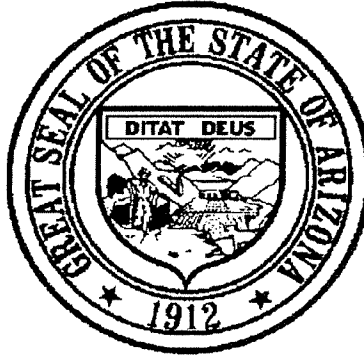


Arizona Department of Water Resources

500 North Third Street
Phoenix, AZ 85004
(602) 417-2400
www.water.az.gov



For Immediate Release:
January 28, 2005
Janet Napolitano,
Governor
Herb Guenther,
Director

NEWS
RELEASE

Public Information Office
(602) 417 2400 ext. 7133

ADWR Files Report on Phelps Dodge – Show Low Lake Case

The Arizona Department of Water Resources has filed its report with the Apache County Superior Court as part of a legal proceeding that will determine the nature, extent and relative priority of water rights within the watersheds of the Little Colorado River system.

The proceeding, known as the Little Colorado River Adjudication, is presided over by Judge Eddward P. Ballinger Jr. The two-volume report is titled "Supplemental Contested Case Hydrographic Survey Report In re Phelps Dodge Corporation (Show Low Lake)."

Copies of the Supplemental Contested Case HSR for Phelps Dodge's claims to Show Low Lake are available at several locations within the LCR adjudication area, and other parts of the state. Electronic copies of court orders and deadlines for the Little Colorado River Adjudication are posted on the Special Master's Internet site at <http://www.supreme.state.az.us/wm>.

On January 31, 2005, ADWR also filed with the Apache County Superior Court a packet of information known as an Objection Notice that describes the procedures for filing an objection to the Phelps Dodge claims to Show Low Lake. ADWR mailed copies of the Objection Notice to all known persons or entities, or their successors-in-interest, who claim the right to use water in the Little Colorado River Adjudication, use water within the Silver Creek Watershed, and/or are included on certain mailing lists established by the Court. Any person or entity that has filed a statement of claimant in the Little Colorado River Adjudication may file an objection. The deadline for filing objections is August 1, 2005.

LEGAL NOTICE

On January 31, 2005, the Arizona Department of Water Resources (ADWR) filed a two-volume report with the Apache County Superior Court as part of a legal proceeding that will determine the nature, extent and relative priority of water rights within the watersheds of the Little Colorado River system. This legal proceeding is known as the Little Colorado River general stream adjudication, and is presided over by Judge Eddward P. Ballinger, Jr. The Special Master to the case is Mr. George A. Schade, Jr. Electronic copies of court orders and deadlines for the Little Colorado River Adjudication are posted on the Special Master's Internet site at <http://www.supreme.state.az.us/wm>.

The report filed by ADWR is titled "Supplemental Contested Case Hydrographic Survey Report In re Phelps Dodge Corporation (Show Low Lake)." In 1985, Phelps Dodge filed a form, known as a statement of claimant, in the Little Colorado River Adjudication in which Phelps Dodge claimed water rights to store water in, and divert water from, Show Low Lake in exchange for water diverted from the Black River for use at Phelps Dodge's copper mine in the vicinity of Morenci, Arizona. Show Low Lake is located near the town of Show Low in the Silver Creek Watershed. Phelps Dodge's claimed water rights to the water of Show Low Lake were analyzed by ADWR as part of a hydrographic survey report for the Silver Creek Watershed that was published in 1990. Due to unresolved legal issues, the Phelps Dodge proceedings were delayed for several years. At the request of the Court, Phelps Dodge filed an amendment and supplement to its original claim in 2003. In the Phelps Dodge report, ADWR analyzed Phelps Dodge's amended claim to Show Low Lake, and made recommendations concerning those claims for consideration by the Court.

On January 31, 2005, ADWR also filed with the Apache County Superior Court a packet of information known as an Objection Notice that describes the procedures for filing an objection to the Phelps Dodge claims to Show Low Lake. ADWR mailed copies of the Objection Notice to all known persons or entities, or their successors-in-interest, who claim the right to use water in the Little Colorado River Adjudication, use water within the Silver Creek Watershed, and/or are included on certain mailing lists established by the Court. Any person or entity that has filed a statement of claimant in the Little Colorado River Adjudication may file an objection. The deadline for filing objections is August 1, 2005.

The Objection Notice provides additional information to water users in the Little Colorado River Adjudication who may wish to file a statement of claimant, or who need to make address or ownership changes to an existing statement of claimant. If any of these changes have already occurred, ADWR should be notified as soon as possible. If any of these changes occur in the future, ADWR must be notified within 30 days of the change.

Copies of the Supplemental Contested Case HSR for Phelps Dodge's claims to Show Low Lake are available at several locations within the LCR adjudication area, and other parts of the state. These locations are listed below and in the Objection Notice.

Round Valley Public Library
367 North Main Street
Eagar, AZ 85925
928-333-4694

Flagstaff City/
Coconino County Public Library
300 West Aspen
Flagstaff, AZ 86001
928-779-7670

Rim Community Library
3401 Kimball Street
Heber, AZ 85928
928-535-5749

Tuba City Public Library
78 Main Street
Tuba City, AZ 86045
928-283-5856

Hopi Public Library
C/O Hopi Education Dept.
Kykotsmovi Main Street
Kykotsmovi, AZ 86039
928-734-2336

Winslow Public Library
420 West Gilmore
Winslow, AZ 86047
928-289-4982

Larson Memorial Public Library
1595 East Johnson Drive
Pinetop-Lakeside, AZ 85929
928-368-6688

Show Low Public Library
20 North 6th Street
Show Low, AZ 85901
928-532-4070

Clerk of Apache County
Superior Court
70 West Third South
St. Johns, AZ 85936
928-337-7550

Clerk of Navajo County
Superior Court
Highway 77
Navajo Co. Complex
Holbrook, AZ 86025
928-524-4188

Arizona Dept. of Water Resources
500 North Third Street
Phoenix, AZ 85004
602-417-2405

Pinal AMA Office
1729 North Trekell Road South
Ste. 105
Casa Grande, AZ 85222
520-836-4857

Prescott AMA Office
2200 East Hillsdale Road
Prescott, AZ 86301-4941
928-778-7202

Santa Cruz AMA Office
857 West Bell Road, Ste. 3
Nogales, AZ 85621-4545
520-761-1814

Tucson AMA Office
400 West Congress, Ste. 518
Tucson, AZ 85701-1374
520-770-3800

By contacting ADWR at the following address or telephone numbers, copies of one or both volumes of the Phelps Dodge report for Show Low Lake may be purchased. Also, general information, copies of the Objection Notice, and forms for filing, or making address or ownership changes to a statement of claimant may be obtained.

Arizona Department of Water Resources
500 North Third Street
Phoenix, Arizona 85004
602-417-2405 (Phoenix area)
1-800-352-8488 (toll free inside Arizona)
1-866-246-1414 (toll free outside Arizona)
Internet: <http://www.water.az.gov>