



STATE OF NEW MEXICO
OFFICE OF THE STATE ENGINEER

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October 15, 2012

Dear Water Right Owners:

Simultaneously with the receipt of this letter, you have received another package explaining that the State has commenced the final "*Inter Se*" phase of the adjudication of water rights in the Carlsbad Irrigation District ("CID").

In preparation for the *Inter Se*, the State has reviewed all the filed Orders adjudicating water rights in the CID. This review revealed that the State may have inadvertently failed to recognize a right to groundwater as a supplemental supply to surface water rights ("supplemental right") owned by certain CID members.

This letter is notice of your limited and final opportunity to assert a claim to a supplemental right that may not have been recognized during the CID adjudication process, and to have the State investigate that claim.

Accompanying this letter is the Notice of Opportunity to Assert Omitted Claim for Right to Groundwater as a Supplemental Supply to Surface Water Rights in the CID ("Supplemental Right Notice"). The Supplemental Right Notice sets forth the procedures you must follow in order to claim a supplemental right.

In order to make a claim, you must file the enclosed Rule 1-060(B)(6) NMRA Motion Requesting Adjudication of Omitted Supplemental Right ("Supplemental Right Motion"). You must provide the information requested in the Supplemental Right Motion, and file it with the Court and with the State.

You must file the Supplemental Right Motion no later than November 19, 2012.

Additionally, you must, within 30 days after you file your Supplemental Right Motion, deliver to the Office of the State Engineer ("OSE") for inspection and copying, all deeds, abstracts of title, and other documents of title relevant to determining whether you actually do own a supplemental right. The places where you can bring these documents are listed in the Supplemental Right Notice.

You must deliver the supplemental right documentation within 30 days after you file your Supplemental Right Motion.

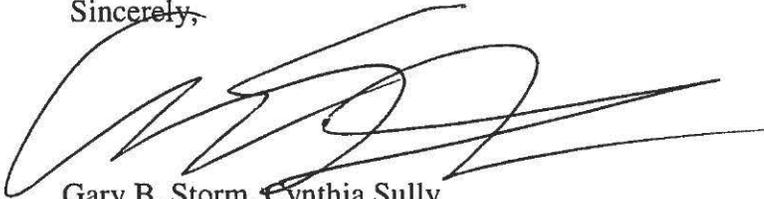
If the OSE agrees with your claim to a supplemental right, you will need to complete certain administrative paperwork, and thereafter, join with the State in filing papers with the court to have your supplemental right recognized in the CID adjudication.

In sending this letter to you, the State is making no suggestion or representation that you actually do own an unrecognized supplemental right or that the State will recognize your claim. Rather this letter is notice that you have a limited and final opportunity to claim a supplemental right, if you believe you own one, and have the State investigate that claim.

A supplemental right is a valuable property right and, if you believe you own one, you should not delay addressing this matter.

Please read the enclosed documents carefully. If you have any questions or concerns, please contact Gary Storm at 1-800-928-3766 (press 2 at the voice prompt).

Sincerely,

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

Gary B. Storm, Cynthia Sully
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Enc.