



State of Idaho

DEPARTMENT OF WATER RESOURCES

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SOUTHERN REGION

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 28, 2005
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Stephen Bauchman
PO Box 10
Challis, ID 83226

Dear Mr. Bauchman:

Please find enclosed two transfer applications, along with their filing fees, that you recently filed with our office involving property &/or rights north of Challis. The applications are being returned because there are several inconsistencies and deficiencies, including conflicting ownership information, relating to the applications.

Based on one of the applications that you submitted and the telephone conversations we have had, I have prepared a draft application that should cover what you are attempting to accomplish regarding the rights, excluding the Mosquito Flat water, obtained from the Pivas. If after reviewing this application, and if it meets your satisfaction, this application can be filed with our Department. There are a couple of items regarding this application that should be noted however....

- The application is in the name of Challis Creek Cattle Company. Custer County records indicate that the property, and the appurtenant water rights, are in the name of Challis Creek Cattle Company. This is based on Warrant Deed 0227559 (dated August 7th, 2003) where Stephen and Lyndella Bauchman, trustees of Bauchman Family Trust, conveyed the property to Challis Creek Cattle Company. I have included a copy of this deed for your reference. As long as Challis Creek Cattle Company is registered with the Idaho Secretary of State's Office, then the Department could process the application and issue any possible approval with Challis Creek Cattle Company as the owner of the water rights. However, note that an additional quitclaim deed would have to be submitted conveying the additional water (recently conveyed by quitclaim deed signed by the Pivas) from Stephen and Lyndella Bauchman / Bauchman Family Trust to Challis Creek Cattle Company.
- Pages 5,7,9, and 11 of the application include questions regarding whether or not there is a lien against the property subject to the transfers. This question needs to be answered "yes" or "no". If the question is answered "yes", then a notarized letter from the lien holder agreeing to the proposed transfer needs to be submitted with the application.

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The application involving your Mosquito Flat Reservoir water, right 72-2149B, does not have a map showing where the water is proposed to be diverted and used. I have included a copy of a map of the area that may be of reference and use to satisfy this requirement. Examination of the land proposed to be irrigated identified on the application raises some questions that we may want to discuss. Also note that according to the Warranty Deed 0227559 (dated August 7th, 2003), the Mosquito Flat water right, 72-2149B is now owned by Challis Creek Cattle Company. If this right is transferred, it should be transferred to land owned by Challis Creek Cattle Company, or appropriate ownership documents need to be submitted conveying the right, or portion of the right, to the owner of the property it is intended to be transferred to. Most of the lands identified as proposed to be irrigated on the application appear to be recorded as owned by "Stephen & Lyndella Bauchman", not Challis Creek Cattle Company.

In summary, the enclosed draft application should cover what you are attempting to accomplish regarding the rights, excluding the Mosquito Flat water, obtained from the Pivas. However, there are additional documents that need to be included with the draft application (copy of warranty deed from Piva to Bauchmans, copy of quitclaim deed from Piva to Bauchmans, copy of warranty deed from Bauchmans to Challis Creek Cattle Company, a new quitclaim deed from Bauchmans to Challis Creek Cattle Company, and adequate documentation of Challis Creek Cattle Company being registered with the Idaho Secretary of State). There are also several minor issues, mostly ownership and location information, that need to be addressed with the application involving the Mosquito Flat water right, 72-2149B. If you have any questions, or if I can be of any further assistance, feel free to contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey Skinner". The signature is fluid and cursive, with a large initial "C" and "S".

Corey Skinner, PE
Water Resource Engineer

Enclosures