

02/03/2026

Melissa Lockman
CLERKMontana Water Court
STATE OF MONTANA

By: D'Ann CIGLER

43A-0400-R-2025

Stern, Anika

15.00

Montana Water Court
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MONTANA WATER COURT
YELLOWSTONE DIVISION
SHIELDS RIVER
BASIN 43A
PRELIMINARY DECREE

* * * * *

CLAIMANTS: Arthun Ranch Inc.; Queen Ranches, Inc.

OBJECTORS: Arthun Ranch Inc.; Queens Ranches, Inc.

NOTICE OF INTENT TO APPEAR: 4 Diamond Ranch at
Wallrock, LLC

CASE 43A-0011-R-2020

43A 190767-00

~~43A 190929-00~~ w/drawal filed 21/2021)

43A 191200-00

CLAIMANTS: Arthun Ranch Inc; Rollin River Ranch LLC;
Johnstone Ranch LLC

OBJECTORS: 4 Diamond Ranch at Wallrock LLC; Arthun
Ranch Inc.; Rollin River Ranch, Inc.

COUNTEROBJECTORS: Jacqueline Marie Shiplet,
Surviving Spouse's Trust; Robert
Shiplet Marital Exemption Trust;
Robert W. Shiplet; Steven W.
Shiplet

NOTICE OF INTENT TO APPEAR: 4 Diamond Ranch at
Wallrock LLC; CJA
Properties LLC; Henry
Guth, Inc.; Shields
Canal Co.

CASE 43A-0015-R-2020

43A 190838-00

43A 190840-00

43A 190841-00

43A 191180-00

43A 192631-00

43A 213372-00

CLAIMANT: 4 Diamond Ranch at Wallrock LLC

OBJECTORS: 4 Diamond Ranch at Wallrock LLC;
Arthun Ranch Inc.

NOTICE OF INTENT TO APPEAR: Arthun Ranch Inc.;
CJA Properties LLC

CASE 43A-0081-R-2020

43A 6977-00 43A 190578-00
43A 7015-00 43A 190579-00
43A 154124-00 43A 190580-00
43A 190569-00 43A 190584-00
43A 190570-00 43A 190586-00
43A 190571-00 43A 190928-00
43A 190572-00 43A 190941-00
43A 190573-00 43A 191758-00
43A 190574-00 43A 192122-00
43A 190575-00 43A 192131-00
43A 190576-00 43A 192440-00
43A 190577-00 43A 192459-00
43A 30069161

CLAIMANT: 4 Diamond Ranch at Wallrock LLC

OBJECTORS: ~~Arthun Land LLC~~; Arthun Ranch Inc.; Rollin
River Ranch LLC

NOTICE OF INTENT TO APPEAR: CJA Properties;
Matthew B. Levers

CASE 43A-0082-R-2020

43A 190582-00
~~43A 213209-00~~

CLAIMANT: Rolling River Ranch LLC

OBJECTORS: 4 Diamond Ranch at Wallrock LLC; Rolling
River Ranch LLC

NOTICE OF INTENT TO APPEAR: CJA Properties; Henry
Guth Inc.; Jacqueline
Marie Shiplet
Surviving Spouse's
Trust; Robert Shiplet
Marital Exemption
Trust; Robert W.
Shiplet; Steven W.
Shiplet

CASE 43A-0118-R-2020

43A 190686-00
43A 190688-00

CLAIMANTS: Levers Family Trust, Amend 2006; John G
Sessoms; Trust for Matthew B Levers

OBJECTORS: 4 Diamond Ranch at Wallrock LLC; USA
(Dept of Interior Bureau of Reclamation)

NOTICE OF INTENT TO APPEAR: 4 Diamond Ranch at
Wallrock LLC; Henry
Guth, Inc.

CASE 43A-0395-R-2021

43A 117118-00
43A 117125-00

CLAIMANTS: Henry Guth, Inc.; Levers Family Trust
Amend 2006; John G. Sessoms Livings
Trust 3/22/2022; Trust for Mathew B.
Levers; Christopher A. Spoja; Debra L.
Spoja; Rollin River Ranch, LLC

NOTICE OF INTENT TO APPEAR: 4 Diamond Ranch at
Wallrock, LLC

CASE 43A-0400-R-2025

43A 3720-00	43A 117123-00
43A 23730-00	43A 117126-00
43A 23731-00	43A 117128-00
43A 117107-00	43A 117129-00
43A 117121-00	43A 117130-00
43A 190691-00	43A 190685-00
43A 190697-00	43A 190687-00
43A 190698-00	43A 190689-00
43A 191258-00	43A 190690-00
43A 117108-00	43A 190692-00
43A 117109-00	43A 190693-00
43A 117119-00	43A 190694-00
43A 117120-00	43A 190695-00
43A 117122-00	43A 190696-00

NOTICE OF FILING OF SECOND MASTER'S REPORT

This Master's Report was filed with the Montana Water Court on the above-stamped date. Please review this report carefully.

You have **13 days** from the service date of the notice of filing of this report to file a written objection or request an extension of the objection period. Rule 23, Water Right Adjudication Rules; Rule 6, Montana Rules of Civil Procedure. If you file an objection, you must serve a copy of the objection to all parties on the service list found at the end of the Master's Report. The original objection and a certificate of mailing to all parties on the service list must be filed with the Water Court.

If you do not file a timely objection, the Water Court will conclude that you agree with the content of this Master's Report.

SECOND MASTER'S REPORT

PROCEDURAL HISTORY

Proceedings in Cases 43A-0011-R-2020, 43A-0015-R-2020, 43A-0081-R-2020, 43A-0082-R-2020, 43A-0118-R-2020, and 43A-0395-R-2021 have been ongoing for several years; for much of that time, Cases 43A-0011-R-2020, 43A-0015-R-2020, 43A-0081-R-2020, 43A-0082-R-2020, and 43A-0118-R-2020 were in mediation.

On November 4, 2024, the parties in Cases 43A-0011-R-2020, 43A-0015-R-2020, 43A-0081-R-2020, 43A-0082-R-2020, and 43A-0118-R-2020 filed an Agreement Addressing Water Rights Associated with Jordan-Arthun Reservoir (“Stipulation”). (Doc.¹ 49.00). The Stipulation was entered into between: Arthun Ranch, Inc. (“Arthun Ranch”); Rollin River Ranch, LLC (“Rollin River”); Levers Family Trust, Amend 2006, John G. Sessoms, and Trust for Matthew B. Levers (collectively, “Levers/Sessom”); Henry Guth Inc. (“Guth”); and 4 Diamond Ranch at Wallrock, LLC (“4 Diamond”). The Stipulation resolves the various objections, counterobjections, and notices of intent to appear filed in Cases 43A-0011-R-2020, 43A-0015-R-2020, 43A-0081-R-2020, 43A-0082-R-2020, and 43A-0118-R-2020, and claim 43A 117118-00 (Case 43A-0395-R-2021).² The Stipulation memorializes water management practices, a prior Reservoir Operation Agreement, and an Exchange Agreement; parties should look to the record for those details. The Stipulation standardizes elements of Jordan-Arthun Reservoir claims.

Case 43A-0395-R-2021 has been running alongside the other captioned cases as the parties waited for mediation to conclude.

The Stipulation also addressed claims that were previously consolidated in other now closed Water Court Cases, along with claims not previously in front of the Court; those claims were consolidated into Case 43A-0400-R-2025. (Doc. 62.00). The claims in Case 43A-0400-R-2025 are addressed in this Master’s Report.

Various opportunities were provided to the parties in the captioned Cases to confirm that the Stipulation resolves all outstanding Objections, Notices of Intent to Appear, and issue remarks in the captioned Cases, including a November 18, 2024, Order Extending Filing Deadline (Doc. 51.00), and the January 6, 2025, Order Setting Filing Deadlines (Doc. 55.00). On multiple occasions 4 Diamond affirmatively indicated its

¹ “Doc.” numerical references correlate to case file docket numbers in the Water Court’s Full Court case management system. The “Doc.” references in this Report refer to Case 43A-0011-R-2020, unless otherwise noted.

² The BOR withdrew its objection to claim 43A 117118-00 on July 7, 2022.

Objections and Notices of Intent to appear were resolved by the November 4, 2024, filing:

4 Diamond Ranch at Wallrock, (hereinafter "4 Diamond"), by and through undersigned counsel of record pursuant to the Water Court's Order Extending Filing Deadline dated November 18, 2024, hereby files the following Notice....4 Diamond has reviewed the filed Settlement Agreement dated November 4, 2024, and agrees with its terms. Approval of the Agreement by the Court would resolve 4 Diamond's Objections and Notices of Intent to Appear.

(Doc. 52.00). And,

A global multi-party stipulation has been submitted to resolve objections, counterobjections and NOIAs in the following cases: 43A-0011-R-2020, 43A-0015-R-2020, 43A-0081-R-2020, 43A-0082-R-2020, 43A-0118-R-2020, 43A-0395-R-2021.

(Doc. 61.00).

An Order Setting Filing Deadline was issued on June 12, 2025, with the Master's Report attached in draft form. The Draft Master's Report process gave all parties, including those not previously involved in the process, the opportunity to agree or disagree with proposals set forth by the Stipulating parties:

...the deadline for all parties to review the enclosed Draft Master's Report and attached abstracts and file comments is **July 31, 2025. Failure to file comments will be viewed as agreement with the findings, conclusions and recommendations found in this Draft Master's Report.** Any comments should be specific and must be filed on all parties.

Failure to comply with the terms of this Order may result in sanctions, up to and including entry of default and termination of a water right claim or dismissal of objections. Rule 22, W.R.Adj.R. (emphasis in original)

(Doc. 62.00). Abstracts were included with the Draft Master's Report. Arthun; 4 Diamond; the Jacqueline Marie Shiplet Surviving Spouse's Trust, Robert Shiplet Marital Exemption Trust, Robert W. Shiplet, and Steven W. Shiplet (collectively "Shiplets"); and Guth responded by the July 31, 2025, deadline. Arthun and 4 Diamond indicated agreement with the Draft Master's Report and provided information as to where issue remarks had previously been addressed in the record. (Doc. 63.00 and Case 43A-0015-R-

2020, Doc. 72.00). The Shiplets indicated their agreement with the Draft Master's Report. (Case 43A-0015-R-2020, Doc. 71.00). Guth indicated it:

...has reviewed the Draft Master's Report and attachments and does not agree with all that is stated therein, but in the interest of avoiding further litigation will not contest the Draft Master's Report.

(Case 43A-0400-R-2025, Doc. 4.00). Nothing was filed by other parties.

A Master's Report ("first Master's Report") was issued for the captioned Cases on August 22, 2025. (Doc. 64.00). 4 Diamond objected to the first Master's Report on September 9, 2025. (Doc. 65.00).

4 Diamond's objection to the first Master's Report asserts the following:

1. The Masters Report focuses on claims associated with the Jordan Reservoir stipulation but fails to fully address proposed resolutions of self-objections by 4 Diamond to claims consolidated in Case 43A-0081-R-2020. 4D's proposed resolutions were submitted to the court on January 29, 2021 with additional info submitted May 24, 2021.

a. Page 7 of the Masters Report states the proposed resolutions of those self-objections will not be implemented but then the master implements some of 4 Diamond's proposed resolutions.

b. Many of the claims in Case 43A-0081-R-2020 are not associated with the Jordan Reservoir and therefore not discussed in the November 4, 2024 stipulation. Other claims in 43A-0081-R-2020 were in the November 4, 2024 stipulation, but also had other corrections that were discussed in 4 Diamond's proposed resolutions.

c. The Master's Report should fully resolve 4 Diamond's self-objections.

Further, 4 Diamond argues that several claims lack point of diversion and reservoir record standardization and asks that the description of the Big Ditch and Jordan Reservoir be standardized. (Doc. 65.00).

A Conference was conducted on December 18, 2025, to address 4 Diamond's objections to the first Master's Report. The Order Setting Conference instructed:

During the conference, the parties and Water Master will address each claim in the Cases on an abstract-by-abstract basis, and the parties should be prepared to indicate whether any modifications/standardizations are needed; the participants will begin with the claims in Case 43A-0011-R-2020 and end with the claims in Case 43A-0400-R-2025. Failure to participate in the conference will be taken as agreement with any decisions made during the conference. (all emphasis in original)

During the December 18, 2025, Conference, 4 Diamond appeared prepared to propose modifications to claims not addressed in the September 2, 2025, Objection. After discussion, it was determined that 4 Diamond would file marked abstracts with its

proposed modifications to resolve its objections to the Master's Report and the other parties in the Case would be provided with time to comment. Taking into consideration that 4 Diamond was prepared to present the proposed modifications during the December 18, 2025, Conference, and after discussion with 4 Diamond, a December 19, 2025, deadline was set for 4 Diamond to file proposed abstracts, with all proposed modifications marked in red, showing how the objections to the first Master's Report should be resolved for each claim. A January 9, 2026, deadline was set for the other parties to agree or disagree with 4 Diamond's proposed modifications.

On December 19, 2025, 4 Diamond filed its Notice of Additional Information, attaching copies of abstracts proposing modifications to resolve the objections to the first Master's Report for only the claims in Case 43A-0081-R-2020. (Doc. 69.50). 4 Diamond neglected to include other proposed abstracts supporting its objection to the first Master's Report.

Guth filed its Response to 4 Diamond's Notice of Additional Information on January 9, 2026. (Doc. 71.00). The filing indicated Guth does not oppose 4 Diamond's proposed modifications contingent on "corrections" being made to claims 43A 23730-00, 43A 23731-00, and 41A 191258-00.

Arthun filed its Response to 4 Diamond's Notice of Additional Information on January 9, 2026. (Doc. 70.00). In the January 9, 2026, filing, Arthun stated:

Arthun has no objection to, or takes no position on, the modifications proposed in the abstracts attached to 4 Diamond's Notice except for the proposed place of use modification of claim 43A 190584-00 and possible point of diversion additions to claims 43A 190577-00 and 43A 190578-00.

FINDINGS OF FACT

4 Diamond's objection to the first Master's Report:

1. 4 Diamond's objection to the first Master's Report states 1) proposed resolutions to 4 Diamond's self-objections were not implemented and the Master's Report should fully resolve 4 Diamond's self-Objections; 2) 4 Diamond claims that were not incorporated into the November 4, 2024 Stipulation ("Stipulation") were not addressed, and other claims that were addressed in the Stipulation had additional

corrections “that were discussed in 4 Diamond’s proposed resolutions;” 3) certain elements on abstracts were not standardized.

2. On January 29, 2021, 4 Diamond filed its Proposed Resolution of Objections and Remarks in Case 43A-0081-R-2020. (Doc. 7.00, Case 43A-0081-R-2020). The January 29, 2021, filing included information to resolve Montana Department of Natural Resources and Conservation (“DNRC”) issue remarks decreed on claims in the Case and proposed resolutions to its self-Objections to various claims in the Case. The first Master’s Report in the captioned Cases referenced the January 29, 2021, filing while addressing the point of diversion issue remarks decreed on claims 43A 190569-00, 43A 190570-00, 43A 190571-00, 43A 190572-00, 43A 190573-00, 43A 190574-00, 43A 190575-00, 43A 190576-00, 43A 190577-00, 43A 190578-00, 43A 190579-00, and 43A 190580-00 and notice-type issue remarks decreed on various claims. (Doc. 64.00). However, the Master’s Report noted that the January 29, 2021, filing was a proposed resolution to the self-Objections. Further filings in Case 43A-0081-R-2020 show the January 29, 2021, filing did not fully resolve the issues in the Case.

3. 4 Diamond states there are claims in Case 43A-0081-R-2020 that are not associated with the Jordan-Arthun Reservoir and are not discussed in the Stipulation, and 4 Diamond states that there are other claims included in the Stipulation that have additional corrections that were not addressed in the Stipulation but were addressed by 4 Diamond’s proposed resolutions. Prior to issuance of the first Master’s Report, the parties in the captioned Cases were provided ample opportunity to ensure the record reflected their intentions, including several filing deadlines and a Draft Master’s Report. In its November 27, 2024, Notice of Agreement with the Settlement Agreement, 4 Diamond stated:

4 Diamond has reviewed the filed Settlement Agreement dated November 4, 2024, and agrees with its terms. Approval of the Agreement by the Court would resolve 4 Diamond’s Objections and Notices of Intent to Appear.

(Doc. 52.00). 4 Diamond provided no indication that in its opinion claims not associated with the Jordan-Arthun Reservoir were not fully addressed in the Stipulation, that the

parties failed to file a full settlement agreement with the court, or that there should be a completely standardized set of proposed abstracts.

Again, on June 4, 2025, 4 Diamond filed its Status Report and Motion to Reopen Cases and Reconsolidate Claims, stating:

A global multi-party stipulation has been submitted to resolve objections, counterobjections and NOIAs in the following cases: 43A-0011-R-2020, 43A-0015-R-2020, 43A-0081-R-2020, 43A-0082-R-2020, 43A-0118-R-2020, 43A-0395-R-2021.

(Doc. 61.00). Again, 4 Diamond gave no indication that issues were unresolved in the Cases.

4. In its Objection to the first Master's Report, 4 Diamond lists claims that lack point of diversion, ditch name, and/or reservoir record standardization. Further, in various instances, 4 Diamond states it "stipulated" that the standardizations be made to elements of certain claims; review of the record shows stipulations for certain standardizations described for 4 Diamond are non-existent. For example:

- Claims 43A 190840-00 (Case 43A-0015-R-2020), 43A 154124-00 (Case 43A-0081-R-2020), 43A 117125-00 (43A-0395-R-2021), 43A 23720-00 (43A-0400-R-2025), and 43A 190698-00 (43A-0400-R-2025):
 - In its September 20, 2025 Objection, 4 Diamond states: "4 Diamond stipulated that the legal description of the Jordan Reservoir should be described as: NW Section 17, 4N 9E."
 - The Stipulation does not address standardizing claims 43A 190840-00, 43A 154124-00, 43A 117125-00, 43A 23720-00, and 43A 190698-00 and the claims were not included in Exhibit C of the Stipulation. The Stipulation did indicate the 1961 rights should be standardized. Claims 43A 190840-00, 43A 154124-00, 43A 117125-00, 43A 23720-00, and 43A 190698-00, are not 1961 rights.
 - The Stipulation addressed claims 43A 117125-00, 43A 23720-00, and 43A 190698-00. However, the legal land description on the abstracts attached in Exhibit C was: SESWNW of Section 17, Township 4 North, Range 9 East.
- Claims 43A 191180-00 (Case 43A-0015-R-2020), 43A 154124-00 (Case 43A-0081-R-2020), 43A 190928-00 (43A-0081-R-2020), and 43A 190686-00 (43A-0118-R-2020):
 - In its September 20, 2025 Objection, 4 Diamond states:
 - 4 Diamond stipulated that the Big Ditch POD should be standardized as follows:

E2E2SW Section 4 4N 9E, and the ditch name should be Big Ditch, not Big Canal and not “Big Ditch also known as Shields River Canal.”

- Like claim 43A 190850-00, the Stipulation does not address standardizing claims 43A 191180-00, 43A 154124-00, 43A 190928-00, and 43A 190686-00 and the claims were not included in Exhibit C of the Stipulation. The Stipulation did indicate the 1961 rights should be standardized. Claims 43A 191180-00, 43A 154124-00, 43A 190928-00, and 43A 190686-00 are not 1961 rights.
- Like claim 43A 190850-00, the Stipulation does not specifically address standardizing the following claims: 43A 23730-00, 43A 23731-00, 43A 117107-00, 43A 117108-00, 43A 117109-00, 43A 117119-00, 43A 117120-00, 43A 117121-00, 43A 117122-00, 43A 117123-00, 43A 117126-00, 43A 117128-00, 43A 117129-00, 43A 117130-00, 43A 190685-00, 43A 190687-00, 43A 190689-00, 43A 190690-00, 43A 190691-00, 43A 190692-00, 43A 190693-00, 43A 190694-00, 43A 190695-00, 43A 190696-00, 43A 190697-00, and 43A 191258-00 (all in Case 43A-0400-R-2025) but the claims were included in Exhibit C of the Stipulation. However, the standardization requested in the Objection was not included on the abstracts in Exhibit C where the Ditch Name was listed as:

Ditch Name:	BIG DITCH
	BIG DITCH ALSO KNOWN AS SHIELDS RIVER RANCH CO CANAL.

5. 4 Diamond acknowledges that not all the claims it lists received Objections or issue remarks, but references the December 14, 2012, Water Court Order Addressing Reexamination (Reexam Order) and suggests the Court should take the initiative to standardize the point of diversion, ditch name, and reservoir record where they are not already standardized. The Basin 43A Preliminary was subject to the Reexam Order in which DNRC was ordered to implement standards. However, any element of a claim that already appeared on an objection list was considered litigated and was not subject to modification by the implementation of DNRC standards. Parties were free to object to claims to standardize elements.

The Court addresses claims that are on the Basin objection list, through either DNRC issue remarks or objections; the Court does not standardize claim elements on its own initiative.

Guth’s late objections:

6. Claims 43A 23730-00, 43A 23731-00, and 41A 191258-00 were previously consolidated in Case 43A-0322-R-2020, where a Stipulation was filed and the outstanding issues were resolved. On June 5, 2025, a Motion to Reopen Case and Reconsolidate Claims was filed in the captioned Cases. (Doc. 61.00). The claims in Case 43A-0322-R-2020 were included in the Motion “for the purpose of adding one or more of the information remarks presented in the stipulation.”

7. Guth’s January 9, 2026, Response to 4 Diamond’s Notice of Additional Information indicates Guth does not oppose the modifications proposed by 4 Diamond if certain “corrections” are made to claims 43A 23730-00, 43A 23731-00, and 41A 191258-00:

- The addition of the following point of diversion to claims 43A 23730-00 and 43A 191258-00:

2	SENWSW	32	4N	9E	PARK
Period of Diversion:	MARCH 15 TO OCTOBER 15				
Diversion Means:	HEADGATE				
Ditch Name:	PIERCY-ZIMMERMAN DITCH				
Period of Use:	MARCH 15 to OCTOBER 15				

- The addition of the following remark to claim 43A 23731-00:
CLAIMANT SHALL BE ENTITLED TO THE USE OF 5.25 CFS THROUGH
POINT OF DIVERSION NO. 2.

(Doc. 71.00).

8. The “corrections” proposed by Guth were not raised during proceedings in Case 43A-0322-R-2020 or in the captioned-Cases. The “corrections” appear to be late Objections to the claims, and they are outside these proceedings.

Arthun’s Response to 4 Diamond’s objection:

9. In its January 9, 2026, filing, Arthun states that it opposes 4 Diamond’s proposed place of use modification for claim 43A 190584-00 and that Arthun disagrees with 4 Diamond’s statement that its self-objection was not addressed.

The parties subsequently engaged in lengthy negotiations relating to the Jordan Arthun Reservoir culminating in the November 4, 2024 Agreement Addressing Water Rights Associated with the Jordan Arthun Reservoir (“Stipulation”). The Stipulation proposed modifications to certain claims including a class of claims identified as the “1961 Rights,” which include claim 43A 190584-00. Stipulation at 1.

The Stipulation states:

Upon entry of a ruling and final order(s) from the Water Court on the 1961 Rights, reflecting the terms specified above, ***all Objections, Counterobjections and Notices of Intent to Appear to the 1961 Rights***, and to objections by any Party to any other Party’s claims to water from Antelope Creek, shall be deemed resolved.

(*Emphasis* added) Stipulation at 9.

4 Diamond’s proposed place of use modifications to claim 43A 190584-00 were not among the modifications enumerated in the Stipulation. The August 22, 2025 Master’s Report in this case made the agreed-upon modifications to the 1961 rights, including claim 43A 190584-00. Arthun therefore believes 4 Diamond’s self-objection is resolved by the Stipulation and opposes additional modifications to the claim beyond what Arthun agreed to in the Stipulation.

(Doc. 70.00).

10. Arthun characterized the negotiations as culminating in the November 4, 2024 Stipulation. The Stipulation memorializes water management practices, a prior Reservoir Operating Agreement, and an Exchange Agreement; the parties should look to the record for those details. Additionally, the Stipulation addresses claims that were previously consolidated in other now closed Water Court Cases, along with claims not previously in front of the Court; those claims were consolidated into Case 43A-0400-R-2025. (Doc. 62.00). The claims in Case 43A-0400-R-2025 were addressed in the First Master’s Report and were considered part of the Stipulation by association.

11. The language of the Stipulation, 4 Diamond’s own statements, and the filings of the other parties in the captioned Cases, indicate the Stipulation was comprehensive and resolved all outstanding issues.

PRINCIPLES OF LAW

1. The deadline for filing objections in Basin 41S, the Judith River, was February 14, 2023. Objection deadlines are established by statute:

Objections must be filed with the water judge within 180 days after entry of the temporary preliminary decree, preliminary decree, or supplemental preliminary decree.

Section 85-2-233(2), MCA. The Water Right Claim Adjudication Rules also address objections. Rule 5(c) states:

Rule 5(c). Filing of objection. *Objections must be filed within 180 days after entry of the decree.* The water judge may, for good cause shown, extend this time limit up to two additional 90-day periods if application for an extension is made prior to the expiration of the original 180-day period or any extension of it. Section 85-2-233(2), MCA.

Rule 5(c), W.R.Adj.R. (emphasis added).

Water users in the Judith River Basin have had multiple opportunities to participate in the adjudication of water rights. The Water Court has issued two decrees for the Judith River Basin, both of which included the opportunity to file objections and notices of intent to appear. The first decree was issued on November May 17, 1984. The water rights in the first decree and the objections thereto were addressed by the Water Court, and a second decree was issued August 18, 2022.

2. A settlement agreement is a contract and is subject to the provisions of contract law. *Findley v. Mont. Thirteenth Jud. Dist. Ct.*, 277 Mont. 242, 247, 921 P.2d 870, 873 (1996). The existence of a contract is a question of law. *Lockhead v. Weinstein*, 2003 MT 360, ¶ 7, 319 Mont. 62, 81 P.3d 1284.

To be binding, a contract must contain the following four essential elements: (1) identifiable parties capable of contracting; (2) their consent; (3) a lawful object; and (4) a sufficient cause or consideration. § 28-2-102, MCA. The essential terms encompass “critical issues” as opposed to “mere details.” *Zier v. Lewis*, 2009 MT 266, ¶23, 352 Mont. 76, 218 P.3d 465.

The essential elements of an enforceable agreement are an unconditional offer and an unconditional acceptance.

A party to a settlement agreement is bound if he or she manifested assent to the agreement’s terms, and has not manifested an intent not to be bound. *Lockhead*, ¶12. In other words, a party is bound if he or she unconditionally consented to the agreement. *Lockhead*, ¶13. A party’s latent, or undisclosed, intention not to be bound does not prevent the formation of a binding contract. *Lockhead*, ¶11.

Murphy v. Home Depot, 2012 MT 23, ¶8, 364 Mont. 27, 270 P.3d 72.

CONCLUSIONS OF LAW

1. The parties to the captioned Cases spent several years crafting a settlement agreement to which they all had multiple opportunities to agree or disagree. Prior to 4 Diamond's Objection to the first Master's Report, no parties expressed disagreement over the terms of the Stipulation. The subject of the settlement agreement was the water rights at issue in the captioned Cases and the resolution of the Objections, Counter-Objections, and Notices of Intent to Appear to those water rights. The Claimants agreed to modify or terminate their water rights as valid consideration; likewise, Objectors, Counterobjectors, and Notice of Intent to Appear parties agreed to withdraw their Objections, Counterobjections, and Notices of Intent to Appear.

The issues in the captioned Cases were resolved by the Stipulation. Arthun signed the Stipulation, and the other parties were provided numerous opportunities to agree to the terms of the Stipulation. 4 Diamond filed statements agreeing to the terms of the Stipulation. (Docs. 52.00, 61.00, and 63.00).

2. The corrections proposed by Guth in its January 9, 2026, Response to 4 Diamond's Notice of Additional Information amount to late Objections to claims 43A 23730-00, 43A 23731-00, and 43A 191258-00.

RECOMMENDATIONS

1. The first Master's Report in the captioned Cases should be adopted.

2. The modifications proposed by 4 Diamond in its objection to the first Master's Report are not supported by the Stipulation, and the modifications should not be made to the claims in the captioned Cases. 4 Diamond's objection to the first Master's Report should be dismissed.

3. The late objections to claims 43A 23730-00, 43A 23731-00, and 43A 191258-00, noted in Henry Guth Inc.'s January 9, 2026 filing, should be rejected.

As no modifications are being made, no abstracts are attached.

ELECTRONICALLY SIGNED AND DATED BELOW.

CASE 43A-0011-R-2020

Service Via Electronic Mail:

Peter G. Scott
Attorney at Law
peter@scott-law.com
office@scott-law.com
(Atty for 4 Diamond Ranch at Wallrock, LLC)

Service Via Electronic Mail:

Dana E. Pepper
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(Attys for Arthun Ranch Inc. and Queen
Ranches, Inc., LLC)

Case 43A-0015-R-2020

Service via USPS Mail

Johnstone Ranch LLC
50 Indian Creek Rd
Wilsall, MT 59086

Service Via Electronic Mail:

Peter G. Scott
Attorney at Law
peter@scott-law.com
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CASE 43A-0081-R-2020

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CASE 43A-0082-R-2020

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CASE 43A-0118-R-2020

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CASE 43A-0395-R-2021

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CASE 43A-0400-R-2025

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