

IN THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA

O R D E R

Vernon Wyatt, Tribal Chairman
Washoe Tribe of Nevada & California
919 Highway 395 South
Gardnerville, NV 89410
Certified Mail #P732 756477

Terry Sullivan, Director
Department of General Services
Kinkead Building, Room 400
Carson City, NV 89710
Certified Mail #P732 756478

Michael Meizel, Supervisor
Division of Buildings & Grounds
496 E. Second Street
Capitol Complex
Carson City, NV 89710
Certified Mail #P732 756479

Michael Eckstein
Real Property Management
Bureau of Indian Affairs
1300 South Curry Street
Carson City, NV 89703
Certified Mail #P732 756480

Pete Sferrazza
Attorney at Law
429 Marsh Avenue
Reno, Nevada 89509
Certified Mail #P732 756481

The State Engineer's office has determined through field investigation by members of its staff on April 19, 1989, that a water well (referred to as "Well #4" by the Washoe Tribe of Nevada and California, and "Well #5" by the Nevada Division of State Lands) located within the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 32, T.15N., R.20E., M.D.B.&M. which is land held by the United States in Trust for the benefit of the Washoe Tribe of Nevada and California is presently being equipped by employees of the Indian Health Service for the purpose of extending water service to 25 single family homes located on lands also held by the United States in Trust for the Washoe Tribe. Under the terms of the deed from the Deputy Assistant Secretary - Indian Affairs (Operations) to the State of Nevada dated July 21, 1982, a copy of which is attached hereto as Exhibit "A"; the State of Nevada owns the well, including the well casing and any other appurtenances thereto.

In a letter dated February 16, 1989, to the Division of Buildings and Grounds, State of Nevada, the State Engineer specifically ordered that any use or diversion of water from this well be discontinued immediately. This letter was also sent by certified mail to Mike Eckstein, Realty Officer of the Bureau of Indian Affairs and Jim Bender, Chairman, Carson Community Council. The letter of February 16, 1989 and certified return receipts are attached and made a part hereto as Exhibit "B". A letter dated February 23, 1989, from Pam Wilcox, Administrator of the Nevada Division of State Lands to the Nevada Division of Buildings and

Grounds, attached hereto as Exhibit "C", indicated that the state clearly owns the well "...together with its pump motor, etc., and the pipe which connects it to the rest of the water system." The records of the State Engineer's office disclose no appropriative right under the provisions of NRS Chapters 533 and 534 on this well. The records of the State Engineer further reflect no evidence of any claim of vested right under the provisions of NRS Chapters 533 and 534, and further the records of the State Engineer's office and other information and data available to the State Engineer reflect no basis or foundation for any consideration of a Federal Reserved right to the use of groundwater from this well.

The land on which the well is located and the land on which water is purported to be placed to beneficial use are "acquired" lands for the benefit of the Washoe Tribe and therefore can not warrant any consideration for a reserved right. Any use of water from this well without the benefit of a recognized water right will be in violation of NRS 533.030, subsection 1; 533.325 and 534.020, subsection 1. Any diversion of water from this well without compliance with the relevant provisions of the Nevada Water Law contained in NRS Chapters 533 and 534 will constitute an illegal diversion and use of said water.

YOU ARE THEREFORE ORDERED to immediately cease and desist any and all activity whatsoever relating to this well. The State of Nevada is further ordered to secure and cap the well so that entry thereto cannot be accomplished and to take whatever additional measures are necessary to render the well safe as being a possible source of contamination to the groundwater aquifer.


Peter G. Morros
State Engineer

Dated at Carson City, Nevada,
this 21st day of April, 1989

cc: Governor's Office
Attorney General
Roland D. Westergard
State Lands
Indian Health Service

QUITCLAIM DEED

THIS DEED is made this the 21th day of July, 1982, in the City of Washington, in the District of Columbia, by and between the Deputy Assistant Secretary - Indian Affairs (Operations) acting pursuant and subject to the Act of June 4, 1953, 67 Stat. 41, as amended, 25 U.S.C. Section 293a (1964), and pursuant to authority delegated by the Secretary of the Interior on the 17 day of November, 1981, Departmental Release Number 2364, hereafter referred to as the grantor and the State of Nevada hereafter referred to as the grantee.

WITNESSETH:

WHEREAS, the real estate and property hereinafter described and heretofore used for the Stewart Indian School at Stewart, Nevada, are no longer needed for Federal Indian school purposes; and

WHEREAS, the forementioned grantee intends to use the real estate and property herein described for public benefit primarily as a correctional institution and such other uses as the legislative branch of the State of Nevada shall deem appropriate, in accordance with the conditions of this quitclaim deed and the agreement entered into by the Administrator and Ex-officio, State Land Registrar, Jac R. Shaw, on the 9th and 14th day of July, 1982, as incorporated into this deed by reference and attached hereto,

NOW, THEREFORE, the forementioned grantor, in consideration of the provisions of the forementioned Act of Congress and terms of agreement to be observed by the grantee, does by these presents convey, transfer, release, and quitclaim unto the said grantee in fee all of the right, title, and interest of the United States in and to the following described real estate and property situated in the City of Carson City, in the State of Nevada, to wit:

EXHIBIT A

The real property and improvements lying and situate in Carson City, State of Nevada and more particularly described as being a portion of the S½ of the SE¼ of Section 32, Township 15 North, Range 20 East, and the N½ of the NE¼ of Section 5, Township 14 North, Range 20 East, M.D.B.&M; and more fully described by metes and bounds as follows, to wit:

BEGINNING at a point which bears North 69° 50' 00" West, a distance of 913.04 feet from the Southeast corner of Section 32, Township 15 North, Range 20 East, M.D.B.&M.; Thence South 31° 50' 56" West, a distance of 395.69 feet to a point; Thence South 74° 53' 41" West, a distance of 207.70 feet to a point; Thence South 26° 03' 09" West, a distance of 497.00 feet to a point; Thence North 65° 03' 15" West, a distance of 488.53 feet to a point; Thence North 24° 06' 40" West, a distance of 687.25 feet to a point; Thence North 62° 13' 58" West, a distance of 431.27 feet to a point; Thence North 0° 06' 47" West, a distance of 224.58 feet to a point; Thence South 62° 50' 51" East, a distance of 350.14 feet to a point; Thence North 28° 18' 57" East, a distance of 538.52 feet to a point; Thence North 69° 58' 41" West, a distance of 218.51 feet to a point; Thence North 89° 58' 41" West, a distance of 130.00 feet to a point; Thence South 0° 01' 19" West, a distance of 50.00 feet to a point; Thence North 89° 01' 19" West, a

distance of 170.00 feet to a point; Thence North 0°
01' 19" East, a distance of 190.29 feet to a point;
Thence North 86° 33' 32" West, a distance of 125.55
feet to a point; Thence North 0° 17' 26" East, a
distance of 89.44 feet to a point; Thence South 89°
01' 19" East, a distance of 1472.17 feet to a point;
Thence South 53° 15' 53" East, a distance of 281.84
feet to a point; Thence South 40° 09' 49" East, a
distance of 193.62 feet to a point; Thence South 2°
07' 03" West, a distance of 710.23 feet to the POINT
OF BEGINNING; said parcel contains an area of 49.81
acres, more or less.

Excepting from the above described parcel that
building and the land lying beneath said building known
as the "Public Health Service, Indian School Health
Center". The area of said land lying beneath said
building is 6,719 square feet, more or less.

Building or Facility	Construction Type	Recent Use	Constructed	Footage
Store Building #1	1	Offices	1923	5,602
Cottage Building #3 (Payne)	1	Quarters	1930	5,917
Dormitory Building #6	1	Dormitory	1930	18,743
Dormitory Building #12	1	Dormitory	1941	14,572
Dormitory Building #13	1	Dormitory	1941	14,572
Kitchen/Dining Bldg. #15	1	Kitchen/Dining Hall	1923	1,444
Dormitory Building #16	1	Dormitory	1942	8,416
School Building #17	2	School	1964	41,826
Office Building #18	1	School-Law Enforcement Center	1936	3,700
Dormitory Building #21	1	Offices	1937	8,662
Dormitory Building #22	1	Dormitory	1937	6,396
Dormitory Building #23	1	Dormitory	1937	6,396
Dormitory Building #24	1	Dormitory	1937	6,396
Dormitory Building #25	1	Dormitory	1937	6,396
Duplex Building #28	1	Quarters	1937	3,523
Cottage Building #65	1	Quarters <i>Friedrichs</i>	1937	2,102
Fourplex Bldg. #67	1	Quarters <i>W</i>	1939	4,862
Cottage Bldg. #79	1	Quarters <i>W</i>	1933	2,959
Administration Bldg. #89	1	Offices	1931	17,545
Dormitory Building #107	2	Dormitory	1963	32,832
Cottage Bldg. #116	3	Quarters <i>Wish</i>	1963	1,452
Cottage Bldg. #117	3	Quarters <i>Wish</i>	1963	1,264
Gymnasium Bldg. #160	2	Gymnasium & Recreation	1973	37,150

Building or Facility	Most Recent Use	Year Constructed	Square Foot
Post Office Building #2	Warehouse	1926	362
Office Building #4	Storage	1938	662
Storage Building #8	Storage	1930	720
Cottage Building #9	Quarters	1939	2,222
Cottage Building #11	Quarters	1925	1,182
Cottage Building #14	Quarters	1939	1,430
Post Office Building #19	Post Office	?	1,646
Gymnasium Building #20	Gymnasium	1938	11,933
Cottage Building #26	Quarters <i>Rosales</i>	1937	1,828
Cottage Building #27	Quarters <i>Helm</i>	1937	2,254
Quarters Building #29	Quarters <i>W</i>	1937	3,231
Quarters Building #30	Quarters <i>W</i>	1939	2,569
Cottage Building #31	Quarters <i>W</i>	1939	2,388
Cottage Building #44	Quarters <i>e-ply</i>	1937	650
Music Building #45	School	1930	2,373
Shop Building #84	Shop	1931	4,581
Auditorium Building #90	Auditorium	1925	5,857
Trailer Building #92	Utility Bldg.	1924	3,825
Storage Building #96	Warehouse	1940	2,710

<u>Building or Facility</u>	<u>Construction Type *</u>	<u>Most Recent Use</u>	<u>Year Constructed</u>	<u>Square Footage</u>
Water System		Water System		
Sewer System (excluding lagoons)		Sewer System		
Steam Heating System		Heating		
Irrigation System		Domestic Irrigation		
Electric System		Electricity		

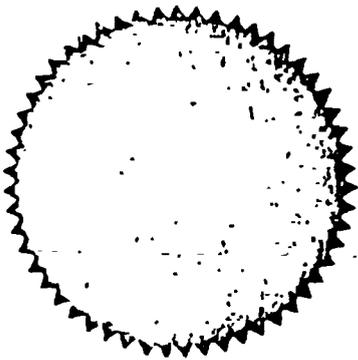
Conditions of Transfer to ensure preservation of the historic
Integrity pursuant to National Historic Preservation Act and
36 CFR Part 800

1. The rehabilitation of the Stewart Indian School Complex in Carson City, Nevada, will be done in accordance with the Secretary of Interior's, Standards for Rehabilitation, a copy of which is attached and incorporated herein by reference. Rehabilitation plans will be submitted to the Nevada State Historic Preservation Officer for review and approval within a 45-day period. The State Historic Preservation Officer will review and approve, or disapprove, such plans in writing within 45 days after receipt; if such response is not mailed within said time period, it will constitute approval.
2. The State of Nevada shall make every reasonable effort to protect and preserve the property for the public benefit. All work on the structures shall be done with materials and workmanship which are the same as those found in the structures originally built. If such materials are not available, materials which are similar in texture and appearance shall be used.
3. The State of Nevada shall undertake no action having an effect on the properties architecture or the appearance of the grounds without the prior submission of an appropriate determination of effect to the Nevada State Historic Preservation Officer. Such determination shall specify the nature of the proposed action, the reasons for which the action is proposed, and the anticipated effects of the action. The State Historic Preservation Officer shall be given sufficient time for a full review and comment on the proposed action, together with the opportunity to prepare an alternate course of action if the proposed action is found to be detrimental in effect. Such determination will not be required for actions that are deemed to be matters of routine maintenance and operation of the property.
4. Any alteration, improvement, or new development deemed pursuant to No. 3 to be detrimental at the Stewart Indian School complex shall be made only after obtaining the written approval of the Nevada State Historic Preservation Officer and the Bureau of Indian Affairs.
5. These covenants shall become a part of the conveyance document and shall be incorporated therein by reference. However, the Advisory Council on Historic Preservation, in consultation with the State Historic Preservation Officer, may, for good cause, modify or cancel any or all of the provisions of these covenants upon application of the Grantee, the State of Nevada.

To have and to hold the same, the appurtenance and privileges thereunto belonging, or in any wise appertaining, all the estate, right, title and interest of the United States, either in law or equity, in possession or expectancy, only for the proper forementioned use and benefit of the said grantee.

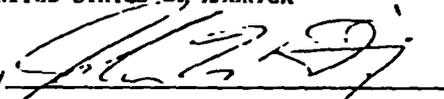
If at any time the Secretary of the Interior determines that the grantee has failed to observe any provision or condition of this deed or the aforesaid Act of Congress, and that any such failure has continued for at least one year, he may declare a forfeiture of this entire conveyance and the whole title hereby conveyed shall thereupon revert to the United States. Such determination by the Secretary of the Interior shall be final.

IN WITNESS WHEREOF, for and on behalf of the United States of America, the said Deputy Assistant Secretary - Indian Affairs (Operations), John W. Fritz, has hereunto set his hand and the official seal of the Bureau of Indian Affairs this the 21th day of July, 1982.



UNITED STATES OF AMERICA

By


Deputy Assistant Secretary -

Indian Affairs (Operations)

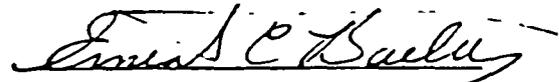
ACCEPTED: _____

City of Washington

District of Columbia:

On this 21th day of July, 1982, before me, the undersigned Notary Public in and for the District of Columbia, personally appeared John W. Fritz, known to me to be the Deputy Assistant Secretary - Indian Affairs (Operations), who executed the forgoing instrument and acknowledged that he signed the same on behalf of the United States.

Witness my hand and seal this 21th day of July, 1982.



Ernest C. Bailey

Notary Public

District of Columbia

My Commission expires: 12-15-83

The State of Nevada acting through Jac R. Shaw, Administrator and Ex-officio, State Land Registrar, does hereby agree to the following conditions which shall become a part of the Quitclaim Deed to be executed by the United States Government for the conveyance of approximately 50 acres of the Stewart Indian School properties under the provisions of 25 U.S.C. 293(a):

1. If at any time the Secretary of the Interior determines that the Grantee has failed to observe the provisions of this transfer agreement and that the failure has continued for at least one year, he may declare a forfeiture of the conveyance and the title conveyed shall thereupon revert to the United States.

2. That all mineral rights are reserved to the United States along with the right to prospect for and remove such deposits under rules and regulations prescribed by the Secretary.

3. That the property will be used for school or other public purposes and shall be available to Indians and non-Indians on the same terms unless otherwise approved by the Secretary.

4. That the State of Nevada is the legal entity to receive the property for use under transfer authority contained in the Act of June 14, 1953.

5. That no related personal property is transferred by the quitclaim deed, except as per inventory.

6. The Area Director and Superintendent are released from responsibility for the property conveyed at the time of execution of the quitclaim deed.

7. That the Grantee agrees to the continued occupancy by the Bureau of Indian Affairs of the building currently used by the Western Nevada Agency for a period not to exceed three years from the date of the conveyance. Said permit shall stipulate that the Bureau will pay a pro-rated share of all utilities, including insurance, but shall not be liable for rental costs of the building.

8. The State of Nevada will allow occupants of the existing residential structures to remain rent-free for a period of 90 days and will assist, if possible, in locating suitable quarters in the vicinity for said occupants.

9. The State of Nevada recognizes that the proposed grant surrounds the property occupied by the Indian Health Service Clinic and agrees to a

reservation of a right-of-way for ingress and egress and for utility purposes; said right-of-way will generally follow the route of Gibson Way from Center Street. Ingress and egress shall be restricted to regular business hours of the clinic.

10. The State of Nevada wishing to perpetuate the 90-year history of the Stewart Indian School will reserve Building 1 and Building 3 to house and display the crafts, artifacts and the memorabilia relating to the Stewart Indian School. Funding for operation to be dependent upon legislative appropriation and/or private donations solicited by Nevada tribes and other interested persons.

11. & 12. Any surface water or groundwater rights which have historic, i.e., vested use, shall be apportioned according to the appurtenant use of the respective water source. Whatever water right is established shall remain with the land at the time of the reconveyance of the property, i.e., water vested in the Stewart facility proper shall remain at the facility, water vested in areas outside the 50 ± acres shall remain appurtenant. Historical users will receive what is recognized as being vested or appropriated via decree, permit, etc.

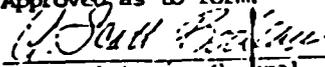
Water Applications 43227, 43228, 43229, 43230, 43231 and 43232 are filed on all six wells at the facility. The United States shall convey to the State all right and title to the wells and appurtenances (i.e., pumps, motors, etc.) wherein the State will recognize any right to the waters of said wells to the historic use of the waters as deemed to be vested by proof of appropriation and the continual use thereof.

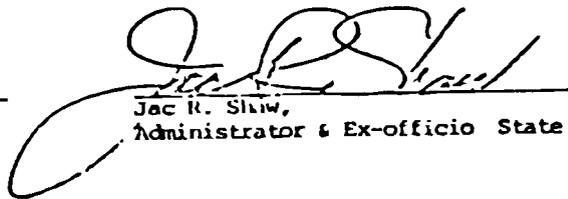
13. The State of Nevada recognizes that the Stewart Indian School has been declared eligible for inclusion on the Register of National Historic Places, and as such will be maintained in accordance with the National Historic Preservation Act of 1966 as amended, and applicable portions of NRS 383 relative to Historic Preservation, and also comply with State and local building codes applicable to the site.

14. Subject to a reservation for existing utility corridors across the conveyed property to service adjacent lands of the United States.

15. Subject to all existing easements or rights-of-way across conveyed property.

16. The United States recognizes that Mark Twain Avenue is the main access route to the Stewart Indian School campus. The United States will reserve a right-of-way for ingress and egress to the State of Nevada from Snyder Drive to the Campus via Mark Twain Avenue as it is now situated.

Approved as to form

Deputy Attorney General


Jac R. Sivw,
Administrator & Ex-officio State Land Registr.

July 14, 1982

This represents an addendum to stipulations made by the Administrator and Ex-officio State Land Registrar, Joe R. Shaw on July 9, 1982, and is to be incorporated in the quitclaim deed by and between the Deputy Assistant Secretary - Indian Affairs (Operations) acting pursuant and subject to the Act of June 4, 1953, 67 Stat. 41, as amended, 25 U.S.C. 293a (1964), and pursuant to authority delegated by the Secretary of the Interior and the State of Nevada.

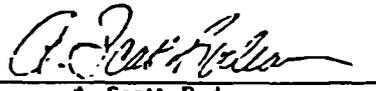
As to Paragraph 11, the State of Nevada has made application on January 15, 1982, to appropriate waters of the State of Nevada from an underground source — Applications Nos. 45227 through 45232 consecutively and hereby stipulate that the place of use of the waters from said applications shall be described as follows, to wit:

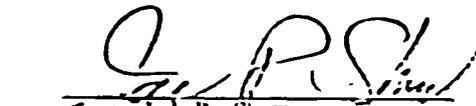
The South half of the Southwest quarter and the Southeast quarter, Section 32, Township 15 North, Range 20 East, Mount Diablo Base and Meridian; the North half of the Northeast quarter and the Northeast quarter of the Northwest quarter of Section 5, Township 14 North, Range 20 East, Mount Diablo Base and Meridian;

that historical users may receive any excess water under Applications 45227 through 45232 subject to the State's needs for the property conveyed to the State of Nevada within the place of use described above, so as to avoid, mitigate, or minimize adverse effects on the nationally eligible historic property remaining under Federal ownership subsequent to this transfer. Any changes in the described place of use shall be in accordance with applicable provisions in the Nevada Revised Statutes.

As to Paragraph 12, the water application numbers 43227, 43228, 43229, 43230, 43231, and 43232 should be changed to read 45227, 45228, 45229, 45230, 45231, and 45232 and the surface water shall be apportioned in accordance with the decree of the Second Judicial District of Ormsby County on April 24, 1872.

Approved as to form:


A. Scott Bodanu
Deputy Attorney General


Joe R. Shaw
Administrator and Ex-officio
State Land Registrar



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

February 16, 1989

Division of Buildings and Grounds
406 E. Second Street
Carson City, NV 89710

Attention: Dean Borges

Gentlemen:

This will acknowledge receipt of your letter of December 6, 1988, concerning a certain well located near the property owned by the State of Nevada at Sterwart, Nevada. You have indicated that the well in question, was included in the deed of transfer from the Federal Government to the State of Nevada, and additional information available to the State Engineer, at this time, indicates that the State of Nevada claims ownership of this well located within the NW $\frac{1}{4}$ SE $\frac{1}{4}$ Section 32, T.15N., R.20E., M.D.B.&M. The exact location of the well is more specifically described under certain public records on file in the State Engineer's office. You have further indicated that the Washoe Tribe is in the process of building approximately 25 homes in the area just north of this well and that the well is intended to supply water for quasi-municipal and domestic purposes to this development.

This letter will serve to inform you that there are no water rights of record in the office of the State Engineer on this well. You are also informed that there is no possible valid vested right for this "new" development that could be recognized under Nevada Water Law since the use of this water would in fact have to have been initiated and continually used for a period required by the provisions of NRS 534.080.

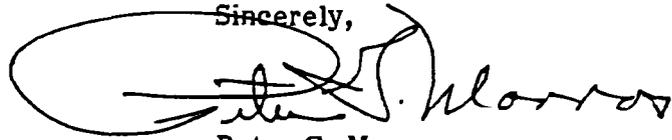
It is further the understanding of this office that the power source to the well is controlled by the State of Nevada and that there is recent construction in the form of excavations and installation of pipelines that reflect an intent to divert water from this well for use in an area north of the well site. Any use of water from this well is without a valid water right which is in violation of NRS 533.030 and 533.325.

The purpose of this letter is to inform you that you must immediately discontinue any use or diversion of water from this well and secure the well with a cap to preclude entry thereto. Any use or diversion of water from this well without the benefit of a water right authorizing such diversion is illegal and will require further action by this office.

EXHIBIT B

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter G. Morros". The signature is written in a cursive style with a large, looping initial "P".

Peter G. Morros
State Engineer

PGM/bc
Certified Mail #P732 756 375

cc: Roland D. Westergard, Director
Terry Sullivan, Director, Dept. of General Services
Pamela Wilcox, Administrator, Div. of State Lands
—Certified Mail #P732 756 376
Mike Eckstein, Realty Officer, Bureau of Indian Affairs
—Certified Mail #P732 756 377
Jim Bender, Chairman, Carson Community Council
—Certified Mail #P732 756 378

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you with the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address 2. Restricted Delivery
↑(Extra charge)↑ ↑(Extra charge)↑

3 Article Addressed to 45231 Letter Jim Bender, Chairman Carson Community Council 502 Shoshone Carson City, NV 89701	4 Article Number P732 756 378 Type of Service <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED
5. Signature - Addressee <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery <i>2-18-89</i>	

PS Form 3811, Mar. 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**

SENDER: Complete Items 1 and 2 when additional services are desired, and complete Items 3 and 4.
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you with the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1. Show to whom delivered, date, and addressee's address 2. Restricted Delivery
↑(Extra charge)↑ ↑(Extra charge)↑

3. Article Addressed to: 45231 Letter Mike Eckstein, Realty Officer Bureau of Indian Affairs Western Nevada Agency 1300 So. Curry Street Carson City, NV 89701	Article Number P732 756 377 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail Always obtain signature of addressee or agent and DATE DELIVERED
5. Signature - Addressee X	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Annabelle B. Bear</i>	
7. Date of Delivery <i>2/21/89</i>	

PS Form 3811, Mar 1987 * U.S.G.P.O. 1987-178-268 **DOMESTIC RETURN RECEIPT**



STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

Division of State Lands

February 23, 1989

Dean Borges
Division of Buildings and Grounds
406 E. Second Street
Capitol Complex
Carson City, NV 89710

Dear Dean:

This letter is in response to your request for clarification of the ownership of a well at Stewart.

The well in question is identified in documents on file in the state engineer's office as well #5 of the Stewart water system.

When the State acquired a 50-acre parcel of land at Stewart from the federal government in 1982, the deed specifically conveyed to the state all right and title to the water system and to all six wells and appurtenances. Based upon that deed, the State clearly owns well #5 together with its pump, motor, etc. and the pipes which connect it to the rest of the water system.

We do not own the land upon which the well is located. This is the only one of the six wells which is located slightly outside of the land deeded to the State. However, our ownership of the well remains clear.

The deed does provide that the State will recognize "any right to the waters of said wells to the historic use of the waters as deemed to be vested by proof of appropriation and the continual use thereof." We have already checked with the state engineer's office, and they have determined that the use of this well to serve new housing would not be a historic use covered by this provision.

The state engineer's office has also notified your agency and mine that there are no valid current rights to use this well, and that no one should be permitted to use it.

EXHIBIT C

Dean Borges
February 23, 1989
Page 2

If the state may have a future need to use this well, we may wish to consider transferring a water right to this point of diversion. We would of course be pleased to assist you with this transfer. Please let me know if/when you would like to proceed with such a transfer.

Sincerely,



Pamela B. Wilcox
Administrator

cc: Peter G. Morros ✓
Division of Water Resources