IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW MEXICO

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)	No. 01cv0072 BB/WDS
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)	ZUNI RIVER BASIN
)	ADJUDICATION
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STATE OF NEW MEXICO'S REPLY TO DEFENDANT PAUL DAVIS SURVIVOR'S TRUST'S RESPONSE IN OPPOSITION TO STATE'S MOTION TO DISMISS COUNTERCLAIM

The State of New Mexico ex rel. State Engineer ("State") hereby replies to Defendant Paul Davis Survivor's Trust's Response in Opposition to State of New Mexico's Motion to Dismiss Counterclaim ("Response") (No. 1317), and in support thereof, states as follows:

- 1. The Counterclaimant's Response argues that its "intent to apply" water is sufficient to support a claim "to use all water that falls upon, flows through, or lies beneath land that it owns or has an interest in." Response, ¶ 7.
 - 2. Counterclaimant's Response does not correctly state the law.
- 3. As the State pointed out in its Motion to Dismiss, the New Mexico Constitution provides that beneficial use is the "measure, the basis and the limit" of all water rights in New Mexico. N.M. Const. art. XVI, §3.
- 4. Furthermore, since 1907, New Mexico law has required that a person "intending to acquire the right to the beneficial use of any [surface] waters . . . shall first make an application to the state engineer for a permit to appropriate." § 72-5-1 NMSA 1978.

5. The same is true with regard to ground water. Any person intending to acquire the right to the beneficial use of any underground water in the Zuni River stream system must first apply to the state engineer for a permit. § 72-12-1, et seq. NMSA 1978.

6. Counterclaimant makes no allegation that it has appropriated or beneficially used "all the water that falls upon, flows through, or lies beneath land that it owns or has an interest in." Nor has it alleged that it has applied for, or obtained the permits required to do so. It has therefore failed to state a claim under New Mexico law for a corresponding water right.

WHEREFORE, the State requests the Court dismiss the counterclaim of Defendant Paul Davis Survivor's Trust pursuant to Fed.R.Civ.P. 12(b)(6) for failure to state a claim under which relief can be granted.

Electronically Filed

/s/ Edward C. Bagley

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on October 31, 2007, I filed the foregoing State of New Mexico's Reply to Defendant Paul Davis Survivor's Trust's Response in Opposition to State's Motion to Dismiss Counterclaim electronically through the CM/ECF system, which caused the parties or counsel reflected on the Notice of Electronic Filing to be served by electronic means.