

FIFTH JUDICIAL DISTRICT COURT
CHAVES COUNTY, N.M.
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DISTRICT COURT CLERK

STATE OF NEW MEXICO
COUNTY OF CHAVES
FIFTH JUDICIAL DISTRICT COURT

STATE OF NEW MEXICO, *ex rel.*
STATE ENGINEER
and PECOS VALLEY ARTESIAN
CONSERVANCY DISTRICT,

Plaintiffs,

vs.

L.T. LEWIS, *et al.*
UNITED STATES OF AMERICA,

Defendants,

and

STATE OF NEW MEXICO, *ex rel.*
STATE ENGINEER
and PECOS VALLEY ARTESIAN
CONSERVANCY DISTRICT,

Plaintiffs,

vs.

HAGERMAN CANAL CO., *et al.*,

Defendants.

Nos. 20294 and 22600 Consolidated

Hon. James J. Wechsler
Presiding Judge

Carlsbad Irrigation District Section,
Membership Phase

CV-WH-03-01

**NOTICE OF REPORT BY STATE OF NEW MEXICO SUMMARIZING *INTER SE*
OBJECTIONS TO PROPOSED PARTIAL FINAL JUDGMENT AND DECREE ON
SURFACE WATER RIGHTS AND SUPPLEMENTAL RIGHTS IN THE
MEMBERSHIP PHASE OF THE CARLSBAD IRRIGATION DISTRICT SECTION OF
THE PECOS RIVER STREAM SYSTEM ADJUDICATION**

The Plaintiff, State of New Mexico *ex rel.* State Engineer (“State”), as required by the Court’s September 25, 2012, Procedural Order¹, gives notice that it has prepared the Report, attached hereto as Exhibit A, summarizing any *inter se* objections timely filed to the Proposed Partial Final Judgment and Decree on Surface Water Rights and Supplemental Rights in the Membership Phase of the Carlsbad Irrigation District Section (“CID”) of the Pecos River Stream System Adjudication (“Proposed Decree”).

One *Inter se* Objection to the Proposed Decree was filed.

The State has made the Report available for public inspection at the following locations and website as required by the Procedural Order: the offices of the CID in Carlsbad, the State Engineer’s Offices in Roswell and Santa Fe, the Eddy County Court House in Carlsbad, the Chaves County Court House in Roswell, and the OSE website at <http://www.ose.state.nm.us/LAP/CID/decree.html>.

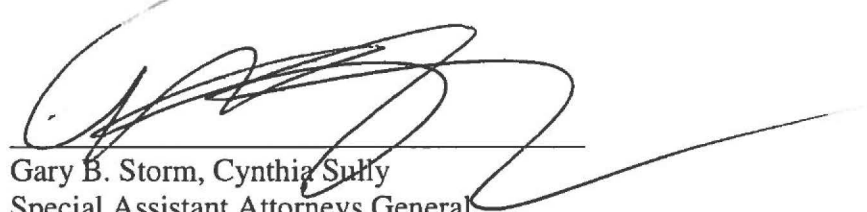
Members may participate in the resolution of *Inter Se* Objections filed in subfiles in which they did not file an objection provided they file a Notice of Intent to Participate in Resolution of *Inter Se* Objections (“Notice of Participation”) with the Court by January 18, 2013. Notice of Participation forms were served on all Defendants on October 15, 2012, and are available at the locations and website listed in the preceding paragraph.

The State requests the Court, in accordance with the Procedural Order, set a Scheduling and Pretrial Conference (“Conference”). Upon being informed of the time and place of the Conference, the State will serve a Notice of *Inter Se* Scheduling and Pretrial Conference to Defendants who filed timely *inter se* objections, Defendants whose subfile is the subject of an

¹ Order Establishing Procedures for Conducting *Inter Se* Proceedings and Adjudicating Omitted Supplemental Rights in the Membership Phase of the Cid Section of the Pecos River Stream System Adjudication (“Procedural Order”).

objection, and Defendants who timely filed a Notice of *Inter Se* Participation, informing them that they are required to attend the Conference in the Fifth Judicial District Court in Carlsbad.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to be a cursive combination of the names Gary B. Storm and Cynthia Sully, written over a horizontal line.

Gary B. Storm, Cynthia Sully
Special Assistant Attorneys General
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504-5102
Attorneys for Plaintiff State of New Mexico,
ex rel. State Engineer
505/827-6150; 505/827-3887 (fax)

EXHIBIT A

**REPORT BY STATE OF NEW MEXICO SUMMARIZING INTER SE OBJECTIONS
TO PROPOSED PARTIAL FINAL JUDGMENT AND DECREE ON SURFACE
WATER RIGHTS AND SUPPLEMENTAL RIGHTS IN THE MEMBERSHIP PHASE
OF THE CARLSBAD IRRIGATION DISTRICT SECTION OF THE PECOS RIVER
STREAM SYSTEM ADJUDICATION**

DEADLINE FOR FILING OF OBJECTIONS: November 19, 2012.

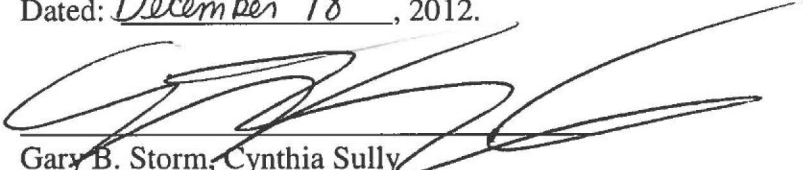
TOTAL OBJECTIONS FILED: 1 (one)

SUMMARY OF OBJECTIONS:

OBJECTOR			SUBFILE THAT IS SUBJECT OF OBJECTION			REASON FOR OBJECTION
Owner	Subfiles	Court Numbers CV-WH-03-	Owner	Subfile	Court Number CV-WH-03-	"The Deed from Epolito Franco and Manuela Franco [predecessors in interest] to Eddie Sing clearly shows surface rights only. No water waters [sic] or minerals were included in the deed to Eddie Sing."
Celia Hougland Robert Hougland	24.28.04-B 24.28.04-B2	12 853	Eddie C. Sing	24.28.04-B1	862	

COPIES OF FILED OBJECTIONS ARE ATTACHED TO THIS REPORT.

Dated: December 18, 2012.



Gary B. Storm, Cynthia Sully
Special Assistant Attorneys General
Office of the State Engineer
P. O. Box 25102
Santa Fe, NM 87504-5102
Attorneys for Plaintiff State of New Mexico,
ex rel. State Engineer
505/827-6150; 505/827-3887 (fax)

November 16, 2012

Celia F. Hougland and Robert D. Hougland
P.O. Box 1286
Loving, NM 88256
(575) 745- 1229

State of New Mexico
State Engineer
County of Chaves
Fifth Judicial District Court

To Whom It May Concern:

On October 8, 1996, the prior owners Epolito and Manuela Franco transferred their interests in water rights associated with Court No. CV-WA-03-12 OSE Sub files NO 24-28.04-13 to their son Hipolito Q. Franco.

After Mr. Epolito's death, Manuela Franco was the sole surviving owner of tract 24.28.04-15. She transferred her interests (except minerals rights) including water rights associated with Court No CV-WA-03-12 OSE Sub File no 24.28.04-13 to her son Hipolito Q. Franco on August 7, 1998.

A prior transaction agreement upon on January 9, 1989 by a crop share lease agreement by Epolito Franco, Robert D. Hougland, and his daughter, Celia Franco. See documents attached. Separation of all water rights and mineral rights to said land.


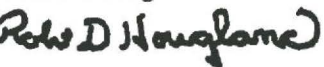
Hipolito Q. Franco owned all the water rights and interests that Epolito and Manuela Franco may have had. In addition, on May 28, 2002, Hipolito Q. Franco sold the land and all his water rights to Robert D. Hougland and Celia F. Hougland, his sister, by deed Book 871 Page 9820. Robert D. Hougland and Celia F. Hougland now own all water rights associated with Court No. CV-WA-03-12 Sub File No 24-28.04-13.

Other transactions that Epolito Franco and Manuela Franco engaged in were to sell the property surface rights only to Eddie Sing, Book 157 Page 931 on June 4, 1993. The Deed from Epolito Franco and Manuela Franco to Eddie Sing clearly shows surface rights only. No water waters or minerals were included in the deed to Eddie Sing.

Please see attached documents that will clearly show sole ownership of all water rights to Robert D. Hougland and Celia F. Hougland, the new owners of the property previously owned by Hipolito Q. Franco. This action in no way reflects any changes or transfers of water from Mr. Sing as long as all payments for his water usage are made and no sale of water rights nor oil or gas leases are to be made.

If you need any more information, please contact us by phone or e-mail. Phone number 575-745-1229 and e-mail address rhougland@bajabb.com.

Thank you,


Celia F. Hougland


FIFTH JUDICIAL DISTRICT COURT
CHAVES COUNTY, N.M.
FILED IN MY OFFICE

STATE OF NEW MEXICO
COUNTY OF CHAVES
FIFTH JUDICIAL DISTRICT COURT

2012 NOV 20 PM 12:33

DISTRICT COURT CLERK

STATE OF NEW MEXICO, *ex rel.*
STATE ENGINEER
and PECOS VALLEY ARTESIAN
CONSERVANCY DISTRICT,

Nos. 20294 and 22600 Consolidated

Hon. James J. Wechsler
Presiding Judge

Plaintiffs,

vs.

Carlsbad Irrigation District Section,
Membership Phase

L.T. LEWIS, *et al.* and
UNITED STATES OF AMERICA,

Court No.: As stated in Part B(1) 24.28.04-B1
Subfile No.: As stated in Part B(1) CV WH 03-862

Defendants.

(Sing)

NOTICE OF INTENT TO PARTICIPATE

This form is to be used to notify the Court of your intent to participate in the resolution of an *Inter Se* Objection filed by another party. You must fill out a separate form for each subfile in which an *Inter Se* Objection was filed.

The undersigned states as follows:

Part A: Your Information

I own an interest in the following water right in the Carlsbad Irrigation District. Your subfile number and court number can be found in Appendix H to the Proposed Partial Final Judgment and Decree on Surface Water Rights and Supplemental Rights in the Membership Phase of the Carlsbad Irrigation District Section of the Pecos River Stream System Adjudication ("Proposed Decree"):

Subfile Number: 24.28.04-B, 24.28.04-B2, 24.28.04-B1
Court Number: CV-WH-03-12, CV-WH-03-853, CV-WH-03-862

Part B: The *Inter Se* Objection in which you wish to participate:

1. An *Inter Se* Objection has been filed to the water right described in the Subfile Order (the "Subfile Order") in the following subfile. The subfile number and court number can be found in Appendix H to the Proposed Decree. (Please also write the subfile and court numbers in the spaces provided above.)

Subfile Number: 24.28.04-B1
Court Number: CV-WH-03-862

2. I do NOT object to the adjudication of the water right in the manner described in the Subfile Order but I intend to participate in the court proceeding to resolve the *Inter Se* Objection to that water right.

Part C: Your Contact Information

~~Celia and Robert Houston~~
Name of Claimant Filing Notice of Intent to Participate

Cancel
c711

Cancel
c711

~~Celia P. Houston and~~
Signature of Claimant or Claimant's Attorney

PO Box 1286
Street or P.O. Address

Loving NM 88256
City, State and Zip Code

575-745-1229
Telephone Number with Area Code

Part D: Filing this Notice

1. To participate in the resolution of above described *Inter Se* Objections you must file this Notice with the Court, either in person or by mail, to be received by the Court, no later than **January 18, 2013**, at the following address:

Fifth Judicial District Court
Chaves County Courthouse
400 N. Virginia Street
P.O. Box 1776
Roswell, NM 88202

2. At the same time this Notice is filed with the Court, a duplicate copy of this Notice must be served, either in person or by mail, on:

Gary Storm
Office of the State Engineer
Litigation and Adjudication Program
130 South Capitol Place
P.O. Box 25102
Santa Fe, NM 87504-5102

STATE OF NEW MEXICO
COUNTY OF CHAVES
FIFTH JUDICIAL DISTRICT COURT

2012 NOV 20 PM 12:33

STATE OF NEW MEXICO, *ex rel.*
STATE ENGINEER
and PECOS VALLEY ARTESIAN
CONSERVANCY DISTRICT,

RECEIVED
DISTRICT COURT CLERK

Nos. 20294 and 22600 Consolidated

Hon. James J. Wechsler
Presiding Judge

Plaintiffs,
vs.

Carlsbad Irrigation District Section,
Membership Phase

L.T. LEWIS, *et al.* and
UNITED STATES OF AMERICA,

Court No.: As stated in Part B _____
Subfile No.: As stated in Part B _____

Defendants.

INTER SE OBJECTION TO WATER RIGHTS USED WITHIN THE CID

Fill out one form for each subfile to which you object. Please type or print legibly.

The undersigned claims a right to use water within the Carlsbad Irrigation District ("CID") and files this *Inter Se* Objection to the water rights as set forth in the Appendix to the Proposed Partial Final Judgment and Decree on Surface Water Rights and Supplemental Rights in the Membership Phase of the Carlsbad Irrigation District Section of the Pecos River Stream System Adjudication ("Proposed Decree").

Part A: Your Information:

1. Full name or names, mailing address, and telephone number with area code:

Haugland, Celia & Haugland Robert
PO Box 1286 Loving NM 88256

2. The subfile number and court number of your water right. (Your subfile number and court number can be found in the Indices in Appendix H to the Proposed Decree):

Subfile Number: 24.28.04-B1, 24.28.04-B2
Court Number: CV-WH-03-12, CV-WH-03-853

Part B: Water Right to Which You Object: The subfile number, court number, owner, and information about the water right can be found in Appendices D and F, and the Indices in Appendix H to the Proposed Decree. (Please also write the subfile and court numbers in the spaces provided above.)

Subfile Number: 24.28.04-B1
Court Number: CV-WH-03-862

Name of Owner(s): Eddie C. Sing

Basis of this Objection: Title Deed Book 157 pg 931
and see Attached surface right only

Part C: Notice to Claimant and Claimant Acknowledgements:

1. **IF YOU CHOOSE NOT TO COMPLETE THIS FORM, YOU WILL RECEIVE NO FURTHER OPPORTUNITY TO FILE OBJECTIONS TO THE DETERMINATION OF WATER RIGHTS DESCRIBED IN THE PROPOSED DECREE.**

2. You affirm that you (or your attorney) will attend a mandatory scheduling and pretrial conference to be held at a time and place to be announced in order to be allowed to participate in the resolution of *Inter Se* Objections. Further procedures for resolving *Inter Se* Objections will be determined at the conference.

3. **YOU ARE RESPONSIBLE FOR KEEPING YOUR CONTACT INFORMATION CURRENT IF YOU WISH TO RECEIVE NOTICE REGARDING THESE PROCEEDINGS. If you change your mailing address you must file your change of address with the Court and the Office of the State Engineer.**

Part D: Filing this Objection

1. This Objection must be filed with the Court, either in person or by mail, and must be received by the Court, no later than **November 19, 2012**, at the following address:

Fifth Judicial District Court
Chaves County Courthouse
400 N. Virginia Street
P.O. Box 1776
Roswell, NM 88202

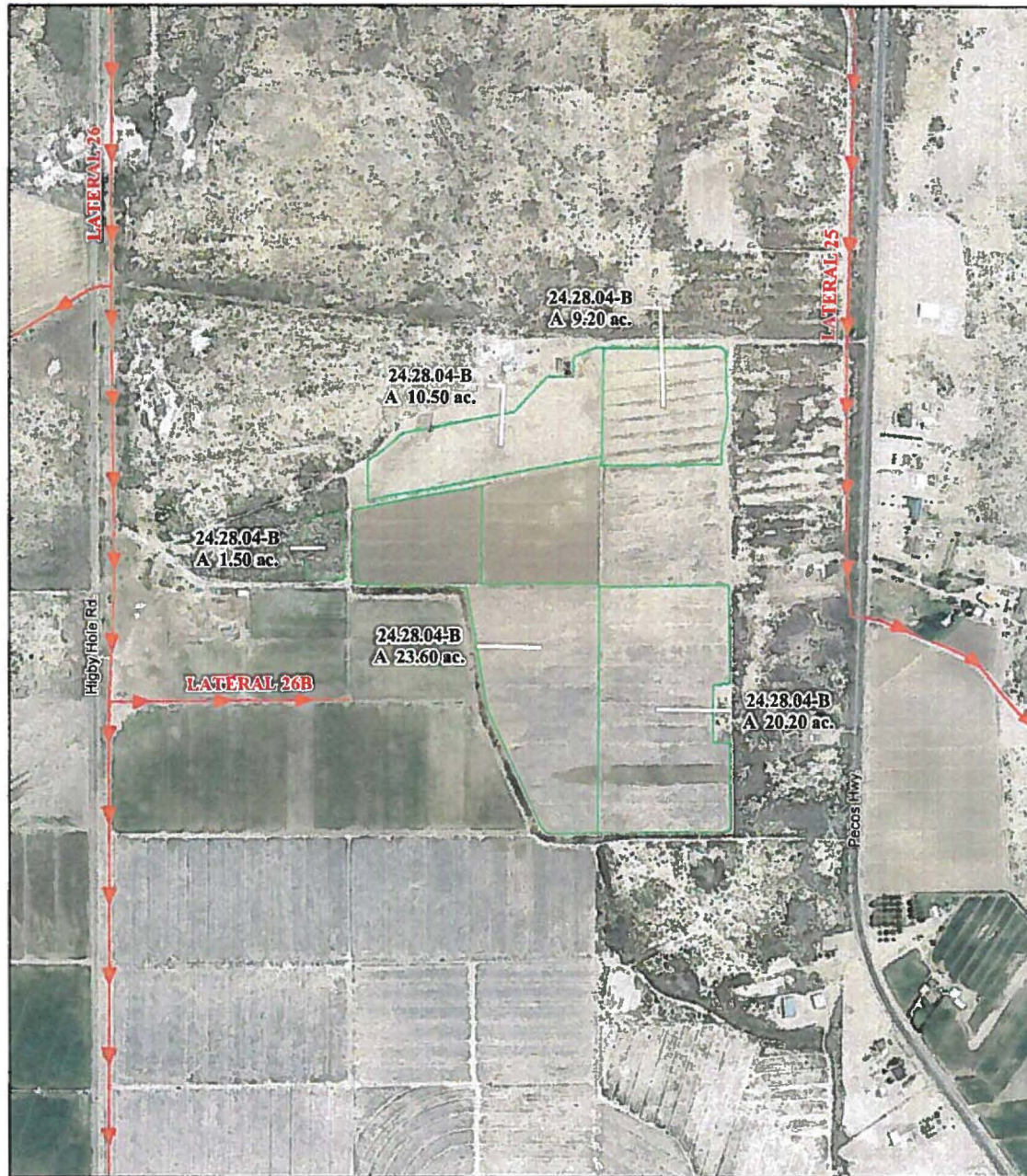
2. At the same time this Objection is filed with the Court, a duplicate copy of this Objection must be served, either in person or by mail, on:

Gary Storm
Office of the State Engineer
Litigation and Adjudication Program
130 South Capitol Place
P.O. Box 25102
Santa Fe, NM 87504-5102


Signed: Celia Flaughland Dated: 11-16-2012
and Rob D. Hougland

Robert D. Hougland and Celia F. Hougland being of sound mind and body would like to introduce the following documents to the court as Exhibits A-1 thru L.

- A-1 Map- Celia & Robert Hougland, Sub file 24.28.04-B
- A-2 Map- Celia & Robert Hougland, Sub file 24.28.04-B
- A-3 Map- Eddie C Sing, Sub file 24.28.04-B1
- A-4 Map- Elodia & Robert Chavez, 24.28.04-B3
- B Clarification Letter of Warranty Deeds & Mineral Rights
- C Affidavit of Manuela Q. Franco, Book 858 Page 0713
- D Corrected Warranty Deed- Robert & Celia Hougland, Book 871 Page 9820
- E Warranty Deed, Celia F. Hougland, dealing with sole and separate property, Book 264 Page 220
- F Letter from D. Byrd, dated October 28, 2002 dismissal of Hipolito Q. Franco's motion to substitute
- G Unopposed motion for substitution of Epolito and Manuela Franco transferring their interest of all water rights to their son, Hipolito Q. Franco on October 8, 1996 by warranty deed.
- H Death certificate of Epolito V. Franco, November 14, 1995
- I Warranty Deed of Eddy C. Sing, showing only legal description of the sell of surface rights only, No mineral or water rights included.
- J USDA FmHA Crop Share Cash Farm Lease agreement by Epolito V. Franco to Robert D. Hougland and Celia Franco. Epolito V. Franco Forever Sever from the surface estate and Forever retains and Reserves unto Epolito V. Franco and Manuela Q. Franco, his wife and their heirs, all air rights, 130.0 in water rights an undivided one-half (½) interest in all Gas, Oil and Mineral Rights. Automatically transferred to surviving spouse.
- K USDA FHA Real estate mortgage by Epolito V. Franco and Manuela Franco, his wife, to have and to hold the property unto the Government and its assigns forever in fee simple.
- L Warranty Deed Epolito V. Franco and Manuela Q. Franco his wife joint tenants with full rights of survivorship.



Legend

-  Point of Diversion
-  Canals / Ditches
- Tract Boundaries**
-  Surface Water Only
-  Supplemental Groundwater
-  Reservoir / Pond
-  No Right

2009 Digital Orthophotography

Grid Interval = 1000

Scale 1" = 700'

1:8,400



STATE OF NEW MEXICO

Office of the State Engineer

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

Pecos River Stream System

Carlsbad Irrigation District

Hydrographic Survey

Township 24

D.D.

Celia & Robert

Hougland

Subfile 24.28.04-B

4/27/2011



PAE

A-1
1-3

This document provides a summary of the water right data in the original consent order for this subfile as well as any amendments and corrections to the consent order. In the event there is a discrepancy between a description of water rights set forth in this document and the specific Court order that determines that right, the specific Court order is controlling.

Subfile No.: **24.28.04-B**

Court No.: **CV-WH-03-12**

CID Assessment Number: **725-00-00-00-01**

Date of Filing of Original Consent Order: **July 22, 2003**

Defendants: **CELIA HOUGLAND
ROBERT HOUGLAND**

A. IRRIGATED LANDS (Surface Water Only):

a. **Office of the State Engineer File No(s):** 6

b. **Priority:**

Surface Water Right: Carlsbad Irrigation District Main Canal: As set forth in Part B of this Appendix.

c. **Source:**

Surface waters of the Pecos River Stream System.

d. **Purpose of Use:**

For irrigation, and for domestic, and livestock watering uses incidental to irrigation use.

e. **Point(s) of Diversion:**

Ditch Name: Carlsbad Irrigation District Main Canal
Location: As set forth in Part G of this Appendix

f. **Location and Amount of Irrigated Acreage:**

Section 04, Township 24S, Range 28E, N.M.P.M.

Pt. NW $\frac{1}{4}$ 35.60 acres

Pt. NE $\frac{1}{4}$ 29.40 acres

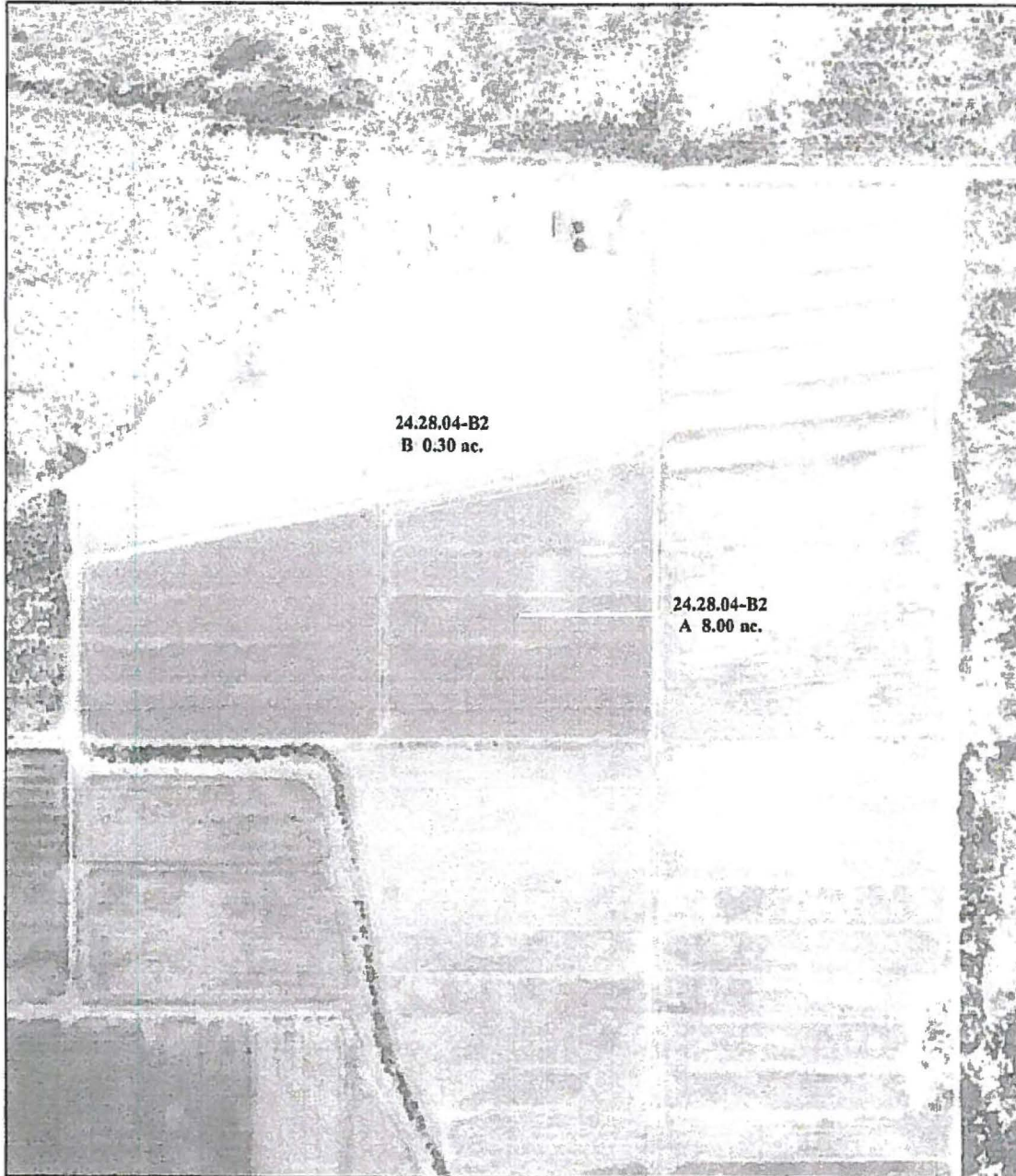
Total: 65.00 acres

As shown on the attached revised Hydrographic Survey Map for Subfile No. 24.28.04-B, and the CID Section Hydrographic Survey Map Sheet No. 3 (1999-2011), included in Part F of this Appendix, representing the Court record as of the date of the filing of this Decree.

g. **Amount of Water:**

As set forth in Part B of this Appendix.

A-1
2-3



Legend

- ⊙ Point of Diversion
- Canals / Ditches
- Tract Boundaries**
- Surface Water Only
- Supplemental Groundwater
- ▭ Reservoir / Pond
- No Right

2009 Digital Orthophotography
Grid Interval = 1000
Scale 1" = 300'
1:3,600

0 50 100 200 300 Feet



STATE OF NEW MEXICO
Office of the State Engineer
John R. D'Antonio, Jr., P.E., State Engineer

Pecos River Stream System
Carlsbad Irrigation District
Hydrographic Survey
Township 24

D.D.

Celia & Robert
Hougland
Subfile 24.28.04-B2
4/27/2011

OFFICE of the State Engineer
PAE

A-2
1-2

This document provides a summary of the water right data in the original consent order for this subfile as well as any amendments and corrections to the consent order. In the event there is a discrepancy between a description of water rights set forth in this document and the specific Court order that determines that right, the specific Court order is controlling.

Subfile No.: **24.28.04-B2**

Court No.: **CV-WH-03-853**

CID Assessment Number: **725-04-00-00-01**

Date of Filing of Original Consent Order: **July 22, 2003**

Defendants: **CELIA HOUGLAND
ROBERT HOUGLAND**

A. IRRIGATED LANDS (Surface Water Only):

- a. **Office of the State Engineer File No(s):** 6
- b. **Priority:**
Surface Water Right: Carlsbad Irrigation District Main Canal: As set forth in Part B of this Appendix.
- c. **Source:**
Surface waters of the Pecos River Stream System.
- d. **Purpose of Use:**
For irrigation, and for domestic, and livestock watering uses incidental to irrigation use.
- e. **Point(s) of Diversion:**
Ditch Name: Carlsbad Irrigation District Main Canal
Location: As set forth in Part G of this Appendix
- f. **Location and Amount of Irrigated Acreage:**
Section 04, Township 24S, Range 28E, N.M.P.M.
Pt. NW¼ 8.00 acres
Total: 8.00 acres
As shown on the attached revised Hydrographic Survey Map for Subfile No. 24.28.04-B2, and the CID Section Hydrographic Survey Map Sheet No. 3 (1999-2011), included in Part F of this Appendix, representing the Court record as of the date of the filing of this Decree.
- g. **Amount of Water:**
As set forth in Part B of this Appendix.

B. NO RIGHT (Surface Water Only):

- a. **Office of the State Engineer File No(s):** 6
- b. **Priority:**
NONE
- c. **Source:**
Surface waters of the Pecos River Stream System

A. 2
2-3

d. **Purpose of Use:**

NO RIGHT

e. **Point(s) of Diversion:**

NONE

Ditch Name: Carlsbad Irrigation District Main Canal

Location: As set forth in Part G of this Appendix

f. **Location and Amount of No Right Acreage:**

Section 04, Township 24S, Range 28E, N.M.P.M.

Pt. NW¼

0.30 acres

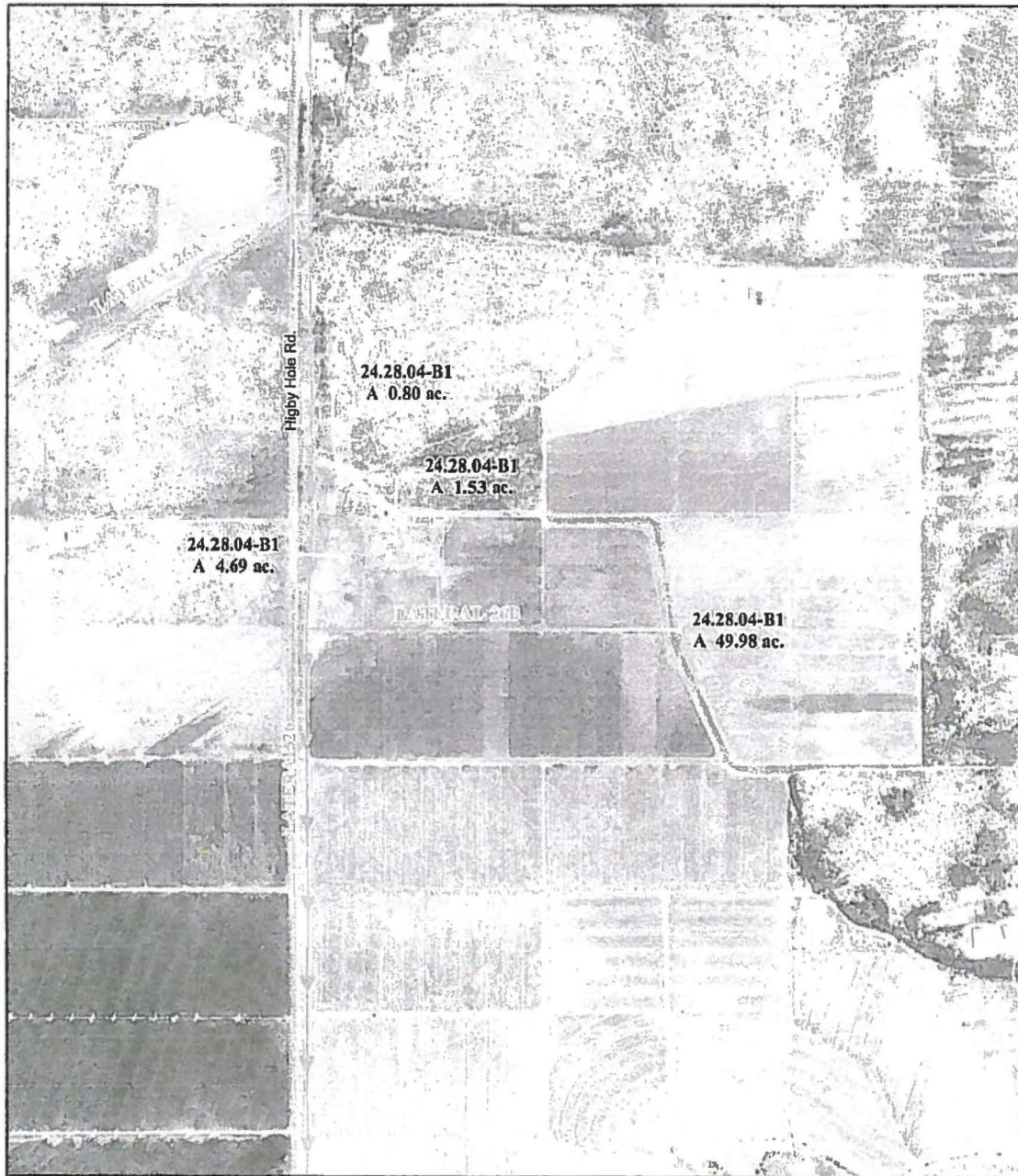
Total: 0.30 acres (No Right)

As shown on the attached revised Hydrographic Survey Map for Subfile No. 24.28.04-B2, and the CID Section Hydrographic Survey Map Sheet No. 3 (1999-2011), included in Part F of this Appendix, representing the Court record as of the date of the filing of this Decree.

g. **Amount of Water:**

NONE

A-2
3-3



Legend

- ⊙ Point of Diversion
- Canals / Ditches
- Tract Boundaries**
- Surface Water Only
- Supplemental Groundwater
- ▭ Reservoir / Pond
- No Right

2009 Digital Orthophotography
 Grid Interval = 1000
 Scale 1" = 700'
 1:8,400



STATE OF NEW MEXICO
Office of the State Engineer
 John R. D'Antonio, Jr., P.E., State Engineer

Pecos River Stream System
Carlsbad Irrigation District
 Hydrographic Survey
 Township 24

D.D.

Eddie C. Sing
 Subfile 24.28.04-B1
 4/27/2011



PAE

A-3
 1-2

This document provides a summary of the water right data in the original consent order for this subfile as well as any amendments and corrections to the consent order. In the event there is a discrepancy between a description of water rights set forth in this document and the specific Court order that determines that right, the specific Court order is controlling.

Subfile No.: **24.28.04-B1**

Court No.: **CV-WH-03-862**

CID Assessment Number: **725-02-00-00-01**

Date of Filing of Original Consent Order: **August 04, 2003**

Defendants: **EDDIE C. SING**

A. IRRIGATED LANDS (Surface Water Only):

a. **Office of the State Engineer File No(s):** 6

b. **Priority:**

Surface Water Right: Carlsbad Irrigation District Main Canal: As set forth in Part B of this Appendix.

c. **Source:**

Surface waters of the Pecos River Stream System.

d. **Purpose of Use:**

For irrigation, and for domestic, and livestock watering uses incidental to irrigation use.

e. **Point(s) of Diversion:**

Ditch Name: Carlsbad Irrigation District Main Canal
Location: As set forth in Part G of this Appendix

f. **Location and Amount of Irrigated Acreage:**

Section 04, Township 24S, Range 28E, N.M.P.M.

Pt. NW¼

57.00 acres

Total: 57.00 acres

As shown on the attached revised Hydrographic Survey Map for Subfile No. 24.28.04-B1, and the CID Section Hydrographic Survey Map Sheet No. 3 (1999-2011), included in Part F of this Appendix, representing the Court record as of the date of the filing of this Decree.

g. **Amount of Water:**

As set forth in Part B of this Appendix.

A 3
1-2



Legend

- ⊙ Point of Diversion
- Canals / Ditches
- Tract Boundaries**
- Surface Water Only
- Supplemental Groundwater
- Reservoir / Pond
- No Right

2009 Digital Orthophotography
 Grid Interval = 1000
 Scale 1" = 300'

1:3,600

100 50 0 100 200 300 400 500 Feet



STATE OF NEW MEXICO
Office of the State Engineer
 John R. D'Antonio, Jr., P.E., State Engineer

Pecos River Stream System
Carlsbad Irrigation District
 Hydrographic Survey
 Township 24

Elodia & Robert Chavez
 Subfile 24.28.04-B3
 4/27/2011

D.D. PAE

A-4
 1-2

This document provides a summary of the water right data in the original consent order for this subfile as well as any amendments and corrections to the consent order. In the event there is a discrepancy between a description of water rights set forth in this document and the specific Court order that determines that right, the specific Court order is controlling.

Subfile No.: **24.28.04-B3**

Court No.: **CV-WH-03-838**

CID Assessment Number: **NONE**

Date of Filing of Original Consent Order: **August 04, 2003**

Defendants: **ELODIA CHAVEZ**
ROBERT CHAVEZ

A. NO RIGHT (Surface Water Only):

a. **Office of the State Engineer File No(s):** 6

b. **Priority:**
NONE

c. **Source:**
Surface waters of the Pecos River Stream System

d. **Purpose of Use:**
NO RIGHT

e. **Point(s) of Diversion:**
NONE
Ditch Name: Carlsbad Irrigation District Main Canal
Location: As set forth in Part G of this Appendix

f. **Location and Amount of No Right Acreage:**
Section 04, Township 24S, Range 28E, N.M.P.M.
Pt. NE¼

	9.80 acres
Total:	9.80 acres (No Right)

As shown on the attached revised Hydrographic Survey Map for Subfile No. 24.28.04-B3, and the CID Section Hydrographic Survey Map Sheet No. 3 (1999-2011), included in Part F of this Appendix, representing the Court record as of the date of the filing of this Decree.

g. **Amount of Water:**
NONE

A4
2-2

CLARIFICATION

Letter of Warranty Deed's & Mineral Rights

I **Manuela Q. Franco**, Being of sound mind and body would like to **clarify** the distribution of my land and mineral rights. (oil, gas and other minerals) In reference to the following Warranty Deed's. During the Original Warranty Deed of sale to my husband **Epolito V. Franco & myself (Manuela Franco)** received one-half of the mineral rights from the **prior owner O. J. McCarty & Mary McCarty**. *Reference Deed Book 203 page 700 Date of sale April 17th 1969.*

Through the course of my husband's (**Epolito V. Franco**) and myself (**Manuela Q. Franco**) ownership, we **sold only surface land** to the following.

- | | | |
|--|----------------|-------------------------|
| 1. Eddy Sing Warranty | Deed reference | book 157 page 931 & 932 |
| 2. Raymond Russell Dunbar Warranty | Deed reference | book 188 page 505 |
| 3. Peter Paul Morales & Susan Marie Vasquez Warranty | Deed reference | book 449 page 0936 |

And one year before my husbands death our surface land was **distributed as inheritance** to our five children. Listed as follows:

- | | | | |
|--|--------------------|----------------|--------------------|
| A. (Elodia Franco Chavez) Robert Chavez | Inheritance | Deed Reference | book 264 page 219 |
| Who Gave back to Mom and Dad | Oct 1996 | Deed Reference | book 264 page 221 |
| Mom and Dad returned to Elodia | Feb 1997 | Deed Reference | book 274 page 514 |
| (Elodia Franco Chavez) Purchased more land | 1996 | Deed Reference | book 206 page 1050 |
- Sold all property to (Martha F. Garcia)**

- | | | | |
|--------------------------------------|--------------------|----------------|--------------------|
| B. (Esperanza Franco Larez) Warranty | Inheritance | Deed reference | book 260 page 1051 |
|--------------------------------------|--------------------|----------------|--------------------|

- C. Hipolito Q Franco | sole property **Inheritance** Deed reference book 264 page 222
who later sold his land to:
 (Celia Hougland) and Robert D Hougland Warranty Deed reference book 459 page 0656
- D. (Celia Franco Hougland) and Robert Hougland Deed reference book 260 page 1049
 who's Husband Robert D. Hougland later Deeded to Celia F. Hougland sole property **Inheritance**
Inheritance book 460 page 0921
 (Celia Franco Hougland) Warranty **Inheritance** Deed reference book 264 page 220
 and
 (Celia Franco Hougland) **Inheritance** Deed reference book 460 page 0921
- E. (Martha Franco Garcia) - Who accepted the land gave it to her sister Elodia Franco Chavez. **(line A)**
 And Later in 2010 Martha purchased all of Elodia's land.

In the year 2010, the final holders of ownership of our property after it was split resulted in Martha, Esperanza and Celia (line B, D, & A -- Martha purchased surface land from Elodia.)

Through out the life of my husband **Epolito V. Franco** and myself **(Manuela Q. Franco)**, our land has been bought and sold and split several times, my husband Epolito V. Franco and myself **(Manuela Q. Franco)**, **never sold or included Mineral Rights in any of the Warranty Deeds.**

Please note that this letter is to show **Clerafactiion of Warranty Deeds that all Mineral Rights were excluded from all deed's. I Manuela Q. Franco, hold complete reservation of all oil and gas mineral rights.** Please see deeds, for details on surface property description.

Upon my husband's passing in November of 1997, I **Manuela Q. Franco**, became **soul holder of one-half of the mineral right originally received from O. J. McCarty & Mary McCarty.**

Signed,

Manuela Q Franco

Manuela Q. Franco

Sept 6, 2010

Date

Acknowledgment - Individual (short form)

STATE OF NEW MEXICO

COUNTY OF Eddy

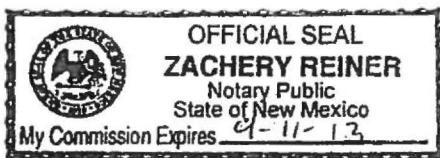
This Instrument was acknowledged before me on Sept. 6th 2010

By Manuela Franco

My Commission Expires Sept 11th 2013

Zachery Reiner

Notary Public



RECEPTION NO: 1008957 STATE OF NEW MEXICO, COUNTY OF EDDY RECORDED 09/07/2010 10:28 AM BOOK 0825 PAGE 0570 DARLENE ROSPRIM, COUNTY CLERK



CLERK'S CERTIFICATE

Certified this 7th day of September 2010, as a true and correct copy of the original recorded in this office

Darlene Rosprim
Clerk of Eddy County, N. Mex.
Judy Jones Deputy **3-3**

AFFIDAVIT OF MANUELA Q. FRANCO

STATE OF NEW MEXICO)
) ss.
COUNTY OF EDDY)

Affiant states:

I Manuela Q. Franco being of sound mind an body, do hereby declare in this matter as such I have personal knowledge of all dealings and matters pertaining to land known as 1867 Pecos Hwy Loving NM 88256, also known as the following described lands situated in Eddy County, State of New Mexico, and under the above described lands, to-wit:

(Lot 2, Lot 3, and Lot 4 in Sec 4, Township 24 South Range 28 East)

Also Know as, 1091, 1077-8-9-1080, 1081-2-3-4-1095-6-182, 1093-4, 1092, 3-4, 125-6-1075-6-1087 to 1090, and NWNE Lot of 2 as described in tax rolls since the year 1969.

Make publish and declare that I witnessed and had knowledge to the following.

I declare that the following documents being presented to the courts are my original documents with some documents being presented as copies that were previously recorded by the courts. Being referred as Exhibit and Book and Page. All other documents listed as only Exhibit will be included and attached to affidavit to be recorded and filed. And of the facts and matters referred to by me, information so stated I verily believe them to be true.

In some documents I am referred to only as Manuela Franco, I am one in the same. Manuela Q. Franco, who residence of the City of Loving, County of Eddy, and State of New :Mexico. Who's current address is 1867 Pecos Highway, Loving, New Mexico, 88256.

In some documents, this property is referred to as Route 1, Box 53C. This is one in the same and is the address of 1867 Pecos Highway, Loving, New Mexico, 88256. I am and continue to be the current sole owner of 1867 Pecos Highway, Loving, New Mexico, 88256. I am the widow of Epolito V. Franco, who died on November 14, 1997.

The following documents are being presented to the courts as *Exhibit's A thru R*

1. My husband is often times referred to in documents as Hipolito V. Franco. He is one in the same as Epolito V. Franco. *See attached Financing Statement, Exhibit A. Book 47 Page 962*
2. My husband and I purchased the property of 1867 Pecos Highway, Loving, New Mexico on April 17, 1969. This included on one-half interest of all oil, gas, all water, air and other minerals of the property. *See attached Warranty Deed as Exhibit B. Book 203 Page 700*
3. My husband, Epolito V. Franco, and I obtained a Real Estate Mortgage for the land and mineral, oil, gas, all water and air rights, including full right of survivorships, of 1867 Pecos Highway, Loving, New Mexico on April 17,1969. *See attached Rea! Estate Mortgage as Exhibit C. Book 251 Page 665 thru 66*

Affidavit of, *Manuela Q. Franco, Pa g e 1 of 3*

RECORDER'S MEMORANDUM

This instrument was not adequate for satisfactory recording due to illegibility, carbon or photocopy, discolored paper, etc. All block outs, additions & changes were present at the time of recording

C
1-3

4. This mortgage included the property and an undivided one-half (1/2) of the all oil, gas, water, air and other mineral rights. *See Exhibit C. Book 251 Page 665 thru 668*
5. My husband and I received this property and the oil, gas, water, air and other mineral rights in fee simple. *See Exhibit C Book 251 Page 665 thru 668*
6. My husband, Epolito V. Franco, and I obtained a second Real Estate Mortgage for the land and all oil, gas, water, air and other mineral rights of 1867 Pecos Highway, Loving, New Mexico on March 7, 1983. *See attached Real Estate Mortgage as Exhibit D. Book 333 Page 460 thru 463*
7. Both mortgages were satisfied and paid in full. *See attached Satisfaction as filed and signed on March 24, 1996 by Bobby S. Strickland as Exhibit E. Book 150 Page 1165*
8. My husband and I also obtained one (1) loan from Carlsbad Soil and Water Conservation District on May 17, 1979. *See attached Second Mortgage signed May 17, 1979 as Exhibit F. Book 302 Page 513 thru 514*
9. My husband and I obtained a second loan from Carlsbad Soil and Water Conservation District on June 1, 1994. *See attached Mortgage signed June 1, 1994 as Exhibit G. Book 189 Page 540*
10. The Mortgage was re-recorded to correct the property's legal description on June 3, 1994. *See attached Re-recorded Mortgage filed June 3, 1994 as Exhibit H. Book 189 Page 895 thru 896*
11. The loans from Carlsbad Soil and Water Conservation District were released and satisfied in full. *See attached Release of Mortgages as filed and signed on June 23, 1989 and May 29, 2002 As Exhibits I Book 47 Page 807 and J Book 459 Page 0052.*
12. My husband and I obtained the necessary insurance for the property on April 17, 1969. (Fee Simple Estate) *See attached Insurance Policy Statement, signed by IF. L Inman, April 17, 1969 as Exhibit K.*
13. On November 9, 1977, my husband and I applied for a partial release of our mortgage with the Farmers Home Administration that we filed on April 17, 1969 (see Exhibit B), in order to have a gas line put in. We were approved for the partial release. *See attached Application for Partial Release, Subordination or Consent, as Exhibit L.*
14. My husband and I leased a portion of our property to our daughter and her fiancé, Celia Franco and Robert D. Houglund on January 1, 1989. We did not include any oil, gas, water, air mineral or other rights to the property as a part of this Lease. *See attached Crop-Share-Cash Farm Release as Exhibit M.*
15. My husband, Epolito V. Franco signed a Deed Transfer on January 25, 1993 to ensure that I received the property and the attached oil, gas, water, air and other mineral rights upon his death. *See attached Deed Transfer, signed January 25, 1993, as Exhibit N.*
16. Sharon Hill, witnessed my husband sign the Deed Transfer. *See attached Affidavit of Sharon Hill as Exhibit O.*
17. In January 2001, by court order, motion my son, Hipolito Q. Franco, was substituted as the correct claimant in a suit for all water rights. Where he took my place in all water rights interest, and I officially transferred all my rights to the water. Date of Deed, August 7, 1998 was Only a Water Rights transfer, made by me and Water Rights Officially transferred by State Engineer January 2001. *See attached State of New Mexico, ex rel. v. LT. Lewis et al., CV-WA-03-12 as Exhibit P. Affidavit of, Manuela Q. Franco, Page 2 of 3*

C-2-3

- 18. In May 2002, my son Hipolito Q. Franco, sold to my youngest daughter Celia F Hougland and her husband Robert D. Hougland. The sell included all water rights and Land; also included in the sell, was all farm Equipment and all tools that I agreed too and approved as being part of the sell. The farm Equipment was separated from Land in June of 1989. *See attached Financing Statement, Exhibit A. Book 47 Page 962*
- 19. Though the research and document search completed in order to complete this Affidavit and to Clear my title to mineral rights, I have also located a document which was never filed, but which was witnessed, executed by my husband and I on the date of purchase of said property. It is a reservation, in which my husband and I reserved all rights to said property, including any oil, gas, water, air and other minerals of the property, was also separated an sever from surface estate and forever Retain and Reserve unto themselves and their heirs. *See attached Reservation as Exhibit Q.*
- 20. At no time have I, or my husband Epolito V. Franco, sale or include on any bill of sale, our rights to the oil, gas, water, air or other mineral rights. Owned by myself and my husband Epolito V. Franco, the rights on the property of 1867 Pecos Highway, Loving New Mexico. Rights, that I am now sole owner too. The only transition made was to all our water rights that were transferred to our son Hipolito Q. Franco, and officially transferred by State Engineer on January 2001. Where our son later sold, all water Rights, and property. All water rights and property were all included in the May 2002 sell, to our daughter Celia and her husband, Robert D. Hougland. They were the only ones that had an interest in farming the land, and had been farming the land since 1989. At there own cost and expense. And by a verbal purchase agreement made in 2001, between my son Hipolito Q. Franco and my daughter Celia F. Hougland and Robert D. Hougland, where they purchased the Land (Celia and Robert D. Hougland), took over the payments of the property. Before officially purchasing the property, they made payments in the year 2001 and part of 2002. Payments were made to Western Commerce Bank, before finalizing and closing deal, that took place in May of 2002. The sell included all of the water rights and Land, plus all farm Equipment and all tools that I agreed too. *See attached Reservation as Exhibit R.*
- 21. I continue to be the sole owner of all the undivided one-half of all oil, gas, air and other mineral rights to the property of 1867 Pecos Highway, Loving New Mexico, 88256. Property description found and recorded in the tax roll since 1969 .

STATE OF NEW MEXICO)
) ss.
 COUNTY OF EDDY)

Further affiant sayeth naught.

Manuela Q. Franco
 Manuela Q. Franco

Subscribed, Sworn to the Acknowledged before me by **MANUELA Q. FRANCO**, the Testatrix, and subscribed and sworn to before me **MANUELA Q FRANCO** and *********, who witness, on 29TH day of JUNE, 2011.

NOTARY PUBLIC
Manuela Q. Franco
 Notary Public

My commission expires: MARCH 15, 2015

Affidavit of; *Manuela Q. Franco*, Page 3 of 3

C-3-3

Rerecord to correct Grantee name

WARRANTY DEED (Joint Tenants) ***Rerecord to correct Legal Description***

HIPOLITO Q. FRANCO, A MARRIED MAN DEALING IN HIS SOLE & SEPARATE PROPERTY, JOINED PROFROMA BY HIS SPOUSE, CARLA C. FRANCO

HOUGLAND HOUGLAND, for consideration paid, grants to ROBERT D. HOUGLAND and CELIA F. HOUGLAND, HUSBAND AND WIFE whose address is P.O. BOX 1286, LOVING, NM 88256

as joint tenants the following described real estate in EDDY County, New Mexico:

THE SURFACE ESTATE ONLY OF:

TRACT 1 OF THE FRANCO, HIPOLITO TRACTS BEING A REPLAT OF A PART OF THE NW1/4 AND THE W 1/2 OF THE NE1/4 OF SECTION 4, T24S, R28E, N.M.P.M., EDDY COUNTY, NEW MEXICO, AS SHOWN ON THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF EDDY COUNTY, NEW MEXICO.

TOGETHER WITH ALL WATER AND WATER RIGHTS ATTACHED AND APPURTENANT TO THE INSURED LANDS

TOGETHER WITH ALL WATER AND ALL SURFACE WATER RIGHTS, LOCATED WITHIN THE CARLSBAD IRRIGATION DISTRICT. WATER RIGHTS HELD BY HIPOLITO Q FRANCO WERE TRANSFERRED TO HIPOLITO Q FRANCO, BY PREVIOUS OWNERS THRU COURT ORDER. PREVIOUS OWNERS WERE MEMBERS OF (CID) CARLSBAD IRRIGATION DISTRICT.

Subject to reservations, restrictions, and easements of record.

with warranty covenants.

WITNESS my hand and seal this 28th day of May, 2002.

Hipolito Q. Franco
HIPOLITO Q. FRANCO

Carla C. Franco
CARLA C. FRANCO

Representative Capacity:

State of New Mexico)
County of) SS.

This instrument was acknowledged before me on the day of as of by

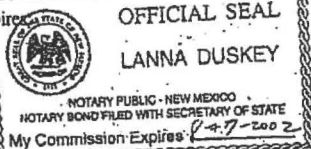
My commission expires: Notary Public

Individual Capacity:

State of New Mexico)
County of Eddy) SS.

This instrument was acknowledged before me on the 28th day of May 2002 by HIPOLITO Q. FRANCO AND CARLA C. FRANCO, husband and wife

My commission expires: OFFICIAL SEAL LANNA DUSKEY Notary Public



RECEPTION NO: 0205652 NEW MEXICO, COUNTY OF EDDY RECORDED 05/28/2002 4:37 PM BOOK 0458 PAGE 0835 JEAN BLENDEEN, COUNTY CLERK

Celia Houglan will pick up

RECEPTION NO: 0205987 STATE OF NEW MEXICO, COUNTY OF EDDY RECORDED 06/04/2002 4:38 PM BOOK 0459 PAGE 8656 JEAN BLENDEEN, COUNTY CLERK



RECEPTION NO: 1111013 STATE OF NEW MEXICO, COUNTY OF EDDY RECORDED 10/31/2011 11:30 AM BOOK 0871 PAGE 0820 DARLENE ROSPRM, COUNTY CLERK

D

BOOK 264 PAGE 220

RETURN TO:
EDDY COUNTY ABSTRACT CO.

WARRANTY DEED

Manuela Q. Franco and Epolito V. Franco, her husband

for consideration paid, grant to

Celia F. Houglund, a married woman dealing in her sole and separate property

whose address is P. O. Box 1286, Loving, NM 88256

the following described real estate in Eddy county, New Mexico:

A tract of land located in Lot 4 of Section 4, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico, being more particularly described as follows: Commencing at the Northwest Corner of said Lot 4; THENCE S00° 02'W along the West line of said Lot 4, 1277.4 feet; THENCE N89° 59'E parallel to the North line of said Lot 4, 1103.7 feet to the point of beginning of the tract of land herein described; THENCE North 208.7 feet; THENCE East 208.7 feet; THENCE South 208.7 feet; THENCE WEST 208.7 feet to the point of beginning of the tract of land herein described. Said tract contains 1.00 acres more or less.

Together With.

A 30 foot easement being on the North side and adjacent to the centerline of Carlsbad Irrigation District's Lateral No. 26-B, located in Lot 4 of Section 4, Township 24 South, Range 28 East NMPM, Eddy County, New Mexico, said centerline being more particularly described by metes and bounds as follows: Commencing at the Northwest Corner of said Lot 4; THENCE S00° 02'W along the West line of said Lot 4, 968.95 feet to the point of beginning of the centerline herein described; THENCE S81° 34'E, 139.10 feet; THENCE S53° 58'E, 469.8 feet to a point of curve to the left, the chord to which bears S72° 02'E, 123.99 feet; THENCE S89° 55'E, 676.8 feet to the East end of the centerline herein described. Said East end being 26.8 feet South of the Southeast Corner of a 1.0 acre tract of land described and staked for Dennis Houglund.

with warranty covenants.

WITNESS my hand and seal this 8th day of October 19 96. Manuela Q. Franco (Seal)
Manuela Q. Franco (Seal)
Epolito V. Franco (Seal)
Epolito V. Franco (Seal)

STATE OF NEW MEXICO, }
County of Eddy } ss.

This instrument was acknowledged before me on October 8, 19 96 by Manuela Q. Franco and Epolito V. Franco, her husband

James A. Bradford
Notary Public
11-13-99

E

Harl D. Byrd

October 28, 2002

Ms Trudy Hale
Deputy Clerk
Fifth Judicial District Court
P O Box 1776
Roswell, NM 88202-1776

**Re: State v. Lewis et al., Chaves County Cause No. 20294 and 22600
Consolidated, Carlsbad Irrigation District, Carlsbad Basin Section -
Order on State's Motion for Substitution and Dismissal, Court No. CV-WA-
03-12, Subfile No. 224.28.04-B**

Dear Ms. Hale:

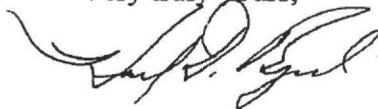
Enclosed please find executed original of ORDER granting the State's motion to substitute Robert D. Hougland and Celia F. Hougland for Hippolito O. Franco and for dismissal of Hippolito O. Franco from this cause, for filing in the above-captioned subfiles.

It is my understanding that counsel for the State has provided you with a stamped and addressed envelope for returning a copy of the order to him.

Counsel for the State is requested to serve a copy of the Order upon all interested parties when it has been received from the Clerk of the District Court.

Thank you for your cooperation and assistance.

Very truly yours,



Harl D. Byrd

HDB/jes

cc w/o enc. Gary B. Storm, Esq.
Robert D. Hougland & Celia F. Hougland
Hippolito O. Franco

F

**FIFTH JUDICIAL DISTRICT
COUNTY OF CHAVES
STATE OF NEW MEXICO**

STATE OF NEW MEXICO, ex rel.	)	Nos. 20294 and 22600
OFFICE OF THE STATE ENGINEER	)	Consolidated
and PECOS VALLEY ARTESIAN)	
CONSERVANCY DISTRICT,	)	Hon. Harl D. Byrd
	)	District Judge Pro Tempore
Plaintiffs,)	
	)	Carlsbad Basin Section
v.	)	Carlsbad member subsection
)	
L.T. LEWIS, et al., and	)	Epolito Franco
THE UNITED STATES OF AMERICA	)	Manuela Franco
)	
Defendants.	)	Court No. CV-WA-03-12
	)	OSE subfile no. 24.28.04-B

UNOPPOSED MOTION FOR SUBSTITUTION

PLAINTIFF the State of New Mexico, *ex rel.* Office of the State Engineer, hereby respectfully moves the Court, pursuant to Rule 1-025(C) NMRA 1978, to substitute Hipolito O. Franco, the current claimant of interest in certain water rights associated with Court No.CV-WA-03-12, OSE subfile 24.28.04-B, for former claimants of interest Epolito Franco and Manuela Franco. In support of this motion, the State sets out the following:

1. Epolito & Manuela Franco were first brought into this action by summons dated August 15, 1995.
2. Since being joined in this action, Epolito & Manuela transferred their interests in certain water rights associated with Court No. CV-WA-03-12, OSE subfile

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G 10/14

Exhibit
P
pc 1058

no. 24.28.04-B to Hipolito Q. Franco on October 8, 1996. A deed to that effect is attached as Exhibit A.

3. After Mr. Epolito Franco's death, Manuela Franco, the sole surviving owner of tract 24.28.04-B, again transferred her interests in the water rights associated with Court No. CV-WA-03-12, OSE subfile no. 24.28.04-B to Hipolito O. Franco on August 7, 1998 in order to correct the legal description of the October 8, 1996 deed recorded in Record Book 264, Page 222, Records of Eddy County, New Mexico. A deed to that effect is attached as Exhibit B.
4. On information and belief, Hipolito Q. Franco now owns all the rights and interests that Epolito & Manuela Franco may have had that are being litigated in the present action.
5. It is therefore appropriate that Mr. Hipolito Q. Franco be substituted as a current claimant of interest for former claimants of interest Epolito & Manuela Franco.
6. Manuela Franco notified the State that she no longer owned the land and water rights associated with Court No. CV-WA-03-12, OSE subfile 24.28.04-B by a letter postmarked December 14, 2000.
7. Pursuant to Manuela Franco's December 2000 letter, the undersigned mailed draft copies of this motion to Manuela Franco and Hipolito Q. Franco on December 19, 2000 requesting that Manuela Franco and Hipolito Franco contact the State by January 8, 2001 if they opposed this motion.
8. The State did not receive notice that either Manuela Franco or Hipolito Franco opposed this motion and the State has been unable to contact Mrs. Manuela Franco, or her son Mr. Hipolito Franco by telephone since January 8, 2001. It is assumed that Mrs. Manuela Franco and Mr. Hipolito O. Franco do not oppose this motion.

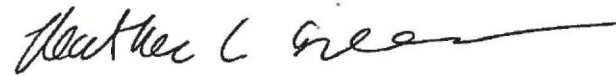
Therefore, the State respectfully requests that the Court substitute Hipolito Q. Franco, a current claimant of interest in certain water rights, for former claimants of interest Epolito & Manuela Franco.

Exhibit
P

PG 2058

G 2-4

Respectfully Submitted,



Ted Apodaca, Esq.
Pierre Levy, Esq.
Heather L. Green, Esq.
Special Assistant Attorneys General
Office of the State Engineer
Legal Services Division
P.O. Box 25102
Santa Fe, NM 87504-5102
(505) 827-6150
(505) 827-3887 Fax

Exhibit
?

PG 3 of 8

G 3-8

I certify that I have sent a copy of the above to the following persons this 18th day of January, 2001:

Mrs. Manuela Franco
1867 Pecos Hwy
Loving, NM 88256

Mr. Hipolito Franco
1010 Sandra Lane
Bosque Farms, NM 87068

The Honorable Harl D. Byrd
District Judge *Pro Tempore*
P.O. Box 7985
Albuquerque, NM 87194-7985

Ms. Trudy Hale, Deputy Clerk
Fifth Judicial District Court
P.O. Box 1776
Roswell NM 88201

DeBaca County Courthouse
P.O. Box 910
Ft. Sumner, NM 88119

Guadalupe County Courthouse
420 Parker, 2nd Floor
Santa Rosa, NM 88435

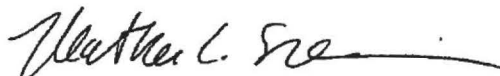

Heather L. Green

Exhibit
P

PG 4 of 8

G 4-8

STATE OF NEW MEXICO

CERTIFICATE OF DEATH - Certified by Medical Investigator

NOTE: If death is due to accident, nonfatal trauma or unknown causes, refer case to Medical Investigator.

Certified by Physician Eddy

Carlsbad

County of Death City/Town/Location

DECEDENT - NAME First Middle Last Epollito Valles Franco SEX Male DATE OF DEATH (mo, day, yr) November 14, 1997

DATE OF BIRTH (mo, day, yr) 4 Aug. 13, 1932 AGE - last birthday 5a. 65 UNDER 1 YEAR MOS - DAYS UNDER 1 DAY HOURS MINS RACE - Specify White, Black, Native American, etc. 5a. White IF NATIVE AMERICAN, Specify Tribe and Affiliation (e.g., Navajo, Apache, Navajo)

DECEDENT HISPANIC? 8c. NO YES Specify Spanish Mexican Cuban Puerto Rican Other 8d. Specify 7. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 EDUCATION OF DECEDENT - Indicate highest grade completed 7. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 NA

PLACE OF DEATH - Name of hospital or other facility (if neither, give street and number or location) 9a. Columbia Medical Center of Carlsbad

HOSPITAL 8b. Inpatient ER/Outpatient DOA OTHER Nursing Home Residence Other (Specify)

STATE OR COUNTRY OF BIRTH 9. New Mexico CITIZEN OF WHAT COUNTRY 10. USA MARRIED, NEVER MARRIED, WIDOWED, DIVORCED - Specify 11. Married SURVIVING SPOUSE (if wife, give birth name) 12. Manuela Quinonez WAS DECEDENT IN U.S. ARMED FORCES? 13. YES NO

SOCIAL SECURITY NUMBER 14. 564-38-5993 USUAL OCCUPATION (Kind of work done during most of working life, even if retired) 15a. Farmer KIND OF BUSINESS OR INDUSTRY 15b. Agriculture

RESIDENCE - State 16a. New Mexico County 16b. Eddy City/Town or Location 16c. Loving INSIDE CITY LIMITS? 16d. YES NO

STREET AND NUMBER OR LOCATION 16e. 1867 Pecos Highway ZIP CODE 16f. 88256

FATHER - NAME First Middle Last 17. Manuel Franco MOTHER - BIRTH NAME First Middle Last 18. Blasa Valles

INFORMANT - NAME (Type or print) 19a. Manuela Q. Franco MAILING ADDRESS Street/RFD No City/Town State 19b. 1867 Pecos Highway, Loving, New Mexico 88256

METHOD OF DISPOSITION 20a. Burial Cremation Removal from State Donation Entombment Other (Specify) 20b. Carlsbad Cemetery

LOCATION City/Town State 20c. Carlsbad New Mexico FUNERAL SERVICE LICENSEE OR PERSON ACTING AS SUCH - Signature 21a. Danny P. Funchess LICENSE NUMBER 21b. FSP 610

FACILITY - NAME 21c. Denton-Funchess Funeral Home FACILITY - ADDRESS Street/RFD No City/Town State 21d. 1001 North Canal Street, Carlsbad, New Mexico

CERTIFIER'S SIGNATURE - On the basis of examination and/or investigation, in my opinion death occurred at the time, date and place and due to the cause(s) stated. 22a. [Signature] Office of Medical Investigator Tribal/Military Authority Certified Physician DATE SIGNED (mo, day, yr) 22b. November 19, 1997 HOUR OF DEATH 22c. 0705 hours

TYPE/PRINT NAME 22a. A. Ron Hoffman, MD MANNER OF DEATH 22d. NATURAL ACCIDENT SUICIDE HOMICIDE UNDETERMINED

DATE FILED AT BVRHS (mo, day, yr) 23a. November 19, 1997 STATE REGISTRAR'S SIGNATURE 23b. [Signature]

DATE FILED AT BVRHS (mo, day, yr) 23a. November 19, 1997 STATE REGISTRAR'S SIGNATURE 23b. [Signature] WAS AN AUTOPSY PERFORMED? 24a. YES NO IF YES, SPECIFY TYPE OF PROCEDURE 24b. DATE OF PROCEDURE 24c. WAS DECEDENT PREGNANT IF YES, ESTIMATE LENGTH OF PREGNANCY 24d. YES NO

WAS AN AUTOPSY PERFORMED? 24a. YES NO IF YES, SPECIFY TYPE OF PROCEDURE 24b. DATE OF PROCEDURE 24c. WAS DECEDENT PREGNANT IF YES, ESTIMATE LENGTH OF PREGNANCY 24d. YES NO

WAS RECENT SURGICAL PROCEDURE PERFORMED? 25a. YES NO IF YES, SPECIFY TYPE OF PROCEDURE 25b. DATE OF PROCEDURE 25c. WAS DECEDENT PREGNANT IF YES, ESTIMATE LENGTH OF PREGNANCY 25d. YES NO

DESCRIBE HOW INJURY OCCURRED (COMPLETE FOR ACCIDENT, SUICIDE, HOMICIDE, UNDETERMINED) 26a. HOUR OF INJURY 26b. DATE OF INJURY - (mo, day, yr)

INJURY AT WORK 27a. YES NO PLACE OF INJURY - Specify home, farm, street, etc. 27b. LOCATION Street/RFD No City/Town State 27c.

INJURY AT WORK 27a. YES NO PLACE OF INJURY - Specify home, farm, street, etc. 27b. LOCATION Street/RFD No City/Town State 27c.

CAUSE OF DEATH 28. PART I Enter the diseases, injuries or complications which caused the death. Do not enter the mode of dying, such as cardiac or respiratory arrest, shock, or heart failure. List only one cause per each line. IMMEDIATE CAUSE (Final disease or condition resulting in death) a. CVA DUE TO (OR AS A CONSEQUENCE OF)

Sequitally list conditions, if any, leading to immediate cause. Enter UNDERLYING CAUSE (Disease or injury which initiated events resulting in death) LAST b. DUE TO (OR AS A CONSEQUENCE OF)

c. DUE TO (OR AS A CONSEQUENCE OF)

d. PART II Other significant conditions contributing to death but not resulting in the underlying cause given in Part I

SHADED AREAS FOR MEDICAL INVESTIGATOR - LEGAL OFFICER USE ONLY CERTIFIED COPY OF VITAL RECORD

WARNING: IT IS ILLEGAL TO ALTER, COPY OR COUNTERFEIT THIS CERTIFICATE. ADVERTENCIA: ES ILLEGAL ALTERAR, COPIAR O FALSIFICAR ESTE CERTIFICADO. This is a true and exact reproduction of all or part of the document officially registered and filed with the Bureau of Vital Records and Health Statistics, Public Health Division, Department of Health. DATE ISSUED NOV 19 1997

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 8 day of December, A.D. 1999 at 4:15 o'clock P. M., and duly recorded in BOOK 368 PAGE 463 of the Eddy County Records.

JEAN ETCHEVERRY, County Clerk By Sally Rodriguez Deputy

Vertical text on the left margin: "The back of this document contains an artificial watermark. Hold at angle to view." and "DECEASED DISPOSITION CERTIFICATION CAUSE OF DEATH".

Large handwritten letter 'H' at the bottom of the page.

_____, for consideration paid, grant _____ to

Eddy C. Sing, a single person

whose address is **1008 W. Tansil, Carlsbad, NM 88220**

the following described real estate in **Eddy** county, New Mexico:

"SEE ATTACHED EXHIBIT A"

SUBJECT TO Reservations, Restrictions and Easements of Record

with warranty covenants.

WITNESS **Our** hand **S** and seal **S** this **4th** day of

June 19 **93**.

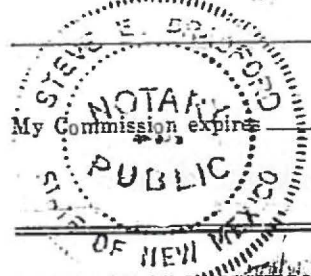
Manuela Q. Franco (Seal)
Manuela Q. Franco

Epolito Franco (Seal)
Epolito Franco

STATE OF NEW MEXICO, }
County of **Eddy** } ss.

The foregoing instrument was acknowledged before me this **4th** day of **June**

19 **93** by **Epolito Franco and Manuela O. Franco, his wife**



My Commission expires **5-26**, 19 **95**.

Steven E. Driscoll
Notary Public

STATE OF NEW MEXICO, }
County of _____ } ss.

I hereby certify that this instrument was filed for
record on the _____ day of _____
_____, A. D., 19 _____

Records of Deeds of said County

I 1-2

County Clerk

By _____, Deputy

Rec. _____ Fees, \$ _____

"EXHIBIT A"

A tract of Land in Eddy County, New Mexico, being a part of the NW/4 of Section 4, Township 24 South, Range 28 East, N.M.P.M., being more particularly described as follows: Beginning at a point of intersection of the South line of said NW/4 and the East line of CID Lateral 26, which point is 74 feet East of the Southwest corner of said NW/4; Thence Northerly along the East line of said Lateral 26, 1666.30 feet to a point on the North line of CID Lateral 26-B, Thence Easterly along the North line of said Lateral 26-B, 1327.55 feet to the end of said Lateral 26-B, Thence S. 76 deg 36' 35" E. 61.13 feet to a point on existing fence line, Thence N. 89 deg 56' E. 563.47 feet, Thence S. 08 deg 24' 20" E. 627.94 feet along East bank of existing drain ditch, Thence continuing along the East bank of said ditch S. 22 deg 54' E 746.65 feet to a point on the South line of said NW/4, Thence S. 89 deg 43' 15" W 2265.91 feet to the point of beginning, containing 62.957 acres of land, more or less. Together with an easement for roadway 20 feet in width adjacent to and along the North side of said Lateral 26-B to a point 30 feet East of the East end of said Lateral.

AND

A 1.0 Acre tract in the NW/4 of said Section 4, being more particularly described as follows: Beginning at a point N 00 deg 50' W. 25.0 feet from the point of intersection of the East line of CID Lateral 26 and the North line of CID Lateral 26-B, Thence N. 0 deg 50' W. 143.15 feet, Thence N. 89 deg 10' E. 200.0 feet, Thence S 00 deg 50' E. 292.45 feet, Thence N. 54 deg 05' 30" W. 249.57 feet to the point of beginning.

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 4 day of June 1993 at 4:41 o'clock P. M. and recorded in BOOK 157 PAGE 931 of Eddy County Records
KAREN DAVIS, County Clerk By: A. Powell White Deputy

I 1-2

ATTACHMENT CROP-SHARE CASH FARM LEASE

Continued from page 1

8. Additional agreements regarding property rights.

WHEREAS, This attachment will be added as page 2 of Crop Share-Cash Farm Lease. Making it page 2 of 5 of this document.

WHEREAS, Epolito V. Franco AKA Hipolito V. Franco and Manuela Q. Franco, his wife residing in Eddy County, State of New Mexico located at 1867 Pecos Hwy, Loving NM 88256.

WHEREAS, Epolito V. Franco and Manuela Q. Franco, his wife with full rights of survivorship. Have Forever Sever from their surface estate and Forever Retain and Reserve unto themselves and their heirs, successors and assigns, all air rights, 130.0 in water rights, an undivided one-half (1/2) interest in to all Gas, Oil, and Mineral Rights. Legal description of said land located in Eddy, County is as follows.

NW1/4 and the W1/2 NE 1/4 of Section 4, Township 24 South, Range 28 East Containing 250 acres more or less Also known as Lot 2, Lot 3, and Lot 4, 1091, 1077-8-9-1080, 1081 2-3-4-1095-6-182, 1093-4, 1092, 3-4, 125-6-1075-6-1087 to 1090, and NWNE Lot of 2, NW1/4 and the W1/2NE1/4 of Section 4, Township 24 South, Range 28 East as described in tax rolls, on or 1969.

Together with the right of ingress and egress at all times for the purpose of mining, drilling, and exploring said land for oil, gas and other minerals, and removing the same therefrom. Should any one of the owners' listed as Epolito V. Franco and Manuela Q. Franco, predecease or be declared an incompetent, all rights are automatically transferred to surviving spouse.

WHEREAS, In the event of some or all surface estate property is sold. No Air Rights, No water rights, and No Gas, Oil and mineral rights, are to be transferred, with any sell of the surface estate. All rights as described above are forever Severed from Surface Estate, unless fully stated and included thru a Separate Warranty Deed, Bill of Sale or by Mineral Deed.

WHEREAS, In the event of some or all surface estate property is sold. Some of the Water Rights pertaining to land can be used by any buyer as long as payment, on the part that is being used is made to "CID," Carlsbad Irrigation District. With NO name change on CID records, unless a transfer of water rights has been approved by owners. Or until water is transferred to another part of the land that is ready for crop by myself or my heirs owning property. Giving the buyer one years notice before removing water he has been using. Or unless otherwise clearly stated, showing transfer of water rights made only thru a Deed or Bill of Sale thru a Separate Deed. If not included on Deed or thru Bill of Sale, and all rights will remain with owners' Epolito V. Franco and Manuela Q. Franco unless other wise stated by owners.

WHEREAS, All of the above is in regards of preserving our family Estate farm land.

WHEREAS, Robert D. Houglan and Celia Franco, Leasing for 1 year and giving them first option to buy.

WHEREAS, No change will be done to Crop-Share Cash Farm Lease. All should continue as lease agreement.

WHEREAS, Any questions or concerns regarding CROP-SHARE CASH FARM LEASE are to be made thru Epolito V. Franco, listed as Landlord, Manuela Q. Franco, his wife, does not want to have dealings with this lease agreement.

HOWEVER, Manuela Q. Franco, his wife is in full agreement of this lease agreement, but prefers that any and all deals be made only thru Epolito V. Franco, her husband.

TO HAVE AND TO HOLD, the above property and easement with all and singular the rights, privileges and appurtenances thereunto or in any wise belonging to the said grantee, their heirs, successors and assigns forever.

IN WITNESS WHEREOF, the parties have agreed and have signs page 2 as attachment to Crop-Share Cash Farm Lease making it page 2 of 5, this being witness and signed before me this day of January 9th, in the year 1989. By Epolito V. Franco as landlord, and Manuela Q. Franco, his wife and as tenants Celia Franco, of 1867 Pecos Hwy Loving, NM and Robert D. Houglan of 1405 W Edwards Carlsbad, NM.

Witness: Epolito V. Franco 1-9-89
Epolito V. Franco Landlord

Manuela Franco 1-9-89
Manuela Q. Franco, his wife

Robert D. Houglan
Robert D. Houglan tenant 1-9-1989

Celia Franco Jan 9 1989
Celia Franco tenant

Exhibit
M
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2-7

3. Acres and numbers. The acres of crops and the fields on which grown and numbers of livestock shown above are those planned for the first year of this lease. They may be adjusted within the year or from year to year by mutual agreement.

4. Crop and livestock adjustments. If it is impracticable in any year, from causes beyond the tenant's control, to grow the crops and to keep within the number of livestock according to the plan shown, appropriate adjustments will be made by mutual agreement between the parties.

5. Restriction on livestock. Neither the owner nor the tenant shall bring livestock that is not covered by this agreement on the farm during the period of the lease without express permission of the other party.

6. Home use. The tenant and landlord may take for home use the following kinds and quantities of jointly owned crops:

None

7. Buying and selling. The two parties will buy and sell jointly owned property according to the following agreement:

Tenant will deliver cotton seed to the gin and pay all cotton costs. And will pay one-half of cotton insurance. Landlord will get one-half of cotton bales and one-half of hay baled in field will pay one-half of fertilizer.

8. Division of property. At the termination of this lease, all jointly owned property will be divided or disposed of as follows:

C. IMPROVING, CONSERVING, AND MAINTAINING THE FARM. To improve the farm, conserve its resources, and maintain it in a high state of cultivation, the two parties agree as follows:

1. General maintenance. The tenant will maintain the farm during the tenancy in as good condition as at the beginning, normal wear and depreciation and damages from causes beyond the tenant's control excepted.

2. Good husbandry. The tenant will operate the farm in an efficient and husbandlike way, will do the plowing, seeding, cultivating, and harvesting in a manner that will conserve the landlord's property.

3. Cropping practices. The tenant will not, without oral consent of the landlord, (a) plow permanent pasture or meadowland, (b) cut live trees for sale or personal uses, but will take for fuel or use on the farm only dead or unmarketable timber designated by the landlord, (c) allow livestock other than the tenants own on stalkfields or stubblefields, (d) burn or remove cornstalks, corncobs, straw, or other crop residues grown on the farm, (e) pasture new seedlings of legumes or grasses in the year they are seeded, and (f) plant legumes on land not known to be thoroughly inoculated without first inoculating the seed.

4. Livestock practices. In caring for livestock, the tenant will follow health and sanitation measures and guard against disease.

5. Manure and crop residue. The tenant will spread the manure, straw, or other crop residues on the farm as soon as practicable on fields agreed upon by the two parties, except as follows:

6. Pasturing. The tenant will prevent tramping of fields by stock and rooting by hogs when injury to the farm will be done.

7. Waste. The tenant will not commit waste on or damage to the farm and will use due care to prevent others from so doing.

8. Fire protection. The tenant will not without written consent of the landlord, house automobiles, motortrucks, or tractors in barns, or otherwise violate restrictions in the landlord's insurance policy, which restrictions the landlord shall make known to the tenant.

9. Replace losses. The landlord will replace or repair as promptly as possible the dwelling or any other building that may be destroyed or damaged by fire, flood, or other cause beyond the control of the tenant or make rental adjustments in lieu of replacements.

10. Noxious weeds. The tenant will use diligence to prevent noxious weeds from going to seed on the farm and will destroy the same, and will keep the weeds and grass cut or destroyed on the fields, farmstead, roadside, and fence rows. Treatment of weed infestation and cost thereof shall be handled as follows:

11. Maintenance of improvements. The tenant will keep the buildings, fences, and other improvements on the farm in as good repair and condition as they are when the tenant takes possession, and in as good repair and condition as they may be put during the term of the lease, ordinary wear and tear, loss by fire, or unavoidable depreciation or destruction excepted.

12. Materials and labor. The landlord will furnish materials and the tenant will perform labor for normal maintenance and repairs, except that skilled labor which the tenant is unable to perform satisfactorily will be furnished by the landlord. Additional agreements regarding materials and labor:

Tenant will have the use of all Landlord's machinery and equipment. In the event of a brake down Landlord will pay to get it fixed.

13. Purchase of materials. The tenant may buy, without further authorization, materials for normal maintenance and repairs in a total amount not to exceed \$ within each year, and the landlord will credit or reimburse the tenant for such expenditures, as follows:

14. Add improvements. The tenant will not, without written consent of the landlord, (a) erect or permit to be erected on the farm any nonremovable structure or building, or (b) incur any expense to the landlord for such purpose, or (c) add electrical wiring, plumbing, or heating to any buildings, and, if consent is given, the tenant will make such additions meet standards and requirements of power and insurance companies.

15. Conservation practices. The tenant will control soil erosion as completely as practicable by stripcropping and contouring, and by filing in or otherwise controlling small washes or ditches that may form.

16. Conservation structures. The tenant will keep in good repair all terraces, open ditches, and inlets and outlets of the drains, preserve all established watercourses or ditches including grass waterways when seed and fertilizer are furnished by the landlord, and refrain from any operation or practice that will injure them.

17. Compensation for improvements. The two parties will carry out new conservation practices and measures and make other improvements, and share contributions and costs necessary for completion of such practices and improvements as set forth below. The tenant will be reimbursed by the landlord when the practice, measure, or improvement is completed, or the tenant will be compensated for its unexhausted value when the tenant leaves the farm, according to the table below:

3-7

Exhibit M Pg. 3 of 7

17. (Continued) Compensation for Improvements Table.

CONSERVATION PRACTICE MEASURE, OR OTHER IMPROVEMENT	DATE TO BE COMPLETED	ESTIMATED COST (DOLLARS)	PERCENT TO BE FURNISHED BY LANDLORD AND BY TENANT						VALU PLACED ON TENANT'S CONTRIBUTION (DOLLARS)	RATE OF ANNUAL DEPRECIATION (PERCENT)
			MATERIALS		LABOR		MACHINERY			
			L	T	L	T	L	T		

18. Additional agreements relative to conservation and improvements:

.....

19. Review of conservation program. A new schedule covering conservation practices and improvements will be prepared each year on an appropriate form which will become a part of this lease when signed by the two parties.

20. Preparing or seeding land. When the tenant leaves the farm, if the total acreages of prepared or seeded land are greater than at the beginning of the tenancy, the tenant will be compensated by the landlord on the basis of the value of such excess acreages. If such total acreages are less than at the beginning of the tenancy, the tenant will compensate the landlord on the basis of the value of such deficiency, provided that the deficiency is not due to drought, flood, or other causes beyond the control of the tenant. The acreages at the beginning of this tenancy and the basis of payment are as shown in the table at the right above:

20. (Continued) Preparing or Seeding Land Table.

Prepared Or Seeded	Acres At Beginning	Rate Per Acre

21. Renovable Improvements. Minor improvements of a temporary or removable nature, not provided for in item 17 of this section, which do not mar the condition or appearance of the farm may be made by the tenant at the tenant's own expense. The tenant may at any time this lease is in effect, or within a reasonable time hereafter, remove such improvements, provided the tenant leaves in good condition that part of the farm from which they are removed.

22. Compensation for damages. When the tenant leaves the farm the tenant will pay the landlord reasonable compensation for any damage to the farm for which the tenant is responsible, except ordinary wear and depreciation and damages beyond the tenant's control.

D. SHARING COSTS AND RETURNS. All costs and returns shall be divided between landlord and tenant as provided below unless otherwise specifically stated elsewhere in this lease.

1. Rental rates. The tenant agreed to pay as rent the shares or quantities of crops and cash as indicated below.

CROPS OR IMPROVEMENTS	ACRES	SHARE RENT	CASH RENT	PLACE OF SALE OR DELIVERY	DATE OF SALE DELIVERY, OR PAYMENT
Cotton seed					
Hay seed					
FARM BUILDING		XXXXXXXXXXXX			
DWELLING		XXXXXXXXXXXX			

2. Additional agreements in regard to rental rates:

Tenant will pay all cotton costs and Landlord will pay one-half fertilizer, one-half of hay hauling, all CID water rights, ad valorem taxes. Any other costs will be agreed upon by parties.

3. Expenses. Expenses, including investments in personal property, shall be supplied by the tenant, except as indicated in section C and except as follows:

INVESTMENTS IN PERSONAL PROPERTY	FURNISHED BY LANDLORD	EXPENSES	FURNISHED BY LANDLORD	EXPENSES	FURNISHED BY LANDLORD
TRACTOR	All	Labor	none	Lining Material	
MACHINERY & EQUIPMENT	All	Maintenance—Buildings		Fertilizer	one-half
		Maintenance—Fences			
		Machine Repairs	All	Seed	None
		Fuel—Tractor	All		
		Fuel—Truck			
		Fuel—Other		Electricity	
		Custom Work and Hauling	one-half	Telephone	
		Weed Control Material		Insurance—Buildings	
		Insecticides		Insurance—Crops	one-half
		Feed Purchased or Supplied	All	Taxes—Real Estate	All
LIVESTOCK	None	Livestock Expenses	All	Taxes—Personal	All

PG 4 of 7

Exhibit M

14-7

4. Additional agreements relative to expenses:

3. Debts and accidents.—Each party agrees that the other party shall in no way be responsible for the debts of, or liabilities for accidents or damages caused by, the other party.

4. Willful neglect.—Willful neglect, failure or refusal by either party to carry out any substantial provision of this lease shall give the other party the benefits of any proceedings provided by law.

5. Farm records.—The tenant shall keep a complete financial and production record of the entire farm business, which shall include a complete inventory of all property used in the farm business and a complete record of all purchases and sales related to the farm business. Such records are to be kept on mutually acceptable forms and shall be of such nature as to be usable by landlord and tenant in studying the farm business, in making financial and property settlements, and for purposes related to social security and income tax. Such records shall include appropriate sales statements, receipts, checks, and similar evidence and shall be accessible to the landlord at all times. Accounts between the two parties shall be settled on or about Jan. 1, 1990

6. Arbitration of differences.—Any differences between the parties as to their several rights and obligations under this lease that are not settled by mutual agreement after thorough discussion, shall be submitted for arbitration to a committee of three disinterested persons, one selected by each party hereto and the third by the two thus selected; and the committee's decision shall be accepted by both parties.

7. Landlord subordination.—In consideration of loan(s) to be made by the Farmers Home Administration (FmHA) the landlord hereby subordinates in favor of the FmHA any lien the landlord now has or may acquire in or on: (a) the livestock and farm equipment purchased or refinanced by the tenant with FmHA loan(s); (b) the crops, livestock increase and livestock products of the tenant (except a lien on such property produced in any year for that year's rent); (c) any other livestock and farm equipment owned by the tenant to the extent such lien is to secure advances to be made or supplies to be furnished by the landlord.

8. Additional agreements: In the event of exploration or drilling or mining for oil, gas or other minerals and crop is damaged, Tenant will receive his prorata share of crop damages with Landlord. Landlord will receive all real estate and improvements.

E. TERM OF LEASE

1. Term.—The term of this lease shall be _____ year(s) from January 1, 1989 to January 1, 1990, and this lease shall continue in effect from year to year thereafter until written notice of termination is given by either party to the other at least 4 months before expiration of this lease or any renewal.

2. Continuous occupancy.—The farm will be possessed and occupied continuously during the term of the lease by the tenant or the tenant's agent.

3. Surrender of possession.—The tenant agrees to surrender possession and occupancy of the premises peaceably at the termination of the lease.

4. Review of lease.—A request for general review of the lease may be made at least 60 days prior to the final date for giving notice to terminate this lease. Amendments and alterations to this lease shall be made in writing.

F. MISCELLANEOUS PROVISIONS

1. No partnership created.—This lease shall not be deemed to give rise to a partnership relation, and neither party shall have authority to obligate the other without written consent, except as specifically provided in this lease.

2. Government programs.—The farm will be operated in compliance with Government programs as follows:

IN WITNESS WHEREOF, the parties have signed this lease on the date first above written.

Witnesses:

Evelyn V. France 1-9-1989 (Landlord)
Cecilia France 1-9-1989
Robert D. Houghland 1-9-1989 (Tenant)

(Acknowledgment in appropriate form to be attached.)

FARM LEASE
Between

Cecilia France (Landlord)
Robert D. Houghland (Tenant)

USE OF THE FARM LEASE FORM

This form contains suggested provisions for a live-stock-share farm lease. Whether particular provisions should be included or modified in your lease depends on the agreements between the parties and whether the provisions are appropriate under the laws of your State. Spaces are provided for writing in particular details or special arrangements that a landlord or a tenant may want. By using the Annual Supplement to Farm Lease (Form FmHA 1940-56), details of the lease can be changed from year to year without preparing a new lease.

Exhibit M
PG 5 of 7

Prepared and Issued by

U.S. DEPARTMENT OF AGRICULTURE

U.S. GOVERNMENT PRINTING OFFICE: 1980-0-280-000

25-7

M
76607

EL PASO, TEXAS
CERTIFICATES OF PATRONAGE EQUITY
NOV. 09, 1990

ROBERT HOUGLAND
P. O. BOX 1286
LOVING NM88256

ACCOUNT NO. 37467

AFTER TODAY'S TRANSACTION,
OUR OUTSTANDING PATRONAGE EQUITY CERTIFICATES ARE:

SEASON	COTTON	SEED	TOTAL
1989-90	45.00		45.00
TOTAL AMOUNT-			45.00

CONDITIONS GOVERNING THESE CERTIFICATES

1. Certificates are to be redeemed in the order of annual issuance, the oldest outstanding annual series to be liquidated first.
2. Losses in subsequent years shall be charged pro-rata to the face value of all outstanding certificates.
3. The Board of Directors of Southwestern Irrigated Cotton Growers Association shall, at their sole discretion, have the authority to make payment, charges, or credits on these certificates.
4. The original of this certificate shall be retained in the files of Southwestern Irrigated Cotton Growers Association and a copy thereof shall be issued to the owner thereof.
5. Ownership of this certificate in whole or in part may be transferred by execution of the form called "Transfer of Equity."
6. Certificates shall be non-interest bearing.

SOUTHWESTERN IRRIGATED COTTON GROWERS ASSOCIATION

ARTHUR IVCOY, JR.
CHAIRMAN OF THE BOARD
President

56-7

SWIG

P.O. BOX 1709 • EL PASO, TEXAS • 79949 • PHONE 581-5441 • AREA CODE 915

ROBERT HOUGHLAND
P. O. BOX 1265
LOVING, NM 88256

97467

1989 - SEASON - 1990

15

(UPLAND)

This statement covers only cotton upon which we have received the weights and Government class. If you have made other shipments, outturn will follow later.

Compress Storage Tag	SIN CODE	Gin Tag	GOVERNMENT FORM 1		PENALTY CODE		WEIGHT		Ass'n Adv. Price	Amount		
			Grade	Staple	MIC.	PNTY.	Gross	Net		REP		
*** CONTRACTED			ACALA-1517									
781664	83425		41	37	38		515	513	.6585	3.03	337.81	
781665	83428		41	36	39		489	484	.6545	2.90	316.78	
TOTAL TOTALS		2	B/C				1007	997			654.59	
TS	1/15/90		GROSS ADVANCE VALUE									654.59

LES	2	RESEARCH & PROMOTION	5.93	SUPIMA ASSN.	.00
T.WT.	997	LESS CREDIT TO YOUR PATRONAGE EQUITY ACCOUNT			10.00
		REC. CHRG'S.	2.50	TRUCKING	6.00
		STORAGE CHARGE	1.10	GINNING CHARGES	.00
NET AMOUNT DUE YOU					629.86

CHECK NO.	PAID TO	NET DUE	CR. TO PREV. ADV.	CHECK AMOUNT
631	1/2 ROBERT HOUGHLAND	314.53	151.82	162.71
	1/2 EPOLITO FRANCO & FMA	314.53	314.53	.00

Exhibit
M
26 7 47

57-7

IMPORTANT
PLEASE RETAIN THIS STATEMENT FOR YOUR FEDERAL INCOME

PENALTY CODE
01 REDUCED A/C FOREIGN MATTER

Position 5

USDA-FHA
Form FHA 427-1 N. Mex.
(Rev. 1-9-67)

REAL ESTATE MORTGAGE FOR NEW MEXICO
(INSURED LOANS TO INDIVIDUALS)

KNOW ALL MEN BY THESE PRESENTS, Dated APR 17 1969

WHEREAS, the undersigned Epolito V. Franco and
Manuela Franco, his wife

residing in Eddy County, State of New Mexico, whose post office address
is P. O. Box 321, Loving, New Mexico 88256

herein called "Borrower," are (is) justly indebted to the United States of America, acting through the Farmers Home Admin-
istration, United States Department of Agriculture, herein called the "Government," as evidenced by a certain promissory

note, herein called "the note," dated APR 17 1969, 19 _____, for the principal sum of
FIFTY-TWO THOUSAND AND NO/100 ----- Dollars (\$52,000.00),

with interest at the rate of Five percent (5 %) per annum, executed by Borrower and
payable to the order of the Government in installments as specified therein, the final installment being due on _____

April 17, 2009, which note authorizes acceleration of the entire indebtedness at the option of the Government
upon any default by Borrower; and

WHEREAS, the note evidences a loan to Borrower in the principal amount specified therein, made with the purpose and
intention that the Government, at any time, may assign the note and insure the payment thereof pursuant to the Consolidated
Farmers Home Administration Act of 1961, or Title V of the Housing Act of 1949; and

WHEREAS, when payment of the note is insured by the Government, it may be assigned from time to time and each holder
of the insured note, in turn, will be the insured lender; and

WHEREAS, when payment of the note is insured by the Government, the Government will execute and deliver to the insured
lender along with the note an insurance endorsement insuring the payment of all amounts payable to the insured lender in
connection with the loan; and

WHEREAS, when payment of the note is insured by the Government, the Government by agreement with the insured lender
set forth in the insurance endorsement may be entitled to a specified portion of the payments on the note, to be designated
the "annual charge"; and

WHEREAS, a condition of the issuance of payment of the note will be that the holder will forego his rights and remedies
against Borrower and any others in connection with said loan, as well as any benefit of this instrument, and will accept the
benefits of such insurance in lieu thereof, and upon the Government's request will assign the note to the Government; and

WHEREAS, it is the purpose and intent of this instrument that; among other things, at all times when the note is held by
the Government, or in the event the Government should assign this instrument without insurance of the note, this instrument
shall secure payment of the note; but when the note is held by an insured lender, this instrument shall not secure payment
of the note or attach to the debt evidenced thereby, but as to the note and such debt shall constitute an indemnity mortgage
to secure the Government against loss under its insurance endorsement by reason of any default by Borrower;

NOW, THEREFORE, in consideration of said loan and (a) at all times when the note is held by the Government, or in the
event the Government should assign this instrument without insurance of the payment of the note, to secure prompt payment
of the note and any renewals and extensions thereof and any agreements contained therein, including any provision for the
payment of an insurance or other charge, (b) at all times when the note is held by an insured lender, to secure performance
of Borrower's agreement herein to indemnify and save harmless the Government against loss under its insurance endorsement
by reason of any default by Borrower, and (c) in any event and at all times to secure the prompt payment of all advances
and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant
and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby grant, convey, mortgage,
and assign unto the Government the following property situated in the State of New Mexico, County(ies) of

Eddy

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The NW $\frac{1}{4}$ and the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 4, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico

Easement for ditch lines to Carlsbad Irrigation District, dated 6-13-61, recorded in Book 171, Page 154, Deed Records, Eddy County, N.M.

Sixteen foot easement to Malaga Water Users Cooperative Association over the NE $\frac{1}{4}$ & NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Sec. 4, dated 8-8-68, recorded in Book 202, Page 57, Deed Records, Eddy County, New Mexico.

Thirty foot easement for purpose of constructing power lines to Southwestern Public Service Company, running along the North side of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ & NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 4, dated 7-12-54, recorded in Book 135, Page 248, Deed records, Eddy County, New Mexico.

Title to an undivided one-half of all oil, gas and other minerals in and under the insured premises; together with the drilling and mining rights and privileges thereunto belonging.

Subject, however, to all valid outstanding easements, rights-of-way, mineral leases, mineral reservations and mineral conveyances of record.

together with all rights, interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues, and profits thereof and revenues and income therefrom, all improvements and personal property now or later attached thereto or reasonably necessary to the use thereof, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein—all of which are herein called "the property";

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for himself, his heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured and to indemnify and save harmless the Government against any loss under its insurance of payment of the note by reason of any default by Borrower. At all times when the note is held by an insured lender, Borrower shall continue to make payments on the note to the Government, as collection agent for the holder.

(2) To pay to the Government any initial fees for inspection and appraisal, and any delinquency charges, now or hereafter required by regulations of the Farmers Home Administration.

(3) At all times when the note is held by an insured lender, any amount due and unpaid under the terms of the note, less the amount of any annual charge, may be paid by the Government to the holder of the note as provided in the note and insurance endorsement for the account of Borrower. Any amount due and unpaid under the terms of the note, whether it is held by the Government or by an insured lender, may be credited by the Government on the note and thereupon shall constitute an advance by the Government for the account of Borrower. Any advance by the Government as described in this paragraph shall bear interest at the note rate from the date on which the amount of the advance was due to the date of payment to the Government.

(4) Whether or not the note is insured by the Government, the Government may at any time pay any other amounts required herein to be paid by Borrower and not paid by him when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the note rate until paid to the Government.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of his covenant to pay. Such advances, with interest, shall be repaid from the first available collections received from Borrower. Otherwise, any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments, encumbrances, and assessments lawfully attaching to or assessed against the property and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by, delivered to, and retained by the Government.

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(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe; and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) If this instrument is given for a "Farm Ownership" loan as identified in Farmers Home Administration regulations, personally to operate the property with his own and his family labor as a farm and for no other purpose, and not to lease the property or any part of it, unless the Government consents in writing to some other method of operation or to a lease; or, if this instrument is given for a "Section 502 Rural Housing" loan on a "nonfarm tract," as identified in said regulations, all or any of the property constructed, improved, or purchased with the loan will be personally occupied and used by Borrower and not rented or leased, unless the Government gives written consent otherwise.

(11) To comply with all laws, ordinances, and regulations affecting the property.

(12) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note or any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title and survey of the property, costs of recording this and other instruments, attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property.

(13) Neither the property nor any portion thereof or interest therein shall be assigned, sold, transferred, or encumbered, voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured lender shall have any right, title or interest in or to the lien or any benefits hereof.

(14) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(15) The Government may extend and defer the maturity of and renew and reamortize the debt evidenced by the note or any indebtedness to the Government secured hereby, release from liability to the Government any party so liable thereon, release portions of the property from and subordinate the lien hereof, and waive any other rights hereunder, without affecting the lien or priority hereof or the liability to the Government of Borrower or any other party for payment of the note or indebtedness secured hereby, except as specified by the Government in writing.

(16) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(17) Default hereunder shall constitute default under any other real estate, or under any personal property or other, security instrument held or insured by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(18) SHOULD DEFAULT occur in the performance or discharge of any obligation secured by this instrument, or should any one of the parties named as Borrower die or be declared as incompetent, a bankrupt, or an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government, hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(19) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to or insured by the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to or insured by the Government, in the order prescribed above.

(20) As against the debt evidenced by the note and any indebtedness to the Government hereby secured, with respect to the property, and to the extent permitted by law, Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, curtesy, homestead, valuation, appraisal, redemption, and exemption to which Borrower is or becomes entitled under the laws and constitution of the jurisdiction where the property lies.

(21) This instrument shall be subject to the present regulations of the Farmers Home Administration, and to its future regulations not inconsistent with the express provisions hereof.

(22) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, addressed, unless and until some other address is designated in a notice so given, in the case of the Government to Farmers Home Administration, United States Department of Agriculture, Albuquerque, New Mexico 87101, and in the case of Borrower to him at his post office address stated above.

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IN WITNESS WHEREOF, Borrower has hereunto set Borrower's hand(s) and seal(s) the day and year first above written.

Epolito V. Franco
Epolito V. Franco
Manuela Franco
Manuela Franco

ACKNOWLEDGMENT

STATE OF NEW MEXICO
COUNTY OF Eddy

The foregoing instrument was acknowledged before me this 17th day of April, 19 69.

by Epolito V. Franco and
Manuela Franco, his wife

My commission expires: 1-14-70 A. Leona Hughes
A. Leona Hughes Notary Public.



STATE OF NEW MEXICO, County of Eddy, ss: I hereby certify that this instrument was filed for record on the 17 day of April 1969 at 2:00 o'clock P.M. and duly recorded in book 251 page 1665 of the Records of Mortgages

Alfred Branch, County Clerk
By Lilina G. Delinda Deputy

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WARRANTY DEED

O. J. McCARTY and MARY McCARTY, his wife

for consideration paid, grant to EPOLITO V. FRANCO and MANUELA FRANCO, his wife, as tont tenants with full rights of survivorship

the following described real estate in Eddy County, New Mexico:

The NW 1/4 and the W 1/2 NE 1/4 of Section 4, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico, together with all water and water right attached and appurtenant to said lands; subject to all easements, rights of way and reservations of record.

EXCEPTING from this conveyance an undivided one-half of all oil, gas and other minerals in and under the above described lands, said minerals having been reserved unto prior owners.

Grantees by accepting this deed state that they have secured independent legal advice and know and understand the difference between tenants in common, community property and joint tenancy, and knowing the difference state that it is their intent and desire to take title to this property as joint tenants with the right of survivorship.

Epollito V. Franco
Manuela Franco

with warranty covenants.

WITNESS OUR hands and seals this 17th day of April, 1969.

O. J. McCarty (SEAL)
Mary McCarty (SEAL)

STATE OF NEW MEXICO,
County of Eddy

On this 17th day of April, 1969, before me personally appeared

O. J. McCARTY and MARY McCARTY, his wife,
Persons known to me the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Witness my hand and seal the day and year last above written.
D. Leona Hughes
Notary Public
My commission expires 1-14-1970

STATE OF NEW MEXICO, County of Eddy, ss. I hereby certify that this instrument was filed for record on the 17 day of April, 1969 at 1:55 o'clock P.M. and duly recorded in Book 203, page 700 of the Records and Deeds of said county, on this 17 day of April, A. D. 1969.

Mildred Branch
County Clerk
By Helen G. Delanda
Deputy

CLERK'S CERTIFICATE
Certified this 13th day of December 2010, as a true and correct copy of the original recorded in this office.

Dorlene Ruzpina
Clerk of Eddy County, N. Mex.
Deputy



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