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

IN RE THE GENERAL ADJUDICATION

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

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W-1 (Salt)

W-2 (Verde)

W-3 (Upper Gila)

W-4 (San Pedro)

(Consolidated)

CIVIL NO. W1-11-1174 (Consolidated)

ORDER AND PARTIAL DECREE OF STIPULATED PUBLIC WATER RESERVE NO. 107 WATER RIGHTS OF THE UNITED STATES OF AMERICA IN THE SAN PEDRO RIVER WATERSHED

This matter came before the Court on the Final San Pedro River Watershed Hydrographic Survey Report (1991) ("San Pedro HSR") and objections to that report; consideration of the San Pedro HSR and objections were referred to Special Master George A. Schade, Jr.; the Special Master organized and conducted proceedings in Contested Case No. W1-11-1174 (Consolidated) involving the water rights of the United States of America claimed pursuant to an Executive Order entitled Public Water Reserve No. 107 (April 17, 1926) for lands managed by the United States Department of the Interior, Bureau of Land Management, located within the San Pedro River Watershed; the parties in the contested case having reached stipulated agreements that were filed on April 6, 2007, and April 12, 2007, as to the water rights in fourteen springs to be decreed to the United States of America; Special Master Schade having accepted the stipulations and proposed abstracts of water rights; Special Master Schade having filed a report with the Clerk of the Court on June 12, 2007, recommending the approval of the stipulated agreements, the proposed abstracts of water rights, and the withdrawal of eight statements of claimant and having served a copy of the report to the parties and all persons listed on the Gila River Adjudication Court Approved Mailing List; the Special Master having given claimants in the Gila River Adjudication, pursuant to A.R.S. § 45-257(A)(2), a

1 period of sixty days, or until August 13, 2007, to file objections to the report and proposed partial 2 3 5

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decree, and until September 12, 2007, to file responses to the objections; objections having been filed by Mr. Charlie Goff on behalf of Goff Ranches, Mr. H. Thomas Hendrickson, Jr. on behalf of YLE Ranch, and Mr. Michael Mercer; the Court having considered a memorandum filed by Mr. Wayne D. Klump as an objection to the Special Master's partial report; and the Court having considered the objections and the partial report and being fully advised;

THE COURT FINDS that notice of the Special Master's report was given as required by law and prior orders of this Court; the period of sixty days allowed for filing objections to the report was proper pursuant to A.R.S. § 45-257(A)(2); the period for filing objections to the report and proposed partial decree has passed; despite the argument of the claimants who filed objections, which was heard in open court, the approval of the Special Master's partial report and its recommendations will not adversely affect any substantive water right held by those opposing approval or any potential senior water right claimant; the Special Master lodged a proposed form of order and partial decree that complies with the findings of the Court; and the stipulated agreements and proposed abstracts of water rights for the United States of America should be approved as well as the withdrawal of eight statements of claimant.

THE COURT ADJUDICATES AND DECREES the Public Water Reserve No. 107 water rights of the United States of America as set forth in the fourteen abstracts of water rights stipulated by the parties and described in Special Master Schade's report and the technical review of the Arizona Department of Water Resources filed on April 12, 2007.

IT IS ORDERED that the fourteen abstracts of water rights shall be incorporated in the tabulations or lists of all water rights and their relative priorities in the Gila River System and Source in the form that the Court shall determine to be most appropriate.

IT IS FURTHER ORDERED accepting the United States of America's withdrawal of

| 1 | Statements of Claimant Nos. 39-11161, 39-11188, 39-11189, 39-11208, 39-11217, 39-11221, 39- |
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| 2 | 11243, and 39-14443, and these claims are dismissed. |
| 3 | IT IS FURTHER ORDERED that the United States of America shall promptly file with the |
| 4 | Clerk of the Maricopa County Superior Court notices of withdrawal of Statements of Claimant Nos. |
| 5 | 39-11161, 39-11188, 39-11189, 39-11208, 39-11217, 39-11221, 39-11243, and 39-14443. |
| 6 | DATED this 11th day of April, 2008. |
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| 8 | /s/ Eddward P. Ballinger, Jr. EDDWARD P. BALLINGER, JR. |
| 9 | Judge of the Superior Court |
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