

MEMORANDUM

Date: January 8, 2007

To: File 45-11253

From: Jeff Peppersack

Re: Phone Call from Terri McBride – Land Title and Escrow, Inc. Regarding
Change of Ownership in the Name of Nulph

Terri McBride called in response to my letter of January 3, 2007 and indicated that she spoke to Woodhouse (decreed owner) and found that when they sold land to Nulph, there were no water rights to be conveyed. She also called Nulph to let them know about her conversation with Woodhouse.