

## **Lease with Jimmy, Roxanne and James Wagner (Wagner's Farmland Experience, LLC) for use of Grasslands for Agricultural Purposes**

**Term:** 5 years (April 1, 2010 – March 31, 2015) with a 5 year option to renew

**Rent:** \$5,700 per year for premises (\$28,500 total lease w/o option)

In consideration of expenses for maintaining erosion control and for initial costs for irrigation equipment and infrastructure the lease payments for the water rights for the first 5 years is waived. Lease for water rights, \$5,700? Waived \$28,500 total for lease.

**Purpose:** Lease was entered into as a means of controlling the erosion on the property due to wind. The dust blowing across I-25 and into nearby neighborhoods was creating dangerous and unhealthy conditions. Other options considered for controlling the dust were much more expensive.

### **Well**

**Depth:** 220 feet

**Casing:** 10 inch

**Screen:** Approximately 68 feet

**Capacity:** 700 gallons per minute

**Condition:** This well was repaired, parts replaced and brought back on line in 2010 at a cost of \$46,000.

### **Supplemental Well**

The lessee has requested more water at the site for irrigation. He would like to farm more of the property. He wants a total of 2500 GPM therefore an additional 1,800 GPM capacity.

After contacting a couple of well drillers in the area, we have been told that the cost to install a supplemental well capable of this capacity will exceed \$100,000. One driller estimated that the cost could go as high as \$225,000. The size of the pump and the depth of the well in order to achieve the rate desired are major drivers in the cost.

### **Water Rights**

The Grasslands has 600 acre-feet of diverted water rights.

In February of 2011, PCD filed an application with the Office of the State Engineer for a permit to drill a supplemental well. Along with this application was an affidavit requesting emergency authorization to drill the supplemental well. The emergency authorization was granted by the OSE on February 24, 2011. This authorization expires on February 24, 2012.