

MEMORANDUM

Date: January 6, 2005

To: Application, Permit, Claim or Water Right Files 37-4040, 37-4041, 37-7426, 37-8165, 37-7999, 37-11069, and 37-11072

Copy: Don Shaff

From: Jeff Peppersack

Re: Notice of Change in Water Right Ownership

My memo of January 5, 2005 notes that additional documentation regarding an appeal of court judgments possibly affecting water right ownership would be forthcoming. The documentation was received by IDWR on January 5, 2005 in the form of a letter and attachments faxed to John Homan. John indicated that the cautious approach would be to hold action regarding the Notices of Change in Water Right Ownership for the water right records referenced above until the ownership issue is fully resolved.

4041
White Arrow
Ranch
See WR File

Property conveyed to Bliss
Valley 2-12-2002
Claims 37-810 & 37-811 were filed
Bliss Valley after the acquisition
of the property by Bliss Valley.
Statutory Claims 37-4040 & 37-4041 Rec. to
Bliss Valley. Permits 37-7426 & 37-8165 Rec. to
Erkins.

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Re: Notice of Change in Water Right Ownership

Two Notices of Change in Water Right Ownership were filed March 5, 2004 for the records referenced above by Bliss Valley Properties LLC and Devils Corral LLC. The notices included several documents showing court judgments, deeds, etc. as proof of ownership. There is some question regarding the sufficiency of documentation for the application and permits involved. One of the court decisions appears to convey the application and permits to an intermediate owner, but subsequent quit claim deeds failed to include the personal property in the conveyance to Bliss Valley or Devils Corral.

On October 18, 2004, Notices of Federal Bankruptcy Court Stay on Scheduled Assets Re: Water Rights were filed in relation to the water right records. Legal review determined that the bankruptcy stay may not affect the water rights because the court judgment occurred prior to the bankruptcy filing. The legal review is based on documents currently submitted to IDWR. However, it is possible that the court judgment is under appeal (as indicated by one of the parties). Additional documentation regarding an appeal is expected. These Notices of Change in Water Right Ownership should be held for 15 days pending receipt of further documentation.