have not approved a settlement or settlement documents. State of New Mexico, the Navajo Nation and the United
Stakes It is expressly understood that the governing bodies or authorities of the
This presentation is a summation and does not represent a settlement document

San Juan River Basin, New Mexico

Water Rights Settlement
July 9, 2004 Draft - Navajo Nation
Obligations are accounted for once downstream Compact delivery yields an annual 6.0 million acre-feet per year. The map shows the Upper Basin as having a firm range of 300,000 acre-feet of ground water storage.

**Note:** The Hydrologic Determination in 1989

- Wyoming: 14.00%
- Utah: 23.00%
- New Mexico: 11.25%
- Colorado: 51.75%

**States:**
- Apportion water to Upper Basin
- Colorado River Compact provides use to Arizona in Upper Basin
- Allocates 60,000 acre-feet of

**Upper Colorado River Basin Compact of 1948**
1. 25% of the Upper Basin Supply resulted in New Mexico being granted San Juan Basin Indian communities Recognition of the potential claims by the Colorado River Basin "3%" to the water yield of the Upper New Mexico geographically contributes.

Why 1.25%?
1 acre-foot = 325,851 gallons

Available for use by reservoir evaporation.
Allocation goes toward some of New Mexico's Upper Basin allocation is 669,375 acre-feet.

New Mexico

Only 583,675 acre-feet is available.
50% of any additional apportionment

Deposition: 325,370 acre-feet per year

Diversion: 506,060+ acre-feet per year

San Juan River Basin in New Mexico

WATER RIGHT

PROPOSED NAVAJO NATION
San Juan River Depletions
Navajo Indian Irrigation Project

Water right transferable to other uses by Navajo Nation.

Right to reuse tail water, so long as the depletion is not increased.

1868 Priority satisfied out of Navajo Reservoir storage.

Depletion Right: 270,000 afy

Diversion Right: 508,000 afy

110,630 Acres
The 1868 priority is subordinated for NIIP and Navajo.

Lost.

Gallop unless water from Navajo Dam is "irretrievably

Treaty of 1868.

June 1, 1868, based on the

Rights have a priority of

All Navajo Reserved Water

Navajo Dam Storage Right

1868 Reserved Right and

Navajo Dam Storage Right
Increases NIIp flexibility through ten (10) year average.

Eliminates need to assert "call" against other water users in most years.

To allow protection of wet water supply for Hugbuck and Fruithand.

Depelitions are charged against NIIp; NIIp depletions increased to 270,000 AF/yr.

So long as no shortage occurs in NIIp water supply.

Hugbuck & Fruithand to receive up to 15,000 AF/yr out of NIIp water supply.

Pre-approved transfer of NIIp water right within authorized depletion.

Alternate Water Supply
Navajo-Gallup Water Supply Project

Water rights in New Mexico.
Jicarilla Apache will use its decreed
its own supply of water.
City of Gallup needs to find
come from Arizona's allocation of water.

Navajo uses in Arizona water to

Total: 35,890
Jicarilla Apache: 1,200 acre-feet
City of Gallup: 7,500 acre-feet
Navajo in AZ: 6,410 acre-feet
Navajo in NM: 20,780 acre-feet

Settlement depletion: 20,780 acre-feet
Total depletion: 35,890 acre-feet
Total Division: 37,760 acre-feet
Municipal water for Upper Fruita, Nenahnezad, San Juan, Hogback, and Shiprock.

4,680 Diversion/2,340 Deposition
Offset plan approved by OSE.

- Depictions > 2,000 A/F/Yr from San Juan River subject to
- Subject to non-impairment of existing groundwater users.

Ground water:
- Right to additional

NTUA AZ/NM systems
- Fee lands

OSE administration on
- Trust lands

Navajo administration on
- 2,000 A/F/YR (1868 Priority)

Ground Water
Miscellaneous Uses

after hydrographic survey, 1868 Priority.
Stockponds, stockwells, and livestock uses to be added.
Additional water, including small irrigation projects.

Miscellaneous Uses
<table>
<thead>
<tr>
<th>Project</th>
<th>Cost/Depletion</th>
<th>Annual Cost</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$986,900,000</td>
<td>$560,000,000</td>
<td>606,060</td>
<td>Navajo Nation Water Development Trust Fund (excludes Callup and Gallup)</td>
</tr>
<tr>
<td>$559,000,000</td>
<td>325,970</td>
<td>2,980</td>
<td>Additional Water via Hydrographic Survey for historic and existing stock, irrigation.</td>
</tr>
<tr>
<td>$77,600,000</td>
<td>$27,770,000</td>
<td>200</td>
<td>Tributary Ground Water</td>
</tr>
<tr>
<td>$458,100,000</td>
<td>$458,100,000</td>
<td>458,100</td>
<td>Exta diversion for AGRI.</td>
</tr>
<tr>
<td>$77,700,000</td>
<td>$77,700,000</td>
<td>77,700</td>
<td>San Juan River Municipal</td>
</tr>
<tr>
<td>$372,800,000</td>
<td>$372,800,000</td>
<td>372,800</td>
<td>Farmingon to Shiprock Pipeline (ALP).</td>
</tr>
<tr>
<td>$15,700,000</td>
<td>$15,700,000</td>
<td>15,700</td>
<td>Navajo-Gallup Ground Water Comporment (use tributory and non-tributory ground water)</td>
</tr>
<tr>
<td>$77,600,000</td>
<td>$77,600,000</td>
<td>77,600</td>
<td>Navajo-Gallup Ground Water Supply Project (City of Gallup (approx. $22.4 million) will pay their share separate from the settlement)</td>
</tr>
<tr>
<td>$27,770,000</td>
<td>$27,770,000</td>
<td>27,770</td>
<td>Extra diversion for irrigation projects.</td>
</tr>
<tr>
<td>$15,700,000</td>
<td>$15,700,000</td>
<td>15,700</td>
<td>Hogback-Cudahy Irrigation Project (6.830 acres)</td>
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<tr>
<td>$77,700,000</td>
<td>$77,700,000</td>
<td>77,700</td>
<td>Fruitland-Cambriedge Irrigation Project (3.335 acres)</td>
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<tr>
<td>$372,800,000</td>
<td>$372,800,000</td>
<td>372,800</td>
<td>Navajo Indian Irrigation Project (farm 1.10/630 acres)</td>
</tr>
</tbody>
</table>
SCHEDULE

- Complete Trust Fund deposits
  2016

- Entry of Partial Final Decree
  2011

- Complete Hydrographic Survey
  2015

- Complete NGWSP EIS/ROD
  2006

- Enact Settlement Act
  2006

- Approve Settlement Agreement
  2004
Other Provisions
Water Administration
Ground Water Rights
Addition Allocations
Navajo-Gallup Water Supply Project
Navajo Indian Irrigation Project
Alternative Water Supply

December 5, 2003 Draft
Significant Changes from The