



Klepfer Mining Service LLC

Project Management, Engineering, and Environmental Services

December 18, 2003

Mr. Corey Skinner, PE
Water Resource Engineer
Idaho Department of Water Resources
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301-3380

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DEC 22 2003

Department of Water Resources
Southern Region

Re: Water Rights Transfer – Supplemental Information

Dear Mr. Skinner:

I am submitting additional information to the water right transfer application (water right 72-7247) submitted recently to your office. For clarification purposes, I will be the agent for George and Pamella Forestier and L&W Stone Corporation on this transfer request. Information should be sent to my attention at the address shown on the letterhead.

The water rights transfer is part of a land purchase between L&W Stone Corporation and George and Pamella Forestier. The land purchase is contingent upon the successful transfer of this water right to the new place of use. The transfer of the ownership of the water right will be completed as part of the land purchase transaction. Necessary paperwork will be filed at that time.

Page 1 Application

Enclosed is a new page 1 of the application. Please replace the one in the application submitted earlier. Modification to Part B 1 has been completed as we discussed.

Project Description

Also included is a revised project description that provides additional information as requested during our phone conversation. Please replace the full attachment.

Pond Storage Volume

The pond dimension and volume estimates were reviewed. The depth of the pond will gradually reach a 5-foot depth but will average approximately 3 feet. Therefore the 150 feet by 150 feet dimension will allow approximately 589,000 gallons of storage capacity but it is proposed that only 500,000 gallons will be stored each season. The usage for the winter months is expected to be approximately 5,000 gallons per day. Work schedules will vary but it was estimated that approximately 20 days per month would be worked for a total of 100 days. Therefore, the 500,000 gallon storage will be adequate to address water needs for mining outside the withdrawal period.

Place of Use

The mine will be the primary use of the water but activity at the original place of use (4 acres) will require dust control and other mining water uses. Therefore, we still must be able to use water at the current location (non-irrigational use) in addition to the mine.

The project description includes additional detail to describe this change.

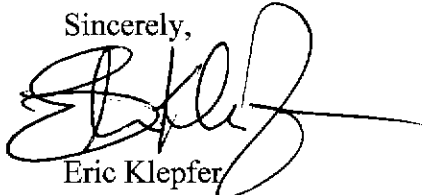
Enclosed Map

The map included with the application inadvertently left off what appears to be the SW1/4 of the SE1/4 of Section 11 (Lot 8) for the ~~point of diversion~~ location. Please add this section fraction onto the map. *place of use*

If you have further questions or comments, please don't hesitate to contact me.

*use 4 acres for shape * per 12/22/2003
telecom with
Eric Klepfer.*

Sincerely,


Eric Klepfer
KMS LLC

Enclosures: Page 1 Application
Revised Project Description

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STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

Transfer No. 70989
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APPLICATION FOR TRANSFER OF WATER RIGHT

PART 1

DEC 22 2003
Department of Water Resources
Southern Region

Name of applicant GEORGE E PAMULA FORESTER Phone 208-838-2212
Post Office address P.O. BOX 924, CHALLIS, ID 83226

A. PURPOSE OF TRANSFER

1. ☐ Change point of diversion ☐ Add diversion point(s) ☒ Change place of use
☒ Change nature of use ☐ Change period of use ☐ Other _____
2. Describe the reason for the proposed changes WATER WILL BE USED AT THE
MINE (THREE RIVERS STONE QUARRY).

B. DESCRIPTION OF RIGHT(S) OR PORTION THEREOF, AFTER THE REQUESTED CHANGE

- | 1. Right Number | Priority | Amount
(cfs/ac-ft) | Nature
of Use | Period of Use |
|--|------------|-----------------------|---------------------------------------|-------------------------|
| 72-7247 | 02-03-1983 | .11/10 | MINING | 4/01 to 11/01 |
| 72-7247 | " | .11/10 | DIVERSION TO
STORAGE | 4/01 to 11/01 |
| 72-7247 | " | .11/1.5 | MINING STORAGE | 01/01 to 12/31 |
| 72-7247 | " | .11/1.5 | MINING FROM
STORAGE | 11/02 to 3/31 |
| 2. Total amount of water being transferred | | | = 11 cubic feet per second and/or | 10 acre-feet per annum. |
| 3. Source of water | | | SALMON RIVER tributary to SNAKE RIVER | |
| 4. Point(s) of Diversion: NO CHANGE | | | | |

[illegible]

5. Lands irrigated or place of use: RETAIN ORIGINAL PLACE OF USE & ADD MINE AREA

Twp.	Rge.	Sec.	NE ¼				NW ¼				SW ¼				SE ¼				Totals
			NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	NE ¼	NW ¼	SW ¼	SE ¼	
11N	18E	11														⊗*			LOT 5
11N	18E	11														⊗*			LOT 8
11N	18E	22	X		X	X									X	X	X	X	
11N	18E	23						X	X	X	X	X	X	X					
11N	18E	26					X	X											
11N	18E	27	X																SCANNED DEC 26 2011

* PER 12/23/2003 TELECOM WITH ERIC KLEPPER

* LOCATION OF MINING STORAGE USE
PER 12/23/2003 TELECON WITH ERIC KLEPPER

**Project Description
New Nature of the Use
Water Rights A72-07247
Part 3 – B1**

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L&W Stone Corporation and George and Pamella Forestier have tentatively agreed upon a land purchase for water rights. The land sale is contingent upon the successful transfer of the water rights (place of use and change in beneficial use). Once the land purchase is completed and all necessary documentation has been received. L&W Stone Corporation will make the appropriate application to the State to transfer the name of the water right at that time.

The change of beneficial use and location are necessary to support the mining of a locatable building stone on Bureau of Land Management property. The mine owner is purchasing the land, along with water rights, to support the current mining operation. Under the Mining Law of 1872, L&W Stone Corporation has possessory rights to the mining claims.

The proposed use of water right for mining purposes is consistent with Idaho regulations and beneficial uses of water resources. The irrigated land would be removed from agricultural use and will revert back to a non-irrigated condition. The current water rights allows for 12 ac-ft per year to be diverted for irrigation of 4 acres. These 4 acres consisted of pasture lands with a consumptive use of 10 ac-ft per year. The transfer is for the 10-ac-ft portion of the allowable diverted water right.

The mine is located approximately a mile away from the point of diversion, which remains unchanged. The current diversion includes a 5 horsepower pump connected to a pipe and irrigation system. L&W Stone Corp. proposes to install an appropriate fish guard on the suction inlet of the pump to minimize impacts to fisheries. They will consult with the Idaho Department of Fish and Game on the appropriate size and design of the system.

Water would be pumped, as currently configured, periodically during the day to a storage tank. A water truck would deliver water from the storage tank to the mine for use at the operation. While the application indicates 24 hour operation, this is only to allow the pump to be operated at anytime during a 24-hour period, 7-days per week.

The storage tank planned would hold between 5,000-10,000 gallons of water. As the tank emptied, the pump would operate until the tank was full. Operations generally occur 5 days per week resulting in approximately 260 days of mine operations. An average of 12,500 gallons/day would be used for mine operations. To supply this quantity of water the pump would operate approximately 5 hours per day. During the summer months, water consumption would be higher than the winter months. Summer pumping could

occur 10-15 hours per day. It is unlikely that pump operation would occur 24 hours per day.

Because water use after November will be significantly reduced and will vary depending on weather, it is proposed to build a small pond of sufficient size to hold water for drilling, limited dust control, and other minor uses between November and March. It is estimated that 5,000 gallons per day would be required to support the mine operation during this period of time. The pond constructed would be approximately 150 feet x 150 feet x 5 feet deep (at the deepest point). Approximately 500,000 gallons of water will be stored to provide winter use of water. A portion of the diverted 0.11 cfs water would report, via a pipeline, to the pond and would slowly build up pond inventory throughout the withdrawal period (Apr. to Nov.). Diversion of a portion or all of the flow, as appropriate, would be completed during the full withdrawal period, although most of the diversion would occur in the late summer and early fall season. The total water diverted annually would neither exceed the .11 cfs or 10 ac-ft allowances under the current water right.

The mine plan submitted to the BLM proposes to disturb approximately 165 acres of land. Water use at the mine operation will include dust control for haul roads, development rock storage areas, lay down yard and other disturbed areas. Water will also be required for drilling, reclamation land irrigation (if required) and other typical mine uses. Currently, there are no plans to use water for fabrication of rock products but could be a used for that in the future.

The current place of use is being retained along with adding the mine site as a place of use. The property (4 acres) will be used for various mine support activities and as such will require water use to support those activities (i.e. dust control).

Currently the water use is for irrigation (4 acres) using a sprinkler system to apply water. While the uses are very different they both result in a consumptive use of the water resource. Changing the point of use and the beneficial use will not change the consumptive use of the resource that currently exists; and will not impact to other water rights use by this change. The application proposes to transfer the consumptive portion of the current water right to the mine operation.

The economic benefit to use the water resource for mining is important to the local economy. The current use provides economic benefit to the local community through agricultural activities on the 4 acres of land; however, continued growth the mine operations will also provide significant economic benefit to the local community. Idaho regulations identify mining as a viable beneficial use of the State's water resources in ways that benefit the public. Clearly expansion and continued operation of the mine is important to the local community and the modification of this water right provides for that to occur.

The mine operation has submitted a plan of operations to the Bureau of Land Management to expand mine operations and exploration of the property.

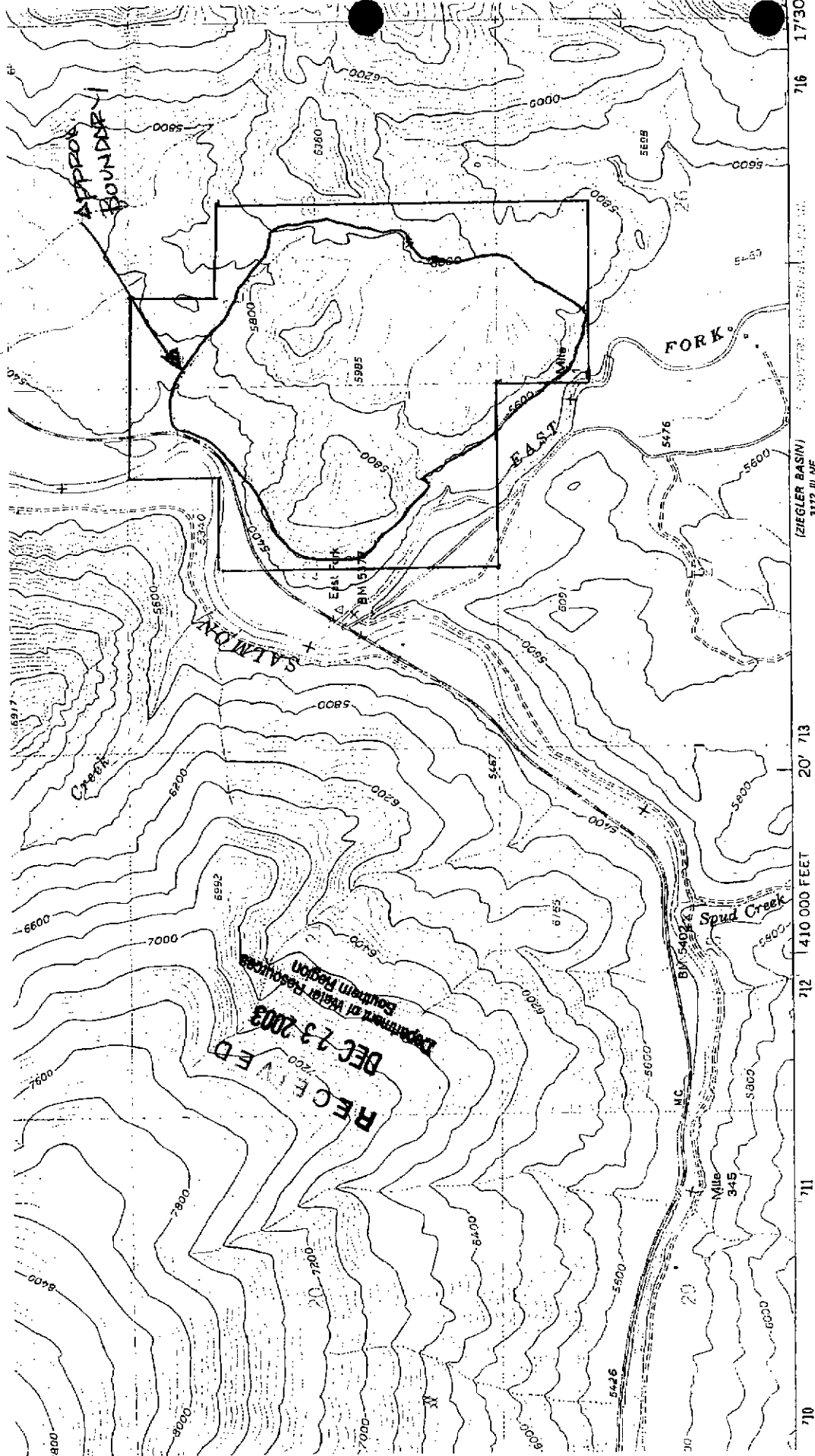
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mine is expected to operate in excess of twenty years and exploration could extend that time period.

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USGS and USC&GS

y by photogrammetric methods from aerial
ns taken 1957. Field checked 1963

projection. 1927 North American datum
ot grid based on Idaho coordinate system, central zone
r Universal Transverse Mercator grid ticks,
hown in blue

n the predicted North American Datum 1983
projection lines 13 meters north and
east as shown by dashed corner ticks
itted, land lines have not been established
be private inholdings within the boundaries of

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS

FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST

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