

Chief Clerk Letter
June 21, 2002
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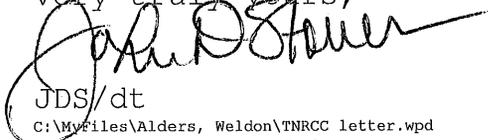
4. The diversion point authorized by the Certificate of Adjudication on Big Ditch in the William Bloodgood Grant Abstract #3 is located upon the Alders Land and is owned by Mr. Alders.

The Alders Group opposed the following aspects of the application to amend:

1. The change of use to any county other than Liberty and any basin other than the Trinity River Basin; and
2. The use of the water for any other use than irrigation.

Please note that "Schedule 3" attached to the Water Right Purchase Agreement between American Rice Growers and the City of Houston lists Amoco Production Company and Oryx Energy Company as landowners entitled water service in Sellers service area. The Alders Group has succeeded to those companies interest in the service area. A substantial portion of the Dayton Canal is now owned by the Alders Group by virtue of the conveyances referenced above. By virtue of this conveyance, Alders has become the owner of the authorized reservoir and the holder of the right to divert 5000 acre feet of water per annum from its perimeter at maximum rate of 35.56 cubic feet per second to irrigate his property.

Very truly yours,



JDS/dt
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CC: Weldon Alders
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