

STATE OF NEW MEXICO

OFFICE OF THE STATE ENGINEER

John R. D'Antonio, Jr., P.E. State Engineer

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January 6, 2004

Douglas G. Smith 16 Road 5290 Farmington, New Mexico 87401

Dear Mr. Smith;

Thanks much for your December 16, 2003 letter of comment regarding the proposed Navajo Nation water rights settlement.

The proposed settlement is intended to provide water rights and associated water development projects for the benefit of the Navajo Nation in exchange for a release of claims by the Nation that could otherwise potentially displace existing water uses in the San Juan River Basin in New Mexico. In doing so, the existing non-Navajo water users in the Basin are protected to the extent of the various priorities. The subordinated priorities for the NIIP and Navajo-Gallup Water Supply Project are those held by the Secretary of the Interior for the Navajo Reservoir Supply with dates of 1955,1956, 1958 and 1968. The subordinated priority in New Mexico for the Animas-La Plata Project water is 1956. Your comment regarding these dates in the table is noted.

Claims for water rights for recreational and livestock use by Federal agencies will be settled as part of the overall San Juan River adjudication process.

The additional demand on the Navajo Reservoir Supply under the proposed settlement will be that of the Navajo-Gallup Water Supply Project, about 37,000 acre feet annually. The Supply is sufficient for this demand.

The priorities for the Fruitland-Cambridge and Hogback-Cudei projects date from the establishment of the Navajo Indian Reservation pursuant to the Winters Doctrine.

Sincerely,

John R. D'Antonio, Jr. PE

State Engineer

cc: Mr. Paul Saavedra Mr. Phil Mutz