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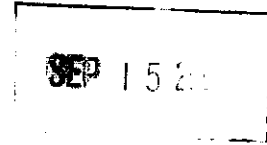
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Western Environmental Law Center

Defending the West Wildlands, Water, and Western Communities

U.S. DISTRICT COURT
DISTRICT OF NEVADA
FILED



U.S. DISTRICT COURT

September 14, 2006

Honorable Robert A. McQuaid, Jr.
United States Magistrate Judge
United States Courthouse
400 South Virginia Street, Room No. 405
Reno, Nevada 89501

Re: United States of America v. Walker River Irrigation District, In Equity No. C-125-ECR, Subproceedings C-125-B and C-125-C

Dear Magistrate Judge McQuaid:

On behalf of Mineral County, Nevada, (the County) and the Walker Lake Working Group (the Working Group) I am writing to provide written notice of the County's and Working Group's withdrawal from the mediation process previously approved by the Court in the above-referenced proceedings. This written notice is being provided pursuant to Paragraph 2.2 of the Mediation Process Agreement.

As you know, the County and Working Group have been involved in the mediation process since its inception approximately four years ago and have been actively engaged in meetings and negotiations with the other mediating parties for over three-and-a-half years. We have committed extraordinary time and resources to this process during that time, and it is with regret that we have made the decision to withdraw from the process at this time. We gratefully acknowledge the exceptional efforts of our mediator, Barbara Cosens, to move the mediation process forward, and we do not blame any particular party for the lack of progress.

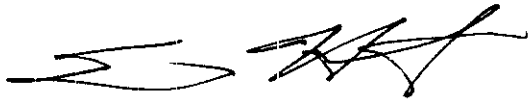
However, the fact remains that after more than three-and-a-half years of negotiations and more than four years of being committed to the mediation process, there is no agreement among the parties on any of the basic issues, such as the appropriate amount of additional inflows to Walker Lake, a reliable implementation plan for any measures or commitment to cooperative implementation, or the nature of enforcement and administration required in the Walker River system. Further, with the exception of a single small one-time transfer of water from the Mason Valley Wildlife Management Area to the Lake in 2004, the meditation process has not resulted in any concrete action to benefit Walker Lake on

even an interim, or short term, basis to prevent the Lake from drying while this open-ended process goes on.

Consequently, like the Walker River Paiute Tribe, the County and Working Group have determined that other processes and activities, which have been constrained by the mediation process, are crucial to the best interests of the Lake. Accordingly, the County and Working Group have decided to withdraw from the mediation process at this time, and to devote our limited resources to those other activities for the time being. The County and Working Group remain open to future discussions with all of the other parties to this complex dispute. We believe a comprehensive resolution of the competing claims for water in the Walker River/Lake basin ultimately will require the cooperation of all the parties.

Please do not hesitate to contact me if you have any questions or desire any further explanation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Simeon Herskovits', with a stylized flourish at the end.

Simeon Herskovits

cc: Please see attached service list

SERVICE LIST

Copies of the foregoing letter were sent to the following parties on September 15, 2006:

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