

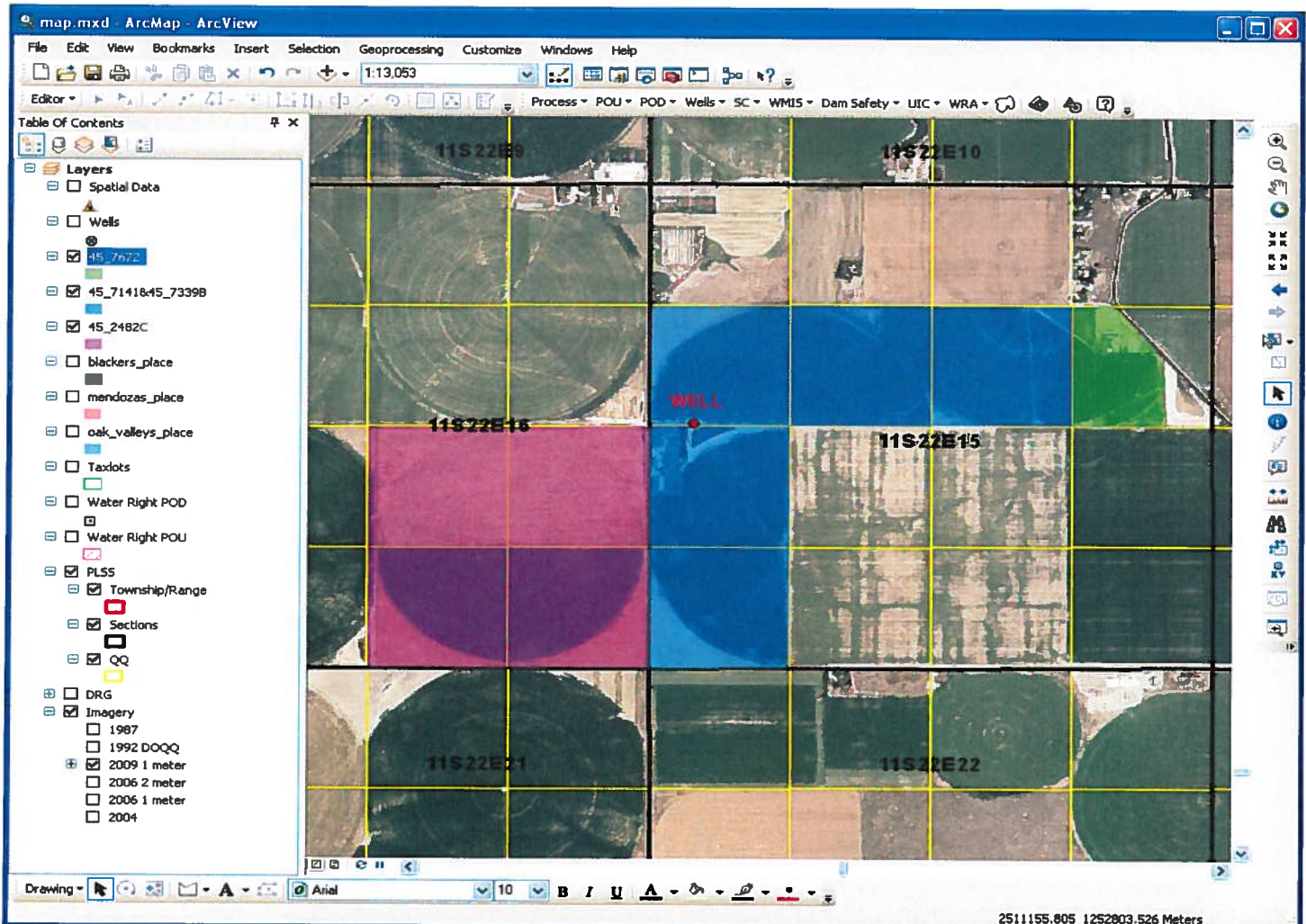
MEMORANDUM

Date: May 25, 2011
To: Emalee Rushing
From: Nick Van Dyke
Re: Blacker/Mendoza/Oak Valley Land basin 45 ownership changes

Rights Involved: 45-2482C (now splits 47-14141 and 47-14142), 45-7141, 45-7339B, and 45-7672

Brief History: Marvin Blacker is original owner of all the rights involved. In October of 2005 an ownership change is submitted conveying 3.3 (going by the deed) acres of 45-7672 from Blacker to Ricardo and Bertha Mendoza. In May of 2008 Blacker submits a transfer to alter the place of use and add a point of diversion to all of the rights. The previous ownership change to Mendoza goes unnoticed and unprocessed. Transfer 74796 is approved 10/28/08. A couple weeks previous to the transfer being approved, an ownership change is received changing all ownership in rights 45-7141, 7339B, and 45-7672 and a portion of 45-2482C (split into parts 47-14141 and 47-14142) from Blacker to Oak Valley Land Company LLC. 47-14141 is proposed to belong to Blacker, 47-14142 to Oak Valley. See Corey Skinner's April 2, 2009, letter for more detail.

Before the transfer was approved altering the place of use for the rights, 45-2482C had a place of use separate from the others. 45-7141 and 45-7339B shared a common 188 acre place of use, with 45-7339B having an individual 40 acre limit within the 188 acres. 45-7672 was developed on adjacent ground to 45-7141 and 45-7339B, but sharing the same well as 45-7141 and 45-7339B. See below.



In the field exam for 45-7672, it's noted the shared well has a capacity of 2.25 cfs, which is what 45-7141, the most senior of the three tied to the well, was permitted/licensed for. Therefore a combined rate limit of 2.25 cfs was applied to the rights (there is also an acre limit of 188 between 45-7141 and 45-7339B).

Recommendation: Due to the timing of having the transfer approved before completing the Mendoza ownership split, this whole situation is somewhat murky. I believe Mendoza's ownership split needs to be processed as if occurring before the transfer (the one exception to this is the addition of the second well that was accomplished thru transfer 74796; this well should be on Mendoza's split). In this case, it should be considered 45-14142 (Oak Valley's spit of 45-2482C) not appurtenant to ppu acres under 45-7672 as set by the transfer. Additionally, 45-7141 and 45-7339B should not have portions split to Mendoza because at the time the ownership split was submitted those rights were not appurtenant to Mendoza's newly acquired property. Only 45-7672 should be split as follows.

- Mendoza's portion:

0.07 cfs	(0.5 cfs/25 acres = 0.02 cfs/acre. 3.3 acres * 0.02 = 0.07 cfs)
13.2 af	(100 af/25 acres = 4 afa. 3.3 acres * 4 = 13.2 af)
3.3 acres	

Conditions will need to be updated on the other rights to show the new split numbers in the combined limits. The ppu on Oak Valley's rights needs to be reduced by the 3.3 acres that belong to Mendoza and can be done during the ownership split for Oak Valley. **It should be noted that if Mendoza files a transfer later in time to remove his portion away from the shared well Oak Valley will need to give up some rate from 45-7141. This rate should be based off the combined limit of 2.25 cfs on 213 acres.**