

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

IN CHAMBERS (X) IN OPEN COURT ()

SPECIAL MASTER GEORGE A. SCHADE, JR.
Presiding

IN RE THE GENERAL ADJUDICATION
OF ALL RIGHTS TO USE WATER IN THE
GILA RIVER SYSTEM AND SOURCE

DATE: January 30, 2007

CIVIL NO. W1-11-232
(Consolidated)

NOTICE AND ORDER

CONTESTED CASE NAME: *In re San Pedro Riparian National Conservation Area.*

HSR INVOLVED: San Pedro River Watershed Hydrographic Survey Report.

DESCRIPTIVE SUMMARY: The Special Master provides notice of his office's new addresses, grants two motions to intervene, removes four claimants from the Court approved mailing list, and sets a telephonic status conference on March 20, 2007.

NUMBER OF PAGES: 3.

DATE OF FILING: January 30, 2007.

The Special Master's office has moved to the Maricopa County Superior Court, Central Court Building, Suite 5B, 201 West Jefferson, Phoenix, Arizona 85003-2205. The new telephone is (602) 372-4115 and facsimile is (602) 372-8733.

A telephonic conference was held on January 18, 2007. The Special Master stated that he would grant the motions to intervene filed by Phelps Dodge Corporation and the Babacomari Ranch Company, LLLP, and would remove from the Court approved mailing list for this case, at their request, claimants Union Pacific Railroad Company, successor-in-interest to Southern Pacific Transportation Company, the Arizona Nature Conservancy, Tenneco West, Inc., and Tenneco Arizona Properties Corporation.

Discussion ensued regarding the anticipated introduction of “pilot” legislation concerning a regulatory water management structure for the Upper San Pedro River Watershed including the Sierra Vista Subwatershed. Information about this proposal being developed by a Statewide Water Advisory Group can be found on the Web site of the Arizona Department of Water Resources at Resources at <www.azwater.gov> under Hot Topics, Statewide Water Advisory Group.

The consensus of the parties was to allow a period of time to review the legislative proposal that is anticipated to be introduced shortly before proceeding with this contested case. The parties plan to review the legislative proposal at their next meeting.

The parties have held meetings to discuss their issues, and more meetings are planned including one next week. The meetings involve this case and the *In re Fort Huachuca* contested case.

It was agreed that any party in this contested case who wishes to attend or participate in the meetings must contact Mr. Lee Leininger. The Special Master will set a deadline of February 28, 2007, for a party in this contested case to contact Mr. Leininger. Mr. Leininger shall exercise his best efforts to inform the parties who have contacted him of all meetings. He has been responsible for coordinating the meetings that have been limited to parties involved in this case and in the *In re Fort Huachuca* contested case.

The Salt River Project indicated that this case presents legal issues that could be resolved by motion. The Special Master invited the Project and the other parties to file any motion addressing a legal issue that the movant believes can be resolved by motion.

The Special Master wishes to hear of the legislative proposals and how they might impact, if at all, the continuation of this and the *In re Fort Huachuca* cases. The Special Master is concerned that talk of proposed legislative actions will act to postpone unnecessarily these two contested cases, particularly, after reading that the Arizona Department of Water Resources’ Director Mr. Herb Guenther “estimated it will take at least two sessions of the Arizona Legislature before anything final happens.” *Sierra Vista Herald* (Oct. 25, 2006).

A telephonic status conference will be held on March 20, 2007, to discuss the progress of efforts to implement a settlement track and any suggestions that will expedite this case.

IT IS ORDERED:

1. Granting the motion of Phelps Dodge Corporation to intervene.
2. Granting the motion of the Babacomari Ranch Company, LLLP to intervene.
3. Granting the requests of the Union Pacific Railroad Company, successor-in-interest to Southern Pacific Transportation Company, the Arizona Nature

Conservancy, Tenneco West, Inc., and Tenneco Arizona Properties Corporation to be removed from the Court approved mailing list for this case. These claimants are not parties in this contested case.

4. A party in this contested case that wishes to attend or participate in the ongoing meetings, and who has not already done so, shall contact Mr. Lee Leininger on or before **February 28, 2007**. His address is U.S. Department of Justice, Environment and Natural Resources Division, 1961 Stout Street, 8th Floor, Denver Colorado 80294. Only parties involved in this case or in the *In re Fort Huachuca* contested case can attend or participate in the meetings.

5. Mr. Leininger shall exercise his best efforts to inform the parties who have contacted him of the dates and times of any meetings.

6. Any party in this case may file at any time a motion addressing substantive legal issues that the party believes can be resolved by motion.

7. A telephonic status conference shall be held on **Tuesday, March 20, 2007, at 10:00 a.m. (MST)**, to discuss the status of this case and any suggestions that will expedite its progress. To enter the conference, call 602-506-0091. Each participant will bear any long distance telephonic charges.

8. Any party or counsel who wishes to be removed from the Court approved mailing list can do so by writing a letter to the Special Master.

DATED: January 30, 2007.

/s/ George A. Schade, Jr.
GEORGE A. SCHADE, JR.
Special Master

On January 30, 2007, the original of the foregoing was delivered to the Clerk of the Maricopa County Superior Court for filing and distributing a copy to all persons listed on the Court-approved mailing list for Contested Case No. W1-11-232 dated September 26, 2006, but revised to add the new intervenors.

/s/ Dana M. Slatalla
Dana M. Slatalla