

## Boulders Well Share Declaration

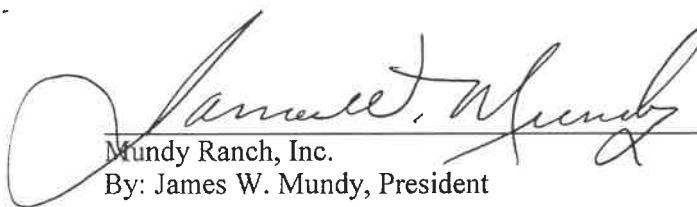
**Mundy Ranch, Inc.**, a New Mexico Corporation desires to impose these provisions concerning well and water usage on the following described property located in Rio Arriba County, New Mexico:

The Boulders Tracts 1 through 5, as shown on plat of survey entitled "Plat of Summary Review Division of 26.22 acres for Mundy Ranch, Inc. THE BOULDERS, a portion of the Historic E. D. Swayze Tract..." dated June 15, 2002, prepared by William H. Albert, NMPS # 7241, under his survey #02-032, and recorded in the Office of the County Clerk, Rio Arriba County, New Mexico on October 31, 2002 in Book Z-53, page 7988, as Document # 227009.

1. The sole purpose of this Declaration is the distribution of potable water from a single well located on the southeast corner of The Boulders Tract 2 to the remaining Boulders Tracts only.
2. The Well use is restricted to all future Owners of the Boulders Tracts 1 through 5 specified above and their successors in interest in said lots. No Owner may sell, assign or otherwise transfer his interest in and to this well and its distribution of water except by also selling, assigning, or transferring all of Owners interest in the property served by the well.
3. All expenses for operating and maintaining the well, the controls and housing, the water lines, and all other equipment attendant thereto shall be paid equally by the Owner's of The Boulders Tracts. Each Owner will be required to install an individual water meter at the point where the tap has been previously established. The cost of electricity for operation of the well is being billed to the Owner of Tract 1. Each Owner agrees to pay the Owner of Tract 1 their percentage of the total electric service bill per year. Owner's percentage to be calculated upon their individual water use as compared to the total water usage as indicated on the well meter. The initial payment of \$132 shall be due at purchase and then pro-rated by the Owner of Tract 1 by January 31 of the following year.
4. Each Owner shall assure that the portion of his personal water distribution system shall in no way damage or otherwise adversely affect (such as over use and/or over consumption of water) the operation of the water system and the distribution of water to other Owners. Owners shall assure that any leaks, emergency conditions, maintenance needs, or other defects in Owner water systems are promptly repaired. It shall be each Owner's duty to reasonably inspect all components of the water system on Owner's property. Each Owner will be responsible for the cost of maintaining, repairing and replacing their individual waterlines and any other related facilities, which are not used in common with the other parties.
5. If any Owner, or agent or contractor of that Owner, causes damage to the well or its associated facilities and lines, then that Owner shall be responsible, at the sole expense of that Owner, for repairing such damage and taking whatever steps may be necessary to restore the supply of water to the property of the other Owners.
6. Each Owner shall be entitled to reasonable access to the common equipment of the water distribution. Since the well and water distribution equipment are located on different Tracts within *The Boulders*, reasonable access to the equipment is hereby granted to each Owner upon whose property the access may be required to all other Owner's, and others who may be authorized to perform some act or acts to maintain, repair, replace, or otherwise assure the proper operation of the well and water distribution equipment. Owners shall diligently respect all the property rights of other Owners. No Owner, by virtue of having granted this access to other Owners, shall be liable for any act or acts of the other Owners during such access.

7. In the event of an emergency, or at other times when the water service provided is inoperative or threatened with disruption or interruption, an Owner may authorize necessary repairs to restore such service to correct the emergency condition, or to avoid disruption or interruption, and the Owners agree and covenant to reimburse Owner for reasonable expenses incurred.
8. The water distributed shall be used exclusively for the domestic and household water needs of the Owners. Commercial use, sale or barter of water is prohibited. The total amount of water which may be taken from said well is up to three (3) acre feet per year. In the event the well is unable to produce such amounts of water without deepening or substantial modification of the distribution system, each Owner shall use not more than one-fifth of the water available or reasonably expected to be available; in the event the said water shortage may reasonably be alleviated by deepening or other modifications, such deepening or modification shall be deemed a repair and the cost thereof shall be shared equally by the Owners.
9. The Owners shall be diligent in their conservation of the water provided in accordance with this Agreement.
10. Any Owner may elect to drill his own well on his property and severed from the expenses of the well and water distribution system. The severed Owner will still be subject to the easement access created by this Declaration.
11. The provisions of this agreement shall attach to and run with the title to the respective Tracts as described above, and shall insure to the benefit of and be binding upon the Owner's respective heirs, devisees, personal representatives, grantees, successors and assigns.
12. Any modifications to this Agreement shall be by a majority vote of the Owners and shall be in writing.

IN WITNESS WHEREOF, Mundy Ranch, Inc. has hereunto set its hand and seal this 26 day of November, 2002.

 Pres  
 Mundy Ranch, Inc.  
 By: James W. Mundy, President

**ACKNOWLEDGMENT FOR CORPORATION**

STATE OF NEW MEXICO    )  
   ss.  
 COUNTY OF RIO ARRIBA    )

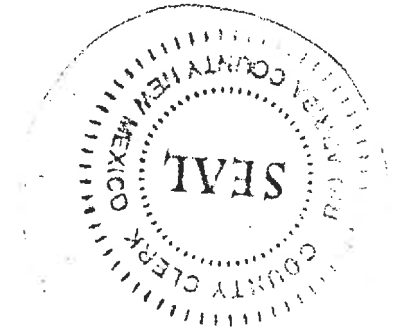
The following instrument was acknowledged before me this 26 day of November, 2002, by James W. Mundy, President, **MUNDY RANCH, INC.**, A New Mexico Corporation.

My commission expires:

(Seal) april 7, 2003

*Elvira M Flynn*

(Notary Public)



227850

FILED IN THE COUNTY  
 CLERK'S OFFICE  
 AT 8:25 O'CLOCK A M  
 Book 420 Page 1-3

NOV 27 2002

*D. Fred Sigel*  
 County Clerk RA County  
 New Mexico  
 By *[Signature]* Deputy

Thomas C. Turney  
State Engineer



Santa Fe Office  
PO BOX 25102  
SANTA FE, NM 87504-5102

**STATE OF NEW MEXICO  
STATE ENGINEER OFFICE**

Trn Nbr: 231111  
File Nbr: RG 78107

Jun. 10, 2002

HERMAN CANDELARIA  
HERMAN CANDELARIA MUNDY RANCH  
HC 75 BOX 81  
CHAMA, NM 87520

Greetings:

Enclosed is your copy of the 72-12-1 Permit which has been approved. Your attention is called to the Specific and the General Conditions of Approval of this permit.

In accordance with General Condition C, a well record shall be filed in this office within ten (10) days after completion of drilling. The well record is proof of completion of the well. IT IS YOUR RESPONSIBILITY TO ASSURE THAT THE WELL LOG BE FILED WITHIN 10 DAYS OF DRILLING THE WELL.

This permit will expire on or before 06/10/2003, unless the well has been drilled and the well log filed in this office.

Sincerely,

A handwritten signature in cursive script that reads "Buck Wells".

Buck Wells  
(505)827-6120

Enclosure

cc: Albuquerque Office

wr\_0lapp

**NEW MEXICO STATE ENGINEER OFFICE  
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS  
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES**

**1. APPLICANT**

Name: HERMAN CANDELARIA MUNDY RANCH Work Phone: 5057562324  
Contact: HERMAN CANDELARIA Home Phone: 5057563403  
Address: HC 75 BOX 81  
City: CHAMA State: NM Zip: 87520

**2. LOCATION OF WELL (E thru H optional)**

- A.    1/4    1/4    1/4 Section: 19 Township: 29N Range: 05E N.M.P.M.  
in Rio Arriba County
- B. X = 439800 feet, Y = 2088300 feet, N.M. Coordinate System  
Central Zone in the TIERRA AMARILLA LAND Grant.  
U.S.G.S Quad Map   6     3     1
- C. Latitude \_\_\_\_\_ Longitude \_\_\_\_\_
- D. East \_\_\_\_\_ meters, North \_\_\_\_\_ meters, UTM\_Zone   , Datum \_\_\_\_\_
- E. Give State Engineer File Number if existing well \_\_\_\_\_
- F. On land owned by \_\_\_\_\_
- G. Tract No. \_\_\_\_\_ Map No. \_\_\_\_\_ of the \_\_\_\_\_
- H. Lot No. \_\_\_\_\_ Block No. \_\_\_\_\_ of Unit/tract \_\_\_\_\_ of the  
\_\_\_\_\_ Subdivision recorded in County.
- I. Other PENASCO AMARILLO QUAD. MAP

**3. USE OF WATER**

MUL: More than one household, non-commercial trees, lawns and gardens not exceed a total of one acre.

2002 MAY 30 PM 2: 22  
OFFICE OF STATE ENGINEER  
SANTA FE, NEW MEXICO

Trn Desc: RG 78107  
Log Due Date: 6-10-03  
Form: wr-01

File Number: RG 78107  
Trn Number: 231111

**NEW MEXICO STATE ENGINEER OFFICE  
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS  
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**4. WELL INFORMATION (Change, Repair, Drill, Test, Supplement)**

Name of well driller and driller license number:  
1337 CHAMA WELL DRL. & PUMP SERV.

Approximate depth \_\_\_\_\_ feet, Outside diameter of casing \_\_\_\_\_ inches.

Change Location of existing well or replacement well

Repair or Deepen:  
 Clean out well to original depth  
 Deepen well from \_\_\_\_\_ to \_\_\_\_\_ feet  
 Other \_\_\_\_\_

Drill and test a well for \_\_\_\_\_ use.

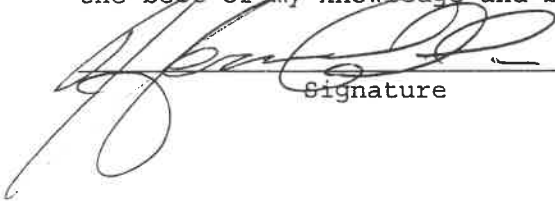
Supplemental well

**5. ADDITIONAL STATEMENTS OR EXPLANATIONS**

26.22 acres  
Township, Range and Section are projected.

**ACKNOWLEDGEMENT FOR NATURAL PERSONS**

I, HERMAN CAVILLAGIA affirm that the foregoing statements are true to  
(Please Print)  
the best of my knowledge and belief, By: Ranch Manager

  
Signature

\_\_\_\_\_  
Signature

**NEW MEXICO STATE ENGINEER OFFICE  
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IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES**

**GENERAL CONDITIONS OF APPROVAL (A thru I)**

- A The maximum amount of water that may be appropriated under this permit is 3 acre-feet in any year.
- B The well shall be drilled by a driller licensed in the State of New Mexico in accordance with Section 72-12-12 New Mexico Statutes Annotated. A licensed driller shall not be required for the construction of a driven well; provided, that the casing shall not exceed two and three-eighths (2 3/8) inches outside diameter (Section 72-12-12).
- C Driller's well record must be filed with the State Engineer within 10 days after the well is drilled or driven. Well record forms will be provided by the State Engineer upon request.
- D The casing shall not exceed 7 inches outside diameter except under specific conditions in which reasons satisfactory to the State Engineer are shown.
- E If the well under this permit is used at any time to serve more than one household or livestock in a commercial feed lot operation, or for drinking and sanitation purposes in conjunction with a commercial operation, the permittee shall notify the State Engineer Office in writing.
- F In the event this well is combined with other wells permitted under Section 72-12-1 New Mexico Statutes Annotated, the total outdoor use shall not exceed the irrigation of one acre of non-commercial trees, lawn, and garden, or the equivalent outside consumptive use, and the total appropriation for household and outdoor use from the entire water distribution system shall not exceed 3 acre-feet in any year.
- G If artesian water is encountered, all rules and regulations pertaining to the drilling and casing of artesian wells shall be complied with.
- H The amount and uses of water permitted under this Application are subject to such limitations as may be imposed by the courts or by lawful municipal and county ordinances which are more restrictive than applicable State Engineer Regulations and the conditions of this permit.

NEW MEXICO STATE ENGINEER OFFICE  
APPLICATION FOR PERMIT TO USE UNDERGROUND WATERS  
IN ACCORDANCE WITH SECTION 72-12-1 NEW MEXICO STATUTES

GENERAL CONDITIONS OF APPROVAL (Continued)

I The permittee shall utilize the highest and best technology available to ensure conservation of water to the maximum extent practical.

SPECIFIC CONDITIONS OF APPROVAL

5B A totalizing meter shall be installed before the first branch of the discharge line from the well and the installation shall be acceptable to the State Engineer; the Engineer shall be advised of the make, model, serial number, date of installation, and initial reading of the meter prior to appropriation of water; pumping records shall be submitted to the District Supervisor on or before the 10th of Jan., April, July and Oct. of each year for the 3 preceeding calendar months.

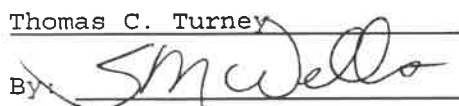
LOG This permit will automatically expire unless the well RG 78107 is completed and the well record filed on or before 06/10/2003.

ACTION OF STATE ENGINEER

This application is approved for the use indicated, subject to all general conditions and to specific conditions listed above.

Witness my hand and seal this 10 day of Jun A.D., 2002

Thomas C. Turney \_\_\_\_\_, State Engineer

By:  \_\_\_\_\_  
Buck Wells