



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF WATER RIGHTS

Michael O. Leavitt
 Governor
 Ted Stewart
 Executive Director
 Robert L. Morgan
 State Engineer

1594 West North Temple, Suite 220
 Box 146300
 Salt Lake City, Utah 84114-6300
 801-538-7240
 801-538-7467 (Fax)

BEFORE THE STATE ENGINEER OF THE STATE OF UTAH

RE: Illegal use of water in excess of right) ORDER OF THE
Joseph Stott) STATE ENGINEER
Water Right Nos. 67-653, 67-129, 67-130)
67-145)

The Division of Water Rights has determined that you have exceeded the legal limits of the water rights owned by you and Stott Land and Livestock during the 1997 irrigation season. You are hereby ordered to cease and desist irrigation in excess of your legal and valid water rights.

According to records on file with the Division of Water Rights, Stott Land and Livestock owns a parcel of property located in the Northwest 1/4 and in the North 1/2 of the Southwest 1/4 of Section 24, Township 20 South, Range 5 West, SLB&M, to which we shall refer as the "east property." Water Right no. 67-653, certificate 8193, was originally limited to the irrigation requirements of 155.6 acres in the Northwest 1/4 of Section 24, but no use in the Southwest 1/4 of Section 24. We have on file a quit-claim deed from Stott Land and Livestock conveying an undivided 50% interest in Water Right no. 67-653 to L.B. Ranch. L.B. Ranch has filed a segregation and a change application on its portion and has been using its water on another parcel of property. The portion retained by Stott Land and Livestock is therefore limited to 50% of 155.6 acres, or 77.8 acres of irrigation in the Northwest 1/4 of Section 24.

During the 1997 irrigation season, approximately 120 acres of the east property were irrigated. This over-irrigation of about 42 acres was observed and documented by employees of the Division of Water Rights.

Stott Land and Livestock also owns a parcel of property located in the South 1/2 of the Southeast 1/4 of section 28, and in the North 1/2 of the Northeast 1/4 of Section 33, Township 20 South, Range 5 West, SLB&M, to which we shall refer as the "west property." Water Right nos. 67-129 and 67-130 together have a combined sole supply limitation of 80.0 acres of irrigation on the west property. Water Right no. 67-145 is limited to the irrigation requirements of 84.40 acres on the west property. These are the only water rights that we have on record that are approved for use on the west property. The combined total for the three water

Joseph Stott - Order
February 12, 1998
Page 2

rights originally was 164.4 acres. The same quit-claim deed mentioned above conveys an undivided 20% interest in water rights 67-129, 67-130, and 67-145 to L.B. Ranch. L.B. Ranch has filed segregation and change applications on its portion of the three water rights and has been using its portion on other property. Therefore, Stott Land and Livestock is limited to the irrigation of 131.52 acres on the west property.

During the 1997 irrigation season, approximately 200 acres of the west property were irrigated. In addition, a portion of the North 1/2 of the Southeast 1/4 of Section 33 was irrigated. There is no water right for that part of the west property. This over-irrigation of about 68 acres was observed and documented by employees of the Division of Water Rights.

You are hereby ordered to cease and desist any use of water in excess of the legal and valid water rights as described above.

The Pavant Valley is an area of increasing water usage. Much of the water is drawn from the groundwater aquifer. In order to protect the existing water users and to comply with the statutory mandate to uphold the law of the State of Utah, we are legally obligated to enforce the limitations of water rights in the Pavant Valley drainage.

The Attorney General's Office is prepared to file a complaint seeking an preliminary and permanent injunction to enforce the limits of your water rights unless we receive a satisfactory response from you within thirty days of the date of this order. Our expectations of a satisfactory response include a description of additional water rights owned by you or submission of a compliance plan.

If you have valid and legal water rights that would cover the increased acreage, you must file the appropriate conveyance documents with the Division of Water Rights. You must also file the appropriate change applications. Any change applications changing the place of use to the east property or the west property must be approved before the water can be used.

If you do not have additional water rights, we request that you submit a compliance plan with the Regional Office of the Division of Water Rights in Richfield. The compliance plan must include a specific designation of which 77.8 acres of the east property and which 131.52 acres of the west property you intend to irrigate next irrigation season. The compliance plan must also include a plan, approved by the Division of Water Rights, for monitoring the actual irrigation. Similar plans would be submitted annually, before the beginning of the respective irrigation season,

Joseph Stott - Order
February 12, 1998
Page 3

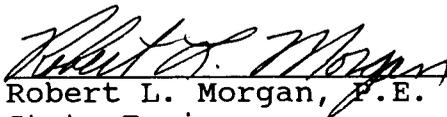
necessary.

Regardless of whether you file a compliance plan, this letter is a final notice and order to cease and desist irrigating more land than allowed under your water rights. If we have not received documents verifying additional water rights or a compliance plan from you within thirty days, the Attorney General's Office will file the complaint without further notice to you. If you choose to file a compliance plan, you are hereby notified that if at any time, including during the 1998 or any subsequent irrigation season, you are observed to irrigate in excess of your valid water rights, the Attorney General's Office will immediately file the complaint without further notice to you.

This is not an adjudication of your water rights. This is an action to enforce your legal and valid water rights, undertaken under authority granted to the State Engineer under Utah Code Annotated, Section 73-2-1 (Supp. 1997).

I strongly encourage you to comply with Utah law and to cease irrigating in excess of your legal water rights. If you have questions or would like assistance in complying with this order, please call Kirk Forbush or Terry Monroe at the Richfield Office of the Division of Water Rights at (435) 896-4429.

DATED this 12th day of February, 1998


Robert L. Morgan, P.E.
State Engineer

cc: L. Ward Wagstaff, Assistant Attorney General
Lee Sim, Assistant State Engineer
Kirk Forbush, Regional Engineer