

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
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February 19, 1997



Roy Romer
Governor

James S. Lochhead
Executive Director

Hal D. Simpson
State Engineer

Gary F. Athey, President
Buffalo Owners Association
P.O. Box 100983
Denver, Colorado 80250

RE: The Buffalo Subdivision, Park County, Colorado

Dear Mr. Athey:

Thank you for your letter of February 3, 1996, agreeing to the terms and conditions regarding the approval of the water supply plan for the referenced subdivision and the future issuance of well permits within this subdivision.

Please be advised that we began approving pending well permit applications on February 11, 1997. Copies of those approved permits are enclosed. Although our procedure do not allow us to continue to send copies of permits as we approve them, we would be agreeable to providing you with an annual listing of permits issued in the Buffalo. When you need an updated list please contact Rich Bell of this office.

We are in the process of amending the existing permits. Due to the number of permit to be reviewed, it will take a few months to complete this process. Thank you for you cooperation, and please contact Steve Lautenschlager if you encounter any problems in this process.

Sincerely,

Hal D. Simpson
State Engineer

HDS/SPL/sl

cc: Dick Stenzel, Division Engineer
Denise Paprocki, Water Commissioner
Steve Lautenschlager, Assistant State Engineer
Rich Bell, Permit Service Branch Chief

BUFFALO OWNERS ASSOCIATION

P. O. Box 100983 Denver, Colorado 80250

February 3, 1997

Mr. Hal Simpson
State Engineer
Division of Water Resources
1313 Sherman Street, Room 818
Denver, Colorado 80203

RE: Your Letter of January 28, 1997
Concerning the Buffalo Subdivision,
Park County, Colorado

Dear Mr. Simpson:

On behalf of the Buffalo Owners Association, I want to express our gratitude for your efforts on our behalf. We wish to particularly thank Mr. Steve Lautenschlager for his professional approach and perseverance.

After reviewing your letter, The Buffalo Owners Association (hereinafter the BOA), does agree to all conditions set forth in your letter. Specifically:

1. The BOA as owner of 1.0 cfs of the Snyder Creek Ditch, Priority No. 395 dated July 8, 1884, agrees that they have discontinued the use of this water. Further, the BOA agrees that such water right has been abandoned to the stream.
2. The BOA agrees that the Division Engineer will list this water right on the year 2000 decennial abandonment list and that the BOA will not protest such listing.
3. The BOA agrees that in keeping with the original engineering report, not more than 100 of the BOA subdivision's 975 lots will be occupied year round (currently there are 15 full time residents-see enclosed report). The BOA further agrees that the average occupancy of the remaining lots will not exceed an average of 30 days per year.
4. The BOA understands and agrees that use of water from each well is restricted to ordinary household purposes for one single family dwelling (no outside uses). The BOA will notify the State Engineer in writing, if it is aware that water from any well within the subdivision is being used for watering of domestic animals or irrigation of any kind, or for commercial use.
5. The BOA has a computerized listing of wells in the Buffalo. A copy is enclosed. The BOA agrees to provide the State Engineer a yearly copy of this listing not later than January 1st of each year. Our reports will contain updated information as to current ownership of the property and Buffalo residency status. To insure our accuracy, we would request an information copy be sent by the State Engineer to the BOA on future newly completed wells.

Mr. Hal Simpson, State Engineer
February 3, 1997
Page Two

6. The BOA agrees to regularly notify members that if they have wells, they must file forms with the State Engineer any time there is a change in ownership or mailing address as required by Section 37-90-143 C.R.S.

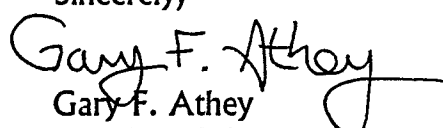
In return for compliance with the above terms the BOA will be granted status under the provisions of Section 37-92-602 (3)(b)(ii)(A), for those landowners seeking well permits. It is understood by members of the BOA that:

1. The State Engineer recognizes the approval of the Buffalo Subdivision Water Supply Plan granted in 1973.
2. That the provisions of Section 37-92-602 (3)(b)(iii), C.R.S. requiring consideration of the cumulative effect of all wells within the subdivision does not apply and that a court approved plan for augmentation is not required.
3. That well permits for lots within the Buffalo Subdivision will be evaluated as exempt household use only wells under the provision of Section 37-92-602 (3)(b)(II)(A), C.R.S. (per copy received), and that such wells are not subject to curtailment in priority.
4. That the State Engineer will amend any permit for an existing well within the Buffalo Subdivision to reflect that such permit was approved pursuant to Section 37-92-602(3)(b)(II)(A) C.R.S., and assign new well permit numbers if necessary, without charge to the Association or well owner. Upon receipt of such numbers, the BOA will correct our computer records to reflect any changes.

The proposal has been reviewed and approved by the BOA. We find it to be satisfactory and equitable. We agree to all terms as stated (and restated above) in your proposal of January 28, 1997.

We would ask that you implement this agreement immediately and grant approval of well permits currently under consideration. We will advise our membership of your position and make diligent effort to insure our collective cooperation.

Once again, our thanks for your cooperation and consideration in this matter.

Sincerely,

Gary F. Athey
President, BOA