

MEMORANDUM

Date: November 1, 2004

To: WR File No. 63-31194

From: Jeff Peppersack

Re: Ownership Change Discussion with Richard Jankowski

Richard Jankowski, attorney for Sundance Investments Limited Partnership, called to discuss the letter I sent dated October 26, 2004. My letter indicated that IDWR was changing the ownership record back to the previous owner pending additional documentation regarding an ownership change of the water right. The previous owner, Darwin McKay, disputes the ownership change on the basis that the water right was developed independent of the land. I indicated that the dispute may need to be resolved in court.

Mr. Jankowski asked if we would process a transfer by Darwin McKay and I indicated that, since there is an ownership dispute, we would need to have the ownership issue resolved prior to approving a transfer.