

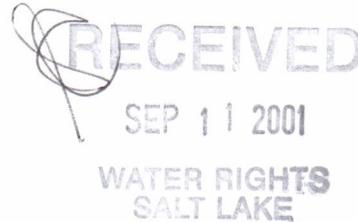


State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

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September 7, 2001



Coldwater Ranch Inc.
777 East 2100 South
Salt Lake City, UT 84106

Dear Sirs:

In response to a request dated August 12, 2001 from the three irrigation companies that hold the primary rights to the Blacksmith Fork River regarding irrigation of your lands on Mill Creek, south of Hardware Ranch, the following information is presented.

The Coldwater Ranch owns water rights 25-8108, 8109, 8110 and 8111 for irrigation of 43.5 acres with priorities of 1891 and 1900. On September 7, 2001 it was observed that water was being diverted to flood irrigate lands of the Coldwater Ranch. The flow of the Blacksmith Fork River, as reported by the USGS was 71 cfs, far short of the 120 cfs needed to fulfill the irrigation companies' primary rights (1861).

You should, therefore, discontinue diversions until the end of the irrigation season, which is September 30th. If you have any questions, please contact our office.

Sincerely,

William H. Atkins, P.E.
Assistant Regional Engineer

WHA:gf