LAW OFFICES
FENNEMORE CRAIG
A PROFESSIONAL CORPORATION

Lauren J. Caster
Direct Phone: (602) 916-5367
Direct Fax: (602) 916-5567
lcaster@fclaw.com

OFFICES IN PHOENIX AND TUCSON
3003 NORTH CENTRAL AVENUE
SUITE 2600
PHOENIX, ARIZONA 85012-2913
PHONE: (602) 916-5000
FAX: (602) 916-5999

December 4, 1997

VIA FACSIMILE

Karen E. Baerst, Esq.
Assistant Attorney General
Land and Natural Resources Section
Office of the Attorney General
State of Arizona
1275 West Washington Street
Phoenix, Arizona 85007-2926

Re: Board of Appeals Nos. 997-1001

Dear Ms. Baerst:

Thank you for your letter dated December 3, 1997. In Cyprus's view the same value should not necessarily be assigned to water purchased under all of these applications, so in that sense "consolidation" would not be appropriate. On the other hand, Cyprus certainly does not intend to ask the witnesses to testify five times or to present five separate sets of exhibits. We agree that proceeding in such a manner would be a waste of time.

Cyprus will amend its Appeal of Appraisal to delete the request for adjustment to $65.00 per acre foot. As you will see from its appraiser's report, investigation of the Department's "comparable sales" and other sales leads its appraiser to conclude that even $65.00 per acre foot is unsupportable.

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Karen E. Baerst, Esq.
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Please call me if you have questions.

Very truly yours,

FENNEMORE CRAIG

Lauren J. Caster

cc: Ruth Graham Kern, Esq.