



State of New Mexico  
 AUBREY DUNN, COMMISSIONER OF PUBLIC LANDS  
 310 Old Santa Fe Trail P.O. Box 1148  
 Santa Fe, New Mexico 87504-1148

### APPLICATION FOR RE-ISSUE OF WATER EASEMENT

Date: April 4, 2018

I Jim Griswold  
 a resident of Albuquerque State of New Mexico  
 hereby submit an application for re-issue of Water Easement(s) WM247  
 under the laws of the State of New Mexico rules and regulations of the State Land Office, for a term of  
**five** years from the date of expiration of the aforementioned water easement(s). I submit herewith a  
\$250.00 application fee, together with an estimate of all equipment and facilities placed on the property  
 in conjunction with the water easement(s) activities and the first year's rental offer of not less then  
\$500.00 minimum for (monitoring wells) and \$1,000.00 minimum for (production wells) for each  
 well authorized by the easement(s), or for each water easement being renewed, whichever sum is greater.

A. The land covered by this application for re-issue is contiguous and fully described  
 as follows:

Location	Well Capacity	Expected Volume of Use
Unit M Sec 30 T12S R34E	N/A	N/A

B. Attached is a plat showing the location of existing wells, facilities and equipment.

C.1. If the New Mexico State Engineer has designated and assigned file numbers for the water  
 rights upon which the listed appropriations are based, please list the State Engineers water rights file  
 number(s). L 13270

C2. If the New Mexico State Engineer has not designated or assigned a file number to these  
 appropriations, please indicate the first date of appropriation for each diversion listed above, and any  
 changes in well-site locations, volumes of water produced, or in the purpose or use of the water.

N/A

D. If the water appropriated from this Water Easement is to be used for a different purpose  
 or in any different location than those approved under your prior Water Easement, please explain  
 thoroughly how and/or where.

N/A

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E. List all new equipment and facilities which are anticipated to be located within the boundaries of the above designated lands in association with the continued operation of this water easement during the term of re-issue applied for herein.

Monitoring wells MW-01, MW-02 and MW-03

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F. List any additional information relative to the land applied for, or use of same, not covered by the above statements.

N/A

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G. If the water easement is re-issued, I agree to provide an adequate bond to reclaim all surface damages which could result from activities undertaken under this easement.

H. If the water easement is re-issued, I agree to furnish grantor copies of records and such reports and plats of your operations including, but not limited to, well logs, drill cores, and other data relating to geological formations as the grantor may reasonably deem necessary for the administration of trust lands.

I. If the water easement is re-issued, I agree to continue to be bound by my original standard Water Rights Agreement and to re-execute it if necessary.

Cultural Resource Protection:

Please indicate that you (Applicant) have read the **T&E and Cultural Resources Notice to Applicants** and that you understand and agree to abide by the terms and conditions set forth therein.

Yes ☒ No ☐

An Archaeological Survey is strongly recommended. If no survey is provided an Archaeological Records Management Section Inspection (ARMS Inspection) in accordance with NMAC 4.10.15.9 is required. If the ARMS Inspection is not provided by the applicant, the Land Office will provide the ARMS Inspection in the order applications are received.

An Archaeological Survey will be provided or is attached with a cover page labeled:

Confidential Exhibit \_\_\_\_\_.

Yes ☐ No ☒

An ARMS Inspection is attached with a cover page labeled:

Confidential Exhibit \_\_\_\_\_.

Yes ☐ No ☒

The Applicant would like the NMSLO to provide the ARMS Inspection:

Yes ☒ No ☐



Shape Files:

Shape Files are required with all applications.

Shape Files for this project are available: Yes ☒ No ☐

If yes, the NMSLO lease analyst will contact you at the email address you provide:

Applicant Shape File Custodian (email contact information): David.Silcock@state.nm.us

I, Jim Griswold, do solemnly swear (or affirm) that the statements and answers to questions in this application are true and correct to the best of my knowledge and belief.

Signed: 

1220 S St Francis Drive Santa Fe NM 87505

Address: \_\_\_\_\_

Phone: ( 505 ) 476 - 3465

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) ss.

SUBSCRIBED AND SWORN to before me this 6th day of April, 2018.

   
Notary

My commission expires 10.03.2019

*\*When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction.*

Revised 8/25/2016



Aubrey Dunn, Commissioner of Public Lands  
State of New Mexico

## **T & E AND CULTURAL RESOURCES NOTICE TO APPLICANTS**

Prior to approval of any application, all applicants requesting permission to conduct any project or activity on state trust land must acknowledge receipt and acceptance of the following instruction and notification:

Lessees are expected to know and abide by the laws related both to threatened and endangered species, and to the protection of cultural properties.

### *Threatened and Endangered Species*

Plant and animal species may be listed with various state and federal agencies as threatened or endangered. Each agency designation carries specific prohibitions against "take" which may result in distinct regulatory impacts on land use within the range of each species. "Take" is defined and interpreted differently across jurisdictional boundaries. **It is the lessee's obligation to know, understand and abide by the laws related to threatened and endangered species.**

### *Protection of Cultural Resources*

The New Mexico Historic Preservation Division maintains records of all cultural resource surveys through its Archaeological Records Management Section (ARMS). **An ARMS Inspection of Records in compliance with NMAC 4.10.15.9 will be included with all applications.**

To minimize processing delays, **applicants are strongly encouraged to supply an ARMS Inspection with their applications.** If no ARMS Inspection is provided by the applicant, the Land Office will provide the ARMS Inspection in the order applications are received.

NMSA 1978, § 18-6-9(A) states "Any person who knowingly excavates, injures or destroys cultural property located on state land without a permit is guilty of criminal damage to property." Further, NMSA 1978, § 18-6-9(B) states "Any person who solicits, employs or counsels another person to excavate injure or destroy cultural property located on state land without a permit is guilty of criminal damage to property."

Applicants and lessees should always exercise **due caution** to ensure that cultural properties are not inadvertently excavated, injured or destroyed by any person. The State Land Office recommends that a survey be conducted to current standards, as defined by NMAC 4.10.15, prior to any activity in the proposed project area. If a survey is produced in conjunction





Aubrey Dunn, Commissioner of Public Lands  
State of New Mexico

with the application, the applicant will design the project so as to avoid any cultural properties found by the survey.

As a condition of this permit and pursuant to NMAC 19.2.10.20, any project or lease activities that reveal or result in discovery of a previously undocumented significant cultural property or archaeological site on state trust land shall result in immediate cessation of activities and **immediate notification of the State Land Office and SHPO**. Activities shall remain suspended until SHPO and the State Land Office approve resumption of activities.

Furthermore, if activity is conducted without the benefit of a survey and any cultural property is damaged in the process, the lessee will be **subject to a fine of no less than \$100,000.00** at the discretion of the Commissioner of Public Lands. The lessee will also be held liable for the cost of an archaeological damage assessment, plus the remediation value of said property as determined by that damage assessment.

For further information, please contact  
New Mexico Historic Preservation Division: 505-827-6320; or  
New Mexico State Land Office:  
    Commercial Resources Division: 505-827-5724  
        (Business Leases and Rights of Way)  
    Oil & Gas Division: 505-827-5774  
    Mineral Leasing Division: 505-827-5750  
    Agricultural Leasing: 505-827-5732  
    Field Operations Division: 505-827-5856



Aubrey Dunn, Commissioner of Public Lands  
State of New Mexico

**New Mexico State Land Office - Instructions for Compliance  
Cultural Resources Protection Policy**

Applicants acknowledge receipt and acceptance of the New Mexico State Land Office ("NMSLO") "T & E and Cultural Resources Notice to Applicants" by signing the acknowledgment contained in the application form. "The Notice" is part of the application packet.

**Archaeological Surveys**

1. Applicants and lessees should always exercise due caution to ensure that cultural properties are not inadvertently excavated, injured or destroyed by any person. To that end, the NMSLO strongly recommends that an archaeological survey be conducted to current standards for the area of potential effect ("APE") in compliance with 4.10.15 NMAC at <http://164.64.110.239/nmac/parts/title04/04.010.0015.htm>.
2. If a survey is produced in conjunction with the application, applicants will be expected to design the project so as to avoid any cultural properties found by the survey. If cultural properties are discovered within the APE, the survey must include avoidance and protection measures.
3. If an archaeological survey is conducted, the applicant should provide the survey with the application, in a sealed envelope marked "Confidential" and attached to the NMSLO Cultural Resources Cover Sheet. If the survey is in progress at the time the application is submitted, a Notification of Intent to Conduct an Archaeological Survey pursuant to 4.10.8.17(C) NMAC <http://164.64.110.239/nmac/parts/title04/04.010.0008.htm> will suffice.
4. Only surveys from permitted archaeological consulting firms will be accepted. The list of permitted firms is available at: <http://www.nmhistoricpreservation.org/documents/archaeological-permits.html>

Scroll down past the headings for "SHPO Directory Forms" and "Permit Applications" to "Consultants Lists." Click on the Word document titled "Cultural Resource Consultants." The list is arranged by county of location. Proximity will be a factor in estimated costs. Because costs vary, the NMSLO encourages you to contact more than one firm.

The consulting firm will ask for supporting documentation. This may include a description of the project along with ArcGIS shape files, CAD drawings, plats, or accurate depictions on USGS 1:24000 quadrangles.

5. The applicant must provide the NMSLO with two copies of the completed survey. If the application is already in process when the survey is completed, the survey with cover sheet should be delivered directly to the NMSLO archaeologist at the address provided below:

David Eck, Trust Land Archaeologist  
New Mexico State Land Office  
P.O. Box 1148





Aubrey Dunn, Commissioner of Public Lands  
State of New Mexico

310 Old Santa Fe Trail  
Santa Fe, New Mexico 87504  
(505) 827-5857 (voice) [deck@slo.state.nm.us](mailto:deck@slo.state.nm.us)  
(505) 827-5873 (fax) <http://nmstatelands.org/>

**ARMS Review**

1. If an archaeological survey is not provided with the application, an Archaeological Records Management Section Inspection (ARMS Inspection) in accordance with 4.10.15.9 NMAC is required. If the applicant is unable to provide an ARMS Inspection, the Land Office will provide the Inspection in the order in which applications are received.
2. Only ARMS Inspections from permitted archaeological consulting firms will be accepted. The list of permitted firms is described above.
3. ARMS Inspections should be provided in a sealed envelope marked "Confidential" and attached to the NMSLO Cultural Resources Cover Sheet with the application.
4. At a minimum, the ARMS Inspection is a records review and should:
  - a. query the New Mexico Cultural Resource Information System ("NMCRIS") database and map server to identify previously recorded sites within 500 meters of the area of potential effect (APE) and previous archaeological surveys within 500 meters of the APE;
  - b. include a copy of the NMCRIS map server map and provide copies of the archaeological site record forms for all cultural properties in the APE;
  - c. review national and state register property files, and provide copies of documents for all such cultural properties that may be directly or indirectly affected by the project;
  - d. examine historic cultural properties inventory (HCPI) forms, and provide copies of documents for any such cultural properties within the APE;
  - e. review other archival sources (General Land Office ("GLO"), county records, state lease records, etc.) and summarize all archival information in tabular form -- sorted by site, activity, property, and register number(s);
  - f. note any previous surveys conducted more than 10 years ago that may be inadequate or insufficient by current standards;
  - g. summarize the findings into one of three results:
    - (A)        *The entire area of potential effect or project area has been previously surveyed to current standards and **no cultural properties were found within the survey area.***
    - (B)        *The entire area of potential effect or project area has been previously surveyed to current standards and **cultural properties were found within the survey area.***
    - (C)        *The entire area of potential effect or project area has **not** been previously surveyed.*
  - h. if the ARMS Inspection result shows the presence of cultural properties within the APE (result B above), devise avoidance and protection measures for the project.



Aubrey Dunn, Commissioner of Public Lands  
State of New Mexico

NMSLO Cultural Resources Cover Sheet  
Confidential Exhibit \_\_\_\_\_.

Exhibit Type (check one):

\_\_\_\_\_ Archaeological Survey

\_\_\_\_\_ ARMS Review

\_\_\_\_\_ Other (describe): \_\_\_\_\_

NMCRIS Activity No. (if any): \_\_\_\_\_

Section/Township/Range: \_\_\_\_\_

Cultural Resources Report/Exhibit Title:

Cultural Resources Consultant:

Project Proponent (Applicant):

Applicant Project Title/Description:

If Archaeological Survey, avoidance and protection measures have been devised.

Yes \_\_\_\_\_ No \_\_\_\_\_ N/A \_\_\_\_\_

If ARMS Inspection, please summarize results:

(A) \_\_\_\_\_ The entire area of potential effect or project area has been previously surveyed to current standards and **no cultural properties were found** within the survey area.

(B) \_\_\_\_\_ The entire area of potential effect or project area has been previously surveyed to current standards and **cultural properties were found** within the survey area.

(C) \_\_\_\_\_ The entire area of potential effect or project area **has not been previously surveyed**.

For agency use only:

NMSLO Lease No.: \_\_\_\_\_

Lease Analyst: \_\_\_\_\_

Exhibit Routed to Field Operations Division: \_\_\_\_\_

Date





0' 40' 80'

Scale: 1"=80'

### Legend

- Approximate Site Boundary
- Active Gas Pipeline (Targa Midstream Srv.)
- - - Inactive Gas Pipeline (Warren Petroleum Co.)
- Overhead Electric Line (not energized)
- Monitoring Well Location

### Note:

Aerial photograph obtained from Google Earth image dated 2013

**Site Map**  
**Blackrock Oil Site**  
**14 Miles West of Tatum, Lea County, New Mexico**

**Figure 2**

#5321437  
06/21/13

Revisions  
By: \_\_\_\_\_ Date: \_\_\_\_\_ Descr.: \_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_ Descr.: \_\_\_\_\_  
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Drawn CFK  
Checked CCC  
Approved KET



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Las Cruces, New Mexico 88005-8131  
(575) 647-0799 / 647-0680 (Fax)  
www.soudermiller.com  
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Google

MW3

MW2

MW1

Lat/Lon shown is for MW1

Imagery Date: 1/19/2018 33°14'37.61" N 103°33'28.81" W elev 4224 ft

© 2018 Google



WM 247  
L 13270

DECR 17



State of New Mexico  
COMMISSIONER OF PUBLIC LANDS  
310 Old Santa Fe Trail P.O. Box 1148  
Santa Fe, New Mexico 87504-1148

COPY

WM-247

APPLICATION FOR WATER EASEMENT

March 18, 2013

I EMNRD/Oil Conservation Division  
a resident of \_\_\_\_\_ State of \_\_\_\_\_  
hereby submit an application for Water Easement(s) \_\_\_\_\_, under the  
laws of the State of New Mexico rules and regulations of the State Land Office, for a term of five years  
from the date of expiration of the aforementioned water easement(s). I submit herewith a \$30.00  
application fee and \$145.00 appraisal fee, together with an estimate of all equipment and facilities  
placed on the property in conjunction with the water easement(s) activities and the first year's rental  
offer of not less than \$500.00 minimum for (monitoring wells) and \$1,000.00 minimum for  
(production wells) for each well authorized by the easement(s), or for each water easement being  
renewed, whichever sum is greater.

A. The land covered by this application for renewal is contiguous and fully  
described as follows:

Location	Well Capacity	Expected Volume of Use
Unit M, Sec. 30 T12S R34E	Sampling only	~3 bore volumes/well/quarter

B. Attached is a plat showing the location of existing wells, facilities and equipment.

C.1. If the New Mexico State Engineer has designated and assigned file numbers for the  
water rights upon which the listed appropriations are based, please list the State Engineers water rights  
file number(s): Not applicable

C2. If the New Mexico State Engineer has not designated or assigned a file number to these  
appropriations, please indicate the first date of appropriation for each diversion listed above, and any  
changes in well-site locations, volumes of water produced, or in the purpose or use of the water.

Wells are to be installed for purposes of groundwater investigation.

D. Please explain the purpose of Water Easement.  
Investigation and possible reclamation of groundwater adversely impacted by crude oil and/or  
produced water released at surface from abandoned pit.

COPY

OK, No charges  
3.18.13

E. List all equipment and facilities which are anticipated to be located within the boundaries of the above designated lands in association with the continued operation of this water easement during the term of renewal applied for herein:

Monitoring wells to be completed with stand-up well cans and protective bollards.

F. List any additional information relative to the land applied for, or use of same, not covered by the above statements:

G. If the water easement is granted, I agree to provide adequate bond to reclaim all surface damages, which could result from activities undertaken under this easement.

H. If the water easement is granted, I agree to furnish grantor copies of records and such reports and plats of your operations including, but not limited to well logs, drill cores, and other data relating to geological formations as the grantor may reasonably deem necessary for his administration of the trust lands.

I. If the water easement is granted, I agree to execute a standard Water Rights Agreement.

I, Jim Griswold, OCD Senior Hydrologist, do solemnly swear (or affirm) that the statements and answers to questions in this application are true and correct to the best of my knowledge and belief.

Signed: \_\_\_\_\_

Address: 1220 S. St. Francis Drive, Santa Fe

Phone: ( 505 ) 476 - 3465

COPY

STATE OF \_\_\_\_\_ )  
 )ss.  
COUNTY OF \_\_\_\_\_ )

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_.

S  
E  
A  
L

\_\_\_\_\_  
Notary

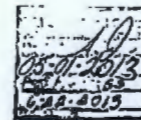
My commission expires \_\_\_\_\_

COPY





COPY



NEW MEXICO STATE LAND OFFICE  
WATER EASEMENT  
(Monitoring)

NO. WM-247

THIS AGREEMENT, dated this 23<sup>rd</sup> day of April, 2013, made and entered into between the State of New Mexico Commissioner of Public Lands, acting trustee pursuant to the Act of June 21, 1910, 36 Stat. 557, ch. 310, § 10, (Commissioner), and New Mexico Energy, Minerals & Natural Resources Department Oil Conservation Division, whose address is 1220 South St. Francis Drive, Santa Fe, N.M. 87505 (Grantee). This Water Easement becomes effective upon the date it is signed by the Commissioner.

**A. Grant of Easement:**

1. **Grant:** For consideration, including the covenants herein, the Commissioner renews and grants to Grantee a Water Easement within the area described as follows:

<u>Quarter-Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Acreage</u>
Lot 4	30	12 South	34 East	37.07

The three (3) 2.5-acre well-sites permitted under this Water Easement are as follows:

<u>Well Designation</u>	<u>Location</u>	<u>Expected Volume</u>
MW-01	Lot 4	100 Gallons
MW-02	Lot 4	100 Gallons
MW-03	Lot 4	100 Gallons

These well-sites may overlap.

2. **Purpose:** This grant of easement is for the purpose of allowing Grantee's placement of a water quality monitoring well. Grantee shall not seek or acquire any water rights in connection with this Water Easement. The circumstances requiring the placement of this well are briefly stated as follows: to monitor groundwater quality. This grant of water easement entitles Grantee to the exclusive use of the water easement for the permitted purposes, to install such improvements as are necessary to those purposes for the term of this easement.

The Commissioner may permit other uses on or within this Water Easement to the extent that they do not impair Grantee's permitted purposes.



**B. Terms, Covenants, and Conditions:**

1. Consideration for Grant: In addition to such fees as have been or shall be assessed for this Permit, Grantee shall provide to The Commissioner copies of all interim and final reports created during the monitoring process of which this well is a part.

2. Annual Rental; Payment: Grantee shall pay annual rental in the amount of \$ 0 to be due on or before April 23 of each year. Payment of all sums due hereunder shall be made at the office of the Commissioner of Public Lands, 310 Santa Fe Trail, P.O. Box 1148, Santa Fe, New Mexico 87504-1148.

3. Term of Easement: The grant of this Water Monitoring Easement is for a term of five (5) years, commencing April 23, 2013 and expiring April 22, 2018 unless terminated earlier as provided herein. Upon expiration, and upon thirty (30) days advance notice by Grantee to the Commissioner, the parties may renew this easement if the Commissioner, in his sole discretion, determines such renewal to be in the best interests of the trust. At such time that this easement expires and is not renewed, or when Grantee shall fail to use the Land for the permitted purposes for a period of one year, the land shall *ipso facto* revert to the Commissioner who may, in his sole discretion, thereafter make this easement, with water rights and improvements, if any, available. The Commissioner shall give written notice by regular mail of this, and no further notice shall be required.

Any loss of any kind, arising from the non-renewal of this Water Easement is acknowledged and accepted by the Grantee as a business risk and the Grantee's acknowledgement and acceptance shall be considered an inducement by Grantee to Grantor to enter this Water Easement, shall not be considered a "taking" of any rights or property of Grantee, and shall not be the basis of any action at law or in equity to recover damages of any kind.

4. Amendment: With the consent of the Commissioner, Grantee may add more monitoring wells to this easement as are necessary. The form of such amendments will be prescribed by the Commissioner. The term of this easement shall be unaffected by such amendments. Each additional well shall be subject to the terms of this Water Easement.

5. Relationship With Other State Agencies: Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, any other state agency having proper jurisdiction over the water. Copies of any permits, licenses etc. obtained from the State Engineer shall be provided to the Commissioner herein.

6. Grantee Standard of Care: Grantee shall act prudently in drilling and monitoring water. "Prudent" within the context of this provision means that standard of care, operating and action of reasonable water user acting pursuant to provisions of New Mexico Water Law and any other applicable laws, rules, and regulations. When Grantee has completed monitoring use of the well, Grantee will plug the well and provide Commissioner written evidence of having done so.



7. Grantee Improvements: Grantee may make or place such improvements and equipment upon the easement land as may reasonably be necessary to the stated purposes of the grant of easement. No pipelines shall be installed. No Water Rights are to be obtained or developed.

All Grantee improvements such as well housing, piping, casing, and related equipment installed or obtained by Grantee on the granted easement shall remain Grantee's sole property and liability. Upon the termination, expiration or assignment of Grantee's interest in this easement, Grantee shall remove all such improvements, unless otherwise directed by the Commissioner. Any improvements left by Grantee without the Commissioner's consent shall continue to be Grantee's sole property and liability, shall be deemed in trespass, and shall give rise to such remedies for trespass and waste as may be available to the Commissioner at law or in equity.

8. Non-impairment: Grantee's uses and activities under this easement shall not impair existing appropriations of water on state trust lands within the easement or on state trust lands in adjacent areas.

9. Rights-of-way: Grantee shall have the right, without further consideration, upon reasonable notice to the Commissioner, to define and establish rights-of-way upon the surrounding area of trust land to install or maintain any necessary equipment or facilities on the water easement. Grantee must accurately plat and define such rights-of-way and provide such plats to Grantee as soon as practicable. Commissioner reserves the right to require such rights-of-way to be moved when the development or other use of the surrounding trust lands require this. Rights of way outside the surrounding area of trust lands will be granted by the Commissioner in his discretion. No right-of-way, or other access across, or use of any lands other than those expressly granted in this water easement is implied or expressed.

10. Assignment: Grantee, upon payment of the required fee and completion of required forms indicating the Commissioner's consent, may assign or collaterally assign this Water Easement, in whole or in part. No such assignment shall attempt to convey any interest in water rights. Upon approval of the assignment, in writing, by the Commissioner, Grantee shall stand relieved from all duties and obligations to the Commissioner with respect to the lands embraced in the assignment, and the Commissioner shall likewise be relieved from all obligations to the Grantee/assignor as to such lands, provided that the assignee shall expressly succeed to all of the duties, obligations, rights, and privileges of the Grantee/assignor with respect to such. No assignment shall relieve Grantee from any liability incurred prior to the assignment.

11. Relinquishment: With the consent of the Commissioner and payment of a fee of \$30.00, the Grantee may relinquish this Water Easement, in whole or in part, to the Commissioner; provided, however, that this clause shall become absolutely inoperative immediately and concurrently with the filing of any suit in any court of law or equity by the Commissioner or Grantee or any assignee to enforce any of the terms of this Water Development Easement.

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12. Grantee Breach: The Commissioner may terminate this Water Easement for breach of any term or covenant; provided, however, that the Commissioner must mail to the Grantee, by certified mail, addressed to the mailing address of Grantee shown in the Commissioner's current records, a thirty day notice of intention to terminate, specifying the reasons for which the notice is given. Proof of mailing, but no proof of receipt of notice, shall be necessary, and thirty days after such mailing this easement shall terminate *ipso facto* without further notice or proceeding required of the Commissioner; provided, however, there shall be no termination and reversion if Grantee has previously made arrangements satisfactory to the Commissioner to discharge or resolve the breach.

13. Documentation: Grantee shall furnish copies of records and such reports and plats of his operation, including but not limited to well logs, drill cores, and other data relating to hydrology and geological formations as the Commissioner may reasonably request from time to time.

14. Survey, Posting and Fencing: Grantee shall survey each well site and submit a copy of the survey plat to the Commissioner. Grantee shall post on each well a sign with the Grantee's name, Water Easement number, State Land Office well number, State Engineer Office permit number and location by legal description. Grantee may fence only that portion of each well site location which is reasonably required to be fenced.

15. Applicable Land Office Rules: This Water Easement is made subject to all Rules of the New Mexico State Land Office, as though they were fully set forth herein. Grantee is expected to be familiar with such rules, and a copy will be provided upon request.

16. Compliance With Laws: Grantee, including its heirs, assigns, agents and contractors shall at their own expense fully comply with all laws, regulations, rules, ordinances, and requirements of city, county, regional, state and federal authorities and agencies, in all matters and things affecting the premises and operations thereon which may be enacted or promulgated under the governmental police powers pertaining to public health and welfare, including but not limited to conservation, sanitation, aesthetics, pollution, cultural properties, fire, environment and the New Mexico Cultural Properties Act, NMSA 1978, 18-6-1 et. seq. Such agencies are not to be deemed third party beneficiaries hereunder; however, this clause is enforceable by the Commissioner as herein provided or as otherwise permitted by law.

17. Liability: The parties agree that neither party, its agents, employees and insurers, assume responsibility or liability for actions of the other party. Nothing in this Permit shall be construed as a waiver of either party's sovereign immunity not otherwise expressly waived by act of Congress or the New Mexico Legislature.

18. Bond: Prior to commencement of operations under this Water Easement. Grantee shall obtain the Commissioner's approval of and file a bond with the Commissioner in the amount of \$500,000 to secure the payment, to the Commissioner, of such damage as may occur to livestock, range, water, crops or tangible improvements on the subject lands as may result from Grantee's use and occupation under this Water Easement. Such bond shall be payable for the term of this easement, and may be utilized for reclamation of disturbed lands following the operations of Grantee under this easement.

803  
per  
4/23/13  
email

COPY



COPY

Payment under this paragraph is to be made to the Commissioner and not to any other party. Grantee's bond shall not be liquidated damages, and the Commissioner reserves the right to pursue any other remedy for damages available at law or in equity.

19. Dispute Resolution: Any disputes arising under or in connection with this easement shall be first submitted to non-binding mediation if the parties agree; thereafter, or otherwise, any such dispute must be resolved by mandatory contest pursuant to 19.2.15 NMAC. Subsequent appeal, if any, shall be in the First Judicial District Court of Santa Fe. In all instances, the law of New Mexico shall apply.

20. No Waiver by Commissioner: No employee or agent of the Commissioner has the power, right, or authority to orally waive any of the conditions, covenants, or agreements of this easement; and no waiver by the Commissioner of any of the conditions, covenants, or agreements of this Easement shall be effective unless in writing and executed by the Commissioner. The Commissioner's waiver of Grantee's breach or default of any of the conditions, covenants, or agreements hereof shall not constitute or be construed as a waiver of any other or subsequent breach or default by Grantee. The failure of the Commissioner to enforce at any time any of the conditions, covenants, or agreements of this easement, or to exercise any option herein provided, or to require at any time performance by Grantee of any of the conditions, covenants, or agreements of this Easement shall not constitute or be construed to be a waiver of such conditions, covenants, or agreements, nor shall it affect the validity of this easement or any part thereof, or the Commissioner's right to thereafter enforce each and every such condition, covenant, or agreement.

21. Holding Over: Upon termination or expiration of this easement, any act or conduct of Grantee, including, but not limited to, the unapproved entry upon, occupancy, or use, whether continuous or not, of all or any part of the easement land by Grantee, the Grantee's agents, or by any unauthorized improvements or other improvements required or ordered to be removed upon termination or expiration shall constitute Holding Over. At the termination or expiration of this easement, Grantee immediately shall deliver possession to the Commissioner. In the event of Grantee's Holding Over, Grantee shall pay the Commissioner from time to time, upon demand, as rental for the period of any hold over, to be due for each day of such hold over, an amount equal to two hundred percent (200%) of the annual rent. Nothing contained herein shall be construed as a grant to Grantee of the right to hold over or otherwise enter the Land for any purpose after the expiration or termination of this easement without the prior written approval of the Commissioner. At any time that Grantee is holding over, the Commissioner shall, without requirement of further notice or grace period, have any and all rights to evict or otherwise remove Grantee by force or otherwise, with all costs and fees incurred in such action to be due and payable by Grantee. This Section shall survive the termination or expiration of this easement.

22. Scope of Agreement: This easement incorporates all the agreements, covenants, and understandings between the Commissioner and Grantee concerning the subject matter hereof and all such agreements, covenants, and understandings are merged into this easement. In addition, this easement incorporates the terms of Grantee's contemporaneous standard Water Rights Agreement as though set out fully herein. No prior agreement or understanding between The Commissioner and Grantee shall be valid or enforceable unless expressly embodied in this easement.

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23. Amendment: This easement shall not be altered, changed, or amended except by a written instrument executed by both the Commissioner and Grantee.

24. Non-Impairment: Nothing in this Easement is to be construed to impair the rights of any lawful holder, present or future, of any geothermal resources, or any mineral, grazing, commercial, easement, or water rights on the subject or any other state trust lands.

25. Applicable Law: The laws of the State of New Mexico shall govern this easement, without giving effect to the conflict of law provisions of the State of New Mexico. Grantee consents to venue and jurisdiction in the District Court in and for the County of Santa Fe, State of New Mexico for purposes of any appeal pursuant to 19.2.15 NMAC, and to service of process under the laws of the State of New Mexico in any action relating to this easement or its subject matter.

26. Successors In Interest: All terms, conditions, and covenants of this easement and all amendments thereto shall extend to and bind the permitted heirs, successors, and assigns of Grantee and The Commissioner.

27. Time: Time is of the essence in the performance of each and every provision of this easement. Grantee's failure to perform any or all of its obligations under this easement in a timely manner shall be a breach of this easement.

28. Singular And Plural; Use Of Genders: Whenever the singular is used herein, the same shall include the plural; whenever a particular gender is used herein, the same shall include the other gender and no gender.

29. Headings And Titles: The use of section or paragraph headings and titles herein is for descriptive purposes only and is independent of the covenants, conditions, and agreements contained herein.

30. Severability: In the event that any provision of this easement is held invalid or unenforceable under applicable law, this easement shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

31. No Joint Venture: The Commissioner is not and will not be construed or held to be a partner, joint venturer or associate of Grantee in the conduct of the business of Grantee. The Commissioner will not be liable for any debts incurred by Grantee in the conduct of the business of Grantee. The relationship between The Commissioner and Grantee is, and will remain, solely that of the Commissioner and Grantee.

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32. **Security:** Any and all security of any kind for Grantee, Grantee's agents, employees or invitees, the Land, or any personal property thereon shall be the sole responsibility and obligation of Grantee, and shall be provided by Grantee at Grantee's sole cost and expense. Grantee agrees to provide reasonable security to the easement land and all construction areas within the Land consistent with standard industry practices and in conformity with Grantee's duty to prevent waste and trespass.

33. **No Commissioner Personal Liability:** In the event of a court action, Grantee shall not seek damages from The Commissioner or any employee of SLO or the State of New Mexico in their individual capacity. This Section shall survive termination of this Easement.

34. **Notices:** Written notice by registered or certified U.S. Postal Service, return receipt requested, or delivered by reputable overnight courier, return receipt of tracking system, to the addresses of the party hereunder shall constitute sufficient notice to comply with the terms of this easement. Notice will be deemed effective upon delivery. Either the Commissioner or Grantee may change its respective address as provided in this Section effective three (3) business days after giving written notice of the change to the other. The addresses for notice are:

**Notice to The Commissioner:**  
New Mexico Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, New Mexico 87504-1148  
FAX: (505) 827-5766  
Attn: Surface Division

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With copy to:  
New Mexico State Land Office  
General Counsel  
P.O. Box 1148  
Santa Fe, NM 87504-1148  
FAX: (505) 827-4262

**Notice to Grantee:**  
N.M. Energy, Minerals, & Natural Resources, Department O.C.D.  
1220 South St. Francis Drive  
Santa Fe, N.M. 87505  
FAX: (505) 476-3462  
Attn: Jami Bailey – Division Director

With copy to:  
N.M. Energy, Minerals, & Natural Resources, Department O.C.D.  
1220 South St. Francis Drive  
Santa Fe, N.M. 87505  
FAX: (505) 476-3462  
Attn: Jim Griswold – Environmental Bureau Hydrologist

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GRANTEE:

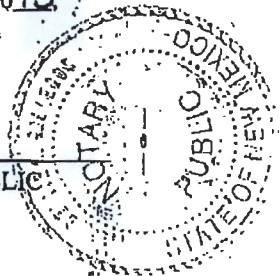
Jami Bailey  
By: Jami Bailey – Division Director

STATE OF NEW MEXICO     )  
  ) ss  
COUNTY OF SANTA FE     )

Subscribed and sworn to before me this 23 day of April 2013  
by Jami Bailey, Grantee.

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May 29, 2016  
MY COMMISSION EXPIRES

[Signature]  
NOTARY PUBLIC



COMMISSIONER

Ray Powell  
Ray Powell, M.S., D.V.M., Commissioner of Public Lands

dated: 4-23-13

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# New Mexico Office of the State Engineer

## Water Right Summary



WR File Number: L 13270

Subbasin: L

Cross Reference: -

Primary Purpose: MON MONITORING WELL

Primary Status: PMT PERMIT

Total Acres:

Subfile: -

Total Diversion: 0

Cause/Case: -

Agent: SOUDER MILLER & ASSOCIATES

Contact: CLAY F KIESLING

Owner: NEW MEXICO OIL CONSERVATION

Contact: JIM GRISWOLD

### Documents on File

Trn #	Doc	File/Act	Status		Transaction Desc.	From/ To	Acres	Diversion	Consumptive
			1	2					
524434	EXPL	2013-03-15	PMT	APR	L 13270	T	0	0	

### Current Points of Diversion

POD Number	Source	Q Q Q			(NAD83 UTM in meters)		Other Location Desc
		6416	4	Sec Tws Rng	X	Y	
L 13270 POD1		3	3	30 12S 34E	634339	3679235	PSB-1/MW-1
L 13270 POD2		3	3	30 12S 34E	634369	3679258	PSB-2/MW-2
L 13270 POD3		3	3	30 12S 34E	634383	3679219	PSB-3/MW-3

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.