

AG E N D A
CITY OF AZTEC
CITY COMMISSION MEETING
June 11, 2019
201 W. Chaco, City Hall
6:00 p.m.

I. CALL TO ORDER

II. INVOCATION AND PLEDGE OF ALLEGIANCE

United States Pledge of Allegiance

New Mexico Pledge of Allegiance

I Salute the Flag of the State of New Mexico and the Zia Symbol of Perfect Friendship among United Cultures

III. ROLL CALL

IV. APPROVAL OF AGENDA ITEMS

V. CONSENT AGENDA

- A. Commission Meeting Special Workshop Minutes May 20, 2019
- B. Commission Meeting Workshop Minutes May 28, 2019
- C. Commission Meeting Minutes May 28, 2019
- D. RFP 2019-686 Electric Pole Testing Contract Award
- E. American Kennel Club Pet Disaster Relief Unit Agreement
- F. NMDOT Cooperative Agreement C5150949 Extension
- G. NMDOT Cooperative Agreement C5193388

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"

VI. ITEMS REMOVED FROM CONSENT AGENDA

VII. PROCLAMATION

None

VIII. PRESENTATIONS

None

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 72 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

IX. CITIZENS INPUT (3 Minutes Maximum)

X. BUSINESS ITEMS

- A. Final Adoption of Ordinance 2019-491, An Ordinance Providing for the Annexation to the City of Aztec of Contiguous Territory Located East of Aztec

XI. QUASI JUDICIAL HEARINGS (LAND USE)

- A. Oil and Gas Application 19-01 Recompletion "Hydraulic Fracturing" Hartman #4 Gas Well

XII. COMMISSIONER, CITY MANAGER, DEPARTMENT REPORTS

XIII. 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 72 hours prior to the meeting. Copies of the agenda may be obtained from City Hall, 201 W. Chaco, Aztec, NM 87410.

1 CITY OF AZTEC
2 SPECIAL WORKSHOP MEETING MINUTES
3 May 20, 2019
4

5 **I. CALL TO ORDER**

6 Mayor Snover called the Workshop to order at 6:00 pm at the Aztec City
7 Commission Room, City Hall, 201 W. Chaco, Aztec, NM.
8

9 MEMBERS PRESENT: Mayor Victor Snover; Mayor Pro-Tem Fry;
10 Commissioner Sherri Sipe; Commissioner,
11 Mark Lewis; Commissioner Randall
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13 MEMBERS ABSENT: NONE
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15 OTHERS PRESENT: City Manager Steve Mueller; Finance Director
16 Kathy Lamb; Project Manager Ed Kotyk; City
17 Clerk Karla Saylor
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19 **A. Fiscal Year 2020 Special Budget Workshop**
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21 Mayor Snover opened the workshop and turned it over to Finance Director Kathy
22 Lamb. City Manager Steve Mueller asked if anyone had questions to start.

- 23 • This fiscal year the revenues are meeting the estimated expenditures
- 24 • The problem on the general fund side is that we can't see any revenue
25 growth.
- 26 • January of 2020 is when the minimum wage increases will start. We have
27 it budgeted to start 6 months earlier.
- 28 • It is budgeted to be an annual increase instead of one big chunk. The way
29 that it is budgeted now instead of COLA % it will be a flat increase of \$.75
30 a year for the next 3 years.
- 31 • Level of funding for 4CED, we should maintain a seat at the table but feel
32 it can be reduced. Have a presentation and get knowledge of where 4CED
33 fits into Aztec.
- 34 • Boys and Girls Club should raise their fees to help supplement FY 18, 19
35 funded them at \$25,000
- 36 • Talk with the Museum again about the shared use
- 37 • Talk with County about finding the Historical Society a new building,
38 possible to use the old fire station for visitor center
- 39 • Can approve the funding requests now or wait until later
- 40 • 3 new vehicles purchased for police, but they still have a need for more.
41 We have an aging fleet City wide because of not being able to keep on a
42 regular replacement schedule
- 43 • Let's see where we are in January and hopefully will have flexibility to
44 revisit some of the items requested but not put in the budget (mower,
45 police cars, community development vehicle)
- 46 • All departments are struggling with aging equipment

- 1 • Park improvements of bleachers on field 3 and 5 baseball field
- 2 • The Mosaic Playground on City property also needs improvements,
- 3 Mosaic is still looking for a place to move
- 4 • Good to see staff all watching what they spend, but realistically how long
- 5 can we keep the budgets this lean
- 6 • Arterial is a 2 year project and will probably complete in FY22
- 7 • North Main is probably a 12 month project and hopefully will kick off in late
- 8 fall
- 9 • Need to be thinking about what projects we are going to be requesting
- 10 funding from the legislature
- 11 • We need to have more dialogue with state and federal representatives

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15 **II. ADJOURMENT**

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17 Moved by Mayor Snover to adjourn the meeting at 8:00 p.m.

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Mayor, Victor C. Snover

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24 ATTEST:

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26 _____
27 Karla Sayler, City Clerk

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29 MINUTES PREPARED BY:

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31 _____
32 Sherlynn Morgan, Administrative Assistant

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CITY OF AZTEC
WORKSHOP MEETING MINUTES
May 28, 2019

I. CALL TO ORDER

Mayor Snover called the Workshop to order at 5:16 pm at the Aztec City Commission Room, City Hall, 201 W. Chaco, Aztec, NM.

MEMBERS PRESENT: Mayor Victor Snover; Mayor Pro-Tem Fry; Commissioner Sherri Sipe; Commissioner, Mark Lewis

MEMBERS ABSENT: Commissioner Austin Randall

OTHERS PRESENT: City Manager Steve Mueller; Finance Director Kathy Lamb; City Attorney Nicci Unsicker; Project Manager Ed Kotyk; City Clerk Karla Saylor; see attached sign in sheet

A. Fiscal Year 2020 Budget Workshop

City Manager Steve Mueller opened the meeting for discussion on the FY2020 Budget. The following were discussed:

- Airport Budget
- GRT on Internet Sales
- Personnel increases
- Golf Course

The approval of preliminary budget for FY2020 is on commission agenda tonight.

II. ADJOURNMENT

Moved by Mayor Snover to adjourn the meeting at 5:57 p.m.

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Mayor, Victor C. Snover

ATTEST:

Karla Sayler, City Clerk

MINUTES PREPARED BY:

Karla Sayler, City Clerk

1
2 CITY OF AZTEC
3 COMMISSION MEETING MINUTES
4 May 28, 2019
5

6 **I. CALL TO ORDER**
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8 Mayor Victor Snover called the Meeting to order at 6:00 pm at the Aztec City
9 Commission Room, City Hall, 201 W. Chaco, Aztec, NM.
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11 **II. INVOCATION AND PLEDGE OF ALLEGIANCE**
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- 13 A. Invocation (led by Chief Heal)
14 B. United States Pledge of Allegiance (led by Mayor Snover)
15 C. New Mexico pledge of Allegiance (led by Mayor Snover)
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17 **III. ROLL CALL**

18 Members Present: Mayor Victor Snover; Mayor Pro-Tem Fry;
19 Commissioner Sipe; Commissioner Mark
20 Lewis
21

22 Members Absent: Commissioner Austin Randall
23

24 Others Present: City Manager Steve Mueller; City Attorney Nicci Unsicker;
25 Project Manager Ed Kotyk; City Clerk Karla Sayler (see
26 attendance sheet)
27

28 **IV. APPROVAL OF AGENDA ITEMS**
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30 MOVED by Commissioner Sipe to Approve the Agenda as given SECONDED by
31 Commissioner Lewis
32

33 All voted Aye: Motion passed four to zero
34

35 **V. CONSENT AGENDA**
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- 37 A. Commission Meeting Workshop Minutes May 14, 2019
38 B. Commission Meeting Minutes May 14, 2019
39 C. Northwest New Mexico Council of Governments Membership
40 Agreement and Board of Directors Appointment
41 D. Resolution 2019-1135 Support of Road Diet Planning
42

43 MOVED by Commissioner Lewis to Approve the Consent Agenda as given
44 SECONDED by Mayor Pro-Tem Fry
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46 All voted Aye: Motion passed four to zero

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VI. ITEMS REMOVED FROM CONSENT AGENDA

NONE

VII. PROCLAMATION

LGBTQ Pride Month June 2019

Mayor Snover read the Proclamation and presented it to LGBTQ representatives.

VIII. PRESENTATIONS

Mayor Snover read a letter of support for Brandy Benavidez a JROTC cadet who has enlisted in the armed forces after graduation.

A. San Juan Regional Medical Center Corporate Board Meeting (Roger Collins)

Dr. Barkman mentioned that San Juan County owns the property that San Juan Regional Center is on. The City is allowed to have 3 voting members on the board. Dr. Barkman mentioned that they meet on a quarterly basis and they met the other night and the good news in the hospital will get \$ 3.3 million in capital outlay money for FY20 and the bad news is the net revenue loss for FY19 is \$29.9 million. San Juan Regional has a new IT program the old system was antiquated. The new system is a nightmare and the productivity is off. Commission would like to hear from them annually.

Roger Collins mentioned that he is glad to be the new community representative. San Juan Regional Emergency preparedness and have testing and training for different emergencies that could occur in our area. The meeting was very informative.

B. American Legion Post #9 (Clint Dollar)

Clint Dollar with the American Legion mentioned that they are having a 100 year birthday party this year in Minium Park on June 15, 2019. They are trying to raise enough funds to move to a new building. He invited everyone to attend. Silent Auction, Bands, Kids games a little something for everyone. There is a \$5 cover charge the time is 10 am – 8 pm.

C. Aztec Museum Annual Update (Natalie)

Michelle Lindsey and Natalie Toller presented the Museum Annual report. They explained they had a total visitation of 2,675. She thanked the City for its support. They were able to stay open all year for the first time since 2005. Visitation is trending upwards. This year they have been working on upgrades to the Museum and Pioneer Village. They have been working on putting more things on display. New lighting has

92 been installed in 3 of the rooms. They are also working on lighting up displays in
93 Pioneer Village.

94

95 D. San Juan County Gold Star Monument (Gary Smouse)

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97 Gary Smouse and Martin Cadell presented on behalf of San Juan County
98 Gold Star Monument. They will adding an exhibit at Berg Park in Farmington. He
99 explained that a gold star family is a family who have lost someone in active duty.
100 Martin mentioned some of the heroes from San Juan County and told a quick story
101 about them.

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103 **IX. CITIZENS INPUT (3 Minutes Maximum)**

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105 NONE

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107 **X. BUSINESS ITEMS**

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109 A. Approval of Preliminary Fiscal Year 2020 Budget

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111 Steve Mueller mentioned that this has been discussed at the previous
112 workshops. There was no further discussion by Commission or Staff.

113

114 MOVED by Mayor Pro-Tem Fry to Approve the Submittal of the Fiscal Year 2020
115 Preliminary Operating Budget to NM Department of Finance and Local Government
116 Division SECONDED by Commissioner Sipe

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118 A Roll Call was Taken: All voted Aye: Motion passed four to zero

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121 **XI. QUASI JUDICIAL HEARINGS (LAND USE)**

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123 NONE

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125 **XII. COMMISSIONER, CITY MANAGER, DEPARTMENT REPORTS**

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127 City Attorney Nicci Unsicker mentioned the she participated in the River Fest raft
128 race with the City of Aztec along with the Mayor, Steven Saavedra and Andrew
129 DeCamillo and they came in second, they lost by 40 seconds. She had so much fun.

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131 City Manager Steve Mueller mentioned the Visitors Center received a great review
132 from a visitor. Municipal Policy Board meeting in June.

133

134 Commissioner Lewis mentioned that he will attend the Water Commission next
135 week. The crews are doing a great job on the parks.

136 Commissioner Sipe mentioned that couple of weeks ago the residents in Kokopelli
137 had high water pressure and she thanked staff for help. She thanked Community
138 Development for pressuring Embarcadero apartments to make improvement. She
139 thanked everyone for the work on the budget. She attended EDAB on Thursday.
140

141 Mayor Pro-Tem Fry attended 4CED and the new CEO gave a presentation on
142 future plans. She attended EDAB and there is a group who want to revitalize the UFO
143 symposium.
144

145 Mayor Snover mentioned the raft race and said it was a great time and next year
146 they are going for gold. He thanked everyone for the presentations and attendance at
147 the meeting.
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150 **XIII. ADJOURNMENT**

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152 Mayor Snover moved to adjourn the meeting at 7:45 pm **SECONDED** by
153 Commissioner Sipe.
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Mayor, Victor Snover

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163 ATTEST:

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Karla Sayler, City Clerk

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168 MINUTES PREPARED BY:

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Sherlynn Morgan, Administrative Assistant

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Staff Summary Report

MEETING DATE:	June 11, 2019
AGENDA ITEM:	V. CONSENT AGENDA (D)
AGENDA TITLE:	RFP 2019-686 Electric Pole Testing Contract Award

ACTION REQUESTED BY:	Electric Department & Finance Department
ACTION REQUESTED:	Approval to award contract
SUMMARY BY:	Kathy Lamb

PROJECT DESCRIPTION / FACTS

- In April 2019, a Request for Proposal (RFP) was issued on behalf of the Electric Department for in-place wood pole inspection and development of a wood pole maintenance and management program.

The wood pole maintenance and management program shall include, at a minimum, a process for the least destructive method for above and below ground level testing of poles; pole evaluation, identify and reveal poles posing a safety hazard, poles whose service life would be extended with corrective action, maintenance observations, data collection and provide field findings of each pole inspected and tested.

All City powerlines shall remain in service and energized during the pole inspection and testing project.

In conjunction with pole inspections the contractor will use the "MapSight" system (city software) to measure and digitally record each pole gathering height information for each pole and its attachments. The gathered information will be installed on the City GIS system in coordination with City GIS personnel.

- It is anticipated the inspection services will be performed in September. Information to electric customers will be provided through utility bills and social media. Door notices will be placed where poles are not accessible except through private property.

PROCUREMENT

- A formal Request for Proposal – RFP 2019-686 Electric Pole Testing – was issued in April 2019. The RFP was posted on the city's website, Vendor Registry (electronic procurement) and direct solicitation to firms identified to provide utility asset management & maintenance services. Proposals were due on April 25, 2019.
- Two proposals were received and evaluated. Proposals were received from Alamon Utility Services (Kalispell, Montana) and Utility Asset Management Inc (Denver, Colorado). The evaluation committee included Steve Mueller, Ken George and Greg Mizell. Evaluations were completed on May 15, 2019.

- Both firms were determined to have the ability and capacity to provide the services requested. Cost was a final factor in the evaluation. United Asset Management utilizes MapSight and Alamon would have additional costs associated to provide data for MapSight.

Alamon Utility Services:	\$70,138.85
United Asset Management	\$43,489.25

FISCAL IMPACTS

- The FY19 Adopted Budget, Joint Utility Fund, Electric Department includes \$55,000 specific for the pole testing services.

SUPPORT DOCUMENTS: RFP 2019-686 Evaluation Summary

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the award of RFP 2019-686 Electric Pole Testing to United Asset Management and authorize the City Manager to sign the services agreement on behalf of the City.



City of Aztec
RFP 2019-686
Electric Pole Testing
Scored Evaluation Tabulation
Award Recommendation: United Asset Management

Evaluation Criteria >

Approach to Tasks
Max Points: 90

Exp & Qualifications
Max Points: 30

Management & Resources
Max Points: 20

Evaluator # >

Alamon
United Asset Management

1	2	3
60	50	85
80	60	70

1	2	3
30	30	30
15	30	10

1	2	3
20	10	20
20	10	10

Evaluation Criteria >

Proposal Responsiveness
Max Points: 10

Cost
Max Points: 50

NM Preference
Max Points: 20

Evaluator # >

Alamon
United Asset Management

1	2	3
5	5	10
5	5	6

1	2	3
31	31	31
50	50	50

1	2	3
0	0	0
0	0	0

Evaluator Totals
Maximum Total Points
= 220

Proposal Evaluation
Score Average

Alamon
United Asset Management

1	2	3
146	126	176
170	155	146

Rank	Score Average
2	149.33
1	157.00

Staff Summary Report

MEETING DATE:	June 11, 2019
AGENDA ITEM:	V. CONSENT AGENDA (E)
AGENDA TITLE:	American Kennel Club Pet Disaster Relief Unit Agreement

ACTION REQUESTED BY:	Tina Roper
ACTION REQUESTED:	Approve the American Kennel Club Pet Disaster Relief Unit Agreement
SUMMARY BY:	Tina Roper

PROJECT DESCRIPTION / FACTS

AKC Reunite has approved a grant from the Canine Support and Relief Fund in the form of a trailer and supplies, referred to as the AKC Pet Disaster Relief Unit (PDRU), for the protection and support of displaced pets and service animals in the event of a natural or man-made emergency or disaster.

AKC Reunite approached the Aztec Animal Shelter to accept responsibility for the PDRU which will be used for the protection and support of displaced pets and service animals during emergencies or disasters throughout San Juan County.

The PDRU will be stored at the Aztec Animal Shelter and will be used at various events throughout the County to promote the PDRU and the service it can provide in times of need for pets and service animals.

FISCAL INPUT / FINANCE DEPARTMENT

It is not anticipated the acceptance of the trailer would increase costs with the exception of insurance. Annual insurance cost is estimated not to exceed \$500 (equipment and contents).

SUPPORT DOCUMENTS:	<ul style="list-style-type: none">• AKC Pet Disaster Relief Unit Agreement• Corporate Brochure• Trailer Contents
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DEPARTMENT'S RECOMMENDED MOTION: Move to Approve the American Kennel Club Pet Disaster Relief Unit Agreement between AKC Reunite and the Aztec Animal Shelter.

CANINE SUPPORT AND RELIEF FUND

AKC PET DISASTER RELIEF UNIT AGREEMENT

This Agreement (the “Agreement”) is entered into as of [DATE], by and between American Kennel Club Companion Animal Recovery Corporation, d/b/a AKC Reunite (“**AKC Reunite**”), and [RECIPIENT] (“**Recipient**”). AKC REUNITE and Recipient are sometimes referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties**.”

AKC REUNITE is pleased to approve a grant in kind (the “**Grant**”) from the Canine Support and Relief Fund to Recipient in the form of a trailer and supplies, collectively referred to as an AKC Pet Disaster Relief Unit (“**PDRU**”), for the protection and support of displaced pets and service animals in the event of a natural or man-made emergency or disaster (an “**Emergency**”). The Parties acknowledge that Recipient has not raised any funds, but local American Kennel Club (“AKC”) member or licensed club(s) (such club(s), the “Sponsoring Club(s)”) have raised funds in an amount equal to a portion of the total cost of the PDRU. The Local Funds have been donated to AKC REUNITE. The Grant is made subject to the terms and conditions set forth in this Agreement.

As a condition of the Grant, the Parties agree as follows:

1. Duties and Responsibilities of Grant Recipient.

- 1.1. Use of PDRU.** Subject to Section 1.6 below, Recipient agrees to use the PDRU solely for the purposes of providing care and shelter to displaced pets and service animals, particularly in the event of an Emergency.
- 1.2. Maintenance of PDRU.** Recipient agrees to securely store the PDRU, including its contents, when not in use, and to maintain the PDRU in compliance with proper standards of care. Recipient agrees to purchase and replenish as necessary the PDRU supplies (including cages, cleaning supplies, and other materials) after deployment and use, so that the PDRU is available at all times to protect and support approximately 50 pets and service animals in the event of an Emergency. Recipient agrees to obtain and maintain commercially appropriate insurance for the storage and use of the PDRU, and to provide AKC REUNITE with a certificate of insurance evidencing such continuing coverage.
- 1.3. Prohibition Against Sale or Transfer of PDRU.** Recipient agrees that it shall neither sell the PDRU nor otherwise transfer the PDRU to another organization or government unit or instrumentality, without the prior written consent of AKC REUNITE. Recipient further agrees that, in the event Recipient is no longer able to maintain the PDRU and wishes to relinquish ownership, Recipient shall either, in AKC REUNITE’s sole discretion, transfer ownership of PDRU to AKC REUNITE or dispose of PDRU in a manner agreed to by AKC REUNITE.
- 1.4. Access to PDRU Transportation.** Recipient confirms that it has access to a vehicle capable of transporting the PDRU, as needed, and shall maintain access to such vehicle, or a comparable vehicle. The truck or other vehicle should weigh at least ¾ ton and possess electric brakes and a 10,000 pound hitch.

- 1.5. Signage on PDRU.** Recipient agrees to maintain and display the logos existing on the PDRU at the time of delivery. At no time may the logos be defaced or removed. The Parties acknowledge and agree that, at the time of delivery, the PDRU shall include the logos of AKC and AKC REUNITE. The Parties further acknowledge and agree that the logos of (i) the Sponsoring Club(s) and (ii) other sponsoring organizations, in each case that have contributed at least \$1,000 to the purchase of the PDRU, may be included on the PDRU in the sole discretion of AKC REUNITE. With the prior written consent of AKC REUNITE, which may be granted or withheld in its sole discretion, the logo of Recipient may be displayed alongside the other logos. The size and placement of all logos shall be determined by AKC REUNITE in its sole discretion. No other logos or promotional material in any form whatsoever may be displayed on the PDRU at any time without the prior written consent of AKC REUNITE.
- 1.6. Display Requirement.** Recipient agrees to display the PDRU at community events, in cooperation with the Sponsoring Club(s), a minimum of two times per year. A “community event” should be expected to be widely attended by members of the community and may be related to pets and domestic animals. Acceptable community events include a local AKC dog show, an AKC Responsible Pet Ownership Day event, a county or state fair, a local holiday parade, and other similar events.
- 1.7. Reporting Requirements.** Recipient shall be provided annually with a Grant Follow Up Form (the “Form”), and Recipient agrees to complete and return the Form in compliance with the Form’s instructions, on an annual basis. Annual completion and submission of the Form is both a condition to satisfying Recipient’s obligations under this Agreement and a precondition to consideration by AKC REUNITE of any future grant application by Recipient. Additionally, on an annual basis, Recipient must provide a brief report to AKC REUNITE indicating the number of times the PDRU was used in the preceding year; the circumstances under which it was used in the preceding year; how many animals and what types of animals were served by the PDRU during the preceding year; and any additional pertinent information. If any information is already provided in the Form, it does not need to be reported separately.
- 1.8. Transfer of Ownership.** Recipient shall take full title, responsibility and liability for the PDRU.
- 2. Application for Future Grants.** Receipt of the Grant neither guarantees nor precludes future grants by AKC REUNITE to Recipient. However, Recipient acknowledges and agrees that it must be in compliance with its obligations in Section 1.7 above to be considered for any future grant application.
- 3. Representations and Warranties of Both Parties.** Each Party represents and warrants to the other that:

 - 3.1.** it is duly organized and in good standing pursuant to the laws of the jurisdiction in which it was formed;
 - 3.2.** this Agreement has been duly authorized, executed and delivered by it, and the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby and the performance of the obligations hereunder shall not conflict with or result in any violation of or default under any provision of any other agreement or instrument

to which it is a party or any license, permit, franchise, judgment, order, writ or decree, or any statute, rule or regulation, applicable to it;

- 3.3. any and all approvals, permits, licenses or similar authorizations which may be required for it to enter into this Agreement and perform its obligations hereunder have been unconditionally obtained;
- 3.4. no suit, action, claim, investigation or other proceeding is pending or, to the best of its knowledge, is threatened against it which questions the validity of this Agreement or any action taken or to be taken pursuant to this Agreement; and
- 3.5. it has full power and authority to make the representations in this Agreement, and this Agreement is its valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws affecting creditors' rights, and subject to general equitable principles.

4. **Representations and Warranties of Recipient.** Recipient hereby represents and warrants to AKC Reunite that:

- 4.1. Recipient is an organization exempt from Federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or Recipient is a government unit or instrumentality;
- 4.2. Recipient is ready, willing, able, trained and authorized to provide an emergency shelter for pets and service animals displaced due to an Emergency; and
- 4.3. no suit, action, claim, investigation or other proceeding is pending or, to the best of Recipient's knowledge, is threatened against Recipient which would or could reasonably be expected to jeopardize Recipient's status as set forth in Section 4.1 above.

5. **Survival of Representations and Warranties.** All representations and warranties contained herein or made in writing by or on behalf of either Party in connection with this Agreement shall survive the execution of this Agreement. Each Party agrees to notify the other immediately in writing if any representation or warranty set forth herein is, or to the Party's best knowledge is about to become, inaccurate in any respect at any time.

6. **Termination and Survival.**

- 6.1. **Termination.** Subject to Section 1.2 above, this Agreement shall remain in effect until the PDRU is no longer usable, as determined by AKC REUNITE in its sole discretion, or, subject to Section 1.3 above, no longer owned by Recipient.
- 6.2. **Early Termination.** In the event of a material breach of any provision of this Agreement by Recipient (which shall be deemed to include any representation or warranty no longer being true), then upon written notice from AKC REUNITE, this Agreement shall terminate thirty days after the date of notice, unless Recipient shall have cured the breach to AKC REUNITE's satisfaction prior to the expiration of the thirty-day period.
- 6.3. **Survival.** Notwithstanding the termination of this Agreement, the following Sections shall survive: this Section 6.3 and Sections 7, 8, 9, 12, and 14.

6.4. Effect of Termination. In the event of termination of this Agreement, Recipient shall either, in AKC REUNITE's sole discretion, transfer ownership of PDRU to AKC REUNITE or dispose of PDRU in a manner agreed to by AKC REUNITE.

- 7. Liability and Indemnification.** Recipient shall indemnify, defend and hold harmless AKC, AKC REUNITE, and the Sponsoring Club(s), and their respective officers, directors, trustees, members, employees, or agents from all claims, assessments, losses, damages, liabilities, debts, charges (including settlements, judgments and decrees which give rise to any of the foregoing), fees, costs and expenses, including interest, penalties, court costs, attorney's fees and expenses (collectively, "**Damages**") to the extent such Damages arise in connection with this Agreement.
- 8. Dispute Resolution.** Any controversy or claim arising out of or relating to this Agreement shall be resolved by arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association (AAA), then pertaining (available at www.adr.org), except where those rules conflict with this provision, in which case this provision controls. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be selected within ten business days of commencement of the arbitration from the AAA's National Roster of Arbitrators pursuant to agreement or through selection procedures administered by the AAA. Within 45 days of initiation of arbitration, the Parties shall reach agreement upon and thereafter follow procedures assuring that the arbitration shall be concluded and the award rendered within no more than eight months from selection of the arbitrator or, failing agreement, procedures meeting such time limits designated by the AAA. The arbitration shall be held in New York and, as provided in paragraph 12, shall apply the substantive law of New York, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. The arbitrator shall not award either Party punitive damages and the Parties shall be deemed to have waived any right to such damages. Further, the arbitrator shall be bound by the express terms of this Agreement.

Any controversy or claims shall be kept confidential by the Parties and their attorneys and advisors, without publicity, and except as may be required by law, no Party, mediator or arbitrator may disclose the existence, content, or results of any mediation or arbitration under this Agreement without the mutual written consent of the Parties.

- 9. Notices.** Notices shall be written, and delivered personally or sent (i) by registered mail, return receipt requested; (ii) by overnight delivery with a nationally-recognized overnight courier; or (iii) by facsimile, with concurrent mailing by first class mail. Notices shall be deemed received four days after being sent by method (i), one day after being sent by method (ii), and two days after being sent by method (iii). Notices shall be sent to the Parties at the following addressees and addresses, until such time as any Party notifies the other Party of a change in address or addressee pursuant to this paragraph:

If to Recipient:

[Organization Address and Contact]

If to AKC REUNITE:

[AKC REUNITE Address and Contact]

10. **Assignment.** Recipient may not assign this Agreement without the prior written consent of AKC REUNITE. This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors.
11. **Waiver.** Waiver by any Party of a breach or violation of any provision of this Agreement may be made only in writing and shall not constitute a waiver of any subsequent breach or violation of the same or any other provision hereof.
12. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of New York without regard to its choice of law.
13. **Severability.** In the event any provision of this Agreement is held to be unenforceable for any reason, the unenforceability thereof shall not affect the remainder of this Agreement, which shall remain in full force and effect and enforceable in accordance with its terms.
14. **Enforcement.** AKC REUNITE reserves the right to enforce the terms of this Agreement. Recipient agrees that it will not contest the standing of AKC REUNITE to bring any such arbitration or suit.
15. **Entire Agreement; Amendment.** This Agreement contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes any and all other prior negotiations, agreements, understandings and undertakings between the Parties with respect to such subject matter, whether oral, written or otherwise. No amendment or modification of this Agreement shall be effective unless signed by both Parties.
16. **Additional Documents and Acts.** Each of the Parties agrees to execute and deliver such additional documents, certificates and instruments, and to perform such additional acts, as may be reasonably requested and as may be necessary or appropriate to carry out the intent and provisions of this Agreement and to consummate the Grant of the PDRU from AKC REUNITE to Recipient.
17. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. For the purpose of executing this Agreement, the parties hereto agree that .pdf signatures sent via email shall serve as original signatures.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their respective proper and duly authorized officers as of the day and year first above written.

AMERICAN KENNEL CLUB COMPANION
ANIMAL RECOVERY CORPORATION

By: _____
Name:
Title:

[RECIPIENT]

By: _____
Name:
Title:



*The need is real.
The time is now.*

Join
AKC PET DISASTER RELIEF



Let's help our pets



During an evacuation

If a potentially catastrophic storm is approaching or there is a hazmat emergency, pet owners will be asked to leave their homes with little or no notice. Split-second decisions are made on what is most important to take with them: maybe their photos, but definitely their family and pets. **What plans are in place to accommodate pets in these situations?**



When disaster strikes

Or without warning, a tornado, earthquake or explosion happens. The animals seen wandering and lost after disasters are not strays or abandoned, they are our pets. They are lost, scared, possibly injured and in need of help. **What will happen to our displaced animal companions?**



We can help

Regardless of the size or budget of a community, the law now requires our local municipalities to care for their citizens and their pets in the event of a disaster. **AKC Pet Disaster Relief can enable Emergency Management to be prepared during and after a catastrophe.**

Let's make a difference

Together, we can make this happen.

Your support will help Emergency Management prepare for the worst and will:

- Enable local Emergency Management to provide animal care services during the critical hours following a federal disaster declaration... the time before FEMA support and services are deployed.
- Put an end to the post-disaster tragedies that often affect very normal families,

such as: putting themselves in harm's way to save a beloved pet, or even losing a family pet during a disaster.

- Allow Emergency Management organizations to be reimbursed up to 75 percent by the federal government for expenses incurred when caring for pets during and following a disaster.

Help Mobilize AKC Pet Disaster Relief

AKC Reunite allocated \$250,000 over the next two years to assist fundraising efforts to donate trailers to local Emergency Management organizations throughout the country. In recognition of your financial support, your organization's approved logo can appear on the side of the trailer(s) you sponsor.



Image is for illustrative purposes only and does not necessarily represent final trailer design.

Logo placement is at the discretion of AKC Reunite. Logo must be approved by The American Kennel Club, in its sole discretion.

Let's roll out help

Better community preparedness = successful local disaster response

When three hurricanes hit one Florida county during a 6-week period, local Emergency Management organizations quickly organized pet shelters where more than 750 animals received shelter and care.



Trailer arrives at site



Hallways lined



Crates arranged



Shelter is ready!



"I would have taken the chance with whatever happened and stayed at home with my pets before I would go to a shelter and leave them."

Photos courtesy of North Carolina State Animal Response Team and Marion County Emergency Management. AKC Pet Disaster Relief will be outfitted with ventilated wire crates.

Let's do this together

Let's help roll out help

When local Emergency Management organizations receive AKC Pet Disaster Relief trailers, they immediately will be able to provide shelter for animals during disasters. The trailers are stocked with essential, nonperishable necessities for sheltering pets.

The supplies in each trailer can be used to create a safe, temporary home-base for animals displaced because of a disaster.

- Co-location Shelters:
A shelter that houses both humans and their animal companions. The people housed at the shelter are responsible for their animal's general care.
- Lost and Found Pet Shelters:
Displaced animals are housed in what often becomes a pop-up reunion center as people and animals are reunited. Approved volunteers and shelter staff provide animal care.



"I'm relieved, I don't care about the house, I don't care about anything else now. We're okay. We're all alive. We have our family, our dog, we're going to be okay."



Whole Community Disaster Response

The PETS Act, working in tandem with other legislation, puts municipalities at the forefront of disaster planning and mitigation. The laws require that state and local emergency preparedness plans address the needs of people with household pets and service animals following a major disaster or emergency.

Now is the time to ensure local Emergency Management organizations have the plans in place to protect every member of our communities.

Benefits to Your Organization

- Demonstrate your concern for all pets.
- Enhance emergency preparedness for pets.
- Garner positive visibility and support at the local and national level.

To learn more about AKC Pet Disaster Relief, please visit: **www.akcreunite.org/relief**

To learn more about the Whole Community concept and requirements, please visit: **www.fema.gov/whole-community**

To be a part of this effort, please call: **919-816-3980**



8051 Arco Corporate Drive, Suite 200
Raleigh, NC 27617
919-816-3980 Fax 919-816-3828
www.akcreunite.org/relief
relief@akcreunite.org

AKC PET DISASTER RELIEF



AKC Pet Disaster Relief trailer equipment and supplies		
contents subject to change and availability at the discretion of AKC Reunite		
Administrative Supplies	QTY	Check Expiration Date
10" Colored wrist bands for owner identification	1500	
20" Tab band collars for animal identification	1500	
Batteries, camera (if required)	1	X
Camera, SD cards	2	
First Aid Kit (for volunteers and pets)	3	
Index cards 4 x 6	1 pk	
Letter size poly envelopes for cages	100	
Markers, Hi-liter pkg 3	1	
Markers, mini assorted pkg 4	1	
Markers, blk permanent	2	
Pens, assorted pkg 10	1	
Post-It notes	1 pk	
Registration log book	5	
Scissors	2 pr	
Single hole punch	2	
Stapler, sm	1	
Tape, transparent	3	
Ties for envelopes on animal cages 8" zip	200	
AKC Reunite Indigo ISO Microchips with Tags	50	X
AKC Reunite ProScan 700 universal microchip scanner	1	
Animal Care	QTY	Check Expiration Date
Animal control pole	1	
Bowls, stainless 1 qt.	100	
Carriers, corrugated pet	2	
Xlarge and Medium Crates	65	
Gloves, handling	2 pr	
Hand can opener	2	
Measuring spoon sets	2	
Muzzles, feline	3	
Muzzles, caine	7	
Slip leads	24	
Spoons, lg (to scoop food)	6	
Trays, basketweave food 3 lb	500	
Trays, food SEPG I lb paper	1000	

AKC PET DISASTER RELIEF



AKC Pet Disaster Relief trailer equipment and supplies		
contents subject to change and availability at the discretion of AKC Reunite		
Cleaning Supplies	QTY	Check Expiration Date
Bags, garbage for trash containers	125	
Bags, t-sack (for poop pick up)	2000	
Broom	2	
Brush, scrub lg	1	
Brush, scrub med	1	
Brush, scrub sm	3	
Bucket, plastic mop 2 1/2 gal	1	
Bucket, plastic 5 gal w/lid	5	
Bucket, stainless steel	2	
Cat litter (newspaper will do)	100 lb	
Cleaning rags	1 cs	
Disinfectant, hand	3	X
Dust pan, med	2	
Dust pan, sm	2	
Gloves, Latex assorted sizes and colors	10 pr.	
Gloves, Nitrile lg	1000	
Hand cleaner	1	X
Litter boxes	250	
Litter scoops	6	
Mop	2	
Pooper Scoopers/shovel	2	
Quaternary disinfectant	4 gal	X
Scouring pads	1 pk	
Shovel, short round point	1	
Shovel, short sq. point	1	
Soap, liquid hand	2	X
Sponges	1 pk	
Spray bottles (for cleaning cages), 24 oz.	4	
Towels, roll paper	1 cs	
Trash container, 44 gal.	2	
Wipes, wet	1	X
Equipment	QTY	Check Expiration Date
Axle jack, trailer	1	
Camera, Digital w/case	1	
Fans, box	2	
Fire extinguisher	1	
Generator, 5 kw	1	
Jack stands	1 pr	
Pressure washer	1	
Printer	1	
Shop vacuum, 6 gal.	1	
Socket E-track 2x4	8	
Tire, spare	1	
Trolly platform, 1/2 ton	5	
Work light, telescoping	2	
Tent-Pop up	1	

AKC PET DISASTER RELIEF



AKC Pet Disaster Relief trailer equipment and supplies		
contents subject to change and availability at the discretion of AKC Reunite		
Maintenance Supplies	QTY	Check Expiration Date
Batteries, D cell	1 bx	X
Bulbs, spare (for work light)	2	
Chock (for wheels)	2	
Cords, bunge assorted	1 pk	
ESTRAP w/ratchet 16'	3	
Extension Cord, 50 ft. 20 amp, 12 gauge	3	
Flashlight and batteries	2	
Funnels, plastic	2	
Gas can (for generator) 5 gal	1	
Hitch, 2" drop draw tire w/ 2 5/16" ball w/pin	1	
Hose, 50' heavy duty water (to clean walking area)	1	
Keys, trailer front door (2 with black cover)	2	
Latch lock, keyed (for hitch)	1	
Locks, bar door w/keys (keyed the same, 2/CAMET)	3	
Lubricant, WD-40 3 oz	1	
Nozzle (for hose)	1	
Oil (for generator)	2 qt	
Orange cone (inside walking area for male dogs)	2	
Plastic rolls - 100 x 16 or 20 ft wide to line walls 6 mil	3	
Pliers	1	
Poly rope	1	
Runner 75' (for center aisle)	1 rl	
Safety glasses	6 pair	
Safety straps, 1 1/4 x 15' (2 - 4 pack)	2	
Security ball lock (for hitch)	1	
Shredded paper (inside walking area) (add at time of use)	1 bag	
Storage boxes, 12 gal	2	
Tape, duct	1 rl	
Tape, electrical	2	
Tape, painters for plastic on walls	12	
Tarps 12 x 16	2	
Tire Guage	1	
Towels, terry	1 cs.	
T-wrench, folding (for tire)	1	
Utility Knife	1	
Hammer	1	
Tent stakes	8	
Vests, AKC Reunite yellow safety	10	

Staff Summary Report

MEETING DATE: June 11, 2019
AGENDA ITEM: V. CONSENT AGENDA (F)
AGENDA TITLE: NMDOT Cooperative Agreement C5150949 Extension
(East Aztec Arterial)

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval of Agreement Extension
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- The 2015 New Mexico Legislative Special Session, June 2015, approved the Capital Outlay Bill which included \$1,500,000 for the East Aztec Arterial with an expiration of June 30, 2019.
- Due to delays in the final construction of the arterial route, the City requested an extension on the legislative funding. The 2019 Legislature included the City's request in HB568 which was signed by the Governor on April 5, 2019.
- NMDOT has requested the extension agreement be approved and returned by June 18, 2019 to complete their administrative requirements by the end of the fiscal year. The agreement, if not received at time of the agenda posting, will be provided to the Commission when received.

PROCUREMENT

- N/A

FISCAL IMPACTS

- Acceptance of the funding agreement is necessary for the arterial project. Staff summary will be updated with agreement details when agreement is received.

SUPPORT DOCUMENTS: NMDOT Cooperative Agreement

DEPARTMENT'S RECOMMENDED MOTION: Move to Approve NMDOT Cooperative Agreement Extension.

Contract Number: D15108/1
Vendor Number: 0000054308
Control Number: C5150949

**STATE OF NEW MEXICO
DEPARTMENT OF TRANSPORTATION
FIRST AMENDMENT TO
FUND 89200 CAPITAL APPROPRIATION PROJECT**

THIS FIRST AMENDMENT is made and entered into as of this ____ day of _____, 20__, by and between the Department of Transportation, P.O. Box 1149, Room 126, Santa Fe, New Mexico 87504-1149, hereinafter called the “Department” and City of Aztec, hereinafter called the “Grantee”. This Amendment shall be effective as of the date it is executed by the Department.

RECITALS

WHEREAS, the Department and the Grantee entered into a Capital Appropriation Project Agreement, Control Number C5150949, Contract Number D15108 on December 9, 2015; and,

WHEREAS, in the Laws of 2015, Chapter 3, Section 33, Sub Section 54, the Legislature made an appropriation to the Department, funds from which the Department made available to the Grantee under Contract Number D15108; and,

WHEREAS, in the Laws of 2019, Chapter 1, HB568, Section 77, the Legislature reauthorized or re-appropriated funding, under Contract Number D15108 and extended the expenditure period; and,

WHEREAS, Article VII allows the parties to alter the Agreement by written consent of both parties; and,

WHEREAS, the Department and the Grantee want to amend the Agreement; and,

WHEREAS, pursuant to NMSA 1978, Section 67-3-28, as amended, and State Highway Commission Policy No. 44, the Department has the authority to enter into this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

1. Article I(A) is deleted and replaced with the following:

A. The project that is the subject of this Agreement is described as follows:

DFA Appropriation ID 15-0949, NMDOT Control Number C5150949, **\$1,500,000**
APPROPRIATION REVERSION DATE: 6/30/2019
Laws of 2015, Chapter 3, SB1, Section 33, Sub Section 54, One Million Five Hundred
Thousand Dollars and No Cents (**\$1,500,000**), to construct the east Aztec arterial route in
Aztec in San Juan county .

The funding identified above was reauthorized or re-appropriated during the 2015 Legislative
Session to extend the time of expenditure with the following new appropriation ID and
reversion date. The scope of work did not change.

DFA Appropriation ID D4075, APPROPRIATION REVERSION DATE: 6/30/2021 Laws
of 2019, Chapter 1, HB568, Section 77.

The Grantee's total reimbursements shall not exceed the appropriation amount One Million
Five Hundred Thousand Dollars and No Cents, \$1,500,000, (the "Appropriation Amount")
minus the allocation for Art in Public Places ("AIPP amount")¹, if applicable, \$0.00, which
equals One Million Five Hundred Thousand Dollars and No Cents, \$1,500,000, (the
"Adjusted Appropriation Amount").

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined
herein and/or the purpose of the Project, as set forth in this Agreement, and the
corresponding appropriation language in the laws cited above in this Article I(A), the
language of the laws cited herein shall control.

This project is referred to throughout the remainder of this Agreement as the "Project"; the
information contained in Article I(A) is referred to collectively throughout the remainder of
this Agreement as the "Project Description." The Grantee shall reference the Project's
number in all correspondence with and submissions to the Department concerning the
Project, including, but not limited to, Requests for Payment and reports.

2. Article IV(A) is deleted and replaced with the following:

A. As referenced in Article I(A), the applicable law establishes a date by which Project
funds must be expended by Grantee, which is referred to throughout the remainder of this
Agreement as the "Reversion Date." Upon being duly executed by both parties, this Agreement
shall be effective as of the date of execution by the Department. It shall terminate on June 30,

¹ The AIPP amount is "an amount of money equal to one percent or two hundred thousand dollars (\$200,000),
whichever is less, of the amount of money appropriated for new construction or any major renovation exceeding one
hundred thousand dollars (\$100,000)." Section 13-4A-4 NMSA 1978.

2021 the Reversion Date unless Terminated Before Reversion Date (“Early Termination”) pursuant to Article V herein.

All other obligations set forth in the Original Agreement shall remain in full force and effect unless expressly amended or modified by this First Amendment.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date of execution by the Department.

GRANTEE

Signature of Official with Authority to Bind Grantee

By: _____
(Type or Print Name)

Its: _____
(Type or Print Title)

Date

DEPARTMENT OF TRANSPORTATION

Cabinet or Deputy Secretary

Date

REVIEWED AND APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S OFFICE OF GENERAL COUNSEL

Cynthia A. Christ
By: Cynthia A. Christ

6-3-19
Date

Staff Summary Report

MEETING DATE: June 11, 2019
AGENDA ITEM: V. CONSENT AGENDA (G)
AGENDA TITLE: NMDOT Cooperative Agreement C5193388 (North Main Avenue)

ACTION REQUESTED BY: Finance Department
ACTION REQUESTED: Approval of Cooperative Agreement
SUMMARY BY: Kathy Lamb

PROJECT DESCRIPTION / FACTS

- The 2019 New Mexico Legislative Regular Session approved the Capital Outlay Bill which included \$2,500,000 for the North Main Avenue extension project.
- The NMDOT Cooperative Agreement expires June 30, 2023 (reversion date); requires 5% (\$125,000) of the funding to be obligated within 6 months of agreement acceptance and 85% to be expended six months prior to the reversion date.
- Consistent with changes to capital appropriations, funds may not be obligated without NMDOT approval (Notice of Obligation) and Capital reporting database (CPMS) must be updated monthly.
- City staff and Russell Engineering (project engineer) began reviewing the project in April. It is anticipated this project will bid late fall 2019 with construction in 2020. The project will require coordination with NMDOT which cannot begin until a fully executed agreement is available.

PROCUREMENT

- N/A

FISCAL IMPACTS

- Acceptance of the funding agreement is necessary for the North Main project. This agreement allows funding to be used for “plan, design, construct and improve an extension to North Main Avenue”. To meet the 5% obligation requirement (December 2019), funds may be utilized for costs associated in final design changes, NMDOT coordination and bid preparation.

SUPPORT DOCUMENTS: NMDOT Cooperative Agreement C5193388

DEPARTMENT’S RECOMMENDED MOTION: Move to Approve NMDOT Cooperative Agreement C5193388.

Contract Number: _____
Vendor Number: 0000054308
Control Number: C5193388

**STATE OF NEW MEXICO
DEPARTMENT OF TRANSPORTATION
FUND 89200 CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is made and entered into as of this ____ day of _____, 20 __, by and between the Department of Transportation, hereinafter called the “Department” or abbreviation such as “NMDOT”, and City of Aztec, hereinafter called the “Grantee”. This Agreement shall be effective as of the date it is executed by the Department.

RECITALS

WHEREAS, in the Laws of 2019, Chapter 277, Section 40, Subsection 118, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

WHEREAS, the Department is granting to Grantee, and the Grantee is accepting the grant of, funds from this appropriation, in accordance with the terms and conditions of this Agreement; and

WHEREAS, pursuant to the NMSA 1978, Section 67-3-28, as amended, and State Highway Commission Policy No. 44, the Department has the authority to enter into this Grant Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE

A. The project that is the subject of this Agreement is described as follows:

DFA Appropriation ID D3388 NMDOT Control Number C5193388 **\$2,500,000**

APPROPRIATION REVERSION DATE: 6/30/2023

Laws of 2019, Chapter 277, Section 40, Subsection 118, Two Million Five Hundred Thousand Dollars and No Cents (\$2,500,000), to plan, design, construct and improve an extension to north Main avenue in Aztec in San Juan county .

The Grantee’s total reimbursements shall not exceed Two Million Five Hundred Thousand Dollars and No Cents \$2,500,000 (the “Appropriation Amount”) minus the allocation for Art in Public Places (“AIPP

amount”)¹, if applicable, , which equals Two Million Five Hundred Thousand Dollars and No Cents \$2,500,000 (the “Adjusted Appropriation Amount”).

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I(A), the language of the laws cited herein shall control.

This project is referred to throughout the remainder of this Agreement as the “Project”; the information contained in Article I(A) is referred to collectively throughout the remainder of this Agreement as the “Project Description.” Optional Attachment A sets forth additional or more stringent requirements and conditions, which are incorporated by this reference as if set forth fully herein. If Optional Attachment A imposes more stringent requirements than any requirement set forth in this Agreement, the more stringent requirements of Attachment A shall prevail, in the event of irreconcilable conflict. The Grantee shall reference the Project's number in all correspondence with and submissions to the Department concerning the Project, including, but not limited to, Requests for Payment and reports.

ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE

A. Upon the Effective Date of this Agreement, for permissible purposes within the scope of the Project Description, the Grantee shall only be reimbursed monies for which the Department has issued and the Grantee has received a Notice of Department's Obligation to Reimburse² Grantee (hereinafter referred to as “Notice of Obligation”). This Grant Agreement and the disbursement of any and all amounts of the above referenced Adjusted Appropriation Amount are expressly conditioned upon the following:

- (i) Irrespective of any Notice of Obligation, the Grantee's expenditures shall be made on or before the Reversion Date and, if applicable, an Early Termination Date (i.e., the goods have been delivered and accepted or the title to the goods has been transferred to the Grantee and/or the services have been rendered for the Grantee); and
- (ii) The total amount received by the Grantee shall not exceed the lesser of: (a) the Adjusted Appropriation Amount identified in Article I(A) herein or (b) the total of all amounts stated in the Notice(s) of Obligation evidencing that the Department has received and accepted the Grantee's Third Party Obligation(s), as defined in subparagraph iii of this Article II(A); and
- (iii) The Grantee's expenditures were made pursuant to the State Procurement Code and execution of binding written obligations or purchase orders with third party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project, hereinafter referred to as “Third Party Obligations”; and
- (iv) The Grantee's submittal of timely Requests for Payment in accordance with the procedures set forth in Article IX of this Agreement; and
- (v) In the event that capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:

¹ The AIPP amount is “an amount of money equal to one percent or two hundred thousand dollars (\$200,000), whichever is less, of the amount of money appropriated for new construction or any major renovation exceeding one hundred thousand dollars (\$100,000).” Section 13-4A-4 NMSA 1978.

² “Reimburse” as used throughout this Agreement includes Department payments to the Grantee for invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee.

- a. must be approved by the applicable oversight entity (if any) in accordance with law; or
- b. if no oversight entity is required to approve the transaction, the Department must approve the transaction as complying with law.

Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A)(v)(a) and II(A)(v)(b) herein, the Department may, in its sole and absolute discretion and unless inconsistent with State Board of Finance imposed conditions, reimburse the Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, such as plan and design expenditures; and

(vi) The Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance and the Grantee's receiving of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:

- a. The Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party **but prior to execution by the Grantee.**
- b. Grantee acknowledges and agrees that if it chooses to enter into a Third Party Obligation prior to receiving a Notice of Obligation that covers the expenditure, it is solely responsible for such obligations.
- c. The Department may, in its sole and absolute discretion, issue to Grantee a Notice of Obligation for the particular amount of that Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is attached to this Agreement as Exhibit 2.
- d. The date the Department signs the Notice of Obligation is the date that the Department's Notice of Obligation is effective. After that date, the Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation and request the Third Party to begin work. Payment for any work performed or goods received prior to the effective date of the Notice of Obligation is wholly and solely the obligation of the Grantee.

B. The Grantee shall implement, in all respects, the Project. The Grantee shall provide all necessary qualified personnel, material, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.

C. Project funds shall not be used for purposes other than those specified in the Project Description.

D. Unless specifically allowed by law, Project funds cannot be used to reimburse Grantee for indirect Project costs.

ARTICLE III. NOTICE PROVISIONS AND GRANTEE AND DEPARTMENT DESIGNATED REPRESENTATIVES

Whenever written notices, including written decisions, are to be given or received, related to this Agreement, the following provisions shall apply.

The Grantee designates the person(s) listed below, or their successor, as their official representative(s) concerning all matters related to this Agreement:

Grantee: City of Aztec
Name: Kathy Lamb
Title: Finance Director
Address: 201 W. Chaco St., Aztec, New Mexico 87410
Email: klamb@aztecnm.gov
Telephone: 505-334-7653

The Grantee designates the person(s) listed below, or their successor, as their Fiscal Officer or Fiscal Agent concerning all matters related to this Agreement:

Grantee: _____
Name: _____
Title: _____
Address: _____
Email: _____
Telephone: _____

The Department designates the persons listed below, or their successors, as the Points of Contact for matters related to this Agreement.

Department: Department of Transportation District 5 Office
Name: Stephanie Medina
Title: Local Government Road Fund Coordinator
Address: P.O. Box 4127, Santa Fe, NM 87502
Email: Stephanie.Medina@state.nm.us
Telephone: 505-660-6357

The Grantee and the Department agree that either party shall send all notices, including written decisions, related to this Agreement to the above named persons by email or regular mail. In the case of mailings, notices shall be deemed to have been given and received upon the date of the receiving party’s actual receipt or five calendar days after mailing, whichever shall first occur. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of email.

ARTICLE IV. REVERSION DATE, TERM, DEADLINE TO EXPEND FUNDS

A. As referenced in Article I(A), the applicable law establishes a date by which Project funds must be expended by Grantee, which is referred to throughout the remainder of this Agreement as the “Reversion Date.” Upon being duly executed by both parties, this Agreement shall be effective as of the date of execution by the Department. It shall terminate on **6/30/2023** the Reversion Date unless Terminated Before Reversion Date (“Early Termination”) pursuant to Article V herein.

B. The Project's funds must be expended on or before the Reversion Date and, if applicable, Early Termination Date of this Agreement. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Project's Reversion Date or Early Termination Date. Funds are expended and an expenditure has occurred as of the date that a particular quantity of goods are delivered to and received by the Grantee or title to the goods is transferred to the Grantee and/or as of the date particular services are rendered for the Grantee. Funds are *not* expended and an expenditure has *not* occurred as of the date they are encumbered by the Grantee pursuant to a contract or purchase order with a third party.

ARTICLE V. EARLY TERMINATION

A. Early Termination Before Reversion Date Due to Completion of the Project or Complete Expenditure of the Adjusted Appropriation or Violation of this Agreement

Early Termination includes:

- (i) Termination due to completion of the Project before the Reversion Date; or
- (ii) Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date; or
- (iii) Termination for violation of the terms of this Agreement; or
- (iv) Termination for suspected mishandling of public funds, including but not limited to, fraud, waste, abuse, and conflicts of interest.

Either the Department or the Grantee may early terminate this Agreement prior to the Reversion Date by providing the other party with a minimum of fifteen (15) days' advance, written notice of early termination. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V(A).

B. Early Termination Before Reversion Date Due to Non-appropriation

The terms of this Agreement are expressly made contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. Throughout this Agreement the term "non-appropriate" or "non-appropriation" includes the following actions by the New Mexico Legislature: deauthorization, reauthorization or revocation of a prior authorization. The Legislature may choose to non-appropriate the Appropriation referred to in Article I and, if that occurs, the Department shall early terminate this Agreement for non-appropriation by giving the Grantee written notice of such termination, and such termination shall be effective as of the effective date of the law making the non-appropriation. The Department's decision as to whether sufficient appropriations or authorizations are available shall be accepted by the Grantee and shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V(B).

C. Limitation on Department's Obligation to Make Grant Disbursements to Grantee in the Event of Early Termination

In the event of Early Termination of this Agreement by either party, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth Article II.

ARTICLE VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

A. The Department may choose, in its sole and absolute discretion, to provide written notice to the Grantee to suspend entering into new and further obligations. Upon the receipt of such written notice by the Grantee:

- (i) The Grantee shall immediately suspend entering into new or further written obligations with third parties; and
- (ii) The Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and
- (iii) The Department may direct the Grantee to implement a corrective action plan in accordance with Article VI(D) herein.

B. In the event of Suspension of this Agreement, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.

C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for Notice of Obligation.

D. Corrective Action Plan in the Event of Suspension

In the event that the Department chooses, in its sole and absolute discretion to direct the Grantee to suspend entering into new or further written obligations with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension. Such corrective action plan must be approved by the Department and be signed by the Grantee. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan, is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(iii). The corrective action plan is in addition to, and not in lieu of, any other equitable or legal remedy, including but not limited to Early Termination.

ARTICLE VII. AMENDMENT

This Agreement shall not be altered, changed, or amended except by instrument in writing duly executed by both the parties hereto.

ARTICLE VIII. REPORTS

A. Database Reporting

The Grantee shall report monthly Project activity by entering such Project information as the Department and the Department of Finance and Administration may require, such information entered directly into a database maintained by the Department of Finance and Administration (<http://cpms.dfa.state.nm.us>). Additionally, the Grantee shall certify on the Request for Payment form (Exhibit 1) that updates have been maintained and are current in the database. The Grantee hereby acknowledges that failure to perform and/or certify updates into the database will delay or potentially jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of thirty (30) days' advance written notice of any changes to the information the Grantee is required to report.

Monthly reports shall be due on the last day of each month, beginning with the first full month following execution of this Agreement by the Department and ending upon the submission of the final request for reimbursement for the Project.

B. Requests for Additional Information/Project Inspection

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may:

- (i) request such additional information regarding the Project as it deems necessary; and
- (ii) conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project.

Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department.

ARTICLE IX. REQUEST FOR PAYMENT PROCEDURES AND DEADLINES

A. The Grantee shall request payment by submitting a Request for Payment, in the form attached hereto as Exhibit 1. Payment requests are subject to the following procedures:

- (i) The Grantee must submit a Request for Payment; and
- (ii) Each Request for Payment must contain proof of payment by the Grantee or liabilities incurred by the Grantee showing that the expenditures are valid or are liabilities incurred by the Grantee in the form of actual unpaid invoices received by the Grantee for services rendered by a third party or items of tangible personal property received by the Grantee for the implementation of the Project; provided, however, that the Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
- (iii) In cases where the Grantee is submitting a Request for Payment to the Department based upon invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee, the Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or such shorter period of time as the Department may prescribe in writing. The Grantee is required to certify to the Department proof of payment to the third party contractor or vendor within ten (10) business days from the date of receiving reimbursement from the Department.

B. The Grantee must obligate 5% of the Adjusted Appropriation Amount within six months of acceptance of the grant agreement and must have expended no less than 85% of the Adjusted Appropriation Amount six months prior to the reversion date.

C. Deadlines

Requests for Payments shall be submitted by Grantee to the Department on the earlier of:

- (i) Immediately as they are received by the Grantee but at a minimum thirty (30) days from when the expenditure was incurred or liability of the Grantee was approved as evidenced by an unpaid invoice received by the Grantee from a third party contractor or vendor; or
- (ii) July 15 of each year for all unreimbursed expenditures incurred during the previous fiscal year; or
- (iii) Twenty (20) days from date of Early Termination; or
- (iv) Twenty (20) days from the Reversion Date.

D. The Grantee's failure to abide by the requirements set forth in Article II and Article IX herein will result in the denial of its Request for Payment or will delay the processing of Requests for Payment. The Department has the right to reject a payment request for the Project unless and until it is satisfied that the expenditures in the Request for Payment are for permissible purposes within the meaning of the Project Description and that the expenditures and the Grantee are otherwise in compliance with this Agreement, including but not limited to, compliance with the reporting requirements and the requirements set forth in Article II herein to provide Third Party Obligations and the Deadlines set forth in Article IX herein. The Department's ability to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department due to Grantee's violation of this Agreement.

ARTICLE X. PROJECT CONDITIONS AND RESTRICTIONS; REPRESENTATIONS AND WARRANTIES

- A. The following general conditions and restrictions are applicable to the Project:
- (i) The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code (or local procurement ordinance, where applicable).
 - (ii) The Project must be implemented in accordance with the New Mexico Public Works Minimum Works Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable. Every contract or project in excess of sixty thousand dollars (\$60,000) that the Grantee is a party to for construction, alteration, demolition or repair or any combination of these, including painting and decorating, of public buildings, public works or public roads and that requires or involves the employment of mechanics, laborers or both shall contain a provision stating the minimum wages and fringe benefits to be paid to various classes of laborers and mechanics, shall be based upon the wages and benefits that will be determined by the New Mexico Department of Workforce Solutions to be prevailing for the corresponding classes of laborers and mechanics employed on contract work of a similar nature in the locality. Further, every contract or project shall contain a stipulation that the contractor, subcontractor, employer or a person acting as a contractor shall pay all mechanics and laborers employed on the site of the project, unconditionally and not less often than once a week and without subsequent unlawful deduction or rebate on any account, the full amounts accrued at time of payment computed at wage rates and fringe benefit rates not less than those determined pursuant to Section 13-4-11 (B) NMSA 1978 to be the prevailing wage rates and prevailing fringe benefit rates issued for the project.
 - (iii) The Project may only benefit private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico, the "Anti-Donation Clause."
 - (iv) The Grantee shall not for a period of 10 years from the date of this agreement convert any property acquired, built, renovated, repaired, designed or developed with the Project's funds to uses other than those specified in the Project Description without the Department's and the Board of Finance's express, advance, written approval, which may include a requirement to reimburse the State for the cost of the project, transfer proceeds from the disposition of property to the State, or otherwise provide consideration to the State.
 - (v) The Grantee shall comply with all federal and state laws, rules and regulations pertaining to equal employment opportunity. In accordance with all such laws, rules and regulations the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age or handicap, be excluded from employment with Grantee, be excluded

from participation in the Project, be denied benefits or otherwise be subject to discrimination under, any activity performed under this Agreement. If Grantee is found to be not in compliance with these requirements during the life of this Agreement, Grantee agrees to take appropriate steps to correct any deficiencies. The Grantee's failure to implement such appropriate steps within a reasonable time constitutes grounds for terminating this Agreement.

- B. The Grantee hereby represents and warrants the following:
- (i) The Grantee has the legal authority to receive and expend the Project's funds.
 - (ii) This Agreement has been duly authorized by the Grantee, the person executing this Agreement has authority to do so, and, once executed by the Grantee, this Agreement shall constitute a binding obligation of the Grantee, enforceable according to its terms.
 - (iii) This Agreement and the Grantee's obligations hereunder do not conflict with any law or ordinance or resolution applicable to the Grantee, the Grantee's charter (if applicable), or any judgment or decree to which the Grantee is subject.
 - (iv) The Grantee has independently confirmed that the Project Description, including, but not limited to, the amount and Reversion Date, is consistent with the underlying appropriation in law.
 - (v) The Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign the Agreement and to sign Requests for Payment.
 - (vi) The Grantee shall abide by New Mexico laws regarding conflicts of interest, governmental conduct and whistleblower protection. The Grantee specifically agrees that no officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this Grant, during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed or goods to be received, pursuant to this Grant. Further, Grantee shall require all of its contractors to incorporate in all subcontracts the language set forth in this paragraph prohibiting conflicts of interest.
 - (vii) No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of this or any agency or body in connection with the awarding of any Third Party Obligation and that the Grantee shall require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans and cooperative agreements. All subrecipients shall be required to certify accordingly.

ARTICLE XI. STRICT ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS; PROJECT RECORDS

A. The Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles, and, if feasible, maintain a separate bank account or fund with a separate organizational code, for the funds to assure separate budgeting and accounting of the funds.

B. For a period of six (6) years following the Project's completion, the Grantee shall maintain all Project related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well

as records sufficient to fully account for the amount and disposition of the total funds from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department shall prescribe.

C. The Grantee shall make all Project records available to the Department, the Department of Finance and Administration, and the New Mexico State Auditor upon request. With respect to the funds that are the subject of this Agreement, if the State Auditor or the Department of Finance and Administration finds that any or all of these funds were improperly expended, the Grantee may be required to reimburse to the State of New Mexico, to the originating fund, any and all amounts found to be improperly expended.

ARTICLE XII. IMPROPERLY REIMBURSED FUNDS

If the Department determines that part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to, Project funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, or violation of this Agreement, the Grantee shall return such funds to the Department for disposition in accordance with law.

ARTICLE XIII. LIABILITY

Neither party shall be responsible for liability incurred as a result of the other party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to immunities and limitations of the New Mexico Tort Claims Act.

ARTICLE XIV. SCOPE OF AGREEMENT

This Agreement constitutes the entire and exclusive agreement between the Grantee and Department concerning the subject matter hereof. The Agreement supersedes any and all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

ARTICLE XV. REQUIRED NON-APPROPRIATIONS CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

The Grantee acknowledges, warrants, and agrees that Grantee shall include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:

"The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the City of Aztec may immediately terminate this Agreement by giving Contractor written notice of such termination. The City of Aztec's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. Contractor hereby waives any rights to assert an impairment of contract claim against the City of Aztec or the Department of Transportation or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the City of Aztec or the Department"

ARTICLE XVI. REQUIRED TERMINATION CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

Grantee acknowledges, warrants, and agrees that Grantee shall include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:

“This contract is funded in whole or in part by funds made available under a Department of Transportation Grant Agreement. Should the Department of Transportation early terminate the grant agreement, the City of Aztec may early terminate this contract by providing Contractor written notice of such termination. In the event of termination pursuant to this paragraph, the City of Aztec only liability shall be to pay Contractor for acceptable goods delivered and services rendered before the termination date.”

Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department.

XVII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA.

A. Throughout the term of this Agreement, Grantee shall:

1. submit all reports of annual audits and agreed upon procedures required by Section 12-6-3(A)-(B) NMSA 1978 by the due dates established in 2.2.2 NMAC, reports of which must be a public record pursuant to Section 12-6-5(A) NMSA 1978 within forty-five days of delivery to the State Auditor;
2. have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
3. timely submit all required financial reports to its budgetary oversight agency (if any); and
4. have adequate accounting methods and procedures to expend grant funds in accordance with applicable law and account for and safeguard grant funds and assets acquired by grant funds.

B. In the event Grantee fails to comply with the requirements of Paragraph A of this Article XVII, the Department may take one or more of the following actions:

1. suspend new or further obligations pursuant to Article VI(A) of this Agreement;
2. require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
3. impose special grant conditions to address the non-compliance by giving the Grantee notice of such special conditions in accordance with Article III of this Agreement; the special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III; or
4. terminate this Agreement pursuant to Article V(A) of this Agreement.

ARTICLE XVIII. SEVERANCE TAX BOND AND GENERAL OBLIGATION BOND PROJECT CLAUSES

A. Grantee acknowledges and agrees that the underlying appropriation for the Project is a severance tax bond or general obligation bond appropriation, and that the associated bond proceeds are administered by the New Mexico State Board of Finance (SBOF), an entity separate and distinct from the Department. Grantee acknowledges and agrees that (i) it is Grantee’s sole and absolute responsibility to determine through SBOF staff what (if any) conditions are currently imposed on the Project; (ii) the Department’s failure to inform Grantee of a SBOF imposed condition does not affect the validity or enforceability of the condition; (iii) the

SBOF may in the future impose further or different conditions upon the Project; (iv) all SBOF conditions are effective without amendment of this Agreement; (v) all applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s); and (vi) the Department's obligation to reimburse Grantee from the Project is contingent upon the then current SBOF conditions being satisfied.

B. Grantee acknowledges and agrees that the SBOF may in its sole and absolute discretion remove a project's assigned bond proceeds if the project doesn't proceed sufficiently. Entities must comply with the requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by the grantee in the Bond Questionnaire and Certification documents submitted to the SBOF. Failure to comply may result in the bond proceeds reassignment to a new ready project. If this should occur this grant agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.

C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, NMAC 2.61.6, as may be amended or re-codified. The rule provides definitions and interpretations of grant language for the purpose of determining whether a particular activity is allowable under the authorizing language of the agreement.

[THIS SPACE LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date of execution by the Department.

GRANTEE

Signature of Official with Authority to Bind Grantee

Entity Name

By: _____
(Type or Print Name)

Its: _____
(Type or Print Title)

Date

DEPARTMENT OF TRANSPORTATION

By:

Its: Cabinet Secretary or Designee

Date

REVIEWED AND APPROVED AS TO FORM AND LEGAL SUFFICIENCY BY THE DEPARTMENT'S OFFICE OF GENERAL COUNSEL

Cynthia A Christ
By: Cynthia Christ

Its: Assistant General Counsel

5-10-19

Date

**STATE OF NEW MEXICO
CAPITAL GRANT PROJECT
Request for Payment Form
Exhibit 1**

I. Grantee Information

(Make sure information is complete & accurate)

A. Grantee: _____

B. Address: _____
(Complete Mailing, including Suite, if applicable)

City _____ State _____ Zip _____

C. Phone No: _____

D. Grant No: _____

E. Project Title: _____

F. Grant Expiration Date: _____

II. Payment Computation

A. Payment Request No. _____

B. Grant Amount: _____

C. AIPP Amount (If Applicable): _____

D. Funds Requested to Date: _____

E. Amount Requested this Payment: _____

F. Reversion Amount (If Applicable): _____

G. Grant Balance: _____

H. GF GOB STB (attach wire if first draw)

I. Final Request for Payment (if Applicable)

III. Fiscal Year : _____

(The State of NM Fiscal Year is July 1, 20XX through June 30, 20XX of the following year)

IV. Reporting Certification: I hereby certify to the best of my knowledge and belief, that database reporting is up to date; to include the accuracy of expenditures and grant balance, project status, project phase, achievements and milestones; and in compliance with Article VIII of the Capital Outlay Grant Agreement.

V. Compliance Certification: Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct; expenditures are properly documented, and are valid expenditures or actual receipts; and that the grant activity is in full compliance with Article IX, Sec. 14 of the New Mexico Constitution known as the "anti donation" clause.

**Grantee Fiscal Officer
or Fiscal Agent (if applicable)**

Grantee Representative

Printed Name

Printed Name

Date:

Date:

(State Agency Use Only)

Vendor Code: _____ Fund No.: _____ Loc No.: _____

I certify that the State Agency financial and vendor file information agree with the above submitted information.

Division Fiscal Officer

Date

Division Project Manager

Date

NOTICE OF OBLIGATION TO REIMBURSE GRANTEE
EXHIBIT 2

Notice of Obligation to Reimburse Grantee [# 1]

DATE: [_____]

TO: Department Representative: [_____]

FROM: Grantee: [_____]

Grantee Official Representative: [_____]

SUBJECT: Notice of Obligation to Reimburse Grantee

Grant Number: [_____]

Grant Termination Date: [_____]

As the designated representative of the Department for Grant Agreement number [_____] entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor: [_____]

Third Party Obligation Amount: [_____]

Vendor or Contractor: [_____]

Third Party Obligation Amount: [_____]

Vendor or Contractor: [_____]

Third Party Obligation Amount: [_____]

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount (Minus AIPP if applicable): [_____]

The Amount of this Notice of Obligation: [_____]

The Total Amount of all Previously Issued Notices of Obligation: [_____]

The Total Amount of all Notices of Obligation to Date: [_____]

Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.

Department Rep. Approver: [_____]

Title: [_____]

Signature: [_____]

Date: [_____]

1 Administrative and/or Indirect Cost – generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

Attachment A

The City of Aztec shall agree to comply with the following Provisions:

1. Assume the lead role for the Project.
2. Be responsible for all applicable design, environmental and archaeological clearances, and right-of-way acquisition, in accordance with current local, state, federal laws, Uniform Relocation Act, and current design practices and specifications.
3. Be responsible for project development, project construction, construction management, and testing.
4. Utilize the Project Control Number in all correspondence and submittals to the Department.
5. Adopt a written resolution of support for the Project, including as applicable an assumption of ownership, liability, and maintenance responsibility for the scope, or related amenities and required funding to support the Project.
6. Complete the Project using current American Public Works Association (APWA) specifications, implemented Grantee's design standards and specifications, or Department specifications.
7. Use Rental Rate Blue Book rates, if not provided in the Department established equipment rates, in the implementation of this Project. Any equipment rates not found in the Department established rates shall be reimbursed at the Blue Book rates.

The City of Aztec shall agree to comply with the following Lighting and Signal Provisions as applicable:

1. After subject signal system(s) has/have been constructed, make provisions for and provide, at its own expense, all electrical energy, routine maintenance such as lamp replacement, emergency shutdown in case of accidental damage or equipment failure and make any repairs necessary due to accidental damage to, or equipment failure of, the signal head and poles.
2. In the event that accidental damage or equipment failure should occur, provide for equipment shut down/or emergency traffic control as needed. In addition, should the accidental damage or equipment failure involve the Controller (and cabinet) or the loop detection system, promptly notify the Traffic Technical Support Bureau of the Department.
3. In the event that the traffic signal should be rendered completely inoperable as a result of accidental damage, secure the intersection with stop signs at all approach legs until such time as the traffic signal is made operable.
4. Make ample future provisions in its budget each year for the cost of maintaining and providing energy to the traffic signals and telephone service to the signal system and intersection lighting.
5. At its own expense, maintain the signal controller and control equipment (the "Controller") including and maintenance of the machine vision vehicle detection system with cameras and emergency vehicle pre-empt system and repair or replace the Controller in the event the Controller and/or cabinet is damaged or there is an equipment failure.
6. After the installation of the roadway lighting system, if any, provide any and all utilities, maintenance, and such other items as may be necessary of continued satisfactory operation of said subject lighting system.
7. Make all timing adjustments to the Signal Control equipment and review the Signal System(s) for efficient and satisfactory operation.
8. Obtain approval from the Department for all signal equipment prior to installation.
9. Require the construction contractor to name the Department and the Grantee as an additional insured in the construction contractor's general liability policy.
10. Enter into a Signalization and Lighting Agreement with the Department's Traffic Technical Support Bureau as required.

Staff Summary Report

MEETING DATE:	June 11, 2019
AGENDA ITEM:	X. BUSINESS ITEMS (A)
AGENDA TITLE:	Final Adoption of Ordinance 2019-491, An Ordinance Providing for the Annexation to the City of Aztec of Contiguous Territory Located in Sections 1, 12, 13 of T30N, R11W and Sections 6 and 7, T30N, R10W N.M.P.M. San Juan County, New Mexico

ACTION REQUESTED BY:	City Staff
ACTION REQUESTED:	Final Adoption of Ordinance 2019-491, An Ordinance Providing for the Annexation to the City of Aztec of Contiguous Territory Located in Sections 1, 12, 13 of T30N, R11W and Sections 6 and 7, T30N, R10W N.M.P.M. San Juan County, New Mexico
SUMMARY BY:	Edward Kotyk

PROJECT DESCRIPTION / FACTS

At the March 26, 2019 City Commission Meeting, the City Commission approved Resolution 2019-1125 which allowed for the submittal of a letter of "Support to Annex BLM lands located East of Aztec" to the Bureau of Land Management (BLM). Subsequently the BLM has responded (see attached letter) whereby it was stated that the BLM "accepts and has no issues with the proposed annexation."

At the May 14, 2019 City Commission Meeting, the City Commission approved the Intent to Adopt Ordinance 2019-491. Since that Intent, no comments have been received from the public and no changes have been made to the ordinance.

SUPPORT DOCUMENTS:	<ul style="list-style-type: none">• BLM Response Letter• Ordinance 2019-491
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DEPARTMENT'S RECOMMENDED MOTION: Move to Approve Final Adoption of Ordinance 2019-491, An Ordinance Providing for the Annexation to the City of Aztec of Contiguous Territory Located East of Aztec.

**CITY OF AZTEC
Ordinance 2019-491**

**An Ordinance Providing for the Annexation to the City of Aztec
of Contiguous Territory Located in Sections 1, 12, 13 of T30N, R11W and
Sections 6 and 7, T30N, R10W N.M.P.M. San Juan County, New Mexico**

WHEREAS, The City of Aztec understands the importance of outdoor recreation; and

WHEREAS, the City of Aztec has concluded that efforts to "manage recreational development" in this new territory is in the best interest of the citizens of Aztec; and

WHEREAS, The City of Aztec understands the importance of promoting Aztec for outdoor recreation and tourism; and

WHEREAS, The City of Aztec understands that various trails on this piece of property have been historically used by hikers, mountain bikers (Mountain View Bike Trail) and off-highway vehicles and that these trails are outside current Aztec City Limits and are on lands managed by the Bureau of Land Management; and

WHEREAS, The City of Aztec understands that funds need to be spent to develop, promote and encourage the use of these lands for outdoor recreation as well as to promote Aztec and local tourism; and

WHEREAS, Expenditure of City funds, when necessary, are justified when recreation areas are within the City Limits; and

WHEREAS, the City Commission approved Resolution 2019-1125, *Support Letter to Annex BLM Lands East of Aztec* to the Bureau of Land Management, Farmington Field Office; and

WHEREAS, the Bureau of Land Management responded and stated that the BLM "accepts and has no issues with the proposed annexation;" and

WHEREAS, the City recognizes the value of annexing this territory so that it may zone said territory and better control land use and recreational activity;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF AZTEC, NEW MEXICO THAT:

Section 1.

The City of Aztec, pursuant to the provisions of Section 3-7-17, NMSA 1978, does hereby, with the adoption of this ordinance, express its consent to the annexation to the City of Aztec of the contiguous territory described below and shown in the attached

map, and does hereby annex the following described territory to the present boundaries of the City of Aztec, San Juan County, New Mexico. The described territory includes:

Township 30 North	Range 11 West	All of Section 1 E1/2 of Section 12 E1/2 of Section 13
Township 30 North	Range 10 West	All of Section 6 All of Section 7

The area contains 2,550 acres more or less.

Section 2.

That the City Clerk be directed, pursuant to said statute, to file a copy of this Ordinance, together with a copy of the map of the territory so annexed, in the Office of the San Juan County Clerk and to send copies of the Ordinance to the Secretaries of Finance and Administration and Taxation and Revenue.

Section 3.

That said territory within said Sections is hereby annexed and shall upon annexation, be included in the Planned Unit Development (PUD) zoning district, pursuant to the provisions of the City of Aztec Land Use regulations.

Section 4.

That the annexation of such territory to the City of Aztec shall be deemed complete within thirty days after the filing of a copy of this Ordinance in the Office of the San Juan County Clerk unless an appeal be made to the District Court as provided in said State Statute.

PASSED, APPROVED AND SIGNED this 11th day of June, 2019.

Mayor Victor C. Snover

ATTEST:

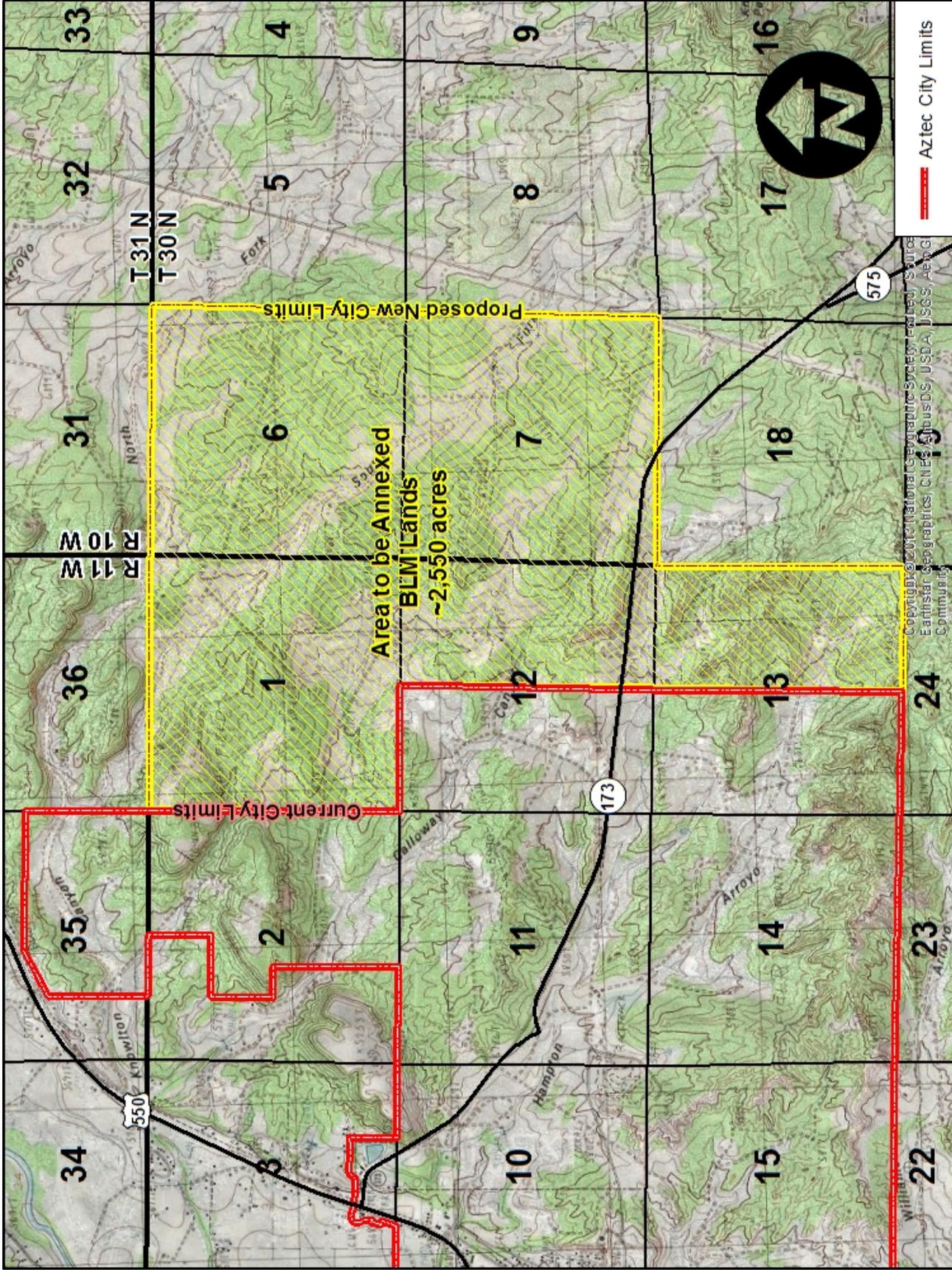
Karla Sayler, City Clerk CMC

APPROVE AS TO FORM:

City Attorney

Advertised Date of Final Adoption: _____

Effective Date of Ordinance: _____



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— Aztec City Limits



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Farmington Field Office
6251 College Blvd., Suite A
Farmington, New Mexico 87402
www.blm.gov/nm

APR 15 2019

In Reply Refer To:
2800 (F01210)
NMNM 135011

City of Aztec
Mayor Victor C. Snover
201 W. Chaco Street
Aztec, New Mexico 87410

Dear Mayor Snover,

The Bureau of Land Management (BLM) Farmington Field Office has received your letter dated March 26, 2019, including City Commission Resolution No. 2019-1125, from the City of Aztec, regarding a proposed annexation, which includes lands under the jurisdiction of the BLM. Proposed annexations by either City or County governmental jurisdictions to adjust their respective municipal boundaries are a common practice throughout the western United States and routinely include BLM administered lands.

The BLM lands under the proposed annexation fall within T. 30 N., R. 10 W., and T. 30 N., R. 11 W., of the New Mexico Principal Meridian. The BLM has reviewed your proposed annexation, and accepts and has no issues with the proposed annexation. As is also a common practice and policy, the BLM lands under consideration by the City of Aztec for annexation shall remain in complete BLM management, control, ownership, and jurisdiction, including both the surface and mineral estate. All relative Federal laws, regulations, and policies shall continue to apply to those lands. Additionally, those lands shall continue to be managed in compliance with BLM's respective Resource Management Plan. Please ensure that a copy of this letter and BLM's conditions of annexation are acknowledged by the City of Aztec and respective Commission Resolution No. 2019-1125.

If you have any questions, please contact Katie White Bull, Supervisory Realty Specialist at (505) 564-7725 or kwhitebull@blm.gov.

Sincerely,

Richard A. Fields
Field Manager

Staff Summary Report

MEETING DATE:	June 11, 2019
AGENDA ITEM:	X. Quasi-Judicial Hearings (Land Use) (A)
AGENDA TITLE:	OG 19-01 Recompletion "Hydraulic Fracturing" of the Hartman #4 gas well

ACTION REQUESTED BY:	Keri Hutchins Hilcorp Energy Company 382 Road 3100 Aztec, NM 87410
-----------------------------	---

ACTION REQUESTED:	Approval of OG 19-01 Oil & Gas Modification of an existing gas well in S/2SW/4 233011 N/2NW/4 SE/4NW/4 W/2NE/4 NE/4SW/4 AND NW/4SE/4 LESS NE/4NW/4SE/4 263011 B1409 P361, In the City of Aztec, San Juan County, New Mexico Tax ID No. R40039872
--------------------------	---

SUMMARY BY:	Steven M. Saavedra, CFM
--------------------	-------------------------

PROJECT DESCRIPTION / FACTS

This request seeks approval to recomplete (frack) an existing gas well installed in Aztec, NM, The site is situated within Aztec's municipal limits on private property. The proposed site is in the City's southeastern area of Aztec. The technical location is S/2SW/4 233011 N/2NW/4 SE/4NW/4 W/2NE/4 NE/4SW/4 AND NW/4SE/4 LESS NE/4NW/4SE/4 263011 derived from the form submitted by the applicant and San Juan County's Assessor. According to San Juan County Assessors, the Gwynhaven Resources LLC owns the parcel of property.

The well site information is as follows:

Well Name:	Hartman #4
Lease No.	30-045-33533
Existing Pad Area:	0.66 Acres
New Pad Area:	N/A
Total Parcel Area:	349.91 acres
Building Info:	N/A
Floodplain:	Zone X
Arroyo:	654 from well pad
Access:	NM State Highway 550
Contractor	Baywater Drilling
Formation	Dakota

Keri Hutchins submitted the application on behalf of Hilcorp Energy Company, located at 382 Road 3100 in Aztec, NM. The application includes, but not limited to: the State of New Mexico OCD permit application, a copy of the oil and gas lease agreement, certificate of insurance, dust mitigation plan, noise mitigation plan, property owners within four hundred feet of the wellhead, and weed mitigation plan. The applicant did not include a wildlife mitigation plan (threatened or

endangered (T&E), as this is an existing well site. The applicant needs to provide the performance standards check list, as this document was absent in the submittal.

The submittal indicates the well location is approximately 2,866 feet from the nearest residential dwelling unit. Access to the location utilizes existing access easement or dedicated right-of-ways. The submittal indicated primary access from NM State Highway 550. This access point is outside Aztec's municipal limits. During drilling and subsequent operations, all equipment and vehicles need to be confined to the well site and cannot obstruct any access easement.

Aztec and surrounding areas are subject to heavy rains and flooding, especially during monsoon season. Though the review process is the same for all wells, it seems imperative that this report includes a discussion of the staff review for the location of any waterways, arroyos, and other natural geographic features. The nearest arroyo identified on Aztec's GIS is approximately 654 linear feet from the well pad. However, the well site and parcel of property are not located in a designated FEMA Flood Zone. The submittal included an Oil & Gas application from the State of New Mexico's Oil Conservation Division in 2006 for Heartman #4. This application indicated information on freshwater well distance, distance to nearest surface water, and depth to groundwater. The approved State of New Mexico Oil & Gas application from 08/29/2018 did not provide such information pertaining to water depth.

The recommendation for approval is contingent on the applicant adhering to all of the processes and performance measures described in all mitigation plans, and all other regulations whether they be federal, state, or local in origin. The approval is also conditioned upon the applicant maintaining compliance with the industry's own Standard Best Management Practices and City of Aztec's Oil and Gas regulations. The Community Development Department requires prior notification before construction on site commences. In addition, a site visit during the construction of recompletion from the Hilcorp Energy Company is required to ensure all mitigation plans and conditions of approval are met during and after construction is required. The Community Development Department does not object to this application, OG 19-01 a request to modify an existing gas well at the prescribed location and recommends approval, with the following conditions:

1. The development must adhere to all of the processes and performance measures described in submitted documents, including the Surface Use Plan of Operations and Surface Reclamation Plan, as well as all other applicable regulations promulgated by federal, state or local jurisdictions;
2. The applicant needs to notify the Community Development Department before construction on site commences;
3. Provide the Community Development Department with performance standards check list document pursuant to COA 15-12(12) within five days of the June 11, public hearing;
4. The applicant needs to reinstall the fence surrounding the well pad, with the screening slats once recompletion of the well is concluded;
5. The applicant needs to adhere to the submitted Noise Mitigation Plan. However, onsite completion operations hours need to be from 7:00 AM to 7:00 PM.

SUPPORT DOCUMENTS:

1. Application
 - a. Maps prepared by the applicant & staff
 - b. OG 19-01 Application
 - c. Hilcorp Energy Company's Mitigation Plans

DEPARTMENT'S RECOMMENDED MOTION: Move To Approve OG 19-01 an Oil & Gas Well application submitted by Keri Hutchins, on behalf Hilcorp Energy Company for permission to recomplete "frack" an existing well at the location indicated per the staff report, with staff's recommended conditions 1 to 5.

Keri



CITY OF AZTEC OIL & GAS APPLICATION

Permit # 0919-01 Date Started: 4-18-19 Date Approved: _____ Fees Paid: 510.00

APPLICANT CONTACT INFORMATION

Name of Operator: Hilcorp San Juan, L.P.
Address: 382 Road 3100
Contact Name: Keri Hutchins
Phone: 505-564-0743
Email: khutchins@hilcorp.com
Name of Lease/Owner: Hartman Lease

WELL INFORMATION

Well Name: Hartman #4
API #: 30-045-33533
Type of Lease: Fee
Lease Number: "Hartman" 372171
Depth: 5,900'
Formation: Dakota
Location: Unit D, Section 26, T30N-R11W, San Juan County, NM
Type of Work: Mesaverde Recompletion
Contractor: Baywater Drilling
Proposed Work Dates: Estimated June 2019

WELL LOCATION

Address: Unit D, Section 26, T30N-R11W, San Juan County, NM
Tax ID: R4003872
Parcel Size (acres): 349.91 acres
Zone District: _____
Flood Plain: _____ YES NO
Existing Pad Area: 192' x 157'
Well Pad Area (sqft) :
New Pad/ Expansion: N/A
Total Pad Area: 0.66 acres
Setbacks:
Building: N/A
Arroyo: N/A

WELL FEATURES

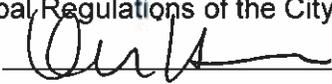
Feature	Existing	New	Removed
Compressors (specify whether electric or gas):			N/A
Meter House:	X		
Separators:	X		
Valves:	X		
Evaporative Tanks:			N/A
Production Tanks:	X		
Reserve Pits:			N/A
Pump Jacks:			N/A
Sound Enclosures:			N/A

DOCUMENTATION

	Yes	No	N/a
Owner Verification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Detailed Site Map	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Weed/Vegetation Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Electrical Load Calculation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Visual Mitigation Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wildlife Mitigation Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Noise Mitigation Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dust/Access Mitigation Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Certificate of Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Copy of Original Lease	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surface Damage/ROW Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
APD Sundry Notice	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C-144	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Elevation Certificate	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Land Use Hearing Application (Variance, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Business License Application	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

APPLICANT SIGNATURE

I, Keri Hutchins representing Hilcorp San Juan, L.P. hereby certify that I have read this application and hereby dispose and state under penalty of perjury that all statements, proposals, and documents submitted with this application are true and correct and that I shall adhere to the Municipal Regulations of the City of Aztec.

Signature:  Date: April 18, 2019

CITY of AZTEC USE ONLY

City Commission Meeting Date: _____

City Commission Action: _____ APPROVED _____ DENIED

FEES ARE DUE PRIOR TO COMMISSION MEETING

Fees are: \$10 Administration Fee + \$500 Oil & Gas Fee = Total \$510

**CITY OF AZTEC
OIL & GAS PERMIT APPLICATION**

Hilcorp San Juan, L.P.

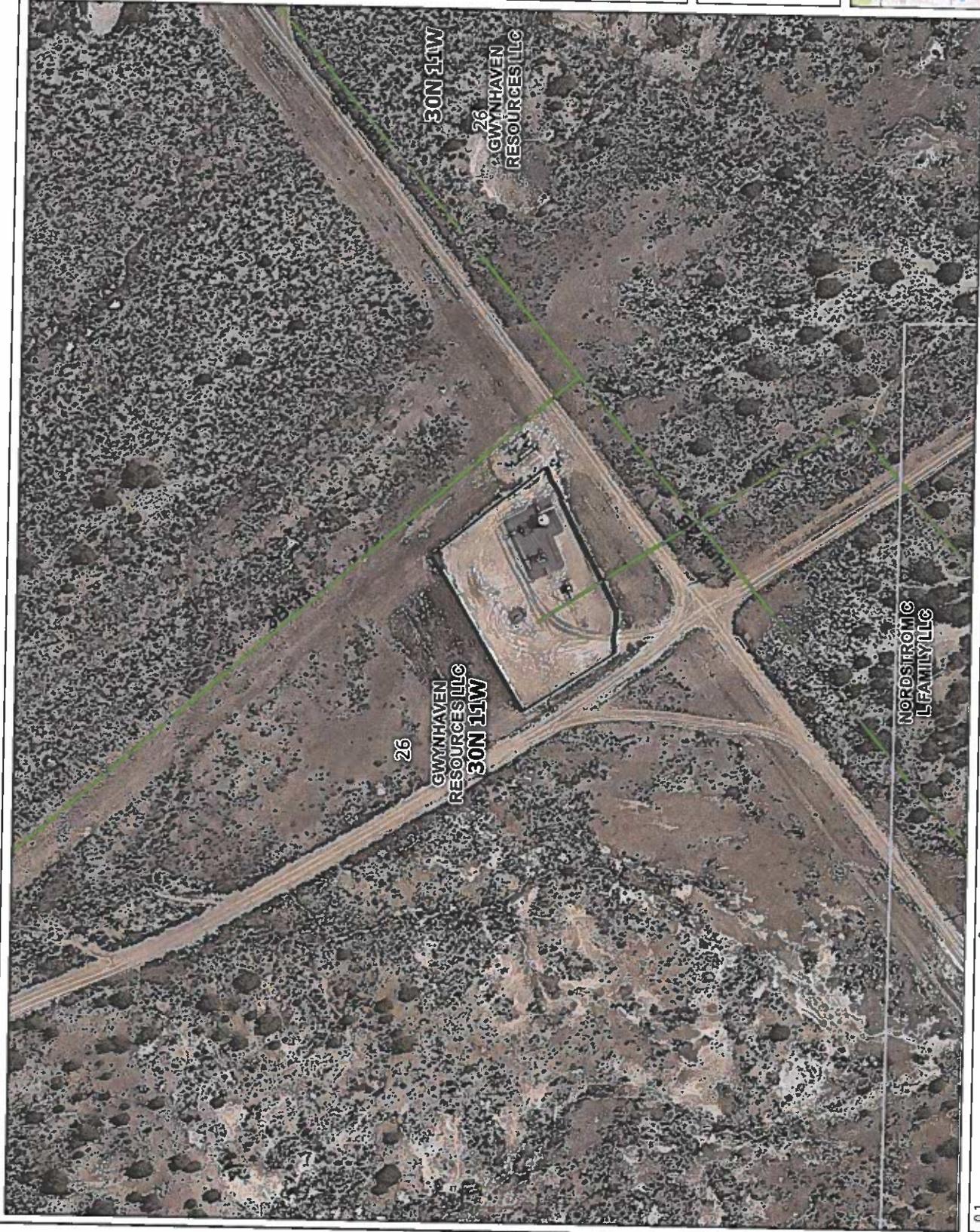
**Hartman #4
API# 3004533533**

Dakota Recomplete to Mesaverde

NWNW of Section 26, T30N, R11W
935' FNL, 995' FWL
San Juan County, New Mexico



Hartman 4 - Site Plan



- Legend**
- SJB Land Parcels
 - Enterprise Conventional Plants
 - Enterprise Conventional Comp
 - Enterprise Conventional Pipeli
 - Hilcorp Operated Pipeline
 - Cathodic 2008
 - CO Water Wells
 - Hydrogeologic
 - POD Waters
 - Wetlands
 - Waterways
 - Water Vulnerable Areas

Notes

- Current facility
- Existing improvements: visual screen
- No utility easements
- Drainage Plan N/A
- Pipeline ROW



0.1
0
0.03
0.1 Miles
1: 1,848
N
This map is to be used for Hilcorp or Harvest purposes only.
Not survey quality.
NAD_1927_StatePlane_New_Mexico_West_FIPS_3003
© Hilcorp

Property Owners within 400 ft of wellhead

Hilcorp San Juan, L.P.

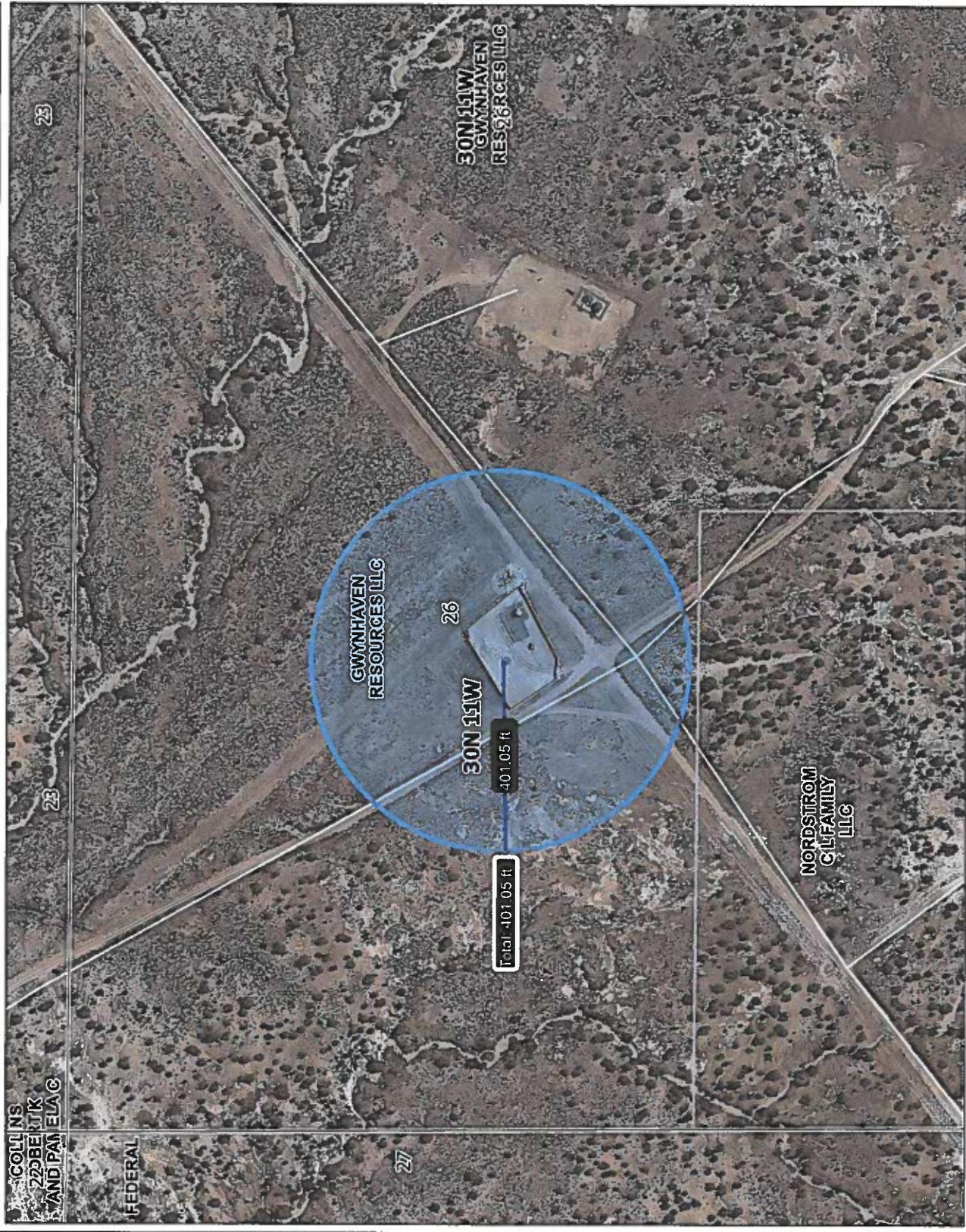
Hartman #4

Property Owners within 400 Feet of Wellhead

1. Gwynhaven Resources, LLC
P.O. Box 6085
Farmington, NM 87499



Hartman 4 Property Owners within 400 feet of Well

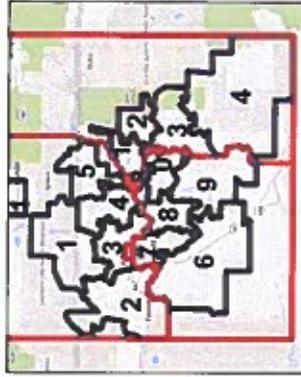


Legend

- SUB Land Parcels

Notes

Gwynhaven Resources, LLC



This map is to be used for Hilcorp or Harvest purposes only.
Not survey quality.

1: 3,695

0.1 Miles



NAD_1927_StatePlane_New_Mexico_West_FIPS_3003
© Hilcorp



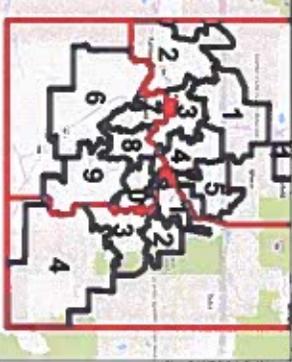
Hartman 4 Distance to Nearest Residence



Legend

Notes

Distance to Nearest Residence: 2,856 feet



0.2 0 0.12 0.2 Miles

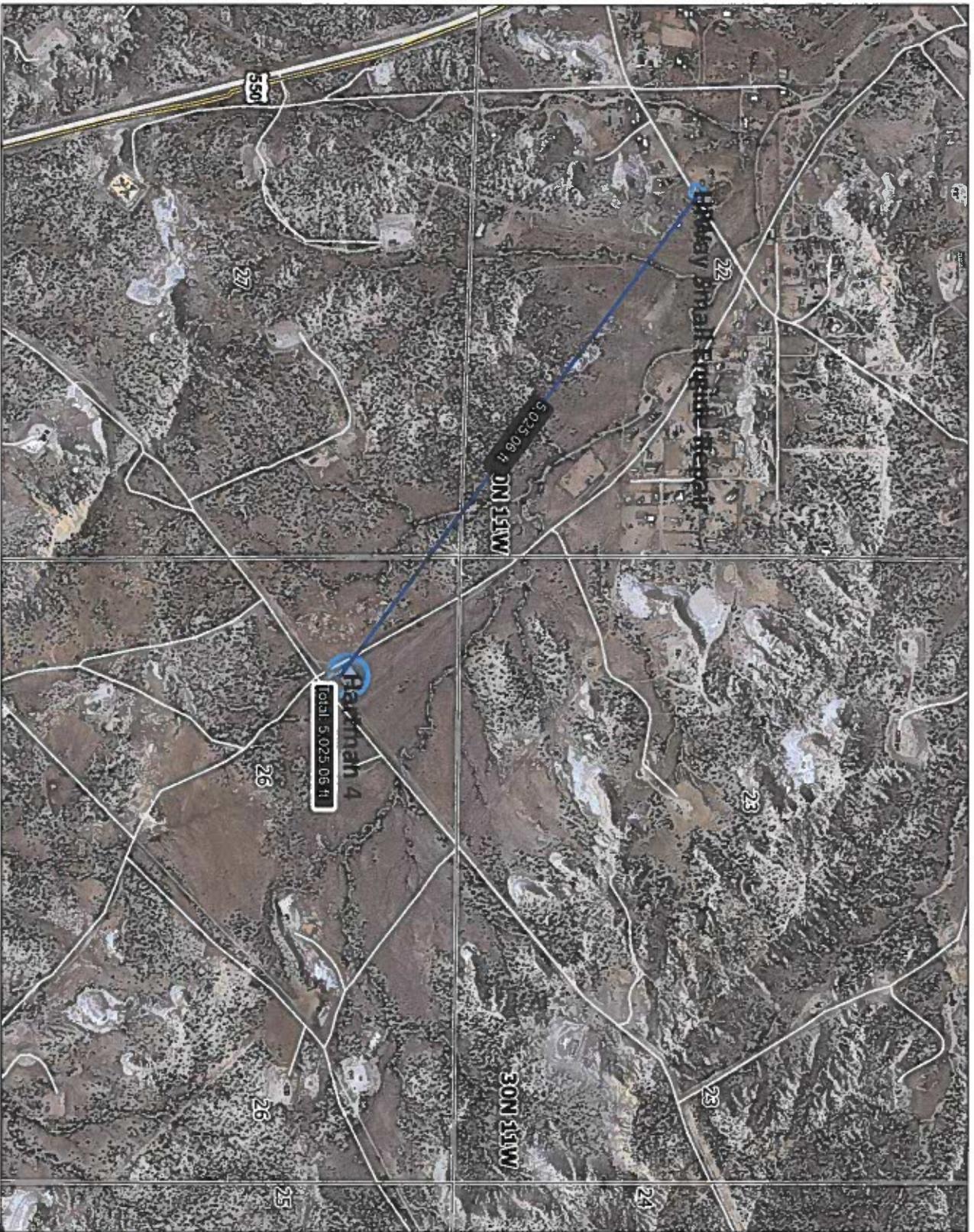
1:7,391 Å

This map is to be used for Hilcorp or Harvest purposes only. Not survey quality.

NAD, 1927 StatePlane, New Mexico, West, FIPS, 3003
© Hilcorp



Hartman 4 Distance to Nearest Business



1: 14,781 Å

NAD, 1927, StatePlane, New Mexico, West, FIPS, 3003
© Hilcorp

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Not survey quality.

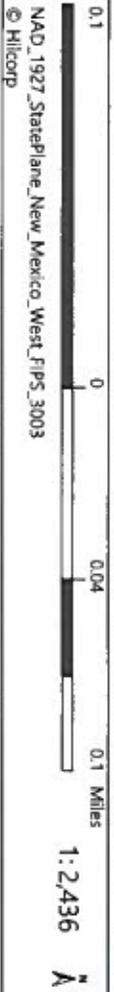
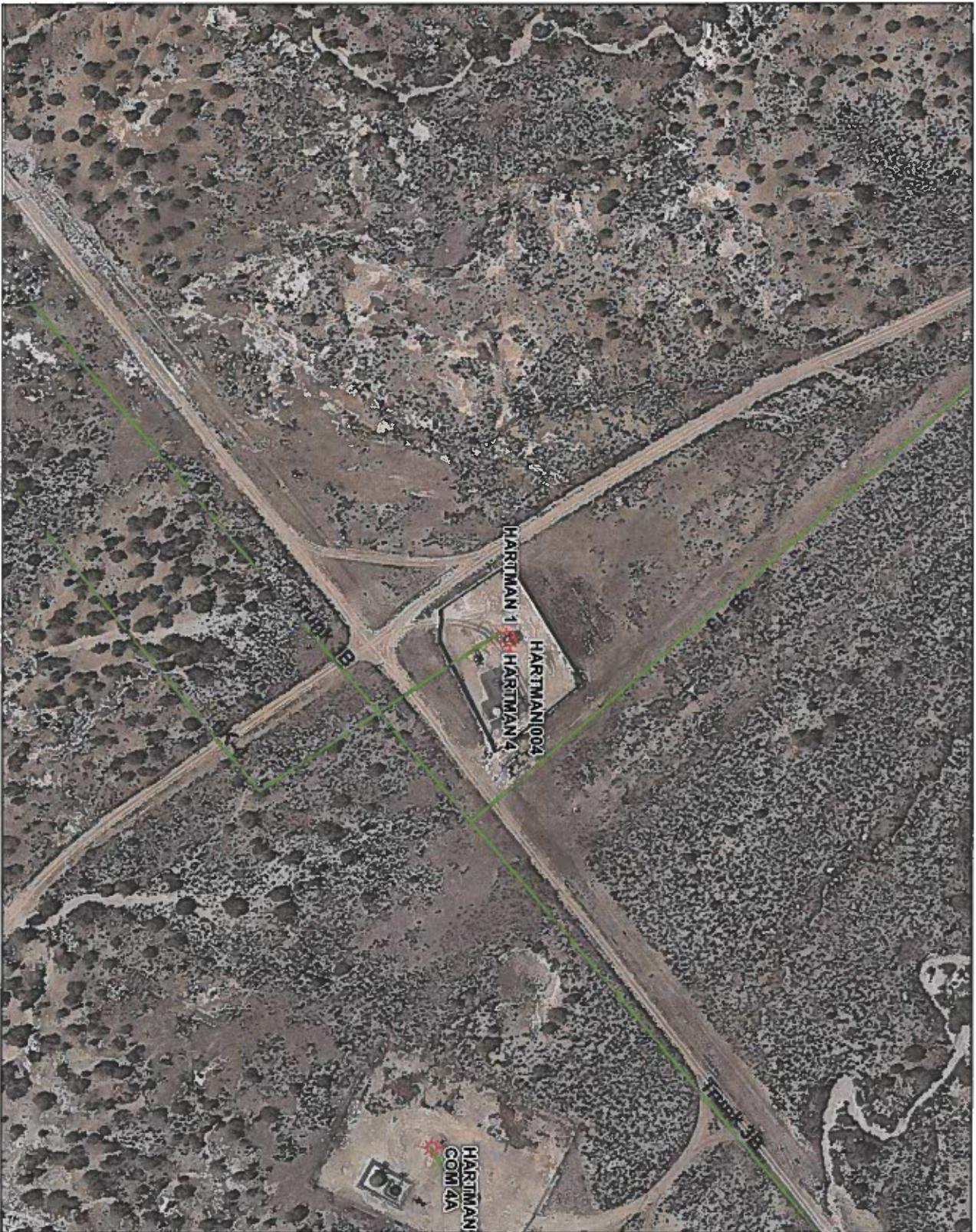
Legend

Notes

Distance to Hi-Way Small Engine Repair:
5,025 feet



Hartman #4



NAD_1927_StatePlane_New_Mexico_West_FIPS_3003
© Hilcorp

This map is to be used for Hilcorp or Harvest purposes only.
Not survey quality.

Legend

- Hilcorp Wells Surface Location
- Gas Well
- Oil Well
- Oil and Gas
- SMO
- Injection Well
- Abandoned Loc
- Location
- Other Location
- Enterprise Conventional Plants
- Enterprise Conventional Comp
- Enterprise Conventional Pipeli
- Hilcorp Operated Pipeline
- Enterprise Coal Plants
- Enterprise Val Verde Coal Cor
- Enterprise Val Verde System F
- Enterprise Rattlesnake Pipelin
- Hilcorp Operated Pipeline
- Logos Pipeline

Notes





Hilcorp San Juan, L.P.

Hartman #4

Weed & Disturbance Plan

All rig work will occur on the existing pad utilizing existing access roads, thus no weed mitigation measures are necessary in this case.

Hilcorp San Juan, L.P.

Hartman #4

Visual Mitigation Plan

- This well location is an existing location; thus, the facility siting and design is already in place and is not at issue in this application
- No damage to existing trees and vegetation will occur; all rig work will be performed on lease and within the existing disturbed area.
- No new access roads will be created to access the well.
- The facility is surrounded by existing vegetation as well as a visual screening fence around the location

The location is not visible by the general public. It is located on private surface and is not visible from the highway, any residences, or any businesses. The location already has a substantial visual screen. Thus, no additional visual screening practices should be required for this site.

Hilcorp San Juan, L.P.

Hartman #4

Wildlife Mitigation Plan

All rig work will occur on the existing pad utilizing existing access roads, thus no new wildlife habitat will be impacted.

Hilcorp San Juan, L.P.

Hartman #4

Noise Mitigation Plan

- The recomplete project will be conducted in a manner that makes “the least noise possible,” as directed under the Sound Emissions section of the City Code (Section 15-25). Under the Code, the recomplete project described in this application is considered an “intermittent operation.”
- There are no residences or businesses within 400 feet of the well, thus noise is unlikely to impact nearby residents. The closest residence is 2,866 feet away from the wellhead; the nearest business is 5,025 feet from the wellhead.
- The following additional measures will be implemented by Hilcorp to reduce the noise emitted:
 - Truck traffic will follow posted speed limits and avoid engine braking within city limits
 - Onsite recomplete operations requiring large diesel engines to operate at more than an idle will be limited to the hours of 6AM-9PM
- Noise emitted in the course of this recomplete will include three phases:
 - **1) Well preparation**
 - Example sources of noise:
 - Workover rig – large diesel engine and drawworks
 - Pipe movement – clanging metallic sounds
 - Trucks to move equipment – sound of large trucks plus occasional pumping sounds or winch noises
 - Flowback and cleanout noise – varying intensity of wind-howling type of noise somewhat comparable to the sound of a leaf blower but higher volume
 - Traffic and crew trucks – standard pick-up truck operation
 - **2) Recompletion**
 - Example sources of noise:
 - Diesel engines on equipment– large diesel engines and pumps operating at load and varying intensity
 - Sand hauling trucks– large truck operation and sand transfer
 - Water hauling trucks– large truck operation and water transfer
 - Traffic and crew trucks – standard pick-up truck operation
 - **3) Cleanout and return to production**
 - Example sources of noise:
 - Workover rig – large diesel engine and drawworks
 - Pipe movement – clanging metallic sounds
 - Trucks to move equipment – sound of large trucks plus occasional pumping sounds or winch noises
 - Flowback and cleanout noise – varying intensity of wind-howling type of noise somewhat comparable to the sound of a leaf blower but higher volume
 - Traffic and crew trucks – standard pick-up truck operation

Hilcorp San Juan, L.P.

Hartman #4

Dust Control

Access to the well will be via existing roads on primarily BLM surface. No residences or businesses are en route to the well location.

To maintain dust control, the access roadway will be watered with freshwater using a sprinkling truck system as needed.

Hilcorp San Juan, L.P.

Hartman #4

Surface Use Agreement

No Surface Use Agreement or right of way is needed for this site. This well was drilled "on lease," thus the mineral lessee has legal rights to use a portion of the surface estate reasonably required to for their oil and gas production and maintenance, according to state and federal law and as referenced in Section 15.1 of the City Code.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Office New Mexico

Serial SP 060113

LEASE OF OIL AND GAS LANDS UNDER THE ACT OF
FEBRUARY 25, 1920, AS AMENDED
NONCOMPETITIVE

THIS INDENTURE OF LEASE, entered into, in triplicate, as of the **AUG 1 1951**
day of _____ by and between the UNITED STATES OF AMERICA, through the
Bureau of Land Management, party of the first part, and Gladys M. Schram
5729 North Kauffman ~~Albi-South-Kauffman~~

Tempe City, California
party of the second part, hereinafter called the lessee, under, pursuant, and
subject to the terms and provisions of the act of February 25, 1920 (41 Stat. 437),
as amended, hereinafter referred to as the act, and to all reasonable regulations
of the Secretary of the Interior now or hereafter in force when not inconsistent
with any express and specific provisions herein, which are made a part hereof,
WITNESSETH:

SECTION 1. Rights of Lessee.—That the lesser, in consideration of rents and
royalties to be paid, and the conditions and covenants to be observed as herein set
forth, does hereby grant and lease to the lessee the exclusive right and privilege
to drill for, mine, extract, remove, and dispose of all the oil and gas deposits
except helium gas in or under the following-described tracts of land situated ~~in the~~
~~State of~~

T. 30 N., R. 11 W., NMPM, New Mexico
Sec. 23, ~~SE 1/4~~
24, ~~W 1/2 SW 1/4~~
26, ~~E 1/2 NW 1/4~~

X
X
X
X
X
X
X
X
X
X

containing 320.00 acres, more or less, together with the right to construct and
maintain thereupon all works, buildings, plants, waterways, roads, telegraph or
telephone lines, pipe lines, reservoirs, tanks, pumping stations, or other struc-
tures necessary to the full enjoyment thereof, for a period of 5 years, and so long
thereafter as oil or gas is produced in paying quantities; subject to any unit
agreement heretofore or hereafter approved by the Secretary of the Interior, the
provisions of said agreement to govern the lands subject thereto where inconsisten-
cies with the terms of this lease occur.

SEC. 2. In consideration of the foregoing, the lessee hereby agrees:
(a) Bonds.—(1) To maintain any bond furnished by the lessee as a condition
for the issuance of this lease. (2) If the lease is issued noncompetitively, to
furnish a bond in a sum double the amount of the \$1 per acre annual rental, but not
less than \$1,000 nor more than \$5,000, upon the inclusion of any part of the leased
land within the geologic structure of a producing oil or gas field. (3) To furnish
prior to beginning of drilling operations and maintain at all times thereafter as
required by the lesser a bond in the penal sum of \$5,000 with approved corporate
surety, or with deposit of United States bonds as surety therefor, conditioned upon
compliance with the terms of this lease, unless a bond in that amount is already
being maintained or unless such a bond furnished by an approved operator of the
lease is accepted.

POOR COPY

4

Until a general lease bond is filed a noncompetitive lessee will be required to furnish and maintain a bond in the penal sum of not less than \$1,000 in those cases in which a bond is required by law for the protection of the owners of surface rights. In all other cases where a bond is not otherwise required, a \$1,000 bond must be filed for compliance with the lease obligations not less than 90 days before the due date of the next unpaid annual rental, but this requirement may be successively dispensed with by payment of each successive annual rental not less than 90 days prior to its due date.

(b) Cooperative or unit plan.—Within 30 days of demand, or if the land is within an approved unit plan, in the event such a plan is terminated prior to the expiration of this lease, within 30 days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) Wells.—(1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of the lessor or lands of the United States leased at a lower royalty rate, or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate the lessor in full each month for the estimated loss of royalty through drainage in the amount determined under instructions of said Secretary; (2) at the election of the lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior; and (3) promptly after due notice in writing to drill and produce such other wells as the Secretary of the Interior may require to insure diligence in the development and operation of the property.

(d) Rentals and royalties.—(1) To pay the rentals and royalties set out in the rental and royalty schedule attached hereto and made a part hereof.

(2) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas; due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by the lessee, to posted prices and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the calendar month next following the calendar month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by the lessee as reasonably may be required by the lessor, but in no case shall the lessee be required to hold such royalty oil or other products in storage beyond the last day of the calendar month next following the calendar month in which produced. The lessee shall not be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Royalties shall be subject to reduction on the entire leasehold or on any portion thereof segregated for royalty purposes if the Secretary of the Interior finds that the lease cannot be successfully operated upon the royalties fixed herein, or that such action will encourage the greatest ultimate recovery of oil or gas or promote conservation.

(e) Contracts for disposal of products.—Not to sell or otherwise dispose of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement first approved by the Director of the Geological Survey or his representative, such approval to be subject to review by the Secretary of the Interior but to be effective unless and until revoked by the Secretary or the approving officer, and to file with such officer all contracts or full information as to other arrangements for such sales.

(f) Statements, plats, and reports.—At such times and in such form as the lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amounts used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands and a report with respect to stockholders, investment, depreciation, and costs.

(g) Well records.—To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by the lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof to the lessor when required.

(h) Inspection.—To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps, and records relative to operations and surveys or investigations on the leased lands or under the lease.

(i) Payments.—Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to the lessor, to the order of the Treasurer of the United States, such payments to be tendered to the manager of the district land office in the district in which the lands are located or to the Director of the Bureau of Land Management if there is no district land office in the State in which the lands are located.

(j) Diligence—Prevention of waste—Health and safety of workmen.—To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by the lessor; to carry on all operations in accordance with approved methods and practice as provided in the operating regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations, and for the health and safety of workmen and employees; to plug properly and effectively all wells before abandoning the same; to carry out at expense of the lessee all reasonable orders of the lessor relative to the matters in this paragraph, and that on failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: Provided, that the lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) Taxes and wages—Freedom of purchase.—To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil, and gas produced from the lands hereunder, or other rights, property, or assets of the lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) Nondiscrimination.—Not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

(m) Assignment of oil and gas lease or interest therein.—To file within 90 days from the date of final execution any instrument of transfer made of this lease, or any interest therein, including assignments of record title, working or royalty interests, operating agreements and subleases for approval, such instrument to take effect upon its final approval by the Director, Bureau of Land Management, as of the first day of the lease month following the date of filing in the proper land office.

(n) Pipe lines to purchase or convey at reasonable rates and without discrimination.—If owner, or operator, or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipe line,

operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the act.

(o) Reserved deposits.—To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(p) Reserved or segregated lands.—If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(q) Overriding royalties.—To limit the obligation to pay overriding royalties or payments out of production in excess of 5 percent to periods during which the average production per well per day is more than 15 barrels on an entire leasehold or any part of the area thereof or any zone segregated for the computation of royalties.

(r) Deliver premises in cases of forfeiture.—To deliver up the premises leased, with all permanent improvements thereon, in good order and condition in case of forfeiture of this lease; but this shall not be construed to prevent the removal, alteration, or renewal of equipment and improvements in the ordinary course of operations.

SEC. 3. The lessor expressly reserves:

(a) Rights reserved—Easements and rights-of-way.—The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) Disposition of surface.—The right to lease, sell, or otherwise dispose of the surface of any of the lands embraced within this lease which are owned by the United States under existing law or laws hereafter enacted, insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the oil and gas therein.

(c) Monopoly and fair prices.—Full power and authority to promulgate and enforce all orders necessary to insure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) Helium.—Pursuant to section 1 of the act, and section 1 of the act of March 3, 1927 (44 Stat. 1387), as amended, the ownership and the right to extract helium from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the lessor elects to take the helium the lessee shall deliver all gas containing same, or portion thereof desired, to the lessor at any point on the leased premises in the manner required by the lessor, for the extraction of the helium in such plant or reduction works for that purpose as the lessor may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or less otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The lessor further reserves the right to erect, maintain, and operate any and all reduction works and other equipment necessary for the extraction of helium on the premises leased.

(e) Taking of royalties.—All rights pursuant to section 36 of the act, to take royalties in amount or in value of production.

4-213
(December 1949)

(f) Casing.—All rights pursuant to section 40 of the act to purchase casing and lease or operate valuable water wells.

(g) Fissionable materials.—Pursuant to the provisions of the act of August 1, 1946 (Public Law 585, 79th Congress) all uranium, thorium, or other material which has been or may hereafter be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, together with the right of the United States through its authorized agents or representatives at any time to enter upon the land and prospect for, mine and remove the same, making just compensation for any damage or injury occasioned thereby.

SEC. 4. Drilling and producing restrictions.—It is covenanted and agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal laws, State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

SEC. 5. Surrender and termination of lease.—The lessee may surrender this lease or any legal subdivision thereof by filing in the proper land office a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the regulations and the terms of the lease, to be accompanied by a statement that all wages and moneys due and payable to the workmen employed on the land relinquished have been paid.

SEC. 6. Purchase of materials, etc., on termination of lease.—Upon the expiration of this lease, or the earlier termination thereof pursuant to the last preceding section, the lessor or another lessee may, if the lessor shall so elect within 3 months from the termination of the lease, purchase all materials, tools, machinery, appliances, structures, and equipment placed in or upon the land by the lessee, and in use thereon as a necessary or useful part of an operating or producing plant, on the payment to the lessee of such sum as may be fixed as a reasonable price therefor by a board of three appraisers, one of whom shall be chosen by the lessor, one by the lessee, and the other by the two so chosen; pending such election all equipment shall remain in normal position. If the lessor, or another lessee, shall not within 3 months elect to purchase all or any part of such materials, tools, machinery, appliances, structures, and equipment, the lessee shall have the right at any time, within a period of 90 days thereafter to remove from the premises all the material, tools, machinery, appliances, structures, and equipment which the lessor shall not have elected to purchase, save and except casing in wells and other equipment or apparatus necessary for the preservation of the well or wells. Any materials, tools, machinery, appliances, structures, and equipment, including casing in or out of wells on the leased lands, shall become the property of the lessor, on expiration of the period of 90 days above referred to or such extension thereof as may be granted on account of adverse climatic conditions throughout said period.

SEC. 7. Proceedings in case of default.—If the lessee shall not comply with any of the provisions of the act or the regulations thereunder or make default in the performance or observance of any of the terms, covenants, and stipulations hereof and such default shall continue for a period of 30 days after service of written notice thereof by the lessor, the lease may be canceled by the Secretary of the Interior in accordance with section 31 of the act, as amended, and all materials, tools, machinery, appliances, structures, equipment, and wells shall thereupon become the property of the lessor, except that if said lease covers lands known to contain valuable deposits of oil or gas, the lease may be canceled only by judicial proceedings in the manner provided in section 31 of the act; but this provision shall not be construed to prevent the exercise by the lessor of any legal or equitable remedy which the lessor might otherwise have. A waiver of any particular

cause of forfeiture shall not prevent the cancellation and forfeiture of this lease for any other cause of forfeiture, or for the same cause occurring at any other time.

SEC. 8. Heirs and successors in interest.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

SEC. 9. Unlawful interest.—It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified, and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of section 3741 of the Revised Statutes of the United States, and sections 431, 432, and 433, title 18, United States Code, relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

IN WITNESS WHEREOF:

THE UNITED STATES OF AMERICA.

By *Earl Lang*
MANAGER

Bertha R. Holt
5733 N. Kauffman Ave.
Denver, Colo. 80212
Bertha R. Holt

5733 N. Kauffman Ave *Glady M. Schram*
Witnesses to signature of lessee. Lessee.
Denver, Colo. 80212

9x



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
05/01/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services Southwest, Inc. Houston TX Office 5555 San Felipe Suite 1500 Houston TX 77056 USA	CONTACT NAME: PHONE (A/C. No. Ext): (866) 283-7122 FAX (A/C. No.): 800-363-0105		
	E-MAIL ADDRESS:		
INSURED Hilcorp Energy Company 1111 Travis Street Houston TX 77002 USA	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: ACE American Insurance Company		22667
	INSURER B: Liberty Mutual Insurance Europe Ltd.		AA1120855
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES **CERTIFICATE NUMBER:** 570071001605 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR XCU Included GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			HDOG46769764	05/01/2018	05/01/2019	EACH OCCURRENCE	\$3,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$3,000,000
							MED EXP (Any one person)	\$10,000
							PERSONAL & ADV INJURY	\$3,000,000
							GENERAL AGGREGATE	\$6,000,000
							PRODUCTS - COMP/OP AGG	\$3,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			ISA H25155889	05/01/2018	05/01/2019	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
							BODILY INJURY (Per person)	
							BODILY INJURY (Per accident)	
							PROPERTY DAMAGE (Per accident)	
B	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION			CSUSA1800710 SIR applies per policy terms & conditions	05/01/2018	05/01/2019	EACH OCCURRENCE	\$5,000,000
							AGGREGATE	\$5,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WLRC64783518	05/01/2018	05/01/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT	\$1,000,000
							E.L. DISEASE-EA EMPLOYEE	\$1,000,000
							E.L. DISEASE-POLICY LIMIT	\$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER

CANCELLATION

City of Aztec - Community Development Department Attn: Steven Saavedra 201 W. Chaco St. Aztec NM 87410 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	---

Holder Identifier :

Certificate No : 570071001605

Submit 1 Copy To Appropriate District Office
 District I - (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II - (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV - (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		WELL API NO. 30-045-33533
2. Name of Operator HILCORP ENERGY COMPANY		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
3. Address of Operator 382 ROAD 3100, AZTEC NM 87410		6. State Oil & Gas Lease No.
4. Well Location Unit Letter <u>D</u> <u>935</u> feet from the <u>North</u> line and <u>995</u> feet from the <u>West</u> line Section <u>26</u> Township <u>30N</u> Range <u>11W</u> NMPM San Juan County		7. Lease Name or Unit Agreement Name Hartman
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5900' GL		8. Well Number 4
9. OGRID Number 372171		10. Pool name or Wildcat Blanco Mesaverde/Basin Dakota

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE
 CLOSED-LOOP SYSTEM
 OTHER: Re-Complete - Amended

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB
 OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Hilcorp Energy would like to amend the estimated perforation to 3850'-5050' for the approved NOI to recomplete the subject well.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Christine Brock TITLE Operations / Regulatory Technician - Sr. DATE 8/29/2018

Type or print name Christine Brock E-mail address: cbrock@hilcorp.com PHONE: 505-324-5155

For State Use Only

Deputy Oil & Gas Inspector,
 District #3

APPROVED BY: [Signature] TITLE _____ DATE 9/17/18

Conditions of Approval (if any):

TITLE
PC

NMOCD
 AUG 29 2018
 DISTRICT III

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address XTO ENERGY, INC. 2700 FARMINGTON AVENUE FARMINGTON, NM 87401		2. OGRID Number 167067
		3. API Number 30-045-33533
4. Property Code 28116	5. Property Name HARTMAN	6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	30N	11W	D	935	N	995	W	SAN JUAN

8. Pool Information

BASIN DAKOTA (PRORATED GAS)	71599
-----------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 5900
14. Multiple N	15. Proposed Depth 7172	16. Formation Dakota Formation	17. Contractor	18. Spud Date 2/15/2006
Depth to Ground water 150	Distance from nearest fresh water well > 1000		Distance to nearest surface water 200	
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 8000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Erme <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	360	250	0
Prod	7.875	5.5	15.5	7172	780	0

Casing/Cement Program: Additional Comments

--

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	4000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCDD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Charlie Perrin	
Printed Name: Electronically filed by Holly Perkins	Title: District Supervisor	
Title: Administrator	Approved Date: 1/23/2006	Expiration Date: 1/23/2007
Email Address: Regulatory@xtoenergy.com		
Date: 1/16/2006	Phone: 505-564-6720	

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

District II

1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-045-33533	2. Pool Code 71599	3. Pool Name BASIN DAKOTA (PRORATED GAS)
4. Property Code 28116	5. Property Name HARTMAN	6. Well No. 004
7. OGRID No. 167067	8. Operator Name XTO ENERGY, INC.	9. Elevation 5900

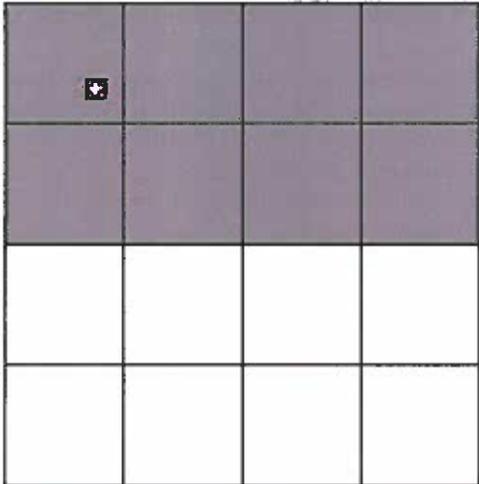
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	30N	11W		935	N	995	W	SAN JUAN

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 319.53		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

	<p align="center">OPERATOR CERTIFICATION</p> <p><i>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(s) 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.</i></p> <p>E-Signed By: Holly Perkins Title: Administrator Date: 1/16/2006</p>
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>Surveyed By: John Vukovich Date of Survey: 6/6/2005 Certificate Number: 14831</p>

Mayor
Victor C. Snover

Mayor Pro-Tem
Rosalyn A. Fry



Commissioners
Austin R. Randall
Sherri A. Sipe
Mark E. Lewis

A desirable place to live, work and play; rich in history and small town values!

**NOTICE OF PUBLIC HEARING
OIL AND GAS PERMIT
PETITION NO. OG 19-01**

May 20, 2019

Dear Property Owner:

Notice is hereby given that an application has been filed with the City of Aztec - Community Development Department for an oil and gas permit to allow recompletion on the Hartman #4 (a gas well) (COA 15-11) by Hilcorp San Juan LP in the City of Aztec, San Juan County, New Mexico, as described below:

LEGAL DESCRIPTION

NWNW of Section 26, T30N, R11W 935' FNL, 995' FWL, In the City of Aztec, San Juan County, New Mexico.

Pursuant to the provisions of Section 3-21-6, New Mexico Statutes Annotated, 1978 Compilation, notice is hereby given that the petition will be heard in a public hearing by Aztec's City Commission on **Tuesday, June 11, 2019 at 6:00 p.m.** in the City Commission Chambers at City Hall, 201 W. Chaco Street, Aztec, New Mexico. All persons shall have an opportunity to be heard why said application should be granted or denied. All persons are invited to attend said hearing.

You are receiving this letter because you may own property within 400 feet (excluding public right-of-way) of the proposed request. You are invited to attend the hearings noted above or submit written comments prior to the meeting to the Community Development Department at 201 W. Chaco Street, Aztec, New Mexico 87410. Please be advised that this petition could be canceled or withdrawn prior to the meeting date.

If you have any questions regarding this notice or would like additional information regarding this petition, please contact Karla Sayler, City Clerk at 505-334-7603.

Sincerely,

Community Development Department
City of Aztec
Erikka Martinez

Mayor
Victor C. Snover

Mayor Pro-Tem
Rosalyn A. Fry



Commissioners
Austin R. Randall
Sherri A. Sipe
Mark E. Lewis

A desirable place to live, work and play; rich in history and small town values!

**OIL AND GAS PERMIT
19-01 Hartman #4**

Notice is hereby given that an Oil and Gas application has been filed with the City of Aztec Community Development Department to allow recompletion on the Hartman #4 (a gas well) (COA 15-11) by Hilcorp San Juan LP in the City of Aztec, San Juan County, New Mexico, as described below:

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U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

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

OFFICIAL USE

7013 1090 02E2 7000 0601 ET02

Postage	\$.50
Certified Fee	3.50
Return Receipt Fee (Endorsement Required)	2.80
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.80

05/19/01

Postmark
Here

5-20-19

Sent To: Gwynhaven Resources, LLC
Street, Apt. No. or PO Box: PO Box 6085
City, State, ZIP+4: Alamogordo, NM 87499

PS Form 3800, August 2006

See Reverse for Instructions

Certified Mail Provides:

- A mailing receipt
- A unique identifier for your mailpiece
- A record of delivery kept by the Postal Service for two years

Important Reminders:

- Certified Mail may ONLY be combined with First-Class Mail[®] or Priority Mail[®].
- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS[®] postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "*Restricted Delivery*".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

IMPORTANT: Save this receipt and present it when making an inquiry.

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047

Hilcorp San Juan, L.P.

Hartman #4

Property Owners within 400 Feet of Wellhead

1. Gwynhaven Resources, LLC
P.O. Box 6085
Farmington, NM 87499