

Memo to File

From: Jonie Baily

Date: September 12, 2024

Water Right Nos. 34-14526, 34-14527, 34-14528, 34-14529, 34-14900, 34-14901, 34-14902, 34-14903

On October 4, 2022, an ownership change and security interest was filed for water right number 34-14526, 34-14527, 34-14528, 34-14529, fees paid under receipt numbers E048600 (O/C) and E048601 (SI). The ownership change was from Max and Cheryl Bingham to Shane and Tanya Dirks, security interest for DL Evans Bank. According to the ownership change and the agreement attached to the application Bingham was deeding water rights 34-14526, 34-14527 and 34-14528 entirely to Dirks along with a portion of 34-14529. Water right number 34-14529 is an enlargement right and can not be split by itself. All the water rights have the same place of use so thought was all the water rights would need to be split proportionately, unless there was a revised agreement.

October 24, 2022, the ownership change and security interest was submitted to the state office along with filing fee under C114401.

Security Interest complete using receipt number E048601 (\$100.00). It appears the security interest was added to the Bingham water rights as well as the Dirks water rights. It needs to be corrected to have DL Evans Bank listed only the Dirks portion of the water rights.

As mentioned, able the ownership change was to update the ownership Shane and Tanya Dirks for all of water right 34-14526, 34-14527, 34-14528 and a portion of 34-14529. Because 34-14529 is an enlargement right the ownership change could not be processed as the agreement stated. With Receipt number E048600 and C114401 there was sufficient funds to split all the water rights proportionately which was ultimately what was done. E048600 (\$275.00) C114401 (\$175.00) total of \$450.00, refund request sent on 3/8/2023 for C114401 for \$50.00, leaving \$400.00 for the ownership change application. The ownership change was complete on 2/23/2023 splitting the water rights into 34-14526, 34-14527, 34-14528, 34-14529, 34-14900, 34-14901, 34-14902, 34-14903 splitting the water rights proportionately based on property ownership.

On January 10, 2024, Shane and Tanya Dirks resubmitted their ownership change along with a filing fee under receipt number E049726. Dirks thought the ownership change had not been complete since water right 34-14526, 34-14527, 34-14528 we not in their name. I discussed with Dirks that the ownership change had been processed but splitting the water rights proportionately instead of the way the agreement read. We also discussed the department would not be able to complete the ownership change split the way deed reads because water right 34-14529 can not be split alone, where it is an enlargement water right. There were several issues with the previous split that need to be corrected so I informed them I can correct the split the way it is now, or they can revise their

agreement and do a disproportionate split. Dirks indicated it was never their intent to split proportionately and they will work on a revised agreement. Because there were so many errors in the previous ownership change, I was holding their application so we can correct the original split. Therefore, the ownership change correction will be based on the 2022 ownership change and receipt numbers E048600 and C114401 and Dirks will be entitled to refund of E049726.

9/12/2024 Dirks and Rocky Mountain Environmental are working on the finishing touches for the agreement/deeds.

The splits will be complete from the proof reports prior to the 2022 ownership change. The proof reports were scanned dating December 22, 2015, when the ownership change was complete to Max and Valerie Bingham.

Water Right Before Split	34-14526	34-14527	34-14528	34-14529
CFS	0.93	0.99	1.95	0.31
Acres	113	113	113	113
Acre Limit	46.4	48.8	97.5	15.5
Combined CFS	2.83	2.83	2.83	2.83
Combined CFS/ AF For 34-14528 & 34-14529 ONLY			1.95 395.5 AF	1.95 395.5 AF