



S T A T E O F N E W M E X I C O

OFFICE OF THE STATE ENGINEER

John R. D'Antonio, Jr. P.E.
State Engineer

DL Sanders
Chief Counsel

LITIGATION & ADJUDICATION

PROGRAM

130 South Capitol
Santa Fe, New Mexico 87501

Mailing Address:

P.O. Box 25102
Santa Fe, NM 87504-5102
Telephone: (505) 827-6150
Fax: (505) 827-3887

February 27, 2007

VIA TELECOPIER AND FIRST CLASS MAIL

John B. Draper, Esq.
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307

**Re: Notices of Intention to Appropriate Nonpotable Groundwater at
Greater Depths than 2500 Feet**

Dear Mr. Draper:

This letter is to confirm and clarify my letter to you of February 21, 2007, that, in the event that SB 1169 is passed and signed into law, it will not retroactively affect the Notices of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2500 Feet, for the appropriation of up to 24,000 AFY of water, should it be available, under the above-mentioned notices, which you have filed with my office, or may file prior to the effective date of the act, on behalf of the following entities: Recorp New Mexico Associates, LP; Recorp New Mexico Associates II, LP; Recorp New Mexico Associates III, LP; Butera Properties, LLC; Carinos Properties, LLC; Tesoro Properties, LLC; Recorp Northwest Outer Loop Associates, LP and Matacan Properties, LLC.

If you have any questions regarding this matter, please call my Chief Counsel, DL Sanders, at 827-6150. Thank you.

Sincerely,

A handwritten signature in cursive script, reading "John R. D'Antonio, Jr.".

John R. D'Antonio, Jr., PE
New Mexico State Engineer

Cc: DL Sanders, Chief Counsel
William Hume, Director of Policies and Issues, Office of the Governor

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

February 27, 2007

www.montand.com

Victor R. Ortega	Louis W. Rose
Gary Kilpatrick	Randy S. Bartell
Thomas W. Olson	Jeffery L. Martin
Walter J. Melendres	Carolyn A. Wolf
John B. Draper	Emma Rodriguez Brittain
Nancy M. King	Alexandra Corwin Aguilar
Sarah M. Singleton	Jeffrey J. Wechsler
Stephen S. Hamilton	Brian Egolf
Edmund H. Kendrick	Holly Agajanian

325 Paseo de Peralta
Santa Fe, New Mexico 87501

Telephone (505) 982-3873
Fax (505) 982-4289

OF COUNSEL
Earl Potter, P.A.

John D'Antonio, P.E., State Engineer
Office of the State Engineer
Attn: Mr. Jack Frost
P. O. Box 25102
Santa Fe, NM 87504


Dear Mr. D'Antonio:

You have previously received by Federal Express three originals of Notice of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2500 Feet Pursuant to NMSA 1978 § 72-12-26 by Recorp Northwest Outer Loop Associates, LP and Matacan Properties, LLC.

Enclosed herewith is an original Affidavit of Publication of the same in the Albuquerque Journal.

Please let me know if any further information is needed.

Sincerely yours,



John B. Draper

JBD:dlo
enclosure

cc: (w/encl.)
Mr. Gary Lane
Mr. Jess Ward

2007 FEB 27 PM 2:54

OFFICE OF THE STATE ENGINEER
SANTA FE, NEW MEXICO

NOTICE FOR PUBLICATION

Recorp Northwest Outer Loop Associates, LP, 7835 East Redfield Rd., Suite 100, Scottsdale, Arizona 85260 and Matalcan Properties, LLC, 7835 East Redfield Rd., Suite 100, Scottsdale, Arizona 85260, hereby give notice pursuant to NMSA 1878 § 72-12-26 of their intention to appropriate non-potable groundwater at depths greater than 2,500 feet. The wells to be drilled will be located within a 2,000-foot radius of the following points: Well No. 1: X = 292,230 feet, Y = 1,525,770 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matalcan Properties, LLC; Well No. 2: X = 297,590 feet, Y = 1,525,710 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matalcan Properties, LLC; Well No. 3: X = 302,960 feet, Y = 1,525,660 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matalcan Properties, LLC; Well No. 4: X = 308,320 feet, Y = 1,525,490 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matalcan Properties, LLC; Well No. 5: X = 313,460 feet, Y = 1,525,540 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matalcan Properties, LLC; Well No. 6: X = 303,860 feet, Y = 1,520,120 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Recorp Northwest Outer Loop Associates, LP; Well No. 7: X = 303,750 feet, Y = 1,514,640 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Recorp Northwest Outer Loop Associates, LP. The approximate depth of all wells will be 3,000-10,000 feet. The amount of water to be diverted from the wells is up to 8,000 acre-feet per annum. The purposes of use include domestic, irrigation, municipal, industrial, commercial and subdivision and related uses, being the community water supply for the Solarium Master Planned Project. The place of use will be Sections 9-16, Township 11N, Range 1W, and Sections 7, 8, 17 & 18, Township 11N, Range 1E, NMPM, being all of Tract D, Rancho Grande, as shown and designated on the corrected plat of tracts A, B, C, & D, Bernalillo County, New Mexico, filed in the Office of the County Clerk of Bernalillo County, on June 29, 1988 in Volume C36, Folio 186 on land owned by Recorp Northwest Outer Loop Associates, LP; and Sections 13, 14, 23-26, Township 11N, Range 1W, NMPM, being all of Tract F, Rancho Grande, as shown and designated on the corrected plat of tracts E, F, & G, Bernalillo County, New Mexico, filed on June 29, 1988 in Volume C36, Folio 187, on land owned by Matalcan Properties, LLC. The water pumped will be treated and then applied to the uses as specified.
Journal: November 26,
December 3, 10, 2006

STATE OF NEW MEXICO
County of Bernalillo SS

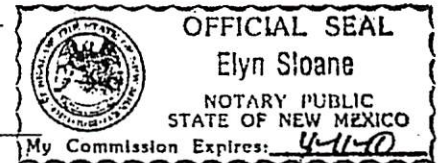
Bill Tafoya, being duly sworn, declares and says that he is Classified Advertising Manager of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 3 times, the first publication being on the 26 day of Nov., 2006 and the subsequent consecutive publications on Dec. 3, 10, 2006

Sworn and subscribed to before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this 11 day of Dec. of 2006

PRICE \$136.97
Statement to come at end of month.

ACCOUNT NUMBER C87113

CLA-22-A (R-1/93)



RECEIVED-5

DEC 12 2006

MONTGOMERY & ANDREWS

2007 FEB 27 PM 2:54

STATE OF NEW MEXICO
SANTA FE, NEW MEXICO

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**NOTICE OF INTENTION TO APPROPRIATE NONPOTABLE
GROUNDWATER AT GREATER DEPTHS THAN 2500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- A. Name: Recorp Northwest Outer Loop Associates, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- B. Name: Matacan Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 2,000 foot radius of the following points:

- Well No. 1: X = 292,230 feet, Y = 1,525,770 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC
- Well No. 2: X = 297,590 feet, Y = 1,525,710 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC
- Well No. 3: X = 302,960 feet, Y = 1,525,660 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC
- Well No. 4: X = 308,320 feet, Y = 1,525,490 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC

Well No. 5: X = 313,460 feet, Y = 1,525,540 feet, N.M. Coordinate System, Central Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC

Well No. 6: X = 303,860 feet, Y = 1,520,120 feet, N.M. Coordinate System, Central Zone
(NAD27) in Bernalillo County.
On land owned by: Recorp Northwest Outer Loop Associates, LP

Well No. 7: X = 303,750 feet, Y = 1,514,640 feet, N.M. Coordinate System, Central Zone
(NAD27) in Bernalillo County.
On land owned by: Recorp Northwest Outer Loop Associates, LP

3. WELL INFORMATION

Approximate depth of all wells: 3,000- 10,000 feet.
Name of well driller and driller license number: United Drilling Inc. #WD1192.

4. QUANTITY

Diversion Amount: 8,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X
Commercial X Other (specify): subdivision and related uses
Specific use: Community water supply for Solarium Master Planned Project

6. PLACE OF USE:

All of Tract D, Rancho Grande, as shown and designated on the corrected plat of tracts A, B, C, & D, Bernalillo County, New Mexico, filed in the Office of the County Clerk of Bernalillo County on June 29, 1988 in Volume C36, Folio 186:

Section and Subdivision	Township	Range
<u>Within Sections 9-16</u>	<u>11 N</u>	<u>1W</u> NMPM
<u>Within Sections 7, 8, 17 & 18</u>	<u>11 N</u>	<u>1E</u> NMPM

File Number : _____

Trn Number :

Who is the owner of the land? Recorp Northwest Outer Loop Associates, LP.

All of Tract F, Rancho Grande, as shown and designated on the corrected plat of tracts E, F, & G, Bernalillo County, New Mexico, filed in the Office of the County Clerk of Bernalillo County on June 29, 1988 in Volume C36, Folio 187:

Section and Subdivision	Township	Range
<u>Within Sections 13, 14, 23-26</u>	<u>11 N</u>	<u>1W</u> NMPM

Who is the owner of the land? Matacan Properties, LLC.

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified.

ACKNOWLEDGEMENT

I, David Miniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.

Signature

Date

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**NOTICE OF INTENTION TO APPROPRIATE NONPOTABLE
GROUNDWATER AT GREATER DEPTHS THAN 2500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- A. Name: Record New Mexico Associates, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- B. Name: Butera Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- C. Name: Carinos Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- D. Name: Record New Mexico Associates II, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- E. Name: Record New Mexico Associates III, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- F. Name: Tesoro Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

2006 JUN 16 PM 3:32
STATE ENGINEER
CONCEIVED FOR
RECEIVED

66-8893-1 P005 1-3 & 25-35

P00 25

Well No. 1: X = 293,310 feet, Y = 1,564,400 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Tesoro Properties, LLC

P00 26

Well No. 2: X = 297,330 feet, Y = 1,564,380 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Tesoro Properties, LLC

P00 27

Well No. 3: X = 302,610 feet, Y = 1,564,330 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Butera Properties, LLC

P00 28

Well No. 4: X = 293,320 feet, Y = 1,569,150 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Carinos Properties, LLC

P00 1

Well No. 5: X = 297,320 feet, Y = 1,569,120 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Carinos Properties, LLC

P00 2

Well No. 6: X = 302,500 feet, Y = 1,559,050 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Butera Properties, LLC

P00 3

Well No. 7: X = 306,740 feet, Y = 1,559,960 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Butera Properties, LLC

P00 29

Well No. 8: X = 293,270 feet, Y = 1,553,940 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Recorp New Mexico Associates II, LP

P00 30

Well No. 9: X = 297,200 feet, Y = 1,553,910 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

File Number : _____

Trn Number :

page 2 of 5

2008 JUN 16 PM 3:25
STATE ENGINEER OFFICE
ALBUQUERQUE, NEW MEXICO

66-88934 P005 1-3 + 25-35

On land owned by: Recorp New Mexico Associates II, LP

P00 31

Well No. 10: X = 301,360 feet, Y = 1,555,450 feet, N.M. Coordinate System, Central Zone

(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates II, LP

P00 32

Well No. 11: X = 293,240 feet, Y = 1,548,620 feet, N.M. Coordinate System, Central Zone

(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates, LP

P00 33

Well No. 12: X = 296,490 feet, Y = 1,548,890 feet, N.M. Coordinate System, Central Zone

(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates, LP

P00 34

Well No. 13: X = 293,240 feet, Y = 1,543,350 feet, N.M. Coordinate System, Central Zone

(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates III, LP

P00 35

Well No. 14: X = 292,710 feet, Y = 1,539,100 feet, N.M. Coordinate System, Central Zone

(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates III, LP

3. WELL INFORMATION

Approximate depth of all wells: 3000 - 6000 feet.

Name of well driller and driller license number: Not yet contracted.

4. QUANTITY

Diversion Amount: 16,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X

Commercial X Other (specify): subdivision and related uses

Specific use: Community water supply for Rio West Master Planned District

6. PLACE OF USE:

File Number : _____

Trm Number :

page 3 of 5

STATE ENGINEER OFFICE
ALBUQUERQUE, NEW MEXICO
JUN 16 PM 3:26 '92

66-88934 P005 1-3 & 25-35

Rio West Master Planned District in Sandoval County, New Mexico, described as follows:

Section and Subdivision	Township	Range
<u>Section 8 (Part), Section 7 (Part), Section 17 (Part), Section 18 (all), Section 20 (Part), Section 19 (all), Section 29 (Part), Section 30 (all), Section 31 (Part) and Section 32 (Part)</u>	<u>12 N</u>	<u>1 E</u>
<u>Section 3 (all), Section 4 (Part), Section 2 (all), Section 9 (Part), Section 12 (Part), Section 11 (all), Section 10 (all), Section 14 (all), Section 13 (all), Section 15 (all), Section 16 (Part), Section 21 (Part), Section 22 (all), Section 24 (all), Section 23 (all), Section 28 (part), Section 33 (part), Section 36 (all)</u>	<u>12 N 1 W</u>	

Who is the owner of the land? Filers of Notice listed in ¶ 1 above.

7. ADDITIONAL STATES OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified.

ACKNOWLEDGEMENT

I, David Miniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.

Signature



661-88934 P005 1-3 & 25-35

2006 JUN 16 PM 3:26
STATE ENGINEER OFFICE
ALBUQUERQUE, NEW MEXICO

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

Victor R. Ortega
Gary Kilpatrick
Thomas W. Olson
Walter J. Melendres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick
Louis W. Rose
Randy S. Bartell
Paul E. Houston

Kevin M. Sexton
Jeffery L. Martin
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Shannon A. Parden
Brian T. Judson
Susan R. Johnson
Brian Egolf
Holly Agajanian
Sharon T. Shaheen
Jaime R. Kennedy

325 Paseo de Peralta
Santa Fe, New Mexico 87501

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Telephone (505) 982-3873
Fax (505) 982-4289

Hand-Delivered

January 9, 2008

ALBUQUERQUE OFFICE

6301 Indian School Road, N.E.
Suite 400
Albuquerque, New Mexico 87110

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

Telephone (505) 884-4200
Fax (505) 888-8929

OF COUNSEL
Joe A. Sturges
Suzanne C. Odom
Earl Potter, P.A.

www.montand.com

Reply to Santa Fe Office

John D'Antonio, P.E., State Engineer
Office of the State Engineer
Attn: Mr. Jack Frost
P. O. Box 25102
Santa Fe, NM 87504

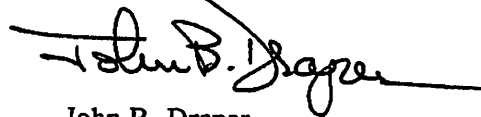
Dear Mr. D'Antonio:

Please find enclosed three originals of the Second, Additional Notice of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2,500 Feet Pursuant to NMSA 1978 § 72-12-26, in Sandoval County, by the County of Sandoval; Recorp New Mexico Associates, LP; Butera Properties, LLC; Carinos Properties, LLC; Recorp New Mexico Associates II, LP; Recorp New Mexico Associates III, LP and Tesoro Properties, LLC.

Also enclosed herewith is an original Affidavit of Publication of the same Additional Notice in the Sandoval Sentinel newspaper.

Please let me know if any further information is needed.

Sincerely yours,



John B. Draper

JBD:dlo
enclosures

cc: Mr. Gary Lane (w/encl.)
Mr. Michael Springfield (w/encl.)

2008 JAN -9 PM 3:40

STATE ENGINEER
SANTA FE, NEW MEXICO

2008 JAN -9 PM 3:40

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**SECOND, ADDITIONAL NOTICE OF INTENTION TO APPROPRIATE
NONPOTABLE GROUNDWATER AT DEPTHS GREATER THAN 2,500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- | | | |
|----|---|------------------------------------|
| A. | Name: <u>County of Sandoval</u> | Work Phone: <u>505-867-7500</u> |
| | Contact: <u>Michael Springfield</u> | Home Phone: |
| | Address: <u>711 Camino del Pueblo</u> | |
| | City: <u>Bernalillo</u> | State: <u>NM</u> Zip: <u>87004</u> |
| B. | Name: <u>Recorp New Mexico Associates, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| C. | Name: <u>Butera Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| D. | Name: <u>Carinos Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| E. | Name: <u>Recorp New Mexico Associates II, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| F. | Name: <u>Recorp New Mexico Associates III, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |

G.	Name:	<u>Tesoro Properties, LLC</u>	Work Phone	<u>480-991-2288</u>
	Contact:	<u>Gary Lane</u>	Home Phone:	
	Address:	<u>7835 East Redfield Rd. Suite 100</u>		
	City:	<u>Scottsdale</u>	State:	<u>AZ</u> Zip: <u>85260</u>

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

Well No. 3-15: X= 1,436,227 Y= 1,565,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

Well No. 3-16: X= 1,436,233 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

**Well No. 3-17: X= 1,438,815 Y= 1,565,730 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC**

**Well No. 3-18: X= 1,438,765 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC**

Well No. 10-19: X= 1,438,404 Y= 1,557,595 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC

Well No. 10-20: X= 1,436,583 Y= 1,560,192 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC

Well No. 11-21: X= 1,441,849 Y= 1,560,604 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 11-22: X= 1,443,960 Y= 1,558,615 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-23: X= 1,446,678 Y= 1,560,679 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-24: X= 1,449,061 Y= 1,560,510 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 15-25: X= 1,436,700 Y= 1,555,122 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-26: X= 1,438,609 Y= 1,554,976 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-27: X= 1,438,609 Y= 1,552,685 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-28: X= 1,436,682 Y= 1,552,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

3. WELL INFORMATION

Approximate depth of all wells: 3,000 - 10,000 feet.

Name of well driller and driller license number: Salazar Drilling / Artesia, NM

File Number : _____

Trn Number :

4. QUANTITY

Diversion Amount: additional 32,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X
Commercial X Other (specify): subdivision and related uses
Specific use: Community water supply for Rio West Master Planned District and other
uses in Sandoval County.

6. PLACE OF USE:

Sandoval County, New Mexico.

Who is the owner of the land? Various

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified. The water right claimed pursuant to this notice is over and above the 16,000 acre-feet per-year-water right, which was the subject of an earlier notice by Filers C-G listed in Part 1 above relying on nearby well locations filed in the Office of the State Engineer on June 12, 2006.

ACKNOWLEDGMENT

I, Michael Springfield, affirm that the foregoing statements are true to the best of my knowledge and belief.

 11/19/07
Signature

I, David Maniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.


Signature

OFFICE OF STATE ENGINEER
SANTA FE, NEW MEXICO

2008 JAN -9 PM 3:40

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

SECOND, ADDITIONAL NOTICE OF INTENTION TO APPROPRIATE
NONPOTABLE GROUNDWATER AT DEPTHS GREATER THAN 2,500 FEET
PURSUANT TO NMSA 1978 § 72-12-26

1. FILERS OF NOTICE

- | | | |
|----|---|------------------------------------|
| A. | Name: <u>County of Sandoval</u> | Work Phone: <u>505-867-7500</u> |
| | Contact: <u>Michael Springfield</u> | Home Phone: |
| | Address: <u>711 Camino del Pueblo</u> | |
| | City: <u>Bernalillo</u> | State: <u>NM</u> Zip: <u>87004</u> |
| B. | Name: <u>Recorp New Mexico Associates, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| C. | Name: <u>Butera Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| D. | Name: <u>Carinos Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| E. | Name: <u>Recorp New Mexico Associates II, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| F. | Name: <u>Recorp New Mexico Associates III, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |

G. Name: Tesoro Properties, LLC Work Phone 480-991-2288
 Contact: Gary Lane Home Phone:
 Address: 7835 East Redfield Rd. Suite 100
 City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

Well No. 3-15: X= 1,436,227 Y= 1,565,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

Well No. 3-16: X= 1,436,233 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

Well No. 3-17: X= 1,438,815 Y= 1,565,730 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

Well No. 3-18: X= 1,438,765 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

**Well No. 10-19: X= 1,438,404 Y= 1,557,595 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC**

**Well No. 10-20: X= 1,436,583 Y= 1,560,192 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC**

**Well No. 11-21: X= 1,441,849 Y= 1,560,604 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC**

Well No. 11-22: X= 1,443,960 Y= 1,558,615 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-23: X= 1,446,678 Y= 1,560,679 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-24: X= 1,449,061 Y= 1,560,510 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 15-25: X= 1,436,700 Y= 1,555,122 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-26: X= 1,438,609 Y= 1,554,976 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-27: X= 1,438,609 Y= 1,552,685 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-28: X= 1,436,682 Y= 1,552,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

3. WELL INFORMATION

Approximate depth of all wells: 3,000 - 10,000 feet.

Name of well driller and driller license number: Salazar Drilling / Artesia, NM

File Number : _____

Trn Number :

4. QUANTITY

Diversion Amount: additional 32,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X

Commercial X Other (specify): subdivision and related uses

Specific use: Community water supply for Rio West Master Planned District and other uses in Sandoval County.

6. PLACE OF USE:

Sandoval County, New Mexico.

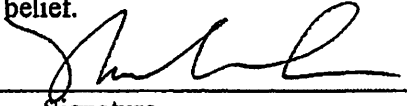
Who is the owner of the land? Various

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified. The water right claimed pursuant to this notice is over and above the 16,000 acre-feet per-year-water right, which was the subject of an earlier notice by Filers C-G listed in Part 1 above relying on nearby well locations filed in the Office of the State Engineer on June 12, 2006.

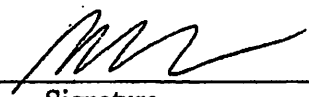
ACKNOWLEDGMENT

I, Michael Springfield, affirm that the foregoing statements are true to the best of my knowledge and belief.

 11/19/07

Signature

I, David Maniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.



Signature

OFFICE OF THE STATE ENGINEER
SANTA FE, NEW MEXICO

2008 JAN -9 PM 3:40

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**SECOND, ADDITIONAL NOTICE OF INTENTION TO APPROPRIATE
NONPOTABLE GROUNDWATER AT DEPTHS GREATER THAN 2,500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- | | | |
|----|---|------------------------------------|
| A. | Name: <u>County of Sandoval</u> | Work Phone: <u>505-867-7500</u> |
| | Contact: <u>Michael Springfield</u> | Home Phone: |
| | Address: <u>711 Camino del Pueblo</u> | |
| | City: <u>Bernalillo</u> | State: <u>NM</u> Zip: <u>87004</u> |
| B. | Name: <u>Recorp New Mexico Associates, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| C. | Name: <u>Butera Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| D. | Name: <u>Carinos Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| E. | Name: <u>Recorp New Mexico Associates II, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| F. | Name: <u>Recorp New Mexico Associates III, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |

G. Name: Tesoro Properties, LLC Work Phone 480-991-2288
 Contact: Gary Lane Home Phone:
 Address: 7835 East Redfield Rd. Suite 100
 City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

**Well No. 3-15: X= 1,436,227 Y= 1,565,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC**

Well No. 3-16: X= 1,436,233 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

Well No. 3-17: X= 1,438,815 Y= 1,565,730 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

**Well No. 3-18: X= 1,438,765 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC**

**Well No. 10-19: X= 1,438,404 Y= 1,557,595 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC**

**Well No. 10-20: X= 1,436,583 Y= 1,560,192 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC**

**Well No. 11-21: X= 1,441,849 Y= 1,560,604 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC**

Well No. 11-22: X= 1,443,960 Y= 1,558,615 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-23: X= 1,446,678 Y= 1,560,679 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-24: X= 1,449,061 Y= 1,560,510 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 15-25: X= 1,436,700 Y= 1,555,122 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-26: X= 1,438,609 Y= 1,554,976 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-27: X= 1,438,609 Y= 1,552,685 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-28: X= 1,436,682 Y= 1,552,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

3. WELL INFORMATION

Approximate depth of all wells: 3,000 - 10,000 feet.

Name of well driller and driller license number: Salazar Drilling / Artesia, NM

File Number : _____

Trn Number :

4. QUANTITY

Diversion Amount: additional 32,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X

Commercial X Other (specify): subdivision and related uses

Specific use: Community water supply for Rio West Master Planned District and other uses in Sandoval County.

6. PLACE OF USE:

Sandoval County, New Mexico.

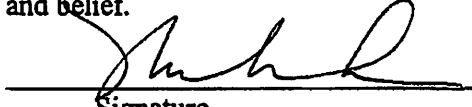
Who is the owner of the land? Various

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:


The water pumped will be treated and then applied to the uses specified. The water right claimed pursuant to this notice is over and above the 16,000 acre-feet per-year-water right, which was the subject of an earlier notice by Filers C-G listed in Part 1 above relying on nearby well locations filed in the Office of the State Engineer on June 12, 2006.

ACKNOWLEDGMENT

I, Michael Springfield, affirm that the foregoing statements are true to the best of my knowledge and belief.

 11/19/07
Signature

I, David Maniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.


Signature

OFFICE OF STATE ENGINEER
SANTA FE, NEW MEXICO

2008 JAN -9 PM 3:40

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANDOVAL

Mary Kwapich being duly sworn declares and says that she is the Publishing Director of the Sandoval Sentinel, a newspaper published in and having a general circulation in the County of Sandoval and State of New Mexico and duly qualified for that purpose with the meaning of The Publishing of Notice Act, Section 14-11-1 et seq.; N.M.S.A., 1937 comp; that the publication, a copy of which is hereto attached, and published in said newspaper in the regular edition and entire issue of every number of the paper during the period and time of publication, and that the notice was published in the newspaper proper and not in a supplement, for 3 consecutive weeks the first publication being on the Aug 17, 2007 and the subsequent publications on Aug 24, + 31, 2007 and the payment has been made or assessed as court costs.

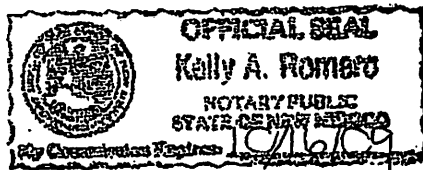
Mary Kwapich Mary Kwapich, publisher

Sworn and subscribed to before me, a Notary Public
this 09/05/07

Notary Public Kelly A. Romero

My commission expires 10/16/09

Mary Kwapich, Publisher
The Sandoval Sentinel, Inc.
08 Camino de las Piedras
Placitas, New Mexico 87043
Telephone: (505) 720-8836
Fax: (505) 867-3601
E-Mail: kwapich@flash.net



SECOND, ADDITIONAL NOTICE FOR PUBLICATION

The County of Sandoval, New Mexico, 711 Camino del Pueblo, Bernalillo, NM 87004, Recorp New Mexico Associates LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Butera Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Carinos Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Recorp New Mexico Associates II, LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Recorp New Mexico Associates III, LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260 and Tesoro Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, hereby give a second and additional notice pursuant to NMSA 1978 § 72-12-26 of their intention to appropriate nonpotable groundwater at depths greater than 2,500 feet. This notice is separate and apart a notice submitted to the Office of the State Engineer by some of the above entities on July 12, 2006, and thus does not modify or change the information provided in that notice. The new wells will be located within a 1,000 foot radius of the following points: Well No. 3-15: X= 1,436,227, Y= 1,565,721 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Tesoro Properties, LLC; Well No. 3-16: X= 1,436,233, Y= 1,563,299 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Tesoro Properties, LLC; Well No. 3-17: X= 1,438,815, Y= 1,565,730 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Tesoro Properties, LLC; Well No. 3-18: X= 1,438,765, Y= 1,563,299 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Tesoro Properties, LLC; Well No. 10-19: X= 1,438,404, Y= 1,557,595 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Carinos Properties, LLC; Well No. 10-20: X= 1,436,583, Y= 1,560,192 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Carinos Properties, LLC; Well No. 11-21: X=

1,441,849, Y= 1,560,604 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Butera Properties, LLC; Well No. 11-22: X= 1,443,960, Y= 1,558,615 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Butera Properties, LLC; Well No. 12-23: X= 1,446,678, Y= 1,560,679 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Butera Properties, LLC; Well No. 12-24: X= 1,449,061, Y= 1,560,510 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Butera Properties, LLC; Well No. 15-25: X= 1,436,700, Y= 1,555,122 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Recorp New Mexico Associates, LLC; Well No. 15-26: X= 1,438,609, Y= 1,554,976 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Recorp New Mexico Associates, LLC; Well No. 15-27: X= 1,438,609, Y= 1,552,685 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Recorp New Mexico Associates, LLC; Well No. 15-28: X= 1,436,682, Y= 1,552,721 feet, N.M Coordinate System, Central Zone (NAD83) in Sandoval County, on land owned by: Recorp New Mexico Associates, LLC. The approximate depth of all wells will be 3,000-10,000 feet. The amount of water to be diverted from the wells is an additional 32,000 acre-feet per annum. The purposes of use include domestic, irrigation, municipal, industrial, commercial and subdivision uses. The place of use will be Sandoval County, New Mexico. The water pumped will be treated and then applied to use as specified. The water right claimed pursuant to this notice is over and above the 16,000 acre-feet-per-year water right, which was the subject of a notice relying on nearby well locations filed in the Office of the State Engineer on June 12, 2006.

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**SECOND, ADDITIONAL NOTICE OF INTENTION TO APPROPRIATE
NONPOTABLE GROUNDWATER AT DEPTHS GREATER THAN 2,500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- | | | |
|----|---|------------------------------------|
| A. | Name: <u>County of Sandoval</u> | Work Phone: <u>505-867-7500</u> |
| | Contact: <u>Michael Springfield</u> | Home Phone: |
| | Address: <u>711 Camino del Pueblo</u> | |
| | City: <u>Bernalillo</u> | State: <u>NM</u> Zip: <u>87004</u> |
| B. | Name: <u>Recorp New Mexico Associates, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| C. | Name: <u>Butera Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| D. | Name: <u>Carinos Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| E. | Name: <u>Recorp New Mexico Associates II, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| F. | Name: <u>Recorp New Mexico Associates III, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |

G. Name: Tesoro Properties, LLC Work Phone 480-991-2288
 Contact: Gary Lane Home Phone:
 Address: 7835 East Redfield Rd. Suite 100
 City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

Well No. 3-15: X= 1,436,227 Y= 1,565,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

Well No. 3-16: X= 1,436,233 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC

**Well No. 3-17: X= 1,438,815 Y= 1,565,730 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC**

**Well No. 3-18: X= 1,438,765 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC**

**Well No. 10-19: X= 1,438,404 Y= 1,557,595 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC**

Well No. 10-20: X= 1,436,583 Y= 1,560,192 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC

**Well No. 11-21: X= 1,441,849 Y= 1,560,604 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC**

Well No. 11-22: X= 1,443,960 Y= 1,558,615 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-23: X= 1,446,678 Y= 1,560,679 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-24: X= 1,449,061 Y= 1,560,510 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 15-25: X= 1,436,700 Y= 1,555,122 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-26: X= 1,438,609 Y= 1,554,976 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-27: X= 1,438,609 Y= 1,552,685 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-28: X= 1,436,682 Y= 1,552,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

3. WELL INFORMATION

Approximate depth of all wells: 3,000 - 10,000 feet.

Name of well driller and driller license number: Salazar Drilling / Artesia, NM

File Number : _____

Trn Number :

4. QUANTITY

Diversion Amount: additional 32,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X
Commercial X Other (specify): subdivision and related uses
Specific use: Community water supply for Rio West Master Planned District and other
uses in Sandoval County.

6. PLACE OF USE:

Sandoval County, New Mexico.

Who is the owner of the land? Various

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified. The water right claimed pursuant to this notice is over and above the 16,000 acre-feet per-year-water right, which was the subject of an earlier notice by Filers C-G listed in Part 1 above relying on nearby well locations filed in the Office of the State Engineer on June 12, 2006.

ACKNOWLEDGMENT

I, Michael Springfield, affirm that the foregoing statements are true to the best of my knowledge and belief.

Signature

I, David Maniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.

Signature

MAR 1 2007

8,000 ac ft

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

February 27, 2007

www.montand.com

Victor R. Ortega	Louis W. Rose
Gary Kilpatrick	Randy S. Bartell
Thomas W. Olson	Jeffery L. Martin
Walter J. Melendres	Carolyn A. Wolf
John B. Draper	Emma Rodriguez Brittain
Nancy M. King	Alexandra Corwin Aguilar
Sarah M. Singleton	Jeffrey J. Wechsler
Stephen S. Hamilton	Brian Egoif
Edmund H. Kendrick	Holly Agejanien

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873
Fax (505) 982-4289

OF COUNSEL
Earl Potter, P.A.

John D'Antonio, P.E., State Engineer
Office of the State Engineer
Attn: Mr. Jack Frost
P. O. Box 25102
Santa Fe, NM 87504

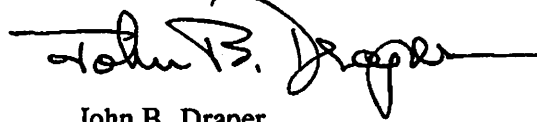
Dear Mr. D'Antonio:

You have previously received by Federal Express three originals of Notice of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2500 Feet Pursuant to NMSA 1978 § 72-12-26 by Recorp Northwest Outer Loop Associates, LP and Matacan Properties, LLC.

Enclosed herewith is an original Affidavit of Publication of the same in the Albuquerque Journal.

Please let me know if any further information is needed.

Sincerely yours,



John B. Draper

JBD:dlo
enclosure

cc: (w/encl.)
Mr. Gary Lane
Mr. Jess Ward

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**NOTICE OF INTENTION TO APPROPRIATE NONPOTABLE
GROUNDWATER AT GREATER DEPTHS THAN 2500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- A. Name: Recorp Northwest Outer Loop Associates, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- B. Name: Matacan Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 2,000 foot radius of the following points:

- Well No. 1: X = 292,230 feet, Y = 1,525,770 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC
- Well No. 2: X = 297,590 feet, Y = 1,525,710 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC
- Well No. 3: X = 302,960 feet, Y = 1,525,660 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC
- Well No. 4: X = 308,320 feet, Y = 1,525,490 feet, N.M. Coordinate System, Central
Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC

Well No. 5: X = 313,460 feet, Y = 1,525,540 feet, N.M. Coordinate System, Central Zone
(NAD27) in Bernalillo County.
On land owned by: Matacan Properties, LLC

Well No. 6: X = 303,860 feet, Y = 1,520,120 feet, N.M. Coordinate System, Central Zone
(NAD27) in Bernalillo County.
On land owned by: Recorp Northwest Outer Loop Associates, LP

Well No. 7: X = 303,750 feet, Y = 1,514,640 feet, N.M. Coordinate System, Central Zone
(NAD27) in Bernalillo County.
On land owned by: Recorp Northwest Outer Loop Associates, LP

3. WELL INFORMATION

Approximate depth of all wells: 3,000- 10,000 feet.

Name of well driller and driller license number: Not yet contracted.

4. QUANTITY

Diversion Amount: 8,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X
Commercial X Other (specify): subdivision and related uses
Specific use: Community water supply for Solarium Master Planned Project

6. PLACE OF USE:

All of Tract D, Rancho Grande, as shown and designated on the corrected plat of tracts A, B, C, & D, Bernalillo County, New Mexico, filed in the Office of the County Clerk of Bernalillo County on June 29, 1988 in Volume C36, Folio 186:

Section and Subdivision	Township	Range
<u>Within Sections 9-16</u>	<u>11 N</u>	<u>1W NMPPM</u>
<u>Within Sections 7, 8, 17 & 18</u>	<u>11 N</u>	<u>1E NMPPM</u>

File Number : _____

Tm Number :

Who is the owner of the land? Recorp Northwest Outer Loop Associates, LP.

All of Tract F, Rancho Grande, as shown and designated on the corrected plat of tracts E, F, & G, Bernalillo County, New Mexico, filed in the Office of the County Clerk of Bernalillo County on June 29, 1988 in Volume C36, Folio 187:

Section and Subdivision

Township

Range

Within Sections 13, 14, 23-26

11N

1W NMPM

Who is the owner of the land? Matacan Properties, LLC.

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified.

ACKNOWLEDGEMENT

I, David Miniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.


Signature

2/19/07.
Date

NOTICE FOR PUBLICATION

Recorp Northwest Outer Loop Associates, LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260 and Matacan Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, hereby give notice pursuant to NMSA 1978 ' 72-12-26 of their intention to appropriate nonpotable groundwater at depths greater than 2500 feet. The wells to be drilled will be located within a 1,000 foot radius of the following points: Well No. 1: X = 292,230 feet, Y = 1,525,770 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matacan Properties, LLC; Well No. 2: X = 297,590 feet, Y = 1,525,710 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matacan Properties, LLC; Well No. 3: X = 302,960 feet, Y = 1,525,660 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matacan Properties, LLC; Well No. 4: X = 308,320 feet, Y = 1,525,490 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matacan Properties, LLC; Well No. 5: X = 313,460 feet, Y = 1,525,540 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Matacan Properties, LLC; Well No. 6: X = 303,860 feet, Y = 1,520,120 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Recorp Northwest Outer Loop Associates, LP; Well No. 7: X = 303,750 feet, Y = 1,514,640 feet, N.M. Coordinate System, Central Zone (NAD27) in Bernalillo County on land owned by Recorp Northwest Outer Loop Associates, LP. The approximate depth of all wells will be 3,000-6,000 feet. The amount of water to be diverted from the wells is 8,000 acre-feet per annum. The purposes of use include domestic, irrigation, municipal, industrial, commercial and subdivision and related uses, being the community water supply for Rancho Grande. The place

of use will be Sections 9-16, Township 11N, Range 1W, and Sections 7, 8, 17 & 18, Township 11N, Range 1E, NMPM, as projected in the Town of Alameda Grant, being all of Tract D, Rancho Grande, as shown and designated on the corrected plat of tracts A, B, C, & D, Bernalillo County, New Mexico, Type 5 Subdivision, filed in the Office of the County Clerk of Bernalillo County, on June 29, 1988 in Volume C36, Folio 186 on land owned by Recorp Northwest Outer Loop Associates, LP; and Sections 13, 14, 23-26, Township 11N, Range 1W, NMPM, as projected in the Town of Alameda Grant, being all of Tract F, Rancho Grande, as shown and designated on the corrected plat of tracts E, F, & G, Bernalillo County, New Mexico, filed on June 29, 1988 in Volume C36, Folio 187, on land owned by Matacan Properties, LLC. The water pumped will be treated and then applied to the uses as specified.

NOTICE FOR PUBLICATION

Record Northwest Outer Loop Associates, LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85250 and Matcan Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85250, hereby give notice pursuant to NMSA 1978 § 72-12-43, of their intention to appropriate non-potable groundwater at depths greater than 2,500 feet. The wells to be drilled will be located within a 2,000-foot radius of the following points: Well No. 1, X = 222,250 feet, Y = 1,525,770 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Matcan Properties, LLC, Well No. 2, X = 207,550 feet, Y = 1,525,710 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Matcan Properties, LLC, Well No. 3, X = 302,900 feet, Y = 1,525,650 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Matcan Properties, LLC, Well No. 4, X = 302,900 feet, Y = 1,525,440 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Matcan Properties, LLC, Well No. 5, X = 313,460 feet, Y = 1,525,540 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Matcan Properties, LLC, Well No. 6, X = 333,850 feet, Y = 1,520,120 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Record Northwest Outer Loop Associates, LP, Well No. 7, X = 343,750 feet, Y = 1,514,640 feet; N.M. Coordinate System, Central Zone (NAD27); in Bernalillo County on land owned by Record Northwest Outer Loop Associates, LP. The approximate depth of all wells will be 3,000-10,000 feet. The amount of water to be diverted from the wells is up to 6,000 acre-feet per annum. The purpose of use includes domestic, irrigation, industrial, municipal, commercial and subdivision and related uses. Being the community water supply for the Solar Hunt Master Planned Project. The place of use is in Sections 9 and 10, Township 11N, Range 41W, and Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180, 1181, 1182, 1183, 1184, 1185, 1186, 1187, 1188, 1189, 1190, 1191, 1192, 1193, 1194, 1195, 1196, 1197, 1198, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1218, 1219, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227, 1228, 1229, 1230, 1231, 1232, 1233, 1234, 1235, 1236, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1255, 1256, 1257, 1258, 1259, 1260, 1261, 1262, 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270, 1271, 1272, 1273, 1274, 1275, 1276, 1277, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1288, 1289, 1290, 1291, 1292, 1293, 1294, 1295, 1296, 1297, 1298, 1299, 1300, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322, 1323, 1324, 1325, 1326, 1327, 1328, 1329, 1330, 1331, 1332, 1333, 1334, 1335, 1336, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355, 1356, 1357, 1358, 1359, 1360, 1361, 1362, 1363, 1364, 1365, 1366, 1367, 1368, 1369, 1370, 1371, 1372, 1373, 1374, 1375, 1376, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385, 1386, 1387, 1388, 1389, 1390, 1391, 1392, 1393, 1394, 1395, 1396, 1397, 1398, 1399, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1413, 1414, 1415, 1416, 1417, 1418, 1419, 1420, 1421, 1422, 1423, 1424, 1425, 1426, 1427, 1428, 1429, 1430, 1431, 1432, 1433, 1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1446, 1447, 1448, 1449, 1450, 1451, 1452, 1453, 1454, 1455, 1456, 1457, 1458, 1459, 1460, 1461, 1462, 1463, 1464, 1465, 1466, 1467, 1468, 1469, 1470, 1471, 1472, 1473, 1474, 1475, 1476, 1477, 1478, 1479, 1480, 1481, 1482, 1483, 1484, 1485, 1486, 1487, 1488, 1489, 1490, 1491, 1492, 1493, 1494, 1495, 1496, 1497, 1498, 1499, 1500, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1519, 1520, 1521, 1522, 1523, 1524, 1525, 1526, 1527, 1528, 1529, 1530, 1531, 1532, 1533, 1534, 1535, 1536, 1537, 1538, 1539, 1540, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1563, 1564, 1565, 1566, 1567, 1568, 1569, 1570, 1571, 1572, 1573, 1574, 1575, 1576, 1577, 1578, 1579, 1580, 1581, 1582, 1583, 1584, 1585, 1586, 1587, 1588, 1589, 1590, 1591, 1592, 1593, 1594, 1595, 1596, 1597, 1598, 1599, 1600, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, 1613, 1614, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1630, 1631, 1632, 1633, 1634, 1635, 1636, 1637, 1638, 1639, 1640, 1641, 1642, 1643, 1644, 1645, 1646, 1647, 1648, 1649, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1659, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 1667, 1668, 1669, 1670, 1671, 1672, 1673, 1674, 1675, 1676, 1677, 1678, 1679, 1680, 1681, 1682, 1683, 1684, 1685, 1686, 1687, 1688, 1689, 1690, 1691, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1724, 1725, 1726, 1727, 1728, 1729, 1730, 1731, 1732, 1733, 1734, 1735, 1736, 1737, 1738, 1739, 1740, 1741, 1742, 1743, 1744, 1745, 1746, 1747, 1748, 1749, 1750, 1751, 1752, 1753, 1754, 1755, 1756, 1757, 1758, 1759, 1760, 1761, 1762, 1763, 1764, 1765, 1766, 1767, 1768, 1769, 1770, 1771, 1772, 1773, 1774, 1775, 1776, 1777, 1778, 1779, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2

16000 0018

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

June 12, 2006

www.montand.com

Victor R. Ortega
Gary Kilpatrick
Thomas W. Olson
Walter J. Melandres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick

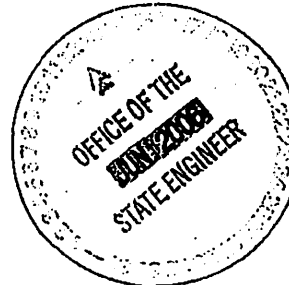
Louis W. Ross
Andrew S. Montgomery
Randy S. Bartall
Jeffery L. Martin
Carolyn A. Wolf
Emma Rodriguez Brittain
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Brian F. Egolf

Hand-Delivered

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873
Fax (505) 982-4289

OF COUNSEL
Earl Potter, P.A.

John D'Antonio, P.E., State Engineer
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504



Dear Mr. D'Antonio:

Please find enclosed a Notice of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2500 Feet Pursuant to NMSA 1978 § 72-12-26 by Recorp New Mexico Associates, LP; Butera Properties, LLC; Carinos Properties, LLC and Tesoro Properties, LLC and an Affidavit of Publication of the same in the Sandoval Sentinel newspaper.

Please let me know if any further information is needed.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John B. Draper".

John B. Draper

JBD:dlo
enclosures

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**NOTICE OF INTENTION TO APPROPRIATE NONPOTABLE
GROUNDWATER AT GREATER DEPTHS THAN 2500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- A. Name: Recorp New Mexico Associates, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- B. Name: Butera Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- C. Name: Carinos Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- D. Name: Recorp New Mexico Associates II, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- E. Name: Recorp New Mexico Associates III, LP Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260
- F. Name: Tesoro Properties, LLC Work Phone: 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

- Well No. 1: X = 293,310 feet, Y = 1,564,400 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Tesoro Properties, LLC
- Well No. 2: X = 297,330 feet, Y = 1,564,380 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Tesoro Properties, LLC
- Well No. 3: X = 302,610 feet, Y = 1,564,330 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Butera Properties, LLC
- Well No. 4: X = 293,320 feet, Y = 1,569,150 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Carinos Properties, LLC
- Well No. 5: X = 297,320 feet, Y = 1,569,120 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Carinos Properties, LLC
- Well No. 6: X = 302,500 feet, Y = 1,559,050 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Butera Properties, LLC
- Well No. 7: X = 306,740 feet, Y = 1,559,960 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Butera Properties, LLC
- Well No. 8: X = 293,270 feet, Y = 1,553,940 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.
On land owned by: Recorp New Mexico Associates II, LP
- Well No. 9: X = 297,200 feet, Y = 1,553,910 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

File Number : _____

Trm Number :

On land owned by: Recorp New Mexico Associates II, LP

Well No. 10: X = 301,360 feet, Y = 1,555,450 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates II, LP

Well No. 11: X = 293,240 feet, Y = 1,548,620 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates, LP

Well No. 12: X = 296,490 feet, Y = 1,548,890 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates, LP

Well No. 13: X = 293,240 feet, Y = 1,543,350 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates III, LP

Well No. 14: X = 292,710 feet, Y = 1,539,100 feet, N.M. Coordinate System, Central Zone
(NAD27) in Sandoval County.

On land owned by: Recorp New Mexico Associates III, LP

3. WELL INFORMATION

Approximate depth of all wells: 3000 - 6000 feet

Name of well driller and driller license number: Not yet contracted.

4. QUANTITY

Diversion Amount: 16,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X

Commercial X Other (specify): subdivision and related uses

Specific use: Community water supply for Rio West Master Planned District

6. PLACE OF USE:

File Number : _____

Trm Number :

Rio West Master Planned District in Sandoval County, New Mexico, described as follows:

Section and Subdivision	Township	Range
<u>Section 8 (Part), Section 7 (Part), Section 17 (Part), Section 18 (all), Section 20 (Part), Section 19 (all), Section 29 (Part), Section 30 (all), Section 31 (Part) and Section 32 (Part)</u>	<u>12 N</u>	<u>1E</u>
<u>Section 3 (all), Section 4 (Part), Section 2 (all), Section 9 (Part), Section 12 (Part), Section 11 (all), Section 10 (all), Section 14 (all), Section 13 (all), Section 15 (all), Section 16 (Part), Section 21 (Part), Section 22 (all), Section 24 (all), Section 23 (all), Section 28 (part), Section 33 (part), Section 36 (all)</u>	<u>12 N</u>	<u>1W</u>

Who is the owner of the land? File of Notice listed in ¶ 1 above.

7. ADDITIONAL STATES OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified.

ACKNOWLEDGEMENT

I, David Miniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.

Signature



AFFIDAVIT OF PUBLICATION

**STATE OF NEW MEXICO
COUNTY OF SANDOVAL**

Judy Madril being duly sworn declares and says that she is the Publishing Director of the Sandoval Sentinel, a newspaper published in and having a general circulation in the County of Sandoval and State of New Mexico and duly qualified for that purpose with the meaning of The Publishing of Notice Act, Section 14-11-1 et seq.; N.M.S.A., 1937 comp; that the publication, a copy of which is hereto attached, and published in said newspaper in the regular edition and entire issue of every number of the paper during the period and time of publication, and that the notice was published in the newspaper proper and not in a supplement, for 3 consecutive weeks the first publication being on the April 21, 2006 and the subsequent publications on Apr. 28 + May 5, 2006 and the payment has been made or assessed as court costs.

Judy Madril Judy Madril, adv. manager

Sworn and subscribed to before me, Sandoval County Probate Judge
this 05/05/06

Probate Judge: [Signature]

My term expires Dec 21, 2006

Judy Madril, Advertising Manager
The Sandoval Sentinel, Inc.
08 Camino de las Piedras
Placitas, New Mexico 87043
Telephone: (505) 867-1482 or (505) 610-0664 cell
Fax: (505) 867-3601
E-Mail: kwapich@flash.net

LEGAL NOTICE

LEGAL NOTICE

NOTICE:

Recorp New Mexico Associates LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Butera Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Carinos Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Recorp New Mexico Associates II, LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, Recorp New Mexico Associates III, LP, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260 and Tesoro Properties, LLC, 7835 East Redfield Rd. Suite 100, Scottsdale, Arizona 85260, hereby give notice of their intention to appropriate nonpotable groundwater at greater depths than 2500 feet pursuant to NMSA 1978 § 72-12-26. The wells to be drilled will be located within a 1,000 foot radius of the following points: Well No. 1: X = 293,310 feet, Y = 1,564,400 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Tesoro Properties, LLC; Well No.

1,564,380 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Tesoro Properties, LLC; Well No. 3: X = 302,610 feet, Y = 1,564,330 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Butera Properties, LLC; Well No. 4: X = 293,320 feet, Y = 1,569,150 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Carinos Properties, LLC; Well No. 5: X = 297,320 feet, Y = 1,569,120 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Carinos Properties, LLC; Well No. 6: X = 302,500 feet, Y = 1,559,050 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Butera Properties, LLC; Well No. 7: X = 306,740 feet, Y = 1,559,960 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Butera Properties, LLC; Well No. 8: X = 293,270 feet, Y = 1,553,940 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Recorp New Mexico Associates II, LP; Well No. 9: X = 297,200 feet, Y = 1,553,910 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Recorp New Mexico Associates II, LP; Well No. 10: X = 301,360 feet, Y = 1,555,450 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Recorp New Mexico Associates II, LP; Well No. 11: X = 293,240 feet, Y = 1,548,620 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Recorp New Mexico

LEGAL NOTICE

Associates, LP; Well No. 12: X = 296,490 feet, Y = 1,548,890 feet, N.M. Coordinate System, Central Zone; (NAD27) in Sandoval County on land owned by Recorp New Mexico Associates, LP; Well No. 13: X = 293,240 feet, Y = 1,543,350 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Recorp New Mexico Associates III, LP and Well No. 14: X = 292,710 feet, Y = 1,539,100 feet, N.M. Coordinate System, Central Zone (NAD27) in Sandoval County on land owned by Recorp New Mexico Associates III, LP. The approximate depth of all wells will be 3,000-6,000 feet. The amount of water to be diverted from the wells is 16,000 acre-feet per annum. The purposes of use include domestic, irrigation, municipal, industrial, commercial and subdivision uses, being the community water supply for Rio West Master Planned District. The place of use shall be the Rio West Master Planned District located in Section 8 (Part), Section 7 (Part), Section 17 (Part), Section 18 (all), Section 20 (Part), Section 19 (all), Section 29 (Part), Section 30 (all), Section 31 (Part) and Section 32 (Part), all in Township 12N, Range 1E and Section 3 (all), Section 4 (Part), Section 2 (all), Section 9 (Part), Section 12 (Part), Section 11 (all), Section 10 (all), Section 14 (all), Section 13 (all), Section 15 (all), Section 16 (Part), Section 21 (Part), Section 22 (all), Section 24 (all), Section 23 (all), Section 28 (part), Section 33 (part), Section 36 (all), all in Township 12N, Range 1W, on land owned by the filers of this notice. The water pumped will be treated and then applied to the use as specified.

Sandoval Sentinel
April 21, 28 & May 5, 2006

32,600 cc ft

MONTGOMERY & ANDREWS

PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

COUNSEL EMERITUS
William R. Federici

J.O. Seth (1983-1993)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

Victor R. Ortega
Gary Kilpatrick
Thomas W. Olson
Walter J. Melandres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick
Louis W. Rose
Randy S. Bartell
Paul E. Houston

Kevin M. Sexton
Jeffery L. Martin
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Shannon A. Parden
Brian T. Judson
Susan R. Johnson
Brian Egolf
Holly Agopianian
Sharon T. Shaheen
Jaime R. Kennedy

326 Paseo de Peralta
Santa Fe, New Mexico 87501

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

Telephone (505) 982-3873
Fax (505) 982-4289

Hand-Delivered

ALBUQUERQUE OFFICE

6301 Indian School Road, N.E.
Suite 400
Albuquerque, New Mexico 87110

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

Telephone (505) 884-4200
Fax (505) 888-8929

OF COUNSEL
Jos A. Sturges
Suzanne C. Odom
Earl Potter, P.A.

January 9, 2008

www.montand.com
Reply to Santa Fe Office

John D'Antonio, P.E., State Engineer
Office of the State Engineer
Attn: Mr. Jack Frost
P. O. Box 25102
Santa Fe, NM 87504

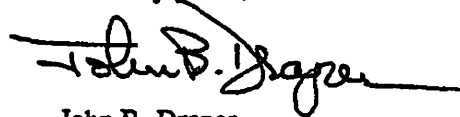
Dear Mr. D'Antonio:

Please find enclosed three originals of the Second, Additional Notice of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2,500 Feet Pursuant to NMSA 1978 § 72-12-26, in Sandoval County, by the County of Sandoval; Recorp New Mexico Associates, LP; Butera Properties, LLC; Carinos Properties, LLC; Recorp New Mexico Associates II, LP; Recorp New Mexico Associates III, LP and Tesoro Properties, LLC.

Also enclosed herewith is an original Affidavit of Publication of the same Additional Notice in the Sandoval Sentinel newspaper.

Please let me know if any further information is needed.

Sincerely yours,



John B. Draper

JBD:dlo
enclosures

cc: Mr. Gary Lane (w/encl.)
Mr. Michael Springfield (w/encl.)

2008 JAN -9 PM 3:40

STATE ENGINEER
SANTA FE, NEW MEXICO

OFFICE OF STATE ENGINEER
SANTA FE, NEW MEXICO

2008 JAN -9 PM 3:40

File Number:

NEW MEXICO OFFICE OF THE STATE ENGINEER

**SECOND, ADDITIONAL NOTICE OF INTENTION TO APPROPRIATE
NONPOTABLE GROUNDWATER AT DEPTHS GREATER THAN 2,500 FEET
PURSUANT TO NMSA 1978 § 72-12-26**

1. FILERS OF NOTICE

- | | | |
|----|---|------------------------------------|
| A. | Name: <u>County of Sandoval</u> | Work Phone: <u>505-867-7500</u> |
| | Contact: <u>Michael Springfield</u> | Home Phone: |
| | Address: <u>711 Camino del Pueblo</u> | |
| | City: <u>Bernalillo</u> | State: <u>NM</u> Zip: <u>87004</u> |
| B. | Name: <u>Recorp New Mexico Associates, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| C. | Name: <u>Butera Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| D. | Name: <u>Carinos Properties, LLC</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| E. | Name: <u>Recorp New Mexico Associates II, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |
| F. | Name: <u>Recorp New Mexico Associates III, LP</u> | Work Phone: <u>480-991-2288</u> |
| | Contact: <u>Gary Lane</u> | Home Phone: |
| | Address: <u>7835 East Redfield Rd. Suite 100</u> | |
| | City: <u>Scottsdale</u> | State: <u>AZ</u> Zip: <u>85260</u> |

G. Name: Tesoro Properties, LLC Work Phone 480-991-2288
Contact: Gary Lane Home Phone:
Address: 7835 East Redfield Rd. Suite 100
City: Scottsdale State: AZ Zip: 85260

2. LOCATION OF WELLS: Within a 1,000 foot radius of the following points:

- Well No. 3-15: X= 1,436,227 Y= 1,565,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC
- Well No. 3-16: X= 1,436,233 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC
- Well No. 3-17: X= 1,438,815 Y= 1,565,730 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC
- Well No. 3-18: X= 1,438,765 Y= 1,563,299 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Tesoro Properties, LLC
- Well No. 10-19: X= 1,438,404 Y= 1,557,595 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC
- Well No. 10-20: X= 1,436,583 Y= 1,560,192 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Carinos Properties, LLC
- Well No. 11-21: X= 1,441,849 Y= 1,560,604 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

File Number : _____

Trn Number :

Well No. 11-22: X= 1,443,960 Y= 1,558,615 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-23: X= 1,446,678 Y= 1,560,679 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 12-24: X= 1,449,061 Y= 1,560,510 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Butera Properties, LLC

Well No. 15-25: X= 1,436,700 Y= 1,555,122 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-26: X= 1,438,609 Y= 1,554,976 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-27: X= 1,438,609 Y= 1,552,685 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

Well No. 15-28: X= 1,436,682 Y= 1,552,721 feet, N.M Coordinate System,
Central Zone
(NAD83) in Sandoval County
On land owned by: Recorp New Mexico Associates, LLC

3. WELL INFORMATION

Approximate depth of all wells: 3,000 - 10,000 feet.

Name of well driller and driller license number: Salazar Drilling / Artesia, NM

File Number : _____

Tm Number :

4. QUANTITY

Diversion Amount: additional 32,000 acre-feet per annum

5. PURPOSE OF USE

Domestic: X Livestock: Irrigation: X Municipal X Industrial X
Commercial X Other (specify): subdivision and related uses
Specific use: Community water supply for Rio West Master Planned District and other
uses in Sandoval County.

6. PLACE OF USE:

Sandoval County, New Mexico.

Who is the owner of the land? Various

7. ADDITIONAL STATEMENTS OR EXPLANATIONS:

The water pumped will be treated and then applied to the uses specified. The water right claimed pursuant to this notice is over and above the 16,000 acre-feet per-year-water right, which was the subject of an earlier notice by Filers C-G listed in Part 1 above relying on nearby well locations filed in the Office of the State Engineer on June 12, 2006.

ACKNOWLEDGMENT

I, Michael Springfield, affirm that the foregoing statements are true to the best of my knowledge and belief.

 11/19/07
Signature

I, David Maniatis, affirm that the foregoing statements are true to the best of my knowledge and belief.


Signature

OFFICE OF STATE ENGINEER
SANTA FE, NEW MEXICO

2008 JAN -9 PM 3:40

AFFIDAVIT OF PUBLICATION

**STATE OF NEW MEXICO
COUNTY OF SANDOVAL**

Mary Kwapich being duly sworn declares and says that she is the Publishing Director of the Sandoval Sentinel, a newspaper published in and having a general circulation in the County of Sandoval and State of New Mexico and duly qualified for that purpose with the meaning of The Publishing of Notice Act, Section 14-11-1 et seq.; N.M.S.A., 1937 comp; that the publication, a copy of which is hereto attached, and published in said newspaper in the regular edition and entire issue of every number of the paper during the period and time of publication, and that the notice was published in the newspaper proper and not in a supplement, for 3 consecutive weeks the first publication being on the Aug 17, 2007 and the subsequent publications on Aug 24, + 31, 2007 and the payment has been made or assessed as court costs.

Mary Kwapich Mary Kwapich, publisher

Sworn and subscribed to before me, a Notary Public
this 29/05/07

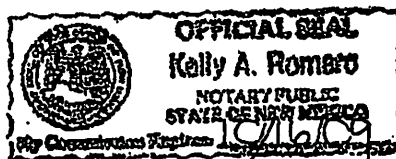
Notary Public

Kelly A. Romero

My commission expires

10/16/09

Mary Kwapich, Publisher
The Sandoval Sentinel, Inc.
08 Camino de las Piedras
Placitas, New Mexico 87043
Telephone: (505) 720-8836
Fax: (505) 867-3601
E-Mail: kwapich@flash.net



Correspondence:

- **6/29/09** letter from Juan R. Vigil of Sandoval County to David Maniatis
 - Update on Rio West water-related activities
 - County has contracted with engineers to evaluate Well 6 treatment options
 - Source area 500,000 ac ft to 2,500,000 ac ft of brackish water
 - Reviews requirements to support development
 - Discussion of recent statutory changes re deep water and OSE control
 - Capital costs for Desalination Facility to be funded through a PID
 - Requests execution of Grant of Easement in favor of County
- **4/6/09** letter from Juan R. Vigil of Sandoval County to David Maniatis
 - County is proceeding with Phase II of Desalination Project
 - County requesting transfer of 42 acres to County
- **10/16/08** memorandum from Robert Senegbush of INTERA, Inc. to Guy Bralley, Sandoval County
 - Acquifer Test Update after two weeks of flow; Rio Puerco Basin Water Development Project
 - Preliminary analysis: wells could provide as much as 5 million gpd of water to a treatment plant over 40-year period from 7 wells
- **11/10/08** Letter from Michael Springfield, Sandoval County, to Gary Lane, Recorp/Aperion, extensive "Rio West Status Update"
- **10/17/07** Letter from John R. Draper to Michael Springfield of Sandoval County and Gary Lane of Aperion
 - Confidential Attorney Client Privilege/Work Product evaluating regulatory requirements applicable to well-testing program, includes background, discharge permit exception options, discharge permit application options, and recommendation to submit Notice of Intent
- **5/10/07** memorandum from David Mathews, Sandoval County Attorney, to Michael Springfield and Dianne Ross of Sandoval County
 - Subject: Sole Sourcing of Desalinization Project
- **2/25/07** letter from John R. D'Antonio, Jr., PE, New Mexico State Engineer, to John B. Draper, Esq. with draft supplemental letter dated **11/19/07**
 - Confirming that in the event SB1169 is passed, it will not retroactively affect Notices of Intention to Appropriate filed prior to the effective date by Recorp/Aperion entities
- **10/20/06** Memorandum from John B. Draper and Brian F. Egolf to Gary Lane
 - Well drilling requirement for Recorp wells (OSE-licensed driller, drilling permit)
- **9/26/06 and 3/16/06** letters from John B. Draper to Bill Hume, office of the Governor of New Mexico
 - Analysis of procedures applicable to appropriation of nonpotable groundwater and depths greater than 2500 feet



SANDOVAL COUNTY ADMINISTRATIVE OFFICES

BOARD OF COUNTY COMMISSIONERS

DON LEONARD
District 2, Chairman
JOSHUA MADALENA
District 5, Vice Chairman
ORLANDO J. LUCERO
District 1
DAVID BENCY
District 3
JACK THOMAS
District 4

DEBBIE HAYS
County Manager

January 10, 2008

Mr. Gary B. Lane
Vice President Land Entitlement
& Project Management
7835 E. Redfield Road Ste 100
Scottsdale, AZ 85260

Re: Rio West Status Update

Dear Gary:

Per your request I am writing this letter to give a status update on the Rio West project. There are three major areas that have made significant progress, they are as follows:

1. Land Planning and Entitlements;
2. Water Resources;
3. Upcoming on-site projects.

In the past 15 months The County and the Developer, have worked diligently to push the project forward.

Land Planning and Entitlements

The master plan for the project was approved by the Sandoval County Commission in October 2006. The Development Agreement was approved in July 2007. Within the Development Agreement responsibilities for on-site water/sewer facilities, off-site roads, drainage improvements, the allowance of the Public Improvement District, parks and recreation facilities, and school sites were laid out.

It is my understanding that the developer is currently working on the detailed topographical study for the project. When that is complete, a location for a road into the Rio Puerco (where the project sits) can be selected and the Phase I preliminary plat can be developed.

Water Resources

In June 2006, Recorp/Aperion, the developer, noticed the State Engineer (pursuant to New Mexico State Law), its intention to appropriate 16,000 A.F. of non-potable water.

SANDOVAL COUNTY ADMINISTRATIVE OFFICES

In April 2007, the Sandoval County Commission approved a Memorandum of Understanding with the developer. In it, there was agreement that the County and the Developer would provide resources to create a potable water solution for Rio West and the region. This entailed the County investing \$6 million dollars to drill 2 wells on the project, complete the preliminary engineering for the desalinization plant and provide assurance that for the first 16,000 A.F of potable water developed on Rio West property, the developer would have the first right of refusal for development use.

In August /September 2007 the County drilled both wells and found sufficient supplies of non-potable water to service a first phase of Rio West. The testing of the quality and the quantity is currently on-going, and a developer funded 30-day test of both wells to determine water availability for the whole project is forthcoming.

In November/December 2007 the County and Recorp/Aperion jointly noticed the State Engineer (pursuant to New Mexico State Law), its intention to appropriate 32,000 A.F. of water. These rights have been recognized by the State and will be grandfathered.

It is both the County's and the Developers goal to finish the first phase of development of the water resource, so that by 2009 the 2 drilled wells will feed in to a desalinization plant that is strategically located to serve potable water to Rio West and any other retail customers that request service.

Up-Coming Onsite Projects

The County has set aside money for a portion of the Northwest Loop (the freeway running through the project) to be graded between Northern and Southern Road alignments within the next few months. In addition, the County also approved a Public Improvement District (PID) Ordinance allowing developers the use of PID's to get reimbursement for large infrastructure improvements. PID proceeds will be used to pay for the capital costs associated with construction of the desalination plant, additional wells, and collection system.

Furthermore, Recorp/Aperion has agreed to participate in an airport feasibility study and to dedicate land for a possible airstrip and associated buildings to the County (to the northwest of the project). The feasibility study will be reviewed by the Federal Aviation Administration (FAA) to gain approval to proceed to a site selection study in the general area.

The State has also been busy, and has used some of its oil and gas revenue to provide some financial help to encourage the establishment of large employers in the area. Last year, the State legislature approved a bill that allows sustainable/renewable energy sources to hook on to the States' power grid.

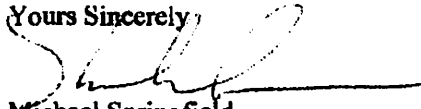
As you can see, there are many different activities that have taken place over the year, and we look forward to even more in the upcoming year, including:

SANDOVAL COUNTY ADMINISTRATIVE OFFICES

1. Federal/State money for desalinization plant;
2. Federal/State money for the Northwest Loop
3. The identification and layout of the first phase of Rio West;
4. The site selection for the Sandoval County regional airport;
5. The completion of the potable water plan by the County, Developer and their respective consultants.

If you have any questions or would like further information please feel free to call me at 1-505-867-7500.

Yours Sincerely,



Michael Springfield
County Development Director
Sandoval County, New Mexico

COUNSEL EMERITUS
William R. Federici

J.O. Seth (1883-1983)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1988)

Victor R. Ortega
Gary Kipatino
Thomas W. Olson
Walter J. Melandres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick

Louis W. Rose
Randy S. Bartell
Jeffery L. Martin
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Brian Egoft
Holly Agajanian
Sharon T. Shaheen
Jaime R. Kennedy

OF COUNSEL
Earl Potter, P.A.

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

www.montand.com

October 17, 2007

Via Email

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873
Fax (505) 982-4289

Confidential
Attorney Client Privilege/Work Product

Michael Springfield
Sandoval County
P.O. Box 40
711 Camino del Pueblo, 3rd Floor
Bernalillo, NM 87004

Gary Lane
Recorp/Aperion Companies
7835 East Redfield Rd.
Scottsdale, AZ 86260

Gentlemen:

Sandoval County and the Recorp/Aperion Companies, partners in a joint venture to develop deep wells in Sandoval County pursuant to NMSA 1978, § 72-12-25 (the "Project"), have requested an evaluation of regulatory requirements applicable to a well-testing program consisting of at least one 3-day pump test and one 30-day pump test. The well-testing program will produce an estimated 77 acre-feet of water over a span of two to three months.

The water produced by the well-testing program will need to be used or disposed of in accordance with the New Mexico Water Quality Act and applicable Water Quality Control Commission ("WQCC") regulations. As discussed below, we recommend submitting a revised Notice of Intent to Discharge to the New Mexico Environment Department asserting that the discharge of water from the pump tests is not subject to the discharge permit requirement because it will be diverted, stored and transported for agricultural purposes.

Background

On August 27, 2007, two Notices of Intent to Discharge ("NOI") pursuant to 20.6.2.1201 NMAC were submitted to NMED. The first NOI notified NMED of the Project's

Michael Springfield
Gary Lane
October 17, 2007
Page 2

Confidential
Attorney Client Privilege/Work Product

Intent to use water for road construction and maintenance; the second NOI notified NMED of the intent to discharge water from the Project into as many as three naturally-lined storage pits. It appears that NMED was subsequently informed that the Project was willing to install a synthetic liner on the storage pits. Both NOIs proposed that a discharge permit was not required due to the short duration of less than 120 days of the discharge and storage. See 20.6.2.3106.B NMAC.

On September 18, 2007, NMED notified the Project via e-mail that it had rejected the request for temporary permission to discharge outlined in the NOIs. Specifically, NMED stated that "[g]iven the large volumes of water to be generated by these 3-day tests, plus the prospects for the performance of a 30-day test, the [Ground Water Quality Bureau] maintains that the proposed discharges constitute a single project that will result in a discharge exceeding 120 days." Temporary permission is only relevant, however, if a discharge permit is required. 20.6.2.3106 NMAC. NMED has decided, by implication, that a discharge permit is required for the pump tests, but that decision was reached without considering the applicability of the exceptions discussed below.

NMED's determination indicates that the pump tests will be evaluated from a regulatory perspective as a single discharge, regardless of whether the tests are performed by Sandoval County or Recorp/Aperion. This is true because the Project is a joint venture, and the parties will be considered a single "person" for the purposes of the WQCC Regulations. See 20.6.2.7.JJ NMAC (defining "person" to include "an individual or any other entity including partnerships, corporation, associations, responsible business or association agents or officers, [and] the state or a political subdivision of the state or any agency").

Discharge Permit Exceptions Option

Notwithstanding NMED's determination, our review of the Project and relevant regulations indicates that a discharge permit is likely not necessary. In our opinion, exceptions to the general discharge permit rule apply that would allow the Project to put the water from the well tests to beneficial use without a discharge permit. The applicable law requires that a facility must obtain a discharge permit unless an exception applies in 20.6.2.3105 NMAC. Two of these exceptions are relevant to the pump tests for the Project. First, 20.6.2.3105.C NMAC provides that "[w]ater used for irrigated agriculture, for watering of lawns, trees, gardens or shrubs . . ." does not require a discharge permit. It is our understanding that the owner of the land is willing to apply the water from the well tests directly to the lands for the purposes of improving the range grass for cattle. The

Michael Springfield
Gary Lane
October 17, 2007
Page 3

Confidential
Attorney Client Privilege/Work Product

issue becomes whether such an application would qualify as "irrigated agriculture."

In order to establish that the water from the well tests will be used for irrigated agriculture, we advise obtaining a formal opinion from a qualified expert in irrigated agriculture. This expert would opine on the usefulness of the water for the range grass, the amount of water that the range grass can assimilate, and the timing of the irrigation. We have worked with an irrigated agriculture expert whom we can recommend.

A second applicable exception to the discharge permit requirement allows for the storage of diverted water. See 20.6.2.3105.D NMAC. Specifically, this provision provides an exception for "[d]ischarges resulting from the transport or storage of water diverted, provided that the water diverted has not had added to it after the point of diversion any effluent received from a sewerage system, that the source of the water diverted was not mine workings, and the secretary has not determined that a hazard to public health may result." 20.6.2.3105.D NMAC. Since the source is not from mine workings, no effluent will have been added, and there is no evidence that a hazard to public health may result, this exception would appear to be applicable.

In sum, it appears that the water from the well tests can be stored, transported and applied for irrigated agricultural purposes without a discharge permit.

In the event that you decide to pursue the exceptions, it is will be necessary to submit a revised Notice of Intent to Discharge pursuant to 20.6.2.1201 NMAC. The revised NOI will describe the plans for disposition of the water from the well tests, identify the exceptions, and demonstrate of why the exceptions apply. The affidavit of the Irrigation expert will be attached. Pursuant to 20.6.2.1201.D NMAC, NMED will notify you whether it concurs that the exceptions apply. In the event of an adverse decision from NMED, an appeal is available to the WQCC.

Discharge Permit Application Option

Another option is to apply for a discharge permit and not pursue the exceptions. The permitting process includes publication of notice, public comment and the possibility of public hearing, which may take up to 18 months to complete. Further detail can be provided upon request.

Michael Springfield
Gary Lane
October 17, 2007
Page 4

Confidential
Attorney Client Privilege/Work Product

Recommendation

Based on the foregoing, we recommend that you pursue the exceptions by submitting a revised Notice of Intent that explains that the water from the well-tests will be diverted, stored, transported and applied to the land for irrigated agricultural purposes. The revised NOI should demonstrate that a discharge permit is not required because the exceptions provided in 20.6.2.3105(C) and (D) apply. The expert affidavit should be attached. An affidavit from the land owner stating his intention to apply the water for agricultural purposes should also be attached. NMED will notify you whether it concurs that an exception applies and a discharge permit is not required. If necessary and desirable, this decision is appealable to the WQCC.

Please contact me at (505) 986-2525 with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "John B. Draper", with a stylized flourish at the end.

John B. Draper



SANDOVAL COUNTY ADMINISTRATIVE OFFICES

Board of County Commissioners

DON LEONARD

District 2, Chairman

JOSHUA MADALENA

District 5, Vice-Chairman

JACK E. THOMAS

District 4

DAVID BENCY

District 3

ORLANDO J. LUCERO

District 1

DEBBIE HAYS

County Manager

MEMORANDUM

May 10, 2007

TO: Michael Springfield, Director, County Development
Diane Ross, Projects Coordinator, County Development

FROM: David Mathews, County Attorney

RE: Sole Sourcing of Desalinization Project

NMSA §13-1-126 (1987) addresses sole source procurement. This law, first passed in 1984, states, in part:

"A contract may be awarded without competitive sealed bids or competitive sealed proposals regardless of the estimated cost when. . . a central purchasing office makes a determination, after conducting a good-faith review of available sources and consulting the using agency, [Sandoval County] that there is only one source for the required service. . . a central purchasing office shall conduct negotiations, as appropriate, as to price, delivery and quantity in order to obtain the price most advantageous. . . to a local public body."

NMSA §13-1-128 (1984) states that we must maintain records of sole source awards for a minimum of three (3) years. The record shall be a public record and must contain the contractor's name and address; the amount and term of the contract, a listing of the services, construction, a listing of the services, construction or items of property procured under the contract, and the justification for the procurement method.

SANDOVAL COUNTY COURTHOUSE
POST OFFICE BOX 40
BERNALILLO, NEW MEXICO 87004

505 867-7500
FAX 505 867-7600

I think paragraph 2 of your memorandum to me dated May 8, 2007 is a good step in justifying the sole source procurement. My only suggestion is to create a document for your file that gives more details regarding the sole source procurement than you put in the memo to me. What you told me is sufficient for me to determine that it is sole source, but you might want to expand on that for audit purposes. I also think in analyzing the sole source arrangement in this project, it is important to remember that we have an in-state preference of five (5%) percent for New Mexico companies. I do not know if the contractor selected by Recorp is a New Mexico company but your memo states it's the only company with a drilling rig located and available in the State of New Mexico. Therefore, I think the five (5%) percent preference would apply because of the location of the drilling rig, even if the contractor was an out-of-state contractor.

The Memorandum from George King states that United Drilling was the only qualified "New Mexico contractor that has the proven capability and man power to accomplish this permit driven requirement." I am a little troubled by that sentence because I do not know whether Mr. King is saying United Drilling is the only New Mexico contractor or if he is saying that there are other New Mexico contractors but their "capability and man power" has not been "proven." In checking the PRC website I did find a United Drilling Corporation in good-standing through March 15, 2009. That end date simply means that in 2009 they have another application fee to pay. I do not know if this is the same United Drilling, but their mailing address is in Roswell and they are listed as an "oil and gas drilling company." However, for the purpose of this memorandum we will assume I have found the correct United Drilling.

I also checked New Mexico case law on sole source procurement. I only found two (2) cases that involve this issue in any manner and those cases do not examine whether a sole source was appropriate. I checked the Attorney General Opinions and there are only three (3) Opinions on this issue, the most recent being 1987, and none of those Opinions are applicable. Therefore, it is my conclusion that this is a valid sole source and the only issue for your office is to "flesh out" the justification for audit purposes.



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

John R. D'Antonio, Jr. P.E.
State Engineer

DL Sanders
Chief Counsel

**LITIGATION & ADJUDICATION
PROGRAM**

130 South Capitol
Santa Fe, New Mexico 87501

Mailing Address:

P.O. Box 25102
Santa Fe, NM 87504-5102
Telephone: (505) 827-6150
Fax: (505) 827-3887

February 27, 2007

VIA TELECOPIER AND FIRST CLASS MAIL

John B. Draper, Esq.
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504-2307

**Re: Notices of Intention to Appropriate Nonpotable Groundwater at
Greater Depths than 2500 Feet**

Dear Mr. Draper:

This letter is to confirm and clarify my letter to you of February 21, 2007, that, in the event that SB 1169 is passed and signed into law, it will not retroactively affect the Notices of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2500 Feet, for the appropriation of up to 24,000 AFY of water, should it be available, under the above-mentioned notices, which you have filed with my office, or may file prior to the effective date of the act, on behalf of the following entities: Recorp New Mexico Associates, LP; Recorp New Mexico Associates II, LP; Recorp New Mexico Associates III, LP; Butera Properties, LLC; Carinos Properties, LLC; Tesoro Properties, LLC; Recorp Northwest Outer Loop Associates, LP and Matacan Properties, LLC.

If you have any questions regarding this matter, please call my Chief Counsel, DL Sanders, at 827-6150. Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "John R. D'Antonio, Jr." with a stylized flourish at the end.

John R. D'Antonio, Jr., PE
New Mexico State Engineer

Cc: DL Sanders, Chief Counsel
William Hume, Director of Policies and Issues, Office of the Governor

November 19, 2007

VIA TELECOPIER AND FIRST CLASS MAIL

John B. Draper, Esq.
Montgomery & Andrews, P.A.
P. O. Box 2307
Santa Fe, NM 87504-2307

**Re: Notices of Intention to Appropriate Nonpotable Groundwater
at Greater Depths than 2500 Feet**

Dear Mr. Draper:

This letter is to supplement my letter to you of February 21, 2007, that, in the event that Legislation repealing Sections 72-12-25, through 72-12-28 NMSA 1978 or any part thereof, is passed and signed into law, it will not retroactively affect the Notices of Intention to Appropriate Nonpotable Groundwater at Greater Depths than 2500 Feet for the appropriation of up to 56,000 AFY of water, should it be available, under the above-mentioned notices, which you have filed with my office, or may file prior to the effective date of the act, on behalf of some or all of the following entities: Recorp New Mexico Associates, LP; Recorp New Mexico Associates II, LP; Recorp New Mexico Associates III, LP; Butera Properties, LLC; Carinos Properties, LLC; Tesoro Properties, LLC; Recorp Northwest Outer Loop Associates, LP, Matacan Properties, LLC, and County of Sandoval.

Deleted: confirm and clarify

Deleted: SB 1169

Deleted: 24,000

Deleted: and

If you have any questions regarding this matter, please call my Chief Counsel, DL Sanders, at 827-6150. Thank you.

Sincerely,

John R. D'Antonio, Jr., PE
New Mexico State Engineer

cc: DL Sanders, Chief Counsel
William Hume, Director of Policies and Issues, Office of the Governor

MEMORANDUM

To: Gary Lane

From: John B. Draper
Brian F. Egolf

Subject: Well Drilling Requirements for Recorp Wells

Date: October 20, 2006

This memorandum analyzes four points relevant to the drilling of wells to supply Recorp's Sandoval County development with drinking water: First, whether Recorp needs to use a well driller licensed by the Office of the State Engineer (OSE); second, whether it is necessary to obtain a drilling permit from the OSE for each water well to be drilled pursuant to the exemptions in the Water Code for deep nonpotable water; third, whether drilling pursuant to NMSA 1978 § 72-12-25 (1967) will provide the basis for a water right; and fourth, whether drilling for a water supply under the laws and regulations governing the drilling of oil and gas wells would provide the basis for a water right.

I. Under the NM Water Code, the Well Must be Drilled by an OSE-Licensed Driller.

Under New Mexico law, one who produces nonpotable water from sources deeper than 2500 feet may obtain a water right without the need to obtain the normal water right permit from the OSE to do so. NMSA § 72-12-25 (1967). The law states that all sources of nonpotable water below 2500 feet are excluded from a declared "underground stream, channel, artesian basin, reservoir or lake." The effect of this exclusion is to prevent the OSE from requiring that persons appropriating water for beneficial use at depths greater than 2500 feet have a permit to appropriate. Thus, § 72-12-25 allows a person to initiate a water right to nonpotable groundwater below 2500 feet.

Nevertheless, NMSA 1978 § 72-12-12 (1957) states that it is unlawful for a well driller:

"to drill or to begin the drilling of a well for water from an underground stream, channel, artesian basin, reservoir or lake...the boundaries of which have been determined and proclaimed by the state engineer of New Mexico to be reasonably ascertainable, without a valid, existing license for the drilling of such wells issued by the state engineer of New Mexico. . . ."

Now that all areas in New Mexico are within underground basins proclaimed ("declared") by the State Engineer to have reasonably ascertainable boundaries, any water well drilled in New Mexico must be drilled by a licensed driller. Even for the Recorp wells the drilling will begin in a declared basin and continue in a declared basin until it reaches a depth of 2500 feet. Therefore, Recorp must employ a well driller licensed by the OSE.

II. Under the NM Water Code, a Drilling Permit from the OSE is required.

19.27.4.29 NMAC, a regulation issued by the OSE, states that "[a] licensed well driller shall ensure that an appropriate well permit or emergency authorization has been granted by the state engineer prior to the well drilling." The rule imposes this mandatory requirement on all drilling operations throughout the state without regard to the intended depth of the well. Thus, by the terms of this rule, all water well drilling operations must be permitted by the OSE. Moreover, the exemptions of NMSA 1978, § 72-12-25 apply only below 2500 feet. From the surface to that depth all drilling is within a declared basin subject to State Engineer regulation. Thus, the regulatory requirement of a drilling permit would appear to have statutory authorization.

III. A Water Right Can be Developed Pursuant to NMSA § 72-12-25 (1967).

Once a water well is completed into an underground source of nonpotable water deeper than 2500 feet, a water right can be developed by putting the water to beneficial use. The water right is treated like a water right obtained through any other valid method. See, e.g., *Harkey v. Smith*, 31 N.M. 521, 247 P. 550 (1926).

IV. A Water Right Would Not Be Obtained from an Oil or Gas Well.

A. *The Jurisdiction of the OSE Would Not Apply to An Oil or Gas Well*

The drilling of an oil or gas well would be governed by an entirely different set of rules and regulations than would apply to a water well. Regulations issued by the OSE state that its regulations governing the drilling of water wells "do not apply to oil wells, gas wells, or cathodic protection wells." 19.27.4.2 NMAC. Thus, all operations would be governed by the Oil Conservation Division of the state's Department of Energy Minerals and Natural Resources. See NMSA 1978, Ch. 70, Art. 2; 19.15.3.7-19.15.3.118 NMAC.

Neither the statutes nor the regulations governing the OCD state that there is any mechanism by which one can put produced waters to beneficial use. The regulations and statutes refer to produced water as a byproduct or a waste product of the process of producing oil or gas. The regulations dealing with produced water provide for disposal of the produced water, not application to beneficial use.

B. Recorp Would Likely Not Obtain a Water Right to Produced Waters From an Oil or Gas Well.

Under New Mexico law, all waters "belong to the public and are subject to appropriation for beneficial use." NMSA 1978 § 72-1-1 (1941). This includes ground water. NMSA 1978 § 72-12-1 (1931) ("The water of underground streams, channels, artesian basins, reservoirs or lakes, having reasonably ascertainable boundaries, is declared to belong to the public and is subject to appropriation for beneficial use."). *City of Albuquerque v. Reynolds*, 71 N.M. 428, 379 P.2d 73 (1963). In order to obtain a vested water right, one must put water to beneficial use in accordance with the New Mexico Water Code and regulations of the OSE. NMSA 1978 § 72-1-2 (1907); *Harkey v. Smith, supra*.

Thus, the question is whether produced waters, which are defined by New Mexico law as an "incidental byproduct" of oil and gas production, can ever be put to beneficial use.¹ If such water is not put to beneficial use pursuant to the New Mexico Water Code, no water right can be obtained. The New Mexico Water Code states that "[b]eneficial use is the basis, the measure and the limit to the right to the use of the waters described in this act." *Id* (emphasis added). "Produced water" is not described in New Mexico's Water Code and is not subject to State Engineer jurisdiction. Although water produced from an oil and gas well may originate from an underground source that is described in New Mexico's Water Code, the fact that it emerges from the ground through an oil and gas well, not subject to State Engineer regulation or oversight, results in its not being the basis for a water right.

C. Any Water Right that Might be Obtained from an Oil and Gas Well Would Likely be Temporary.

If (arguendo) it were possible to create a water right by means of an oil and gas well, it is likely that any right to the produced waters would be at best temporary: Any right would likely terminate when the production of oil or gas ceases, since most leases are held by production (of oil or gas). Once production stops, the well could no longer be deemed an oil and gas producing well, and the waters coming from the well could no longer be deemed "produced waters." Under New Mexico law, an oil or gas well ceases production when it fails to produce in "paying quantities," such that the income generated from oil and gas production exceeds the operating costs." *Maralex Resources, Inc. v. Gilbreath*, 2003-NMSC-023, ¶ 9, 134 N.M. 308, 76 P.3d 626. Thus, as soon as the oil or gas well stops producing in "paying quantities," there would be no more "produced water," as a legal matter, and any water supplied from such wells thereafter would be outside the authorization for oil and gas wells.

¹ Under New Mexico law, "produced water" means water that is an incidental byproduct from drilling for or the production of oil and gas." NMSA 1978 § 70-2-33(K) (2004).

V. Conclusion

If someone wishes to put water to beneficial use in New Mexico (such as domestic, municipal and subdivision use) one must comply with the Water Code and authorized regulations thereunder. This means that Recorp needs to comply with the requirements of using an OSE-licensed driller and obtaining a drilling permit.

Bypassing the OSE requirements would mean obtaining an OCD drilling permit and foregoing permanent water rights.

SEP 28 2006

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

September 26, 2006

www.montand.com

Victor R. Ortega
Gary Kilpatrick
Thomas W. Olson
Walter J. Melendres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick
Louis W. Rose

Andrew S. Montgomery
Randy S. Bartell
Jeffery L. Martin
Carolyn A. Wolf
Emma Rodriguez Brittain
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Brian Egolf
Holly Agajanian

325 Paseo de Peralta
Santa Fe, New Mexico 87501

Telephone (505) 982-3873
Fax (505) 982-4289

OF COUNSEL
Earl Potter, P.A.

Mr. Bill Hume
Director of Policy and Strategic Planning
Office of the Governor
State Capitol Building, Suite 400
Santa Fe, New Mexico 87501

Dear Mr. Hume:

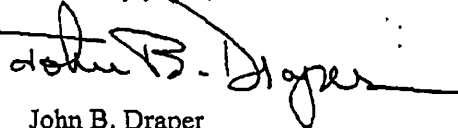
I would like to follow up on my March 16, 2006 letter to you by which I forwarded an analysis of the portion of the New Mexico Water Code that provides for the appropriation of nonpotable groundwater from depths greater than 2,500 feet. I am attaching a copy of that letter and memo for reference.

On June 12, 2006, I forwarded notice to the New Mexico State Engineer of the intention of Recorp New Mexico Associates, LP and affiliated entities to appropriate nonpotable groundwater at greater depths than 2500 feet pursuant to NMSA 1978 § 72-12-26 for 14 wells in Sandoval County. The same notice had previously been advertised as required by statute in a paper of general circulation in Sandoval County.

I am writing to let you know that Recorp and its affiliates have accomplished the notice and filing required by statute and are preparing to proceed with well drilling. As outlined in my March 26th analysis, there is no jurisdiction of the State Engineer to grant or deny a permit to appropriate such groundwater.

Best regards -

Sincerely yours,



John B. Draper

JBD:dlo
enclosure

cc: (w/encl.)
David Maniatis

COUNSEL EMERITUS
William R. Federici

MONTGOMERY & ANDREWS
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

J.O. Seth (1883-1963)
A.K. Montgomery (1903-1987)
Frank Andrews (1914-1981)
Seth D. Montgomery (1937-1998)

March 16, 2006

www.montand.com

Victor R. Ortega
Gary Kilpatrick
Thomas W. Olson
Walter J. Melendres
John B. Draper
Nancy M. King
Sarah M. Singleton
Stephen S. Hamilton
Edmund H. Kendrick

Louis W. Rose
Andrew S. Montgomery
Randy S. Bartell
Jeffery L. Martin
Carolyn A. Wolf
Emma Rodriguez Brittain
Alexandra Corwin Aguilar
Jeffrey J. Wechsler
Brian F. Egolf

325 Paseo de Peralta
Santa Fe, New Mexico 87501

Telephone (505) 982-3873
Fax (505) 982-4289

OF COUNSEL
Earl Potter, P.A.

Mr. Bill Hume
Director of Policy and Strategic Planning
Office of the Governor
State Capitol Building, Suite 400
Santa Fe, New Mexico 87501

Dear Mr. Hume:

As a follow-up to your meeting with David Maniatis last week, I am forwarding the enclosed analysis of the procedures applicable to the appropriation of nonpotable groundwater at depths greater than 2500 feet.

As you will see, my conclusion is that this type of appropriation is outside the administrative jurisdiction of the New Mexico State Engineer and therefore does not require that an application be submitted to or approved by the State Engineer.

If you have any questions or comments, please give me a call.

Best regards -

Sincerely yours,



John B. Draper

JBD:dlo

cc: (w/encl.)
David Maniatis

**Appropriation of Nonpotable Groundwater From Depths
Greater Than 2,500 Feet in New Mexico**

**John B. Draper
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, NM 87504**

March 16, 2006

There is a special procedure set out in the New Mexico Water Code for appropriation of groundwater that has a concentration of total dissolved solids (TDS) greater than 1,000 parts per million (ppm) and that is pumped from an aquifer, the top of which is more than 2,500 feet below ground surface at the location of the well. The Legislature accomplished this by adding four sections to the Water Code in 1967 (Ch. 86), which are codified as Sections 72-12-25 thru 72-12-28, NMSA 1978. A copy of these sections is attached.

The State Engineer's jurisdiction to regulate the appropriation of groundwater is limited to underground water basins having reasonably ascertainable boundaries." Section 72-12-20 states:

No permit and license to appropriate underground waters for in-state use shall be required except in basins declared by the state engineer to have reasonably ascertainable boundaries.

Thus, the State Engineer can only require permits with respect to groundwater in "declared basins." The 1967 Act excludes from such declared basins certain deep nonpotable water as follows:

No past or future order of the state engineer declaring an underground water basin having reasonably ascertainable boundaries shall include water in an aquifer, the top of which aquifer is at a depth of twenty-five hundred feet or more below the ground surface at any location at which a well is drilled and which aquifer contains nonpotable water.

Section 72-12-25. Nonpotable water is defined in the statute as being water with a TDS no less than 1,000 parts per million. Thus, the normal "quasi-judicial" jurisdiction of the State Engineer, to determine whether a new groundwater right should be allowed or whether a change in an existing groundwater right should be allowed, does not apply to deep nonpotable water as defined in the statute.

Separate procedures are provided for the appropriation of waters within the special category identified in the 1967 Act. Notice must be filed with the State Engineer and published in a paper of general circulation in the county in which the well is located, as set out in Section 72-12-26. The State Engineer may require additional data and reporting, as provided in Section 72-12-27, and any person may bring an action in the district court of the county in which the well is situated, seeking injunctive relief or damages for impairment, as provided in 72-12-28.

The result of the 1967 Act is therefore to allow the initiation of a water right, to nonpotable groundwater in an aquifer that lies entirely below 2500 feet at the location of the well, without obtaining the approval of the State Engineer. The normal procedure, whereby the entity desiring to initiate a new water right must file an application with the State Engineer, be subject potentially to hearings before the State Engineer and appeals, is not applicable. There is no application, only notice published in a local newspaper of general circulation in the county. In sum, there is no jurisdiction of the State Engineer to grant or deny a permit to appropriate such groundwater.

EXHIBIT "B"

A PORTION OF LAND LYING IN SECTION 11, TOWNSHIP 12 NORTH, RANGE 1 WEST,
SANDOVAL COUNTY, NEW MEXICO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 11 (A FOUND
ALUMINUM CAP STAMPED "LS 7248", WHENCE THE SOUTHWEST CORNER OF SAID
SECTION 11 (A FOUND ALUMINUM CAP STAMPED "LS 7248" DATED "1996", BEARS
S 00° 29' 36" W (BASIS OF BEARING), A DISTANCE OF 5267.67 FEET;

THENCE S 43° 57' 14" E, A DISTANCE OF 2365.94 FEET TO THE POINT OF BEGINNING;

THENCE S 88° 38' 43" E, A DISTANCE OF 223.96 FEET;

THENCE S 02° 04' 58" E, A DISTANCE OF 100.88 FEET;

THENCE S 10° 37' 28" W, A DISTANCE OF 214.95 FEET;

THENCE N 87° 42' 09" W, A DISTANCE OF 186.26 FEET;

THENCE N 00° 20' 13" W, A DISTANCE OF 309.91 FEET TO THE POINT OF BEGINNING;

CONTAINING 1.5208 ACRES (66,247 SQ. FEET), MORE OR LESS.

Well Site # 5

Well Site # 6

A PORTION OF LAND LYING IN SECTION 10, TOWNSHIP 12 NORTH, RANGE 1 WEST, SANDOVAL COUNTY, NEW MEXICO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 10 (A FOUND ALUMINUM CAP STAMPED "LS 7248"), WHENCE THE SOUTHEAST CORNER OF SAID SECTION 10 (A FOUND ALUMINUM CAP STAMPED "LS 7248" DATED "1990"), BEARS S 00° 29' 56" W (BASIS OF BEARING), A DISTANCE OF 5267.67 FEET;

THENCE S 29° 59' 09" W, A DISTANCE OF 2072.02 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST LOOP ROAD (NM STATE HIGHWAY COMMISSION MAP SP-7543) AND THE POINT OF BEGINNING;

THENCE S 00° 43' 23" W ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD, A DISTANCE OF 1586.12 FEET;

THENCE S 90° 00' 00" W LEAVING THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD, A DISTANCE OF 1708.08 FEET;

THENCE N 37° 59' 45" E, A DISTANCE OF 2012.54 FEET;

THENCE N 90° 00' 00" E, A DISTANCE OF 489.16 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD AND THE POINT OF BEGINNING;

CONTAINING 40.0000 ACRES (1,742,400 SQ. FEET), MORE OR LESS.

PH: 505-823-1000

EXHIBIT 'C'

Well Site # 5

A PORTION OF LAND LYING IN SECTION 11, TOWNSHIP 12 NORTH, RANGE 1 WEST, SANDOVAL COUNTY, NEW MEXICO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 11 (A FOUND ALUMINUM CAP STAMPED "LS 7248), WHENCE THE SOUTHWEST CORNER OF SAID SECTION 11 (A FOUND ALUMINUM CAP STAMPED "LS 7248" DATED "1998"), BEARS S 00° 29' 56" W (BASIS OF BEARING), A DISTANCE OF 5267.67 FEET;

THENCE S 43° 57' 14" E, A DISTANCE OF 2365.94 FEET TO THE POINT OF BEGINNING;

THENCE S 88° 38' 43" E, A DISTANCE OF 223.96 FEET;

THENCE S 02° 04' 58" E, A DISTANCE OF 100.88 FEET;

THENCE S 10° 37' 28" W, A DISTANCE OF 214.95 FEET;

THENCE N 87° 42' 09" W, A DISTANCE OF 186.26 FEET;

THENCE N 00° 20' 13" W, A DISTANCE OF 309.91 FEET TO THE POINT OF BEGINNING;

CONTAINING 1.5208 ACRES (66,247 SQ. FEET), MORE OR LESS.

EXHIBIT "B"

Well Site # 6

A PORTION OF LAND LYING IN SECTION 10, TOWNSHIP 12 NORTH, RANGE 1 WEST, SANDOVAL COUNTY, NEW MEXICO, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 10 (A FOUND ALUMINUM CAP STAMPED "LS 7248", WHENCE THE SOUTHEAST CORNER OF SAID SECTION 10 (A FOUND ALUMINUM CAP STAMPED "LS 7248" DATED "1990", BEARS S 00° 29' 56" W (BASIS OF BEARING), A DISTANCE OF 3267.67 FEET;

THENCE S 29° 59' 09" W, A DISTANCE OF 2072.02 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF THE NORTHWEST LOOP ROAD (ON STATE HIGHWAY COMMISSION MAP SP-7543) AND THE POINT OF BEGINNING;

THENCE S 00° 43' 23" W ALONG THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD, A DISTANCE OF 1586.12 FEET;

THENCE S 90° 00' 00" W LEAVING THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD, A DISTANCE OF 1708.08 FEET;

THENCE N 37° 59' 45" E, A DISTANCE OF 2012.54 FEET;

THENCE N 90° 00' 00" E, A DISTANCE OF 489.16 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF SAID NORTHWEST LOOP ROAD AND THE POINT OF BEGINNING;

CONTAINING 40.0000 ACRES (1,742,400 SQ. FEET), MORE OR LESS.

PH-305-823-1000

EXHIBIT 'C'