

**AGENDA
CITY OF AZTEC
CITY COMMISSION WORKSHOP
September 22, 2015
201 W. Chaco, City Hall
5:00 p.m.**

5:00-6:00

- A. Discussion On City of Aztec Personnel Policy & Safety Policy

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

Note: A final agenda will be posted 24 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

Staff Summary Report

MEETING DATE: Sept 22, 2015
AGENDA ITEM: WORKSHOP
AGENDA TITLE: Discussion of Drug & Alcohol Policy

ACTION REQUESTED BY: Discussion and Direction
ACTION REQUESTED: City Staff
SUMMARY BY: City Staff

PROJECT DESCRIPTION / FACTS

Recently the Personnel Policy was updated and approved. Likewise the Safety Policy was undergoing changes and brought before Commission for Intent to Approve as an ordinance. During that process, changes were suggested that may or may not conflict with Personnel Policy. Specifically at issue is the Drug and Alcohol Policy.

City Staff is requesting direction from Commission regarding whether the City should take a "Zero Tolerance" approach or "So Many Strikes" approach with regards to drugs and alcohol.

If direction is not given, then perhaps the City should consider a Personnel Consultant to review both the Personnel Policy and Safety Policy to provide recommendations on what and where changes/improvements of these policies should occur.

PROCUREMENT / PURCHASING (if applicable)

None

FISCAL INPUT / FINANCE DEPARTMENT (if applicable)

If the commission directs staff to put the policies out for review, consultant costs will incur, of which it is unknown what that cost may be.

SUPPORT DOCUMENTS: Drug and Alcohol Policy (Current)
Drug and Alcohol Policy (Zero Tolerance)

DEPARTMENT'S RECOMMENDED MOTION: Discussion Only

SECTION 6. DISCIPLINARY ACTION AND TERMINATIONS

6.1 Purpose

The City expects employees to perform their assigned duties at or above satisfactory levels; to follow accepted standards of workplace behavior; and to comply strictly with all laws, rules and regulations.

6.2 Grounds for Disciplinary Actions

Listed below are some, but not all, of employee actions which are reasons for disciplinary action or automatic termination. *This list is not exclusive. Incidents requiring discipline shall be handled on a case-by-case basis.*

1. Probationary Employees. At any time during the probationary period, or any extensions thereof, an employee whose performance does not meet the required standards of the position shall be terminated if the Supervisor does not believe that an extension of the probationary period would be of benefit. In such cases, the employee does not have the right to the grievance procedure since the probationary period is the final step in the selection process of regular employees.
2. Obtaining employment on the basis of false or misleading information.
3. Insubordination.
4. Continued unsatisfactory performance of duties.
5. Failure to work overtime when directed to do so by a supervisor.
6. Working hours not authorized by Supervisor.
7. Unwillingness of an employee to work satisfactorily with others; specifically due to any type of discrimination because of race, color, religion, sex, national origin, age, disability, sexual orientation and gender identity, ancestry, physical or mental handicap, serious health condition, spousal affiliation, or any other legally protected status.
8. Violation of safety rules and policy which endangers oneself, other employees, or the public.
9. Willful, negligent or careless operation or maintenance of city equipment.
10. Use of foul or inappropriate language that is offensive to other employees, or the public.
11. Violation of the Drug and Alcohol Free Workplace Policy grounds for immediate termination.
12. Any employee convicted of a second or subsequent DWI Offense, in accordance with NM Self Insurers Fund Policy, shall be excluded from coverage.

13. Any employee exceeding 6 points in a twelve (12) month period on their driving record, in accordance with NM Self Insurers Fund Policy, shall be excluded from coverage.
14. Loss of driver's license.
15. Unauthorized absence(s).
16. Continual tardiness.
17. Conflict of interest which results in private gain to the employee or detriment to City.
18. Coercion, intimidation, assault (including sexual assault), or threat of reprisal to any other employee.
19. Harassment of any kind on or off work premises, at any time (during work or after work hours), through means of text messaging, emails, cyberbullying, phone calls, personal confrontation, gossip, city or privately owned computers or similar devices.
20. Any employee activity which is found to substantially affect or lead to diminishing of the integrity, efficiency, or discipline of city service.
21. Theft or willful destruction of city property or co-workers property.
22. Acceptance of bribes.
23. Employees charged with criminal activities. (Employees may be placed on Administrative Leave with Pay or Leave without Pay pending final determination, or may be assigned other duties pending a final outcome of the matter. Each situation under investigation shall be administered on a case-by-case basis. The City Attorney shall review each case and advise the Supervisor, the Personnel Administrator, and the City Manager.
24. Fraud, embezzlement, or vandalism from the City.
25. Abuse of legitimate grievance processes resulting in repeated unsubstantiated claims.
26. Conviction of a felony the following shall apply:

Any employee who is indicted for a felony or who is bound over to District Court may, unless incarcerated, be retained on duty in present position pending final disposition of the matter by a court of law. *Exception:* If the crime for which the employee has been indicted or bound over is due to an alleged impropriety against the government or is of heinous or repugnant nature, the City reserves the right to suspend employment (without pay) until the matter is resolved. No employee charged with theft, fraud, embezzlement or vandalism against the City will be allowed to work until final disposition has been made. If the employee is vindicated the section below shall apply.

If incarcerated the employee may be placed on Leave without Pay. If the crime of which the employee is accused involves a tort or injury to a fellow employee, then the employee who is alleged to be the victim may request leave. Leave with pay for the victim shall be approved by the City Manager.

27. Any employee accused of using his/her position with the City for personal gain or to intimidate, coerce, implicate, or influence another citizen, or to obtain special favor or consideration, shall be placed on Leave without Pay pending thorough investigation of the allegation. Legal authority shall immediately be consulted for investigation and recommended action in such matters.

SECTION 14. DRUG AND ALCOHOL POLICY

14.1 Purpose

The safety of the employee is a serious concern of the City of Aztec. Drug and alcohol use may pose a serious threat to the employees' safety. While at work, each City of Aztec employee has a responsibility to the public to deliver services in a safe, efficient, and conscientious manner. In order to perform a job in the safest manner possible, City of Aztec employees must be able to work in a drug-free environment and themselves be free from the effects of alcohol and other job impairing substances while on the job. Accordingly, while on the job or in the City of Aztec vehicle, the use, sale, distribution, possession, or being under the influence of an intoxicating liquor, controlled substance, drug not medically authorized, or any other substance which impairs job performance or poses a hazard to the safety and welfare of the employee, the public, or the other employees, is strictly prohibited and will result in disciplinary action up to and including termination.

The use of illegal drugs or alcohol on the job, or being under the influence of these substances, casts serious doubt on the employee's ability to perform his job functions and undermines the public confidence in the integrity of that employee and of the City of Aztec.

14.2 Policy

It shall be the policy of the City of Aztec to make reasonable efforts to maintain a drug and alcohol free work place. The City of Aztec shall have periodic training on the policy and on drug and alcohol abuse. This policy shall be given to each employee.

14.3 Definitions

Abuse of City of Aztec property

Is exemplified by, but not limited to, the following:

1. Negligent or willful damage or destruction of City of Aztec equipment or property;
2. Waste of materials or negligent loss of tools or materials;
3. Improper maintenance of equipment;
4. Damage caused by the use of tools or equipment for purposes other than that for which the tool or equipment was intended.

Accident

Any on the job injury which requires medical attention beyond first aid for the employee(s) and/or any other person involved, and/or cause the employee to lose time from work. It is also considered an accident when City of Aztec property has been damaged during the work shift. The damage property value shall be more than \$1,500 as determined by department head. Also see definition of vehicle accident/crash.

Alcohol

The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol.

Alcoholic beverage

Alcohol, or any beverage, containing more than one-half of one percent by volume, which is capable of use for beverage purposes, either alone or when diluted.

Alcohol concentration (or content)

The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an Evidential Breath Test (EBT) or converted from a urine or blood sample.

Authorized Personnel

Authorized personnel are the Personnel Administrator, City of Aztec Manager, and the specific Department Director. Also, on a case by case need to know, the supervisor shall also be considered authorized personnel. Personnel who are authorized to have access to alcohol or drug test results or medical information pertaining to this policy will maintain complete confidentiality regarding this information.

Collection Facility

A hospital, clinic, or laboratory, or other valid facilities, approved by the City of Aztec to be used to collect body fluid or breathe samples to be analyzed for specific controlled substances or alcohol. The facility will have all the required Human Resource, materials, equipment, and supervision to provide for the collection, security, temporary storage, and transportation of the samples to the testing facility, or to conduct alcohol testing.

Confidentiality

The results of any drug or alcohol test shall be strictly confidential and shall not be disclosed without the prior written approval of the employee tested unless otherwise required by law. However, nothing in this paragraph will prohibit the lab, the MRO, or testing facility from releasing information relevant to an employee's test results to the authorized City of Aztec personnel. Additionally, only those persons authorized and those directly involved in the decision making process related to the tested employee will obtain any drug or alcohol testing information retained by the City of Aztec. There may be some instances where overriding public health or safety concerns may require the release of information otherwise considered confidential.

Constitutional Rights of Employees

The City of Aztec respects the constitutional rights of its employees. All actions taken by City of Aztec officials shall be consistent with the Constitution and laws of the United States and the State of New Mexico.

Controlled substances

Any drug, substance or immediate precursor listed in Schedules I-V or Penalty Groups 1-4 of the Controlled Substance Act of 1988 as it may be revised from time to time.

Department Head

The person in charge of a department or designee.

Departmental policy

A Department's policy will prevail over this policy only where it is more restrictive than this policy and is not in direct conflict to this policy.

Disciplinary action

When this term is used it means ~~discipline up to and including~~ termination.

Drug or Illegal drug

Any drug in any detectable amount which is not legally obtainable; any drug which is legally obtainable but has not been legally obtained; any prescribed drug not legally obtained; any prescribed drug not being used for the prescribed purpose; any over-the-counter drug being used at a dosage level different than recommended by the manufacturer or being used for a purpose other than intended by the manufacturer; and any drug being used for a purpose not in accordance with bona fide medical therapy. Examples of illegal drugs are cannabis substances such as marijuana and hashish, cocaine, heroin, phencyclidine (PCP), and so-called designer drugs and look-alike drugs.

Manager

The City of Aztec Manager or designee.

Medical Review Officer (MRO)

A licensed physician (doctor or doctor of osteopathy) responsible for receiving laboratory results generated by an employer's drug testing program who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with his medical history and any other relevant biomedical information.

Motor vehicle

As defined by State Statute 66-1-4.11; "Every vehicle that is self-propelled."

Personnel Administrator

The Personnel Administrator or designee.

Physician

A physician licensed by the State Board of Medical Examiners.

Proper medical authorization

A prescription or other written approval from a physician for the use of a drug in the course of medical treatment. It must include the name of the substance, quantity/amount to be taken, the period of authorization, and whether the prescribed medication may impair the employee's job performance. This requirement also applies to refills of prescription drugs. The use of "medical marijuana" by any employee is not allowed under this policy. Marijuana is a prohibited drug in Schedule I of the Controlled Substances Act and it remains a violation of City policy for any employee to use marijuana.

Reasonable cause (or reasonable suspicion)

That the actions, appearance, and/or conduct of an employee who is on duty are indicative of the use of a controlled substance or alcohol. Reasonable suspicion shall include, but not be limited to, the following:

1. Abuse of City of Aztec property;

2. Employee behavior problems such as fighting, declining work performance, argumentative, uncooperative, or other disruptive behavior;
3. Receipt of written or oral statements by others concerning use of drugs or alcohol by employees or being under the influence;
4. Possession of any drug or alcoholic beverage, or any drug or alcoholic beverage container, or any drug paraphernalia, during working hours, in a City of Aztec vehicle or on City of Aztec property;
5. Indications of being under the influence or intoxication which include but not limited to the following:
 - Abnormally dilated or constricted pupils glassy eyes
 - Aggressiveness
 - Glazed stare or redness of eyes
 - Change of Speech (e.g. faster or slower)
 - Increased appetite for sweets
 - Change of personality (e.g. paranoia)
 - Inattentiveness
 - Constant fatigue or hyperactivity
 - Job impairment (inability to perform)
 - Constant sniffing
 - Difficulty walking
 - Mood swings
 - Disorientation needle marks
 - Drowsiness
 - Odor of alcohol
 - Dulled mental process
 - Excessive unexplained absences
 - Redness under nose
 - Excitement or Confusion
 - Sudden weight loss
 - Euphoria
 - Unsteady gait or balance
 - Flushed face
 - Other erratic behavior
 - Forgetfulness

Refusal to submit to alcohol or drug test

That an employee:

1. Refuses to sign a consent to testing form;
2. Fails to provide adequate breath or urine for testing without a valid medical explanation after he has received notice of the requirement for testing;
3. Engages in conduct that clearly obstructs the testing process.

Any refusal listed above will be treated the same as a positive illegal, controlled substance with a positive test result or a breath alcohol.

Substance abuse

Is exemplified by, but not limited to, the following:

1. Ingestion, inhalation, or injection of a controlled substance without proper written medical authorization;
2. Ingestion of an alcoholic beverage during working hours.
3. Ingestion of an alcoholic beverage in a City of Aztec vehicle, or while operating City of Aztec equipment, or while on call or stand by duty;
4. Ingestion inhalation, or injection of a controlled substance without proper medical authorization, or ingestion of an alcoholic beverage during non-working hours, which causes an employee to be unable to work in a safe and effective manner during working hours;
5. Use of prescription or over-the-counter medication in a manner which it was not intended.

Testing facility

A certified laboratory or facility, approved by the City of Aztec to analyze body fluid or breathe samples for specific controlled substances or alcohol. A copy of the City of Aztec Drug and Alcohol Policy shall be provided to the testing facility. The testing facility shall comply with the procedures outlined in this policy when conducting tests. The testing facility shall contact the City of Aztec Personnel Administrator.

Under the influence

Is defined as abnormal behavior during working hours or while on call or on standby duty, which results from indulging to any degree in any alcoholic beverage, controlled substance, or drug which may limit an employee's ability to safely and efficiently perform his duties or poses a threat to the safety of the employee or others.

Vehicle accident or crash

After a vehicle accident or crash in which an employee is involved during working hours and/or after a accident or crash in which the employee was at fault (as determined by law enforcement officer, safety coordinator, or supervisor) when driving a City of Aztec vehicle at any time.

Working hours (on duty)

From the time the employee arrives at the job site until the time he leaves including all lunch or other types of breaks.

14.4 Department Heads and Supervisors

1. Training. Department Heads and Supervisory employees will be provided with specialized training on alcohol misuse and drug abuse.
2. Supervisor's Responsibilities. When an observation or knowledge of an employee being under the influence of drugs or alcohol or who poses a hazard to the safety and

welfare of the employee or others, the supervisor will immediately notify the Department Head or designee in a confidential manner.

3. Department Head. If the Department Head makes a determination that reasonable suspicion exists to conduct a drug or alcohol test, the Department Head or designee will contact the HR Personnel Administrator to schedule a drug screen and if warranted a breath alcohol screen.
4. The Department Head or designee will transport the employee to the collection facility.
5. This information shall also be maintained in complete confidentiality as stated in this policy. Breach of confidentiality relating to test results or any other related matters will subject the employee to disciplinary action.

14.5 Employees

1. Notification to Supervisor of Authorized Drug Use. Each employee shall report the use of medically authorized drugs which can impair job performance to the immediate supervisor. It is the employee's responsibility to determine from the physician whether or not the drug would impair job performance depending upon the nature of the employee's job. Failure to report the use of such drugs or failure to provide proper evidence of medical authorization will result in disciplinary action. Any information received from an employee under this provision will be kept confidential except to the extent it may be shared with individuals who are in a need to know position.

The City of Aztec reserves the right to have a physician of its own choice determine if the medication produces hazardous effects at the prescribed dosage and may restrict the employee's work activity.

2. Additional Employee Responsibilities. Each employee who observes or has knowledge of another employee in an impaired condition to perform the job duties or who poses a hazard to the safety and welfare of the employee or others shall promptly report this fact to the immediate supervisor. The employee making the observations must file a written report to the suspected employee's supervisor by the end of the shift of observing or learning of the condition. Any employee concealing the use of or condition of being under the influence of drugs, controlled substances, or alcohol by other employees on the job, or failing to make such a report will be subject to disciplinary action.

Any employee who makes a reasonable cause observation or who may be a witness at an accident scene shall also maintain complete confidentiality. Breach of confidentiality in the matter will subject the employee to disciplinary action.

3. Call Back to Duty. Employees called back to work at a time when they are off duty and not on stand-by duty, and they have been consuming intoxicants, those employees shall report this usage to the person calling them for special duty. Employees will not be required to report for call back duty until such a time that they are in compliance with this drug and alcohol policy (or their own departmental policy if it is stricter than this policy).

4. Employee Cooperation. All employees are expected to cooperate in the testing process. Any conduct that clearly obstructs the testing process such as tampering with the specimen or the testing procedure will result in termination.
5. Required Drug and/or Alcohol Testing. Testing shall be conducted:
 - (1) After an offer of employment.
 - (2) After an accident (see definitions).
 - (3) After a vehicle accident (see definitions).
 - (4) When a reasonable suspicion exists (see definitions).
6. Testing Methods. The methods by which substance abuse or alcohol use will be tested may include, but are not limited to, the following:
 - (1) Urinalysis
 - (2) Breath analysis
 - (3) Blood screening
 - (4) Hair analysis
7. The supervisor of an employee who is seriously injured and cannot provide a breath or urine specimen at the time of the accident will notify the HR Personnel Administrator to notify the hospital and request that the hospital perform the tests necessary to determine the presence of controlled substances or alcohol in the employee's body at the time of the accident.

14.6 Procedures for Administering Tests

When an employee or applicant is required to submit to a drug and/or alcohol test, the employee or applicant shall complete a consent form prior to testing. The form authorizes the exam/test and the release of medical information regarding the medical condition and any test results. When the employee or applicant reports to the collection facility, he/she will be required to show positive picture identification. Consequently, employees are required to carry a valid driver's license with them while at work.

1. After an Offer of Employment. Refusal to submit to the drug/alcohol test will be regarded the same as a positive drug test result or breath alcohol greater than .02 and the job offer will be withdrawn.
2. After an Accident Requiring Medical Attention, Vehicle Accident, or Reasonable Suspicion. An employee shall be required to submit to a drug and/or alcohol test within two (2) hours. Refusal or failure to submit to the drug/alcohol test will be regarded the same as a positive drug test result or breath alcohol greater than .02 and the employee shall be subject to disciplinary action. If this is a subsequent positive, the employee shall be terminated.

When an employee is required to submit to a drug and/or alcohol test, due to an accident requiring medical attention, vehicle accident, or reasonable suspicion, the employee will be driven to the collection site by the Department Head or designee.

3. Medical Examination. If the employee is unable to provide adequate breath or urine to conduct testing, the City of Aztec may require the individual to undergo a medical

evaluation to develop pertinent information concerning whether the individual's inability to provide a specimen is genuine or constitutes a refusal to test. The cost of the medical exam shall be paid by the City of Aztec and the employee will remain on administrative pay while awaiting the results of the medical exam.

4. Waiting for the Test Result. The applicant will not be permitted to begin work with the City of Aztec until the results of the test are received by the Personnel Administrator.

An employee, who has been sent for a test due to suspicious reasonable cause, shall remain off duty with administrative pay until the results of the controlled substances test are received by the Personnel Administrator. However, when an employee has been sent for a test due to post accident, the Department Head shall determine whether the employee is to remain off duty in a leave of absence status or shall be permitted to continue work as long as the employee does not operate any motorized, gas powered equipment, or any vehicle.

5. Breathe Alcohol Testing. Alcohol testing may be obtained through the blood or urine analysis and the certified lab shall convert the analysis into a breath alcohol reading. However, the City of Aztec may choose to have the employee's breath alcohol content analyzed using an Evidential Breath Testing device (EBT) operated by a Breath Alcohol Technician (BAT). The test shall be conducted in a private setting.

14.7 Post Test Procedures and Exam Results

If requested, a copy of the results of the test shall be supplied to the employee tested and the original results shall be maintained in a locked cabinet in the Personnel Administrator 's office for a period of at least two years, after which time they may be destroyed. However, the Personnel Administrator may maintain the results and any reports on individuals who have violated this policy for the purpose of recording the number of violations.

1. Negative Results. If the test results are negative, no disciplinary hearing will be held.
2. Positive Results. A Medical Review Officer (MRO): shall review and interpret positive results obtained from the lab. The MRO will examine the possible alternate medical explanations for any positive test results and give the individual testing positive an opportunity to discuss the test results prior to making a final decision. The MRO will then contact the Personnel Administrator with the information. The MRO may verify a positive test result to the Personnel Administrator without having communicated with the employee if the employee expressly declines to discuss the results of the test, or if the employee has not contacted the MRO within 24 hours after notification.
3. Positive Drug Test Result. The employee will be immediately placed on unpaid administrative leave and will not be allowed to perform any work on behalf of the City of Aztec.
4. Second Sample. An employee whose urine sample has tested positive has the option, within 72 hours of being notified by the MRO, of having the other portion of the split sample tested by the same lab or another certified lab. The employee will remain on administrative leave while awaiting the results of the re-test.

- 1) If the second portion produces a negative result, or for any reason, the second portion is not available, the test is considered negative, no sanctions will be imposed and no disciplinary hearing will be held.
 - 2) If the second portion confirms a positive result, the employee will be provided with a notice of a meeting with Personnel Administrator and Department Head.
5. ~~First Time Offense. If this is the employee's first time for a positive result for drugs or alcohol testing .02 or greater the employee may voluntarily agree to be evaluated by a substance abuse professional (SAP) who will determine what assistance if any, the employee needs in resolving the problem. If the employee chooses to follow through with the course of action the SAP chooses, then the employee will not be terminated for drug abuse at this time.~~
- 1) ~~If the employee tests positive for illegal drugs they will not be allowed to return to work until they provide a negative test result. The employee will be on unpaid administrative leave but can use any other leave time (e.g., sick leave, vacation) available. The employee will also be responsible for 100% of the cost for testing and fees. The City will specify the testing facility.~~
 - 2) ~~Once the employee has returned to work, the employee shall be required to submit to unannounced drug and alcohol testing at least six times while on duty during the 12 months agreement for improvement process. The employee's Department Head and/or the Personnel Administrator will determine when the unannounced tests will be conducted.~~
 - 3) ~~If the employee chooses not to be evaluated by the professional or the employee does not follow through with the course of action directed by the SAP, then this action by the employee shall be treated as though this were a subsequent positive result.~~
 - 4) ~~This does not apply to an employee on their initial probation period. An employee on initial probationary period will be terminated.~~
6. ~~Subsequent Positive Results. For drugs or alcohol testing at .02 or greater will result in termination of the employee's employment with the City of Aztec, regardless of any break in service.~~

14.8 Operation of Vehicles and Equipment

Any time the alcohol test produces a positive test equal to or greater than 0.02, the Department Head or designee shall ensure that the employee does not drive himself home in either his personal vehicle or in an assigned City of Aztec vehicle.

Under no instances shall an employee operate a motor vehicle or motorized equipment while he is suspected of or is intoxicated, under the influence of drugs, or under the influence of medication which may affect the employee's ability to operate such equipment.

14.9 Searches and Inspections at the Workplace

An employee as well as City of Aztec property and equipment may be searched when there is reasonable suspicion to believe that the employee is in violation of this policy.

The City of Aztec may conduct general inspection and searches for drugs or alcohol on City of Aztec premises or in City of Aztec vehicles or equipment wherever located. Searches and inspections may be initiated without prior notification and conducted at times and locations deemed appropriate by the City of Aztec.

An employee may have the right to refuse a search, however, an employee's consent to a search is required as a condition of employment and the employee's refusal will result in disciplinary action up to and including termination, even for a first refusal. Employee has the right of a third party of their choice present during the search.

Controlled substances, drugs believed to be illegal; drug paraphernalia found on City of Aztec property will be turned over to the appropriate law enforcement agency and full cooperation given to any subsequent investigation. Substances which may be identified as an illegal drug by a layman's examination will be turned over to law enforcement authorities as well.

14.10 Employee Convictions

Any employee cited or arrested of a violation of a criminal drug or alcohol statute must notify the City of Aztec of such conviction within five (5) days of the conviction occurring. Convictions are subject to disciplinary action up to and including termination even for the first offense.

14.11 Special Provisions

Police Detectives and Officers who are required to be in possession of firearms, alcohol, or drugs in the course and scope of their employment, will be exempt from the provisions of this policy pertaining to possession of. Police employees are instructed to refer to the guidelines established by the Department's internal operating procedures.

14.12 Reservation of Rights

The City of Aztec reserves the rights to interpret, change, rescind, or depart from this policy in whole or in part without notice. Nothing contained in this policy shall be construed as creating or constituting a contract with any employee, whether expressed or implied.

14.13 Disciplinary Leave

~~An employee who receives disciplinary leave specific to this policy shall get three (3) scheduled work days without pay.~~

SECTION 14. DRUG AND ALCOHOL POLICY

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When this term is used it means discipline up to and including termination.

Drug or Illegal drug

Any drug in any detectable amount which is not legally obtainable; any drug which is legally obtainable but has not been legally obtained; any prescribed drug not legally obtained; any prescribed drug not being used for the prescribed purpose; any over-the-counter drug being used at a dosage level different than recommended by the manufacturer or being used for a purpose other than intended by the manufacturer; and any drug being used for a purpose not in accordance with bona fide medical therapy. Examples of illegal drugs are cannabis substances such as marijuana and hashish, cocaine, heroin, phencyclidine (PCP), and so-called designer drugs and look-alike drugs.

Manager

The City of Aztec Manager or designee.

Medical Review Officer (MRO)

A licensed physician (doctor or doctor of osteopathy) responsible for receiving laboratory results generated by an employer's drug testing program who has knowledge of substance abuse disorders and has appropriate medical training to interpret and evaluate an individual's confirmed positive test result together with his medical history and any other relevant biomedical information.

Motor vehicle

As defined by State Statute 66-1-4.11; "Every vehicle that is self-propelled."

Personnel Administrator

The Personnel Administrator or designee.

Physician

A physician licensed by the State Board of Medical Examiners.

Proper medical authorization

A prescription or other written approval from a physician for the use of a drug in the course of medical treatment. It must include the name of the substance, quantity/amount to be taken, the period of authorization, and whether the prescribed medication may impair the employee's job performance. This requirement also applies to refills of prescription drugs. The use of "medical marijuana" by any employee is not allowed under this policy. Marijuana is a prohibited drug in Schedule I of the Controlled Substances Act and it remains a violation of City policy for any employee to use marijuana.

Reasonable cause (or reasonable suspicion)

That the actions, appearance, and/or conduct of an employee who is on duty are indicative of the use of a controlled substance or alcohol. Reasonable suspicion shall include, but not be limited to, the following:

1. Abuse of City of Aztec property;
2. Employee behavior problems such as fighting, declining work performance, argumentative, uncooperative, or other disruptive behavior;
3. Receipt of written or oral statements by others concerning use of drugs or alcohol by employees or being under the influence;

4. Possession of any drug or alcoholic beverage, or any drug or alcoholic beverage container, or any drug paraphernalia, during working hours, in a City of Aztec vehicle or on City of Aztec property;
5. Indications of being under the influence or intoxication which include but not limited to the following:
 - Abnormally dilated or constricted pupils glassy eyes
 - Aggressiveness
 - Glazed stare or redness of eyes
 - Change of Speech (e.g. faster or slower)
 - Increased appetite for sweets
 - Change of personality (e.g. paranoia)
 - Inattentiveness
 - Constant fatigue or hyperactivity
 - Job impairment (inability to perform)
 - Constant sniffing
 - Difficulty walking
 - Mood swings
 - Disorientation needle marks
 - Drowsiness
 - Odor of alcohol
 - Dulled mental process
 - Excessive unexplained absences
 - Redness under nose
 - Excitement or Confusion
 - Sudden weight loss
 - Euphoria
 - Unsteady gait or balance
 - Flushed face
 - Other erratic behavior
 - Forgetfulness

Refusal to submit to alcohol or drug test

That an employee:

1. Refuses to sign a consent to testing form;
2. Fails to provide adequate breath or urine for testing without a valid medical explanation after he has received notice of the requirement for testing;
3. Engages in conduct that clearly obstructs the testing process.

Any refusal listed above will be treated the same as a positive illegal, controlled substance with a positive test result or a breath alcohol.

Substance abuse

Is exemplified by, but not limited to, the following:

1. Ingestion, inhalation, or injection of a controlled substance without proper written medical authorization;
2. Ingestion of an alcoholic beverage during working hours.
3. Ingestion of an alcoholic beverage in a City of Aztec vehicle, or while operating City of Aztec equipment, or while on call or stand by duty;
4. Ingestion inhalation, or injection of a controlled substance without proper medical authorization, or ingestion of an alcoholic beverage during non-working hours, which causes an employee to be unable to work in a safe and effective manner during working hours;
5. Use of prescription or over-the-counter medication in a manner which it was not intended.

Testing facility

A certified laboratory or facility, approved by the City of Aztec to analyze body fluid or breathe samples for specific controlled substances or alcohol. A copy of the City of Aztec Drug and Alcohol Policy shall be provided to the testing facility. The testing facility shall comply with the procedures outlined in this policy when conducting tests. The testing facility shall contact the City of Aztec Personnel Administrator.

Under the influence

Is defined as abnormal behavior during working hours or while on call or on standby duty, which results from indulging to any degree in any alcoholic beverage, controlled substance, or drug which may limit an employee's ability to safely and efficiently perform his duties or poses a threat to the safety of the employee or others.

Vehicle accident

After a vehicle accident in which an employee is involved during working hours and/or after a vehicle accident in which the employee was at fault (as determined by law enforcement officer, safety coordinator, or supervisor) when driving a City of Aztec vehicle at any time.

Working hours (on duty)

From the time the employee arrives at the job site until the time he leaves including all lunch or other types of breaks.

14.4 Department Heads and Supervisors

1. Training. Department Heads and Supervisory employees will be provided with specialized training on alcohol misuse and drug abuse.
2. Supervisor's Responsibilities. When an observation or knowledge of an employee being under the influence of drugs or alcohol or who poses a hazard to the safety and welfare of the employee or others, the supervisor will immediately notify the Department Head or designee in a confidential manner.
3. Department Head. If the Department Head makes a determination that reasonable suspicion exists to conduct a drug or alcohol test, the Department Head or designee

will contact the HR Personnel Administrator to schedule a drug screen and if warranted a breath alcohol screen.

4. The Department Head or designee will transport the employee to the collection facility.
5. This information shall also be maintained in complete confidentiality as stated in this policy. Breach of confidentiality relating to test results or any other related matters will subject the employee to disciplinary action.

14.5 Employees

1. Notification to Supervisor of Authorized Drug Use. Each employee shall report the use of medically authorized drugs which can impair job performance to the immediate supervisor. It is the employee's responsibility to determine from the physician whether or not the drug would impair job performance depending upon the nature of the employee's job. Failure to report the use of such drugs or failure to provide proper evidence of medical authorization will result in disciplinary action. Any information received from an employee under this provision will be kept confidential except to the extent it may be shared with individuals who are in a need to know position.

The City of Aztec reserves the right to have a physician of its own choice determine if the medication produces hazardous effects at the prescribed dosage and may restrict the employee's work activity.

2. Additional Employee Responsibilities. Each employee who observes or has knowledge of another employee in an impaired condition to perform the job duties or who poses a hazard to the safety and welfare of the employee or others shall promptly report this fact to the immediate supervisor. The employee making the observations must file a written report to the suspected employee's supervisor by the end of the shift of observing or learning of the condition. Any employee concealing the use of or condition of being under the influence of drugs, controlled substances, or alcohol by other employees on the job, or failing to make such a report will be subject to disciplinary action.

Any employee who makes a reasonable cause observation or who may be a witness at an accident scene shall also maintain complete confidentiality. Breach of confidentiality in the matter will subject the employee to disciplinary action.

3. Call Back to Duty. Employees called back to work at a time when they are off duty and not on stand-by duty, and they have been consuming intoxicants, those employees shall report this usage to the person calling them for special duty. Employees will not be required to report for call back duty until such a time that they are in compliance with this drug and alcohol policy (or their own departmental policy if it is stricter than this policy).
4. Employee Cooperation. All employees are expected to cooperate in the testing process. Any conduct that clearly obstructs the testing process such as tampering with the specimen or the testing procedure will result in termination.

5. Required Drug and/or Alcohol Testing. Testing shall be conducted:
 - (1) After an offer of employment.
 - (2) After an accident (see definitions).
 - (3) After a vehicle accident (see definitions).
 - (4) When a reasonable suspicion exists (see definitions).
6. Testing Methods. The methods by which substance abuse or alcohol use will be tested may include, but are not limited to, the following:
 - (1) Urinalysis
 - (2) Breath analysis
 - (3) Blood screening
 - (4) Hair analysis
7. The supervisor of an employee who is seriously injured and cannot provide a breath or urine specimen at the time of the accident will notify the HR Personnel Administrator to notify the hospital and request that the hospital perform the tests necessary to determine the presence of controlled substances or alcohol in the employee's body at the time of the accident.

14.6 Procedures for Administering Tests

When an employee or applicant is required to submit to a drug and/or alcohol test, the employee or applicant shall complete a consent form prior to testing. The form authorizes the exam/test and the release of medical information regarding the medical condition and any test results. When the employee or applicant reports to the collection facility, he/she will be required to show positive picture identification. Consequently, employees are required to carry a valid driver's license with them while at work.

1. After an Offer of Employment. Refusal to submit to the drug/alcohol test will be regarded the same as a positive drug test result or breath alcohol greater than .02 and the job offer will be withdrawn.
2. After an Accident Requiring Medical Attention, Vehicle Accident, or Reasonable Suspicion. An employee shall be required to submit to a drug and/or alcohol test within two (2) hours. Refusal or failure to submit to the drug/alcohol test will be regarded the same as a positive drug test result or breath alcohol greater than .02 and the employee shall be subject to disciplinary action. If this is a subsequent positive, the employee shall be terminated.

When an employee is required to submit to a drug and/or alcohol test, due to an accident requiring medical attention, vehicle accident, or reasonable suspicion, the employee will be driven to the collection site by the Department Head or designee.

3. Medical Examination. If the employee is unable to provide adequate breath or urine to conduct testing, the City of Aztec may require the individual to undergo a medical evaluation to develop pertinent information concerning whether the individual's inability to provide a specimen is genuine or constitutes a refusal to test. The cost of the medical exam shall be paid by the City of Aztec and the employee will remain on administrative pay while awaiting the results of the medical exam.

4. Waiting for the Test Result. The applicant will not be permitted to begin work with the City of Aztec until the results of the test are received by the Personnel Administrator.

An employee, who has been sent for a test due to suspicious reasonable cause, shall remain off duty with administrative pay until the results of the controlled substances test are received by the Personnel Administrator. However, when an employee has been sent for a test due to post accident, the Department Head shall determine whether the employee is to remain off duty in a leave of absence status or shall be permitted to continue work as long as the employee does not operate any motorized, gas powered equipment, or any vehicle.

5. Breathe Alcohol Testing. Alcohol testing may be obtained through the blood or urine analysis and the certified lab shall convert the analysis into a breath alcohol reading. However, the City of Aztec may choose to have the employee's breath alcohol content analyzed using an Evidential Breath Testing device (EBT) operated by a Breath Alcohol Technician (BAT). The test shall be conducted in a private setting.

14.7 Post Test Procedures and Exam Results

If requested, a copy of the results of the test shall be supplied to the employee tested and the original results shall be maintained in a locked cabinet in the Personnel Administrator 's office for a period of at least two years, after which time they may be destroyed. However, the Personnel Administrator may maintain the results and any reports on individuals who have violated this policy for the purpose of recording the number of violations.

1. Negative Results. If the test results are negative, no disciplinary hearing will be held.
2. Positive Results. A Medical Review Officer (MRO): shall review and interpret positive results obtained from the lab. The MRO will examine the possible alternate medical explanations for any positive test results and give the individual testing positive an opportunity to discuss the test results prior to making a final decision. The MRO will then contact the Personnel Administrator with the information. The MRO may verify a positive test result to the Personnel Administrator without having communicated with the employee if the employee expressly declines to discuss the results of the test, or if the employee has not contacted the MRO within 24 hours after notification.
3. Positive Drug Test Result. The employee will be immediately placed on unpaid administrative leave and will not be allowed to perform any work on behalf of the City of Aztec.
4. Second Sample. An employee whose urine sample has tested positive has the option, within 72 hours of being notified by the MRO, of having the other portion of the split sample tested by the same lab or another certified lab. The employee will remain on administrative leave while awaiting the results of the re-test.
 - 1) If the second portion produces a negative result, or for any reason, the second portion is not available, the test is considered negative, no sanctions will be imposed and no disciplinary hearing will be held.

- 2) If the second portion confirms a positive result, the employee will be provided with a notice of a meeting with Personnel Administrator and Department Head.
5. First Time Offense. If this is the employee's first time for a positive result for drugs or alcohol testing .02 or greater the employee may voluntarily agree to be evaluated by a substance abuse professional (SAP) who will determine what assistance if any, the employee needs in resolving the problem. If the employee chooses to follow through with the course of action the SAP chooses, then the employee will not be terminated for drug abuse at this time.
- 1) If the employee tests positive for illegal drugs they will not be allowed to return to work until they provide a negative test result. The employee will be on unpaid administrative leave but can use any other leave time (e.g., sick leave, vacation) available. The employee will also be responsible for 100% of the cost for testing and fees. The City will specify the testing facility.
 - 2) Once the employee has returned to work, the employee shall be required to submit to unannounced drug and alcohol testing at least six times while on duty during the 12 months agreement for improvement process. The employee's Department Head and/or the Personnel Administrator will determine when the unannounced tests will be conducted.
 - 3) If the employee chooses not to be evaluated by the professional or the employee does not follow through with the course of action directed by the SAP, then this action by the employee shall be treated as though this were a subsequent positive result.
 - 4) This does not apply to an employee on their initial probation period. An employee on initial probationary period will be terminated.
6. Subsequent Positive Results. For drugs or alcohol testing at .02 or greater will result in termination of the employee's employment with the City of Aztec, regardless of any break in service.

14.8 Operation of Vehicles and Equipment

Any time the alcohol test produces a positive test equal to or greater than 0.02, the Department Head or designee shall ensure that the employee does not drive himself home in either his personal vehicle or in an assigned City of Aztec vehicle.

Under no instances shall an employee operate a motor vehicle or motorized equipment while he is suspected of or is intoxicated, under the influence of drugs, or under the influence of medication which may affect the employee's ability to operate such equipment.

14.9 Searches and Inspections at the Workplace

An employee as well as City of Aztec property and equipment may be searched when there is reasonable suspicion to believe that the employee is in violation of this policy.

The City of Aztec may conduct general inspection and searches for drugs or alcohol on City of Aztec premises or in City of Aztec vehicles or equipment wherever located. Searches and

inspections may be initiated without prior notification and conducted at times and locations deemed appropriate by the City of Aztec.

An employee may have the right to refuse a search, however, an employee's consent to a search is required as a condition of employment and the employee's refusal will result in disciplinary action up to and including termination, even for a first refusal. Employee has the right of a third party of their choice present during the search.

Controlled substances, drugs believed to be illegal; drug paraphernalia found on City of Aztec property will be turned over to the appropriate law enforcement agency and full cooperation given to any subsequent investigation. Substances which may be identified as an illegal drug by a layman's examination will be turned over to law enforcement authorities as well.

14.10 Employee Convictions

Any employee cited or arrested of a violation of a criminal drug or alcohol statute must notify the City of Aztec of such conviction within five (5) days of the conviction occurring. Convictions are subject to disciplinary action up to and including termination even for the first offense.

14.11 Special Provisions

Police Detectives and Officers who are required to be in possession of firearms, alcohol, or drugs in the course and scope of their employment, will be exempt from the provisions of this policy pertaining to possession of. Police employees are instructed to refer to the guidelines established by the Department's internal operating procedures.

14.12 Reservation of Rights

The City of Aztec reserves the rights to interpret, change, rescind, or depart from this policy in whole or in part without notice. Nothing contained in this policy shall be construed as creating or constituting a contract with any employee, whether expressed or implied.

14.13 Disciplinary Leave

An employee who receives disciplinary leave specific to this policy shall get three (3) scheduled work days without pay.

A G E N D A
CITY OF AZTEC
CITY COMMISSION MEETING
September 22, 2015
201 W. Chaco, City Hall
6:00 p.m.

I. CALL TO ORDER

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ROLL CALL

V. AGENDA APPROVAL

VI. PRESENTATION

A. Crime Stoppers-Jamie Harcrow

VII. CITIZEN RECOGNITION

VIII. EMPLOYEE RECOGNITION

IX. CONSENT AGENDA

- A. Commission Workshop Meeting Minutes, September 8, 2015
- B. Commission Meeting Minutes, September 8, 2015
- C. Travel Requests
- D. Resolution 2015-970 Surplus
- E. Finance Department Record Destruction
- F. Bid 2016-0529 Municipal Building Re-Roofing Award
- G. Bid 2016-534 N Main Corridor Phase 0
- H. 2016 Airport Maintenance Grant
- I. Library Services Agreement With San Juan County
- J. Senior Citizen Services Agreement with San Juan County

Items placed on the Consent Agenda will be voted on with one motion. If any item proposed does not meet the approval of all Commissioners, a Commissioner may request that the item be heard under "Items from Consent Agenda"

X. ITEMS FROM CONSENT AGENDA

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

Note: A final agenda will be posted 24 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

XI. CITIZENS INPUT (3 Minutes Maximum)

(Citizens who wish to speak will sign up prior to the meeting. This is for items not otherwise listed on the agenda)

XI. BUSINESS ITEMS

- A. Business Holiday Lighting Contest
- B. Business HUB
- C. City Flood Response

XII. LAND USE HEARING

- A. 2015-112 Oil And Gas Application

XIII. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS

XIV. DEPARTMENT REPORTS

(When this item is announced, all Department Heads who wish to give a report will move to the podium)

XV. ADJOURNMENT

ATTENTION PERSONS WITH DISABILITIES: The meeting room and facilities are fully accessible to persons with mobility disabilities. If you plan to attend the meeting and will need an auxiliary aid or service, please contact the City Clerk's Office at 334-7600 prior to the meeting so that arrangements can be made.

Note: A final agenda will be posted 24 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

CITY OF AZTEC
COMMISSION WORKSHOP MINUTES
September 8, 2015

I. CALL TO ORDER

Mayor Burbridge called the meeting in to order at 5:15pm at the Aztec City Commission Room City hall 201 W. Chaco, Aztec NM.

MEMBERS PRESENT: Mayor, Sally Burbridge; Mayor Pro-Tem Sipe; Commissioner, Sheri Rogers; Commissioner, Roberta Locke; Commissioner, Katee McClure

MEMBERS ABSENT: None

OTHERS PRESENT: City Manager, Joshua Ray; Finance Director, Kathy Lamb; City Clerk, Karla Sayler

A. Change Orders

Josh Ray, City Manager opened the workshop mentioning that this workshop is for direction for development of formal process for change orders. The current process for changes orders requires all to be presented to City Commission for approval. Josh mentioned that the problem with this is that many change orders presented are in process or completed which is contrary to the informal process and places vendors at risk without written authorization. Department Heads or Project Managers are required to provide direction to avoid time delays and increased costs the results of unexpected field conditions which may change the scope of work and changes in quantities due to incorrect estimates. Also special commission meetings due to public notice requirements may not be able to be convened to avoid time delays on projects resulting in increased costs beyond the change order.

The request being brought forth for discussion is to create a formal process or policy which allows staff with the City Manager approval to provide direction and approval without Commission action. The proposed process would include a field directive to be issued for adjustments in quantities and or time on an existing contract. The final change order at project completion would be prepared to adjust the contract to actual quantities and adjust contract time, a change order would be issued for a change in scope of a project then a reporting process would need to be defined by Commission. Minor changes in scope of work do not present a procurement dilemma, however expanding a project beyond its original intent, could be a procurement violation.

Commission came up with the following proposal for process:

Projects Under \$60,000

10% of the total project or \$6,000, whichever is GREATER, change orders can be approved by the City Manager

Updates should be provided to Commission

Anything over the 10% (either with one change order or composite total) threshold shall go to Commission for approval.

Projects From \$60,000 to \$600,00

Change orders below 10% of the total project can be approved by the City Manager, with updates to Commission.

Anything over the 10% (either with one change order or composite total) threshold shall go to Commission for approval.

Projects over \$600,000

Change order process will be set for larger projects as the project is awarded by Commission.

II. Adjournment

Mayor Burbridge adjourned the Workshop at 5:55 pm.

Mayor, Sally Burbridge

ATTEST:

Karla Saylor, City Clerk

MINUTES PREPARED BY:

Karla Saylor, City Clerk

CITY OF AZTEC
COMMISSION MEETING MINUTES
September 8, 2015

I. CALL TO ORDER

Mayor Burbridge called the Meeting to order at 6:00pm at the Aztec City Commission Room, City Hall, 201 W. Chaco, Aztec, NM.

II. INVOCATION

The Invocation was led by Judge, Carlton Gray

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Electric Director, Ken George

IV. ROLL CALL

Members Present: Mayor, Sally Burbridge; Mayor Pro-Tem, Sherri Sipe; Commissioner, Katee McClure; Commissioner, Sheri Rogers; Commissioner, Roberta Locke

Members Absent: None

Others Present: City Attorney, Larry Thrower; City Manager, Joshua Ray; City Clerk, Karla Sayler; Project Manager, Ed Kotyk (see attendance sheet)

V. AGENDA APPROVAL

MOVED by Commissioner Locke, SECONDED by Mayor Pro-Tem Sipe to Approve the Agenda As Presented

VI. PROCLAMATION

A. Constitution Week September 21-23, 2015

Mayor Burbridge recited the proclamation declaring September 21-23, 2015 as Constitution Week.

B. Manufacturing Day September 29, 2015

Mayor Burbridge recited the proclamation declaring September 29, 2015 as Manufacturing Day in the City of Aztec.

VII. CITIZEN RECOGNITION

Josh recognized Church of Christ Pastor, Johnathan Dobbs for their actions in the Animas River Contamination event. He mentioned that the Church stored and donated water to citizens during this time. He mentioned that they received 36 pallets total of water that was donated.

VIII. EMPLOYEE RECOGNITION

None

IX. CONSENT AGENDA

MOVED by Mayor Pro-Tem Sipe, SECONDED by Commissioner Locke to Approve the Consent Agenda as presented

- A. Commission Workshop Meeting Minutes, August 25, 2015
- B. Commission Meeting Minutes, August 25, 2015
- C. Travel Requests
- D. NMDFA LGD Approval of FY16 Annual Final Budget Approval
- E. ICIP Resolution 2015-967 Adopting the 2017-2021 Infrastructure Capital Improvement Plan For The City Of Aztec Senior Center
- F. Resolution 2015-968 Declaring the City of Aztec To Be Under State of Disaster Due to Flooding
- G. Resolution 2015-969 Surplus

X. ITEMS FROM CONSENT AGENDA

None

XI. CITIZENS INPUT

Citizens from the Aztec community addressed Commission on issues, concerns and damages on their properties during the flood. Mayor Burbridge mentioned that there will be Public meetings on September 15 & 16 at City Hall for citizens with updates on the flood. Josh mentioned that they are searching for money from FEMA or State agencies to reimburse citizens for damages to their homes. He mentioned that they have to have a composite of 170 houses that have been impacted. He mentioned that there are sheets available tonight for citizens to fill out with their information and an estimate of what the damages cost so the City can start a data base on properties that have been impacted so that the City can get hopefully some kind of relief for citizens.

XII. BUSINESS ITEMS

- A. Final Adoption of Ordinance 2015-445 Amending Article I, Section 17.1 of Chapter 17-Personnel Policy

Josh mentioned that this is the final adoption of the Personnel Policy and there have been no changes. There was a change made to page 6 on minimum hours of vacation to sell back which will be 100 also a personal day will be given to employees immediately upon employment. There were questions on domestic partnership policy on sick leave. Mr. Jim Crowley gave input to commission on domestic partnerships mentioning that there are no definitions on what domestic partnership means.

MOVED by Commissioner Rogers, SECONDED by Commissioner Locke to Final Adoption of Ordinance 2015-445 Amending of Article 1, Section 17.1 of Chapter 17- Personnel Policy

A Roll Call Was Taken: All Voted Aye; Motion Passed Five to Zero

B. Intent to Adopt Ordinance 2015-447 Amending of Article I, Section 17.1 of Chapter 17-Peronnel Policy

Josh mentioned that Ordinance 2015-445 was the first revision to the personnel policy and ordinance 2015-446 was an ordinance amending the safety policy whereby changes submitted to commission were not approved as such led to a conflict with Section 17 drug and alcohol policy of the personnel policy. Mayor Burbridge would like to postpone this and have a workshop on both the personnel and safety policies.

MOVED by Mayor Burbridge, SECONDED by Mayor Pro-Tem Sipe to Postpone Approval Of Intent of Adoption of Ordinance 2015-447 Amending of Article 1, Section 17.1 of Chapter 17-Personnel Policy to Have Workshop for Discussion

A Roll Call Was Taken: All Voted Aye; Motion Passed Five to Zero

XIII. LAND USE HEARINGS

None

XIV. CITY MANAGER/COMMISSIONERS/ATTORNEY REPORTS

Josh mentioned that he is pleased with all the efforts that have been made to get information out to the public on issues that have arisen in the City with the flood and river contamination events.

Mayor Burbridge mentioned that she attended the NMML Annual Conference in Albuquerque and mentioned that she was elected Vice President of the New Mexico Municipal League.

Mayor Pro-Tem Sipe reported that she attended the NMML Annual Conference and mentioned that Mayor Burbridge is highly thought of by the NMML. . She also thanked all the crews that have been out helping with the flood issues.

Commissioner Rogers mentioned communication worked well during the flood. She also thanked all who are working on flood responses.

Commissioner Locke thanked all who have helped with the flood. She mentioned that there will be a Library meeting on September 9th and the Cancer walkathon will be on Saturday, September 12th. She mentioned that she will be attending the MOLI certification conference in Santa Fe on September 22-25.

Commissioner McClure mentioned the upcoming Holiday Lighting Contest mentioning that she would like to have a workshop or a discussion on the event.

XVI. DEPARTMENT REPORTS

XVII. CLOSED SESSION

Mayor Burbridge moved the meeting into Closed Session Pursuant to Section 10-15-1H(8) Purchase of Real Property and Pursuant to Section 10-15-1H(7) Pending Litigation at 7:25 pm. Mayor Burbridge voted aye, Mayor Pro-Tem voted aye, Commissioner Rogers voted aye, Commissioner Locke voted aye, Commissioner McClure voted aye.

XVIII. ADJOURNMENT

Mayor Burbridge reopened the meeting at 8:45pm stating that nothing was discussed other than items Pursuant to Section 10-15-1H(8) Purchase of Real Property and Pursuant to Section 10-15-1H(7) Pending Litigation. Mayor Burbridge voted aye, Mayor Pro-Tem voted aye, Commissioner Rogers voted aye, Commissioner Locke voted aye, Commissioner McClure voted aye.

Moved by Mayor Burbridge, SECONDED by Mayor Pro-Tem Sipe to adjourn the meeting at 8:46 pm.

Mayor, Sally Burbridge

ATTEST:

Karla Sayler, City Clerk

MINUTES PREPARED BY:

Karla Sayler, City Clerk

Staff Summary Report

MEETING DATE: September 22, 2015
AGENDA ITEM: IX. CONSENT AGENDA (C)
AGENDA TITLE: Travel Requests

ACTION REQUESTED BY: Commission, Public Works, Utility, Admin. & Comm. Dev.
ACTION REQUESTED: Approval of Employee/Public Official Travel Requests
SUMMARY BY: Cheryl Franklin

PROJECT DESCRIPTION / FACTS (Leading Department)

- Resolution 2003-603 identifies the requirement for employee/public official travel requests to be pre-approved by the commission. All travel requests will be submitted to the commission for approval prior to the travel occurring except in unusual circumstances when the City Manager may approve as provided in resolution 2003-603.
- The attached log is sorted by dates of travel and then by department. One request for travel had already occurred and the Commission is requesting approval for travel on the date of this meeting; however, the remaining requests are dated for future.
- If travel/training is to be reimbursed or some of the costs will be paid by another entity, those notes have been included on the log.

FISCAL INPUT (Finance Department)

- All departments requesting travel have sufficient funds budgeted within their travel/training budgets

SUPPORT DOCUMENTS: Travel Log September 22, 2015

DEPARTMENT'S RECOMMENDED MOTION: Approve Employee/Public Official Travel Requests

**EMPLOYEE/PUBLIC OFFICIAL TRAVEL REQUESTS FOR COMMISSION APPROVAL
MEETING DATE: SEPTEMBER 22, 2015**

Dates of Travel	Department	Purpose of Travel/Location	Over-night	Out of State	Costs	Explanation of Cost	FY16 Budget Available
09/22-25/15	Commission	MOLI- 2015 Governance Program Santa Fe, NM.	Yes	No	108.00 300.00 66.00 342.48	Meal & Gratuity Allowance Registration Estimated Cost for Fuel Lodging-La Posada de Santa Fe	Yes
10/05-09/15	Public Works	NM Floodplain Managers Assoc. Ruidoso, NM.	Yes	No	158.40 255.00 116.00 477.01	Meal & Gratuity Allowance Registration Estimated Cost for Fuel Lodging- Hotel Ruidosa	Yes
10/09-14/15	Utility	Itron Utility Week 2015 Los Angeles, CA.	Yes	Yes	306.60 1895.00 434.20 84.00 750.00	Meal & Gratuity Allowance Registration Airfare Ground Transportation Lodging- JW Marriott Hotel	Yes
10/13-16/15	Admin.	Master Municipal Clerk Academy Albuquerque, NM.	Yes	No	122.40 180.00 60.00 281.85	Meal & Gratuity Allowance Registration Estimated Cost for Fuel Lodging- MCM Elegante Hotel	Yes
10/26-30/15	Comm Dev.	American Association of Code Enforcement Orlando, FL.	Yes	Yes	252.60 425.00 392.60 100.00 50.00 583.08	Meal & Gratuity Allowance Registration Airfare Taxi Transportation Airport Parking Lodging- Embassy Suites	Yes

**EMPLOYEE/PUBLIC OFFICIAL TRAVEL REQUESTS FOR COMMISSION APPROVAL
MEETING DATE: SEPTEMBER 22, 2015**

Dates of Travel	Department	Employee	Purpose of Travel/Location	Over-night	Out of State	Costs	Explanation of Cost	FY16 Budget Available
10/26-30/15	Comm Dev.	Robert Carman	American Association of Code Enforcement Orlando, FL.	Yes	Yes	252.60 425.00 392.60 516.00	Meal & Gratuity Allowance Registration Airfare Lodging- Embassy Suites	Yes

Staff Summary Report

MEETING DATE: September 22, 2015
AGENDA ITEM: IX. CONSENT AGENDA (D)
AGENDA TITLE: Resolution 2015-970 Surplus

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- Finance Department has reduced the amount of paper documents retained for extended periods of time. The result is an overabundance of notebooks and file folders. Items have been made available to other city departments and remaining items are requested to be declared surplus.
- Final items in airport storage to be declared surplus.
- The Finance Department is requesting to submit the items for public auction through the Public Surplus website.
- If the items are not sold they will be donated or disposed of according to Statute Section 3-54-2 and Procurement Statute 13-6-1. Disposition of obsolete, worn-out or unusable tangible personal property.

FISCAL INPUT / FINANCE DEPARTMENT

- Revenues from auction to be applied to General Fund / Joint Utility Fund

SUPPORT DOCUMENTS: Resolution 2015-970
Surplus List

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve Resolution 2015-970 Declaring Certain Municipal Property Not Essential For Municipal Purpose and Directing It Be Sold or Disposed.

**CITY OF AZTEC
SURPLUS LIST
RESOLUTION 2015-970**

Department	Item/Model	Condition	Reason for Surplus	Location
Finance	Notebooks 20 – 4" spring binders 6 – 3" spring binders 5 – 3" slant ring binders 6 – 2 ½" round ring binders 4 – 2" slant ring binders 2 – 2" round ring binders 2 – 1 ½" slant ring binders 4 – 1" round ring binders 4 – 1" round poly binders 2 – ½" round ring binders 1 – ½" slant ring binders	Fair	Unnecessary	Finance Conference Room
Finance	Legal Hanging Folders – 57	Fair	Unnecessary	
Finance	Legal Manila Files – 84	Fair	Unnecessary	
Finance	Xerox Typewriter Supplies 4 – B184 Correctable Film 1 – 184TL Lift Off Tape Courier 10 9R87531 Elite 12 9R87533 Courier 10 9R87531 Prestige Elite 12 9R87531	Unopened	Unnecessary	
Finance	Smith Corona Typewriter Supplies 1 – K122200 Correctable Film 4 – K22210 Lift Off Tape Electronic Typewriter Wordsmith 20 Instructions	Unopened	Unnecessary	
Finance	Legal 3 ½" Expansion Files – 9	Good	Unnecessary	
Finance	Panasonic Cassette Recorder Model RQ-2102 TDK D90 Blank (unopened) cassette tapes - 10	Good	Unnecessary	
General Services	Murray Mower 22" 6.25 HP	Poor	Replaced	Airport Kachina
Unknown	Blue Mini Blinds (10 sets)	Fair	Replaced	
Unknown	Remington 4 drawer legal file cabinet – blue	Poor		
Community Development	Computer Desk	Good	Replaced	Airport Zircon
Public Works	HP Printer Cartridges HP88 Magenta (2) HP88 Yellow HP88XL Black (2) HP88 Combo Pack - Cyan, Magenta, & Yellow HP932XL Black (4) HP933 Combo Pack - Cyan Magenta, & Yellow (2)	Unopened	Unnecessary	Finance Conference Room
Public Works	1998 Chevrolet Blazer S/N 1GNDT13WXW227002 104,772 miles	Fair	No Longer Required	Public Works Facility
Finance	Banker Box Storage System	Good	No Longer	Finance

**CITY OF AZTEC
SURPLUS LIST
RESOLUTION 2015-970**

Department	Item/Model	Condition	Reason for Surplus	Location
	Letter Size 10 box frame system		Required	Dept

CITY OF AZTEC RESOLUTION 2015-970

A RESOLUTION DECLARING CERTAIN MUNICIPAL PROPERTY NOT ESSENTIAL FOR MUNICIPAL PURPOSE AND DIRECTING IT BE SOLD, OR IF THE PROPERTY HAS NO VALUE, DONATE THE PROPERTY TO ANY ORGANIZATION DESCRIBED IN SECTION 501(c)3 OF THE INTERNAL REVENUE CODE OF 1986 OR DISPOSED.

WHEREAS, Sections 3-54-2 and 13-6-1 of NMSA, 1978 Compilation authorizes municipalities to sell personal property which is not essential for a municipal purpose or if the property has no value, donate the property to any organization described in Section 501(c)3 of the Internal Revenue Code of 1986; and

WHEREAS, the City of Aztec owns certain personal property which is obsolete and/or surplus and no longer needed or useful to the City; and

WHEREAS, the Governing Body wishes to declare this property not essential for a municipal purpose so that it can be sold or donated according to statute.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY of the City of Aztec, New Mexico that the personal property below described which is owned by the City is surplus and not essential for a municipal purpose.

PASSED, APPROVED AND SIGNED this 22nd day of September, 2015.

MAYOR SALLY BURBRIDGE

ATTEST:

CITY CLERK KARLA SAYLER

Staff Summary Report

MEETING DATE: September 22, 2015
AGENDA ITEM: IX. CONSENT AGENDA (E)
AGENDA TITLE: Finance Department Record Destruction

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval of Finance Department Record Destruction
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- Commission approved Resolution 2008-776 “Approving and Establishing a Records Management Program” for the City of Aztec on October 21, 2009.
- Prior to the final destruction of any city document, Commission approval must be obtained.
- If approval is obtained the documents will be shredded. The Destruction Form will be signed and held by the City Clerk.
- Destruction of the following Finance Department records **requiring** City Commission approval. Records are NOT scanned but have met record retention requirements:
 - Journal Entries (FY10) Journal vouchers for correction of errors of previously posted/recorded transactions – retention period 3 years after closed of accounting period
 - Procurement Records (RFPs & Bids) 1980s & 1990s – incomplete files – retention period 3 years of fiscal year in which bid is awarded
- Destruction of the following Finance Department records **requiring** City Commission approval. Destruction includes paper and electronic records
 - None
- Destruction of Finance Department records (information only – does not require City Commission approval, Resolution 2010-850 Authorizing Destruction of Hard Copy Records Once Digitally Archived, November 23, 2010):
 - FY2005 (July 2004 – June 2005) Bank Statements – records have been scanned and electronic records will be retained. Paper documents to be destroyed
 - FY2006 (July 2005 – June 2006) Bank Statements – records have been scanned and electronic records will be retained. Paper documents to be destroyed.

- FY2008 (July 2007 – June 2008) Bank Reconciliations – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- CY2008 (Jan 2008 – December 2008) – 941 reports and W2 Tax Forms – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- CY2009 (Jan 2009 – December 2009) – 941 reports and W2 Tax Forms – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- CY2010 (Jan 2010 – December 2010) – 941 reports and W2 Tax Forms – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- CY2011 (Jan 2011 – December 2011) – 941 reports and W2 Tax Forms – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- CY2012 (Jan 2012 – December 2012) – 941 reports and W2 Tax Forms – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- Corrected 941 Reports – 2006, 2007, 2008, 2009, 2010 all 4th quarter – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- Bids and RFPs issued 2011, 2012, 2013, 2014 – records have been scanned and electronic records will be retained. Paper documents to be destroyed
- Employee Association bank statements – April 2002 through October 2004 – records have been scanned and electronic records will be retained. Paper documents to be destroyed.
- CY2007 (Jan 2007 – Dec 2007) – PERA BiWeekly Reports – records have been scanned and electronic records will be retained. Paper documents to be destroyed.

FISCAL INPUT

- Due to the volume of paper to be destroyed, the Finance Department will contact a firm specializing in document destruction. Funds were included in the FY16 Finance Department budget specific to this purpose.

SUPPORT DOCUMENTS: None

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Destruction of Finance Department Records

Staff Summary Report

MEETING DATE: September 22, 2015
AGENDA ITEM: IX. CONSENT AGENDA (F)
AGENDA TITLE: **Bid 2016-0529 Municipal Building Re-Roofing**

ACTION REQUESTED BY: General Services, Finance
ACTION REQUESTED: Award of Bid
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- The Police Department/Municipal Court and Utility/MVD buildings have experienced roof leaks for several years. General Services and/or contractors have performed maintenance on both buildings which has become less effective with the deterioration of the existing roofs.
- Rodahl and Hummell Architecture, P.C. developed the specifications for the roof replacement for each building and the project was bid with the ability for the City to award one or both buildings based on available funds.
- The storm event of August 26, 2015 increased the damage to both roofs, as well as interior damage, and a claim has been filed with the City's insurance carrier. NM Self Insurers (NMSIF) advised not to delay the bidding of the project and NMSIF would have an adjuster on site before work begins.

PROCUREMENT / PURCHASING

- Invitation to Bid (ITB) was published on the city website and advertised in the Daily Times, August 23, 2015. A mandatory prebid was conducted on September 2, 2015 and attended by four contractors. The bid was publically opened on September 16, 2015 with four responsive bids received. Tom Hummell with Rodahl and Hummell Architecture, P.C. has recommended award of the bid to DKG & Associates, Inc.
- Recommended bid award to DKG & Associates, Inc.:
 - Police Department/Municipal Court Building: \$100,900.00
 - Utility/IT/MVD Building: \$ 60,400.00
 - Total without gross receipts tax \$161,300.00
- A Notice of Award will be issued following Commission award of the bid which will allow DKG & Associates, Inc.. to acquire Performance and Payment bonds as required. The contract will be executed upon receipt of the bonds. The Notice to Proceed will be issued after the pre-construction meeting has been held.
- From the date of the Notice to Proceed, the bid documents identify 45 calendar days for project completion. Penalty for if project not complete is \$250 per calendar day.

FISCAL INPUT / FINANCE DEPARTMENT

- The FY16 Adopted Budget, General Fund, will require the use of budget contingency funds for the award of the bid for the Police/Municipal Court Building. Funds budgeted specifically for the re-roofing project: \$87,000; contingency funds to be utilized: \$21,972 for a total re-roofing project of \$108,972 including tax.
- The FY16 Adopted Budget, Joint Utility, includes sufficient funds budgeted specifically for this project, including tax, of \$65,232

SUPPORT DOCUMENTS: Bid 2016-0529 Tabulation

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Award of Bid #2016-0529 Re-Roofing of Municipal Complex Buildings to DKG & Associates, Inc., in the amount of \$161,300 plus GRT and authorize the City Manager to execute construction contract.



Bid Tabulation
Bid 2016-529
Municipal Building Re-Roofing
Opened September 16, 2015 2:00 PM
Award Recommendation: DKG Associates
Commission Meeting: Tuesday, September 22, 2015

ITEM	DESCRIPTION	UNIT	DKG Associates	J3 Systems	National Roofing	TL Roofing
			TOTAL	TOTAL	TOTAL	TOTAL
1	Police Dept/Municipal Court Re-Roof	LS	\$ 100,900.00	\$ 115,600.00	\$ 161,714.00	\$ 143,599.00
2	Utility/MVD Bldg Re-Roof	LS	\$ 60,400.00	\$ 71,150.00	\$ 89,777.00	\$ 80,052.00
TOTAL BID			\$ 161,300.00	\$ 186,750.00	\$ 251,491.00	\$ 223,651.00
Total Bid Comparison Including 5% NM State Preference			\$ 153,235.00	\$ 177,412.50	\$ 238,916.45	\$ -
Total Bid Comparison Including 10% Resident Veteran			\$ -	\$ -	\$ -	\$ -

Staff Summary Report

MEETING DATE: September 22, 2015
AGENDA ITEM: IX. CONSENT AGENDA (G)
AGENDA TITLE: **Bid 2016-534 North Main Corridor, Phase 0**
DRAFT Summary – Bids open Monday September 21, 2015

ACTION REQUESTED BY: Public Works, Finance
ACTION REQUESTED: Award of Bid
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- The development of the North Main Corridor has been a city project for several years and has included collaboration and participation with citizens, Aztec Ruins National Parks and Aztec Trails and Open Spaces.
- Federal funding for the development of the transit stop and courtyard (N Main Corridor, Phase 1) has been finalized but prior to construction of phase 1 (anticipated to bid in October), it is necessary to preliminary construct the roadway area for the corridor which has been identified as phase 0.
- Phase 0 includes the creation of a detention pond and the import of material to elevate the roadway to sub-grade level. Due to the elevation of the roadway, temporary construction easements are required and all landowners have agreed to provide the temporary easements and are anticipated to be fully executed prior to the issue of a Notice to Proceed. These easements will remain in effect until the landowner develops their respective properties which will require similar elevations to the roadway.

PROCUREMENT / PURCHASING

- Invitation to Bid (ITB) was published on the city website and advertised in the Daily Times, September 6, 2015. A mandatory prebid was conducted on September 14, 2015 and attended by three contractors. The bid was publically opened on September 21, 2015 with **XXX** responsive bids received.
- Recommended bid award to **XXXX** in the amount of xxxxx:
- A Notice of Award will be issued following Commission award of the bid which will allow **XXXXX** to acquire Performance and Payment bonds as required. The contract will be executed upon receipt of the bonds. The Notice to Proceed will be issued after the pre-construction meeting has been held.
- From the date of the Notice to Proceed, the bid documents identify 60 calendar days for substantial completion (complete and ready for intended use for this phase) and 75

calendar days for final payment readiness. Penalty for if project not substantially complete is \$1,000 per calendar day and \$500.00 per day for final payment completion.

FISCAL INPUT / FINANCE DEPARTMENT

- The FY16 Adopted Budget, Capital Projects Fund, includes funds for this project phase in the amount of \$200,000. Engineer's estimate for the project (without gross receipts tax) is \$108,000.00

SUPPORT DOCUMENTS: Bid 2016-534 Tabulation

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the Award of Bid #2016-534 North Main Corridor, Phase 0 to **xxxxx** in the amount of \$**xxxxxxx** plus GRT and authorize the City Manager to execute construction contract.

Staff Summary Report

MEETING DATE: September 22, 2015
AGENDA ITEM: IX. CONSENT AGENDA (H)
AGENDA TITLE: **Airport Maintenance Grant**

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- Maintenance Grant
 - NMDOT Aviation Division provides funds for annual maintenance. Funding applications must be received by the Aviation Division by September 30, 2015. Maximum funds available from the Aviation Division is \$9,000 with a 10% local match for a total of \$10,000. The funding application for 2015 includes windsocks, weed control, paint for runway striping and runway light maintenance.

FISCAL INPUT / FINANCE DEPARTMENT

- Maintenance Grant
 - The FY16 Adopted Budget, Airport Fund, includes sufficient funds to meet the match requirement of the maintenance grant at the maximum funds available through the State. Grant funds for the repair of the runway end lights will reduce the impact of the repairs to the Airport Fund.

SUPPORT DOCUMENTS: NM State Aviation Grant Application Spreadsheet

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the submittal of FY16 Airport Maintenance Grant

NMDOT - Aviation Division
 Annual airfield maintenance/expendable materials
 FY 2016
 Airport: N19 Aztec Municipal Airport
 Date: September 22, 2015

	Item	units requested	Unit Price	Total	Vendor
1	Wind sock, 18"	4	\$ 47.95	\$ 191.80	Airport Windssock Corporation
2	Wind sock, 24"	2	\$ 57.95	\$ 115.90	Airport Windssock Corporation
3	Runway lights, 30/45 watt	1		\$ -	
4	threshold lights, 100 watt	1		\$ -	
5	light fixture parts (describe)	1		\$ -	
6	Light fixture dome/lens (insert color)	1		\$ -	
7	Light fixture dome/lens (insert color)	1		\$ -	
8	Light fixture dome/lens (insert color)	1		\$ -	
9	Light fixture dome/lens (insert color)	1		\$ -	
10	Isolation xformers, XXX watt	1		\$ -	
11	Isolation xformers, XXX watt	1		\$ -	
12	PAPI lights	1		\$ -	
13	PAPI parts (describe)	1		\$ -	
14	PLASI lights, filters, parts (describe)	1		\$ -	
15	VASI lights	1		\$ -	
16	REIL lights	1		\$ -	
17	Approach lights	1		\$ -	
18	Guidance sign lights	1		\$ -	
19	Guidance sign spare parts (describe)	1		\$ -	
20	Frangible couplings	1		\$ -	
21	Primary cable connector kits	1		\$ -	
22	Fixture leads	1		\$ -	
23	Secondary connector kits	1		\$ -	
24	Heat shrink kits	1		\$ -	
25	Beacon bulbs	1		\$ -	
26	Beacon spare parts (describe)	1		\$ -	
27	Herbicide/Pesticide	2	\$ 550.00	\$ 1,100.00	Carter Services
28	Crack filling material	1		\$ -	
29	Pavement marking supplies	1	\$ 8,435.00	\$ 8,435.00	Diamond Vogel, NMSPD 40-000-14-00083
30	ASOS/AWOS maintenance (quarterly)	1		\$ -	
31	ASOS/AWOS maintenance (Annual)	1		\$ -	
32	Obstruction lights	1		\$ -	
33	Other (describe)	1		\$ -	
	Estimated cost			\$ 9,842.70	
	Sponsor share	10%		\$ 984.27	
	Aviation Division share	90%		\$ 8,858.43	

Staff Summary Report

MEETING DATE:	September 22, 2015
AGENDA ITEM:	IX. CONSENT AGENDA (I)
AGENDA TITLE:	Library Services Agreement with San Juan County

ACTION REQUESTED BY:	City Manager's Office
ACTION REQUESTED:	Approval
SUMMARY BY:	Sherlynn Morgan

PROJECT DESCRIPTION / FACTS

San Juan County has submitted their contract for library services to the City for FY16. The County appropriates fund to our City for library services based on the premise that the City will provide the same level of services to County residents as we do to City residents.

SUPPORT DOCUMENTS:	Library Services Agreement
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DEPARTMENT'S RECOMMENDED MOTION:	Move to Approve Library Services Agreement
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CONTRACT FOR LIBRARY SERVICES

THIS AGREEMENT, made and entered into this _____ day of _____, 2015, by and between the City of Aztec, New Mexico, a municipal corporation, hereinafter called "the City" and the County of San Juan, a political subdivision of the State of New Mexico, hereinafter called "the County".

WHEREAS, pursuant to NMSA 1978, §4-36-2 (1965), the County is authorized to appropriate funds for library services;

WHEREAS, the County does not operate library facilities for its citizens; and

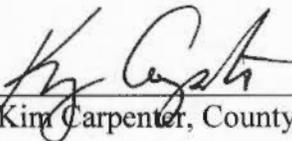
WHEREAS, the City has agreed to operate a library facility and offer library services to all residents of the County on the same basis as such services are offered to residents of the City. Additionally, this agreement will assign Legal Service Area (LSA) population allocations to San Juan County libraries in compliance with New Mexico Administrative Code (NMAC) requirements. Each San Juan County Public Library will use the most recent U.S. Census for their discreet population figures with the population within the city limits of Aztec, New Mexico allocated to the Aztec Public Library.

NOW THEREFORE, the parties mutually agree:

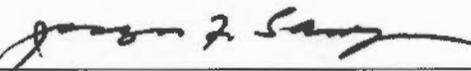
1. The City shall provide library facilities and services to County residents on the same basis and to the same extent as those provided to City residents.
2. As compensation for the above, the County agrees to appropriate the sum of Seven Thousand Five Hundred Dollars (\$7,500.00) and to pay said sum to the City as consideration for the use and services of the library facility located within the municipal limits of the City.
3. The City shall keep books and records of all expenditures made pursuant to this Agreement, and keep such books and records available for inspection and audit by the County from time to time.
4. The term of this agreement shall be one year, commencing July 1, 2015, and ending June 30, 2016. Either party may terminate this agreement on 30 days written notice to the other party. If the agreement is terminated, the total compensation paid shall be prorated on a monthly basis and an amount equal to the compensation for the number of months remaining in the original term shall be refunded to the County.

EXECUTED the day and year set out above.

**SAN JUAN COUNTY BOARD OF
COUNTY COMMISSIONERS**

By 
Kim Carpenter, County Executive Officer

**APPROVED AS TO FORM
SAN JUAN COUNTY ATTORNEY**

By: 

CITY OF AZTEC

By _____
Sally Burbridge, Mayor

**APPROVED AS TO FORM
CITY OF AZTEC ATTORNEY**

By: _____

Reviewed By 
Central Purchasing

Staff Summary Report

MEETING DATE:	September 22, 2015
AGENDA ITEM:	IX. CONSENT AGENDA (J)
AGENDA TITLE:	Senior Citizen Services Agreement with San Juan County

ACTION REQUESTED BY:	City Manager's Office
ACTION REQUESTED:	Approval
SUMMARY BY:	Sherlynn Morgan

PROJECT DESCRIPTION / FACTS

San Juan County has submitted their contract for Senior Citizen services to the City for FY16. This is the standard agreement that we have with the County to provide services to our Seniors for the upcoming fiscal year.

SUPPORT DOCUMENTS:	Senior Citizen Services Agreement
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DEPARTMENT'S RECOMMENDED MOTION:	Move to Approve Senior Citizen Services Agreement
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SENIOR CITIZEN SERVICES AGREEMENT

THIS AGREEMENT made and entered into this ____ day of _____ 2015, by and between San Juan County, a political subdivision of the State of New Mexico (hereinafter referred to as "the County"), and the City of Aztec, a municipal corporation (hereinafter referred to as "the City").

WHEREAS, the County is authorized to contract for services to be provided to senior citizens living in San Juan County; and

WHEREAS, the City is willing and able to provide services to senior citizens living in San Juan County.

NOW, THEREFORE, it is understood and agreed as follows:

1. The City shall provide regularly scheduled services to senior citizens living within the boundaries of the City for fiscal year 2015-2016, and such services shall be comparable to those provided by the other senior citizens centers within the County.

2. Upon request by the City, the County shall provide to the City the sum of Four Thousand Fifty Dollars (\$4,050.00). This sum shall be used only to provide the services to senior citizens described herein.

3. At the conclusion of the fiscal year, the City shall forward to the County a written report detailing the services performed on behalf of senior citizens pursuant to this Agreement.

4. The City may contract with a subcontractor to provide the services described herein, but only with the express written consent of the County.

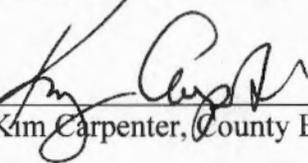
5. The City shall maintain records of all expenditures made under this Agreement, and the City's records shall be available for inspection and audit by the County during normal business hours.

6. The term of this Agreement shall be one year, commencing July 1, 2015 and ending June 30, 2016. Either party may terminate this Agreement on thirty (30) days written notice to the other party. If the Agreement is terminated, the total compensation paid shall be prorated on a monthly basis and an amount equal to the compensation for the number of months remaining in the original term shall be refunded to the County.

The foregoing being clearly understood and agreed to, this Agreement is hereby effective as of the date entered above.

SAN JUAN COUNTY, NEW MEXICO

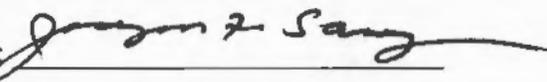
CITY OF AZTEC

By 
Kim Carpenter, County Executive Officer

By _____
Sally Burbridge, Mayor

**APPROVED AS TO FORM
SAN JUAN COUNTY ATTORNEY**

ATTEST:

By 

By: _____
Karla Saylor, City Clerk

**APPROVED AS TO FORM
CITY OF AZTEC ATTORNEY**

Reviewed By 
Central Purchasing

By: _____

Staff Summary Report

MEETING DATE: 22 September 2015
AGENDA ITEM: **XI. Business Item (A)**
AGENDA TITLE: Business Holiday Lighting Contest

ACTION REQUESTED BY: Joshua W. Ray, City Manager
ACTION REQUESTED: Approve changes to the Lighting Contest
SUMMARY BY: Joshua W. Ray, City Manager

PROJECT DESCRIPTION / FACTS (Leading Department)

Last year the City started the Business Holiday Lighting Contest. For the contest, judges selected the top three business lighting presentations. Those businesses were awarded utility credits in the amount of \$3,000, \$2,000, and \$1,000 for their efforts.

All businesses that participated in the lighting contest were provided a \$75 utility credit.

For this year, the propose plan includes adding two honorable mention awards that will receive a \$250 utility credit.

In addition, there is a policy change for this year's contest. Businesses have to have their lights on every night from December 4th through December 31st in order to receive the utility credit.

SUPPORT DOCUMENTS: Holiday Lighting Contest Flyer

DEPARTMENT'S RECOMMENDED MOTION: Move to approve the changes to the Business Holiday Lighting Contest.



Could You Use \$3,000 Off of Your Utility Bill This Year? - If so, Read on.

Does the Christmas Spirit overwhelm you during the holidays? Do you enjoy putting up lights and decorations to showcase your Whoville spirit? Or are you more of a scrooge who values money over everything? Either way, The City of Aztec has something especially for you! The City will be featuring our commercial businesses this year in a **Holiday Season Lighting Contest.**

Who: All commercial businesses located in Aztec, New Mexico

When: Applications are due to the Utility Office no later than
5:00 p.m. on Wednesday, November 25, 2015

Why: For all of those people that miss the Fantasy of Lights display this is the next generation of making our City a better place to live, work, and PLAY!

OH WAIT, THERE'S MORE!

All businesses that participate will receive a \$75 credit on their utility bill to encourage all of our businesses to participate. If that wasn't enough, there will also be a judged competition to determine the top 3 winners for best decorations and 2 honorable mention winners. The Judges will be picked from outside of Aztec and they will determine who picks up the top prizes. Judging will occur on **Friday December 4, 2014 at 8:00 p.m. YOU MUST HAVE YOUR LIGHTS ON EVERY NIGHT FROM DEC 4TH THROUGH DEC 31ST IN ORDER TO RECEIVE YOUR CREDIT.**

What are those prizes? Great that you asked.

1st Place	=	\$3,000 utility credit
2nd Place	=	\$2,000 utility credit
3rd Place	=	\$1,000 utility credit
Honorable Mention (2)	=	\$250.00 utility credit



So start planning now for the upcoming Holiday Season Lighting Contest! We are encouraging everyone to decorate this year so that we can do something extra special in our Community. Fill out your application and get ready for the chance to win up to \$3,000!



City of Aztec Christmas Lighting Contest for Commercial Businesses



APPLICATION DEADLINE: November 25, 2015

JUDGING DATE: December 4, 2015 at 8:00 p.m.

Please turn your completed application in to the Utility Office to ensure you receive your \$75 utility credit.

Business Name

Contact Person

Address

(Give COMPLETE address so the Judges can find the location easily)

Phone

Email

Signature

Date

Staff Summary Report

MEETING DATE:	September 22, 2015
AGENDA ITEM:	XI. BUSINESS ITEMS (B)
AGENDA TITLE:	Business Hub

ACTION REQUESTED BY:	William M. Homka AICP CFM
ACTION REQUESTED:	Direct staff to begin negotiations on entering into a lease agreement with the Church to secure property for the Aztec Business HUB/Incubator and to complete an appraisal on the property.
SUMMARY BY:	William M. Homka AICP, CFM

PROJECT DESCRIPTION / FACTS

The City has been discussing the creation of a Business HUB/Incubator within the downtown district to assist local businesses. This discussion has included two Commission workshops and a closed session with the Commission.

Last week, City staff updated the proposed budget to clearly define revenues and expenditures for the project.

In effect the city will be undertaking a microeconomic enterprise that will operate from a permanent physical location. Similar to a Small Business Development Center (SBDC), this project will provide a location for existing home based small businesses and businesses in need of space in Aztec to grow their product, services and market. The HUB project will present a pro-business community attitude that larger businesses seek in their location searches. Aztec invests significant dollars into infrastructure, parks, and other basic community needs which are all quality investments and maintain city operations. They contribute to a good quality of life.

Two grant resources have been secured to assist with the operation and renovation of the facility. A \$15,000 LEADS grant has been awarded from the State of New Mexico Economic Development Department, and an \$18,000 grant has been awarded by PNM. One will pay for business trainings at the HUB and the other will help pay for physical renovation costs to the facility. In the lease purchase agreement option, the seller is willing to accept building and site improvements as lease payments for the two years. Thus the budget indicates zero dollars for rent. This makes the venture affordable and provides enough time for the city to monitor the venture before making a permanent purchase.

Additionally, fees will be generated from user memberships, office rentals, and the use of a state of the art teleconference room set up for trainings and business communications. Also associated with this project is the installation of fiber optic cable in downtown. It will be available to all businesses for a fee, but also provides the technological boost the HUB will have over most locations in the city.

A yearly budget has been prepared and attached to this report. The figures used in the budget tables are all extremely conservative, with the thought that marketing and interest in the HUB's

services will exceed the projected income which is \$51,984. The projected annual cost is \$53,600 and is very inclusive of all known items. The budget includes \$10,000 for marketing expenses and \$30,000 for a staff person to facilitate the use of the building.

Rate schedules for various services include daily use, monthly and annual memberships which have all been projected conservatively. However several commitments have been received to rent and/or join the HUB, including Aztec Urgent Care, Aztec Chamber of Commerce, and two small businesses are prepared to rent two of the five available offices. The Chamber of Commerce will rent a third office. This is without any marketing so far.

This project will involve coordination with many existing services from organizations such as the San Juan College Enterprise Center, and the Small Business Development Center, also located at San Juan College. There are other business development and support organizations that have been part of developing this project and are lending commitments to a successful venture.

FINDINGS OF FACT

1. The proposed HUB project will provide a business-centric place for existing small businesses to utilize state of the art resources to grow;
2. The HUB's training events will provide needed information that is closer to Aztec's business community, and should be more attractive to attend due to proximity and less time commitment;
3. The location of The HUB is just off Main Avenue, and is also near the Aztec High School which is another potential group of people who could benefit from the HUB's technology and workspaces;
4. The building at 119 W. Chuska has a very large property that can lend itself to more business type venues outside in warmer weather, as well as business development activities;
5. The projected budget, including income and expenses, are very close to equaling out the cost to the city for this project. Conservatively it's less than a \$3,000 investment in building capacity and support for Aztec's downtown and extended business community, and;
6. Businesses looking to relocate or open new divisions or franchises like to see a proactive business friendly community with resources such as the HUB, as well as quality of life amenities for employees such as good recreation and infrastructure. Aztec has been providing the latter two very well; the HUB is the final piece of the business attraction puzzle.

SUPPORT DOCUMENTS:

1. Annual Budget Spreadsheet
2. Location aerial and planning office information

DEPARTMENT'S RECOMMENDED MOTION: Motion to allow staff to begin negotiations on entering into a lease agreement with the Church to secure property for the Aztec Business HUB/Incubator and to complete an appraisal on the property located at 119 W. Chuska.

★ ADDRESS: 119 E. Chuska St. / 119 N. Church Ave.

ZONING: O-1 Office/Institutional

FLOOD ZONE: No

N Church Ave	113-117	R0000075	O-1	ORIGINAL TOWNSITE	41	4-6	X
N Church Ave	116.1-4	R0001326	O-1	ORIGINAL TOWNSITE	42	15-19	X
N Church Ave	118/118	R0000969	O-1	ORIGINAL TOWNSITE	42	20-21	X
N Church Ave	119	R0000346	O-1	ORIGINAL TOWNSITE	41	1-3	X
N Church Ave	120	R0001557	O-1	ORIGINAL TOWNSITE	42	22-24	X



★ LOCATION OF INQUIRY

The HUB in Aztec

Annual Operating Budget

REVENUES				
Rents	Quantity	Amount		Annual
Retail Space	1	\$300.00	Mo.	\$3,600.00
Office	3	\$300.00	Mo.	\$10,800.00
Incubator Space	1	\$300.00	Mo.	\$3,600.00
Memberships				
Annual Membership				
Student Rate	5	\$250.00	Yr.	\$250.00
Regular Rate	15	\$4,125.00	Yr.	\$4,125.00
Monthly Membership				
Student Rate	10	\$100.00	Mo.	\$1,200.00
Regular Rate	10	\$250.00	Mo.	\$3,000.00
Daily Membership				
Student Rate	2	\$2.00	Dy.	\$672.00
Regular Rate	1	\$2.00	Dy.	\$672.00
Rentals				
Small Conference Rm.	2	\$40.00	Wk	\$2,000.00
Large Teleconference Rm.	1	\$200.00	Wk	\$10,000.00
Outdoor Market Spaces				
Member	0	\$0.00		\$0.00
Non-Member	5	\$150.00	wk	\$1,200.00
Trainings				
Members	20	\$0.00	Mo.	\$0.00
Non-Members	10	\$50.00	Mo.	\$600.00
Services				
Copies	50	\$5.00	wk	\$250.00
Fax	3	\$0.30	wk	\$15.00
Other Income				
Chamber of Commerce	\$5,000.00		yr	\$5,000.00
City of Aztec	\$5,000.00		yr	\$5,000.00
Grants	\$0.00		yr	\$0.00
TOTAL				\$51,984.00
EXPENSES				
Item	Cost			Annual
Marketing	\$10,000.00		Yr.	\$10,000.00
Utilities	\$10,000.00		Yr.	\$10,000.00
High Speed Internet	\$1,000.00		Yr.	\$1,000.00
Employee	\$30,000.00		Yr.	\$30,000.00
Maintenance	\$2,000.00		Yr.	\$2,000.00
Equipment	\$0.00			\$0.00
Phone	\$600.00		Yr.	\$600.00
TOTAL				\$53,600.00

HUB in Aztec

Staff Summary Report

MEETING DATE: 22 September 2015
AGENDA ITEM: XI. Business Item (C)
AGENDA TITLE: City Flood Response

ACTION REQUESTED BY: Joshua W. Ray, City Manager
ACTION REQUESTED: Discussion
SUMMARY BY: Joshua W. Ray, City Manager

PROJECT DESCRIPTION / FACTS (Leading Department)

The City has hosted two meetings related to the recent Monsoon Disaster (flood event). The first meeting was requested by the Kokopelli subdivision and was held on Tuesday 9/15. The second meeting was a City wide meeting and was held on Wednesday 9/16.

During those meetings, City staff informed our Citizens that the City does need to embark on a City wide storm water management system update. This project will be a lengthy, challenging process that will cost a significant amount of money.

The first step in this process is to complete a hydrological study of the City water system. To complete this first step we will need to either allocate new monies or transfer existing dollars from one task to this task.

I am requesting a discussion with Commission to discuss our action plan and get feedback from Commission about the responses we have received from the Community.

No official action needs to be taken on this item.

SUPPORT DOCUMENTS:

DEPARTMENT'S RECOMMENDED MOTION: Discussion

Staff Summary Report

MEETING DATE:	September 22, 2015
AGENDA ITEM:	XII. LAND USE HEARING (A)
AGENDA TITLE:	2015-112 Add a Compressor to a New Drill Gas Well
ACTION REQUESTED BY:	BP American Production Company 200 Energy Ct. Farmington, NM 87401 c/o Mankin Land Company LLC Mike Mankin, Representative
ACTION REQUESTED:	2015-112 City of Aztec Oil & Gas Application for a new gas well to be dug in Section 2, T-30-N, R-11-W, 1586' FSL, 1484' FEL
SUMMARY BY:	William M. Homka AICP, CFM

PROJECT DESCRIPTION / FACTS

This request follows an earlier application for a new gas well that was approved by the City Commission on July 14, 2015. That application was 2015-76 and permitted a new gas well to be installed at the above location, which is in the northwest area of the city and accessed from Road 2950 (see aerial photo). The land has numerous surface owners who were sent notifications more than 30 days in advance of this meeting per state statute. Only one surface owner called Community Development to inquire about the application and what was being proposed for the site.

This application, 2015-112 seeks approval to add a compressor for wellhead compression on the well approved in July and known as Johnson 1-1H. The matter of the compressor was not included in the previous application approved in July, 2015. Thus a proper review of the compressor's potential affects was not conducted in connection with any potential disturbances to surrounding land, nature, or habitat. However the same information submitted as part of 2015-076 was used in consideration of the new compressor.

None of the well site information per 2015-076 has changed, and includes the following:

Existing Pad Area:	0.68 acre
New Pad Area:	1.50 acre
Total Pad Area:	2.18 acres
Building Info:	N/A
Floodplain:	No
Arroyo:	See plat
Access:	Via Road 2950

The applicant is the Mankin Land Company LLC on behalf of BP American Production Company located at 200 Energy Court in Farmington. The information submitted with the application adheres to Chapter 15 'Oil and Gas Wells' adopted as Chapter 15 in Aztec's City

Code (August, 2013). The application includes the Application Checklist which highlights all of the requirements set forth in the city code.

The original mitigation plans submitted as part of 2015-076 included a Vegetation Plan, Surface Use and Compensation Agreement with the private land owners, Wildlife Mitigation Plan, Biological Survey Report, and statements assuring the project would be undertaken in compliance with threatened and endangered species management guidelines per the Farmington Resource Management Plan/Environmental Impact Statement (USDI 2003). The Biological Survey Report was prepared by Adkins Consulting, Inc. of Durango, CO. For additional information pertaining to the original approval of the well for this site please refer to 2015-076 and the staff summary and Findings of Fact.

The information provided as part of the application to amend the well's approval is attached as Exhibit 'A'. It is dated August 21 and identifies the Well Site as Johnson 1-1h and that an addition of a Compressor for Wellhead Compression is the reason for amending City of Aztec permit 2015-76. The amendments notes the Visual Mitigation Plan will still paint all equipment to blend in with the surrounding vegetation. It also states the Wildlife Mitigation Plan includes installing bird screens on the exhaust stacks.

New to this application is the amended Noise Mitigation Plan. A hospital grade muffler will be installed on the new compressor. The amendment also states that sound walls will be installed, if needed. The walls will also be painted to blend with surrounding vegetation. All work will be performed according to best management practices (BMP). Again, all other supporting documentation was submitted with the original Oil and Gas Permit application for the Johnson 1-1H, and can be found in the case file for permit number 2015-076.

Staff has reviewed this request and also the previous report. It should be noted that there is not an "amendment process" for Oil and Gas Permits and this application constitutes a new request as a result. Staff advised the applicant to merely produce materials new to the previous application and approval for review and presentation to the City Commission. There does not appear to be any additional concerns with this "revision" to the Johnson 1-1H well due to the addition of a compressor. There are no homes within a 400' radius of the well head,; in fact the nearest residence is about 4,000 feet away. Any concerns about noise should be mitigated along with the compressor's hospital grade muffler. All findings of fact part of the wells approval per application 2015-076 still apply to the project. Additionally, the mitigation factors for the compressor are now part of the project approval, including: the compressor must have a hospital grade muffler; sound walls are to be installed, if necessary to block unwanted sound in the area, and painted to blend with surrounding vegetation, and; all work is to be performed in accordance with the industry's Best Management Practices.

(cont'd next page)

FINDINGS OF FACT

1. The proposed addition of a compressor to well head Johnson 1-1H is reasonable and any undesirable effects have appropriate mitigation plans;
2. The closest residence is nearly 4,000 feet away, which is 10x the distance of the notification requirement distance;
3. All equipment is to be painted to blend with the surrounding vegetation;
4. If necessary, a sound wall is to be installed to block unwanted noise in the area and painted to blend with nearby vegetation;
5. The project will comply with the industry's Standard Best Practices, and;
6. All findings of fact cited in application 2012-076 are still in effect for this project, including remedies described in the application materials,, Application Checklist, Biological Report, etc. A complete copy of the application containing all of the required reports and this submittal is available for review in the Community Development Office.

SUPPORT DOCUMENTS:

1. Application
2. Vicinity Map
3. Exhibit A - Amendment to City of Aztec Permit 2015-76
4. Parcel/Aerial
5. Oil & Gas Permit Checklist
6. ADP (Well Location Dedication Plat)
7. Surveyors Certificate
8. Map of Disturbance Area (General Arrangement)
9. Access Route Exhibit
10. Surface Ownership List
11. Surface Use & Compensation Agreement

DEPARTMENT'S RECOMMENDED MOTION: Move To Approve 2015-112, an Oil & Gas Well application submitted by the Mankin Land Company, LLC on behalf of BP America Production Company to amend City of Aztec application 2015-076 and approve the addition of a compressor as part of the new wells construction at the location indicated in the supporting documents.

EXHIBIT 'A'

City of Aztec

Amendment to City of Aztec permit 2015-76
Addition of a Compressor for Wellhead Compression
Well Site: Johnson 1-1H
Dated: August 21, 2015

Amendment Application Attached

Visual Mitigation Plan

- Equipment will be painted to blend in with the surrounding vegetation

Wildlife Mitigation Plan

- Exhaust Stacks will have bird screens installed on them.

Noise Mitigation Plan

- Hospital grade muffler to be installed on new compressor
- If needed, sound walls will be installed and painted to blend with surrounding vegetation.

BMP

- All work will be performed in regards to Best Management Practices.

Supporting Documentation

- Additional supporting documents where submitted with the original Oil and Gas Permit Application for the Johnson 1- 1H.

2015-112

400' Surface Ownership

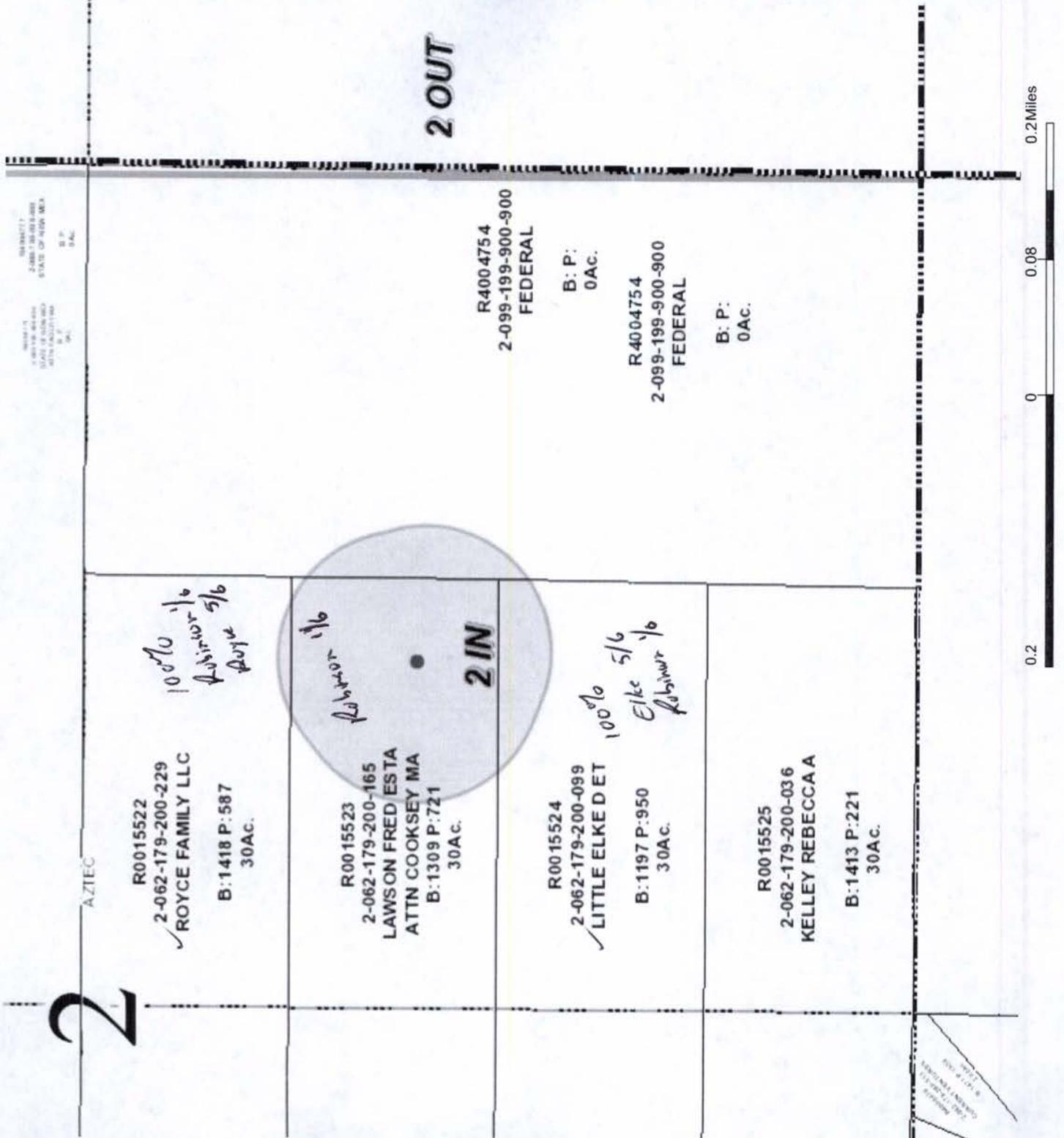


Legend

- County & City Addresses - Nur
- Searchable Parcels
- Parcels - No Labels
- ▣ Township/Range
- ▣ Sections
- Regional Highways-US
- Regional Highways-State
- City Roads
- Other Roads
- County Maintained
- Lesser County Maintained
- Navejo Route
- Oilfield Roads
- Private Roads
- Lakes
- Rivers
- ▣ Aztec City Limits
- ▣ Bloomfield City Limits
- ▣ Farmington City Limits
- ▣ School Districts
- ▣ San Juan County Bounds
- ▣ Reservation

1: 5,133

The San Juan County Assessor's Office provides no warranty, expressed or implied, as to the accuracy, reliability or completeness of furnished data. This map is not intended to be used as a survey. For assessment purposes only.



N/2 NW/4 SE/4, SEC 2, T30N, R11W

- 1/6TH Earl F. Robinson Revocable Trust dated July 29, 1999
- 5/6th Royce Family Limited Liability Company

N/2 SW/4 SE/4, SEC 2, T30N, R11W

- 1/6TH Earl F. Robinson Revocable Trust dated July 29, 1999
- 5/6th Gerald A. Little and Elke D. Little

APR Package

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 71629	³ Pool Name Basin Fruitland Coal	
⁴ Property Code 000749	⁵ Property Name Johnson 1		⁶ Well Number 1H	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company		⁹ Elevation 5831	

" Surface Location

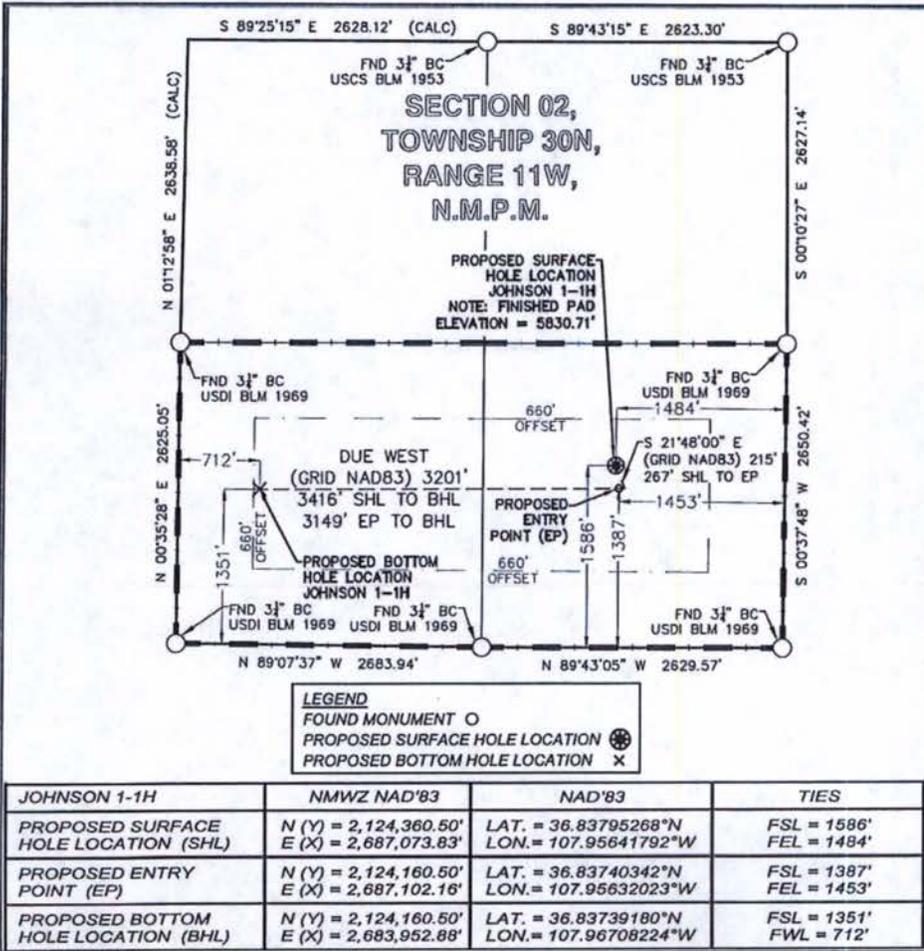
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	02	30N	11W		1586'	South	1484'	East	San Juan

" Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	02	30N	11W		1351'	South	712'	West	San Juan

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



" OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or leased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order hereinafter entered by the court.

Toya Colvin 6/11/15
Signature Date

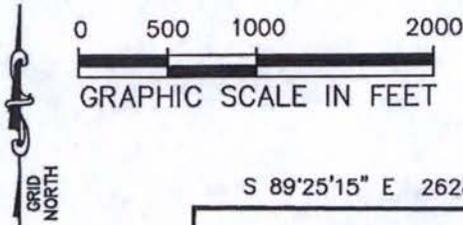
Toya Colvin
Printed Name
Toya.Colvin@bp.com
Email Address

"SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

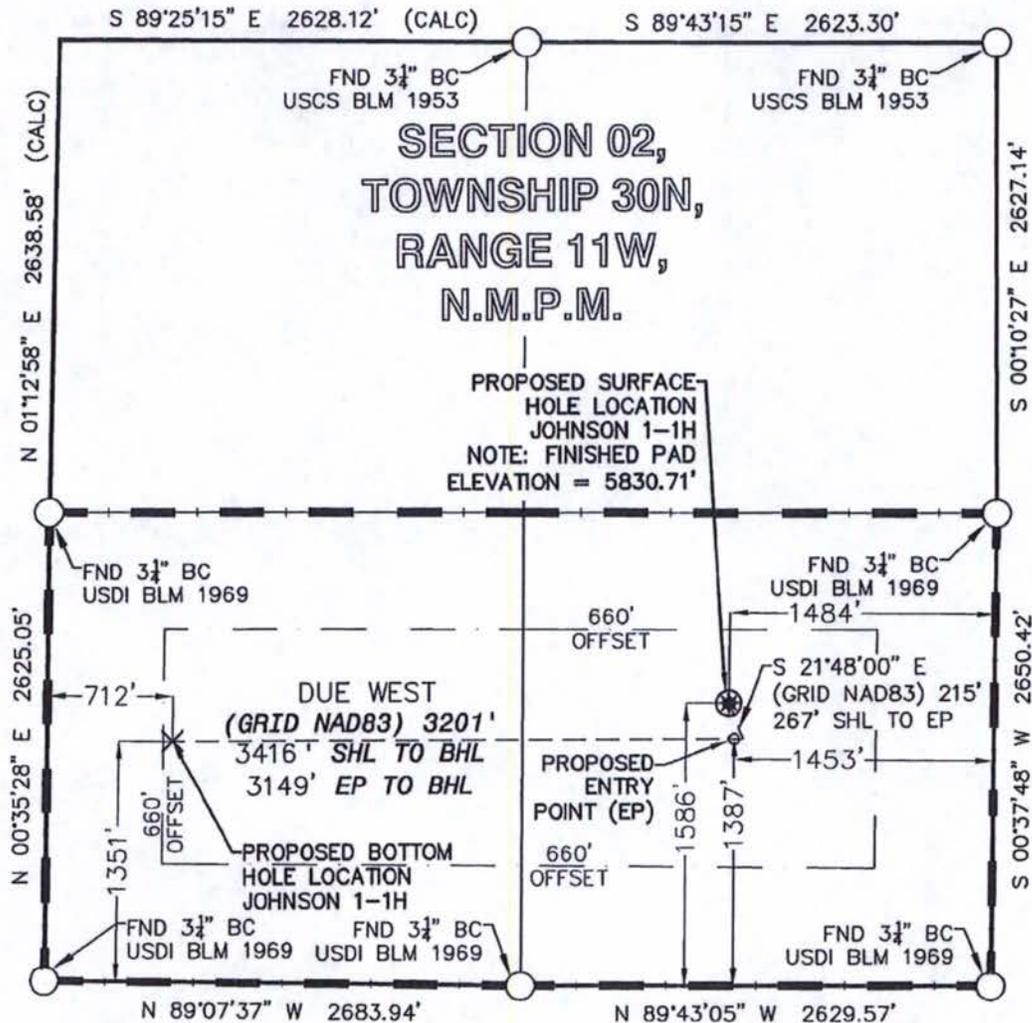
6-2-15
Date of Survey
Signature and Seal of State Surveyor

MARSHALL W. LINDEE
NEW MEXICO
17078
6-9-15
PROFESSIONAL SURVEYOR

17078
Certificate Number



LEGEND
 FOUND MONUMENT ○
 PROPOSED SURFACE HOLE LOCATION ⊗
 PROPOSED BOTTOM HOLE LOCATION ×



JOHNSON 1-1H	NMWS NAD'83	NAD'83	TIES
PROPOSED SURFACE HOLE LOCATION (SHL)	N (Y) = 2,124,380.50' E (X) = 2,687,073.83'	LAT. = 36.83795268°N LON. = 107.95641792°W	FSL = 1586' FEL = 1484'
PROPOSED ENTRY POINT (EP)	N (Y) = 2,124,160.50' E (X) = 2,687,102.16'	LAT. = 36.83740342°N LON. = 107.95632023°W	FSL = 1387' FEL = 1453'
PROPOSED BOTTOM HOLE LOCATION (BHL)	N (Y) = 2,124,160.50' E (X) = 2,683,952.88'	LAT. = 36.83739180°N LON. = 107.96708224°W	FSL = 1351' FWL = 712'

SURVEY NOTES

1. BEARING BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN DATUM OF 1983, NEW MEXICO STATE PLANE COORDINATE SYSTEM, NEW MEXICO WEST, ZONE 3003.
2. ELEVATION BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (GEOID12A).
3. SURVEYED IN THE FIELD ON 06/02/2015.
4. BEARINGS AND DISTANCE SHOWN ARE MEASURED IN THE FIELD UNLESS OTHERWISE NOTED.
5. ALL MEASURED DISTANCES SHOWN ARE GRID USING A COMBINED SCALE FACTOR 0.99964240.

SURVEYOR'S CERTIFICATE

I, MARSHALL LINDEEN, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY BELIEF.

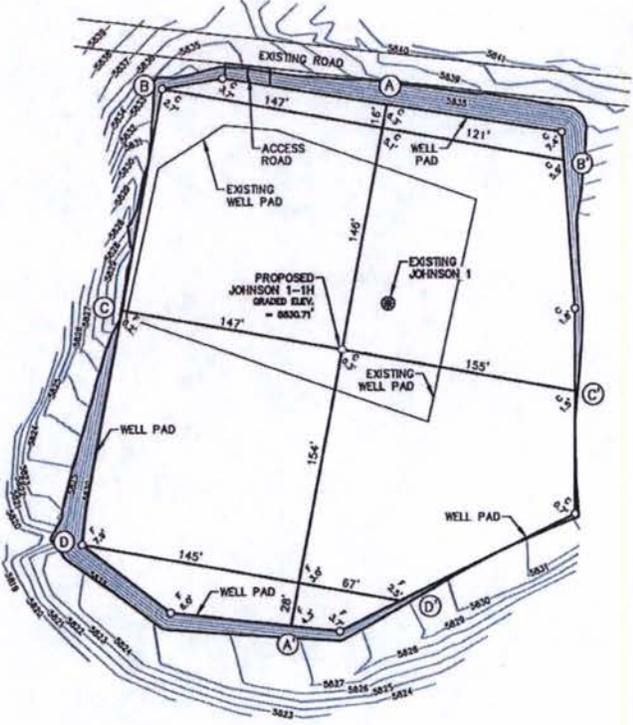
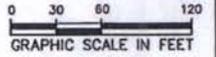


bp
 BP AMERICA
 PRODUCTION COMPANY
 US LOWER 48 ONSHORE

WELL LOCATION PLAT

JOHNSON 1-1H
 PART OF
 SECTION 02, TOWNSHIP 30N, RANGE 11W,
 N.M.P.M.
 SAN JUAN COUNTY, NEW MEXICO

DRAWN BY CFW/RJM	CHECKED BY MWL	SCALE 1"=1000'	DATE 06/08/2015	SHEET 1 OF 1	REVISION
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EARTHWORKS	
CUT:	6,490 CUBIC YARDS
FILL:	5,111 CUBIC YARDS
TOPSOIL:	1,379 CUBIC YARDS
NET IMPORT:	0 CUBIC YARDS

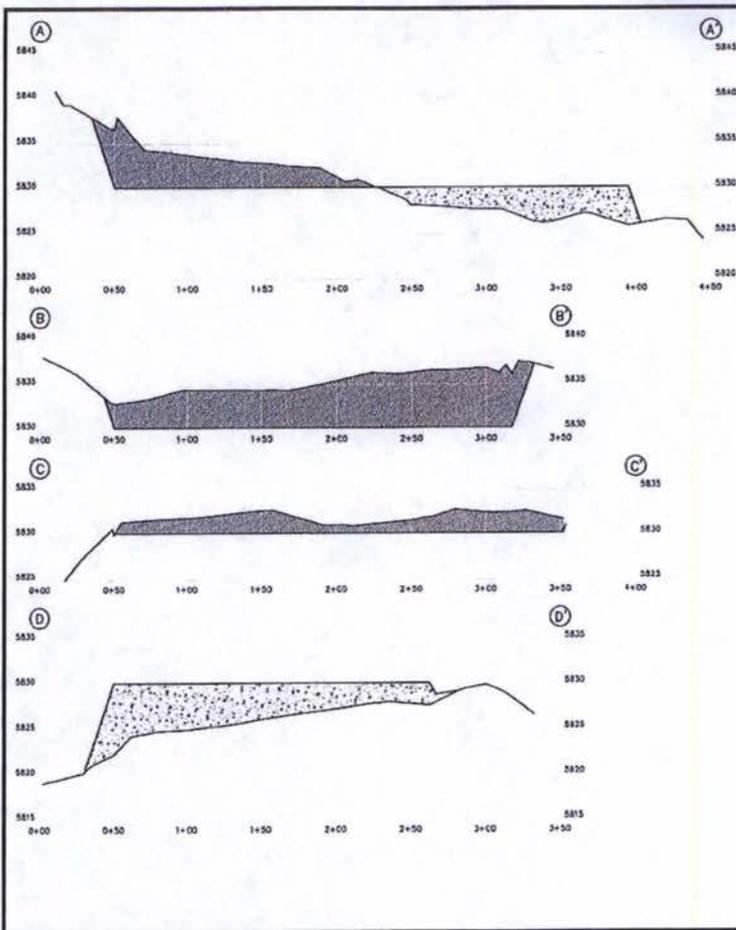
EXISTING PAD SIZE:	0.680 ACRES
PROPOSED EXPANSION SIZE:	1.502 ACRES
FINAL PAD SIZE:	2.182 ACRES
TOTAL DISTURBED AREA:	2.390 ACRES

SURVEY NOTES

1. SEE SHEET 2 OF 2 FOR SURVEY NOTES AND SURVEY CERTIFICATE

	BP AMERICA PRODUCTION COMPANY US LOWER 48 ONSHORE
	CONSTRUCTION LAYOUT PLAN
JOHNSON 1-1H PART OF SECTION 42, TOWNSHIP 30N, RANGE 11W, B.L.P.M. SAN JUAN COUNTY, NEW MEXICO	

DRAWN BY	CHECKED BY	SCALE	DATE	SHEET	REVISION
DWY/PLM	MM	1"=40'	06/23/2015	1 OF 2	



LEGEND
 CUT [Symbol]
 FILL [Symbol]

HORIZONTAL SCALE 1"=50'
 VERTICAL SCALE 1"=10'

SURVEY NOTES

1. BEARING BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN DATUM OF 1983, NEW MEXICO STATE PLANE COORDINATE SYSTEM, WEST NEW MEXICO, ZONE 3003.
2. ELEVATION BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (GEOID12A).
3. CONSTRUCTION SHALL ADHERE TO ALL LOCAL, STATE, AND FEDERAL REGULATIONS.
4. DETAILED CONSTRUCTION SPECIFICATIONS PROVIDED IN SCOPE OF WORK.

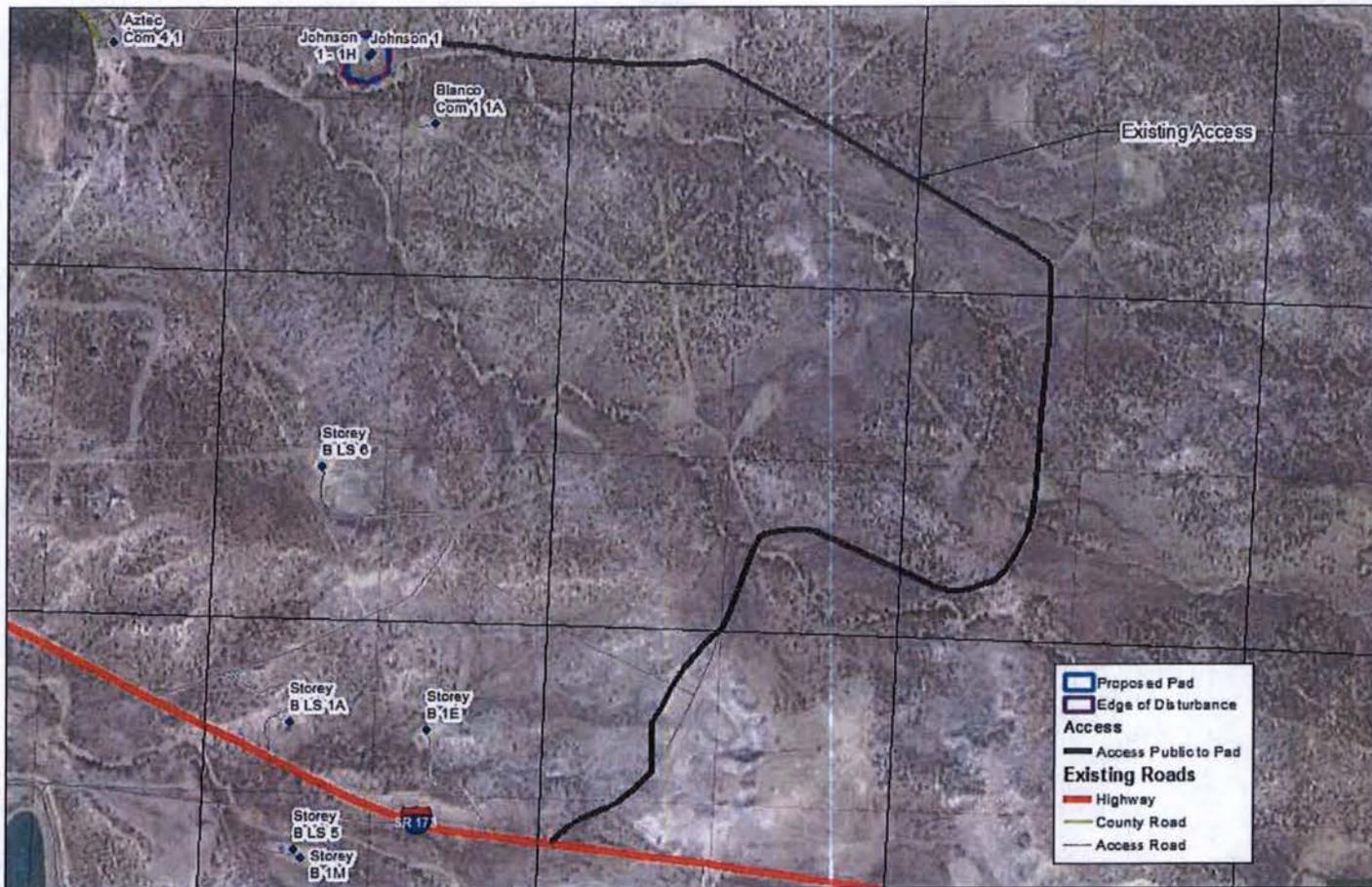
SURVEYOR'S CERTIFICATE

I, MARSHALL W. LINDEEN, BEING A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAT WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT ACCURATELY REPRESENTS THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.

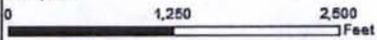


	BP AMERICA PRODUCTION COMPANY US LOWER 48 OILSHORE
	CROSS-SECTION PLAT
JOHNSON 3-1H PART OF SECTION 08, TOWNSHIP 30N, RANGE 11W, NEMPAL SAN JUAN COUNTY, NEW MEXICO	

DRAWN BY CPW/MLM	CHECKED BY M.R.	SCALE N/A	DATE 06/03/2015	SHEET 2 OF 2	PLANNER
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1:12,654



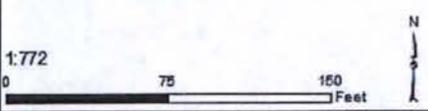
BP America
 San Juan South
 Farmington, NM



Johnson 1 - 1H
 General Arrangement Design

Sites

6/11/2015



BP America
 San Juan South
 Farmington, NM

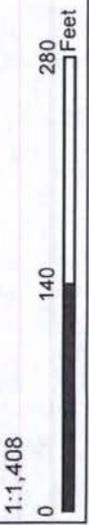


Johnson 1 - 1H
General Arrangement Design

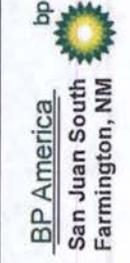
Sites
6/11/2016



Source: Esri, DigitalGlobe, GeoEye, Earthstar, USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community



1:1,408



BP America
San Juan South
Farmington, NM

Johnson 1

Prospective Pad Site

Sites

5/21/2015

**Attachment to Application for Permit to Drill.
Drilling program**

**BP America Production Company
US Lower 48 Onshore
200 Energy Court
Farmington, NM 87401**

**Johnson 1-1H
Cahn Coal Horizontal Well
Surface Location: 1586' FSL & 1484' FEL
Section 2, T30N, R11W
Ungraded GL Elev = 5831'
Lat. = 36.8379527° N
Long. = 107.9564191° W
NAD83
San Juan County, New Mexico**

**Proposed Bottom Hole Location: 1351' FSL – 712' FWL
Section 2, T30N, R11W
San Juan County, New Mexico**

a. Names and estimated tops of all geologic groups, formations, members, or zones based on an estimated GR of 5839'

<u>Formation Tops</u>	<u>Surface (TVD)</u>	<u>Thickness</u>	<u>BHP psi/ft</u>
Ojo Alamo Sd	940	116	0.440
Kirtland Sh	1056	436	0.440
Farmington Sd	1492	357	0.440
L. Kirtland Sh	1685	193	0.440
Fruitland Coal	2010	123	0.440
IGNA Coal	2133	47	0.440
Fruitland Sand	2180	53	0.440
CTWD Coal	2233	96	0.440
Cahn Coal	2329	39	0.440
Cahn Coal Target	2345	16(below top)	0.440

Note: Geological tops will be updated based on drilling and geology operations

Drilling Plan

Drill 12-1/4" vertical hole with fresh water to Kick Off Point (KOP) #1 at 200'MD/TVD. Build 2"/100' to 2" inclination and 158.2° azimuth to 300'MD/TVD then set 9 5/8" casing.

Run and cement 9-5/8" casing and cement to surface to protect fresh water at 250'MD/TVD.

The 9-5/8" casing will be drilled out with LSND water base mud and a 8-3/4" drilling assembly. Building 2"/100' to 13.68° inclination and 158.2° azimuth by 884'MD/878'TVD and holding directional at 13.68° inclination and 158.2° azimuth to 1107'MD/1095'TVD and then drop 2"/100' to vertical to 0° inclination and 0° azimuth to KOP#2 at 1792'MD/1772'TVD.

Trip out of hole and pick up 8 3/4" kick off assembly and build and turn well at 10"/100' to 89.85° inclination and 270° azimuth to 7" casing point at 2690'MD/2345'TVD. 7" casing will be set in a legal location 1786' FSL & 1975' FEL at 2690'MD/2345'TVD in section 2, T30N, R11W.

Cement 7" casing in single stage cement top to surface.

The 7" casing will be drilled out with produced water/brine water base fluid and a 6-1/8" lateral drilling assembly. Building to 91.38° inclination and 270° azimuth to land well at 2705'MD/2345'TVD, 91.38° inclination, 270° azimuth in the Cahn Coal target (16' below top). Then hold 91.38° inclination, 270° azimuth to a TD of 5320'MD/2282'TVD.

Adjustments may be made to the directional program based on geology.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1293 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 97232	³ Pool Name Basin Fruitland Coal
⁴ Property Code 000749	⁵ Property Name Johnson 1	
⁷ OGRID No. 000778	⁸ Operator Name BP America Production Company	⁶ Well Number 1H ⁹ Elevation 5831

¹⁰ Surface Location

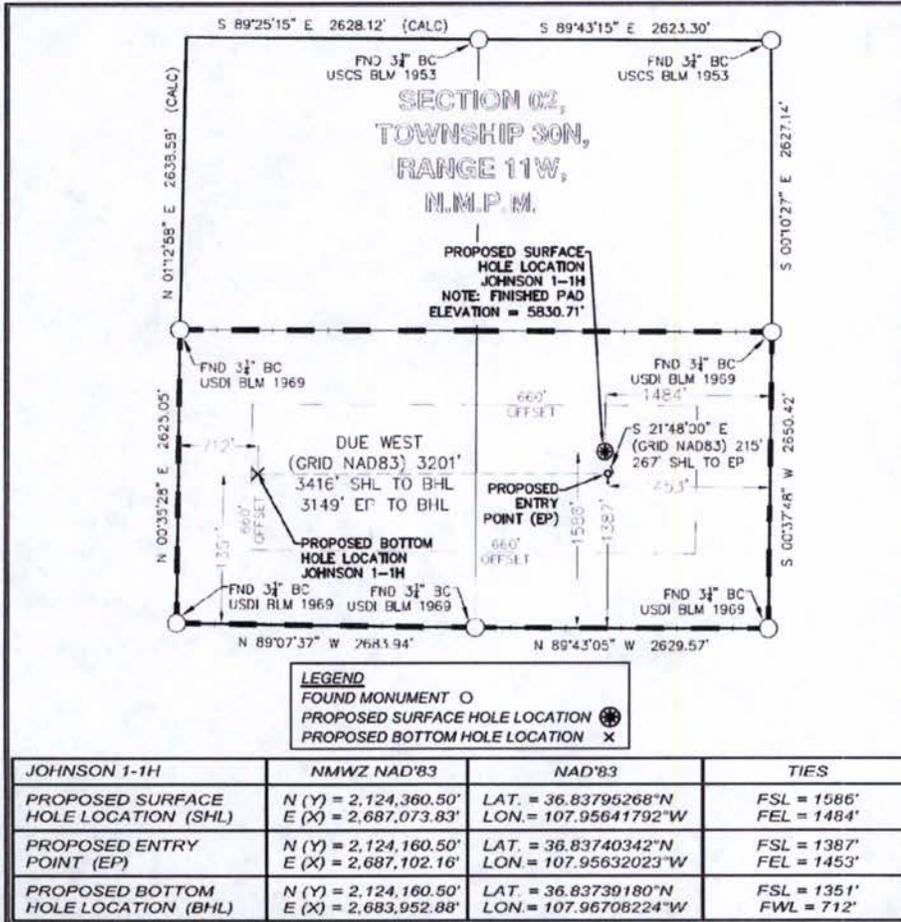
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	02	30N	11W		1586	South	1484	East	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	02	30N	11W		1351	South	712	West	San Juan

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



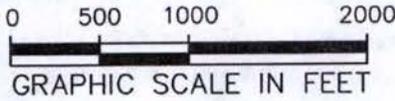
¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Toya Colvin Date: _____
Printed Name: Toya Colvin
E-mail Address: Toya.Colvin@bp.com

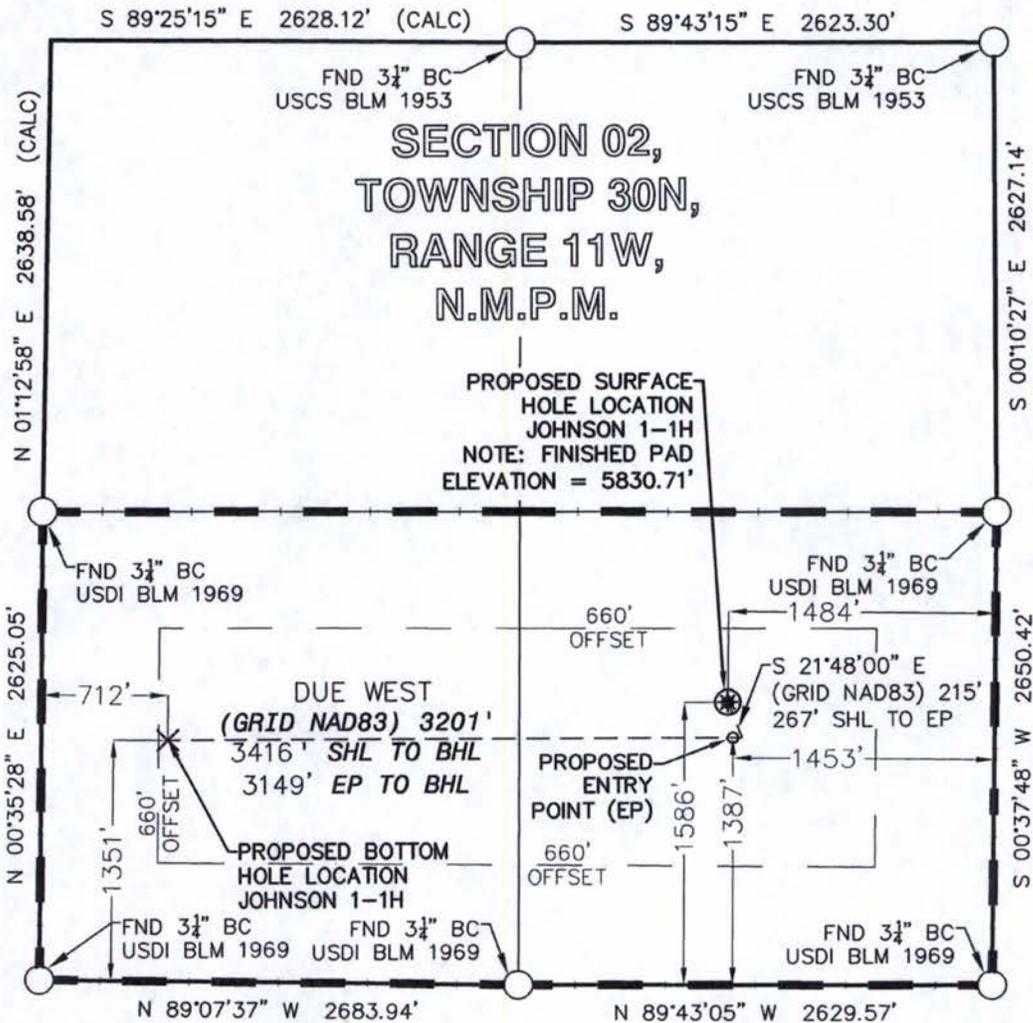
¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date of Survey: 6-2-15
Signature and Seal: Marshall W. Lindeen
Professional Surveyor
Certificate Number: 17078

JOHNSON 1-1H	NMWS NAD'83	NAD'83	TIES
PROPOSED SURFACE HOLE LOCATION (SHL)	N (Y) = 2,124,360.50' E (X) = 2,687,073.83'	LAT. = 36.83795268°N LON. = 107.95641792°W	FSL = 1586' FEL = 1484'
PROPOSED ENTRY POINT (EP)	N (Y) = 2,124,160.50' E (X) = 2,687,102.16'	LAT. = 36.83740342°N LON. = 107.95632023°W	FSL = 1387' FEL = 1453'
PROPOSED BOTTOM HOLE LOCATION (BHL)	N (Y) = 2,124,160.50' E (X) = 2,683,952.88'	LAT. = 36.83739180°N LON. = 107.96708224°W	FSL = 1351' FWL = 712'



LEGEND
 FOUND MONUMENT ○
 PROPOSED SURFACE HOLE LOCATION ⊗
 PROPOSED BOTTOM HOLE LOCATION ×



JOHNSON 1-1H	NMWS NAD'83	NAD'83	TIES
PROPOSED SURFACE HOLE LOCATION (SHL)	N (Y) = 2,124,360.50' E (X) = 2,687,073.83'	LAT = 36.83795268°N LON = 107.95641792°W	FSL = 1586' FEL = 1484'
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SURVEY NOTES

1. BEARING BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN DATUM OF 1983, NEW MEXICO STATE PLANE COORDINATE SYSTEM, NEW MEXICO WEST, ZONE 3003.
2. ELEVATION BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (GEOID12A).
3. SURVEYED IN THE FIELD ON 06/02/2015.
4. BEARINGS AND DISTANCE SHOWN ARE MEASURED IN THE FIELD UNLESS OTHERWISE NOTED.
5. ALL MEASURED DISTANCES SHOWN ARE GRID USING A COMBINED SCALE FACTOR 0.99964240.

SURVEYOR'S CERTIFICATE

I, MARSHALL LINDEEN, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY BELIEF.



	BP AMERICA PRODUCTION COMPANY US LOWER 48 ONSHORE
WELL LOCATION PLAT	
JOHNSON 1-1H PART OF SECTION 02, TOWNSHIP 30N, RANGE 11W, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO	

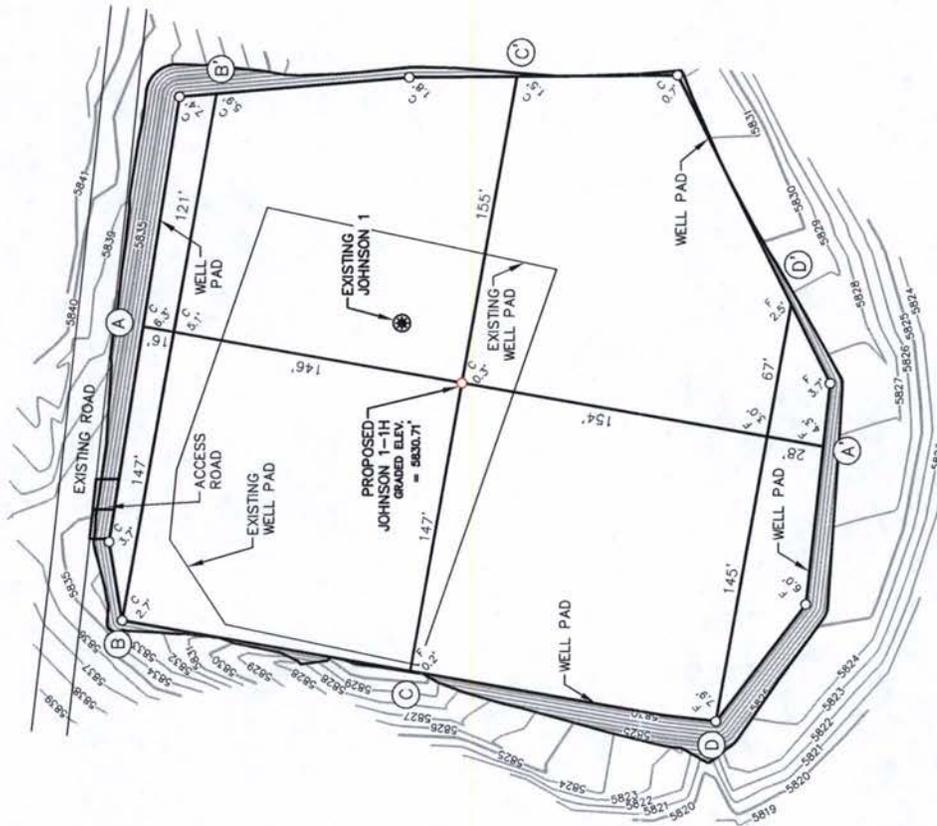
DRAWN BY CFW/RLM	CHECKED BY MWL	SCALE 1"=1000'	DATE 06/08/2015	SHEET 1 OF 1	REVISION
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SURVEY NOTES

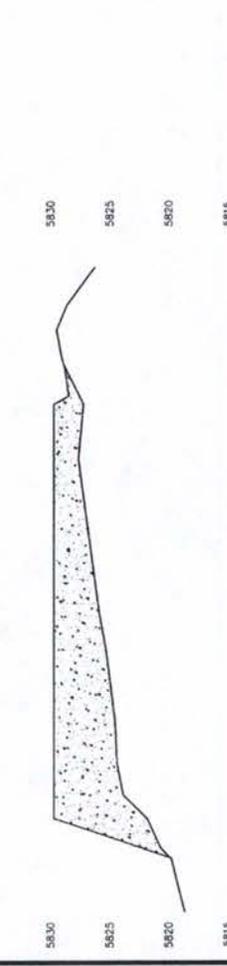
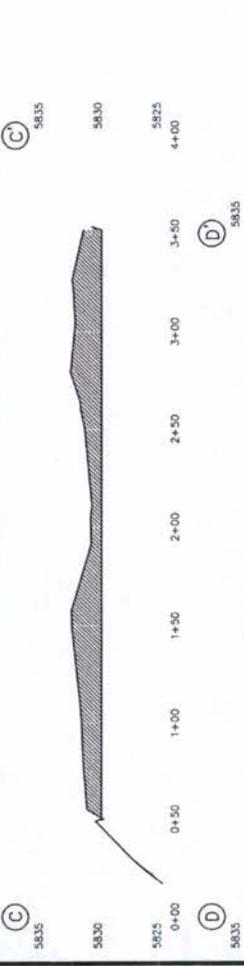
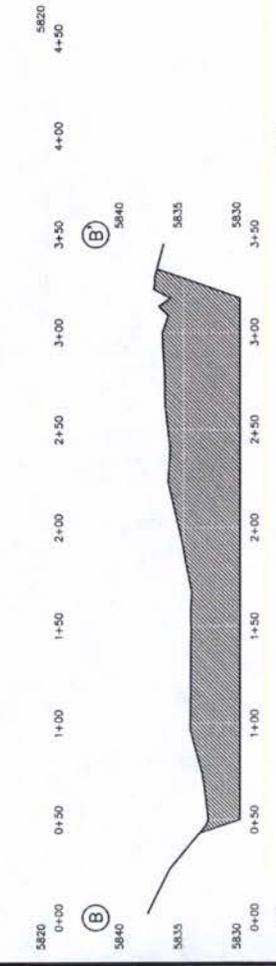
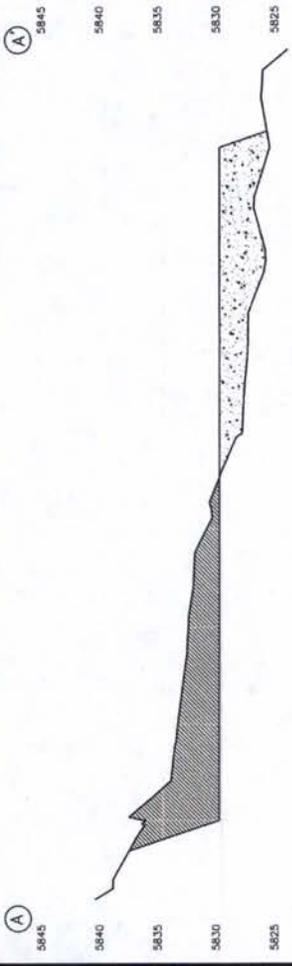
1. SEE SHEET 2 OF 2 FOR SURVEY NOTES AND SURVEY CERTIFICATE

EARTHWORKS	
CUT:	6,480 CUBIC YARDS
FILL:	5,111 CUBIC YARDS
TOPSOIL:	1,379 CUBIC YARDS
NET IMPORT:	0 CUBIC YARDS
EXISTING PAD SIZE: 0.680 ACRES	
PROPOSED EXPANSION SIZE: 1.502 ACRES	
FINAL PAD SIZE: 2.182 ACRES	
TOTAL DISTURBED AREA: 2.390 ACRES	



	BP AMERICA PRODUCTION COMPANY US LOWER 48 ONSHORE
	CONSTRUCTION LAYOUT PLAT
JOHNSON 1-1H PART OF SECTION 02, TOWNSHIP 30N, RANGE 11W, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO	

DESIGNED BY CTM/RLM	CHECKED BY MML	SCALE 1"=60'	DATE 06/02/2015	SHEET 1 OF 2	REVISION
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LEGEND
 CUT
 FILL

HORIZONTAL SCALE 1"=60'
 VERTICAL SCALE 1"=10'

SURVEY NOTES

1. BEARING BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN DATUM OF 1983, NEW MEXICO STATE PLANE COORDINATE SYSTEM, WEST NEW MEXICO, ZONE 3003.
2. ELEVATION BASIS FOR THIS SURVEY IS BASED ON THE NORTH AMERICAN VERTICAL DATUM OF 1988 (GEOID12A).
3. CONSTRUCTIONS SHALL ADHERE TO ALL LOCAL, STATE, AND FEDERAL REGULATIONS.
4. DETAILED CONSTRUCTION SPECIFICATIONS PROVIDED IN SCOPE OF WORK.

SURVEYOR'S CERTIFICATE

I, MARSHALL W. LINDEEN, BEING A PROFESSIONAL LAND SURVEYOR IN THE STATE OF NEW MEXICO, DO HEREBY CERTIFY THAT THE SURVEY REPRESENTED BY THIS PLAT WAS MADE UNDER MY DIRECT SUPERVISION AND THAT THIS PLAT ACCURATELY REPRESENTS THIS SURVEY TO THE BEST OF MY KNOWLEDGE AND BELIEF.



	BP AMERICA PRODUCTION COMPANY US LOWER 48 ONSHORE
	CROSS-SECTION PLAT
JOHNSON 1-H	
SECTION 02, TOWNSHIP 10N, RANGE 11W, SAN JUAN COUNTY, NEW MEXICO	

DATE	06/10/2015	REVISION	
BY	N/A	DATE	2 OF 2
CHECKED BY	ML	DATE	
DATE		DATE	



- Legend
- PERMANENT PAD
 - facilities
 - Johnson Pad Expansion
 - Access
 - Proposed Access Road

Exhibit A
 Fence



170 Feet

85

0



BP America
 San Juan South
 Farmington, NM

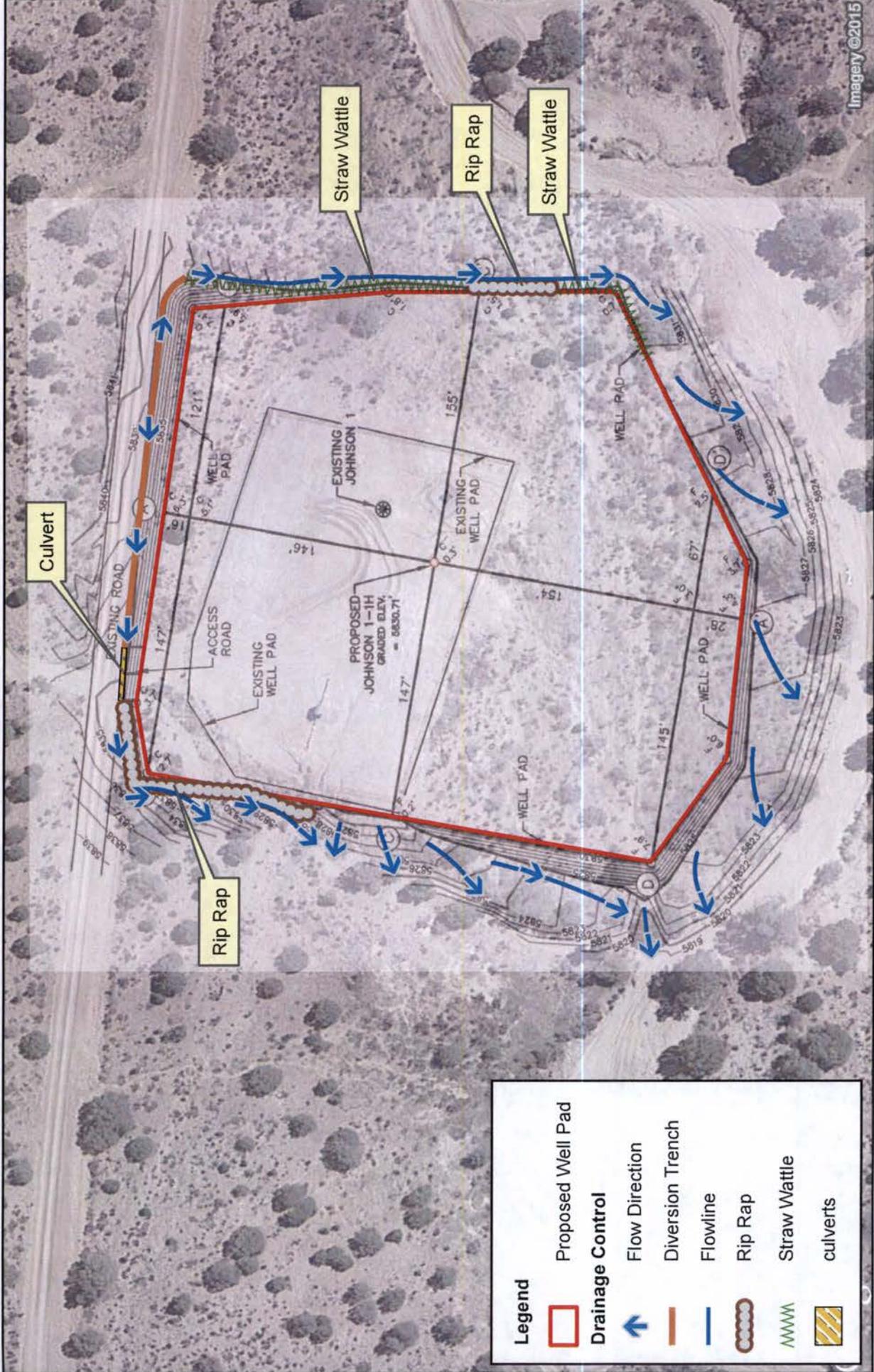
Johnson 1

Permanent Pad with Access

Sites

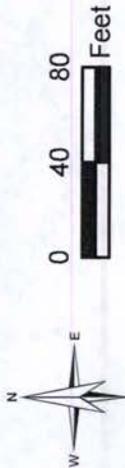
6/1/2015

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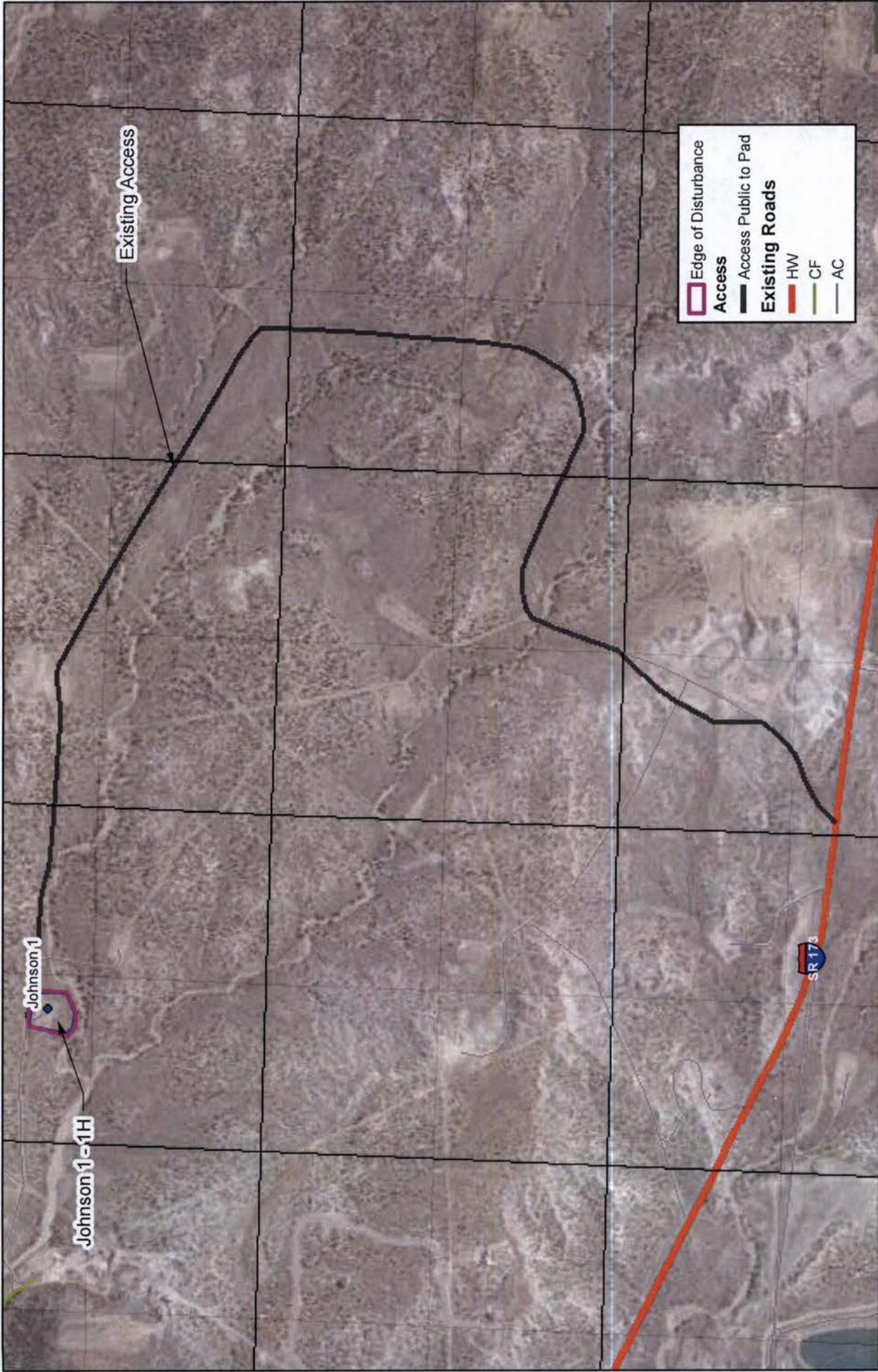
Legend

- Proposed Well Pad
- Drainage Control**
- Flow Direction
- Diversion Trench
- Flowline
- Rip Rap
- Straw Wattle
- culverts



Adkins Consulting Inc.
 180 East 12th Street
 Durango, CO 81303
 505-793-1140

Drainage Controls
 BP America Production Company
 Johnson 1 - 1H



1:12,654

Johnson 1		Sites
Johnson 1 Access Route		
		6/15/2015

Surface Ownership - Johnson 1 -1H Well

Township 30 North, Range 11 West N.M.P.M.

Section 2: SE/4NE/4SW/4 & S/2NW/4SE/4

NAME	ADDRESS	CITY	ST	ZIP	Undivided Ownership	Decimal
Beverly Lawson	P.O. Box 1052	Aztec	NM	87410	1/2 of 1/5 of 5/6	0.0833
George Mcdonald Lawson	3803 14th Avenue	Kearney	NE	68845	1/2 of 1/5 of 5/6	0.0833
Grace Lorraine Ogden	1010 Sombrillo Court, Apt 202	Los Alamos	NM	87544	1/5 of 5/6	0.1667
Carla Joan Hill	16600 South Harrah Road	Newalla	OK	74857	1/6 of 1/5 of 5/6	0.0278
Kaye Lynn Griffin	7070 Hillshire Drive	Memphis	TN	38133	1/6 of 1/5 of 5/6	0.0278
Wanda J. Lawson	150 Poplar Acres Road	Collierville	TN	38017	1/6 of 1/5 of 5/6	0.0278
Marda Maxine Santos	3709 Range Drive	Colorado Springs	CO	80922	1/6 of 1/5 of 5/6	0.0278
Stephen McNeil Lawson	7920 South Maywood Lane	Oklahoma City	OK	73150	1/6 of 1/5 of 5/6	0.0278
Mark David Lawson	4178 Rocky Ledge Way	Snellville	GA	30039	1/6 of 1/5 of 5/6	0.0278
Jerry Stinson	1670 North Church Street	Layton	UT	84041	1/2 of 1/5 of 5/6	0.0833
Tommy Stinson	16368 Hwy 550	Aztec	NM	87410	1/2 of 1/5 of 5/6	0.0833
Marda E. Cooksey Revocable Trust	7905 American Heritage Drive NE	Albuquerque	NM	87109	1/5 of 5/6	0.1667
Earl F. Robison Revocable Trust	26412 South Highway 170	Canby	OR	97013	1/6	<u>0.1667</u>
						1.0000

Vicinity Map



 Adkins Consulting Inc. Durango, Colorado Proposed Development BP America Production Company Johnson 1-1H Section 2, Township 30N, Range 11W San Juan County, New Mexico	Project Area  Existing Well Pad  Well Pad Expansion	Biological  Brack's / Gilia Habitat	
			

**Attachment to Application for Permit to Drill.
Drilling program**

**BP America Production Company
US Lower 48 Onshore
200 Energy Court
Farmington, NM 87401**

**Johnson 1-1H
Cahn Coal Horizontal Well
Surface Location: 1586' FSL & 1484' FEL
Section 2, T30N, R11W
Ungraded GL Elev = 5831'
Lat. = 36.8379527° N
Long. = 107.9564191° W
NAD83
San Juan County, New Mexico**

**Proposed Bottom Hole Location: 1351' FSL – 712' FWL
Section 2, T30N, R11W
San Juan County, New Mexico**

a. Names and estimated tops of all geologic groups, formations, members, or zones based on an estimated GR of 5839'

<u>Formation Tops</u>	<u>Surface (TVD)</u>	<u>Thickness</u>	<u>BHP psi/ft</u>
Ojo Alamo Sd	940	116	0.440
Kirtland Sh	1056	436	0.440
Farmington Sd	1492	357	0.440
L. Kirtland Sh	1685	193	0.440
Fruitland Coal	2010	123	0.440
IGNA Coal	2133	47	0.440
Fruitland Sand	2180	53	0.440
CTWD Coal	2233	96	0.440
Cahn Coal	2329	39	0.440
Cahn Coal Target	2345	16(below top)	0.440

Note: Geological tops will be updated based on drilling and geology operations

Drilling Plan

Drill 12-1/4" vertical hole with fresh water to Kick Off Point (KOP) #1 at 200'MD/TVD. Build 2°/100' to 2° inclination and 158.2° azimuth to 300'MD/TVD then set 9 5/8" casing.

Run and cement 9-5/8" casing and cement to surface to protect fresh water at 250'MD/TVD.

The 9-5/8" casing will be drilled out with LSND water base mud and a 8-3/4" drilling assembly. Building 2°/100' to 13.68° inclination and 158.2° azimuth by 884'MD/878'TVD and holding directional at 13.68° inclination and 158.2° azimuth to 1107'MD/1095'TVD and then drop 2°/100' to vertical to 0° inclination and 0° azimuth to KOP#2 at 1792'MD/1772'TVD.

Trip out of hole and pick up 8 3/4" kick off assembly and build and turn well at 10°/100' to 89.85° inclination and 270° azimuth to 7" casing point at 2690'MD/2345'TVD. 7" casing will be set in a legal location 1786' FSL & 1975' FEL at 2690'MD/2345'TVD in section 2, T30N, R11W.

Cement 7" casing in single stage cement top to surface.

The 7" casing will be drilled out with produced water/brine water base fluid and a 6-1/8" lateral drilling assembly. Building to 91.38° inclination and 270° azimuth to land well at 2705'MD/2345'TVD, 91.38° inclination, 270° azimuth in the Cahn Coal target (16' below top). Then hold 91.38° inclination, 270° azimuth to a TD of 5320'MD/2282'TVD.

Adjustments may be made to the directional program based on geology.

Total depth will be 5320'MD/2282'TVD – 91.38° inclination, 270° azimuth.

The Bottom Hole Location will be in a legal location at TD 5320'MD/2282'TVD at 1351' FSL & 712' FEL of section 2, T30N, R11W.

A total of 3127' of horizontal hole will be drilled.

b. Estimated depth and thickness of formations, members or zones potentially containing usable water, oil, gas or prospectively valuable deposits of other minerals that the operator expects to encounter, and the operator's plans for protecting such resources.

<u>Formation Tops</u>	<u>Surface (TVD)</u>	<u>Thickness</u>	<u>Contents</u>
Ojo Alamo Sd	940	116	Water
Kirtland Sh	1056	436	Water
Farmington Sd	1492	357	Water/Gas
L. Kirtland Sh	1685	193	Water/Gas
Fruitland Coal	2010	123	Water/Gas
IGNA Coal	2133	47	Gas
Fruitland Sand	2180	53	Gas
CTWD Coal	2233	96	Gas
Cahn Coal	2329	39	Gas
Cahn Coal Target	2345	16(below top)	Gas

Possible Aquifers: Ojo Alamo, 250'.

Oil Shale: None Expected.

Oil & Gas: Primary objective is the Cahn Coal 2329' TVD.

Protection of oil, gas, water, or other mineral bearing formations: Protection shall be accomplished by setting surface casing below base of possible aquifer and cementing surface casing to surface.

Intermediate casing will be set at 2690'MD/2345'TVD and cemented to surface.

c. The operator's minimum specifications for blowout prevention equipment and diverter systems to be used, including size, pressure rating, configuration and the testing procedure and frequency.

The working pressure of all BOPE shall exceed the anticipated surface pressure to which it may be subjected, assuming a partially evacuated hole with a pressure gradient of 0.22 psi/ft.

Bottom Hole pressure = 2345' TVD x 0.440 TVD x .22 psi/ft) = 1032 psi – 516 psi = 516 psi and is less than 2000 psi working pressure.

Therefore 2000 psi BOPE system meets the requirements.

A 2000 psig annular BOP and single blind ram hydraulic BOP will be used (see attached diagram). Accessories to the BOP will meet requirements for a 2000 psig system.

The accumulator system capacity will be sufficient to close all BOPE with a 50% safety factor. Fill line, kill line and line to the choke manifold will be 2".

BOPs will be function tested every 24 hours and will be recorded on an IADC log. Accessories to the BOPE will include upper and lower Kelly cocks with handles with a stabbing valve to fit drill pipe on the floor at all times, string float at bit, 2000 psig choke manifold with 2" adjustable and 2" positive chokes, and pressure gauge.

All BOP equipment will be hydraulically operated with controls accessible both on the rig floor.

The wellhead BOP equipment will be nipped-up on the 9-5/8" x 11" 2,000 psi WP casing head prior to drilling out from under surface casing. All ram preventers and related equipment will be tested to 2,000 psi for 10 minutes. Annular preventers will

be tested to 50% of rated working pressure for 10 minutes. Surface casing will be tested to 70% of internal yield pressure. All preventers and surface casing will be tested before drilling out of surface casing. BOP equipment will be tested every 30 days, after any repairs are made to the BOP equipment, and after the BOP equipment is subjected to pressure. Annular preventers will be functionally operated at least once per week. Pipe rams will be activated daily and blind rams shall be activated each trip or at least weekly. The New Mexico Oil Conservation Division will be notified 24 hours in advance of testing of BOPE.

d. The operator's proposed casing program, including size, grade, weight, type of thread and coupling, the setting depth of each string, and it's condition. The operator must include the minimum design criteria, including casing loading assumptions and corresponding safety factors for burst, collapse, and tensions (body yield and joint strength). The operator must also include the lengths and setting depth of each casing when a tapered casing string is proposed. The hole size for each wellbore section of hole drilled must be included. Special casing designs such as the use of coil tubing or expandable casing may necessitate additional information.

1. Bit Program
 12-1/4" Surface Hole = Surface to 300'
 8-3/4" = 300' to 2690' MD = 7" Casing point @ 75.65 degrees
 6-1/8" Lateral = 2690' MD to 5320' MD = Pay Zone Horizontal
2. Casing Program – all casing strings are new casing

Casing & Hole Size	Weight	Grade	Coupling	Setting Depth (MD)	Comments
9-5/8" (12-1/4")	36 ppf	J or K-55	LT&C	0' - 300'	New casing. Cement to surface. *Surface Casing maybe preset
7" (8-3/4")	23 ppf	J or K-55	LT&C	0' - 2690' MD	New Casing. Cement in one stage to surface.
4-1/2" (6-1/4")	11.6 ppf	N-80	LT&C	2590' - 5320' MD	New Casing – 9 swell packers Top of liner 2590' with 100' minimum liner lap.

Casing strings below the conductor casing will be tested to .22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield.

Minimum casing design factors used:

Collapse -	1.0
Burst -	1.1
Jt. Strength -	1.4

Surface casing shall have a minimum of 1 centralizer per joint on the bottom three (3) joints, starting with the shoe joint for a total of (4) minimum centralizers. Centralizers will be placed 10' above the shoe on the shoe joint, on the 1st, 2nd and 3rd casing collars.

The intermediate casing will be centralized using 1 centralizer the first 6 jts and spaced appropriately through the curve section of the well-bore and then spaced +/- 1 centralizer / 4 jts through the remainder of the cement column, using approximately 30 centralizers.

*Surface casing maybe preset with a preset rig (MOTE).

Surface Casing Design - Evacuated/Max SICP (collapse & burst), 100k overpull (tension)

	Size	Weight	Grade	Conn	Collapse	Burst	Tension	Notes
Surface	9.625	36	K55	LTC	2,020 1.000	3,520 1.100	489,000 1.400	0' - 300'
					341 psi (Maximum Estimated SIP)			
36 ppf K55 LTC								
Collapse	Casing Depth	MW in	MW out	Pres in	Pres out	SF		
	300	0	9	0	137	14.71		
Burst	300	9	0	300	0	11.73		
Tension	300	Mud Wt 9 BF 0.8626	Air Wt 10,800	Bouy Wt 9,316	BW +100k 109,316	4.47	100k over pull BF= 1- (MW)/65.5	

Intermediate Casing Design - Evacuated/Max Mud Wt (collapse & burst), 100k overpull (tension)

Intermediate	Top Interval	Btm Interval	Size	Weight	Grade	Conn	Collapse	Burst	Tension	Notes
Interval 1	0	2690	7	23	N80	LTC	3,830 1.000	6,340 1.100	442,000 1.400	
Collapse			Depth TVD	MW in	MW out	Pres in	Pres out	SF - 1.0		
Interval 1	0	2690	2345	0	9	0	1097	3.49		
23	N80									
Burst			Depth TVD	MW in	MW out	Pres in	Pres out	SF - 1.1	Frac Pres	
Interval 1	0	2690	2345	9	0	1097	0	1.10	4650	
23	N80					5747				
Tension				Mud Wt	Air Wt	Bouy Wt	BW +100k	SF - 1.4		
Interval 1	0	2690	2345	9	53,935	46,524	146,524	3.02		
23	N80			BF 0.8626						BF= 1- (MW)/65.5

Liner Casing Design - Evacuation/Max Mud Wt (collapse), Max Frac Pres (burst) & 100k overpull (tension)

Liner	Size	Weight	Grade	Conn	Collapse	Burst	Tension	Notes
Interval 1	4.5	11.6	N-80	LTC	6,350 1.000	7,780 1.100	212,000 1.400	TD 5548', TVD 2345'
Collapse	Casing Depth (TVD)	MW in	MW out	Pres in	Pres out	SF		
	2345	0.00	9.00	0	1097	5.79		
Burst	2345	9.00	0.00	1097 5747	0	1.35	4650	frac pressure Burst pressure = Hyd + frac pressure
Tension		Mud Wt	Air Wt	Bouy Wt	BW +100k			100k over pull
	2345	8.80 BF 0.8656	27,202	23,547	123,547	1.72		BF= 1- (MW)/65.5

e. The estimated amount and type(s) of cement expected to be used in the setting of each casing string. If stage cementing will be used, provide the setting depth of the stage tool(s) and the amount and type of cement including additives, to be used for each stage. Provide the yield of each cement slurry and the expected top of cement, with excess, for each cemented string or stage.

The proposed cementing program has been designed to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. All indications of useable water shall be reported.

- Pea Gravel or other material shall not be used to fill up around the surface casing in the event cement fall back occurs.
- The surface casing shall in all cases be cemented back to surface. In the event cement does not circulate to surface or fall back of the cement column occurs, remedial cementing shall be done to cement the casing back to surface. No more than the top 100' will be remediated with 1" line if fall back occurs. Anything more than 100' will require plan approval to remediate.
- If returns are lost and/or cement is not brought to surface and no fallback occurs, a cement bond log (CBL) will be required to determine the quality of the job prior to drilling ahead (see OO2).
- Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a pre-flush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- Production liner will be set a minimum of 100' above the 7" casing shoe and be isolated between stages with packers.

Surface Casing Single Stage Job – (0-300'MD/TVD):

Excess – 100% over gauge hole – 12-1/4" hole and 9-5/8" casing (0.3132ft3/ft)

Top of Cement - Surface

Lead Slurry - (0' – 168'): 43 sx – 12.3 ppg, conventional cement containing:

HALCEM™ SYSTEM – Cement – 94 lbs/sx WBWOB

Yield – 2.45 ft³/sx

Water requirement – 13.77 gal/sx.

Tail #1 - (168' – 300'): 45 sx – 13.5 ppg, conventional cement containing:

HALCEM™ SYSTEM – Cement – 94 lbs/sx WBWOB

Yield – 1.842 ft³/sx

Water requirement – 9.31 gal/sx.

Total sacks of cement pumped = 88

Intermediate Casing – Conventional Cement (Single Stage) - (0-2690'MD/2329'TVD):

Excess – 50% over gauge hole – 8-3/4" hole and 7" casing (0.1503 ft³/ft)

Top of Cement – Surface.

Lead #1 - (0' – 1870'): 263 sx – 12.3 ppg, conventional cement containing:

VARICEM™ – Cement – 94 lbs/sx WBWOB

Yield – 2.454 ft³/sx

Water requirement – 13.78 gal/sx

Tail #1 - (1870'-2690') - 820': 100 sx – 13.5 ppg, conventional cement containing:

VARICEM™ – Cement – 94 lbs/sx WBWOB

Yield – 1.849 ft³/sx

Water requirement – 9.33 gal/sx.

Total sacks of cement pumped = 363

Cement volumes are minimums and may be adjusted based on hole conditions and lab testing.

Production Casing (Liner) – No Cement - Swell Packers

Actual volumes will be calculated and determined by conditions onsite. All cement slurries will meet or exceed minimum New Mexico Oil Conservation Division requirements. Slurries used will be the slurries listed above or equivalent slurries depending on service provider selected. Cement yields may change depending on slurries selected.

All waiting on cement times shall be a minimum of 8 hours or adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

f. Type and characteristics of the proposed circulating medium or mediums proposed for the drilling of each well bore section, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be used on the circulating system. The operator must submit the detailed information when air or gas drill is proposed.

Fluids	From MD (ft)	To MD (ft)	Weight	Vis	FL	PV	YP	Max. Salinity	pH	Remarks
Fresh Water	300	Surface	8.4-8.8	28-35	N/C	<5	<4	2500	8-8.5	Spud in with fresh water
LSND	2,690	300	8.8-9.5	35-44	<6	8-15	6-12	5000	8-8.5	Water Base Mud
Produced Water/Brine	5,320	2,690	8.4- 9.0	28-35	N/C	2-5	1-3	50000	8-8.5	Water Base Fluid

Sufficient weighting material will be on hand to weight mud up to 1 PPG, if required.

The formula for weight up with barite is listed below:

$$\text{Sacks of Barite per 100 bbl of mud} = 1470 \times (W2 - W1) \div (35 - W2)$$

Where; W1 = current mud weight

W2 = new mud weight

$$\text{Sacks} = 1470 \times (10.5 - 9.5) \div (35 - 10.5) = 60 \text{ sx} \times 5 (500\text{bbls minimum}) = 300 \text{ sx}$$

Pason Pit Volume Totalizer (PVT) equipment (or equivalent) will be on each pit to monitor pit levels. A trip tank equipped with a Pason PVT will be used to monitor trip volumes.

A closed-loop system will be used to recover drilling fluid and dry cuttings in both phases of the well and on all hole intervals. Above-ground tanks will be utilized to hold cuttings and fluids for rig operations. A frac tank will be on location to store fresh water. Waste will be disposed of properly at an EPA-approved hazardous waste facility. Water base cuttings will be disposed of as outlined in surface use plan, location will be lined in accordance with the Surface Use Plan of Operations.

g. The testing, logging, and coring procedures proposed, including drill stem testing procedures, equipment, and safety measures.

Testing: None planned.

Logging:

Intermediate Hole Section (MWD - Gamma Ray)

Proposed Open Hole Logs – No Openhole Logs

Mud Logging:

Geologist & a manned mud-logging unit will be operational @ +/- 1,600' on the main hole to TD of the horizontal hole.

Gas detecting equipment shall be installed in the mud return system for exploratory wells and hydrocarbon gas shall be monitored for pore pressure changes from base of surface casing to TD.

Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume.

Coring: None.

Cement Bond Log:

Will be run after the drilling of the well has been completed and as the start of the completion process. The CBL will confirm the quality of the cement bond and the actual TOC. If either of these two data points were not satisfactory per State and standard procedure, remedial cement work, if required, will be performed after consultation and approval of a plan from the State.

A cement bond log shall be run if the well is cased for production, injection, or disposal. The logged interval should extend from at least 50 feet below the KOP, if practical, to 200 feet above the top of cement. In no case shall the cement bond log begin above the KOP.

h. The expected bottom-hole pressure and any anticipated abnormal pressures, temperatures, or potential hazards that the operator expects to encounter, such as lost circulation and hydrogen sulfide. A description or the operators plans for mitigating such hazards must be included.

Normal to subnormal pressure gradient to TD.

MASP and casing design parameters determined using 0.440 psi/ft.

Maximum expected BHP @ Cahn Coal target at 2345' TVD: 1032 psi

Maximum expected BHP @ TD at 5320'MD/2282'TVD: 1004 psi

Maximum expected BHT @ 2345' TVD: ~140° F

No hydrogen sulfide gas is anticipated, however, if H₂S is encountered, the requirements of 19.15.11 NMAC will be followed.

i. Any other facets of the proposed operation that the operator would like the agency to consider in reviewing the application. Examples include, but are not limited to: For directional wells, proposed directional designs, plan view, and vertical section in true vertical and measured depths: Horizontal drilling; and Coil tubing Operations.

Directional Plans: Horizontal directional well, directional plans attached.

Completion:

BP plans on completing the well utilizing hydraulic fracturing for approximately 9 stages. Adjustments maybe be made to the number of stages and stage size based on the petrophysical properties of the target zone.

The wellbore is then opened for flowback operations. The well is placed through sales equipment once natural gas is experienced at surface.

Once stimulation operations are completed, BP intends to drill out the plugs within one to two weeks with workover rig operations. Then 2-3/8", 4.7#, L-80 tubing will be landed in the wellbore for production.

Timing: BP plans to drill this well beginning September, 2015

It is anticipated that the drilling of this well will take approximately 15 days.

It is anticipated that completion operations will begin within 30 days after the well has been drilled depending on fracture treatment schedules with various pumping service companies.

CLOSED-LOOP SYSTEM DESIGN PLAN

The closed-loop system will consist of a series of temporary above-ground storage tanks and/or haul-off bins suitable for holding the cuttings and fluids from drilling operations. The closed-loop system will not entail temporary pits, below-grade storage tanks, below-grade sumps, or drying pads.

Design considerations include:

- The closed-loop system will be signed in accordance with 19.15.17.11 NMAC.
- The closed-loop system storage tanks will be of adequate volume to ensure confinement of all fluids and provide sufficient freeboard to prevent uncontrolled releases.
- Topsoil will be salvaged and stored for use in reclamation activities.
- The closed-loop system storage tanks will be placed in bermed secondary containment sized to contain a minimum of 110percent of the volume of the largest storage tank.

CLOSED-LOOP SYSTEM OPERATING & MAINTENANCE PLAN

The closed-loop system will be operated and maintained to contain liquids and solids; minimize the amount of drilling fluids and cuttings that require disposal; maximize the amount of drilling fluid recycled and reused in the drilling process; isolate drilling wastes from the environment; prevent contamination of fresh water; and protect public health and the environment.

Operation and maintenance considerations include:

- Fluid levels will be maintained to provide sufficient freeboard to prevent over-topping.
- Visual inspections will be conducted on a daily basis to identify any potential leaks and to ensure that the closed-loop system storage tanks have sufficient freeboard to prevent over-topping.
- Only drilling fluids or cuttings intrinsic to, used by, or generated from, drilling operations will be stored in the closed-loop system storage tanks. Hazardous waste, miscellaneous solid waste, and/or debris will not be stored in the storage tanks.
- The OCD District Office will be notified within 48 hours of discovery of a leak in the closed-loop drilling system. If a leak is discovered, all liquid will be removed within 48 hours and the damage repaired.

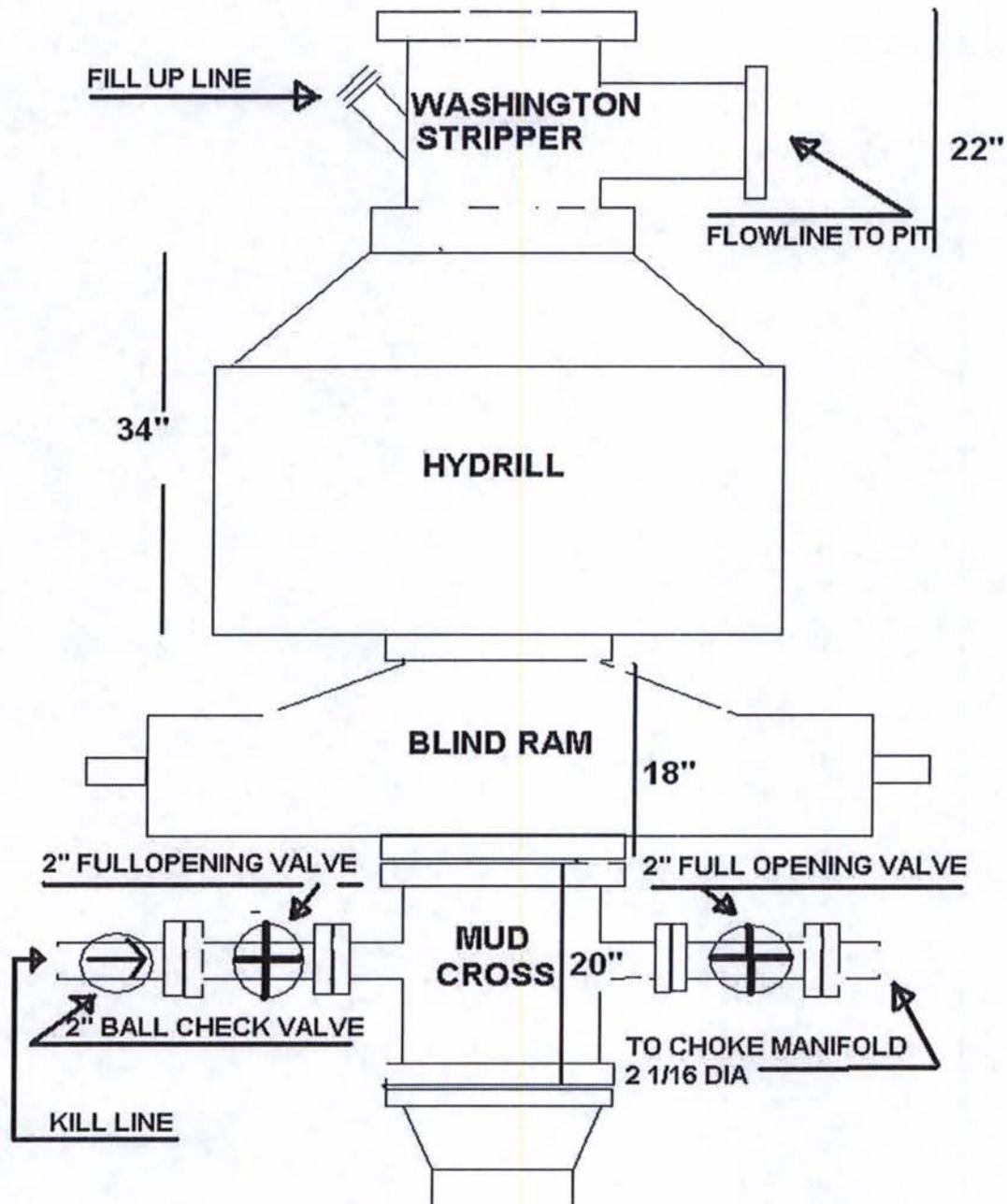
CLOSED-LOOP SYSTEM CLOSURE PLAN

The closed-loop system will be closed in accordance with 19.15.17.13 NMAC. Closure considerations

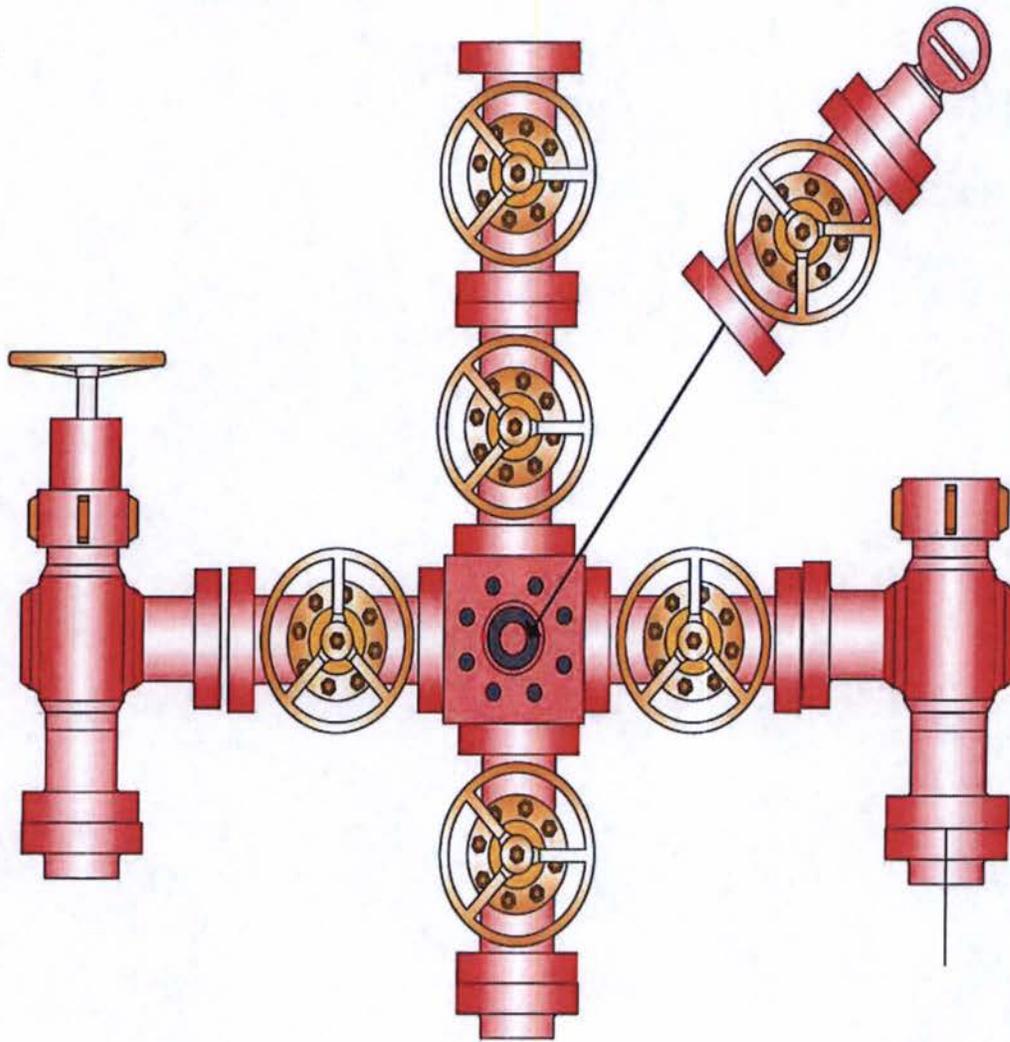
include:

- Drilling fluids will be recycled and transferred to other permitted closed-loop systems or returned to the vendor for reuse, as practical.
- Residual fluids will be pulled from the storage tanks, mixed with saw dust or similar absorbent material, and disposed of at Industrial Ecosystem, Inc. waste disposal facilities.
- Remaining cuttings or sludges will be vacuumed from the storage tanks and disposed of at the Envirotech, Inc and/or Industrial Ecosystem, Inc. waste disposal facilities.
- Storage tanks will be removed from the well location during the rig move.
- The well pad will be reclaimed and seeded in accordance with subsections G, Hand I of 19.15.17.13NMAC.

92" overall height



Attachment: Proposed BOP Equipment for 2M system.



(Minimum 2")

Proposed 2,000 psi Choke Manifold Stack