Jan 18, 2012 RESERVOIR LEVEL AND SNOW UPDATE

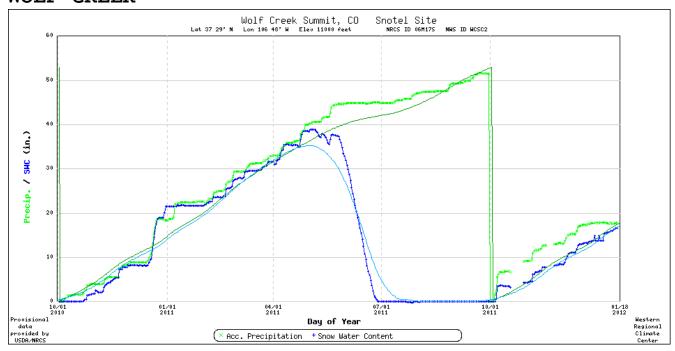
There was some good snowfall recently which improved the snowpack, but it still remains below average in all three basins. The next forecast chance of snow is Saturday and Sunday, at 20% to 30%. The January forecast, (the first of the season), for March to July runoff has been published. Runoff at San Marcial is predicted to be 490,000 ac-ft at the 50% exceedance probability. This is about 80,000 ac-ft lower than the long term average of 573,000 ac-ft. If the current "La Nina" pattern continues through spring, drier conditions will prevail and the runoff forecast will decrease. Last year the January forecast for March to July runoff was 505,000 ac-ft, but by March the forecast had dropped to 300,000 ac-ft. There is still about 10 weeks left in the season however during which the snowpack could catch up and produce runoff that exceeds the average.

COMBINED STORAGE Elephant Butte and Caballo January 16, 2012 330,044 acre-feet

S N O W - P R E C I P I T A T I O N U P D A T E
Based on Mountain Data from NRCS SNOTEL Sites
As of Wednesday January 18, 2012

BASIN Data Site Name	ELEV. SNOW	WATER 1	EQUIVALENT % Avg	TOTAL PREC	PITATION % Avg
UPPER RIO GRANDE BASIN					
Basin wi	de percent o	f avera	ge 81		102
RIO CHAMA BASIN					
Basin wi	de percent o	f avera	ge 85		89
SANGRE DE CRISTO MOUNTAIN RANGE BASINS					
Basin wi	de percent o	f avera	ge 95		117

WOLF CREEK



TODAY

WEST WINDS 20 TO 35 MPH WITH GUSTS TO AROUND 65 MPH. MOSTLY SUNNY. HIGHS 29 TO 34. WIND CHILL READINGS 6 BELOW TO 16 BELOW ZERO IN THE MORNING.

TONIGHT

MOSTLY CLOUDY. LOWS 13 TO 26. WEST WINDS 10 TO 25 MPH WITH GUSTS TO AROUND 55 MPH.

THURSDAY

MOSTLY SUNNY. HIGHS 35 TO 42. WEST WINDS 10 TO 15 MPH.

THURSDAY NIGHT

MOSTLY CLOUDY. LOWS 15 TO 29. WEST WINDS 10 TO 20 MPH WITH GUSTS TO AROUND 35 MPH.

FRIDAY

MOSTLY CLOUDY. HIGHS 32 TO 39. WEST WINDS 10 TO 25 MPH. GUSTS UP TO 40 MPH IN THE MORNING.

FRIDAY NIGHT

PARTLY CLOUDY. LOWS 12 TO 27.

SATURDAY AND SATURDAY NIGHT

MOSTLY CLOUDY. A 30 PERCENT CHANCE OF SNOW. HIGHS 32 TO 39. LOWS 15 TO 29.

SUNDAY AND SUNDAY NIGHT

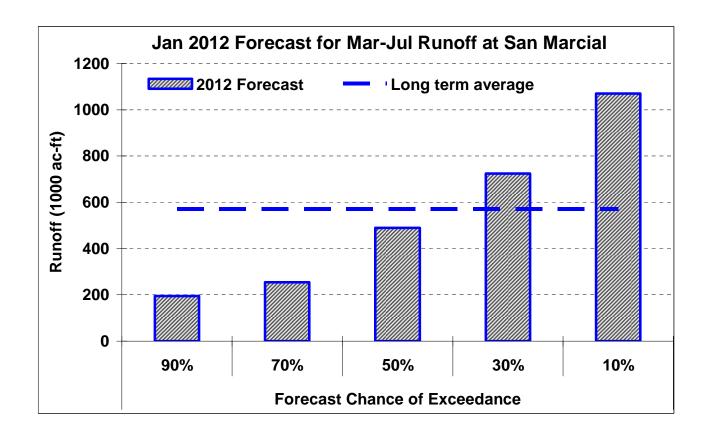
MOSTLY CLOUDY. A 20 PERCENT CHANCE OF SNOW. HIGHS 33 TO 39. LOWS 11 TO 24.

MONDAY AND MONDAY NIGHT

MOSTLY CLOUDY. A 20 PERCENT CHANCE OF SNOW. HIGHS 28 TO 33. LOWS 4 TO 19.

TUESDAY

MOSTLY SUNNY. HIGHS IN THE LOWER TO MID 30S.



NEW MEXICO Water Supply Outlook Report as of January 1, 2012

After one of the driest years in the recorded history of New Mexico, the 2012 snow season has started off with a bang for much of the state. Although a "La Nina" pattern continues to prevail in the equatorial Pacific waters, New Mexico was able to get into the storm track for much of December. Much of the state received above average precipitation for December, with the southern part of the state being somewhat favored. The north central mountains and southern Colorado missed out on some of the heavier snows in December, so the potential for below average runoff in the Rio Grande Basin is still very prevalent. Even in areas that received significant snowpack in December, current totals are still only 30 to 50 percent of average peak values. With the potential for the generally drier "La Nina"pattern to remain in place for much of the spring, water managers and users will need to be prepared for below average runoff in much of the state.

SNOWPACK

The snowpack started building rather slowly again this year for most of New Mexico. Until early December, many basins in the state were recording less than 75% of average snowpack numbers. A series of strong storms during December dumped significant snow at all elevations across much of the state. This boosted snowpack numbers somewhat, but the north western and north central basins along with those in southern Colorado remain somewhat below average. The potential for the "La Nina" pattern to remain in place through much of the spring does not boost confidence that the snowpack numbers will improve substantially through this snow season. It is still early, though, so there is still a potential for a pattern shift which will allow New Mexico back into the storm track long enough to pick up some significant snows.

RESERVOIRS

Not surprisingly, after one of the driest years in New Mexico history, reservoir storage has dropped considerably state wide. Demand for water stored in New Mexico reservoirs exceeded supply by a substantial margin. Reservoir storage statewide is now only 61 percent of average as of the end of December 2011. One

remains very important in meeting user demands is an above average spring runoff from snowpack. Early indications are not looking very promising this year, but with the majority of the snow season ahead of us, there is still quite a bit of uncertainty. Although the state saw generally above average snowfall in December, a "La Nina" pattern remains in place, which usually means drier than average conditions for much of New Mexico. If this occurs as we progress through March, it could reduce runoff forecasts even more than they currently are. At this point it is still very difficult to make an accurate prediction of what

this year will bring.

STREAMFLOW

Streamflow conditions across the state are generally near normal for this time of year, although some reaches of the Canadian and Pecos are seeing below normal to well below normal flows. The January 1, 2012 forecast numbers show the majority of the New Mexico is on track for somewhat below average runoff season at this point. The early forecast numbers for the San Juan River Basin reflect the below average snowpack in northern New Mexico and Southern Colorado with slightly below average runoff expected this spring. The forecasts

for the Upper Rio Grande indicate near to slightly below average runoff through the spring runoff season. The remaining basins in the state are a mixed bag, ranging from 179 percent of average for the Mimbres River Basin to only around 35 percent of average for the Zuni/Bluewater Basins. It is important to remember that it is still

early enough in the snow season that things could easily change depending on the moisture/snow patterns in coming months, but with a "La Nina" pattern still in place, the potential remains for drier than average conditions through the spring.

RIO GRANDE BASIN as of January 1, 2012

Streamflow forecasts for the Rio Grande Basin are slightly below average for the most part, ranging from 84 percent of average for the El Vado Reservoir Inflow, to 103 percent of average for the Red River below the Fish Hatchery near Questa. Year-to-date precipitation is slightly above average at 113 percent, up somewhat from 93 percent last year at this time. Snowpack in the basin is close to normal at 98 percent of average- similar to last year's 96 percent. In almost a direct reversal of last year, southern parts of the basin are seeing higher snowpack numbers than northern reaches. This trend carries on north into Colorado, where many sites are recording slightly below average snowpack, which further impacts runoff forecasts for the Rio Grande Basin. Total reservoir storage in the basin is 860,800 acre-feet, down significantly from last year's 1,043,200 acre-feet. This is only 45 percent of the average of 1,908,200 acre-feet. Abiquiu, is the only reservoir in the basin

with above average storage levels for December. Elephant Butte storage continues to decline with current storage of 294,500 acre-feet; compared to 437,200 acre-feet at this time last year or the 1,260,500 acre foot average.

UPPER RIO GRANDE BASIN as of January 1, 2012

As of January 1, the Upper Rio Grande snowpack was at 92 percent of average for the 2012 water year. Within the watershed there is quite a bit of variation as far as snow accumulation is concerned. On the lower end the Alamosa Creek subbasin is at only 54 percent of average. In contrast the Conejos and the Rio San Antonio basins are at 80 percent, the Upper Rio Grande sub-basin is at 87 percent and the Culebra and Trinchera Creek basins are at 98 percent. Precipitation for the month of December was 101 percent of average the highest recorded in the state. In fact the Upper Rio Grande was the only basin in Colorado to post near or above average precipitation for December. Year to data precipitation totals for the basin were at 114 percent of average as of January 1. Streamflow forecasts for the Upper Rio Grande basin show variation similar to the snowpack. As of January 1, the South Fork of the Rio Grande at South Fork is estimated to run at 99 percent of average while the majority of the other forecast points are expected to flow at levels exceeding 85 percent of average. The one notable exception is the San Antonio River at Ortiz which is predicted to only achieve 73 percent of average. As of January 1, reservoir storage in the Upper Rio Grande basin was below average and below where it was last year at this time. Overall reservoir storage was 64 percent of average and 82 percent of last year's storage totals.