ARIZONA DEPARTMENT OF WATER RESOURCES
Legal Division
3550 North Central Avenue, Phoenix, Arizona 85012
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Janet Napolitano
Governor

Herbert R. Guenther
Director

September 13, 2006

Maxine M. Becker
Salmon, Lewis & Weldon, P.L.C.
2850 E. Camelback Road, Suite 200
Phoenix, Arizona 85016

RE: Wind River Resources' Application for Permit to Transport Water Out of State No. 33-96790

Dear Maxine:

This is in response to your August 8, 2006 letter to Liza Logan, Manager of the Water Management Section in the Arizona Department of Water Resources ("Department") concerning a possible hearing date for the above-referenced application. This application contains complex issues of first impression that are still under review by the Department. The Department anticipates that a hearing will be held on the application in mid-January 2007.

Please feel free to call me if you have any questions. Thank you.

Sincerely,

Janet L. Ronald
Deputy Counsel

JLR/gsw

c: Scott Deeny
✓ Liza Logan

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August 8, 2006

RECEIVED

AUG 11 2006

AZ DEPT OF WATER RESOURCES
SURFACE WATER

Ms. Liza Logan
Arizona Department of Water Resources
3550 N. Central Avenue
Phoenix, Arizona 85012

Re: Application for Permit to Transport Water Out of State No. 33-96790

Dear Liza:

In speaking with Department staff, our client, Erika Val Alstine, was given the impression that the Department will not be able to comply with the licensing time frame requirements for Wind River Resources' Application for Permit to Transport Water Out of State ("Application"). This possible delay has caused understandable concern for our client. In order to avoid such a delay, we would like to work with the Department to set a date certain for the hearing of this matter that will meet the needs of the Department and also satisfy the need of our client to complete this process in a timely manner.

In light of a possible delay in this process, we would like to discuss with you the Department's current time frame for completing its review of the application, when the Department will set the hearing date, and what hearing date the Department is contemplating setting. By our calculations, the substantive review time period (300 days) will expire on August 14, 2006. We understand that the licensing time frame rule allows an additional 120 days in order to accomplish the required hearing. See R12-15-401(5). We calculate that the last date for a hearing in this matter is December 11, 2006.

As you can appreciate, any delay in the hearing of this matter beyond December 11, 2006 will be a significant hardship for our client as well as for the consumers of Mesquite, Nevada, who are in need of certainty of their future water supply, and who are waiting for the hearing process to be completed. For our client and the Mesquite consumers, time is of the essence.

At your convenience, please call me so that we can discuss these scheduling issues. We look forward to working with you in order to move this process toward completion.

Sincerely,

Salmon, Lewis & Weldon, P.L.C.

By Maxine M. Becker

Maxine M. Becker

MMB:ck
cc: Erika Van Alstine
John B. Weldon, Jr., Esq.