

**MEMORANDUM OF AGREEMENT  
BETWEEN THE STATE OF NEW MEXICO AND THE NAVAJO NATION**

To Commence Discussions to Determine the Water Rights of the Navajo Nation  
in the San Juan River Stream System through Negotiation

**WHEREAS:**

1. On July 8, 1996, New Mexico Governor Gary Johnson and Navajo Nation President Hale, together with the Attorney General of the State of New Mexico, and the leaders of the other Indian nations in New Mexico, executed a Government-to-Government Policy Agreement; and
2. Pursuant to the Government-to-Government Policy Agreement, these sovereign governments pledged to interact in a spirit of cooperation, coordination, communication and good will and to address issues of mutual concern through a process beginning with negotiations on behalf of each sovereign; and
3. The Government-to-Government Policy Agreement specifically recognizes water rights as an issue of significance to each sovereign and as an issue where the interests of the parties are not clearly defined, causing disagreement and dispute between the parties; and
4. The water resources within the San Juan River Basin are a vital water resource to the Navajo Nation and the State of New Mexico; and
5. In 1975, a complaint to commence a general stream system adjudication of all parties with rights to the use of water in the San Juan River Stream System in New Mexico, including the Navajo Nation was filed; however, the adjudication is currently stayed, and the rights of the Navajo Nation remain undetermined; and
6. Determination of the Navajo Nation's water rights in the San Juan River Stream System is important for both the Navajo Nation and the State of New Mexico in order to develop and protect water resources within the San Juan River Stream System in New Mexico; and
7. Because the determination of water rights through a general stream system will be costly, lengthy, and contentious, discussions should commence to determine if a negotiated resolution is possible in lieu of litigation.

**NOW, THEREFORE, THE STATE OF NEW MEXICO AND THE NAVAJO NATION  
AGREE THAT:**

1. Discussions should commence between the State of New Mexico and the Navajo Nation to determine whether a negotiated decree determining the Navajo Nation's water rights in the San Juan River Stream System in New Mexico is possible.

2. Consistent with the Government-to-Government Policy Agreement of July 8, 1996, the State of New Mexico and the Navajo Nation have each selected representatives to engage in these discussions. The New Mexico State Engineer, Thomas C. Turney, and such assistants Mr. Turney may appoint, are hereby designated the State of New Mexico's representatives to engage in these discussions. Navajo Nation President Albert A. Hale, and such persons further designated by President Hale, shall serve as the Navajo Nation's representatives to engage in these discussions.

3. The discussions between the State of New Mexico and the Navajo Nation shall be voluntary and shall not be cited or used by one party to the detriment of any position the other party may assert in the San Juan River General Stream System Adjudication.

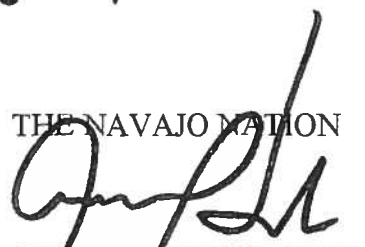
4. Participation in these discussions may be terminated by either party at any time without prejudice to that party.

EXECUTED ON THIS 23<sup>rd</sup> DAY OF July 1997.

THE STATE OF NEW MEXICO

  
Gary E. Johnson, Governor

THE NAVAJO NATION

  
Albert A. Hale, President