

Montana Water Court
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MONTANA WATER COURT
LOWER MISSOURI DIVISION
PEOPLES CREEK
BASIN 40I
INTERLOCUTORY DECREE

CLAIMANT: Thorstad Ranch Inc.

OBJECTOR: Thorstad Ranch Inc.

CASE 40I-0004-I-2026
40I 30127613

NOTICE OF FILING OF MASTER'S REPORT

This Master's Report was filed with the Montana Water Court on the above-stamped date. Please review this report carefully.

You have **13 days** from the service date of the notice of filing of this report to file a written objection or request an extension of the objection period. Rule 23, Water Right Adjudication Rules; Rule 6, Montana Rules of Civil Procedure. If you file an objection, you must serve a copy of the objection to all parties on the service list found at the end of the Master's Report. The original objection and a certificate of mailing to all parties on the service list must be filed with the Water Court.

If you do not file a timely objection, the Water Court will conclude that you agree with the content of this Master's Report.

MASTER'S REPORT

FINDINGS OF FACT

1. Thorstad Ranch Inc. (hereinafter referred to as "Thorstad" and "the Claimant") is the record owner of claim 40I 30127613.
2. Claim 40I 30127613 was decreed with Montana Department of Natural

Resources and Conservation (“DNRC”) issue remarks:

- THIS CLAIM NUMBER WAS NOT INCLUDED IN THE BASIN 40I DECREE ISSUED 06/20/2013.
- THE CLAIMED PLACE OF USE COULD NOT BE IDENTIFIED FROM DATA SUBMITTED WITH THE CLAIM.
- THE CLAIMED POINT OF DIVERSION IS IN QUESTION. THE LOCATION OF THE STREAM CANNOT BE IDENTIFIED FROM AVAILABLE DATA.
- POINT OF DIVERSION COULD NOT BE IDENTIFIED BECAUSE NO CLAIM MAP SUPPLIED BY CLAIMANT.

3. Thorstad objected to the source for claim 40I 30127613, stating:

“Resolving issues in interlocutory decree identified by the DNRC.” And:

Correcting source name to: Unnamed tributary of Peoples Creek

Maps were attached to the Objection, and an outdated review abstract was also attached.

The source listed on the decree abstract for claim 40I 30127613 is Peoples Creek.

4. Thorstad was ordered to meet with the DNRC to address unresolved issue remarks decreed on claim 40I 30127613 as well as the Objection. (Doc.¹1.00).

5. DNRC Water Resource Specialist Jamie Verploegen filed a Memorandum on August 21, 2026. (Doc. 3.00). Water Resource Specialist Verploegen indicated Cindy Thorstad and Jim Anderson met with the DNRC on behalf of Thorstad Ranch to discuss the claim. Water Resource Specialist Verploegen reported reviewing the following documents to make recommendations as to the issue remarks decreed on claim 40I 30127613:

Maps and information in 40I 30127613 scanned documents (EXHIBIT A). Maps and information above provided by the Claimant. WRS aerial photo 8R-143 dated 9/6/56 (EXHIBIT B).

Water Resource Specialist Verploegen provided the following information regarding the meeting with Cindy Thorstad and Jim Anderson:

During the meeting held on August 13, 2026 Ms. Thorstad and Mr. Anderson confirmed that the claimed place of use and point of diversion are incorrect on the original filing. They also confirmed that the map in the claim file submitted with with Notice of Objection and Request for Hearing form (EXHIBIT A) on December 29, 2025, does depict the correct point of diversion and place of use for this claim.

¹ “Doc.” numerical references correlate to case file docket numbers in the Water Court’s Full Court case management system.

It was on that objection form they also corrected the source name to Unnamed Tributary of Peoples Creek, which is accurate given the corrected point of diversion and place of use. During the meeting, the DNRC also provided a map (EXHIBIT B), in comparison to the map submitted by the Claimant to better show the locations of the legal land descriptions.

Water Resource Specialist Verploegen recommended the following modifications be made to claim 40I 30127613:

Source Name: ~~PEOPLES CREEK~~ UNNAMED TRIBUTARY OF PEOPLES CREEK

Point of Diversion and Means of Diversion:

ID	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
4		NESW	4	28N	10E	BLAINE
1		NW	4	28N	19E	BLAINE
2		W2NE	4	28N	19E	BLAINE

Period of Diversion: JANUARY 1 TO DECEMBER 31

Diversion Means: LIVESTOCK DIRECT FROM SOURCE

Place of Use:

ID	Acres	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
4			NESW	4	28N	10E	BLAINE
1			NW	4	28N	19E	BLAINE
2			W2NE	4	28N	19E	BLAINE

Water Resource Specialist Verploegen also noted that the ownership issue remark, indicating that “JUDY A DUNBAR ET AL” may be an owner of claim 40I 30127613 no longer applies if the recommended corrections are made to the claim.

6. An Order was issued to determine if Thorstad agreed or disagreed with Water Resource Specialist Verploegen’s recommendations regarding claim 40I 30127613. The Order indicated that if nothing were filed by the deadline, it would be determined that Thorstad agreed the following modifications should be made to claim 40I 30127613 and the Objection is resolved:

Source Name: ~~PEOPLES CREEK~~ UNNAMED TRIBUTARY OF PEOPLES CREEK

Point of Diversion and Means of Diversion:

ID	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
4		NESW	4	28N	10E	BLAINE
1		NW	4	28N	19E	BLAINE
2		W2NE	4	28N	19E	BLAINE

Period of Diversion: JANUARY 1 TO DECEMBER 31

Diversion Means: LIVESTOCK DIRECT FROM SOURCE

Place of Use:

ID	Acres	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
4			NESW	4	28N	10E	BLAINE
1			NW	4	28N	19E	BLAINE
2			W2NE	4	28N	19E	BLAINE

The following language was included in the Order:

Failure to comply with the terms of this Order may result in sanctions, up to and including entry of default and termination of a water right claim or dismissal of objections. Rule 22, W.R.Adj.R.

(Doc. 4.00).

7. On September 8, 2026, Thorstad filed a Response indicating agreement with Water Resource Specialist Verploegen's recommendations:

Thorstad Ranch, Inc. would like to file this statement regarding Case 40I-0004-I-2026. We agree with the modifications recommended by water resource specialist Jamie Verploegen that were filed in a memorandum dated August 21, 2026 and stated on the filing order from the water master on August 25, 2026. The modifications have corrected the source name and place of use descriptions for claim 40I 30127613. The adoption of these modifications resolves our objection.

Cindy Thorstad
Vice President
Thorstad Ranch, Inc.

(Doc. 5.00).

PRINCIPLES OF LAW

1. The Water Court must address all issue remarks decreed on a claim.
Section 85-2-248, MCA.

2. A properly filed Statement of Claim for an existing water right is prima facie proof of its content. Section 85-2-227, MCA. This prima facie validity may be overcome by evidence showing that one or more elements of the claim are incorrect. This standard of proof applies to objectors or claimants objecting to their own water right claims. Rule 19, W.R.Adj.R., *Nelson v. Brooks*, 2014 MT 120; 375 Mont.86, 95; 329 P.3d 558, 564.

3. Claim 40I 30127613 was decreed with a DNRC issue remark indicating the claim was not included in the 2013 Preliminary Decree. The issue remark provided notice that the claim was filed as an "exempt" claim under the provisions of House Bill 110 ("HB 110") passed by the 2017 Montana Legislature (codified at § 85-2-222, MCA). HB 110 provided owners of certain exempt claims the option of filing the claims before a June 30, 2019 filing deadline.

The DNRC examined the exempt claim under its claim examination rules. Based on the DNRC examination, the issue remark was placed on the claim, providing notice that the claim did not appear in the preliminary decree for Basin 40I, issued in 2013, because the preliminary decree predated the exempt claim filing deadline.

CONCLUSION OF LAW

1. The information provided by the Claimant to the DNRC regarding the point of diversion, place of use, and source for claim 40I 30127613 overcomes the prima facie Statement of Claim. Claim 40I 30127613 should be modified as recommended by Water Resource Specialist Verploegen.

RECOMMENDATIONS

1. Claim 40I 30127613 should be modified as follows:

Source Name: ~~PEOPLES CREEK~~ UNNAMED TRIBUTARY OF PEOPLES CREEK

Point of Diversion and Means of Diversion:

ID	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
4		NESW	4	28N	10E	BLAINE
1		NW	4	28N	19E	BLAINE
2		W2NE	4	28N	19E	BLAINE

Period of Diversion: JANUARY 1 TO DECEMBER 31

Diversion Means: LIVESTOCK DIRECT FROM SOURCE

Place of Use:

ID	Acres	Govt Lot	Qtr Sec	Sec	Twp	Rge	County
4			NESW	4	28N	10E	BLAINE
1			NW	4	28N	19E	BLAINE
2			W2NE	4	28N	19E	BLAINE

2. The issue remarks should be removed from claim 40I 30127613.
3. The Objection to claim 40I 30127613 should be dismissed as resolved.

An abstract is attached for review.

ELECTRONICALLY SIGNED AND DATED BELOW.

Service via USPS Mail:

Thorstad Ranch Inc.
22675 Lloyd Rd.
Lloyd, MT 59535-9600

POST DECREE
ABSTRACT OF WATER RIGHT CLAIM
PEOPLES CREEK
BASIN 40I

Water Right Number: 40I 30127613 STATEMENT OF CLAIM

Version: 2 -- POST DECREE

Status: ACTIVE

Owners: THORSTAD RANCH INC
22675 LLOYD RD
LLOYD, MT 59535-9600

Priority Date: JULY 18, 1903

Type of Historical Right: USE

Purpose (Use): STOCK

***Flow Rate:** A SPECIFIC FLOW RATE HAS NOT BEEN DECREED BECAUSE THIS USE CONSISTS OF STOCK DRINKING DIRECTLY FROM THE SOURCE, OR FROM A DITCH SYSTEM. THE FLOW RATE IS LIMITED TO THE MINIMUM AMOUNT HISTORICALLY NECESSARY TO SUSTAIN THIS PURPOSE.

***Volume:** THIS RIGHT INCLUDES THE AMOUNT OF WATER CONSUMPTIVELY USED FOR STOCK WATERING PURPOSES AT THE RATE OF 30 GALLONS PER DAY PER ANIMAL UNIT. ANIMAL UNITS SHALL BE BASED ON REASONABLE CARRYING CAPACITY AND HISTORICAL USE OF THE AREA SERVICED BY THIS WATER SOURCE.

Source Name: UNNAMED TRIBUTARY OF PEOPLES CREEK

Source Type: SURFACE WATER

Point of Diversion and Means of Diversion:

<u>ID</u>	<u>Govt Lot</u>	<u>Qtr Sec</u>	<u>Sec</u>	<u>Twp</u>	<u>Rge</u>	<u>County</u>
1		NW	4	28N	19E	BLAINE

Period of Diversion: JANUARY 1 TO DECEMBER 31

Diversion Means: LIVESTOCK DIRECT FROM SOURCE

2		W2NE	4	28N	19E	BLAINE
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Period of Diversion: JANUARY 1 TO DECEMBER 31

Diversion Means: LIVESTOCK DIRECT FROM SOURCE

Period of Use: JANUARY 1 TO DECEMBER 31

Place of Use:

<u>ID</u>	<u>Acres</u>	<u>Govt Lot</u>	<u>Qtr Sec</u>	<u>Sec</u>	<u>Twp</u>	<u>Rge</u>	<u>County</u>
1			NW	4	28N	19E	BLAINE
2			W2NE	4	28N	19E	BLAINE