

Procedures for Placing and Maintaining a Water Well on State Trust Lands

Step 1.

If you need to explore for water, fill out an *Application for Water Exploration Permit* and send it in with the \$250.00 application fee and the \$1,000.00 permit fee per section. More than one section can be included under one permit, but a fee of \$1,000.00 must be paid for each section included. If you already know where you want to place the well, you can start at **Step 3**.

Step 2.

The SLO will decide whether to issue a *Water Exploration Permit*. Once issued, it is good for one year, and will allow exploration within a designated 640 acre +/- section. After one year, if you want to continue exploration on the same tract, you will need to file for another permit. Once you have determined a well location, go to **Step 3** below.

Step 3.

When you know where you want to put a well, fill out and send in an *Application for Water Easement* along with the \$250.00 processing fee.

The SLO will determine whether to issue a *Water Easement*, what kind it will be, and the term of the Water Easement (not longer than five years). Monitoring wells cost \$500.00 annually; wells used by the applicant for their own oil and gas production or mineral extraction or in agriculture (production wells) need only pay the annual \$1,000.00 amount per well; wells used to provide water to someone other than the Applicant (commercial wells) must also pay a 20% of gross sales royalty in addition to the \$1,000.00. Failure to pay any amounts when they are due will terminate the easement.

Wells must also be bonded. The bond amount for a single well is \$500.00; for more than one well, a blanket bond in the amount of \$1,000.00 is required. The bond may be a cash bond or a surety bond from an approved insurer.

The Land Office requires that all wells on state trust lands be properly permitted by the Office of the State Engineer. If you change the use of your well you must inform the Land Office and have your Water Easement amended.

Step 4.

You may apply to have a water easement amended by filling out the *Application to Amend Water Easement* and paying the \$200.00 processing fee. Depending on the kind of amendment, you may also have to provide the *Affidavit Regarding Amendment to Water Easement*. The only amendments allowed are: (1) to remove wells, in which case you must provide an affidavit that they have been properly plugged; (2) to add wells, in which case you must provide an affidavit that the new wells are used only for the purposes permitted under the Water Easement – wells for a different purpose will require

a new Water Easement; (3) to alter the area/acreage covered by the Water Easement; (4) to change the purpose of all of the wells located on the Water Easement.

Step 5.

Water Easements cannot be assigned without the Commissioner's consent. That consent may require additional terms or compensation. Consent is obtained by filing the proposed assignment on the *Assignment of Water Easement* form and the \$50.00 filing fee with the State Land Office.

Step 6.

If you want to renew your Water Easement, at least 60 days before it expires you should fill out an *Application to Reissue Water Easement* and send it in with the \$250.00 fee. Be sure to report any changes that have occurred, or are planned, in the number, location, or use of your wells.

NOTES:

1. All forms, once properly completed and notarized, if required, along with the proper fees, paid by check or money order made out to the Commissioner of Public Lands, should be sent to:

Commissioner of Public Lands
Attn: OGMD Division/Water Easements
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

2. Rights-of-way for roads, pipelines, etc., outside of a Water Easement, if they are on state trust lands, must be separately obtained from the State Land Office Right of Way Bureau at 505-827-5789.
3. Application fees are non-refundable.

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