

MEMORANDUM

DATE: October 10, 2002

TO: Water Right File 37-8720

FROM: Shelley W. Keen *SWK*

RE: Meeting with Mike Faulkner

On Tuesday, October 8, Kay Walker and I met with Mike Faulkner to discuss his concerns about the 5.83 cfs combined use limit proposed for Right 37-8720 when it is licensed. Based on our licensing review, Kay and I think that 5.83 cfs is the maximum extent of development and use under rights 37-8812, 37-8005B, 37-8005D, 37-8720, and 37-8702. This position is summarized in Kay Walker's 10/3/2002 memo. We have proposed limiting the five rights, when combined, to 5.83 cfs.

Mr. Faulkner's position is that these five rights should total 8.95 cfs. He thinks that the existing capacity of the well was developed under 37-8702 and 37-8720 and that additional capacity still can be added under the other three rights, which were transferred to the shared well in 1993 and 1994. All three transfers had a condition requiring the change to be accomplished within one year.