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October 2, 1991

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*Please Direct Correspondence
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**Also Admitted to Practice in California*

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
P. O. Box 246
Littleton, CO 80160

Re: Case No. 90CW035; Decree of the Water Court

Dear Ken:

No Protests were filed against the Ruling of the Referee in Case No. 90CW035. In today's mail I received verification that Judge Behrman adopted the Ruling as the Decree of the Water Court without making any changes. A copy of the document is enclosed.

I am having a certified copy of the Decree filed of record in the office of the Arapahoe County Clerk and Recorder. When the recording process is complete, I will mail the certified document to you for your family's permanent records files.

Issuance of the Decree establishes your family's right to divert an average of 31 acre feet of water from the Laramie-Fox Hills aquifer each year. There are, however, several constraints which I would like to reiterate.

The most important constraint is that the issue of post pumping depletions, which was held in abeyance in the plan for augmentation (i.e. Case No. 90CW058), must be resolved before Laramie-Fox Hills diversions can be made. Judge Behrman only recently issued a Memorandum of Decision on this question. I have outlined the ramifications of his decisions in a companion letter.

Prior to drilling a well into the Laramie-Fox Hills aquifer, you must obtain a well permit from the Division of Water Resources. Since the Water Court has acted favorably, this should be little more than a formality. However, as you may have heard and/or experienced, working with the Division of Water Resources' staff on any issue can prove to be challenging and frustrating.

Mr. K. C. Ensor, Jr.
October 2, 1991
Page 2

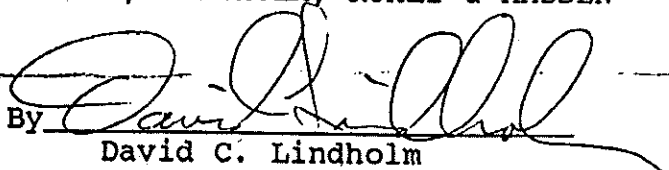
A location for the proposed well has been specified in the Decree. This was selected by Dale Book as being the most likely spot where you or your successors in interest will drill a well (i.e. it is just North of Dad Clark Gulch near the center of the property). The location can, however, be changed if necessary. Basically the Decree allows a well or more than one well to be drilled anywhere on the property; provided it is no closer than 300 feet from the northerly or westerly boundaries.

Please note that when a well is drilled, a geophysical log of the hole must be made so the State Engineer can evaluate local aquifer characteristics. The annual volumetric limit of 31 acre feet may be increased or decreased depending on the results of the log. You will have an obligation to serve the other parties with the State Engineer's conclusions in this regard, and the jurisdiction of the Court can be evoked by anyone interested in arguing that more or less water should be decreed from beneath the boundaries of your Family's property.

Issuance of the Decree completes all activity on this matter in the Water Court until such time as a Laramie-Fox Hills well is actually drilled. If you have any remaining questions about your rights, duties or obligations, please let me know.

Sincerely,

KRASSA, LINDHOLM, KUMLI & MADSEN

By 
David C. Lindholm

cc: Dale E. Book, P.E.

1 SEP

57

DISTRICT COURT, WATER DIVISION NO. 1, STATE OF COLORADO

Case No. 90CW035

FINDINGS AND RULING OF THE REFEREE AND DECREE OF THE WATER COURT APPROVING AN APPLICATION FOR NOT NONTRIBUTARY UNDERGROUND WATER RIGHTS IN THE LARAMIE-FOX HILLS AQUIFER IN THE DENVER BASIN.

CONCERNING THE APPLICATION FOR WATER RIGHTS OF EDNA R. ENSOR, KENTON C. ENSOR, JR., MARY EDITH WILKINS, BARBARA F. ENSOR, THE K.C. ENSOR, JR., TRUST AND THE K.C. ENSOR REALTY COMPANY

IN ARAPAHOE COUNTY

THIS MATTER, having come on for consideration upon the Application of Edna R. Ensor, Kenton C. Ensor, Jr., Mary Edith Wilkins, Barbara F. Ensor, the K.C. Ensor, Jr., Trust and the K.C. Ensor Realty Company (hereinafter referred to as "Ensors") for approval of an Application for Not Nontributary Underground Water Rights in the Laramie-Fox Hills Aquifer in the Denver Basin, and the Referee having considered the pleadings, the files herein, the evidence presented and the comments of the Division Engineer, and being fully advised in the premises, does hereby find.

The Application was filed with the Water Clerk, Water Division No. 1 on February 28, 1990. All notices required by law of the filing of this Application have been fulfilled, and the Referee has jurisdiction over the subject matter of this proceeding and over all parties affected hereby, whether they have appeared or not. The land and water rights involved herein are not included within the boundaries of any designated groundwater basin.

Statements of Opposition to the Application were filed by the City of Littleton, the Willows Water District and the City of Englewood. No other statements of opposition have been filed and the time for filing such statements has expired.

FINDINGS OF FACT

1. Ensors seek a decree for all of the groundwater determined to be recoverable from the Laramie-Fox Hills Aquifer in the Denver Basin underlying 117.877 acres of land in the E 1/2 of Section 31

Case No. 90CW035
Ensor
Page 2

and the W 1/2 of Section 32, Township 5 South, Range 68 West of the 6th P.M., Arapahoe County, Colorado. The property is more particularly described in Exhibit "A", which is attached hereto and incorporated herein by reference.

2. The water is proposed to be withdrawn through the Ensor Well LFH-1 which will be located in the NE 1/4 NW 1/4 SW 1/4 of Section 32, Township 5 South, Range 68 West of the 6th P.M., at a point approximately 2,610 feet from the South Section line and 1,180 feet from the West Section line of said Section 32. This location is approximate and Ensors are granted the right to drill wells into the Laramie-Fox Hills Aquifer at any location within the 117.877 acres in accordance with §37-90-137(10), 15 C.R.S. (1990); provided, however, that no such well(s) shall be drilled closer than 300 feet from the Northerly and Westerly boundaries of the property described in Exhibit "A."

3. Ensors propose to complete all wells to the bottom of the Laramie-Fox Hills Aquifer, which is estimated to be at a depth of 1,325 feet at this location. The actual depth may vary from this estimate based upon actual topography and the configuration of the Laramie-Fox Hills Aquifer underlying Ensors' property.

4. Ensors are granted the right to withdraw a total of 31.0 acre feet per year from the Laramie-Fox Hills Aquifer, subject to increases or decreases after obtaining site specific information in accordance with Paragraph No. 24, supra. This volumetric limitation is in accordance with the State Engineer's determination of facts issued on May 11, 1990. Ensors propose to withdraw water at a rate of 300 gallons per minute. This is an estimated nominal pumping rate which Ensors may exceed as necessary to withdraw the total number of acre feet of water which is available and needed.

5. The groundwater available for diversion by Ensors will be used, reused, and successively used and otherwise disposed of for all purposes including: municipal, domestic, industrial, commercial, irrigation, stock watering, agricultural, recreational, piscatorial, wildlife propagation, fire protection, augmentation, exchange, replacement and substitution purposes. The water shall be available for diversion for immediate application to beneficial use, for storage and subsequent application to such uses, for exchange purposes, for replacement of depletions and for other augmentation purposes including taking credit for all return flows resulting from the use of said water as an offset against any out-of-priority depletions.

6. The Referee finds that all of the requirements of §37-90-137(4), 15 C.R.S. (1990) have been met and the issuance of a well permit for the Ensor Well LFH-1 is justified. The diversion and use of this water will not result in material injury to the

Case No. 90CW035
Ensor
Page 3

vested rights of others. Accordingly, the State Engineer shall issue a well permit upon proper application by Ensors with restrictions no more burdensome than are set forth in this decree.

7. The Referee further finds that the proposed withdrawals through the Ensor Well LFH-1, and any additional well constructed pursuant to §37-90-137(10), 15 C.R.S. (1990), will deplete the flow of a natural stream at an annual rate greater than one-tenth of one percent of the annual rate of withdrawal, §37-92-103(10.5), 15 C.R.S. (1990). The Referee also finds that the property is located more than one mile from the point of contact between the Laramie-Fox Hills Aquifer and a tributary stream. Therefore, the water claimed is not nontributary and water shall not be withdrawn by Ensors from the Laramie-Fox Hills Aquifer until the plan for augmentation in Case No. 90CW058 is approved and a total amount of water equal to four percent (4%) of the amount of water withdrawn annually is replaced to the stream system, pursuant to the terms of the augmentation plan.

CONCLUSIONS OF LAW

8. This Application was filed with the Water Clerk, Water Division No. 1, pursuant to §37-92-302(1)(a), 15 C.R.S. (1990). Statements of Opposition were filed by the City of Littleton, the Willows Water District and the City of Englewood. As is specified in §37-92-302(1)(c), 15 C.R.S. (1990), the time for filing statements of opposition has expired.

9. The Application for Not Nontributary Underground Water Rights in the Laramie-Fox Hills Aquifer in the Denver Basin is contemplated and authorized by law and the Court has exclusive jurisdiction over this proceeding pursuant to §37-92-203 and §37-90-137(6), 15 C.R.S. (1990). The State Engineer has issued a determination as to the facts of the Application and a copy of said determination has been filed with the Court, §37-92-302(2), 15 C.R.S. (1990).

10. Ensors have complied with all of the requirements of §37-90-137(4), 15 C.R.S. (1990) and are, therefore, entitled to a decree confirming their rights to withdraw and use water from the Laramie-Fox Hills Aquifer.

11. The State Engineer shall issue a well permit for construction of Ensor Well LFH-1, pursuant to the terms of this Decree.

12. The rights to not nontributary water determined herein are not conditional water rights as defined by §37-92-103(c), 15 C.R.S. (1990) and, therefore, in accordance with §37-92-305(11), 15 C.R.S. (1990), the provisions of §37-92-301(4), 15 C.R.S.

Case No. 90CW035
Ensor
Page 4

(1990), requiring findings of reasonable diligence, are not applicable to the rights determined herein.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

13. Ensors' Application is approved in accordance with the terms and conditions set forth herein.

14. All of the foregoing Findings of Fact and Conclusions of Law are incorporated by reference herein, and are to be considered a part of the decretal portion hereof as though set out in full.

15. A decree is hereby granted confirming water rights totalling 31.0 acre feet of water annually from the Laramie-Fox Hills Aquifer underlying the property described in Exhibit "A," for the purposes and in accordance with the provisions described herein. Withdrawal of the water will not result in material injury to other vested water rights.

16. Ensors are granted the right to withdraw from the Ensor Well LFH-1 and from any additional, supplemental, or replacement well or wells, an amount of groundwater in excess of 31.0 acre feet each year, as long as the total volume of water withdrawn does not exceed the product of the number of years since February 28, 1990, times the decreed allowed average annual amount of withdrawal.

17. Ensors are granted the right to construct an additional, supplemental, or replacement well or wells as may be necessary to maintain production levels and to recover the entire appropriation decreed herein.

18. Wells may be constructed anywhere on Ensors' property, subject to the limitations in Paragraph No. 2, supra. Any well decreed herein which is constructed within 200 feet of the location specified shall be deemed to have been drilled at the decreed well location and shall not require approval of this Court and the State Engineer.

19. The proposed withdrawals through the Ensor Well LFH-1 will deplete the flow of a natural stream within one hundred years, at an annual rate greater than one-tenth of one percent of the annual rate of withdrawal, and, therefore, are hereby decreed to be not nontributary to the South Platte River and its tributaries, §37-90-103 (10.5), 15 C.R.S. (1990). Water withdrawn from the Ensor Well LFH-1 shall be pursuant to the plan for augmentation in Case No. 90CW058, or a substitute supply plan approved by the State Engineer in accordance with §37-80-120, 15 C.R.S. (1990).

Case No. 90CW035
Ensor
Page 5

20. The State Engineer shall consider the water rights granted herein as valid and shall consider the water sought by Ensors as appropriated. Prior to drilling the well described herein, Ensors shall apply to the State Engineer for a well permit and that permit shall be issued promptly with the conditions for equipping and constructing the well as specified in Paragraph No. 21, infra.

21. In constructing and maintaining the subject well, Ensors shall encase the well with an impervious lining at all levels, except the level of the Laramie-Fox Hills Aquifer, to prevent withdrawal of groundwater from other aquifers. Ensors shall also comply with such other requirements for constructing and equipping the well as the State Engineer may reasonably require. Ensors, after construction of the well, shall attach an identification tag to the structure specifying the name of the well, the permit number, and the aquifer from which the water is withdrawn.

22. Ensors shall install a totalizing flow meter on the well. The meter shall be installed according to the manufacturer's recommendations and shall be promptly repaired or recalibrated as needed. If the meter becomes inoperable, it shall be repaired as soon as possible so that measurements may continue.

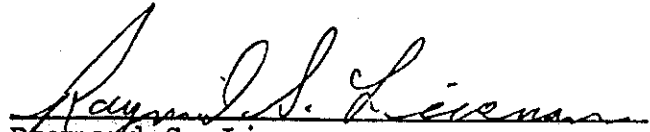
23. Ensors shall keep records of the amount of water pumped and perform the calculations necessary to determine that they are in compliance with this decree. Ensors shall supply the Division Engineer with those records on an annual basis and upon request by the Division Engineer.

24. This Court retains jurisdiction as necessary to adjust the annual amount of withdrawal to conform to actual local aquifer characteristics as determined from adequate information obtained from actual well drilling as provided by Rule 9(A) of the Statewide Nontributary Groundwater Rules and §37-92-305(11), 15 C.R.S. (1990). Promptly after completion of any well decreed herein, Ensors shall obtain a geophysical log of said well, in compliance with Rule 9(B) of the Statewide Nontributary Groundwater Rules, and shall file with the Court and serve upon each party who has appeared herein, or their successors in interest, copies of the well completion report, geophysical log, and any information regarding specific yield. The State Engineer shall provide Ensors and the Court with his determination of the amount of water available therefrom within one hundred twenty (120) days of the receipt thereof. Ensors shall provide the Opposers with the information within thirty (30) days of receipt. Service of such documents stating that the documents are served under this decree, shall initiate a ninety (90) day period during which any person may file a petition to invoke the Court's retained jurisdiction under the caption and case number herein, requesting a modification of

Case No. 90CW035
Ensor
Page 6

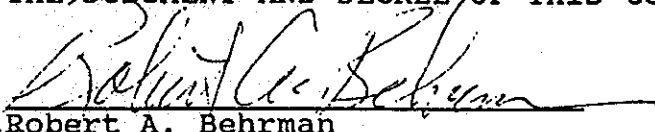
the quantity decreed to said structure based upon the information provided. The retained jurisdiction of the Court with respect to this issue may be invoked by written notice to the Court requesting a hearing. Copies of such notice shall be served on the parties specified herein and on the Division Engineer. If no notice is served, the determination of the State Engineer shall be final for purposes of this decree.

Dated this 5th day of September, 1991.

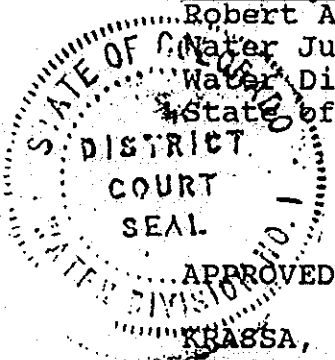

Raymond S. Liesman
Water Referee
Water Division No. 1

THE COURT DOTH FIND: NO PROTEST WAS FILED IN THIS MATTER.

THE FOREGOING RULING IS CONFIRMED AND APPROVED, AND IS HEREBY MADE THE JUDGMENT AND DECREE OF THIS COURT:

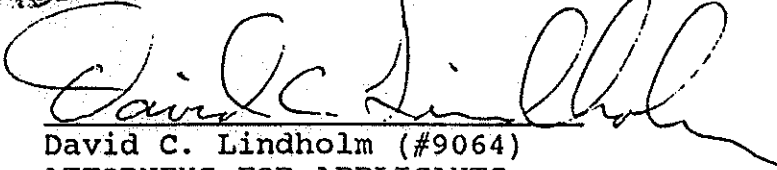


Robert A. Behrman
Water Judge
Water Division No. 1
State of Colorado



APPROVED AS TO FORM AND SUBSTANCE:

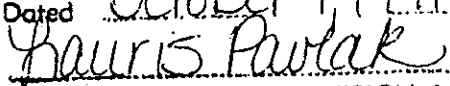
KRASSA, LINDHOLM, KUMLI & MADSEN



David C. Lindholm (#9064)
ATTORNEYS FOR APPLICANTS,
EDNA R. ENSOR, KENTON C. ENSOR, JR.,
MARY EDITH WILKINS, BARBARA F. ENSOR,
THE K.C. ENSOR, JR., TRUST AND
THE K. C. ENSOR REALTY COMPANY

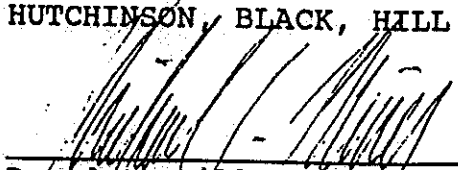
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Certified to be a full, true and correct copy of the original in my capacity

Dated October 1, 1991

CLERK, WATER DIVISION 1
STATE OF COLORADO


Case No. 90CW035
Ensor
Page 7

HUTCHINSON, BLACK, HILL & COOK



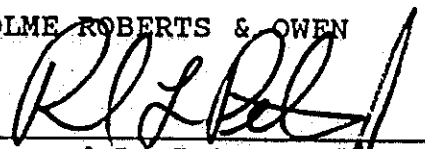
David G. Hill (#921)
Michael E. Miner (#16118)
ATTORNEYS FOR OPPOSER,
CITY OF ENGLEWOOD

SAUNDERS, SNYDER, ROSS & DICKSON, P.C.

for  (#10510)

Robert E. Schleen (#12923)
ATTORNEYS FOR OPPOSER,
WILLOWS WATER DISTRICT

HOLME ROBERTS & OWEN



Raymond L. Petros (#8763)
ATTORNEYS FOR OPPOSER,
CITY OF LITTLETON

LEGAL DESCRIPTION OF SANTA FE PARK, FOR WATER RIGHTS PURPOSE:

Two parcels of land situated in the East one-half of Section 31 and the West one-half of Section 32, Township 5 South, Range 68 West of the 6th P. M., Arapahoe County, Colorado more particularly described as follows:

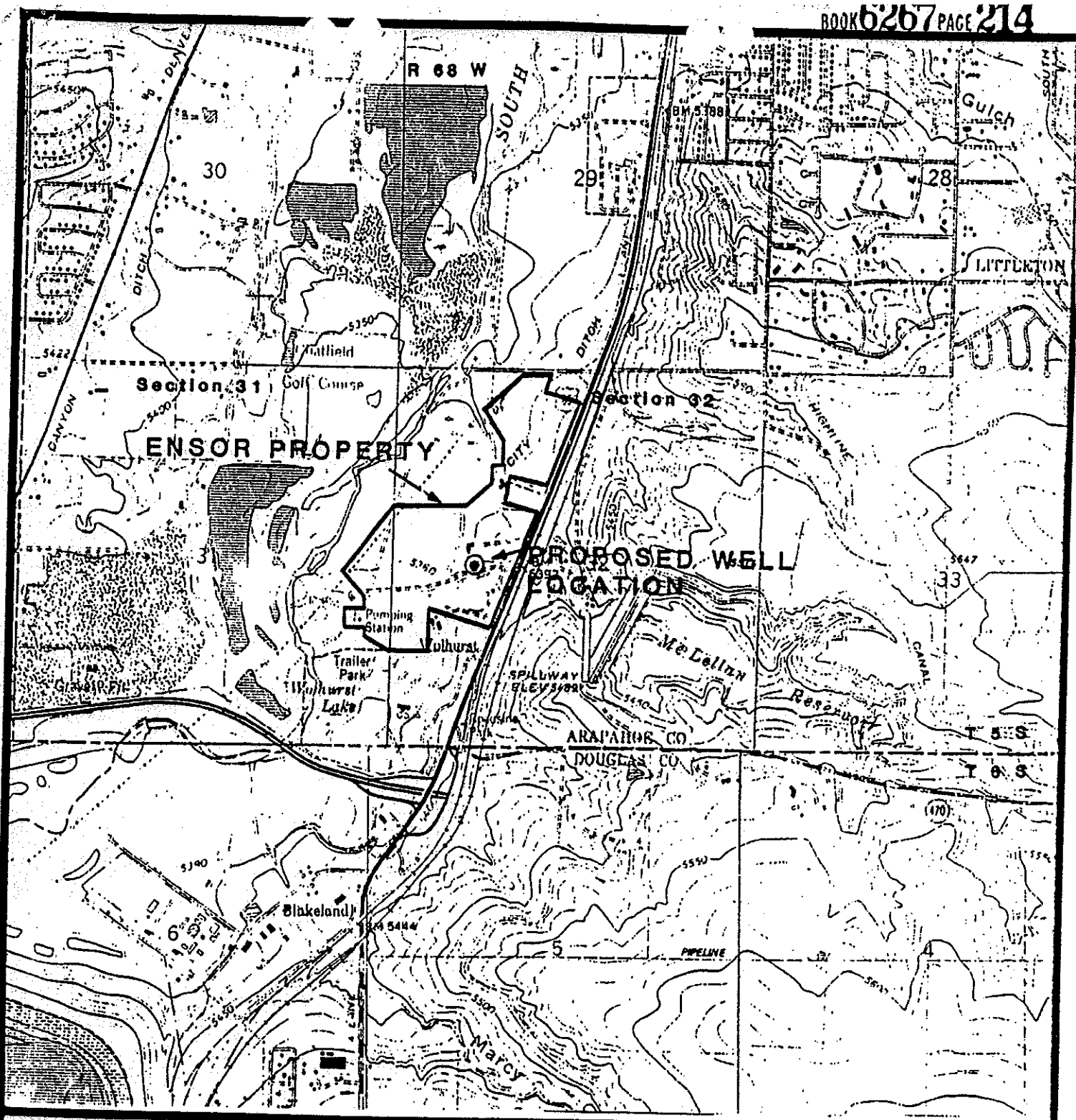
PARCEL NO. 1

Commencing at the North one-quarter corner of said Section 32; thence S 89° 29' 41" W along the North line (said North line being the basis of bearing of this description) of said Northwest one-quarter, a distance of 57.13 feet to the westerly right-of-way of South Santa Fe Drive; thence for the following courses along said westerly right-of-way South Santa Fe Drive: S 48° 39' 46" E a distance of 165.61 feet; thence S 33° 14' 07" W a distance of 346.61 feet; thence S 20° 51' 42" W a distance of 120.00 feet; thence S 06° 15' 21" W a distance of 1.71 feet to the south line of Mineral Avenue right-of-way as described in Book 5266 at Page 25 and the Point of Beginning; thence continuing along said westerly right-of-way South Santa Fe Drive the following seven courses: thence S 06° 15' 21" W a distance of 134.04 feet; thence S 13° 25' 15" W a distance of 709.41 feet; thence S 20° 53' 40" W a distance of 1313.55 feet; thence S 34° 16' 45" W a distance of 86.40 feet; thence S 20° 53' 40" W a distance of 114.40 feet; thence S 09° 35' 12" W a distance of 102.00 feet; thence S 20° 53' 40" W a distance of 678.96 feet to the Northeast corner of that tract described in Book 768 at Page 516 of the Arapahoe County, Colorado records;

thence departing said South Santa Fe Drive and along said tract the following three courses: N 72° 35' 20" W, 513.00 feet; thence N 81° 01' 20" W a distance of 522.00 feet; thence S 00° 17' 20" E a distance of 731.75 feet to the South line of the Northwest one-quarter of the Southwest one-quarter of said Section 32; thence departing said tract S 89° 43' 36" W a distance of 484.93 feet to the Southwest corner of the Northwest one-quarter of the Southwest one-quarter of said Section 32; thence along the southerly line of a Parcel No. 1 as described in Book 3926 at page 427: N 57° 28' 58" W a distance of 407.38 feet; thence along the following two courses as described in Book 3861 at Page 211: N 03° 10' 57" W a distance of 188.19 feet; thence S 86° 44' 32" W a distance of 120.00 feet to the southeast corner of a parcel as described in said Book 3861 at Page 211; thence along the east line of a parcel as described in Book 3861 at Page 210 N 86° 44' 32" E a distance of 120.00 feet; thence N 02° 46' 21" W along the east line of said parcel as described in Book 3861 at Page 210 and the westerly line of a Parcel No. 3 as described in Book 3926 at Page 427 a distance of 246.38 feet; thence continuing along the westerly line of said Parcel No. 3 N 47° 47' 13" W a distance of 513.97 feet; thence N 42° 06' 35" E along the north line of said Parcel No. 3 and the northerly line of Parcel No. 4 as described in Book 3926 at Page 427 a distance of 1,310.81 feet; thence along a parcel of land as described as Parcel No. 11 in Book 2223 at page 692 the following three courses: S 86° 18' 25" E a distance of 896.18 feet; thence N 68° 09' 50" E a distance of 160.78 feet; thence N 43° 01' 32" E a distance of 235.92 feet to the west line of the East one-half of the Northwest one-quarter of said Section 32 and being a distance of 235.07 feet south of the Southwest corner of that tract described in Book 853 at Page 93; thence N 27° 39' 47" E a distance of 272.39 feet to the south line of said tract and being 125.58 east of the Southwest corner of said tract; thence along the easterly line of a Parcel 11 as described in Book 2223 at Page 692 the following three courses: N 02° 36' 48" W a distance of 401.93 feet; thence N 28° 03' 44" W a distance of 451.10 feet; thence N 42° 00' 28" E a distance of 578.70 feet to the south line of Mineral Avenue right-of-way as described in Book 5266 at Page 25 thence along said south line of said said Mineral Avenue as described in said Book 5266 at Page 25 S 69° 39' 25" E a distance of 930.09 feet to the Point of Beginning.

PARCEL NO. 2

Commencing at the Northeast corner of the Northwest one-quarter (NW 1/4) of said section 32; thence S 89° 29' 41" W along the North line (said North line being the basis of bearing of this description) of said Northwest one-quarter (NW 1/4), a distance of 339.40 feet to the Northwest corner of a parcel of land described in Book 4564, Page 284 of the Arapahoe County Clerk and Recorder's Office; thence continuing S 89° 29' 41" W along the North line of said Northwest one-quarter (NW 1/4), a distance of 42.94 feet to the Point Of Beginning; thence S 20° 51' 42" W, a distance of 176.22 feet to a point of curvature; thence along a curve to the right, said curve having a radius of 30.00 feet, a central angle of 89° 28' 15", an arc length of 46.85 feet, a chord bearing of S 65° 36' 16" W, a chord length of 42.23 feet to a point of tangency, said point being located on the northerly right-of-way line of West Mineral Avenue as described in Book 5266, Page 25 of the Arapahoe County Clerk and Recorder's Office; thence N 69° 39' 25" W and along the said northerly right-of-way as described in said Book 5266, Page 25 a distance of 281.02 feet; thence N 42° 00' 28" E a distance of 110.15 feet to North line of said Northwest one-quarter (NW 1/4); thence N 89° 29' 41" E along said North line a distance of 291.00 feet to the Point of Beginning;
EXCEPT two parcels of land annexed to the City of Littleton described in Ordinance No. 13, Series of 1973 and Ordinance No. 18, Series of 1973;
EXCEPT that parcel of land described in Book 2733 at Page 600 of the Arapahoe County, Colorado records;
containing 117.877 acres more or less.



LEGEND



Proposed
 Laramie-Fox Hills
 Well Location

○

EXHIBIT A

GENERAL LOCATION MAP

ENSOR PROPERTY
DENVER BASIN WATER
CASE NO. 90CW035

SPRONK WATER ENGINEERS, INC.

APPROXIMATE SCALE: 1 IN = 2000 FT

KRASSA, LINDHOLM, KUMLI & MADSEN

Attorneys and Counselors at Law

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Boulder, Colorado 80304

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Shayne M. Madsen
Karl F. Kumli, III*
David C. Lindholm
Robert F. T. Krassa, P.C.

September 4, 1991

COPY

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Please Direct Correspondence
to Boulder Office

*Also Admitted to Practice in California

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
P. O. Box 246
Littleton, CO 80160

Re: Case No. 90CW058; Santa Fe Park Plan for Augmentation, Decree
of the Water Court

Dear Ken:

Enclosed for your records, please find a certified copy of the Decree of the Water Court in Case No. 90CW058. The document was signed by Judge Behrman on August 23, 1991. It has taken me several days to coordinate with the Water Court Clerk on obtaining a certified version.

After reviewing the contents of the enclosure, I have concluded that the Judge approved the document which was sent to him on July 30, 1991, without modification. However, I would encourage you to make your own independent review. In the event that you notice anything amiss, please let me know immediately.

I would suggest that the Decree be filed of record in the office of the Arapahoe County Clerk and Recorder so that it will appear in your Family's chain of title. Unless I hear from you to the contrary, I will take the necessary steps to have the document recorded. There will be a recording charge of \$5.00 per page.

Since the 1991 irrigation is rapidly drawing to a close, I doubt whether the Water Commissioner will seek to administer your plan this season. The issue is probably moot anyway, since it is my understanding that you have been covered by G.A.S.P. this year. Commencing next year, however, you will need to follow the letter of the Decree. No later than February you should determine the number of acres you plan to irrigate and the total volume of water you propose to pump. If your calculations indicate that you will pump more than 84 acre feet of water, you must pursue one of the following options:

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
September 4, 1991
Page 2

- (a) Make your Arapahoe formation well operational and complete the necessary steps to deliver the water to Dad Clark Gulch; or
- (b) Obtain additional augmentation water supplies from another source, such as G.A.S.P.

If the second option is pursued, you may need to pump from two wells so that the State water officials can effectively separate the pumping under the augmentation plan from the pumping under an alternate arrangement. This issue is by no means clear cut, so you may be able to operate as you have in the past and simply account for diversions in excess of 84 acre feet by an accounting mechanism.

Regardless of how pumping in excess of 84 acre feet is handled, you will need to coordinate with the Centennial Water and Sanitation District regarding delivery of the 70 acre feet of augmentation water. You also will need to regularly complete the accounting sheet which is attached as an Exhibit to the Decree.

Each of the supply wells which you use must be equipped with accurate totalizing flow meters. Normally, the meters must be read on a weekly frequency during those weeks when the wells are pumped. If however, the call on the river is such that the priority dates of the supply wells are on the cusp, meter readings must be taken daily.

Each month during the period of April through November, a summary of water use and augmentation water provided to the stream must be submitted to the Division Engineer or the local water commissioner. Although water administration may be somewhat lax in your area, I would encourage you to submit records commencing with the 1992 irrigation season without being asked.

On an annual basis, a summary report will also need to be prepared. This need not be overly complicated. The report should summarize the monthly pumping of your wells, the distribution of depletions to the stream system, the source of augmentation water and when the water was delivered.

In order for the Centennial District to make appropriate replacement water deliveries on your Family's behalf, you will need to communicate with the District on a regular basis. If your level of weekly pumping is fairly consistent throughout the year, then a constant delivery rate of replacement water should not be a problem. However, please keep in mind that pursuant to the 1988 and 1989 Agreements, you must notify Centennial of your plans each year and in addition you must provide the District with copies of

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
September 4, 1991
Page 3

the monthly reports that are required to be sent to the Division of Water Resources. I have enclosed a copy of the July 21, 1989 "Agreement to Provide Augmentation Water". You should review the contents periodically to refresh your recollection of your rights and obligations.

Although the actual administration of the plan may appear somewhat complex, I believe you will find that it should operate fairly smoothly once you gather pumping data and establish a line of communication with the person responsible for the Centennial District's water matters.

I would like to reiterate that we deferred the issue of post pumping depletions from the proposed Laramie-Fox Hills well. As a consequence, Laramie-Fox Hills water cannot be used in the plan without further action by the Water Court. Judge Behrman has still not articulated his position on the question of how post pumping depletions from nontributary wells should be handled. Since a number of cases are on hold pending his decision, I expect a Ruling before the end of this year. Unfortunately, the question may be appealed which will further delay the ultimate resolution. At such time as the dust settles on this issue, I will let you know so that you can decide whether it is in your best interests to go ahead and remove the contingency on the actual use of Laramie-Fox Hills water.

Let me know if you have any questions about the enclosure or your rights and responsibilities.

Sincerely,

KRASSA, LINDHOLM, KUMLI & MADSEN

By 

David C. Lindholm

cc: Dale E. Book, P.E.

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July 30, 1991

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*Please Direct Correspondence
to Boulder Office*

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
P. O. Box 246
Littleton, CO 80160

Re: Centennial Water and Sanitation District

Dear Ken:

Earlier this month you indicated that officials from the Centennial Water and Sanitation District have approached you regarding a possible modification of the 1988 Agreement between Centennial and your Family. We discussed in general terms what Centennial might be able to provide you as an enticement. I promised that I would outline my thoughts in a letter.

The following options would appear to have utility and should at least be considered by you and your Family:

1. The 1988 Agreement restricts the use of Centennial's water to the augmentation of your alluvial wells when used for irrigation purposes on the Santa Fe Park property. Post pumping depletions from the proposed Laramie-Fox Hills well may need to be augmented at some point in the future. Although the annual volume should not be great, depending on the rules that the courts and the Legislature work out, the well owner may need to designate a reliable surface water right as the augmentation source. Expanding Centennial's existing commitment to include post pumping depletions from the Laramie-Fox Hills well should be considered.

2. Centennial's commitment to provide augmentation water automatically terminates if Centennial elects to abandon the well field on the Santa Fe Park property. Although such a contingency may be remote, it nevertheless exists. Eliminating the contingency would be of some benefit.

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
July 30, 1991
Page 2

3. The current agreement requires that you absorb stream carriage losses from the point of Centennial's water delivery to the point where depletions associated with use of your alluvial wells reach the South Platte River. The proposed Decree in Case No. 90CW058 allows the Division Engineer to assess stream carriage losses. At this time, we do not know what percentage loss the Division Engineer may impose, if any. Shifting responsibility to Centennial is a potential benefit to your Family.

4. The proposed Decree in Case No. 90CW058 requires that meters be read and water accounting forms be maintained and submitted to the Division Engineer or local Water Commissioner on a regular basis. These types of administration activities can become tedious and are often overlooked. Centennial may be able to provide assistance in selected areas, to remove some of the burden and ensure a timely submittal of necessary reports. I do not believe it would be productive, however, to turn the entire water accounting operation over to Centennial.

5. Depending on how much landscaping there will be at the Santa Fe Park development, you may need more augmentation water. The plan in 90CW058 allows for 134 acre feet of out-of-priority depletions. If it is assumed that blue grass consumes approximately 2.3 acre feet of water per irrigated acre, a total of 58 acres can be irrigated. It would appear that Centennial has additional replacement water available in its portfolio. The value of this water is open to question. Now that the Two Forks Reservoir project appears to be all but dead, small municipal providers in the South Platte River and Plumb Creek drainage basins may be forced to bid against each other. Augmentation water in the upper reach of the Platte River System, which can be delivered year around, has sold for between \$10,000 and \$14,000 per acre foot in small quantities. Below Denver, water can probably be obtained for \$1,000 per acre foot or less.

6. In order to effectively irrigate the 58 acres referenced above, the Laramie-Fox Hills well will need to be constructed and the Arapahoe formation well must be brought back on line. Both efforts could be costly. Replacing the Laramie-Fox Hills source (i.e. 31 acre feet annually) with water from Centennial should be examined. This could be done by way of a trade or simply a requirement that Centennial provide 101 acre feet instead of 70 acre feet per year. Whether Centennial would find Laramie-Fox Hills water available at the Santa Fe Park property location to be attractive is difficult to predict.

7. If your development plans have been modified since the 1988 Agreement was negotiated, there may be some construction assistance or concessions that Centennial can provide. In

Mr. K. C. Ensor, Jr.
Ensor Joint Interests
July 30, 1991
Page 3

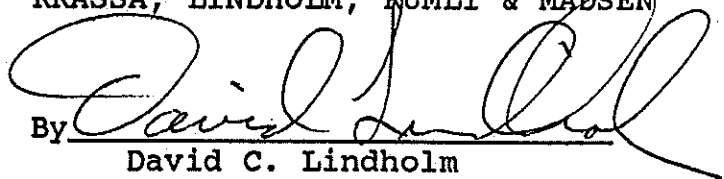
addition, if Centennial is going to employ well drillers and pump installers, perhaps refurbishing your Arapahoe formation well or drilling and equipping the Laramie-Fox Hills well can be wrapped into one of Centennial's contracts, at no cost to you or at a reduced cost from what you would incur in the open market.

I am sure that my list does not exhaust all of the ideas that would benefit your family and be of interest to Centennial. A copy of this letter is being mailed to Dale Book, and if he thinks of a concept I have overlooked, I would encourage him to apprise you.

Let me know if you want to discuss this further.

Sincerely,

KRASSA, LINDHOLM, KUMLI & MADSEN

By 
David C. Lindholm

DCL:sak

cc: Dale E. Book, P.E.