time from the Idaho Department of Water Resources (IDWR) to accomplish the change defined by the transfer.

This becomes a critical point for Micron's diversion and beneficial use of water in the Southeast Boise Ground Water Management Area (GWMA). As you know, IDWR tracks annual water usage from numerous wells in the GWMA. Furthermore, the transfer defined a significant amount of water for Micron's production facility. One imagines the

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transfer is critical to Micron's operations. An "unconsummated transfer" could easily complicate the annual exercise to account for water diverted in the GWMA.

This letter highlights the urgency for Micron to seek and obtain additional time in which to complete the transfer changes. A written request based on a reasonable explanation most likely would be approved without delay. Without this step, IDWR could be forced to rescind the transfer approval.

Please make your written reply within the next thirty (30) days to avoid initiation of IDWR action to rescind Transfer No. 68944. Please do not hesitate to contact me if I may offer any help in this regard. Thank you for your prompt attention to this important matter.

I look forward to hearing from you at your earliest convenience.

Sincerely,

A handwritten signature in cursive script that reads "Steve Lester".

Steve Lester
Water Rights Supervisor

Enclosure

Copy: Terry Scanlan, SPF Water Engineering LLC (without enclosure)