



NEW MEXICO STATE LAND OFFICE
SALT WATER DISPOSAL EASEMENT

APPLICATION NO. SWD-0040

SALT WATER DISPOSAL
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THIS AGREEMENT, dated this 24th day of October, 19 83,
made and entered into between the State of New Mexico, acting by and through the undersigned, its Commissioner
of Public Lands, hereinafter called the grantor, and Wagner and Brown, a Texas General
of Partnership, P.O. Box 1714 Midland, Texas 79702
Address

hereinafter called the grantee,

WITNESSETH:

That, whereas, the said grantee has filed in the Land Office an application for salt water disposal easement
and has tendered the sum of \$ 260.00, together with the sum of \$10.00 application fee;

NOW, THEREFORE, in consideration of the foregoing tender, receipt of which is acknowledged, and the covenants
herein, grantor does grant to the grantee a salt water disposal easement for the sole and only purpose of under-
ground disposal of salt water produced in connection with oil and gas operations, together with the right to make
such reasonable use of the land as may be necessary to dispose of said salt water. Said easement shall cover the
following described lands:

INSTITUTION	SECTION	TOWNSHIP	RANGE	SUBDIVISION	ACRES
C.S.	23	12S	32E	SW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$	1.00

TO HAVE AND TO HOLD said lands and privileges hereunder for a term of five (5) years from the date
first above written, subject to all terms and conditions hereinafter set forth:

1. Grantee shall pay the grantor the sum of \$ 250.00 annually, in advance.
2. With the consent of the grantor and payment of a fee of \$10.00, the grantee may surrender or relinquish
this salt water disposal easement to the grantor; provided, however, that this surrender clause shall become ab-
solutely inoperative immediately and concurrently with the filing of any suit in any court or law or equity by
the grantor or grantee or any assignee to enforce any of the terms of this salt water disposal easement.
3. The grantee, with the prior written consent of the grantor, may assign his salt water disposal easement
in whole only. Upon approval of the assignment, in writing, by the grantor, the grantee shall stand relieved from
all obligations to the grantor with respect to the lands embraced in the assignment, and the grantor shall like-
wise be relieved from all obligations to the assignor as to such tracts, and the assignee shall succeed to all of
the rights and privileges of the assignor with respect to such tracts and shall be held to have assumed all of the
duties and obligations of the assignor to the grantor as to such tracts.
4. The grantor may cancel this salt water disposal easement for non-payment of annual consideration or for
violation of any of the terms and covenants hereof; provided, however, that before any such cancellation shall be
made, the grantor must mail to the grantee or assignee, by registered mail, addressed to the post office address
of such grantee or assignee, shown by the records, a thirty-day notice of intention to cancel said salt water dis-
posal easement, specifying the default for which the salt water disposal easement is subject to cancellation. No
proof of receipt of notice shall be necessary and thirty days after such mailing, the grantor may enter cancella-
tion unless the grantee shall have sooner remedied the default.
5. The grantee shall furnish copies of records and such reports and plats of his operations, including any
and all data relating to geological formations as the grantor may reasonably deem necessary to his administration
of the lands.
6. Grantee may make or place such improvements and equipment upon the land as may reasonably be necessary
dispose of salt water, and upon termination of this salt water disposal easement for any reason, grantee may re-
move such improvements and equipment as can be removed without material injury to the premises; provided, how-
ever, that all sums due the grantor have been paid and that such removal is accomplished within one year of the term
of the easement or before such earlier date as to the grantor may set upon thirty days written notice to the grantor.
All improvements and equipment remaining upon the premises after the removal date, as set in accordance with the
terms of this agreement, shall be forfeited to the grantor without compensation. All pipelines constructed hereunder shall
be buried below plow depth.

RECEIVED

JUN 28 1988

U.S. DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION