

RIO GRANDE COMPACT COMMISSION
COLORADO TEXAS NEW MEXICO

5550 San Antonio Drive N.E.
Albuquerque, NM 87109-4127

April 19, 2011

Mr. Pat Gordon
Texas Commissioner
Rio Grande Compact Commission
P.O. Box 1917
El Paso, TX 79950-1917

Via E-mail and Regular Mail

**SUBJECT: Relinquishment of a Portion of New Mexico's Accrued Rio Grande Compact
Credit Water in Rio Grande Project Storage**

Dear Commissioner Gordon:

New Mexico has evaluated the 100,000 acre-foot relinquishment requested in your letter of March 22, 2011. Based upon the April 1, 2011 snowmelt runoff forecast and other factors, we have determined the requested relinquishment is not feasible. Nevertheless, in the interest of improving the dismal water supply outlook for EBID farmers, I propose an alternative relinquishment as described below.

This year, EPCWID already has almost three quarters of the available Rio Grande Project supply (almost enough to provide a full supply to its farmers) and any additional water allocated to EPCWID would likely simply accrue to its carryover account for next year. Meanwhile, EBID farmers in New Mexico do not yet have enough water for an initial allocation. Therefore, I want to find a way to help New Mexico farmers within EBID while also minimizing the risk of a future compact delivery shortfall and not significantly affecting the recreation economy at Elephant Butte.

With the above considerations in mind, New Mexico proposes to relinquish 30,000 acre-feet of its accrued Rio Grande Compact credit currently held in storage in Elephant Butte Reservoir for allocation to EBID and Mexico as further described below. Our offer is conditioned as follows:

- The offer must be accepted by Texas in writing before May 1, 2011 and Texas must provide New Mexico written concurrence from the Bureau of Reclamation to these conditions.
- 30,000 acre-feet would be relinquished on May 1, 2011 for use by EBID and to increase Mexico's allocation in accordance with the D1 curve.

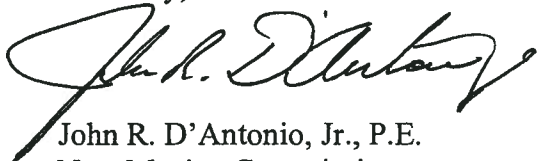
- An amount of water equal to the relinquished water may be stored in post-1929 reservoirs in New Mexico above Elephant Butte Reservoir over as many years as necessary to store the relinquished water on a one-to-one basis when Article VII of the Compact is in effect.
- Any relinquished water stored in El Vado Reservoir will be stored in addition to water stored by the U.S. Bureau of Reclamation as part of its federal tribal trust responsibility to guarantee delivery of irrigation water to the Prior and Paramount lands of the six Middle Rio Grande Pueblos.

If accepted, this relinquishment would allow EBID to provide an initial allocation of between 4 and 6 inches/acre of water to its farmers in May, would not significantly reduce water levels at Elephant Butte Reservoir over the Memorial Day holiday from what would otherwise occur, and would leave sufficient credit such that New Mexico's compact compliance would not be jeopardized. And, EPCWID would continue to hold sufficient Project Water to provide nearly 2.5 feet/acre to its farmers.

In addition, I would consider a second relinquishment in July 2011 based upon the snowmelt runoff that reaches the Elephant Butte Reservoir by the end of May 2011 and stakeholder input. If you would like to pursue such an option, my intent would be to meet with Rio Grande Basin stakeholders to describe and discuss possible alternative relinquishment scenarios before making an official proposal. I would be pleased if you would join me in one or more of those meetings.

I look forward to your response. Should you have any questions on this matter, please call me at (505) 827-6091 or Nabil Shafike, the Assistant Rio Grande Compact Engineer Adviser for New Mexico at (505) 383-4053.

Sincerely,



John R. D'Antonio, Jr., P.E.
New Mexico Commissioner

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cc: Dick Wolfe, Rio Grande Compact Commissioner for Colorado
Herman Settemeyer, Texas Engineer Adviser
Craig Cotten, Colorado Engineer Adviser
Estevan Lopez, Director, New Mexico Interstate Stream Commission
Amy Haas, General Counsel, New Mexico Interstate Stream Commission
Steve Farris, Office of the Attorney General, New Mexico
Buford Harris, Commissioner, NM Interstate Stream Commission
Gary Esslinger, Elephant Butte Irrigation District
Chuy Reyes, El Paso Water Conservation District No. 1
Mike Hamman, US Bureau of Reclamation
Filiberto Cortez, US Bureau of Reclamation
Rolf Schmidt-Petersen, New Mexico Engineer Adviser