



State of Idaho

DEPARTMENT OF WATER RESOURCES

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

Phone: (208) 736-3033 FAX: (208) 736-3037 www.idwr.idaho.gov

C.L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

April 23, 2010

CARL F AUSTIN
PO BOX 93
OAKLEY ID 83346

RE: Status of Geothermal Wells Used for Irrigation, Domestic, Heating and Stockwater Uses on
Double Diamond Ranch

Dr. Austin:

I am writing in response to your letter dated April 6, 2010 which was sent to Brian Higgs, Watermaster of Water District 140, and Mike Poulton, Watermaster of Water District 45-C. In your letter you object to assessment charges made against your geothermal wells by Water District 140, and you imply that the wells are within the jurisdiction of Water District 45-C, Goose Creek Water District. You indicated you had recently visited with Gary Spackman, Interim Director of the Idaho Department of Water Resources (IDWR) in Oakley regarding these issues. I have met with Director Spackman, and he asked that I reply to you.

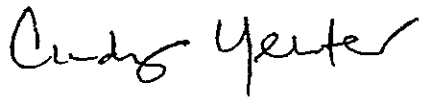
You are correct that the Order requiring measuring devices for ground water diversions in Water District 140, issued by IDWR on June 25, 2009, specifically exempted geothermal wells above Oakley Reservoir from any measurement and reporting requirements. Your wells were inadvertently included on the Water District 140 assessment list. By copy of this letter I am instructing Water District 140 to waive or retract any outstanding assessments made against your geothermal wells, and to remove those wells from the annual assessment list.

The Amended Final Order Creating Water District 140 dated September 4, 2008, included the geothermal wells above Oakley Reservoir in Water District 140, but stipulated that the wells be "*administered separately from other ground and surface sources in Water District No. 140*". The intent of the 2008 Order was to provide for administrative oversight of the separate geothermal source, in the event administration becomes necessary. IDWR did not anticipate that active or ongoing regulation of geothermal wells would be required. The 2008 Order further indicates that the watermasters of Water Districts 140 and 45-C shall coordinate to monitor the use of geothermal diversions, but the Order did not convey jurisdiction of geothermal ground water sources to Water District 45-C.

The Watermasters of Water District 140 and Water District 45-C are hereby instructed that the coordinated monitoring of your geothermal wells above Oakley Reservoir shall be limited to observing that the place of use of water for irrigation purposes does not exceed the authorized water right acres when the geothermal wells are used in combination with water from Goose Creek, or any other surface water sources tributary to Goose Creek above Oakley Reservoir. If geothermal water is distributed to irrigated acres via the Goose Creek natural channel or any tributary channel, the watermaster of Water District 45-C will be responsible only for measuring the injection and redirection of geothermal flows to and from the natural channel. The watermasters will be instructed by the Director of IDWR if they are to take any other specific actions regarding the geothermal wells.

Thank you for your inquiries and your interest. Please contact me directly if you have additional questions.

Regards,

A handwritten signature in black ink that reads "Cindy Yenter". The signature is written in a cursive, flowing style.

Cindy Yenter
Water Distribution Section

cc: Gary Spackman, IDWR Interim Director
Tim Luke, IDWR Water Distribution Section Manager
Brian Higgs, WD140 Watermaster
Don Pickett, WD140 Treasurer
Mike Poulton, WD45-C Watermaster
Kelly Adams, WD45-C Secretary