

STATE OF COLORADO

OFFICE OF THE STATE ENGINEER

Division of Water Resources
Department of Natural Resources

1313 Sherman Street, Room 818
Denver, Colorado 80203
Phone (303) 866-3581
FAX (303) 866-3589

www.water.state.co.us



Bill Owens
Governor
Greg E. Walcher
Executive Director
Hal D. Simpson, P.E.
State Engineer

June 16, 2003

ATTN: LINDSY CASE
COUNTY LINE ESTATES, LLC
& CASE HOLDINGS, LLC
102 E PIKES PEAK AVE STE 200
COLO SPGS CO 80903

RE: Determination of Water Right No. 4-BD

Enclosed is a copy of the Ground Water Commission's Findings and Order for change of determination of water right for Determination of Water Right No. 4-BD, to change the allowed beneficial uses of ground water under the subject determination.

This Findings and Order are the Commission's approval of the applicants' application request. This document contains important information about the subject water right and should be retained by the applicants for their records.

If you have any questions, please call me at this office.

Sincerely,

Richard Cooper
Physical Science Researcher Scientist
Designated Basins Branch

Enclosures: a/s

cc: Upper Black Squirrel Creek GWMD

**COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER**

IN THE MATTER OF AN APPLICATION FOR CHANGE OF WATER RIGHT TO CHANGE THE ALLOWED BENEFICIAL USE OF GROUND WATER - FOR DETERMINATION OF WATER RIGHT NO. 4-BD

APPLICANT: COUNTY LINE ESTATES, LLC & CASE HOLDINGS, LLC

AQUIFER: ARAPAHOE

FINDINGS

In compliance with Section 37-90-111(1)(g), CRS, County Line Estates, LLC, and Case Holdings, LLC, (hereinafter "applicants") submitted an application for a change of determination of water right to change the allowed beneficial use of ground water under Determination of Water Right No. 4-BD. Based upon information provided by the applicants and the records of the Division of Water Resources, the Ground Water Commission finds as follows:

1. Pursuant to Section 37-90-107(7), CRS, in a Ground Water Commission Findings and Order dated February 2, 1999, the Commission approved a Determination of Water Right for Joe Davis, assigned Determination No. 4-BD. This determination of water right allows the appropriation of ground water from the Arapahoe (hereinafter "aquifer"), underlying 360 acres, generally described as the NE1/4 of the NE1/4, the S1/2 of the NE1/4, the N1/2 of the SW1/4, and the SE1/4 of Section 3, Township 14 South, Range 64 West of the 6th Principal Meridian. This area is more completely described in Exhibit A of the above described Findings and Order.
2. In accordance with the above Order, the allowed average annual amount of ground water to be withdrawn from the aquifer shall not exceed 104 acre-feet, to be used on the above described 360 acre area for the following beneficial uses: industrial, commercial, irrigation and central water supply system.
3. Pursuant to Section 37-90-107(7)(c)(III), CRS, an approved determination of water right shall be considered a final determination of the amount of ground water so determined, subject to adjustment by the Commission to conform to actual site-specific aquifer characteristics.
4. By an application for change of determination of water right - received complete by the Commission on April 26, 2002 - the applicants have requested to change the allowed beneficial uses in the subject determination of water right to the following: industrial, commercial, residential, stock watering, and replacement supply. A central water supply system may deliver the water on the above described property for the above uses.
5. The above described 360 acre land area is located in the Upper Black Squirrel Creek Designated Ground Water Basin and within the Upper Black Squirrel Creek Ground Water Management District. The Ground Water Commission has jurisdiction.
6. The applicants have provided evidence to the Commission indicating their control of the subject determination of water right.

Applicants: County Line Estates, LLC & Case Holdings, LLC
Aquifer: Arapahoe
Determination No. 4-BD

Page 2

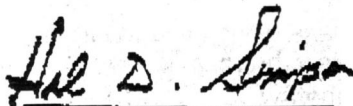
7. On October 16, 2002, a letter was sent to the Upper Black Squirrel Creek Ground Water Management District requesting recommendations concerning this application. Written recommendations from the district were received on November 14, 2002, in the form of an objection.
8. In accordance with Section 37-90-112(1) and Section 37-90-111(1)(g), CRS, the requested change of determination water right was advertised in The Gazette newspaper on October 24 and 31, 2002.
9. a. On November 14, 2002, an objection to the application was received from the Upper Black Squirrel Creek Ground Water Management District ("objector"), and assigned Case No. 02-GW-23. No other objection to the proposed change was received within the time limit set by statute.

b. On April 4, 2003, the objector withdrew their objection to the application. By Order of the Commission Hearing Officer dated April 18, 2003, Case No. 02-GW-23 was dismissed.
10. In accordance with Section 37-90-111(1)(g), CRS, and the Designated Basin Rules, the Colorado Ground Water Commission finds that the proposed change of determination of water right will not cause material injury to the existing rights of other appropriators within the Upper Black Squirrel Creek Designated Ground Water Basin, subject to the conditions stated in the following Order.


ORDER

11. Now, therefore, it is ordered that the request for change of water right to change the allowed beneficial uses of ground water for Determination of Water Right No. 4-BD is approved, subject to the following conditions:
12. The use of ground water shall be limited to the following uses: industrial, commercial, residential, stock watering, and replacement supply. A central water supply system may deliver the water on the 360 acre described property for the above uses.
13. The Commission's Findings and Order of February 2, 1999, for Determination of Water Right No. 4-BD, is hereby amended to incorporate the above change. All other terms and conditions in the Findings and Order for Determination of Water Right No. 4-BD shall remain in full force and effect.

Dated this 16th day of June, 2003.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission


By: _____
Richard Cooper
Physical Science Researcher Scientist
Designated Basins Branch

STATE OF COLORADO

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June 16, 2003

Bill Owens
GovernorGreg E. Walcher
Executive DirectorHal D. Simpson, P.E.
State EngineerATTN: LINDSY CASE
COUNTY LINE ESTATES, LLC
& CASE HOLDINGS, LLC
102 E PIKES PEAK AVE STE 200
COLO SPGS CO 80903**RE: Permit to Change/Expand Use of an Existing Well**

Enclosed is a copy of well Permit No. 59754-F, issued to use an existing well to withdraw ground water from the Arapahoe aquifer in accordance with the Colorado Ground Water Commission's Findings and Order for Determination of Water Right No. 4-BD, dated February 2, 1999. This permit also incorporates changes in the determination approved by the Commission in a Findings and Order dated June 16, 2003.

Please review the permit conditions of approval. Permit condition #10 requires that a totalizing flow meter be installed on the well and maintained in good working order. The well owner must maintain a permanent record of total annual withdrawals for the well. The total combined annual withdrawal for this well, together with any other wells permitted to withdraw the allowed allocation, shall not exceed 104 acre-feet - subject to the withdrawal limitations and conditions in the above described February 2, 1999, Order of the Commission.

At time of first use of the well under this permit, the enclosed Notice of Commencement of Beneficial Use must be completed and filed with this office.

Approval of this permit results in cancellation of the previous permit for the well, Permit No. 51398-F.

Be advised that the proposed use of well indicated in the well permit application as "irrigation" is not a specific use stated in the allowed beneficial uses approved in the above Order of the Commission dated June 16, 2003, and is not indicated in the approved permit. You are hereby notified that you have the right to appeal this amendment of the application and issuance of the above well permit by filing a written request with this office within 30 days of the date of this letter, pursuant to Section 37-90-113 and 37-90-114, C.R.S., and the rules of procedure for adjudicatory hearings before the Ground Water Commission. If you have any questions, please call me at this office.

Sincerely,

Richard Cooper
Physical Science Research Scientist
Designated Basins BranchEnclosures: a/s
cc: Upper Black Squirrel Creek GWMD

Form No. GWS-25

OFFICE OF THE STATE ENGINEER COLORADO DIVISION OF WATER RESOURCES

818 Centennial Bldg., 1313 Sherman St., Denver, Colorado 80203 (303) 866-3581

LIC

WELL PERMIT NUMBER 59754 -F- DIV. 8 WD 10 DES. BASIN 4 MD 12

APPLICANT

COUNTY LINE ESTATES, LLC CASE HOLDINGS, LLC 102 E PIKES PEAK AVE STE 200 COLORADO SPRINGS, CO 80903-

(719) 338-1515

APPROVED WELL LOCATION

EL PASO COUNTY SE 1/4 NE 1/4 Section 3 Township 14 S Range 64 W Sixth P.M.

DISTANCES FROM SECTION LINES

1530 Ft. from North Section Line 1180 Ft. from East Section Line

UTM COORDINATES

Northing: Easting:

CHANGE/EXPANSION OF USE OF AN EXISTING WELL

CONDITIONS OF APPROVAL

- 1) This well shall be used in such a way as to cause no material injury to existing water rights. The issuance of this permit does not assure the applicant that no injury will occur to another vested water right or preclude another owner of a vested water right from seeking relief in a civil court action.
2) The construction of this existing well shall be in compliance with the Water Well Construction Rules 2 CCR 402-2, unless approval of a variance has been granted by the State Board of Examiners of Water Well Construction and Pump Installation Contractors in accordance with Rule 18.
3) Approved to use an existing well pursuant to Section 37-90-107(7), CRS, and the Findings and Orders of the Colorado Ground Water Commission, dated February 2, 1999, and June 16, 2003, for Determination of Water Right No. 4-BD.
4) The maximum pumping rate of this well shall not exceed 82 GPM.
5) The annual withdrawal of ground water from this well shall not exceed 104 acre-feet, subject to the total annual withdrawal limitations and conditions in paragraphs 18, 19, and 22.e of the above described Order of the Commission, dated February 2, 1999.
6) The use of ground water from this well is limited to: industrial, commercial, residential, stock watering, and replacement supply. A central water supply system may deliver the water for these uses. Place of use shall be limited to the 360 acre land area described in the above Order of the Commission, dated February 2, 1999.
7) This existing well must be constructed to withdraw water from only the Arapahoe aquifer.
8) The owner shall mark the well in a conspicuous place with well permit number and name of aquifer as appropriate, and shall take necessary means and precautions to preserve these markings.
9) This well shall be constructed within 200 feet of the location specified on this permit, on land claimed in the above Orders. The well shall not be located within 600 feet of another large-capacity well completed in the Arapahoe aquifer.
10) A totalizing flow meter must be installed on the well and maintained in good working order. Permanent records of all diversions must be maintained by the well owner (collected at least annually) and submitted to the Ground Water Commission or the Upper Black Squirrel Creek Ground Water Management District upon request.
11) At least four percent (4%) of the amount of water withdrawn annually must be returned to the uppermost aquifer in the vicinity of the well.
12) The well was originally used under permit no. 51398-F. Issuance of this permit hereby cancels permit no. 51398-F.

NOTE: The ability of this well to withdraw its authorized amount of water from this non-renewable aquifer may be less than the 100 years upon which the amount of water in the aquifer is allocated, due to anticipated water level declines.

NOTE: This well is located within a Ground Water Management District where local District Rules may apply to the withdrawal of designated ground water currently authorized under this permit.

APPROVED RAC

Handwritten signature of State Engineer

State Engineer

Handwritten signature of official

By

Receipt No. 0483585B

DATE ISSUED 06-16-2003

EXPIRATION DATE 06-16-2004

ORDER OF THE COLORADO GROUND WATER COMMISSION

IN THE MATTER OF WELL PERMIT NO. 51398-F

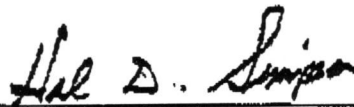
LOCATION: SE1/4 OF THE NE1/4 OF SECTION 3, TOWNSHIP 14 SOUTH, RANGE 64
WEST OF THE 6TH PRINCIPAL MERIDIAN

OWNER OF RECORD: COUNTY LINE ESTATES, LLC & CASE HOLDINGS, LLC


The Colorado Ground Water Commission finds that:

1. Well permit no. 51398-F was issued by the Commission on February 26, 1999, for use of an existing well. The permit was approved in accordance with the Findings and Order of the Commission, dated February 2, 1999, for Determination of Water Right No. 4-BD. A well completion report filed with the Commission indicates that the well was constructed to withdraw ground water from the Arapahoe aquifer at its permitted location.
2. On April 26, 2002, County Line Estates, LLC & Case Holdings, LLC ("applicants"), submitted an application to re-permit and change the use of the well with permit no. 51398-F. As an attachment to their application, the applicants also provided a statement requesting to cancel permit no. 51398-F upon issuance of the new well permit.
3. On June 16, 2003, a new permit was issued to use the subject well, permit no. 59754-F. In accordance with the conditions of this new permit, well permit no. 51398-F is hereby cancelled and is of no further force or effect.

Dated this 16th day of June, 2003.



Hal D. Simpson
Executive Director
Colorado Ground Water Commission



By: _____
Richard Cooper
Physical Science Researcher Scientist
Designated Basins Branch



Wm. CURTIS WELLS & CO. / consulting geologists
13842 legend way #101 / broomfield, co 80020
telephone (303) 466-3801 / fax 465-5859

Red. 8/20/03

August 18, 2003

Mr. Karl Andrews
102 East Pikes Peak Avenue, Suite 200
Colorado Springs, CO 80903

Re: Davis Ranch Arapahoe Well Production Test, El Paso County, Colorado.
Job No. 5373

Dear Karl:

As you know AmWest Inc. set a test pump in the Davis Ranch Arapahoe well and conducted a 24-hour production test of the structure. For the test, a 25 horse power submersible pump was installed with its intake set at 818 feet below the ground surface and the pump discharge was determined with a flow meter. Water levels in the well were measured with an air line and pressure gauge. The pretest static water level was at 344 feet.

The 24-hour pumping test of the well started on August 13, 2003 at a discharge rate of 40 gallons per minute. This rate was maintained for 3 hours during which time the well water level declined to 513 feet. Pump discharge was then increased to 60 gallons per minute and this production rate was maintained through the end of the test. The final pumping water level was 621 feet below the ground surface. Once the pump was shut off the well water level recovered to within 90 feet of the pretest position in 1-1/2 hours. Table I is a listing of the water levels and production rates measured during the test.

The water produced during the test was clear and at a temperature of 70 degrees. Some small amount of sand was produced at the startup of the test.

If this well is to be used in the planned central water system, I suggest the permanent pump be designed to produce 50 gallons per minute. As shown on Table I, at the 60 gallons per minute production rate, the pumping water level was still slowly declining at the end of the test and, therefore, the 50 gallon per minute production is recommended. This pump should be capable of lifting this amount of water from a level of 700



feet plus whatever additional head is imposed by the distribution system. The pump intake should be set at 875 feet. Both the suggested pumping level and pump setting depth has been positioned to account for regional water level declines over the next five years. Pump discharge must be metered and with the pump two airlines and a pressure gauge should be installed to allow annual measurement of water levels. Also, a non-mechanical, "Dole" valve needs to be in the discharge line so that at no time can the pump discharge more than 50 gallons per minute.

As discussed in my August 8th memorandum, the casing perforations were moderate to highly encrusted. Before the permanent pump is set, the well should be acidized and wire brushed to clear the perforations. One hundred pounds of acid will be needed for this process.

Assuming 63 homeowners are provided water from the central system, the annual water needs would be 35 acre feet if each homeowner used 0.55 acre feet per year. If 15 percent of this supply is pumped in August, the peak month water demand would be about 40 gallons per minute. The subject well can produce this supply, however, for redundancy a second well must be considered.

I trust this information satisfies your immediate needs. If you have questions, please call.

Very truly yours,

Wm. Curtis Wells & Co.

Wm. Curtis Wells CPG
Consulting Ground Water Geologist

Table I
Davis Ranch Arapahoe Well

August 13, 2003

By: AmWest Inc.

Pump: 25hp

Pump Intake: 818 ft.

Airline Depth: 802 ft.

Time	PSI	Water Level (ft)	Draw-Down (ft)	Pump Discharge Rate (gpm)	Time	PSI	Water Level (ft)	Draw-Down (ft)	Pump Discharge Rate (gpm)
1745	198	344.62	0.00	0	1245	81	614.89	270.27	60
1746	177	393.13	48.51	40	1345	80	617.20	272.58	60
1747	170	409.30	64.68	40	1445	79	619.51	274.89	60
1748	166	418.54	73.92	40	1545	79	619.51	274.89	60
1749	161	430.09	85.47	40	1645	78	621.82	277.20	60
1750	159	434.71	90.09	40	1745	78	621.82	277.20	60
1751	156	441.64	97.02	40	Pump Off				
1752	154	446.26	101.64	40	1746	88	598.72	254.10	
1753	151	453.19	108.57	40	1747	98	575.62	231.00	
1754	149	457.81	113.19	40	1748	106	557.14	212.52	
1755	145	467.05	122.43	40	1749	110	547.90	203.28	
1757	143	471.67	127.05	40	1750	117	531.73	187.11	
1759	142	473.98	129.36	40	1751	121	522.49	177.87	
1802	141	476.29	131.67	40	1752	124	515.56	170.94	
1805	141	476.29	131.67	40	1753	127	508.63	164.01	
1807	140	478.60	133.98	40	1754	130	501.70	157.08	
1815	138	483.22	138.60	40	1755	132	497.08	152.46	
1825	136	487.84	143.22	40	1801	141	476.29	131.67	
1830	135	490.15	145.53	40	1803	143	471.67	127.05	
1835	135	490.15	145.53	40	1805	144	469.36	124.74	
1845	134	492.46	147.84	40	1810	146	464.74	120.12	
1855	151	453.19	108.57	40	1815	149	457.81	113.19	
1905	151	453.19	108.57	40	1845	157	439.33	94.71	
1915	150	455.50	110.88	40	1915	160	432.40	87.78	
1925	149	457.81	113.19	40					
1935	133	494.77	150.15	40					
1945	133	494.77	150.15	40					
2005	129	504.01	159.39	40					
2025	126	510.94	166.32	40					
2045	125	513.25	168.63	40					
2145	123	517.87	173.25	60					
2245	97	577.93	233.31	60					
2345	95	582.55	237.93	60					
45	92	589.48	244.86	60					
145	90	594.10	249.48	60					
245	88	598.72	254.10	60					
345	87	601.03	256.41	60					
445	86	603.34	258.72	60					
545	85	605.65	261.03	60					
645	84	607.96	263.34	60					
745	83	610.27	265.65	60					
945	83	610.27	265.65	60					
1045	82	612.58	267.96	60					
1145	81	614.89	270.27	60					
1245	81	614.89	270.27	60					



Wm. CURTIS WELLS & CO. / consulting geologists
13842 legend way #101 / broomfield, co 80020
telephone (303) 466-3801 / fax 465-6859

Red 8/11/03

MEMORANDUM

To: Karl Andrews
From: Curt Wells
Date: August 8, 2003
Subject: Davis Ranch Arapahoe Well
Cc: Scott Orr

Via Fax

Karl: On July 30, 2003, AmWest video logged the Davis Ranch Arapahoe well once they removed the small capacity pump in the well. I reviewed the log and except for poor water visibility between the 338-foot static water level and 554 feet, the casing appears intact to the logged depth of 933 feet below the ground surface. The original reported well depth was 940 feet, thus there is a minor amount of fill in the well.

The 6-5/8-inch diameter casing string contains mill-slotted perforations at various intervals reportedly starting at a depth of 395 feet. These slots were visible from about 555 feet to the bottom of the well. The slots were encrusted to a depth of about 765 feet and were less encrusted below this level. As the principal aquifer sands, as shown on the well's geophysical log, are below 765 feet, I have directed AmWest to conduct the 24-hour production test of the structure.

Due to the existing pitless adaptor at 6± feet which restricts the casing diameter, you have concurred that the pitless should be removed. This will allow a higher capacity test pump to be installed and I understand from AmWest, this should occur during the week of the August 11th.

Also, I have instructed AmWest not to reinstall the small pump once the test is completed. You should arrange to pick up the pump and store it out of the weather as it is still useable elsewhere.

If you have questions, please call. - Curt



Wm. CURTIS WELLS & CO. / *consulting geologists*
the ranch office commons, bldg 3, suite 102 / 2010 west 120th avenue
denver, colorado 80234 / telephone (303) 466-3801 / fax 465-5859

MEMORANDUM

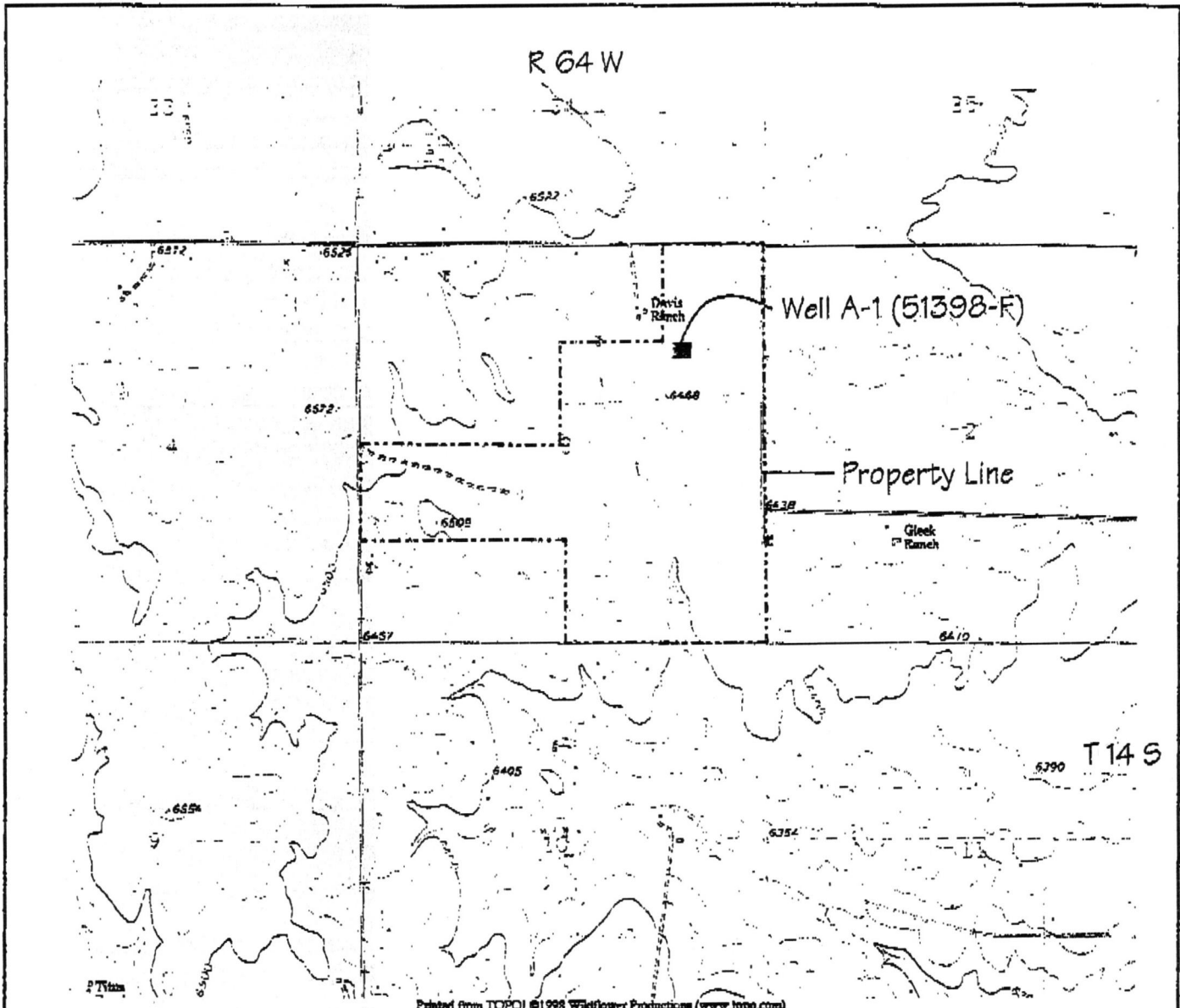
To: Scott Martin
AmWest Inc.
From: Curt Wells
Date: March 10, 2003
Subject: Davis Ranch Well A-1
Cc: Karl Andrews

Scott: I need a proposal for a well video log and a 24-hour production test of a 940-foot deep Arapahoe well. The well is southeast of Falcon at the approximate location shown on Figure-1. Well information is also attached.

There is currently a pump in this well that will have to be pulled and then the video log would be obtained. Unless the casing perforation are completely plugged, a 100± gallons per minute test pump should be set at about 900 feet. The well would be tested for 24 hours under my direction and then the existing pump will be reset.

Please provide a proposal addressed to Karl Andrews care of this office. I will forward the proposal to Karl for his authorization.

If you have questions, please call. - Curt



LOCATION MAP

Wm. Curtis Wells & Co.
consulting ground water geologists

Figure 1



Scale 1" = 2000'

FORM MUST BE SUBMITTED WITHIN 60 DAYS OF COMPLETION OF THE WORK DESCRIBED HEREON. TYPE OR PRINT IN BLACK INK.

COLORADO DIVISION OF WATER RESOURCES

1313 Sherman Street - Room 818
Denver, Colorado 80203

MAY 13 1986

WELL COMPLETION AND PUMP INSTALLATION REPORT

WATER RESOURCES
STATE ENGINEER
BOLD

PERMIT NUMBER _____ TEST HOLE _____

WELL OWNER M.L. PROPERTIES SE % of the NE % of Sec. 3
ADDRESS 5085 LIST DRIVE COLORADO SPRINGS, CO T. 14 S. , R. 64 W. 6TH F
DATE COMPLETED APRIL 27, 19 86

HOLE DIAMETER

8 3/4 in. from 0 to 940 ft.

6 1/4 in. from 940 to 1421 ft.

_____ in. from _____ to _____ ft.

DRILLING METHOD ROTARY

CASING RECORD: Plain Casing

Size _____ & kind _____ from _____ to _____

SEE ATTACHED!

Size _____ & kind _____ from _____ to _____

Size _____ & kind _____ from _____ to _____

Perforated Casing

Size _____ & kind _____ from _____ to _____

SEE ATTACHED!

Size _____ & kind _____ from _____ to _____

Size _____ & kind _____ from _____ to _____

GROUTING RECORD

Material CEMENT

Intervals 386' TO GROUND LEVEL

Placement Method PUMPED

*NOTE-CEMENT PLUG SET FROM 940' TO 1015'

GRAVEL PACK: Size N/A

Interval N/A

TEST DATA

Date Tested MAY 6 & 7, 1986

Static Water Level Prior to Test 390

Type of Test Pump SUBMERSIBLE

Length of Test 24 HOURS

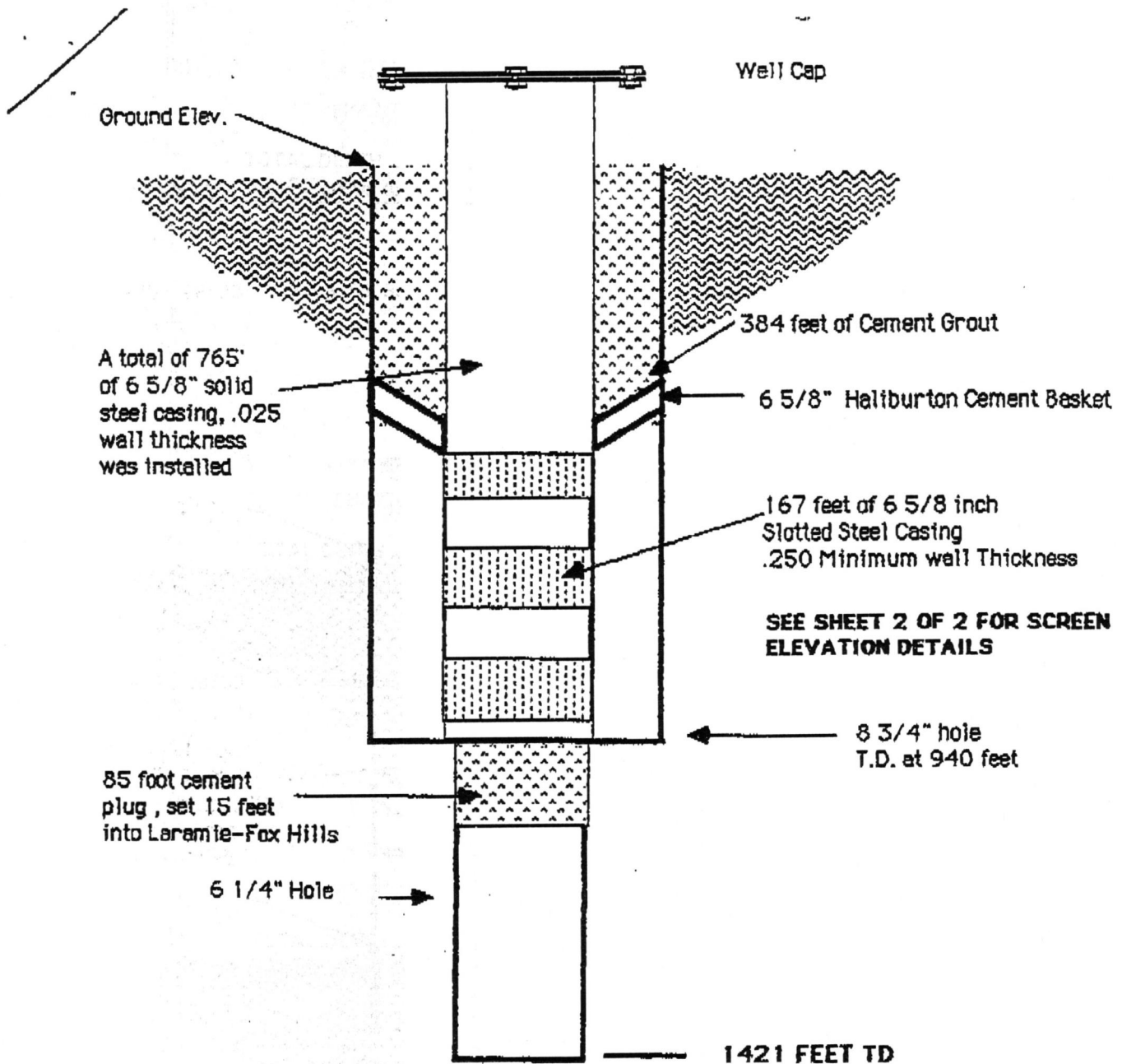
Sustained Yield (Metered) 82.3 GPM

Final Pumping Water Level 753

WELL LOG

From	To	Type and Color of Material	Water Loc.
		PLEASE SEE ATTACHED SHEET FOR THIS INFORMATION!	
		<i>western well was last 1 1/2 through to the end of 1988.</i>	
		<i>right c. 12.8.97</i>	
		TOTAL DEPTH <u>1421'</u>	

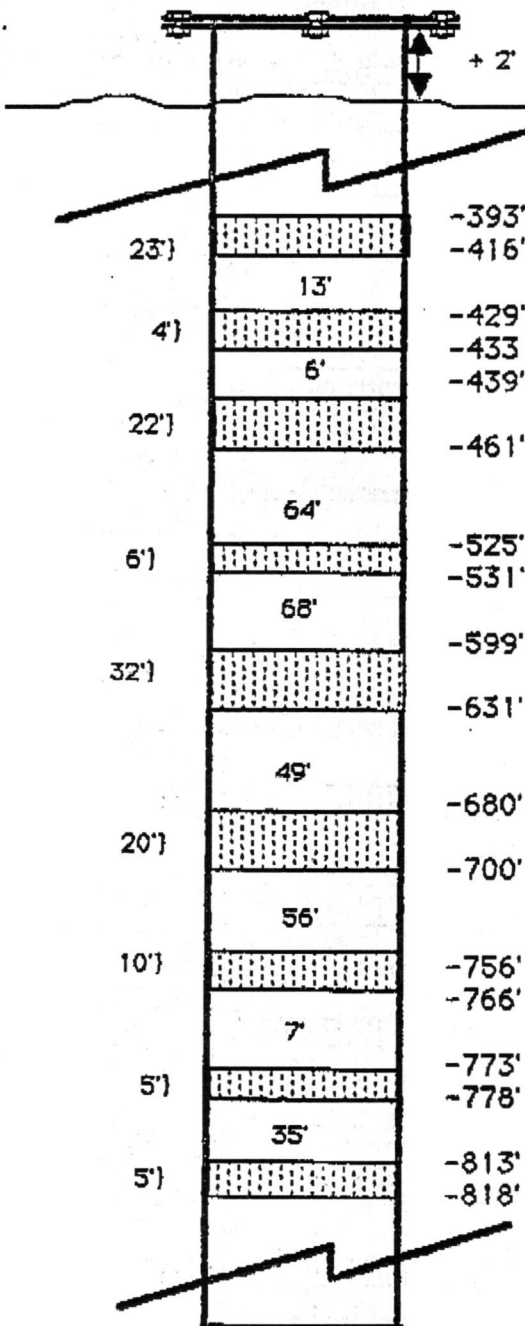
Use additional pages necessary to complete log.



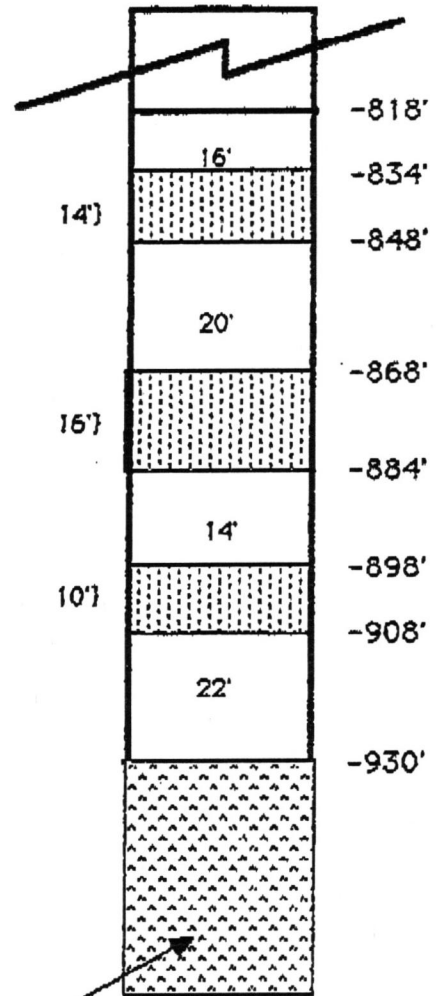
NOT - TO - SCALE

Note: All Measurements are referenced from the existing ground surface.

Western Well Drilling, Inc. 503-288-2247 HENDERSON, CO JOB NO	OWNER M L Properties			
	PROJECT Areospace Center		SITE: TH --#3	
	ENGINEER KKBNA		PROJ NO	
	DATE 4-28-86	REV	BY TRB	SHEET 1 OF 2
	As-built Well Construction			



Note: All Measurements are referenced from the existing ground surface.



A 85 foot cement plug set from 930' to 1015'

NOT - TO - SCALE

Western Well Drilling, Inc. 303-288-2247 HENDERSON, CO JOB NO	OWNER M L Properties			
	PROJECT Areospace Center		SITE: TH -#3	
	ENGINEER KKBNA		PROJ NO	
	DATE 4-28-86	REV	BY TRB	SHEET 2 OF 2
	As-built Well Construction			

4-BD
EXHIBIT - A

RECEIVED

LANDOWNERSHIP STATEMENT

JAN 2 1988

STATE OF COLORADO
COUNTY OF EL PASO

I Joe Davis, whose mailing address is 13630 Pueblo, Peyton, CO 80831, claim and say that I am the owner of the following described property consisting of 360 acres situated in El Paso County, Colorado:

Northeast Quarter of the Northeast Quarter, South One-Half of the Northeast Quarter, North One-Half of the Southwest Quarter and Southeast Quarter of Section 3, Township 14 South, Range 64 West:

and that the ground water sought to be withdrawn from the not non tributary Arapahoe aquifer underlying the above-describe land has not been conveyed or reserved to another, nor has consent been given to it's withdrawal by another.

Further, I claim and say that I have read the statements made herein, know the contents hereof and that the same are true of my knowledge.

Joe Davis
Date 1-19-88

Aquifer depths at this location:

345 to 850'

Well drilled at 500 ft.

Drilled before 1972

Colo. Div. of Water Resources

*303-866-3587 Chris Gurnes
XT 8253*

4-BD
EXHIBIT - A

LANDOWNERSHIP STATEMENT

RECEIVED

JAN 23 1998

NATIONAL ARCHIVES
STATE ENGINEER

I Joe Davis, whose mailing address is 13630 Pueblo, Peyton, CO 80831, claim and say that I am the owner of the following described property consisting of 360 acres situated in El Paso County, Colorado;

Northeast Quarter of the Northeast Quarter, South One-Half of the Northeast Quarter, North One-Half of the Southwest Quarter and Southeast Quarter of Section 3, Township 14 South, Range 64 West:

and that the ground water sought to be withdrawn from the not non tributary Arapahoe aquifer underlying the above-describe land has not been conveyed or reserved to another, nor has consent been given to it's withdrawal by another.

Further, I claim and say that I have read the statements made herein, know the contents hereof and that the same are true of my knowledge.

Joe Davis
Date 1-19-98

FILED
SEP 13 1998
STATE ENGINEER

DAVIS RANCH WATER SUMMARY--Page 2

5. Attachments to this summary:

- a. Ground water investigation report, Wm. Curtis Wells and Co., revised May 30, 2002;
- b. Determination of Water Right No. 4-BD, dated Feb. 2, 1999;
- c. Change of Beneficial Use of Water Right 4-BD dated June 16, 2003;
- d. Letter from Office of State Engineer dated July 24, 2002;
- e. Special Warranty Deed regarding ownership of water rights;

October 1, 2003

SUBJECT: WATER RESOURCES SUMMARY AND UPDATE FOR DAVIS RANCH
Section 3, T.14 S., R.64 W. of the 6th P.M., El Paso County, CO

PRELIMINARY PLAN: (SP-02-016) Approved Sept. 11, 2003, by B.O.C.C.
for 63-lot residential subdivision;

1. Applicable Decreed Water Rights Available:

a. Determination of Water Right No. 4-BD:

- (1) Arapahoe aquifer;
- (2) Date: February 2, 1999;
- (3) Approved withdrawal: 104 AF/annum;
- (4) Beneficial uses: industrial, commercial, irrigation, and central water supply system;

b. Change of Water Right to change the allowed beneficial use of ground water for Determination of Water Right No. 4-BD;

- (1) Arapahoe aquifer;
- (2) Date of Change of Water Right: June 16, 2003;
- (3) Approved withdrawal: 104 AF/annum (same);
- (4) Beneficial uses: Changed to: industrial, commercial, residential, stock watering and replacement supply. A central water supply system may deliver the water on the 360 acre described property for the above uses.

2. Water Rights Ownership:

Per Warranty Deed dated April 12, 2002, and recorded May 1, 2002, at R.N. 202070244, El Paso County, CO, Determination of Water Right No. 4-BD and No. 111-BD are owned by County Line Estates LLC and Case Holdings LLC.

3. Annual water Requirement for Davis Ranch Development at full development:

63 lots (x) 0.55 AF per annum per lot = 34.65 AF per annum;
(0.27 AF for household, 0.25 AF for 4,300 Sq.Ft. of lawn watering,
and 0.03 AF for watering 2 horses)

This requirement of 34.65 AF per annum is the amount of annual water supply available from the Arapahoe aquifer per Determination of Water Right No. 4-BD in satisfaction of El Paso County's 300 year water supply requirement.

4. Annual water requirement for each Davis Ranch lot included in individual final plats processed at the County:

Each lot will be entitled to a deed to 0.55 AF per annum in the Arapahoe aquifer for individual Arapahoe wells for residential use.

DAVIS RANCH WATER SUMMARY--Page 2

5. Attachments to this summary:

- a. Ground water investigation report, Wm.Curtis Wells and Co., revised May 30, 2002;
- b. Determination of Water Right No. 4-BD, dated Feb. 2, 1999;
- c. Change of Beneficial Use of Water Right 4-BD dated June 16, 2003;
- d. Letter from Office of State Engineer dated July 24, 2002;
- e. Special Warranty Deed regarding ownership of water rights;



Wm. CURTIS WELLS & CO. / *consulting geologists*
the ranch office commons, bldg 3, suite 102 / 2010 west 120th avenue
denver, colorado 80234 / telephone (303) 466-3801 / fax 465-5859

August 9, 2001
Revised: May 30, 2002

Mr. Karl Andrews
102 East Pikes Peak, Suite 200
Colorado Springs, CO 80903

Re: Ground Water Investigation, Davis Ranch, El Paso County, Colorado
Job No. 5124

Dear Karl:

At your request I have prepared this preliminary ground water report for the 360-acre Davis Ranch property. This irregular shaped parcel spans the Northeast Quarter of the Northeast Quarter, the South One-Half of the Northeast Quarter, the Southeast Quarter and the North One-Half of the Southwest Quarter of Section 3, Township 14 South, Range 64 West. I understand this property may be developed for about 63 single family homes on 5 acre sites. Individual wells will serve this proposed community and non- evaporative septic systems will be the method of wastewater disposal.

For this investigation I have reviewed my files and those of the State Engineer for geologic, ground water and well information in this area. Subsurface geohydrologic information was obtained from my geophysical log file and the State Engineer's aquifer computer data base. From this investigation, I conclude that (1) a sufficient supply of ground water can be appropriated from the Arapahoe aquifer to meet the 300-year water demand of this planned development and (2) the quality of the ground water in this aquifer should be adequate for domestic purposes.

GENERAL COMMENTS

The subject property, at a surface elevation of 6,500 feet above sea level, is located a mile north of Highway 94 along Curtis Road. The parcel, as shown on the attached Figure-1, slopes to the southeast and is drained by tributaries of the West Fork of Black Squirrel Creek.



The property is underlain by three of the four Denver Basin aquifers. In descending stratigraphic order these aquifers are the Denver, Arapahoe and Laramie Fox Hills formations. The base of these respective aquifers should be 370, 900 and 1,500 feet below the ground surface. All of the aquifers are known to produce ground water and typically in this region wells should yield 15, 50 and 120 gallons per minute from the three respective aquifers. The existing Arapahoe well, No. 51398-F was originally tested at a rate of 80 gallons per minute.

Ground water availability in each aquifer is computed by multiplying the area of the property by the formation saturated sand thickness, thence by specific yield (drainable porosity). Based on published aquifer information from the Colorado Division of Water Resources, I list on the table below estimates of ground water stored beneath this subject parcel.

Aquifer		Sand Thickness (ft)	Ground Water Storage (af)
Denver	NNT	105	6400
Arapahoe	NNT	170	10400
Laramie Fox Hills	NT	210	11300
Total			28100

The quality of the water produced from Arapahoe wells should be adequate for drinking purposes. Typically, ground water from this aquifer contains iron at or slightly higher concentrations than the drinking water standard. Until water quality testing can be accomplished, you should contemplate iron treatment of the water supply. Prior to final platting the project, the County will require a water quality analysis from the existing well.



WATER SUPPLY DEVELOPMENT

All of the above described aquifers receive very little surface water recharge, hence the water resource has been identified as "non-renewable". The El Paso County Commissioners, in the late 1980's, declared that developments using this water must demonstrate a 300-year supply in order to establish water supply sufficiency.

For this proposed development I estimate each homeowner would use 0.55 acre feet per year. The in-house use would be about 0.27 acre feet per year and the remaining water would be sufficient for the irrigation of about 4,300 square feet of lawn or garden and the watering of two horses. The 63 homes, therefore, would need about 34.7 acre feet per year or 10,400 acre feet over 300 years. The 300-year supply, equals the Arapahoe aquifer ground water storage, thus the water supply should be sufficient for subdivision purposes.

The Arapahoe ground water can be appropriated from either the existing well No. 51398-F or any number of additional wells according to the Determination of Water Rights, 4-BD, issued by the Colorado Ground Water Commission on February 26, 1999. A copy of the Determination is attached. The Determination approved the use of the Arapahoe aquifer for industrial, commercial, irrigation and a central water supply system (domestic) provided four percent (1.4 acre feet per year) of the water is returned to the upper most aquifer. This requirement is imposed since the Arapahoe aquifer at this location is considered non-tributary (NNT). For this development septic system return flows should approximate 15 acre feet per year, thus this Determination requirement should be easily fulfilled.

I understand that you have applied to correct the Determination language to read residential supply rather than "central water supply system". This application was submitted to the Commission in April in part to re-permit the existing well for domestic use and thus this structure could be used as one of the 63 wells on this property.

Normally, a 900-foot deep Arapahoe domestic well should cost about \$12 per foot or \$10,800. Pumping equipment should add \$3,000.



RECOMMENDATIONS

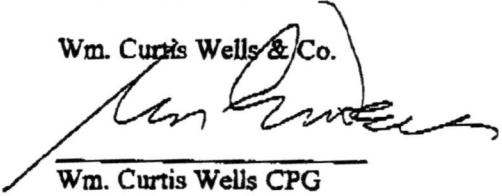
- (1) In developing this property the plat map should illustrate specific on-lot well sites so that all of the proposed Arapahoe wells can be evenly spaced.
- (2) Before final platting, the existing Arapahoe well should be tested to obtain water samples that can be chemically analyzed to verify water supply sufficiency in terms of water quality.

Professional judgements have been expressed in this report. They are based on my understanding of the project and my experience with the aquifers in this area. Well drilling and testing will be necessary to verify my preliminary opinions on well yield and water quality.

I trust this information satisfies your immediate needs. If you have questions, please call.

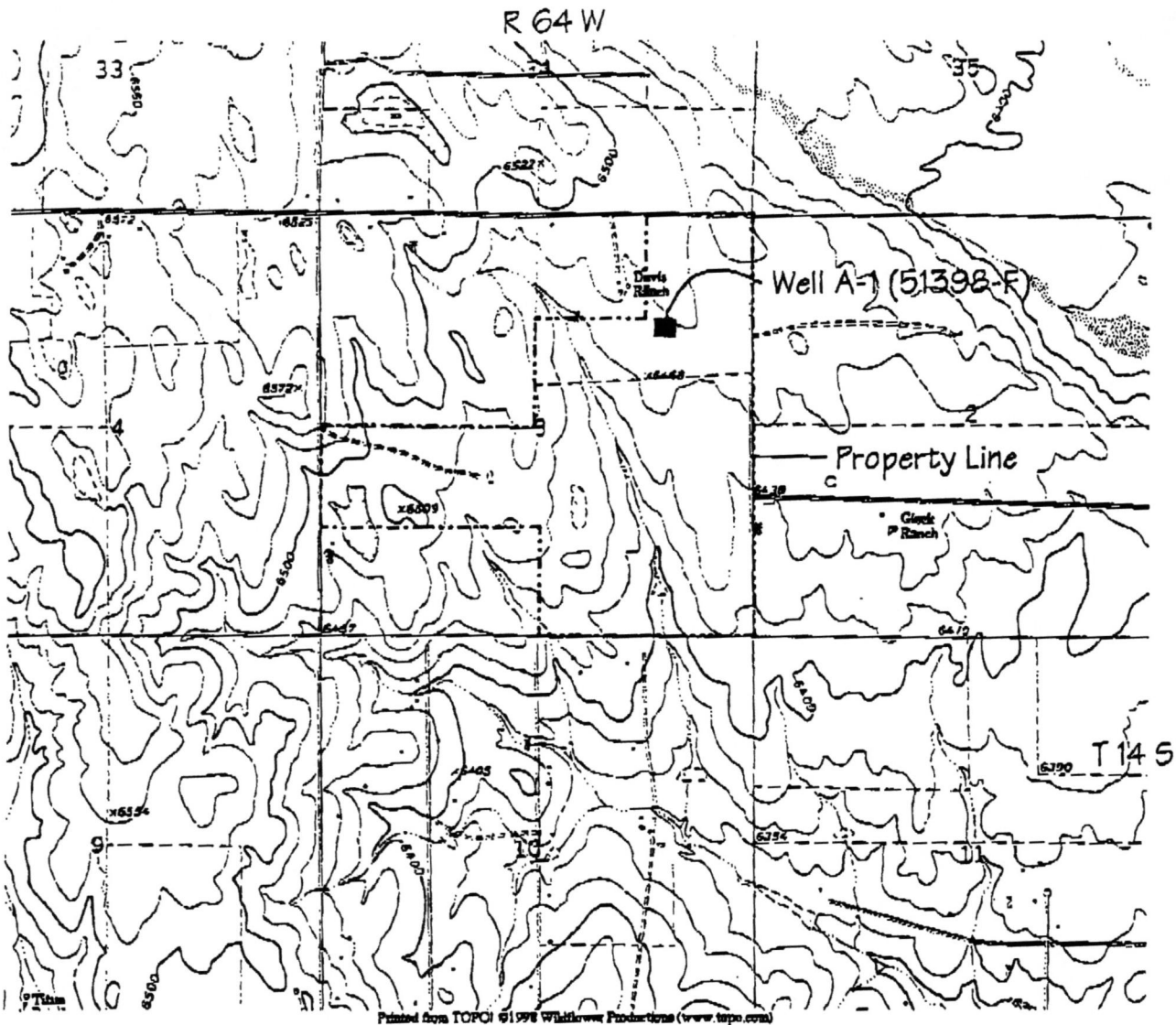
Very truly yours,

Wm. Curtis Wells & Co.



Wm. Curtis Wells CPG
Consulting Ground Water Geologist

(2-copies sent)
cad master



Scale 1" = 2000'

LOCATION MAP

Wm. Curtis Wells & Co.
consulting ground water geologists

Figure 1

**COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER**

IN THE MATTER OF AN APPLICATION FOR DETERMINATION OF WATER RIGHT TO ALLOW THE APPROPRIATION OF GROUND WATER IN THE UPPER BLACK SQUIRREL CREEK DESIGNATED GROUND WATER BASIN.

APPLICANT: JOE DAVIS

Robert C. Balink El Paso Cty, CO

07/10/2003 02:41

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AQUIFER: ARAPAHOE

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DETERMINATION NO.: 4-BD

In compliance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, Joe Davis (hereinafter "applicant") submitted an application for determination of water right to allow the appropriation of ground water from the Arapahoe Aquifer.

FINDINGS

1. The application was received complete by the Ground Water Commission on September 16, 1998.
2. The applicant proposes to appropriate ground water from the Arapahoe Aquifer (hereinafter "aquifer") underlying 360 acres, generally described as the NE1/4 of the NE1/4, the S1/2 of the NE1/4, the N1/2 of the SW1/4 and the SE1/4 of Section 3, Township 14 South, Range 64 West of the 6th Principal Meridian. According to a signed statement dated January 19, 1998, the applicant owns the 360 acres of land, as further described in said affidavit which is attached hereto as Exhibit A, and claims the ownership or control of the ground water in the aquifer underlying this property.
3. The proposed annual appropriation is the maximum allowable amount. Any wells permitted to divert ground water from the aquifer would have a maximum pumping rate of 82 g.p.m.
4. The land area overlying the ground water claimed by the applicant is located within the boundaries of the Upper Black Squirrel Creek Designated Ground Water Basin and Ground Water Management District. The Ground Water Commission has jurisdiction.
5. The applicant proposes to apply the appropriated ground water to the following beneficial uses: industrial, commercial, irrigation and central water supply system.
6. The quantity of water in the aquifer underlying the 360 acres of land claimed by the applicant is 10404 acre-feet. This determination was based on the following as specified in the Designated Basin Rules:
 - a. The average specific yield of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 17 percent.

Recorder Note: Copy

Applicant: Jce Davis

Aquifer: Arapahoe

Determination No.:

4-3D

Page 2

- b. The average thickness of the saturated permeable material of the aquifer underlying the land under consideration that could yield a sufficient quantity of water that may be extracted and applied to beneficial use is 170 feet, based on staff analysis of a geophysical log for a monitoring/observation hole drilled within the claimed property in the SE1/4 of the NE1/4 of Section 3, Township 14 South, Range 64 West of the 6th P.M., MH-11073.
7. At this time, there is no substantial artificial recharge which would affect the aquifer within a one hundred year period.
 8. Pursuant to Section 37-90-107(7), C.R.S., and in accordance with the Designated Basin Rules, the Colorado Ground Water Commission shall allocate ground water from the aquifer based on ownership of the overlying land and an aquifer life of one hundred years. Therefore, the maximum annual appropriation which could be allowed pursuant to the data in the paragraphs above for the acres owned by the applicant is 104 acre-feet.
 9. The ability of wells permitted to withdraw the authorized amount of water from this non-renewable aquifer may be less than the one hundred years upon which the amount of water in the aquifer is allocated, due to anticipated water level declines.
 10. Based on analysis of data in the records of the State Engineer's office, in accordance with the Designated Basin Rules, it has been determined that withdrawal of ground water from the aquifer underlying the land claimed by the applicants will, within one hundred years, deplete the alluvium or flow of a natural stream at an annual rate greater than one-tenth of one percent of the annual rate of withdrawal and therefore the ground water is considered to be not-nontributary ground water. Also, the location of the land claimed by the applicants is more than one mile from any point of contact between any natural surface stream, including it's alluvium, and the aquifer. Therefore, the Designated Basin Rules require that at least four percent (4%) of the amount of water withdrawn annually must be returned to the uppermost aquifer in the vicinity of the permitted point or points of withdrawal.
 11. A review of the records of the Ground Water Commission has disclosed that none of the water in the aquifer underlying the land claimed by the applicant has been previously appropriated.
 12. In accordance with Section 37-90-107(7), C.R.S., upon Commission approval of a determination of water right, well permits for wells to withdraw the authorized amount of water from the aquifer shall be available upon application, subject to the conditions of this determination and subject to approval by the Commission.
 13. On October 13, 1998, a letter was sent to the Upper Black Squirrel Creek Ground Water Management District requesting recommendations concerning this application. No written recommendations from the district were received.
 14. The Commission Staff has evaluated the application relying on the claims to control of the ground water in the aquifer made by the applicant.

Aquifer: Arapahoe
Determination No.: BD

15. In accordance with Sections 37-90-107(7) and 37-90-112, C.R.S., the application was published in The Gazette newspaper on October 22 and 29, 1998.
16. No objections to the determination of water right and proposed appropriation of ground water were received within the time limit set by statute.
17. In order to prevent injury to the existing water rights of others within the Upper Black Squirrel Creek Designated Ground Water Basin it is necessary to impose conditions on the determination of water right and proposed appropriation of ground water. Under conditions as stated in the following Order, no unreasonable impairment of existing water rights will occur from approval of this determination of water right and the issuance of well permits to construct wells to withdraw the authorized amount of water from the aquifer.

ORDER

In accordance with Section 37-90-107(7), C.R.S., and the Designated Basin Rules, 2 CCR 410-1, the Colorado Ground Water Commission orders that the application for determination of water right to allow the appropriation of ground water from the Arapahoe Aquifer underlying 360 acres of land, generally described as the NE1/4 of the NE1/4, the S1/2 of the NE1/4, the N1/2 of the SW1/4 and the SE1/4 of Section 3, Township 14 South, Range 64 West of the 6th Principal Meridian, is approved subject to the following conditions:

18. The allowed average annual amount of water to be withdrawn from the aquifer shall not exceed 104 acre-feet. The allowed maximum annual amount of withdrawal may exceed the allowed average annual amount of withdrawal as long as the total volume of water withdrawn does not exceed the product of the number of years since the date of approval of this determination times the allowed average annual amount of withdrawal.
19. To conform to actual aquifer characteristics, the Commission may adjust the allowed average annual appropriation based on analysis of geophysical logs or other site specific data if such analysis indicates that the initial estimate of the volume of water in storage was incorrect.
20. At least four percent (4%) of the amount of water withdrawn annually must be returned to the uppermost aquifer in the vicinity of the permitted point or points of withdrawal.
21. The use of ground water from this appropriation shall be limited to the following uses: industrial, commercial, irrigation and central water supply system. The place of use shall be limited to the above described 360 acre land area.
22. Subject to the above conditions, well permits for wells to withdraw the authorized annual amount of water from the aquifer shall be available upon application subject to approval by the Commission and the following conditions:
 - a. The wells shall be located on the above described 360 acre land area.

Aquifer: Arapahoe
Determination No.: 4-BD

b. The wells must be constructed to withdraw water from only the Arapahoe Aquifer. Upon application for a well permit to construct such a well, the estimated top and base of the aquifer at the proposed well location will be determined by the Commission and indicated on the approved well permit. Plain non-perforated casing must be installed, grouted and sealed to prevent diversion of ground water from other aquifers and the movement of ground water between aquifers.

c. The entire depth of each well must be geophysically logged prior to installing the casing as set forth in Rule 9 of the Statewide Nontributary Ground Water Rules, 2 CCR 402-7.

d. Each well shall be constructed within 200 feet of the location specified on the individual permit application and approved well permit, but must be more than 600 feet from any existing large-capacity well completed in the same aquifer.

e. The wells may withdraw the allowed average annual amount of water from the aquifer together in any combination.

f. The maximum pumping rate of each well shall not exceed 82 g.p.m.

* g. A totalizing flow meter shall be installed on each well and maintained in good working order by the well owner. Annual diversion records shall be collected and maintained by the well owner and submitted to the Commission or the Upper Black Squirrel Creek Ground Water Management District upon their request.

h. The well owner shall mark the well in a conspicuous place with the permit number and the name of the aquifer. He shall take necessary means and precautions to preserve these markings.

Dated this 2nd day of FEBRUARY, 1999.

Hal D. Simpson

Hal D. Simpson
Executive Director
Colorado Ground Water Commission

By: *William H. Fronczak*

William H. Fronczak, P.E.
Supervisor - Designated Basins Branch

Prepared by: RAC

COLORADO GROUND WATER COMMISSION
FINDINGS AND ORDER

IN THE MATTER OF AN APPLICATION FOR CHANGE OF WATER RIGHT TO CHANGE THE
ALLOWED BENEFICIAL USE OF GROUND WATER - FOR DETERMINATION OF WATER
RIGHT NO. 4-BD

APPLICANT: COUNTY LINE ESTATES, LLC & CASE HOLDINGS, LLC

AQUIFER: ARAPAHOE

FINDINGS

In compliance with Section 37-90-111(1)(g), CRS, County Line Estates, LLC, and Case Holdings, LLC, (hereinafter "applicants") submitted an application for a change of determination of water right to change the allowed beneficial use of ground water under Determination of Water Right No. 4-BD. Based upon information provided by the applicants and the records of the Division of Water Resources, the Ground Water Commission finds as follows:

1. Pursuant to Section 37-90-107(7), CRS, in a Ground Water Commission Findings and Order dated February 2, 1999, the Commission approved a Determination of Water Right for Joe Davis, assigned Determination No. 4-BD. This determination of water right allows the appropriation of ground water from the Arapahoe (hereinafter "aquifer"), underlying 360 acres, generally described as the NE1/4 of the NE1/4, the S1/2 of the NE1/4, the N1/2 of the SW1/4, and the SE1/4 of Section 3, Township 14 South, Range 64 West of the 6th Principal Meridian. This area is more completely described in Exhibit A of the above described Findings and Order.
2. In accordance with the above Order, the allowed average annual amount of ground water to be withdrawn from the aquifer shall not exceed 104 acre-feet, to be used on the above described 360 acre area for the following beneficial uses: industrial, commercial, irrigation and central water supply system.
3. Pursuant to Section 37-90-107(7)(c)(III), CRS, an approved determination of water right shall be considered a final determination of the amount of ground water so determined, subject to adjustment by the Commission to conform to actual site-specific aquifer characteristics.
4. By an application for change of determination of water right - received complete by the Commission on April 26, 2002 - the applicants have requested to change the allowed beneficial uses in the subject determination of water right to the following: industrial, commercial, residential, stock watering, and replacement supply. A central water supply system may deliver the water on the above described property for the above uses.
5. The above described 360 acre land area is located in the Upper Black Squirrel Creek Designated Ground Water Basin and within the Upper Black Squirrel Creek Ground Water Management District. The Ground Water Commission has jurisdiction.
6. The applicants have provided evidence to the Commission indicating their control of the subject determination of water right.

Records Note: Copy

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