



Perkins Chase and
Dundy Counties
Headquarters In Imperial

Upper Republican
NATURAL RESOURCE DISTRICT

P.O. Box 1140
135 W. 5th St.
Imperial, NE 69033
Phone 308-882-5173
308-882-5584
FAX Number 308-882-4521

September 12, 2008

Brian Dunnigan, Acting Director
Nebraska Department of Natural Resources
PO Box 94676
301 Centennial Mall South, 4th Floor
Lincoln, NE 69509-4676

RECEIVED

SEP 16 2008

DEPARTMENT OF
NATURAL RESOURCES

Mr. Dunnigan:

Brian

The Upper Republican Natural Resources District has a transfer request before it in which allocation would be transferred upstream of the Swanson Divide. In the past my board has conditioned allocation transfers moving upstream across the Swanson divide based on the language in the settlement, III. A. 3. We have an application to transfer allocation before us that would retire existing uses in the Frenchman sub basin which is downstream of Swanson and use the allocation from the retired uses on existing irrigated acres in the above Swanson drainage. The application would also retire quick response acres on the mainstem upstream of Swanson Reservoir. Since those previous transfers, I have had conversations with both Directors Patterson and Bleed on this issue. Their opinions differed slightly, but neither thought that the language applied to allocation or certified acres, but rather only to the drilling of new wells. We now have another transfer request before us that crosses the Swanson Divide.

What does the language "not increase the level of development of wells" mean? Does that only refer to drilling of new wells or does it extend to increasing allocation on existing wells? I wouldn't think that it extends to increasing allocation on existing wells. If it did, it would not have required the unique language, but could have been stated with the consumptive use language defined in the settlement. In the event that it does extend to increasing allocations, we must consider that the conditions of declining allocations since the settlement could be such that an increase in allocation would not increase the allocation to be greater than the highest historical use prior to the settlement.

My board would like an opinion from the state on what the standard needs to be. If you would like to discuss further, please give me a call.

Sincerely,

Jasper Fanning
General Manager

Hate to see us go back to depletions

pivot on Frenchman - QR

well on Main Stem - Cap - in QR

NW Dundy Co - on or outside 10-50 line
existing well - increase allocation

If approved, it will all be under one owner
- contingent offer

February 12, 2008
36973 US Highway 6
Culbertson, NE 69024-8230

Dan Smith, Manager
Middle Republican NRD
220 Center Ave
POB 81
Curtis NE 69025

Dear Mr. Smith:

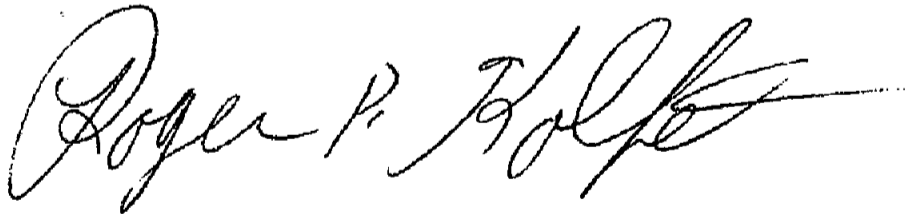
The Riverside Irrigation Company Inc. just recently conducted its annual meeting. At this meeting the board agreed that our company would be interested in a contract to sell our right to divert water for the 2008 irrigation season. We offer a bid of \$240,000 with no ground water pumping on the acres under water right with our canal. In order to accommodate our landowners, this contract would need to be finalized by April 15, 2008. A contract would be contingent upon approval of the Riverside Irrigation Co. landowners.

Our bid is based upon these figures:

Acre feet diverted: 2016 Acre feet.
Consumptive use: 1222 Acre feet
Cost per Acre Inch = \$16.37 (consumptive use)

Sincerely,

Roger Kolbet, President
Riverside Irrigation Company Inc.

A handwritten signature in black ink, appearing to read "Roger P. Kolbet", written in a cursive style.