



For immediate release:

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Proposed San Juan Basin Water Rights Settlement between the Navajo Nation and the State of New Mexico Under Consideration for Approval

(SANTA FE, New Mexico) – A proposed water rights settlement between the Navajo Nation and the State of New Mexico -- which potentially could resolve the claims of the Navajo Nation for the use of waters of the San Juan River Basin in northwestern New Mexico – is now being considered for approval. The revised draft settlement that is being considered was made available for public inspection December 10.

Officials of the Navajo Nation and the State of New Mexico are reviewing the revised draft settlement documents.

It is anticipated that the Navajo Nation Council will be considering action to approve the settlement in mid December. If approved by the Navajo Nation, it is anticipated that the New Mexico Interstate Stream Commission would meet in Farmington in January to consider the settlement. The State Attorney General also would need to approve the settlement. Changes to the proposed settlement have been made in response to public comments received on earlier versions of the settlement released in December 2003 and July 2004.

The proposed settlement agreement is intended to adjudicate the Navajo Nation's water rights and provide associated water development projects for the benefit of the Navajo Nation in exchange for a release of claims to water that could potentially displace existing non-Navajo water users in the basin and impact the local economy.

"This proposed settlement agreement would establish the water rights of the Navajo Nation in the San Juan Basin in New Mexico," said State Engineer John D'Antonio. "It draws to a close more than 20 years of efforts to adjudicate the Navajo Nation's water rights claims. Importantly for non-Navajo water right owners, it protects existing uses of water, it allows for future growth, and it does so within the amount of water apportioned to New Mexico by the Colorado River Compacts."

(MORE)

The revised proposed settlement agreement, including settlement documents appended to the agreement, are available for public inspection at the Office of the State Engineer's website at: www.ose.state.nm.us Hard copies of the revised proposed settlement agreement will also be available for inspection at the following locations:

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| * Aztec District Court
103 South Oliver Drive
Aztec, NM 87410 | * Aztec Public Library
201 W. Chaco St.
Aztec, NM 87410 |
| * Bloomfield Public Library
333 South First St.
Bloomfield, NM 87413 | * Farmington Public Library
101 Farmington Ave.
Farmington, NM 87401 |

The proposed settlement includes the **settlement agreement and four appendix documents**: a **partial final decree** for entry in the San Juan River Adjudication setting forth the rights of the Navajo Nation to use and administer waters of the San Juan River Basin in New Mexico; a **settlement partial final decree** for entry in the adjudication after completion of a hydrographic survey to quantify certain historic use rights in tributary areas to the San Juan River; a **settlement act** for Congress to authorize the Navajo-Gallup Water Supply Project to secure a water supply to meet needs of the Navajo Nation and its members and to approve the settlement agreement; and a **contract** to provide for deliveries to the Navajo Nation under U.S. Bureau of Reclamation water projects, including the Navajo Indian Irrigation Project, the Navajo-Gallup Project, and the Animas-La Plata Project.

Also available along with the settlement documents at the Office of the State Engineer website are related materials, including an executive summary of the revised proposed settlement, a revised depletion schedule indicating how New Mexico's compact water is anticipated to be used over the next 60 years, and a document of responses to the public comments that the Interstate Stream Commission received on the earlier versions of the settlement.

If approved by the Navajo Nation and the State of New Mexico, the settlement agreement would be forwarded to New Mexico's Congressional delegation with a request that the delegation introduce to Congress the proposed settlement act to approve the settlement and related authorizations for projects and funding. Execution of the settlement agreement and the settlement contract by the U.S. Secretary of the Interior would occur after passage of the settlement act into law.

The proposed settlement agreement would specify that: the settlement act must be enacted into law by December 31, 2006; the partial final decree must be entered by the court in the San Juan River Adjudication by December 31, 2010; a joint hydrographic survey report must be completed by December 3, 2011; the supplemental partial final decree must be entered by the court in the San Juan River Adjudication by December 31, 2013; and certain project construction and funding milestones must be achieved by specified completion dates.

The Office of the State Engineer is charged with administering the state's water resources. The State Engineer has power over the supervision, measurement, appropriation, and distribution of all surface and groundwater in New Mexico, including streams and rivers that cross state boundaries. The State Engineer is also Secretary of the Interstate Stream Commission and oversees its staff.

The Interstate Stream Commission is charged with separate duties including protecting New Mexico's right to water under eight interstate stream compacts, ensuring the state complies with each of those compacts, as well as water planning.

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