



State of Idaho

DEPARTMENT OF WATER RESOURCES

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SOUTHERN REGION

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

November 25, 2005

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

RE: App For Transfer 72440

Dear Mr. Glaspey;

I have started reviewing your proposed water transfer, and have several questions. Do you have data supporting the amount of water requested for cooling purposes (rate and volume)? How much waste water will be generated by this project? If you plan to land apply the waste water on land that no longer has irrigation rights, the application will have to include industrial or commercial use to cover these tracts; you can specify all of the presently-irrigated tracts, or just some of them (acres are not needed, just tract designations). Will any water be applied in the tract where the west plant will be located?

I noticed that you only plan to divert Raft River water during the irrigation season. This is fine, but it would probably be more available during the off-season months when priority cuts are not being made. Maybe it is just not practical to run the pump during the winter.

We are still considering how much volume can be allowed for the proposed use, and I will get back to you when I have more information.

Since you state that there are lienholders on these properties, we need letters from them agreeing to the proposed transfer. Letters should be on their letterhead stationary, and should include notarized signatures from a company official.

I expect that more questions will come up, but this takes care of my initial concerns.

Regards,

James E. Stanton
Sr. Water Resource Agent