

MEMORANDUM

Date: June 6, 2007

To: Permit File 67-7479

From: Jeff Peppersack

Re: Assignment of Permit

The Assignment of Permit received May 16, 2007 was not assigned by the permit holder of record (Wilkerson Bros). A Request for Extension of Time filed in 1981 indicates that certain aspects of the partnership have been dissolved. It is not clear who has authority to assign the permit. Proof was filed for the permit and an exam was completed, verifying beneficial use under the permit. Given the developed use, the permit should be considered appurtenant to the land to the extent developed.

Upon licensing, the ownership of the water right can be updated based on proper documentation of ownership of the developed land. The deeds attached to Craig Saxton's memo of March 28, 2007 can be used to verify ownership of the land. Note that a preliminary review shows ownership in the name of Russel Wilkerson for a portion of the lands covered under the permit. Additional documentation of ownership may be required to update the record at the time of licensing.