

JRB/08-230-02

July 29, 2011

Melody Ranch HOA
P.O. Box 4337
Jackson, WY 83001

ATTN: HOA Board of Directors

RE: **Melody Ranch – Water Rights Filings Review**

Dear Board Members:

At your request, Nelson Engineering has completed a review of the water rights appurtenant to the lands being transferred to the control and/or ownership of the Board. These water rights include surface water rights and groundwater rights. These water rights, both adjudicated and unadjudicated are attached to the land and will transfer as ownership transfers. The specific filings and petitions reviewed are as follows:

GROUND WATER RIGHTS FILINGS:

Melody Ranch Domestic #1 Well, Permit No. UW 193269:

Melody Ranch Domestic #2 Well, Permit No. UW 193270:

Both of these wells are filed with the Wyoming State Engineer's Office as miscellaneous use wells and are permitted for 400 gallons per minute each. The specific uses listed in the permits are for potable supply, fire protection and watering of lawns and landscaping on the residential lots of the Melody Ranch Planned Unit Development and the Glory View Subdivision and within certain common areas including park, utility, equipment-maintenance and roadway lots. Water from these wells is co-mingled in a distribution system for supply.

Both of these wells are currently unadjudicated, but the permits are in good standing. The Statements of Completion, (UW6 forms), and Proofs of Beneficial Use, (UW8 forms) along with the required Maps to accompany said forms have been submitted to the State Engineer's Office. I have reviewed copies of the forms and maps supplied by Jorgensen Associates and they appear to be technically correct, list the uses of the wells and are in a format acceptable to the State Engineer's Office. The UW 8 forms and the Maps to accompany were submitted to the State Engineer's Office on May 24, 2011. I also called the State Engineer's Office and spoke with Lisa Lindermann and Beth Tebben of the Ground water Department. They verified that the forms and maps were in their possession and appeared correct, but had not yet been reviewed by their department. Once their review is

completed, they will schedule a field inspection to insure the wells are being used as permitted. Based on my review, I would not expect anything more than minor corrections if any. A successful field inspection would be followed by adjudication of the wells by the State Engineer's Office.

**Melody Ranch RU1 South Irrigation Well, Permit No. UW 193271:
Melody Ranch RU1 North Irrigation Well, Permit No. UW 193272:**

Both of these wells are filed with the Wyoming State Engineer's Office as miscellaneous use wells and are permitted for 600 gallons per minute each. The specific uses listed in the permits are for watering of lawns, landscaping and native grasses on certain common area lots of the Melody Ranch Residential Area 1. Water from these wells are also permitted to provide reservoir supply for 8 of the Melody Upper Ranch Reservoirs. Specifically the Melody Ranch RU1 South Irrigation Well supplies groundwater to the Melody Upper Ranch No. 15 Reservoir, Permit No. 12777R and the Melody Ranch RU1 North Irrigation Well supplies ground water to the Melody Upper Ranch No. 8 thru No. 14 Reservoirs, Permit Nos. 12770R thru 12776R.

Both of these wells are currently unadjudicated, but the permits are in good standing. The Statements of Completion, (UW6 forms), and Proofs of Beneficial Use, (UW8 forms) along with the required Maps to accompany said forms have been submitted to the State Engineer's Office. The Maps are they same maps as the domestic wells. I have reviewed copies of the forms and maps supplied by Jorgensen Associates and they appear to be technically correct, list the uses of the wells and are in a format acceptable to the State Engineer's Office. These well filings would be reviewed and field inspected as stated for the domestic wells above. Based on my review, and conversations with the State Engineer's Office, I also would not expect anything more than minor corrections. I would expect the Groundwater Department to field inspect all four wells at the same time.

SURFACE WATER RIGHTS FILINGS:

The original adjudicated surface water rights along with adjudicated supplemental surface water rights attached to the lands in question were as follows:

The Selar Cheney Appropriation through the Wilson Ditch, Permit No. 1359, diverting from Flat Creek, with priority of November 9, 1896 and with supplemental supply from the J. Fleming Cheney appropriation through the Enlarged South Supply Ditch, Permit No. 4800E, diverting from the Gros Ventre River, with priority of January 22, 1932.

The Selar Cheney Appropriation through the Wilson & Cheney Ditch, Permit No. 3713, diverting from Flat Creek, with priority of January 10, 1902, as changed by petition to the Wilson Ditch, Permit No. 1359 and with supplemental supply from the J. Fleming Cheney appropriation through the Enlarged South Supply Ditch, Permit No. 4800E, diverting from the Gros Ventre River, with priority of January 22, 1932.

The Selar Cheney Appropriation through the Wilson & Cheney Ditch, Permit No. 3713, diverting from Flat Creek, with priority of January 10, 1902 and with supplemental supply from the J. Fleming Cheney appropriation through the Enlarged South Supply Ditch, Permit No. 4800E, diverting from the Gros Ventre River, with priority of January 22, 1932.

These three appropriations for original supply and the appropriation for supplemental supply have all been affected by the subdivisions of Melody Ranch. The changes that have occurred or are in the process of occurring by Petition to the State Board of Control are as follows:

Petitions to the State Board of Control for changes of type of use, changes of place of use and voluntary abandonment of portions of the appropriations listed above and of portions of other appropriations not a part of this review.

These petitions specifically request the Board of Control to voluntarily abandon surface water rights on all the residential lots and under the roadway lots of the subdivisions and the areas inundated by the reservoirs. These abandonments are required by State Statute if surface water is not to be distributed to the lots. The petitions also specifically request the Board of Control to make changes to the Place of use and the Type of use in the appropriations as follows:

The Selar Cheney Appropriation through the Wilson Ditch, Permit No. 1359.

Changes 8.67 acres of surface irrigation rights on recreation lots to supply Melody Upper Ranch No. 11 thru No. 15 Reservoirs, Permit Nos. 12773R thru 12777R.
Affected recreation lots are as follows:

Lot 164 – 1.27 acres
Lot 197 – 0.72 acres
Lot 209 – 1.51 acres
Lot 208 – 2.65 acres
Lot 162 – 2.52 acres

17.23 acres of surface water irrigation rights on recreational lots and exaction Lot 9, will be unaffected by these petitions.

The Selar Cheney Appropriation through the Wilson & Cheney Ditch, Permit No. 3713, as changed to the Wilson Ditch, Permit No. 1359.

Changes 12.33 acres of surface irrigation rights on recreation lots to supply Melody Upper Ranch No. 11 thru No. 15 Reservoirs, Permit Nos. 12773R thru 12777R.
Affected recreation lots are as follows:

- Lot 33 - 6.72 acres
- Lot 34 - 1.52 acres
- Lot 72 - 1.96 acres
- Lot 136 - 0.14 acres
- Lot 137 - 1.99 acres

No surface water irrigation rights in this appropriation as changed to the Wilson Ditch are unaffected by these petitions.

The Selar Cheney Appropriation through the Wilson & Cheney Ditch, Permit No. 3713.

Changes 4.20 acres of surface irrigation rights on Agricultural Lot 17 to supply Melody Upper Ranch No. 8 thru No. 10 Reservoirs, Permit Nos. 12770R thru 12772R.

21.84 acres of surface water irrigation rights on recreational and agricultural lots will be unaffected by these petitions.

The J. Fleming Cheney Appropriation through the Enlarged South Park Supply Ditch, Permit No. 4800E, for supplemental supply.

The Petitions voluntarily abandon and change the supplemental supply in the same manner and on the same lands as the original supply changes list above.

RESERVOIR SURFACE WATER RIGHTS FILINGS:

Melody Upper Ranch No. 8 Reservoir, Permit No. 12770R.

Melody Upper Ranch No. 9 Reservoir, Permit No. 12771R.

Melody Upper Ranch No. 10 Reservoir, Permit No. 12772R.

Melody Upper Ranch No. 11 Reservoir, Permit No. 12773R.

Melody Upper Ranch No. 12 Reservoir, Permit No. 12774R.

Melody Upper Ranch No. 13 Reservoir, Permit No. 12775R.

Melody Upper Ranch No. 14 Reservoir, Permit No. 12776R.

Melody Upper Ranch No. 15 Reservoir, Permit No. 12777R.

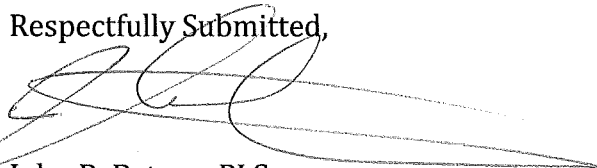
All of the reservoir filings listed above are currently unadjudicated, but are in good standing. The Surface Water Department of the State Engineer's Office has not completed a review of the filings and will probably require the petitions regarding supply be granted before doing so. I have reviewed the Maps to accompany the reservoir filings and they appear to be complete and in the required format. The State Engineer's Office will field check that they reservoirs are the size, shape, depth and volume shown on the maps.

Jedadiah Rockweiler of the State Board of Control has reviewed the petitions and Maps to accompany. His review found a couple of small map discrepancies and needed revisions, which are being corrected by Jorgensen Associates. They were also in need of some documentation authorizing David K. Larson and David Quinn to sign for Paul von Gontard and MRDN Corp. respectively. The main issue for the petitions to be considered is consent forms to be signed by the present owners. The Board has the Petitions on their agenda for consideration starting on their next scheduled meetings August 15th. They could consider the Petitions and make granting the Petitions contingent on receiving the consent signatures.

Based on my understanding of the intent of the H.O.A. Board and the lot owners concerning these water rights, I believe the surface and ground water rights filings and petitions as presented, correctly and completely reflect that intent. A review of the specific areas in the recreational, exaction and agricultural lots by the Board and their Maintenance Department concerning areas where surface water rights are being transferred to Reservoir Supply would be recommended. Copies of Maps, forms, petitions, etc.. are not attached to this review due to the fact that some of the minor revisions mentioned above had not yet been made, however sheet 2 of 3 of the Maps to accompany petitions shows the areas being transferred well. Let me know if I should send a copy.

Thank you for the opportunity to review your water rights filings. If you have any questions or concerns, please do not hesitate to call or write.

Respectfully Submitted,



John R. Batson, PLS
Project Manager