

- Site Location
- Well - NMOSE
- Well - USGS
- Potash Mine Workings
- Medium/High Karst
- Release Area
- 500 Ft Radius
- 1000 Ft Radius
- 0.5 Mi Radius
- 1% Annual Flood Chance
- Lake/Freshwater Pond
- Emergent/Forested Wetlands
- Riverine

Figure 2
Aerial Proximity Map
Goodnight Midstream Permian, LLC
Nolan Ryan to Piper Pipeline
GPS: 32.472935, -103.216814
Lea County



Ground Water Sampling Log

Well ID: Cw1

Date: 6/23/20

Site Description/Construction Detail

Project: Piper SWD

Personnel: JR JL

Well Description/Location: Collapsed well #1

Total Depth^a (ft bmp): 140.12

Type of Well: ☐ Monitor ☐ Recovery ☐ Potable ☐ Irrigation ☒ Other:

Casting Material: ☒ PVC ☐ Steel ☐ Other: _____ Diameter: ☐ 2" ☐ 4" ☐ 6" ☒ Other: 8" Screen Int. _____

Condition of Seal: ☒ Good ☐ Poor ☐ Needs Repair ☐ Other: _____ Well Locked? ☐ Y ☒ N

Gauging Data

Static Water Level^b (ft bmp) N/A Time 12:30 Measure Point Description North

Comments: Dry well

Well Purge Data

Volume Factors ^C					
Dia (in.)	2"	3"	4"	5"	6"
Gal/ft	0.163	0.367	0.623	1.02	1.469

Well Volume ((a-b) x c) = N/A gal

Purging Volume (3 x Well Vol) = N/A gal

Well Purging Method: ☐ Submersible ☐ Perisaltic ☐ Bailer ☐ Other: _____ Depth pump set (ft bmp) *N/A*

Water Quality Indicator Parameters

[illegible]

Recording Interval: Traditional volume purge - every $\frac{1}{2}$ well volume; Low flow - every 3-5 min, drawdown should not exceed 0.33ft during purging.

Total Gallons Purged 0 Approximate Discharge Rate (gpm): 0

Sample Data

Sample Collection Method: ☐ Submersible ☐ Peristaltic ☐ Bailer ☐ Other: _____ Sample Time: _____

Duplicate Collected? ☐ Y ☒ N

Comments

Dry Well

Stability Criteria

* Ph: ± 0.1

* SC: $\pm 5\%$, for $SC \leq 100 \mu S/cm$; $\pm 3\%$, For $Sc > 100 \mu S/cm$

* DO: $\pm 10\%$ or 0.3 mg/l (whichever is greater)

* Temp: $\pm 0.22^{\circ}\text{C}$ (USGS for thermistor)

Sampling tubing left in well? ☐ Y ☒ N

If so, **length** (ft)?



NEW MEXICO OFFICE OF THE STATE ENGINEER

APPLICATION FOR PERMIT TO CHANGE AN EXISTING WATER RIGHT (Non 72-12-1)

(check applicable boxes):

For fees, see State Engineer website: <http://www.ose.state.nm.us/>**2-35029**

<input type="checkbox"/> Change Purpose of Use <input type="checkbox"/> Groundwater <input type="checkbox"/> Surface Water <input type="checkbox"/> Change Place of Use <input type="checkbox"/> Groundwater <input type="checkbox"/> Surface Water	<input type="checkbox"/> Change Point of Diversion (POD): From: <input type="checkbox"/> Groundwater <input type="checkbox"/> Surface Water To: <input type="checkbox"/> Groundwater <input type="checkbox"/> Surface Water	<input checked="" type="checkbox"/> Additional Groundwater Point of Diversion (POD) <input type="checkbox"/> Additional Surface Water Point of Diversion (POD)
<input type="checkbox"/> Temporary Change, NMSA 1978, § 72-12-7(B) Requested Start Date: (Not to Exceed 3 ac-ft in One Year)		Requested End Date:
<input type="checkbox"/> Water Use Lease, NMSA 1978, §§ 72-6-1 to-7 Requested Start Date:		Requested End Date:

1. APPLICANT(S) (Required) Note: water-right owner must be listed as an applicant.

Name: Piper Energy, LLC	Name: Atkins Engineering Associates, Inc.
Contact or Agent: <input type="checkbox"/> check here if Agent Charles R. Briggs	Contact or Agent: <input checked="" type="checkbox"/> check here if Agent Richard C. Cibak
Mailing Address: 7011 Rio Grande Blvd, NW	Mailing Address: Post Office Box 3156
City: Los Ranchos	City: Roswell
State: New Mexico Zip Code: 87107	State: New Mexico Zip Code: 88202-3156
Phone: 505.730.9170 <input type="checkbox"/> Home <input checked="" type="checkbox"/> Cell Phone (Work):	Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell Phone (Work): 575.624.2420, Ext. 210
E-mail (optional): rbriggs@briggsm.com	E-mail (optional): richard@atkinseng.com

2. CURRENT OSE FILE INFORMATION (Required)

OSE File No(s): CP-1245	Priority Date (if known): See Page 2	Subfile/Cause No. (if applicable): N/A
--------------------------------	--------------------------------------	---

3. CURRENT PURPOSE OF USE AND AMOUNT OF WATER (Required)

<input type="checkbox"/> Domestic <input type="checkbox"/> Livestock <input type="checkbox"/> Irrigation <input type="checkbox"/> Municipal <input type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Other Use (specify): _____ Describe a specific use If applicable (i.e. sand & gravel washing, dairy etc): _____	Amount of Water (acre-feet per annum): If more details are needed, type "See Comments" in "Other" field below, and explain in Additional Statements Section. Diversion: 80.0 ac-ft/an Consumptive Use: 80.0 ac-ft/an Other (include units): _____
--	--

FOR OSE INTERNAL USE

Application for Permit, Form wr-06, Rev 9/26/12

File No.: CP-1245-POD2	Trn. No.:	Receipt No.:
Trans Description (optional):		Sub-Basin:
PCW/LOG Due Date:	PBU Due Date:	

4. COUNTY WHERE WATER RIGHT IS CURRENTLY USED (Required)

Lea County

5. ADDITIONAL STATEMENTS CONCERNING THE CURRENT WATER RIGHT

Application for Permit to Appropriate Underground Waters No. CP-1245 was filed with the District 2 Office of the State Engineer on 09 October 2013. The resulting Permit to Appropriate No. CP-1245 was issued by the New Mexico Office of the State Engineer on 29 April 2014.

6. CURRENT or MOVE-FROM POINT(S) OF DIVERSION (POD) (Required)

<input type="checkbox"/> Surface POD OR <input checked="" type="checkbox"/> Ground Water POD (Well)			
Name of ditch, acequia, or spring:			
Stream or water course:		Tributary of:	
If application proposes a new point of diversion involving a diversion dam, storage dam, main canal, and/or pipeline, complete Attachment 2. <input type="checkbox"/> Check here if Attachment 2 is included in this application packet.			
POD Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84). District II (Roswell) & District VII (Cimarron) customers, provide a PLSS location in addition to above.			
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> NM State Plane (NAD83) (Feet) <input type="checkbox"/> NM West Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/> NM Central Zone </div> <div> <input type="checkbox"/> UTM (NAD83) (Meters) <input type="checkbox"/> Zone 12N <input type="checkbox"/> Zone 13N </div> <div> <input checked="" type="checkbox"/> Lat/Long (WGS84) (to the nearest 1/10th of second) </div> </div>			
POD Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) <i>(Quarters or Halves, Section, Township, Range)</i> OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
CP-1245-POD1	-103°12'28.0"	32°28'23"	SE¼ of Lot 4, Section 18, Township 21 South, Range 37 East, N.M.P.M.

STATE ENGINEER OFFICE
 DIVISION OF WATER RESOURCES
 1000 GALLERIA DRIVE, N.E.
 ALBUQUERQUE, NM 87102-1111

NOTE: If more PODS need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)
 Additional point of diversion descriptions are attached: ☐ Yes ☒ No If yes, how many _____

Point of Diversion is on Land Owned by: State of New Mexico (Water Easement WR-715)

Other description relating point of diversion to common landmarks, streets, or other:

FOR USE INTERNAL USE

Application for Permit, Form wr-06

File Number: CP-1245-POD2

Trn Number:

7. CURRENT or MOVE-FROM PLACE(S) OF USE (Required)

The land is legally described by (check all that apply):

☒ Public Land Survey System (PLSS) (quarters, section, township, range)

☐ Irrigation or Conservation District Map

☐ Hydrographic Survey Report or Map

☐ Subdivision

☐ Grant

Complete the blocks below for all tracts of land (more than one description can be provided for a tract if available):

PLSS Quarters or Halves, <u>and/or</u> Name of Hydrographic Survey, <u>and/or</u> Name of Irrigation or Conservation District, <u>and/or</u> Name and County of Subdivision <u>and/or</u> Grant	PLSS Section <u>and/or</u> Map No. <u>and/or</u> Lot No.	PLSS Township <u>and/or</u> Tract No. (Please list each tract individually) <u>and/or</u> Block No.	PLSS Range	Acres	Priority
Commercial water Sales used in		19 South - 23 South	33 East - 38 East	N/A	
Total Acres:				N/A	
Other description relating place of use to common landmarks, streets, or other:					
Place of use is on land owned by (required): Various					
Are there other sources of water for these lands? No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> describe by OSE file number:					

Note: If on Federal or State Land, please provide copy of lease.

FOR OSE INTERNAL USE

Application for Permit, Form wr-06

File Number: CP-1245-P0D2	Trn Number:
---------------------------	-------------

STATE ENGINEER OFFICE
2017 SEP 17 PM 1:11

8. MOVE-TO PURPOSE OF USE AND AMOUNT OF WATER (Complete this section ONLY if the purpose of use is changing)

<input type="checkbox"/> Domestic <input type="checkbox"/> Livestock <input type="checkbox"/> Irrigation <input type="checkbox"/> Municipal <input type="checkbox"/> Industrial <input type="checkbox"/> Commercial <input type="checkbox"/> Other Use (specify): _____ Describe a specific use if applicable (i.e. sand & gravel washing, dairy etc): _____	Amount of Water (acre-feet per annum): If more details are needed, type "See Comments" in "Other" field below, and explain in Additional Statements Section. Diversion: _____ Consumptive Use: _____ Other (include units): _____
---	--

9. MOVE-TO POINT(S) OF DIVERSION (POD) (Complete this section ONLY if adding or replacing a POD)

<input type="checkbox"/> Surface POD OR <input checked="" type="checkbox"/> Ground Water POD (Well)			
Name of ditch, acequia, or spring: _____			
Stream or water course: _____		Tributary of: _____	
If application proposes a new point of diversion involving a diversion dam, storage dam, main canal, and/or pipeline, complete Attachment 2. <input type="checkbox"/> Check here if Attachment 2 is included in this application packet.			
POD Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84). District II (Roswell) & District VII (Cimarron) customers, provide a PLSS location in addition to above.			
<input type="checkbox"/> NM State Plane (NAD83) (Feet) <input type="checkbox"/> NM West Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/> NM Central Zone		<input type="checkbox"/> UTM (NAD83) (Meters) <input type="checkbox"/> Zone 12N <input type="checkbox"/> Zone 13N	
<input type="checkbox"/> Lat/Long (WGS84) (to the nearest 1/10 th of second)			
POD Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (Quarters or Halves, Section, Township, Range) OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
well CP-1245, described on page 2, will remain as a point of diversion for the subject water right			
CP-1245-POD2	403°12'22.9" -103°12'28.2"	32°28'28.2" 32°28'22.9"	Section 18 SE 1/4 of Lot 4, Township 21 South, Range 37 East, N.M.P.M.
NOTE: If more PODS need to be described, complete form WR-08 (Attachment 1 – POD Descriptions) Additional POD descriptions are attached: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how many _____			
Other description relating point(s) of diversion to common landmarks, streets, or other: _____			
Point of Diversion is on Land Owned by: State of New Mexico (Water Easement WR-715, Amendment #1 - attached)			
Note: The following information is for wells only. If more than one (1) well needs to be described, provide attachment.			
Approximate depth of well (feet): 250 feet		Outside diameter of well casing (inches): 8 3/8"	
Driller Name: New Mexico Licensed Well Driller		Driller License Number: unknown at this time	
If replacing the current well, is the current well to be plugged? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Not Applicable If No, state for what use it is retained: _____			

FOR OSE INTERNAL USE

Application for Permit, Form wr-06

File Number: CP-1245-POD2

Trn Number: _____

10. MOVE-TO PLACE(S) OF USE (Complete this section ONLY if adding or changing a place of use)

List each individually

The land is legally described by (check all that apply):

- ☐ Public Land Survey System (PLSS) (quarters, section, township, range)
- ☐ Irrigation or Conservation District Map

- ☐ Hydrographic Survey Report or Map
- ☐ Subdivision
- ☐ Grant

Complete the blocks below for all tracts of land (more than one description can be provided for a tract if available):

PLSS Quarters or Halves, <u>and/or</u> Name of Hydrographic Survey, <u>and/or</u> Name of Irrigation or Conservation District, <u>and/or</u> Name and County of Subdivision <u>and/or</u> Grant	PLSS Section <u>and/or</u> Map No. <u>and/or</u> Lot No.	PLSS Township <u>and/or</u> Tract No. (Please list each tract individually) <u>and/or</u> Block No.	PLSS Range	Acres	Priority
Total Acres:					
Other description relating place of use to common landmarks, streets, or other:					
Place of use is on land owned by (required):					
Are there other sources of water for these lands? No <input type="checkbox"/> Yes <input type="checkbox"/> describe by OSE file number:					

Note: If on Federal or State Land, please provide copy of lease.
 STATE ENGINEER OFFICE
 2009 OCT 17 PM 1:11

FOR OSE INTERNAL USE

Application for Permit, Form wr-06

File Number: CP-1245-P0D2

Trn Number:

11. ADDITIONAL STATEMENTS OR EXPLANATIONS

Application is filed to drill a well to be used as a supplemental/alternate point of diversion to the previously permitted well CP-1245. Well CP-1245 has partially failed resulting in reduced capacity.


Applicant requests emergency authorization to immediately drill and use the CP-1245-POD2 well pursuant to New Mexico Statute 72-12-24. Attached to this application is a Affidavit requesting authorization pursuant to Section 72-12-24 NMSA(1978).

Also attached to this application is a copy of New Mexico State Land Office Water Easement No. WR-715, Amendment #1. Said amendment includes information authorizing the drilling and use of additional wells.

ACKNOWLEDGEMENT

I, We (name of applicant(s)), Richard C. Cibak (Atkins Engineering Associates, Inc.) - agent for Piper Energy, LLC
Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.


Applicant Signature

Applicant Signature

ACTION OF THE STATE ENGINEER

This application is:

☐ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this 13th day of July 20 15, for the State Engineer,

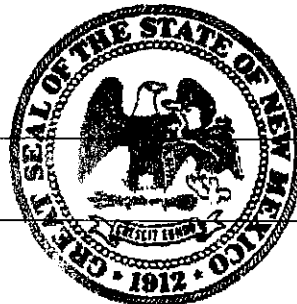
Tom Blaine, P.E.

_____, State Engineer

By: 
Signature

Print

Title: Andy Morley, District II Manager
Print



STATE ENGINEER OFFICE
2015 JUL 17 PM 1:11

FOR USE INTERNAL USE

Application for Permit, Form wr-06

File Number: CP -1245 - POD2

Trn Number: _____



Stephanie Garcia Richard
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S
OFFICE**
Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

February 25, 2020

New Mexico State Engineer, District No. 2
Attn: Juan Hernandez
1900 West Second Street
Roswell, New Mexico 88201

Re: Request for Notice of Change to CP-1245 POD1, CP-1245 POD2, or CP-1416 POD1

Dear Mr. Hernandez,

The above referenced Points of Diversion filed with the Office of the State Engineer are currently under review by the State Land Office Water Bureau and Office of General Counsel. Please provide direct notice to SLO of any pending or new applications submitted to the OSE for these PODs.

Any applications associated with these wells on State Trust Lands such as for appropriation, transfer, plugging or other use shall require additional approval on a lease easement prescribed by the Commissioner of Public Lands with any required filing fee per the State Land Office fee schedule as well as rental outlined by contract with the State Land Office.

Sincerely,

A handwritten signature in black ink, reading "Faith Crosby", is written over the word "Sincerely,".

Faith Crosby
Water Bureau Supervisor
FC/dg

xc: Andy Morley, OSE District Manager

OSE DTI MAR 2 2020 AM 11:47

**NEW MEXICO OFFICE OF THE STATE ENGINEER
APPLICATION FOR PERMIT TO DRILL AND USE A NEW WELL AS A SUPPLEMENTAL POINT OF
DIVERSION**

SPECIFIC CONDITIONS OF APPROVAL

PCW Proof of Completion of Well must be filed on or before 07/31/2017.

1. This application is approved as follows:

Permit Number: CP-1245-POD2

Water Source: Shallow groundwater

POINTS OF DIVERSION:

WELLS:	SUBDIVISION	SECTION	TOWNSHIP	RANGE
Existing:				
CP-1245-POD1	SE1/4 of Lot 4	18	21 S.	37 E.
Proposed:				
CP-1245-POD2	SE1/4 of Lot 4	18	21 S.	37 E.

PURPOSE & PLACE OF USE:

Commercial Water Sales on State, Private and BLM land located within Townships 19 South through 23 South, and Ranges 33 East through 38 East, N.M.P.M., in Lea County, New Mexico

Amount of Water: Up to 80.0 acre-feet per annum (Consumptive Use)

2. The total diversion of shallow groundwater from wells CP-1245 and CP-1245-POD2, combined under this permit, shall be limited to 80.0 acre-feet per annum (consumptive use), measured at the wells.

3. The total diversion of shallow groundwater from well No. CP-1245-POD2, under this permit shall be limited to 80.0 acre-feet per annum (consumptive use), measured at the well.

4. The proposed new well is to be drilled by a driller who is licensed in the State of New Mexico.

5. Driller's well record shall be filed with the Office of the State Engineer within 20 days after the well has been drilled or driven. Well record forms will be provided by the State Engineer upon request.

6. A totalizing meter of a type approved by and installed in a manner and at a location acceptable to the State Engineer shall be installed on the discharge line from the wells CP-1245 and CP-1245-POD2. The District II Office shall be advised of the make, model, serial number, date of installation, and initial reading of the meters prior to any appropriation of water under the permit.

Permit Number: CP-1245-POD2

**NEW MEXICO OFFICE OF THE STATE ENGINEER
APPLICATION FOR PERMIT TO DRILL AND USE A NEW WELL AS A SUPPLEMENTAL POINT OF
DIVERSION**

7. The permittee shall record the meter readings in writing on the first day of each month of each year on a form acceptable to the State Engineer and submit said readings to the District II Office on or before the 10th day of that month for the previous calendar month.
8. The permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.
9. This permit shall not be exercised to the detriment of valid existing water rights, shall not be contrary to the conservation of water within the State of New Mexico, and shall not be detrimental to the public welfare of the State.
10. The State Engineer shall retain jurisdiction over this permit.

ACTION OF STATE ENGINEER

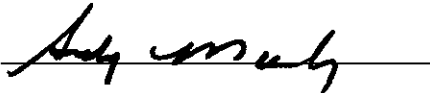
Notice of Intentions Rcvd:	Date Rcvd. Corrected:
Formal Application Rcvd: 09/17/2014	Pub. Of Notice Ordered: 09/29/2014
Date Returned - Correction:	Affidavit of Pub. Filed: 05/18/2015

This application is approved provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare of the state; and further subject to the specific conditions listed previously.

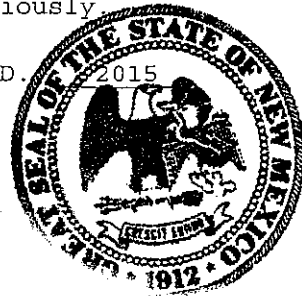
Witness my hand and seal this 13th day of July A.D.

Tom Blaine, P.E., State Engineer;

By:



Andy Morley, District II Manager



Tom Blaine, P.E.
State Engineer



1900 W Second St
Roswell, NM 88201
575-622-6521
Fax: 575-623-8559

File Nbr: CP-1245-POD2

July 13, 2015

PIPER ENERGY LLC
C/O CHARLES R. BRIGGS AND ATKINS ENGINEERING ASSOCIATES INC.
C/O RICHARD C. CIBAK
7011 RIO GRANDE BLVD, NW
LOS RANCHOS, NEW MEXICO 87107

Greetings:

Enclosed please find your copy of the above referenced permit, which has been approved subject to the conditions of approval attached thereon.

PCW Proof of Completion of Well must be filed on or before 07/31/2017

Per condition 4, the proposed new well is to be drilled by a driller who is licensed in the State of New Mexico.

Per condition 5, driller's well record shall be filed with the Office of the State Engineer within 20 days after the well has been drilled or driven. Well record forms will be provided by the State Engineer upon request.

Per condition 6, a totalizing meter of a type approved by and installed in a manner and at a location acceptable to the State Engineer shall be installed on the discharge line from the wells CP-1245 and CP-1245-POD2. The District II Office shall be advised of the make, model, serial number, date of installation, and initial reading of the meters prior to any appropriation of water under the permit.

Regards,

K. Parekh

Kashyap Parekh
Water Resource Specialist
575-622-6521

Enclosure
cc Santa Fe

MEMORANDUM OF RECOMMENDATION

DATE: July 10, 2015
FILE: CP-1245
TO: Andy Morley, District II Manager
THRU: Catherine Goetz, Engineering Specialist Supervisor / 7
FROM: Kashyap Parekh, Water Resource Specialist
SUBJECT: Application for Permit to drill and use a new well CP-1245-POD2 as a supplemental Point of Diversion.
APPLICANT: Piper Energy LLC. c/o Charles R. Briggs and Atkins Engineering Associates Inc. c/o Richard C. Cibak

POINTS OF DIVERSION:

<u>WELLS:</u>	<u>SUBDIVISION</u>	<u>SECTION</u>	<u>TOWNSHIP</u>	<u>RANGE</u>
<i>Existing:</i>				
CP-1245-POD1	SE1/4 of Lot 4	18	21 S.	37 E.
<i>Proposed:</i>				
CP-1245-POD2	SE1/4 of Lot 4	18	21 S.	37 E.

PURPOSE & PLACE OF USE:

Commercial water sales on State, Private and BLM land located within Townships 19 South through 23 South, Ranges 33 East through 38 East, N.M.P.M. in Lea County, New Mexico

DISCUSSION:

The subject water rights under State Engineer File No. CP-1245 are in the form of a Permit to Appropriate issued by OSE District II Office on April 29, 2014 for a diversion amount of 80.0 acre-feet per annum for commercial water sales at the places of use described above. Proof of Application of Water to Beneficial Use (PBU) is due on or before May 31, 2018.

Application for an additional groundwater Point of Diversion well no. CP-1245-POD2 was filed with the District II Office on September 17, 2014 and was advertised in the Hobbs News-Sun on October 18 & 25 and November 01, 2014. Affidavit of Publication was received by the District II Office on May 18, 2015. There have been no protests filed.

The applicant seeks permit to supplement the diversion of up to 80.0 acre-feet per annum (consumptive use) of shallow groundwater from existing well CP-1245-POD1 (formerly numbered CP-1195-POD1), by drilling additional shallow well CP-1245-POD2, to an approximate depth of 250.0 feet with an outside diameter well casing of 8.375

inches. The existing and proposed well sites are both located on land owned by the State of New Mexico, in the SE1/4 of Lot 4, in Section 18, Township 21 South, Range 37 East, N.M.P.M. The applicant has a valid water easement with the State of New Mexico Land Office for the proposed new well. Wells will be used for continued commercial water sales on State, Private and BLM land located within Townships 19 South through 23 South, Ranges 33 East through 38 East, N.M.P.M. in Lea County, New Mexico, under State Engineer Permit to Appropriate Groundwater No. CP-1245, issued on April 29, 2014.

The applicant requests Emergency Authorization to drill the supplemental well, stating that existing well CP-1245-POD1 has *"partially failed, resulting in a significant reduction in well capacity."*

The applicant had requested emergency under NMSA 72-12-24 (1978) for the following reasons;

- (1) The well CP-1245 is presently authorized, and will remain, as a point of diversion of the subject water right. The proposed supplemental well, will be completed in the same underground stream, channel, artesian basin or reservoir as the well being supplemented.
- (2) The proposed supplemental well will not increase the appropriation and consumption of water above the applicant's existing permit.
- (3) An emergency situation exists in which the delay caused by publication and hearing would result in serious economic loss. The existing well CP-1245 has partially failed which has resulted in a significant reduction in well capacity. The proposed supplemental well will address the loss in capacity and will allow for the continued diversion of the permitted water.

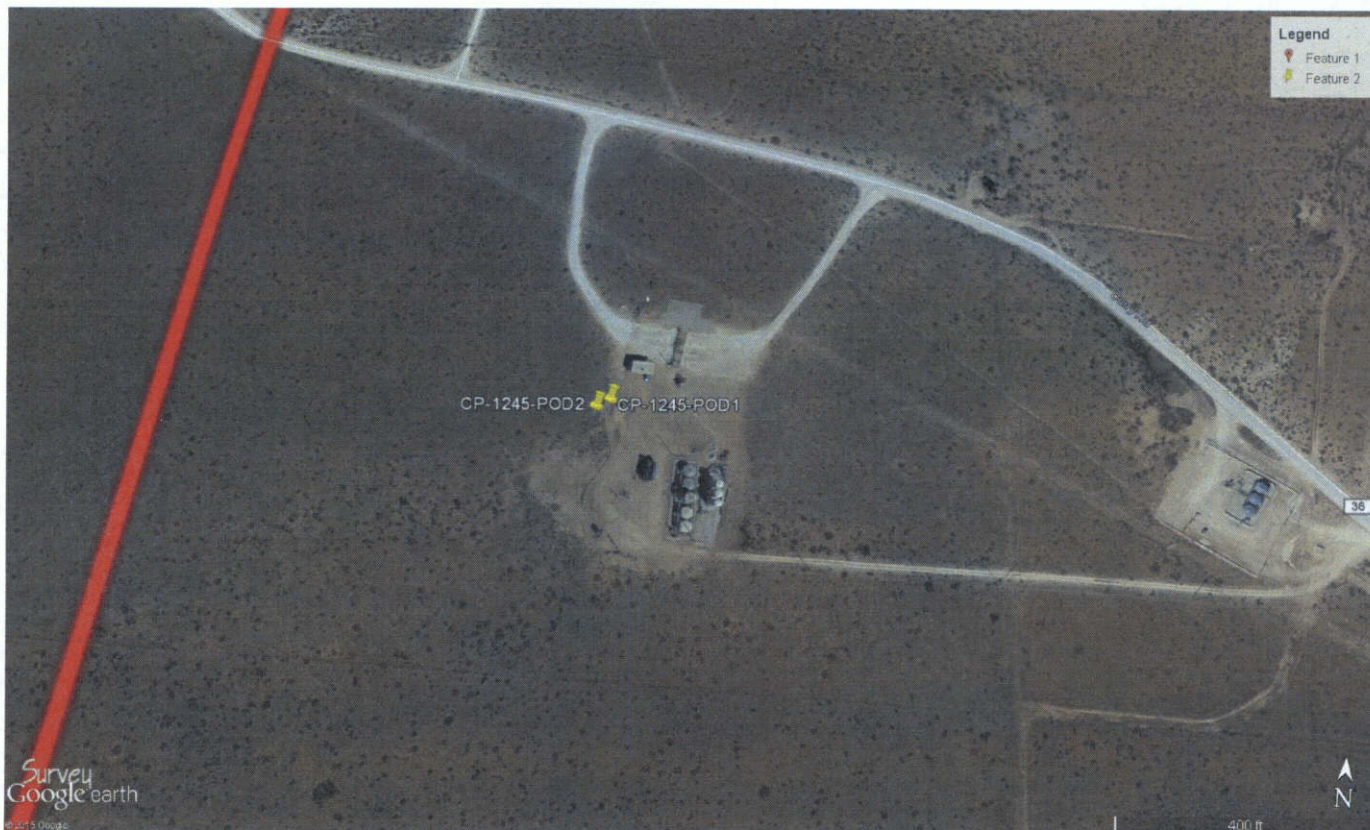
Emergency authorization to drill and use CP-1245-POD2 was approved on September 29, 2014. As the application is to drill and use a new well as a supplemental point of diversion, it may be necessary to offset any effects to the nearby wells if found.

The proposed supplemental well would be located within the Capitan Underground Water Basin, approximately 3.50 miles northwest of Eunice, New Mexico and approximately one-half mile west of the junction of Curry Road and Joe Road, in Lea County, New Mexico.

Wells under this filing have the approximate UTM NAD 83 meters locations in Table 1.

Table 1. Approximate UTM NAD 83 meters location of wells.		
Wells	East (X)	North (Y)
CP-1245-POD1	668,422	3,594,287
CP-1245-POD2	668,417	3,594,284

The picture below shows the POD locations:



A Theis analysis was performed to estimate the potential drawdown on the nearest well of other ownership. The nearest well of other ownership is a domestic well No. CP-676. The well is owned by Joe Sims and is located approximately 3,725 feet (0.70 miles) east of the wells CP-1245-POD1 and CP-1245-POD2. The well log for CP-676 indicates a static water level reaching 106 feet below land surface, with an estimated water column of 34 feet. Morrison criteria expects that a 20 foot water column is required for well production. Given a 34 foot water column in well No. CP-676, 14 feet of allowable drawdown is estimated. The Theis model run predicted a drawdown of 5.15 feet from well No. CP-676 after 40 years of pumping, which is within the acceptable limit of 14 feet. (Attachment A)

CONCLUSION:

The subject application seeks to drill and use a new well CP-1245-POD2 as a supplemental point of diversion for the diversion of 80.0 acre-feet per annum of shallow ground water for commercial water sales

The modeling predicted that pumping the maximum diversion amount of 80.0 acre-feet per annum would result in a maximum drawdown of 5.15 feet in year 40 (Attachment A). Theis Equation analysis also revealed minimal drawdown to the nearest well CP-676 by the requested diversion amount.

Granting of these applications, subject to the conditions recommended, will not cause impairment of, nor be detrimental to existing rights. The granting of these applications would not be contrary to the conservation of water within the State of New Mexico nor be detrimental to the public welfare of the state.

RECOMMENDATION:

Approval of the applications is recommended, subject to the attached conditions of approval.



Kashyap Parekh
Water Resource Specialist

ATTACHMENT A: THEIS EQUATION RESULTS

DRAWDOWN AT RANDOM COORDINATES IN AN INFINITE
 STRIP, NON - LEAKY AQUIFER USER SPECIFIED BOUNDARIES
 AT $Y = 0$ AND A Y SPECIFIED BY USER
 PUMPING MULTIPLE WELLS LOCATED AT POINTS SPECIFIED
 BY USER. EACH WELL MAY HAVE A DIFFERENT
 PUMPING SCHEDULE. ALL COORDINATES IN THE $X - Y$ PLANE.

(Theis equation)

At $y = 0$, there is no boundary
 There is no other boundary to system

$T = 2500.$ gpd/ft $S = 0.100000$

Number of pumping wells = 2

Coordinates of pumping wells and the no. of pumping rates

Well #	X Coordinate	Y Coordinate	No. of Pumping Rates
1	0.0	0.0	1
2	435.0	550.0	1

PUMPING SCHEDULES FOR THE WELLS

Well Schedule for Pumping Well Number 1

Pumping Rate	Pumping Time
$Q(1) = 25.0$ gpm	for 14610.000 days

Well Schedule for Pumping Well Number 2

Pumping Rate	Pumping Time
$Q(1) = 25.0$ gpm	for 14610.000 days

Coordinates of Computation Points

(Number of computation points = 1)

Point #	X Coordinates feet	Y Coordinates feet
1	3725.0	211.0

Image Control = .1000000E-02

time variable (t)

MEMORANDUM OF RECOMMENDATION

CP-1245-POD2

Page 6 of 6

days; t min = 365.250 days; t max = 14610.000

 delta t = 365.250 days

***** RESULTS *****

Drawdowns and Coordinates of computation points

Measured in feet

 X = 3725.0

 Y = 211.0

Time in days

365.250	0.058
730.500	0.334
1095.750	0.666
1461.000	0.983
1826.250	1.273
2191.500	1.536
2556.750	1.775
2922.000	1.992
3287.250	2.193
3652.500	2.377
4017.750	2.549
4383.000	2.708
4748.250	2.858
5113.500	2.999
5478.750	3.131
5844.000	3.257
6209.250	3.376
6574.500	3.489
6939.750	3.597
7305.000	3.701
7670.250	3.799
8035.500	3.894
8400.750	3.985
8766.000	4.073
9131.250	4.157
9496.500	4.238
9861.750	4.317
10227.000	4.393
10592.250	4.466
10957.500	4.538
11322.750	4.607
11688.000	4.674
12053.250	4.739
12418.500	4.802
12783.750	4.864
13149.000	4.924
13514.250	4.983
13879.500	5.040
14244.750	5.096
14610.000	5.150

09 June 2015

District 2 Office of the State Engineer
1900 West Second Street
Roswell, New Mexico 88201

Attn: Kashyap Parekh, Water Resource Specialist
Ref: Piper Energy – Renewed Water Easement NMSLO WR-715

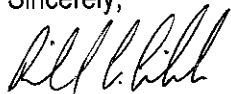
Mr. Parekh:

Pursuant to your email of 01 June 2015 and our meeting on Friday, 05 June 2015 I have obtained a copy of the renewed New Mexico State Land Office (NMSLO) Water Easement No. WR-715. The renewed water easement agreement between the NMSLO and Piper Energy took effect on 13 January 2015 and is set to expire on 12 January 2020. I have attached a copy of the aforesaid renewed agreement to this letter for your review.

The attached confirmation of lease should allow you to act on pending Applications CP-1245-POD2 and CP-1416.

If you have any questions, or if we can be of any further assistance, please do not hesitate to contact me.

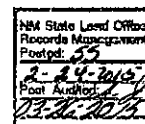
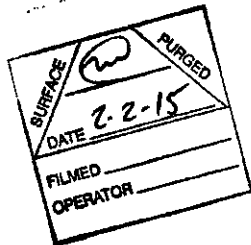
Sincerely,



Richard C. Cibak
Atkins Engineering Associates, Inc.
575.624.2420, Ext. 210
richard@atkinseng.com

RCC
Enclosures
cc: Piper Energy

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2015 JUN 10 AM 11:49



**NEW MEXICO STATE LAND OFFICE
WATER EASEMENT
(Rental + Royalty)**

NO. WR -715

THIS AGREEMENT, dated this 13th day of January, 2015, 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 Piper Energy, LLC, authorized to do business in New Mexico, by and through the undersigned, whose address is 7011 Rio Grande Blvd. Los Ranchos, NM 87107 (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 for three (3) well-sites to be located within the following described area:

<u>Quarter-Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>SLO Well-site number</u>
Lot 4, SE¼SW¼	18	21 South	37 East	WR-715

*all wells located in Lot 4

A well-site is one (1) acre with the denominated well in the center. Depending on their proximity, well-sites may overlap. Surrounding Trust land is unencumbered by this Water easement except as set out in paragraph 9 below.

2. **Purpose:** This grant of easement is for the continued operation of one well and appropriation of water for commercial resale under CP-1195/CP-1245 as well as the drilling of an additional well to be used as an alternative POD for CP-1245 and to allow NMOSE to process additional water appropriation for commercial resale from the following described well:

<u>SLO Well-Site</u>	<u>OSE Well Number</u>	<u>Date Well Completed</u>	<u>Well Capacity</u>	<u>Volume of Use</u>
WR-715 #1	CP-1195/CP-1245	9-12-2013		N/A
WR-715 #2	CP-1245 POD2	UNK.	UNK.	N/A
WR-715 #3	Not Yet Assigned	UNK.	UNK.	N/A

3. **Related Uses:** 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, and to the exclusive use of any water rights developed or obtained in connection herewith for the term of this easement. Grantor may permit other uses on or within this Water Easement to the extent that they do not impair Grantee's permitted purposes.

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B. Terms, Covenants, and Conditions:

1. Annual Rental; Payment: Grantee shall pay annual rental in the amount of \$3,000.00 to be due on or before January 13th of each year. In addition, Grantee shall pay to the Commissioner a quarterly sum equal to:

☒ 20 % of Grantee's water sales from this Water Easement due within 30 days of the end of each quarter and as determined by Grantee's sworn report of quarterly sales records and receipts;

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.

2. Term of Easement: The grant of this Water Easement is for a term of five (5) year, commencing January 13, 2015 and expiring January 12, 2020 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 has failed to use the subject land for the permitted purposes for a period of one year, the land and water rights developed, appropriated, or placed on this Water Easement 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 Grantee notice of this by registered mail and no further notice or action on the Commissioner's part 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.

3. Amendment: With the consent of the Commissioner, Grantee may add to this easement, by amendment, a sufficient number of wells to appropriate the full amount of water set forth in Paragraph 3 herein, and may add, by amendment, such replacement or supplemental wells as are necessary to maintain such full amount. The form of such amendments will be prescribed by the Commissioner. The term of this easement shall be unaffected by such amendments. Each such amendment shall be accompanied by an amendment filing fee of \$30.00 and an annual rental/payment per well, to be calculated and due as described in paragraph one (1) above.

4. Water Rights: It is a condition precedent to the grant of this easement that Grantee shall have executed a standard Land Office Water Rights Agreement, which agreement is incorporated herein. Breach of any term of that Water Rights Agreement shall be deemed a material breach of this Easement.

5. Relationship with State Engineer: Grantee shall file all necessary documents regarding declarations of or permits for appropriation of water with the State Engineer's Office. Grantee shall diligently pursue all such filings in order that Water Rights are perfected in a timely and efficient manner and pursuant to the standard Water Rights Agreement entered into previously by the parties and incorporated herein. The Commissioner will receive a copy of all such filings. The Commissioner, in his discretion, may assist Grantee in any such filings or proceedings before the State Engineer. Grantee shall additionally act promptly and diligently to protect any Water Rights from impairment. Grantee shall notify the Commissioner of any actions before or filings with the State Engineer, whether by Grantee or others, which affect water underlying state trust lands within this easement or any Water Rights. The Commissioner will notify Grantee of any such actions or filings of which he has received actual notice.

6. Grantee Standard of Care: Grantee shall act prudently in drilling, developing, appropriating, transporting and using water and Water Rights from state trust lands. "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 other applicable laws, rules and regulations. Grantee shall additionally act prudently to protect such water and Water Rights from loss, depletion and impairment.

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. All pipelines constructed hereunder shall be buried below plow depth on tillable soils and no wells shall be drilled within one-fourth mile of any existing well without the prior written permission of the Commissioner. It is expressly understood and agreed that Water Rights are not improvements of the Grantee. 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. All such improvements shall be subject to the lien described in NMSA 1978 § 19-7-34. Upon the termination, expiration or assignment of Grantee's interest in this easement, Grantee may remove all such improvements, but only to the extent that such removal will not impair the Water Rights or cause material injury the land, and provided that all sums due to the Commissioner have been paid and that such removal is accomplished within (60) days of the date of termination, expiration or assignment; or, Grantee may sell its interest in such physical improvements to a subsequent grantee or assignee. Any such sale or removal shall be subject to the Commissioner paramount statutory lien. The Commissioner may, in writing, consent to the Grantee leaving designated improvements upon the land, and such improvements shall thereafter be deemed forfeited to the Commissioner. Any other improvements not removed or sold by Grantee 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.

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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 land covered by the Water Easement, 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. Grantor 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 land covered by the Water Easement 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. 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 Easement.

11. 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.

12. Grantee Breach: The Commissioner may terminate this Water Easement for breach of any term or covenant; and any substantial deviation in water quantity or water quality, if reasonably attributable to Grantee, or any change in place of use or purpose of use from that stated herein, shall constitute grounds for the Commissioner, in his sole discretion, to terminate, amend, modify, renegotiate, cancel or otherwise change this agreement; 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 alter or 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. Prior Appropriation: Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, the State Engineer where the State Engineer has jurisdiction over the water. The Grantor alone, and no other third party or entity has the right of enforcement under this term.

17. 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, and 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.

18. Indemnity: Subject to the limitations and exclusions contained in 56-7-2 NMSA 1978, Grantee shall save, hold harmless, indemnify, and defend the Commissioner, his employees, agents, contractors, and beneficiaries in both their official and individual capacities, from any and all liabilities, claims, demands, losses, damages, or expenses, including, but not limited to, reasonable attorneys' fees, loss of land value, third-party claims, penalties for removal, remedial or restoration costs arising out of or in connection with: (1) the actions, use and occupancy under this easement of Grantee and Grantee's employees, agents, contractors or invitees; (2) any Hazardous Materials located in, under, or upon or otherwise affecting the easement land or adjacent property, whether caused before or after the Effective Date; (3) the activities of third parties on the easement land to the extent that Grantee knew or should have known of such. This Section shall survive the termination or expiration of this easement, and any cause of action the Commissioner may have to enforce this Section shall not be deemed to accrue until the Commissioner's actual discovery of said liability, claim, demand, loss, damage, or expense.

To the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to any indemnity by Grantee of the Commissioner provided for in this easement, such indemnity shall not extend to liability, claims, damages, losses or expenses, including fees of lawyers, arising out of: (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications by the Commissioner, or his agents or employees; or (2) the giving of or the failure to give directions or instructions by the Commissioner, or his agents or employees, where the giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

The Commissioner and Grantee shall each remain solely liable for any act or omission of their respective officers, employees, agents, or contractors, subject to any otherwise available defense or limitation of liability. Nothing in this easement is intended to be a waiver of any constitutional, statutory, or common-law sovereign immunity. Any liabilities of the Commissioner or Grantee are subject to the terms of the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, *et seq.* As to a governmental entity subject to the Tort Claims Act, this Section shall apply to every provision in this easement requiring Grantee to indemnify the Commissioner.

19. 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 **\$500.00** 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. 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.

20. 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.

21. 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.

22. Receipt of Monies: No receipt of monies, including rent, by the Commissioner from Grantee, or any other person acting for or on Grantee's behalf, after termination or expiration of this easement shall reinstate, continue, or extend the Term; affect any notice previously given to Grantee; operate as a waiver of the Commissioner's right to enforce payment of any rent or other monies due or thereafter falling due; or, operate as waiver of the right of the Commissioner to recover possession of the land by legal action.

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Grantee understands that the Commissioner's receipt of any monies is governed by SLO Rules. Grantee agrees that the Commissioner's negotiation of Grantee's check or other means of payment, and crediting the proceeds of such instrument to a suspense account, does not constitute acceptance of Grantee's payment. Payment is not made until it is accepted in accordance with SLO Rules.

The Commissioner shall have the right to apply any payments made by Grantee to satisfy Grantee's obligations to the Commissioner in any order at the Commissioner's sole discretion, and without regard to Grantee's instructions as the application of any such payment or part thereof, whether such instructions are endorsed on Grantee's check or otherwise, unless the Commissioner and Grantee otherwise agree, in writing, before the Commissioner accepts such payment. The Commissioner's acceptance of a check or payment by Grantee or others on Grantee's behalf shall not, in any way, affect Grantee's obligations hereunder nor shall it be deemed an approval of any assignment or subletting of this easement.

23. 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.

24. 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.

25. 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.

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

27. 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

36. 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
Attn: Surface Resources
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
FAX: (505) 827-5766

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:

Piper Energy, LLC
7011 Rio Grande Blvd.
Los Ranchos, NM 87107
FAX: _____
Attn: Randy Briggs

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*Remainder of this page intentionally left blank.

GRANTEE: Piper Energy, LLC

By: Chris R. Briggs

STATE OF New Mexico)
) ss
COUNTY OF Bernalillo)

S Subscribed and sworn to before me this 5th day of January 2015,
E by Charles R. Briggs, Grantee.

A
L 11/8/2017

MY COMMISSION EXPIRES

Andrea Chavez
NOTARY PUBLIC

Received on January 21, 2015 @

- ☒ \$1,000.00-per-well rental, total cash due: \$3,000.00 and
☐ \$500.00 single well bond, or
☒ \$2,500.00 blanket right of way bond

COMMISSIONER

S
E By: Aubrey Dunn/Keno
A
L Commissioner of Public Lands

dated: 1/26/15

2015 JAN 20 AM 8 13

Affidavit of Publication


STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 3 issue(s).

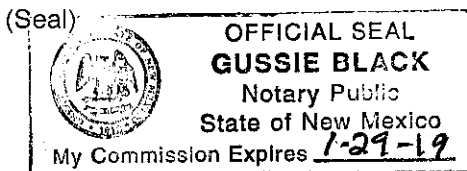
Beginning with the issue dated
October 18, 2014
and ending with the issue dated
November 01, 2014.


Publisher

Sworn and subscribed to before me this
1st day of November 2014.


Business Manager

My commission expires
January 29, 2019



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE

October 18, 25 and November 1, 2104

NOTICE is hereby given that on September 17, 2014, Piper Energy, LLC, c/o Charles R. Briggs, 7011 Rio Grande Blvd. NW, Los Ranchos, NM, 87107, c/o Atkins Engineering Associates Inc, P.O. Box 3156, Roswell, NM, 88202-3156, filed an application with the STATE ENGINEER under File No. CP-1245 for a permit to supplement the diversion of up to 80.00 acre-feet per annum (consumptive use) of shallow groundwater from existing well CP-1245-POD1 (formerly numbered CP-1195-POD1), by drilling additional shallow well C-1245-POD2, to an approximate depth of 250 feet with an outside-diameter well casing of 8 3/8 inches. The existing and proposed well sites are both located on land leased by the applicant from the State of New Mexico, in the SE 1/4 of Lot 4, in Section 18, Township 21 South, Range 37 East, N.M.P.M. Said wells would be used for continued commercial water sales on state, private, and BLM land located within Townships 19 South through 23 South, and Ranges 33 East through 38 East, N.M.P.M., in Lea County, New Mexico, under State Engineer Permit to Appropriate Groundwater No. CP-1245, issued on April 29, 2014.

The applicant has requested Emergency Authorization to drill the supplemental well, stating that existing well CP-1245-POD1 has "partially failed, resulting in a significant reduction in well capacity."

The proposed supplemental well would be located within the Capitan Underground Water Basin, approximately 3.50 miles northwest of Eunice, NM, and approximately one-half mile west of the junction of Curry Road and Joe Road, in Lea County, New Mexico.

Any person, firm or corporation or other entity having standing to file objections or protests shall do so in writing (legible, signed, and include the writer's complete name and mailing address). The objection to the approval of the application: (1) if impairment, you must specifically identify your water rights; and/or (2) if public welfare or conservation of water within the State of New Mexico, you must show you will be substantially and specifically affected. The written protest must be filed, in triplicate, with the State Engineer, 1900 West Second Street, Roswell, New Mexico 88201, within 10 days after the date of the last publication of this Notice. Facsimile's (fax's) will be accepted as a valid protest as long as the hard copy is sent with 24 hours of the facsimile. Mailing postmark will be used to validate the 24-hour period. Protests can be faxed to 575-623-8559. If no valid protest or objection is filed, the State Engineer will evaluate the application in accordance with Sections 72-2-16, 72-5-6 and 72-12-3.

#29495

02105888

00145950

ATKINS ENGINEERING ASSOCIATES INC.
PO BOX 3156
ROSWELL, NM 88202



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
ROSWELL

Tom Blaine, P.E.
State Engineer

DISTRICT II
1900 West Second St.
Roswell, New Mexico 88201
Phone: (575) 622-6521
Fax: (575) 623-8559

May 11, 2015

FILE: CP-1245

Charles R. Briggs, Piper Energy LLC
c/o Richard Cibak, Atkins Engineering Associates, Inc.
P.O. Box 3156
Roswell, NM 88202-3156

GREETINGS:

Notice of Publication for your Application for Permit for Additional Groundwater Point of Diversion, was issued on September 29, 2014, with Affidavit of Publication due in this office no later than November 28, 2014. To date said affidavit has not been received.

If this application has been advertised, please forward the Affidavit of Publication to this office as soon as possible.

If this application has not been advertised, then it will be necessary for you to contact this office immediately and advise us as to whether or not you wish to proceed with the application.

Failure to contact this office within 10 days of receipt of this letter will result in your application being cancelled.

Sincerely,

A handwritten signature in black ink that reads "K Parekh".

Kashyap Parekh
Water Resource Specialist

Enclosure: Notice of Publication



Scott A. Verhines, P.E.
State Engineer

1900 West Second Street
Roswell, New Mexico 88201
(575) 622-6521
FAX: (575) 623-8559

September 29, 2014

ATTN Charles R. Briggs, Piper Energy, LLC
C/O Richard Cibak
Atkins Engineering Associates, Inc.
P.O. Box 3156
Roswell, NM 88202-3156

RE: Emergency Request for Authorization under Section 72-12-24 NMSA (1978)
to Drill Well No.CP-1245-POD2 to Supplement Well No.CP-1245-POD1 in the Diversion of
80.00 Acre-Feet Per Annum of Primary Groundwater for Commercial Water Sales

Greetings:

As per your Application for Permit to Change an Existing Water Right (Non 72-12-1), received September 17, 2014, this is to advise you that the request for Emergency Authorization, in accordance with Section 72-12-24 (NMSA), for the drilling of new well CP-1245-POD2 for use as a supplemental point of diversion, **has been approved** by our office as per the attached Emergency Authorization.

Also, please find the enclosed Notice for Publication for said Application for Permit to Change an Existing Water Right, which shall be published at your expense once a week for three (3) consecutive weeks in the **Hobbs News-Sun in Lea County**. You should see that first publication is made as soon as possible after your receipt of this letter. Publisher's Affidavit of such publication must be filed with the State Engineer within sixty (60) days from the date hereon.

Please take a moment to review the enclosed notice and report any inaccuracies to the State Engineer at the address or phone number on this letterhead. You are encouraged to further review the notice immediately after it appears as an actual publication, and in the event that inaccuracies or flaws are identified at the fault of the publisher, to contact the publisher immediately. The accuracy as to the content of this notice is your responsibility and the State Engineer is not obligated for any additional expense incurred by the necessity of re-advertisement.

Sincerely,

A handwritten signature in cursive script, reading "Bill Duemling".

Bill Duemling
Water Resource Allocation Program
Water Rights Division

Enclosure
cc Santa Fe

NEW MEXICO OFFICE OF THE STATE ENGINEER
EMERGENCY AUTHORIZATION TO DRILL A SHALLOW WELL
TO SUPPLEMENT THE UNDERGROUND WATERS OF NEW MEXICO

1. This application is approved as follows:

Permit No: CP-1245-POD2

SOURCE: Shallow Groundwater

POINTS OF DIVERSION:

Well No.

	Subdivision	Section	Township	Range
Existing:				
CP-1245-POD1:	SE¼ of Lot 4,	18	21S	37E
Proposed:				
CP-1245-POD2:	SE¼ of Lot 4	18	21S	37E

PURPOSE & PLACE OF USE: Commercial Water Sales on state, private, and BLM land located within Townships 19 South through 23 South, and Ranges 33 East through 38 East, N.M.P.M., in Lea County, New Mexico.

AMOUNT OF WATER: Up to 80.00 acre-feet per annum (consumptive use)

2. The total diversion of shallow groundwater from wells CP-1245-POD1 and CP-1245-POD2, combined under this permit, shall be limited to 80.00 acre-feet per annum (consumptive use), measured at each well.
3. A totalizing meter of type approved by and installed in a manner and at a location acceptable to the State Engineer shall be installed before the first branch of the discharge line from wells CP-1245-POD1 and CP-1245-POD2. The State Engineer shall be advised of the make, model, serial number, date of installation, and initial reading of each meter prior to any appropriation of water under this permit.
4. Permittee shall record the meter readings in writing on the first day of January, April, July, and October of each year on a form acceptable to the Office of the State Engineer and submit said readings to the Office of the State Engineer, District II, Roswell, on or before the 10th day of January, April, July, and October of each year.
5. Permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.
6. This Emergency Authorization shall not be exercised to the detriment of valid existing water rights, shall not be contrary to the conservation of water within the State of New Mexico, and shall not be detrimental to the public welfare of the State.
7. This Emergency Authorization shall be in effect until such time the State Engineer takes formal action.

NEW MEXICO OFFICE OF THE STATE ENGINEER
EMERGENCY AUTHORIZATION TO DRILL A SHALLOW WELL
TO SUPPLEMENT THE UNDERGROUND WATERS OF NEW MEXICO

8. The issuance of this authorization does not obligate favorable action by the State Engineer on the pending application.

9. The Emergency Authorization will automatically expire and be cancelled if for any reason the application is denied.

10. The State Engineer shall retain jurisdiction over this authorization.

Dated this 29th day of September

Scott A. Verhines, P.E., State Engineer

Andy Morley
BY: Andy Morley, District II Manager



NOTE TO PUBLISHER: Immediately after last publication, publisher is requested to file affidavit of such publication with the State Engineer, 1900 W. Second Street, Roswell, New Mexico 88201.

NOTICE is hereby given that on September 17, 2014, Piper Energy, LLC, c/o Charles R. Briggs, 7011 Rio Grande Blvd. NW, Los Ranchos, NM, 87107, c/o Atkins Engineering Associates Inc, P.O. Box 3156, Roswell, NM, 88202-3156, filed an application with the STATE ENGINEER under File No.CP-1245 for a permit to supplement the diversion of up to 80.00 acre-feet per annum (consumptive use) of shallow groundwater from existing well CP-1245-POD1 (formerly numbered CP-1195-POD1), by drilling additional shallow well C-1245-POD2, to an approximate depth of 250 feet with an outside-diameter well casing of 8 $\frac{3}{8}$ inches. The existing and proposed well sites are both located on land leased by the applicant from the State of New Mexico, in the SE $\frac{1}{4}$ of Lot 4, in Section 18, Township 21 South, Range 37 East, N.M.P.M. Said wells would be used for continued commercial water sales on state, private, and BLM land located within Townships 19 South through 23 South, and Ranges 33 East through 38 East, N.M.P.M., in Lea County, New Mexico, under State Engineer Permit to Appropriate Groundwater No.CP-1245, issued on April 29, 2014.

The applicant has requested Emergency Authorization to drill the supplemental well, stating that existing well CP-1245-POD1 has *"partially failed, resulting in a significant reduction in well capacity."*

The proposed supplemental well would be located within the Capitan Underground Water Basin, approximately 3.50 miles northwest of Eunice, NM, and approximately one-half mile west of the junction of Curry Road and Joe Road, in Lea County, New Mexico.

Any person, firm or corporation or other entity having standing to file objections or protests shall do so in writing (legible, signed, and include the writer's complete name and mailing address). The objection to the approval of the application: (1) if impairment, you must specifically identify your water rights; and/or (2) if public welfare or conservation of water within the State of New Mexico, you must show you will be substantially and specifically affected. The written protest must be filed, in triplicate, with the State Engineer, 1900 West Second Street, Roswell, New Mexico 88201, within 10 days after the date of the last publication of this Notice. Facsimile's (fax's) will be accepted as a valid protest as long as the hard copy is sent with 24 hours of the facsimile. Mailing postmark will be used to validate the 24-hour period. Protests can be faxed to 575-623-8559. If no valid protest or objection is filed, the State Engineer will evaluate the application in accordance with Sections 72-2-16, 72-5-6 and 72-12-3.

Memorandum of Recommendation

Date: September 26, 2014
File: CP-1245
To: Andy Morley, OSE District II Manager
From: Bill Duemling, OSE District II Engineer Specialist Supervisor **BD**
Subject: Emergency Request to Drill a Shallow Supplemental Well
(CP-1245-POD2)
Applicant: Piper Energy, LLC

Points of Diversion:

Wells	Subdivision	Section	Township	Range
<u>Current:</u>				
CP-1245-POD1	SE¼ of Lot 4	18	21S	37E
<u>Proposed:</u>				
CP-1245-POD2	SE¼ of Lot 4	18	21S	37E

Source: Shallow Groundwater

Purpose & Place of Use: Commercial Water Sales on State, Private, and BLM Land Located within Townships 19 South through 21 South, and Ranges 33 East through 38 East, N.M.P.M., in Lea County, N.M.

Amount of Water: --80.00 acre-feet per annum (consumptive use)

Discussion

The water rights under consideration are recorded in the form of a Permit to Appropriate Underground Waters, issued by the Office of the State Engineer (OSE) on April 29, 2014, authorizing the diversion of up to 80 acre-feet per annum of shallow groundwater from the Capitan Underground Basin for use in commercial water sales at the places of use described above. Proof of Application of Water to Beneficial Use (PBU) is due on or before May 31, 2014.

The existing point of diversion was drilled under OSE domestic permit CP-1195, issued on September 10, 2013, for use in the diversion of one acre-foot per annum for drinking and sanitary uses that are incidental to the operations of a governmental, commercial, or non-profit facility. The Permit to Appropriate increased the diversion amount from this well, originally numbered CP-1195-POD1, by 80 acre-feet per annum (consumptive use).

CP-1245-POD2: Drill Shallow Supplemental Well (Emergency Request)

By OSE Memorandum, dated September 24, 2014, well CP-1195-POD1 was renumbered as **CP-1245-POD1**. Said well is located on public land administered by the State Land Office (SLO). The applicant has provided a copy of SLO Water Easement Agreement No. WR-715, Amendment #1, which authorizes the development of three water well sites at the proposed location for the new supplemental well.

The Emergency Request for Authorization to Drill a Supplemental Well was submitted to OSE on September 17, 2014. The request was accompanied by an affidavit which stated that existing well CP-1245-POD1 has *"partially failed, resulting in a significant reduction in well capacity. The proposed supplemental well will address the loss in capacity and allow for the continued diversion of the permitted water."* The affidavit also noted that the proposed well will be drilled into the same aquifer

The additional point of diversion will *not result* in the appropriation of any additional shallow groundwater from the Capitan Underground Aquifer. The preliminary coordinates provided for the proposed supplemental well indicates that it will be drilled about 20 feet from the existing well.

The nearest well of other ownership was identified as CP-676, a domestic well owned by Joe Sims, which is located about 3,725 feet (0.70 miles) to the east of proposed well CP-1245-POD2.

A Theis analysis (attached) was performed to estimate the potential drawdown on the nearest well of other ownership. The driller's record for domestic well CP-676 indicates that it was drilled to a total depth of 140 feet where red beds were encountered. A report from the OSE Hydrology Bureau, issued on April 14, 2014, assumed that the predominant water for CP-676 originates from alluvial sediments in the Ogallala Formation, since red beds exhibit relatively low water production potential.

The driller's log for CP-676 indicated a static water level reaching 106 feet below land surface, with an estimated water column of 34 feet [140 ft. TD minus 106 ft. water level depth (bls) = 34 feet]. Morrison Criteria expect that a 20-foot water column is required for well production. Given a 34-foot water column in well CP-676, 14 feet of allowable drawdown (34 ft. minus 20 ft.) is estimated. The Theis model run predicted a drawdown of 3.085 feet from well CP-676 after 40 years of pumping, which is within the acceptable limit of 14 feet.

Conclusions

An emergency situation exists, which justifies the expedited approval of this application.

There appear to be adequate water rights on record to satisfy the needs of this permit.

The amount of water diverted per annum under this proposed permit would not change from the amount of diversion currently budgeted for this water right.

CP-1245-POD2: Drill Shallow Supplemental Well (Emergency Request)

Modelled use of the proposed supplemental well *does not* appear to increase drawdown on the nearest well of other ownership to an unacceptable level.

The granting of this application would not be contrary to the conservation of water within the state of New Mexico nor be detrimental to the public welfare of the state.

Recommendation

It is recommended that this emergency permit request be approved.



Bill Duemling
OSE District II Engineer Specialist Supervisor

DRAWDOWN AT RANDOM COORDINATES IN AN INFINITE
 STRIP, NON - LEAKY AQUIFER USER SPECIFIED BOUNDARIES
 AT $Y = 0$ AND A Y SPECIFIED BY USER
 PUMPING MULTIPLE WELLS LOCATED AT POINTS SPECIFIED
 BY USER. EACH WELL MAY HAVE A DIFFERENT
 PUMPING SCHEDULE. ALL COORDINATES IN THE $X - Y$ PLANE.

(Theis equation)

At $y = 0$, there is no boundary
 There is no other boundary to system

$T = 4488. \text{ gpd/ft}$ $S = 0.150000$

Number of pumping wells = 2

Coordinates of pumping wells and the no. of pumping rates

Rates	Well #	X Coordinate	Y Coordinate	No. of Pumping
	1	0.0	0.0	1
	2	435.0	550.0	1

PUMPING SCHEDULES FOR THE WELLS

Well Schedule for Pumping Well Number 1

Pumping Rate	Pumping Time
$Q(1) = 25.0 \text{ gpm}$	for 14610.000 days

Well Schedule for Pumping Well Number 2

Pumping Rate	Pumping Time
$Q(1) = 25.0 \text{ gpm}$	for 14610.000 days

Coordinates of Computation Points

(Number of computation points = 1)

Point #	X Coordinates feet	Y Coordinates feet
1	3725.0	211.0

Image Control = .1000000E-02

time variable (t)

t min = 365.250 days; t max = 14610.000 days;
delta t = 365.250 days

***** RESULTS *****

Drawdowns and Coordinates of computation points
Measured in feet

X = 3725.0
Y = 211.0

Time in days

365.250	0.056
730.500	0.259
1095.750	0.477
1461.000	0.676
1826.250	0.853

2191.500	1.011
2556.750	1.153
2922.000	1.281
3287.250	1.398
3652.500	1.506

4017.750	1.605
4383.000	1.698
4748.250	1.784
5113.500	1.865
5478.750	1.941

5844.000	2.013
6209.250	2.081
6574.500	2.145
6939.750	2.207
7305.000	2.266

7670.250	2.322
8035.500	2.375
8400.750	2.427
8766.000	2.477
9131.250	2.525

9496.500	2.571
9861.750	2.615
10227.000	2.658
10592.250	2.700
10957.500	2.740

11322.750	2.779
11688.000	2.817
12053.250	2.854
12418.500	2.889
12783.750	2.924

13149.000	2.958
13514.250	2.991
13879.500	3.023
14244.750	3.055

(Year 40) 14610.000: 3.085 feet of drawdown

Drawdown at 40 years approximately 3.1 feet

Nearest Well of Other Ownership: CP-676 (Domestic) (Approx. $\frac{3}{4}$ miles to NE)

CP-676 Available Water Column: 34 feet.

CP-676 Available Drawdown = 34 feet minus 20 feet (minimum) = 14 feet.

Projected 40-Year Drawdown (3.1 ft.) less than Available Drawdown (14 ft.).



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER
District 2 Office, Roswell, NM

Scott A. Verhines, P.E.
State Engineer

1900 West Second Street
Roswell, New Mexico 88201
(575) 622-6521
FAX: (575) 623-8559

MEMORANDUM TO FILES

DATE: September 24, 2014
TO: Files CP-1195 and CP-1245
FROM: Bill Duemling, Water Rights Division, District II
SUBJECT: Renumbering of Points of Diversion

On September 10, 2013, Permit No. CP-1195 was issued by OSE District II under NMSA 72-12-1, which authorized Piper Energy, LLC, to divert up to one acre-foot per annum of groundwater for drinking and sanitary uses that are incidental to the operations of a governmental, commercial, or non-profit facility.

The driller's record for shallow domestic well CP-1195-POD1 indicates that it is located on New Mexico State Land Office trust land in the SE $\frac{1}{4}$ of Lot 4, in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 18, Township 21 South, Range 37 East, N.M.P.M.

On April 26, 2014, OSE District II issued permit CP-1245 to Piper Energy, LLC, which authorized the use of said well RA-1195-POD1 for the new appropriation of up to 80.00 acre-feet per annum of groundwater for use in commercial water sales on state, private, and BLM land located within Townships 19 South through 23 South, and Ranges 33 East through 38 East, N.M.P.M., in Lea County, New Mexico. Piper Energy, LLC, has subsequently requested under File CP-1245 to drill an additional shallow well to supplement CP-1195-POD1, and, under separate application, has requested to appropriate more water for commercial sales from well CP-1195-POD1. However, the applicant identifies CP-1195-POD1 as well CP-1245 in submitted documentation.

In an effort to reduce confusion and to create an accurate historical record of the points of diversion used for these new commercial appropriations, existing well CP-1195-POD1 is hereby renumbered CP-1245-POD1.

Bill Duemling
Water Rights Division
District II Engineer Specialist Supervisor

Piper Energy, LLC
7011 Rio Grande Blvd., NW
Los Ranchos, New Mexico 87107
505-730-9170

AFFIDAVIT

The applicant, Piper Energy, LLC submits Application No. CP-1245-POD2 to the State Engineer for consideration for emergency action under New Mexico Statute 72-12-24 NMSA (1978) or any other applicable statute, policy, procedure or regulation.

The applicant, Piper Energy, LLC is the owner of the water right described under State Engineer File No. CP-1245. The below signed Charles R. Briggs states the following:

1. The well CP-1245 is presently authorized, and will remain, as a point of diversion of the subject water right. The proposed supplemental well CP-1245 will be completed in the same underground stream, channel, shallow basin or reservoir as the wells being supplemented.
2. The proposed use of well CP-1245-POD2 as a supplemental well or alternative point of diversion will not increase the appropriation and consumption of water above the applicant's existing water right.
3. An emergency situation exists in which the delay caused by publication and hearing would result in serious economic loss. The existing well CP-1245 has partially failed which has resulted in a significant reduction in well capacity. The proposed supplemental well will address the loss in capacity and will allow for the continued diversion of the permitted water.

The applicant, Piper Energy, LLC hereby swears or affirms that all of the information contained herein is true and that the applicant will comply with all requirements imposed under an emergency approval by the State Engineer.

Charles R. Briggs
Charles R. Briggs

9/16/14
Date

STATE OF New Mexico
COUNTY OF Bernalillo) ss.

The foregoing instrument was acknowledged before me this 16th day of September, 2014, by Charles R. Briggs.

My Commission Expires: 11/8/2017

Andrea Chavez
Notary Public



OFFICIAL SEAL
ANDREA CHAVEZ
NOTARY PUBLIC - STATE OF NEW MEXICO
My commission expires: 11/8/2017

STATE ENGINEER OFFICE
17 SEP 17 09:11

AGENT AUTHORIZATION

To Whom It May Concern:

This statement is made to authorize Atkins Engineering Associates, Inc. to act as agent for Piper Energy, LLC (Charles R. Briggs) under New Mexico Office of the State Engineer application for permit to drill a supplemental well under State Engineer File No. CP-1245. The well is to be drilled in the SE¼ of Lot 4 of Section 18, Township 21 South, Range 37 East, N.M.P.M.

By: Chen H

Date: 9/16/14

STATE OF New Mexico)
)ss.
COUNTY OF Bernalillo)

The foregoing instrument was acknowledged before me this 16th day of September 2014 by Charles R. Briggs.

My Commission Expires: 11/8/2017

Andrea Chan
Notary Public



OFFICIAL SEAL
ANDREA CHAVEZ
NOTARY PUBLIC - STATE OF NEW MEXICO
My commission expires: 11/8/2017

STATE ENGINEER OFFICE
SHERBORN, NEW MEXICO
2014 SEP 17 PM 1:11



**NEW MEXICO STATE LAND OFFICE
WATER EASEMENT
(Rental + Royalty)**

**NO. WR -715
Amendment #1**

THIS AGREEMENT, dated this 13th day of January, 2014, 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 Piper Energy, LLC, authorized to do business in New Mexico, by and through the undersigned, whose address is 7011 Rio Grande Blvd. Los Ranchos, NM 87107 (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 for three (3) well-sites to be located within the following described area:

<u>Quarter-Quarter</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>SLO Well-site number</u>
Lot 4, SE¼SW¼	18	21 South	37 East	WR-715

*all wells located in Lot 4

A well-site is one (1) acre with the denominated well in the center. Depending on their proximity, well-sites may overlap. Surrounding Trust land is unencumbered by this Water easement except as set out in paragraph 9 below.

2. **Purpose:** This grant of easement is for the continued operation of one well and appropriation of water for commercial resale under CP-1195/CP-1245 as well as the drilling of an additional well to be used as an alternative POD for CP-1245 and to allow NMOSE to process additional water appropriation for commercial resale from the following described well:

<u>SLO Well-Site</u>	<u>OSE Well Number</u>	<u>Date Well Completed</u>	<u>Well Capacity</u>	<u>Volume of Use</u>
WR-715 #1	CP-1195/CP-1245	9-12-2013		N/A
WR-715 #2	CP-1245 POD2	UNK.	UNK.	N/A
WR-715 #3	Not Yet Assigned	UNK.	UNK.	N/A

3. **Related Uses:** 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, and to the exclusive use of any water rights developed or obtained in connection herewith for the term of this easement. Grantor may permit other uses on or within this Water Easement to the extent that they do not impair Grantee's permitted purposes.

STATE ENGINEER OFFICE
1050 W. RIVERA
ALBUQUERQUE, NM 87102
2014 SEP 11 PM 1:11

B. Terms, Covenants, and Conditions:

2014 AUG 26 AM 8:17

1. Annual Rental; Payment: Grantee shall pay annual rental in the amount of \$3,000.00 to be due on or before January 13th of each year. In addition, Grantee shall pay to the Commissioner a quarterly sum equal to:

- ☒ 20 % of Grantee's water sales from this Water Easement due within 30 days of the end of each quarter and as determined by Grantee's sworn report of quarterly sales records and receipts;

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.

2. Term of Easement: The grant of this Water Easement is for a term of one (1) year, commencing January 13, 2014 and expiring January 12, 2015 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 has failed to use the subject land for the permitted purposes for a period of one year, the land and water rights developed, appropriated, or placed on this Water Easement 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 Grantee notice of this by registered mail and no further notice or action on the Commissioner's part 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.

3. Amendment: With the consent of the Commissioner, Grantee may add to this easement, by amendment, a sufficient number of wells to appropriate the full amount of water set forth in Paragraph 3 herein, and may add, by amendment, such replacement or supplemental wells as are necessary to maintain such full amount. The form of such amendments will be prescribed by the Commissioner. The term of this easement shall be unaffected by such amendments. Each such amendment shall be accompanied by an amendment filing fee of \$30.00 and an annual rental/payment per well, to be calculated and due as described in paragraph one (1) above.

4. Water Rights: It is a condition precedent to the grant of this easement that Grantee shall have executed a standard Land Office Water Rights Agreement, which agreement is incorporated herein. Breach of any term of that Water Rights Agreement shall be deemed a material breach of this Easement.

5. Relationship with State Engineer: Grantee shall file all necessary documents regarding declarations of or permits for appropriation of water with the State Engineer's Office. Grantee shall diligently pursue all such filings in order that Water Rights are perfected in a timely and

OKB

efficient manner and pursuant to the standard Water Rights Agreement entered into previously by the parties and incorporated herein. The Commissioner will receive a copy of all such filings. The Commissioner, in his discretion, may assist Grantee in any such filings or proceedings before the State Engineer. Grantee shall additionally act promptly and diligently to protect any Water Rights from impairment. Grantee shall notify the Commissioner of any actions before or filings with the State Engineer, whether by Grantee or others, which affect water underlying state trust lands within this easement or any Water Rights. The Commissioner will notify Grantee of any such actions or filings of which he has received actual notice.

6. Grantee Standard of Care: Grantee shall act prudently in drilling, developing, appropriating, transporting and using water and Water Rights from state trust lands. "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 other applicable laws, rules and regulations. Grantee shall additionally act prudently to protect such water and Water Rights from loss, depletion and impairment.

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. All pipelines constructed hereunder shall be buried below plow depth on tillable soils and no wells shall be drilled within one-fourth mile of any existing well without the prior written permission of the Commissioner. It is expressly understood and agreed that Water Rights are not improvements of the Grantee. 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. All such improvements shall be subject to the lien described in NMSA 1978 § 19-7-34. Upon the termination, expiration or assignment of Grantee's interest in this easement, Grantee may remove all such improvements, but only to the extent that such removal will not impair the Water Rights or cause material injury the land, and provided that all sums due to the Commissioner have been paid and that such removal is accomplished within (60) days of the date of termination, expiration or assignment; or, Grantee may sell its interest in such physical improvements to a subsequent grantee or assignee. Any such sale or removal shall be subject to the Commissioner paramount statutory lien. The Commissioner may, in writing, consent to the Grantee leaving designated improvements upon the land, and such improvements shall thereafter be deemed forfeited to the Commissioner. Any other improvements not removed or sold by Grantee 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 land covered by the Water Easement, 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. Grantor 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 land covered by the Water Easement 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. 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 Easement.

11. 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.

12. Grantee Breach: The Commissioner may terminate this Water Easement for breach of any term or covenant; and any substantial deviation in water quantity or water quality, if reasonably attributable to Grantee, or any change in place of use or purpose of use from that stated herein, shall constitute grounds for the Commissioner, in his sole discretion, to terminate, amend, modify, renegotiate, cancel or otherwise change this agreement; 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 alter or 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.

STATE ENGINEER OFFICE
COUNTY OF NEW MEXICO
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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. Prior Appropriation: Grantee shall comply with all applicable laws pertaining to, and with all rules and regulations and procedures of, the State Engineer where the State Engineer has jurisdiction over the water. The Grantor alone, and no other third party or entity has the right of enforcement under this term.

17. 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, and 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.

18. Indemnity: Subject to the limitations and exclusions contained in 56-7-2 NMSA 1978, Grantee shall save, hold harmless, indemnify, and defend the Commissioner, his employees, agents, contractors, and beneficiaries in both their official and individual capacities, from any and all liabilities, claims, demands, losses, damages, or expenses, including, but not limited to, reasonable attorneys' fees, loss of land value, third-party claims, penalties for removal, remedial or restoration costs arising out of or in connection with: (1) the actions, use and occupancy under this easement of Grantee and Grantee's employees, agents, contractors or invitees; (2) any Hazardous Materials located in, under, or upon or otherwise affecting the easement land or adjacent property, whether caused before or after the Effective Date; (3) the activities of third parties on the easement land to the extent that Grantee knew or should have known of such. This Section shall survive the termination or expiration of this easement, and any cause of action the Commissioner may have to enforce this Section shall not be deemed to accrue until the Commissioner's actual discovery of said liability, claim, demand, loss, damage, or expense.

To the extent, if at all, Section 56-7-1 NMSA 1978 is applicable to any indemnity by Grantee of the Commissioner provided for in this easement, such indemnity shall not extend to liability, claims, damages, losses or expenses, including fees of lawyers, arising out of: (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications by the Commissioner, or his agents or employees; or (2) the giving of or the failure to give directions or instructions by the Commissioner, or his agents or employees, where the giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

The Commissioner and Grantee shall each remain solely liable for any act or omission of their respective officers, employees, agents, or contractors, subject to any otherwise available defense or limitation of liability. Nothing in this easement is intended to be a waiver of any constitutional, statutory, or common-law sovereign immunity. Any liabilities of the

STATE ENGINEER OFFICE
SANTA FE, NEW MEXICO

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Commissioner or Grantee are subject to the terms of the New Mexico Tort Claims Act, NMSA 1978, Section 41-4-1, *et seq.* As to a governmental entity subject to the Tort Claims Act, this Section shall apply to every provision in this easement requiring Grantee to indemnify the Commissioner.

19. 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 \$500.00 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. 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.

20. 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.

21. 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.

22. Receipt of Monies: No receipt of monies, including rent, by the Commissioner from Grantee, or any other person acting for or on Grantee's behalf, after termination or expiration of this easement shall reinstate, continue, or extend the Term; affect any notice previously given to Grantee; operate as a waiver of the Commissioner's right to enforce payment of any rent or other monies due or thereafter falling due; or, operate as waiver of the right of the Commissioner to recover possession of the land by legal action.

Grantee understands that the Commissioner's receipt of any monies is governed by SLO Rules. Grantee agrees that the Commissioner's negotiation of Grantee's check or other means of payment, and crediting the proceeds of such instrument to a suspense account, does not

STATE ENGINEER OFFICE
SANTA FE, NEW MEXICO
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constitute acceptance of Grantee's payment. Payment is not made until it is accepted in accordance with SLO Rules.

The Commissioner shall have the right to apply any payments made by Grantee to satisfy Grantee's obligations to the Commissioner in any order at the Commissioner's sole discretion, and without regard to Grantee's instructions as the application of any such payment or part thereof, whether such instructions are endorsed on Grantee's check or otherwise, unless the Commissioner and Grantee otherwise agree, in writing, before the Commissioner accepts such payment. The Commissioner's acceptance of a check or payment by Grantee or others on Grantee's behalf shall not, in any way, affect Grantee's obligations hereunder nor shall it be deemed an approval of any assignment or subletting of this easement.

23. 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.

24. 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.

25. 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.

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

27. 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 192-15 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.

28. 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.

29. 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.

30. 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.

31. 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.

32. 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.

33. 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.

34. 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.

35. 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.

36. 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

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NEW MEXICO
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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
Attn: Surface Resources
P.O. Box 1148
Santa Fe, New Mexico 87504-1148
FAX: (505) 827-5766

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:

Piper Energy, LLC
7011 Rio Grande Blvd.
Los Ranchos, NM 87107
FAX: _____
Attn: Randy Briggs

rlbriggs c briggs nm.com

*Remainder of this page intentionally left blank.

STATE ENGINEER OFFICE
SANTA FE, NEW MEXICO
2017 SEP 17 PM 1:11

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GRANTEE: Piper Energy, LLC

By: Charles R. Briggs

STATE OF New Mexico

COUNTY OF Bernillo) ss

S Subscribed and sworn to before me this 21st day of August 2014,
E by Charles R. Briggs, Grantee.

A 11/8/2017
L MY COMMISSION EXPIRES

Andreea Chavez
NOTARY PUBLIC

Received on June 30, 2014:

- ☒ \$1,000.00-per-well rental, total cash due: \$0.00 and
☐ \$500.00 single well bond, or
☐ \$2,500.00 blanket right of way bond

COMMISSIONER

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

dated: 8-27-14

2014 SEP 17 PM 1:12

STATE ENGINEER OFFICE
SANTA FE, NEW MEXICO

17 September 2014

District 2 Office of the State Engineer
1900 West Second Street
Roswell, New Mexico 88201

Attn: Capitan Underground Water Basin Supervisor
Ref: Application to Drill and Use a Supplemental Well, NMOSE File CP-1245-POD2 (Piper Energy)

Greetings:

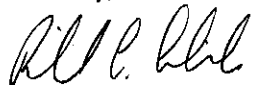
Please find enclosed with this letter the following:

1. A triplicate set of completed and signed New Mexico Office of the State Engineer Application for Permit to Change an Existing Water Right (Non 72-12-1) Additional Groundwater Point of Diversion No. CP-1245-POD2 forms,
2. A signed, dated and notarized agent authorization statement wherein Piper Energy, LLC designates Atkins Engineering Associates as their agent in this matter,
3. A signed, dated and notarized Affidavit wherein Piper Energy asks for emergency authorization to immediately drill and use the well pursuant to Section 72-12-24 NMSA(1978),
4. A copy of the New Mexico State Land Office Water Easement No. WR-715, Amendment #1, and
5. This firm's check numbered 31536 made payable to the Office of the State Engineer in the amount of the twenty-five dollars (\$25.00) to cover the filing fee associated with the aforesaid application.

Please provide the proposed notice for publication to this firm for review. Once the notice has been finalized and formally issued by your office please provide it to this firm as we have been tasked with arranging for, and overseeing, its publication in the Hobbs News-Sun newspaper.

If you have any questions, or if anything further is required, please do not hesitate to contact me.

Sincerely,



Richard C. Cibak
Atkins Engineering Associates, Inc.
575.624.2420, Ext. 210
richard@atkinseng.com

RCC

Enclosure

cc: Randy Briggs c/o Piper Energy, LLC

STATE ENGINEER OFFICE
SEP 17 2014 10:10

OFFICE OF THE STATE ENGINEER/INTERSTATE STREAM COMMISSION – ROSWELL OFFICE

OFFICIAL RECEIPT NUMBER: 2-35029 DATE: 1/11/11 FILE NO.: 104-1011

TOTAL: RECEIVED: DOLLARS CHECK NO.: CASH:

PAYOR: ADDRESS: CITY: STATE:

ZIP: RECEIVED BY:

INSTRUCTIONS: Indicate the number of actions to the left of the appropriate type of filing. Complete the receipt information. **Original** to payor; **pink** copy to Program Support/ASD; **yellow** copy remains in district office, and **goldenrod** copy to accompany application being filed. If you make an error, void original and all copies and submit to Program Support/ASD along with other valid receipts.

A. Ground Water Rights Filing Fees

1.	Declaration of Water Right	\$ 1.00
2.	Application to Appropriate or Supplement Domestic 72-12-1 Well	\$125.00
3.	Application for Stock Well	\$ 5.00
4.	Application to Repair or Deepen 72-12-1 Well	\$ 75.00
5.	Application for Replacement 72-12-1 Well	\$ 75.00
6.	Application to Change Purpose of Use 72-12-1 Well	\$ 75.00
7.	Application to Appropriate Irrig., Mun., or Comm. Use	\$ 25.00
8.	Application for Supplemental Non 72-12-1 Well	\$ 25.00
9.	Application to Change Location of Non 72-12-1 Well	\$ 25.00
10.	Application to Change Place or Purpose of Use Non 72-12-1 Well	\$ 25.00
11.	Application to Change Location of Well and Place and/or Purpose of Use	\$ 50.00
12.	Application for Extension of Time	\$ 25.00
13.	Proof of Application to Beneficial Use	\$ 25.00
14.	Application to Change Point of Diversion and Place and/or Purpose of Use from Surface Water to Ground Water	\$ 50.00
15.	Application for Test, Expl. Observ. Well	\$ 5.00
16.	Change of Ownership of Water Right	\$ 2.00
17.	Application to Repair or Deepen Non 72-12-1 Well	\$ 5.00

B. Surface Water Rights Filing Fees

1.	Declaration of Water Right	\$ 10.00
2.	Amended Declaration	\$ 25.00
3.	Declaration of Livestock Water Impoundment	\$ 10.00
4.	Application for Livestock Water Impoundment	\$ 10.00
5.	Application to Appropriate	\$ 25.00
6.	Notice of Intent to Appropriate	\$ 25.00
7.	Application to Change Point of Diversion	\$ 100.00
8.	Application to Change Place and/or Purpose of Use	\$ 100.00
9.	Application to Change Point of Diversion and Place and/or Purpose of Use	\$ 200.00
10.	Application to Change Point of Diversion and Place and/or Purpose of Use from Ground Water to Surface Water	\$ 200.00
11.	Application for Extension of Time	\$ 50.00
12.	Supplemental Well to a Surface Right	\$ 100.00
13.	Return Flow Credit	\$ 100.00
14.	Proof of Completion of Works	\$ 25.00
15.	Proof of Application of Water to Beneficial Use	\$ 25.00
16.	Water Development Plan	\$ 100.00
17.	Change of Ownership of Water Right	\$ 5.00

C. Miscellaneous Fees

1.	Application for Well Driller's License	\$50.00
2.	Application for Renewal of Well Driller's License	\$50.00
3.	Application to Amend Well Driller's License	\$50.00

D. Reproduction of Documents

	@ 0.25¢/copy	\$
	Map(s)	\$

E. Certification

\$

E. Other

\$

G. Comments:

1/11/11

SENDER COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Atkins Engineering
Associates Inc.
P.O. Box 3156
Roswell
NM 88202-3156

2. Article Number

(Transfer from service label)

PS Form 3811, August 2001

COMPLTEE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7014 2120 0003 8108 6654

Domestic Return Receipt

102595-02-M-1035

U.S. Postal Service
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com

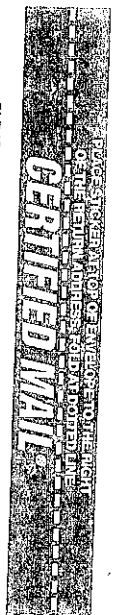
Postmark Here

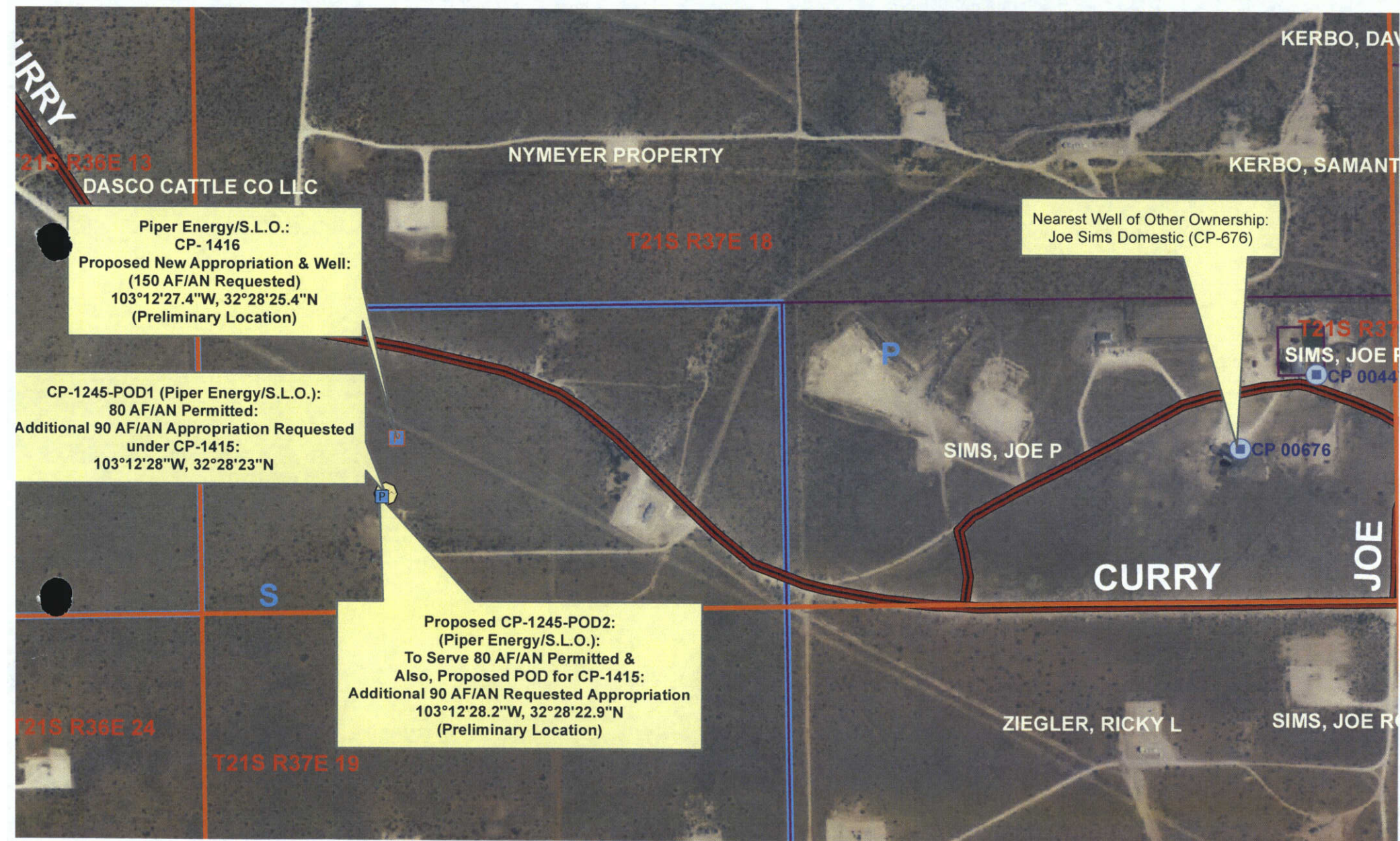
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

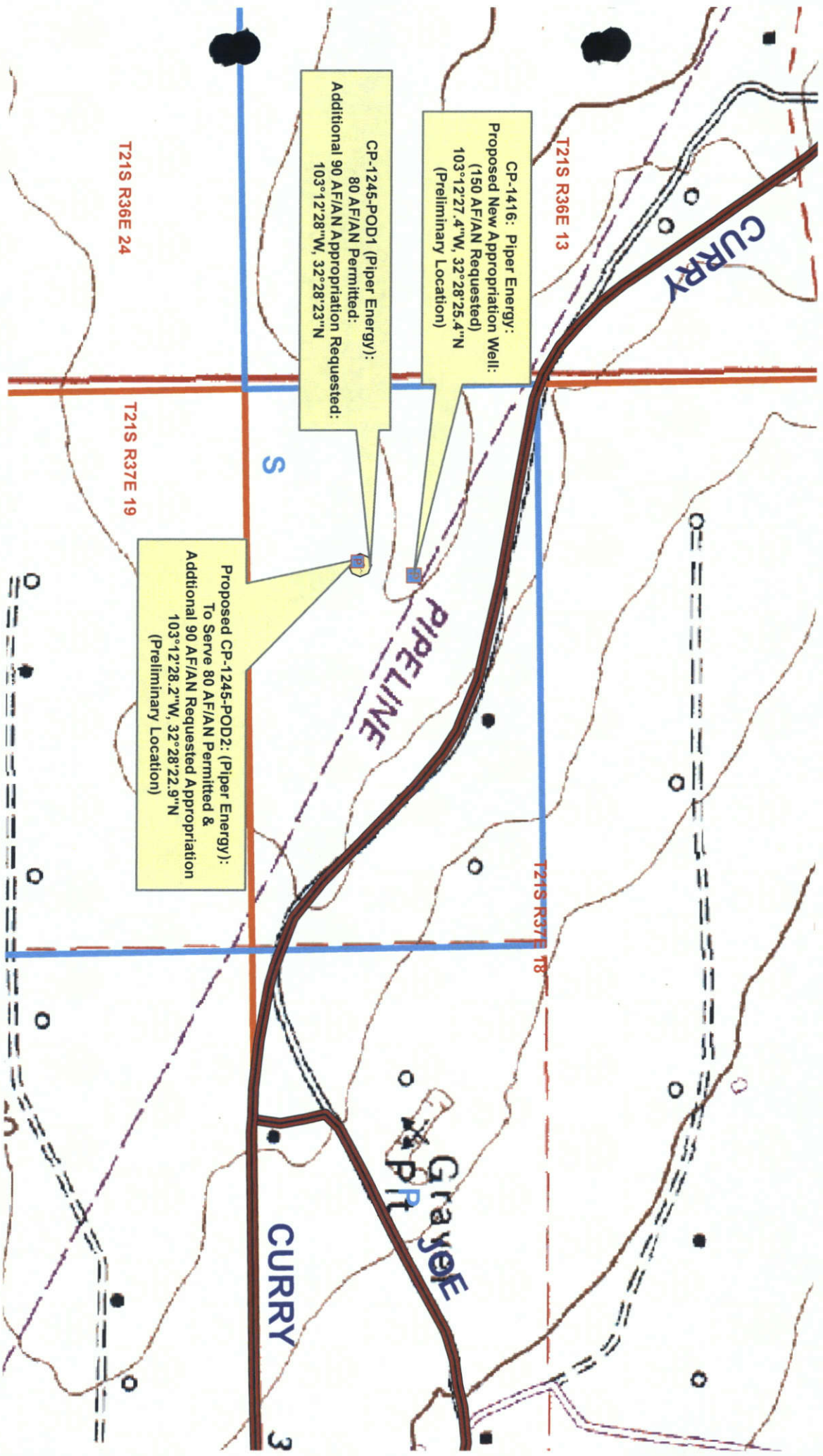
Sent to
Atkins Engineering Associates Inc.
P.O. Box 3156
Roswell, NM 88202-3156
City, State, ZIP+4

PS Form 3800, JULY 2001
See back for instructions

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New Mexico Office of the State Engineer

Transaction Summary

SUPPL Application for Supplemental Well (Ground)

Transaction Number: 604424

Transaction Desc: CP 01245

File Date: 09/17/2014

Primary Status: PMT Permit

Secondary Status: APR Approved

Person Assigned: *****

Applicant: PIPER ENERGY, LLC.


Contact: CHARLES R. BRIGGS

Applicant: ATKINS ENGINEERING ASSOC, INC.

Contact: RICHARD C. CIBAK


x

Events

 get images	Date	Type	Description	Comment	Processed By
	09/17/2014	APP	Application Received	*	*****
	09/29/2014	NFP	Notice for Publication		*****
	05/18/2015	AOP	Affidavit of Publication rev		*****
	07/13/2015	NUC	No PBU or PCW Approval		*****
	07/13/2015	FIN	Final Action on application		*****
	03/20/2017	QAT	Quality Assurance Completed	SQ2	*****
	03/30/2017	QAT	Quality Assurance Completed	IMAGE	*****
	04/20/2020	ARW	WRAB Main File Rm Arch Sect	CP 01245 Archived	*****

x

Water Right Information

WR File Nbr	Acres	Diversion	Consumptive	Purpose of Use
CP 01245	0	0	0	COM COMMERCIAL
**Point of Diversion				
CP 01245 POD2		668417	3594283	

x

Remarks

"APPLICATION IS FILED TO DRILL A WELL TO BE USED AS A SUPPLEMENTAL/ALTERNATE POINT OF DIVERSION TO THE PREVIOUSLY PERMITTED WELL CP-1245. WELL CP-1245 HAS PARTIALLY FAILED RESULTING IN REDUCED CAPACITY."

"APPLICANT REQUESTS EMERGENCY AUTHORIZATION TO IMMEDIATELY DRILL AND USE THE CP-1245-POD2 WELL PURSUANT TO NEW MEXICO STATUTE 72-12-24. ATTACHED TO THIS APPLICATION IS A AFFIDAVIT REQUESTING AUTHORIZATION PURSUANT TO 72-12-24 NMSA(1978)."

"ALSO ATTACHED TO THIS APPLICATION IS A COPY OF NEW MEXICO STATE LAND OFFICE WATER EASEMENT NO. WR-715, AMENDMENT #1."

x

Conditions

- C Driller's well record must be filed with the State Engineer within 20 days after the well is drilled or driven. Well record forms will be provided by the State Engineer upon request.
 - 7 The Permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.
 - Q The State Engineer retains jurisdiction over this permit.
-

x

Action of the State Engineer

**** See Image For Any Additional Conditions of Approval ****

Approval Code: A - Approved

Action Date: 07/13/2015

State Engineer:

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.

8/19/22 12:12 PM

TRANSACTION SUMMARY









