

May 27, 2005

Maurice and Brenda Cope
1390 County Road 166
Parker, CO 80138

Re: Water Availability for Piasa Ranch PUD

Dear Maurice and Brenda:

The following provides information concerning the proposed water supply for residential and commercial use to serve approximately 20 acres located in the N1/2NE1/4NW1/4, except the east 30 feet, Section 11, T7S, R65W, Eibert County, as shown on Attachment A hereto. It is our understanding that three lots will be used for commercial development, and one lot will be used for a single family residence. This letter is based only on values currently referenced in the Denver Basin Rules and provides no opinion on the actual physical supply of groundwater available as described below.

AMOUNTS AVAILABLE

The Upper Dawson aquifer water is not nontributary and the Lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifer water is nontributary underlying the Subject Property. All or parts of the available groundwater underlying the Subject Property may be withdrawn through wells located on the lots, in amounts to be determined and conveyed to serve each lot. It is anticipated that the groundwater will be decreed in Water Division I so that water can be conveyed as required to provide the supply for each lot. Based on current values referenced in the Denver Basin Rules, the following amounts of Denver Basin groundwater may be available underlying the Subject Property based on a 100 year aquifer life:

<u>Aquifer</u>	<u>Saturated Thickness</u>	<u>Annual Amount</u>
Upper Dawson	166 feet	6.6 acre-feet
Lower Dawson	46 feet	1.8 acre-feet
Denver	318 feet	10.8 acre-feet
Arapahoe	289 feet	9.8 acre-feet
Laramie-Fox Hills	188 feet	5.6 acre-feet

PROPOSED SUPPLY

1. Residential lot: It is estimated that the residential lot will require 1 acre-foot per year for the following uses:

- A. Inhouse Demand: 0.4 acre-feet per year
- B. Irrigation Demand: 0.5 acre-feet per year limited to irrigation of 8500 square feet of home lawn or garden
- C. Stockwatering Demand: 0.1 acre-feet per year for watering of 8 large domestic animals

The proposed source of water for residential lot is the Denver aquifer and demand will be 1 acre-foot per year (100 acre-feet total) and 3 acre-feet per year for the 300 year period (300 acre-feet total).

2. Commercial lots: The water supply for the three commercial lots will utilize the nontributary Lower Dawson (1.8 acre-feet), Arapahoe (9.8 acre-feet), Laramie-Fox Hills (5.6 acre-feet), and the remaining amount of Denver (7.8 acre-feet) aquifer water. The total decreed annual amount from these aquifers which is available for commercial use is 25 acre-feet per year based on an annual withdrawal over a 100 year period. Said amount will provide approximately 8.33 acre-feet per year for 300 years.

Based on a demand of 0.4 acre-feet per year for each 1000 square-feet of commercial space, the 8.33 acre-feet per year should be sufficient to provide a supply for approximately 20,825 square-feet of commercial space for a 300 year period.

USE OF UPPER DAWSON AQUIFER WATER

As described above, there may be approximately 6.6 acre-feet per year of not nontributary Upper Dawson aquifer groundwater underlying the Subject Property, which will be sufficient to provide the same uses for the residential lot described above for a 300 year period. Applicant understands that the State cannot approve use of the Upper Dawson aquifer water until an augmentation plan to allow that use has been approved by the Water Court. However, Applicant reserves the right to use an Upper Dawson aquifer well to provide domestic use on the residential lot at such time that an augmentation plan for this purpose has been approved by the Water Court. If such augmentation plan is completed, the Denver aquifer water designated to serve the residential lot at this time, would become available for use on the commercial lots. The additional amount would then be available to increase the amount of square footage of commercial space.

WATER SUPPLY SUFFICIENCY

The amounts of groundwater underlying the Subject Property should be sufficient to provide inhouse, irrigation, and stockwatering use on the residential lot and commercial use on the three commercial lots for 300 years as described above.

If you have any questions or comments, please feel free to call me or Gary Crosby, Paralegal for this firm.

Sincerely,



Scott M. Huyler

SMH:gjc
enclosure
cc: Tom Maroney

Attachment P

