MEMORANDUM

TO: Muldoon Creek Water District (37-O) File

FROM: Corey Skinner

DATE: September 27, 2007

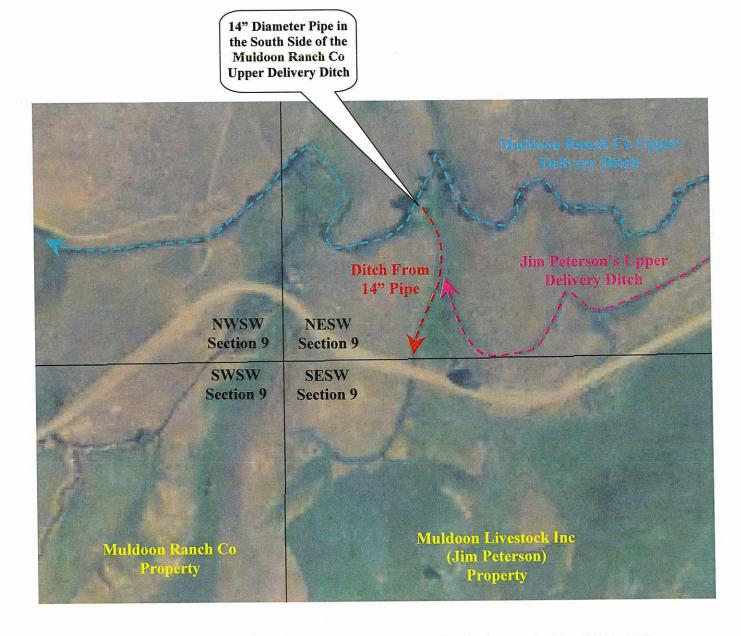
SUBJECT: Investigation of Jim Peterson Property

On September 5th and 6th, Jeff Cooper and I visited the Muldoon Creek area as a follow up to the August 10th water call filed by Gary Slette on behalf of his client, Muldoon Ranch Co LLC, and the August 16th response from IDWR (e-mail from Tim Luke). As part of our visit, we specifically looked into an alleged diversion from a Muldoon Ranch Co delivery ditch. Representatives of Muldoon Ranch Co had made allegations that Jim Peterson had been taking water from their upper diversion ditch within the SW ¼ of Section 9 (T02N, R21E), specifically identifying a location on aerial photography that we should investigate.

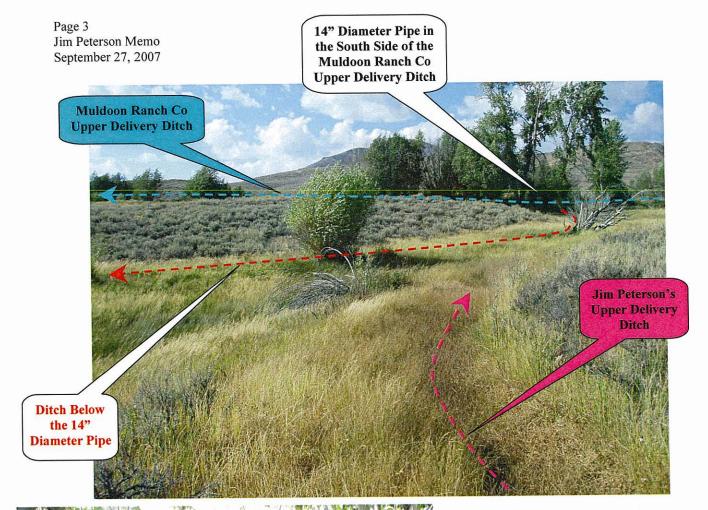
On September 6th, Jeff and I visited the location and observed a 14" diameter pipe in the south side of the Muldoon Ranch Co upper delivery ditch, served by the Muldoon Ranch Co upper diversion (Site Tag #A0011841). This pipe, fed a ditch that ran to the south, and crossed the Muldoon Creek Road entering irrigated property on the south side of the road. County tax lot information indicates that Muldoon Livestock Inc (c/o James and Mary Peterson) owns the property. During our visit, water was not being diverted through the 14" diameter pipe and into the ditch, but the bottom of the ditch was damp. The 14" diameter pipe had an open slide gate on the intake side from the Muldoon Ranch Co upper delivery ditch, but the water in the ditch was at a lower elevation than the pipe intake. Note that Jim Peterson's upper diversion ditch, served by Jim Peterson's upper diversion (Site Tag #A0011842), also ends in this same general area, north of the road. However, the bottom of Jim Peterson's upper diversion ditch in this area was drier than the ditch from the 14" diameter pipe in the south side of the Muldoon Ranch Co upper delivery ditch. Also note that Department records indicate that Muldoon Livestock Inc &/or Jim Peterson does not have any water right filings that allow for the diversion of water through the Muldoon Ranch Co upper diversion (Site Tag #A0011841) and delivery ditch.

The following map and photos document our observations....

Page 2 Jim Peterson Memo September 27, 2007



ABOVE: Map showing the location of the 14" diameter pipe in the south side of the Muldoon Ranch Co upper delivery ditch near the center of the SW ¼ of Section 9 (T02N, R21E).





ABOVE: View looking down Jim Peterson's upper diversion ditch towards the area where the 14" diameter pipe in the south side of the Muldoon Ranch Co upper delivery ditch is located. The approximate location of the ditch below the 14" diameter pipe is also indicated. Note the greener grass along the ditch below the 14" diameter pipe compared to the grass along Jim Peterson's upper diversion ditch. The 14" pipe in the south side of the Muldoon Ranch Co upper delivery ditch (shown in view to the left) is located in the trees in the area indicated.

LEFT: View of the downstream end of the 14" diameter pipe in the south side of the Muldoon Ranch Co upper delivery ditch. Note that the upstream slide gate is open, and that water in the Muldoon Ranch Co upper delivery ditch is visible in the background, through the pipe.