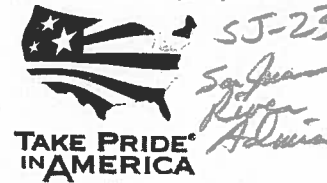




# United States Department of the Interior

## BUREAU OF RECLAMATION

Upper Colorado Regional Office  
125 South State Street, Room 6107  
Salt Lake City, Utah 84138-1147



IN REPLY REFER TO:

WCD-PPage  
WTR-4.13

JUN 13 2007

Mr. John D'Antonio Jr., PE  
State Engineer  
Office of the State Engineer  
State of New Mexico  
P.O. Box 25102  
Santa Fe, NM 87504

Subject: Proposed Operating Plan for Navajo Reservoir, Navajo Unit, Colorado River Storage Project, Colorado and New Mexico

Dear Mr. D'Antonio:

Public Law 87-483, Section 11 (Section 11), directs the Bureau of Reclamation to apportion shortages to entitled users of Navajo Reservoir storage water, on a pro-rata basis, in the event shortages are anticipated. While current conditions (inflow forecast and reservoir content) indicate that a shortage is not likely this year, notwithstanding the direction provided in Section 11, a group of 10 water users have developed an agreement among themselves as to how they will allocate the water supply in a drought situation (Recommendations for San Juan River Operations and Administration for 2007-2008, December 15, 2006).

Because Reclamation has no ability to control or influence agreements among water users, and because this agreement among the users will not cause Reclamation to undertake any change in its operations from how we would operate under Section 11, the recommendations fall within our anticipated operating plan for 2007 and 2008. We also anticipate that operations under Section 11 will not cause releases to fall below the minimum allowable release rate from Navajo Dam.

We have received endorsement letters from the following Navajo Unit contractors, all endorsing this same plan:

Hammond Conservancy District  
Jicarilla Apache Nation  
Navajo Nation  
Public Service Company of New Mexico (PNM)

In addition, we have received similar letters of endorsement from the following entities:

Arizona Public Service Company (APS)  
BHP-Billiton  
City of Farmington  
Bloomfield Irrigation District  
Farmers Mutual Ditch  
Jewett Valley Ditch

Based on the most recent forecast, current reservoir storage content, and using the methodology included in the recommendations, no shortages are anticipated in 2007.

While Reclamation recognizes these recommendations as a temporary solution to providing some means of water rights administration, we encourage the State Engineer to continue proceeding towards promulgation of rules and regulations for administering water rights within the San Juan River Basin in New Mexico. Also, please be advised that Reclamation's acknowledgement of these recommendations does not constitute endorsement of any disclaimers included in any parties' endorsement letter.

I offer my thanks to you and staff members of the Office of the State Engineer; and the New Mexico Interstate Stream Commission who helped facilitate the development of these recommendations.

If you have any questions, please contact Pat Page at 970-385-6560.

Sincerely,

Acting  
for



Rick L. Gold  
Regional Director

cc: Honorable Joe Shirley, Jr.  
President, Navajo Nation  
P.O. Box 9000  
Window Rock, AZ 86515

Honorable Levi Pesata  
President, Jicarilla Apache Nation  
P.O. Box 709  
Dulce, NM 87528

Russell Smith  
President  
Hammond Conservancy District  
790 Road 4990  
Bloomfield, NM 87413

Cindy Murray  
Public Service Company of New Mexico  
2401 Aztec NE  
Albuquerque, NM 87107

Continued on next page.

cc: Continued from previous page.

James Rogers  
Jewett Valley Water Users Association  
P.O. Box 39  
Waterflow, NM 87421

Lawrence Stock  
Farmers Mutual Ditch  
P.O. Box 467  
Kirtland, NM 87417

Ken Nordlander  
Arizona Public Service Company  
P.O. Box 53999  
Phoenix, AZ 85072-3999

Wayne Isaacs  
President  
BHP Billiton  
300 West Arrington, Suite 200  
Farmington, NM 87401

Honorable William E. Standley  
Mayor, City of Farmington  
800 Municipal Drive  
Farmington, NM 87401

David Campbell  
New Mexico Ecological Services Field Office  
Fish & Wildlife Service  
2105 Osuna Road NE  
Albuquerque, NM 87113-1001

**John Whipple**  
New Mexico Interstate Stream Commission  
P.O. Box 25102  
Santa Fe, NM 87504-5102

Robert Genualdi  
New Mexico State Engineer's Office  
100 South Oliver Drive  
Aztec, NM 87410

Continued on next page.

cc: Continued from previous page.

John Leeper  
Navajo Nation  
Water Management Branch  
P.O. Drawer 678  
Fort Defiance, AZ 86504

Mike Hamman  
Jicarilla Apache Nation  
60 CR 119  
Española, NM 87532

Steve Lynch  
Bureau of Indian Affairs  
Navajo Indian Irrigation Project  
304 N. Auburn, Suite B  
Farmington, NM 87401

Carroll Crawford  
Bloomfield Irrigation District  
P.O. Box 606  
Bloomfield, NM 87413

# NEW MEXICO INTERSTATE STREAM COMMISSION

SJ-23  
San Juan Admin.

## COMMISSION MEMBERS

JIM DUNLAP, Chairman, Farmington  
J. PHELPS WHITE, III, Vice-Chairman, Roswell  
JOHN R. D'ANTONI O, JR., P.E., Secretary, Santa Fe  
BUFORD HARRIS, Mesilla  
BLANE SANCHEZ, Isleta  
JULIA DAVIS STAFFORD, Cimarron  
PATRICIO GARCIA, Rio Chama  
MARK S. SANCHEZ, Albuquerque  
JAMES WILCOX, Carlsbad



BATAAN MEMORIAL BUILDING, ROOM 101  
POST OFFICE BOX 25102  
SANTA FE, NEW MEXICO 87504-5102

(505)827-6160  
FAX:(505)827-6188

June 11, 2007

Mr. Rick L. Gold  
Regional Director  
Bureau of Reclamation  
Upper Colorado Regional Office  
125 South State Street, Room 6107  
Salt Lake City, Utah 84138-1102

Dear Mr. Gold:

I accept the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006. The Recommendations have been endorsed by the ten major water users who are party them, and provide a cooperative framework for operating Navajo Dam and administering the San Juan River during 2007 and 2008. I wish to express my thanks to the Western Colorado Area Office staff, and to Mr. Pat Page in particular, for Reclamation's continued cooperation in facilitating cooperative agreements for the administration and distribution of water in the San Juan River Basin in New Mexico.

The Office of the State Engineer during 2007 and 2008 will continue to work towards promulgation of rules and regulations for administering water rights within the San Juan River Basin in New Mexico. Staff will continue the process of drafting rules and regulations specific to the San Juan River Basin in compliance with the statewide rules and regulations for Active Water Resources Management that have been adopted by this office.

Please call me if you have any questions regarding these matters.

Sincerely,

A handwritten signature in cursive script, appearing to read "John R. D'Antonio".

John R. D'Antonio, PE  
State Engineer

Copy: Pat Page

# RECLAMATION

*Managing Water in the West*

U.S. Department of the Interior  
Bureau of Reclamation  
Western Colorado Area Office

835 E 2<sup>nd</sup> Ave., Suite 400  
Durango, CO 81301

Main Phone: (970) 385-6500  
Fax Phone: (970) 385-6539

### Fax Cover

Date: 6/11/07

Pages including this cover: 11 Fax: 505 827 6188

To: JOHN WHIPPLE

From: FAT PAGE

Code: \_\_\_\_\_

E-mail: \_\_\_\_\_

Fax: \_\_\_\_\_

Phone: \_\_\_\_\_

Message: 2007-2008 ENDORSEMENT AGMNTS - SJR ADMIN ? OPERATION  
RECOMMENDATIONS.

INFORMATION RECEIVED

FEB - 2 2007

ENDORSEMENT AND AGREEMENT

WCAO-Durango, CO.

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

The Recommendations are endorsed by BHP Billiton subject to an executed and approved subcontract among BHP, APS, PNM and the Jicarilla Apache Nation; as described and set forth in Paragraph 4 of the Recommendations, and further subject to any necessary permits or approvals from the Office of the State Engineer regarding the diversion and use of water under the described subcontract.

Signed this 31 day of January, 2007.

John Myers  
Name: John Myers  
Title: VP, Power Production

On Behalf of: BHP Billiton (BHP Billiton Limited, New Mexico Coal Operations, dba BHP Navajo Coal Company

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached

### ENDORSEMENT AND AGREEMENT

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2006 and 2008, dated December 15, 2006 and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this 14<sup>th</sup> day of February, 2007.

William E. Standley

Name: William E. Standley

Title: Mayor

On Behalf of: City of Farmington, New Mexico

Legal Department  
 Approved as to form  
 By [Signature]  
 Date 2/1/07

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached



COPY FOR YOUR INFORMATION

**ENDORSEMENT AND AGREEMENT**

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this 1st day of Febraury, 2007.



Name: Levi Pesata

Title: President

On Behalf of: Jicarilla Apache Nation

REC'D BOR WCAO-SD			
OFFICIAL FILE COPY			
FEB 12 '07			
CLASS			
FOLDER			
PROJECT			
CONTROL			
NAME	DATE	INITIAL	LOG
Page	112	JP	JS

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached

### ENDORSEMENT AND AGREEMENT

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this 15 day of JANUARY, 2007.

Name: Laurence Stork  
Title: CHAIRMAN  
On Behalf of: FARMERS MUTUAL DISTRICT

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached

ORIGINAL

# BLOOMFIELD IRRIGATION DISTRICT

Office 632-2800 Fax 632-0846  
P.O. Box 606 Bloomfield, NM 87413

## ENDORSEMENT AND AGREEMENT

THE undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results form implementation of these Recommendations shall not be construed to; (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and stream flow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party; (10) not be an impediment to the Bloomfield Irrigation District (B.I.D.) requesting the flexibility in reservoir releases as related on page two of Ms. Carol De Angelis, BOR Area Manager letter to the B.I.D. Dated July 6, 2005, where release of future development water is not being currently fully used will be incorporated into operations to augment the 250 CFS minimum release during the irrigation season with a goal of releases at or above 350 CFS which will be necessary for the B.I.D. to receive its agreed rate of diversion in Table 1- Diversion demand of 160 CFS where the San Juan River 50/50 stream channel split will only provide the measured 78 percent (78%) of the B.I.D. diversion demand with our reasonable western channel river bed maintenance and modifications, and thereby cause impairment to our water users without such augmenting releases; (11) be an endorsement of the flawed 2001 Low Flow Test and predetermined conclusion of a 250/5000 preferred flow recommendations; (12) prevent the B.I.D. to reserve the right to withdraw, in writing, from this agreement if our users water rights become impaired without necessary additional releases.

Signed this 7<sup>th</sup> day of March, 2007

Carroll Crawford  
Signature

Name: CARROLL CRAWFORD

Title CHAIRMAN

On Behalf of: BLOOMFIELD IRRIGATION DISTRICT

REC'D BOR WCAO-SD
OFFICIAL FILE COPY
MAR 12 '07
CLASS _____
FOLDER _____
PROJECT _____
CONTROL # _____

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached. SIGNING APPROVED BY THE DISTRICT BOARD OF DIRECTORS IN OPEN MEETING ON 12-11-2006,

PPaeg +sc



### ENDORSEMENT AND AGREEMENT

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this 4<sup>th</sup> day of January, 2007.

\_\_\_\_\_  
Name: Ronald Smith

Title: President


On Behalf of: HAMMOND CONSERVANCY DISTRICT  
790 ROAD 4990  
BLOOMFIELD, NEW MEXICO 87413

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached.

### ENDORSEMENT AND AGREEMENT

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this 19<sup>th</sup> day of December, 2006.

  
 \_\_\_\_\_  
 Name: John Myers  
 Title: V.P. Power Production  
 On Behalf of: PHM  
 \_\_\_\_\_

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached

### ENDORSEMENT AND AGREEMENT

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water, (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this 16th day of April, 2007.

Name: Jayna T. Lopez  
Title: Chairman

On Behalf of: Jewett Valley Water Users Assoc.


If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached

# EXHIBIT A

## ENDORSEMENT AND AGREEMENT

The undersigned party endorses the Recommendations for San Juan River Operations and Administration for 2007 and 2008, dated December 15, 2006, and agrees to comply with its terms; provided that this Endorsement and Agreement, if accepted and implemented by Reclamation and the State Engineer, and any results from the implementation of these Recommendations shall not be construed to: (1) be a determination or evidence of, or to establish, any party's water rights or consumptive use of water; (2) be a precedent for Navajo Dam operations or water administration in the San Juan River Basin in New Mexico in succeeding years; (3) be an agreement as to the validity or applicability of, or to imply an accepted modification to, the San Juan River Basin Recovery Implementation Program's flow recommendations for endangered fish habitat in the San Juan River or any interpretation thereof; (4) establish any cause and effect relationships between any water uses, including water uses described in Section 1 of the Recommendations and water uses not included in Section 1, and streamflow impacts, water supplies or shortages; (5) establish any priorities between a given use of water from the San Juan River and other uses of water from either the San Juan River or its tributaries; (6) establish any entitlements to water, including any entitlements of fish to specific instream flows; (7) alter or amend any pre-existing agreements between parties unless otherwise expressly agreed to by the parties to said agreements; (8) waive the sovereign immunity of any Indian tribe; or (9) constitute a consent to tribal jurisdiction by any party.

Signed this \_\_\_\_\_ day of MAY 29 2007, 2007.

	
Name:	Joe Stuckley, Jr.
Title:	President
On Behalf of:	The Navajo Nation

If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached

### ENDORSEMENT AND AGREEMENT

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Signed this 17<sup>TH</sup> day of APRIL, 2007.

\_\_\_\_\_  
 Name: John R. Shannon

Title: VP - Fossil Generation

On Behalf of: ARIZONA PUBLIC SERVICE Co.

\_\_\_\_\_  
 If appropriate, a resolution evidencing authority to enter into this Endorsement and Agreement to be Bound is attached