



**STATE OF NEW MEXICO  
INTERSTATE STREAM COMMISSION  
Scope of Work and Budget Form  
Exhibit A**



**Entity:** City of Gallup  
**Mailing Address:** 110 W Aztec Ave.  
Gallup, NM 87301  
**Contact Name:** Maryann Ustick  
**Title:** City Manager  
**Telephone:** (505) 863-1220  
**Email:** manager@gallupnm.gov

**Funding Amount:**  
\$8,000,000

**Project Description:**

The work completed under this grant agreement includes engineering and construction services for drilling and testing of two (2) OSE G-80 water production wells for the City of Gallup (OSE G-80 Permit is attached as Exhibit A.1).

The City of Gallup will design and construct a series of groundwater production wells for bridging Gallup public water systems until the Navajo Gallup Water Supply Project pipeline is operational. Surface water delivery from the NGWSP has been delayed about 5 years. During the delay Gallup must rely on groundwater until the surface water arrives in approximately 2030.

In fiscal year 2023, the City of Gallup will drill two (2) wells under the Office of State Engineer G-80 permit within the Yah-Ta-Hey well field at an estimated cost of \$8,000,000.00. The proposed wells will be located near existing water wells within the City of Gallup Yah-ta-Hey well field (see A.2.). The existing wells are completed in the Gallup Sandstone aquifer and the new wells will be completed in the Dakota/Westwater formation which is much deeper. The impermeable Mancos Shale formation separates the Gallup Sandstone from the Dakota/Westwater. The sites have electrical power and water lines already in place and there is no need for utility extension to the wells. The proposed wells will be drilled to a depth of approximately 3,500 ft. Actual well construction may vary from the well construction details (A.3.).

Funding sources:

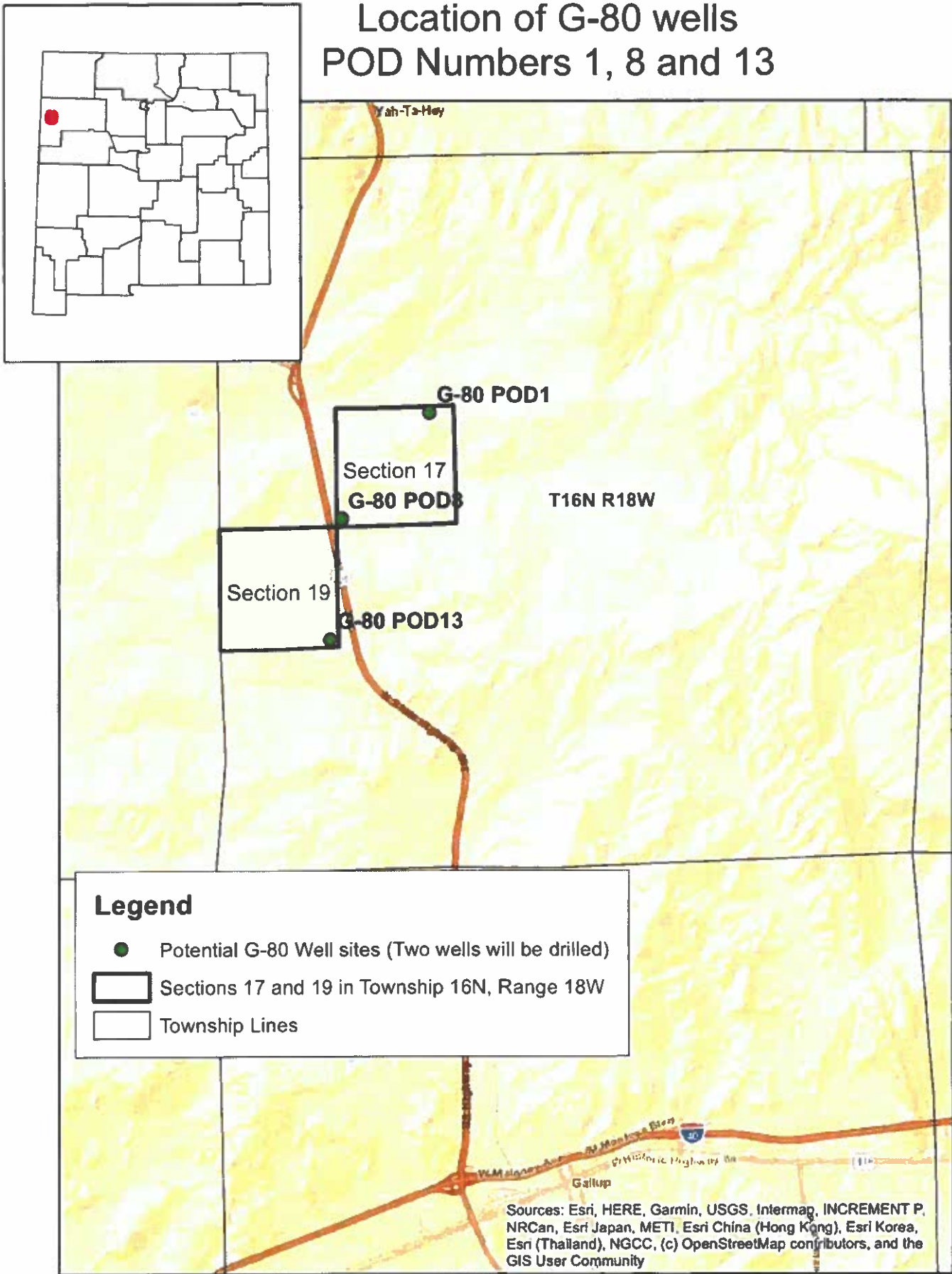
	<b>Funding Source</b>	<b>Grant Amount</b>	<b>Loan Amount</b>	<b>Total</b>	<b>To be used for</b>
1	WaterSmart Grant	\$2,000,000		\$2,000,000	Well SJ-1491, under construction
2	State of NM, Special Appropriation through NMISC	\$8,000,000		\$8,000,000	Two G-80 wells - Design and construction
3	Water Trust Board Fund #5424	\$2,145,845	\$1,430,563	\$3,576,408	Two G-80 Wells - Equipping and well pump assembly
<b>Total</b>				\$13,576,408	

The work to be done under this Agreement includes, but may not be limited to:

- 1) Drilling, casing, and equipping up to two groundwater wells.
- 2) Connection to the City's existing water supply system.
- 3) Construction oversight, surveying, reporting.
- 4) Engineering and design, bidding assistance.

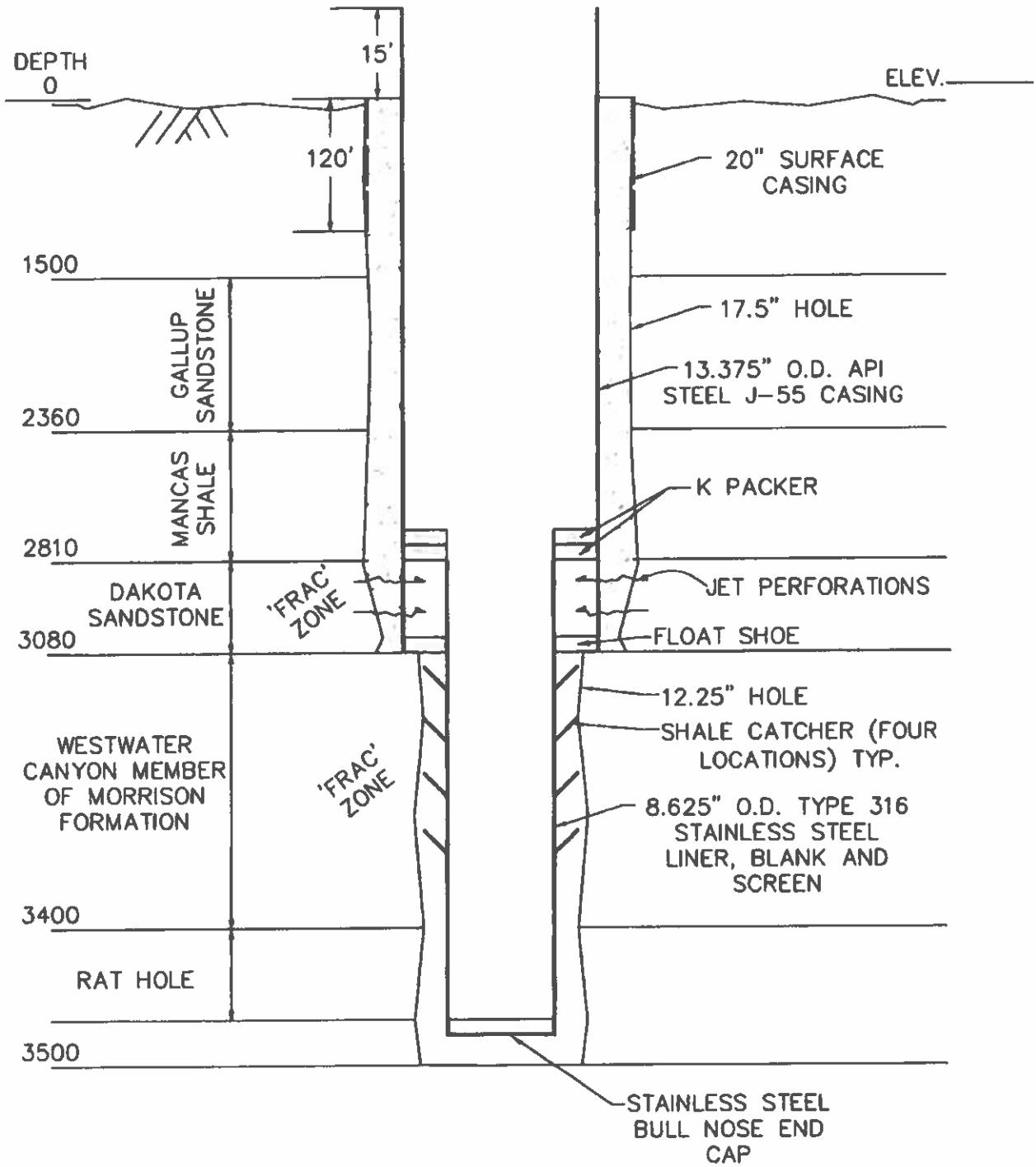
Cost Estimate/Budget for City of Gallup OSE G-80 Water Production Wells is detailed in the table below:

# Location of G-80 wells POD Numbers 1, 8 and 13



A.1. Map of well locations. Three locations are being considered for the two wells.

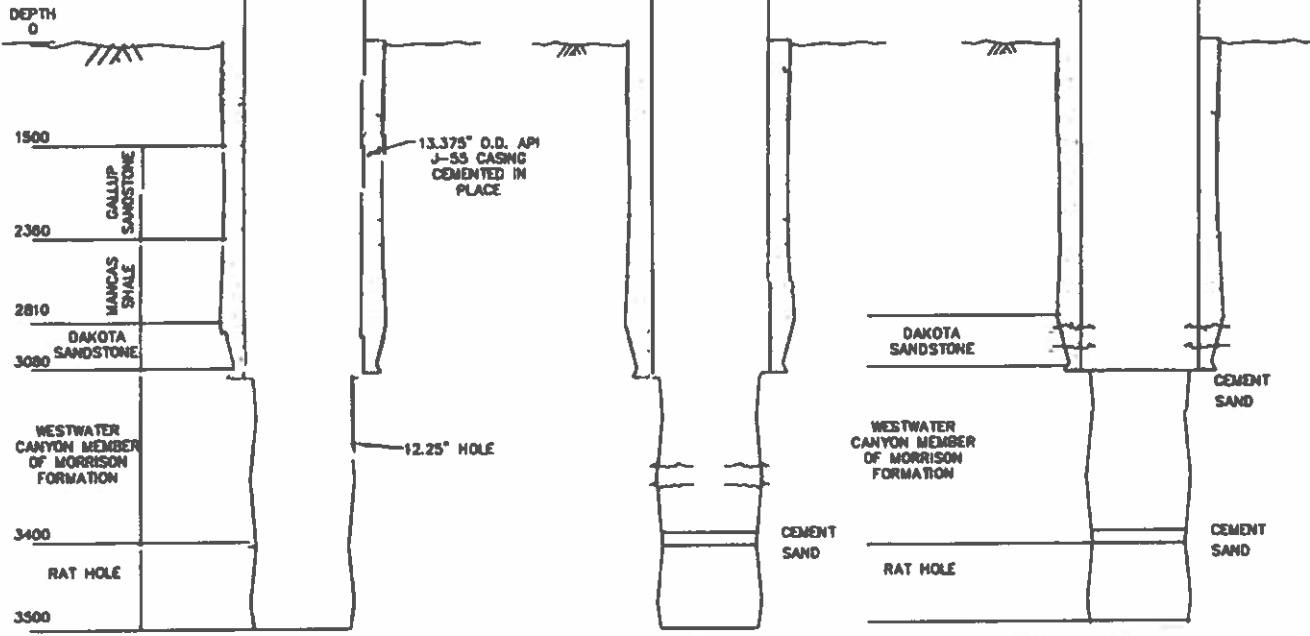
A.2. Well Construction Details



**NMOSE G-80  
GENERAL GEOLOGY  
&  
WELL CONSTRUCTION DETAILS  
MAY 2022**

Prepared by:  
**DePauli Engineering & Surveying LLC**  
- Civil Engineers and Land Surveyors -  
307 S. 4th Street, Gallup, New Mexico 87301  
Tel: (505) 863-5440  
Fax: (505) 863-1919





- 1) DRILL 12.25" HOLE
- 2) LOG
- 3) TEST PUMP (SUBMERSIBLE)

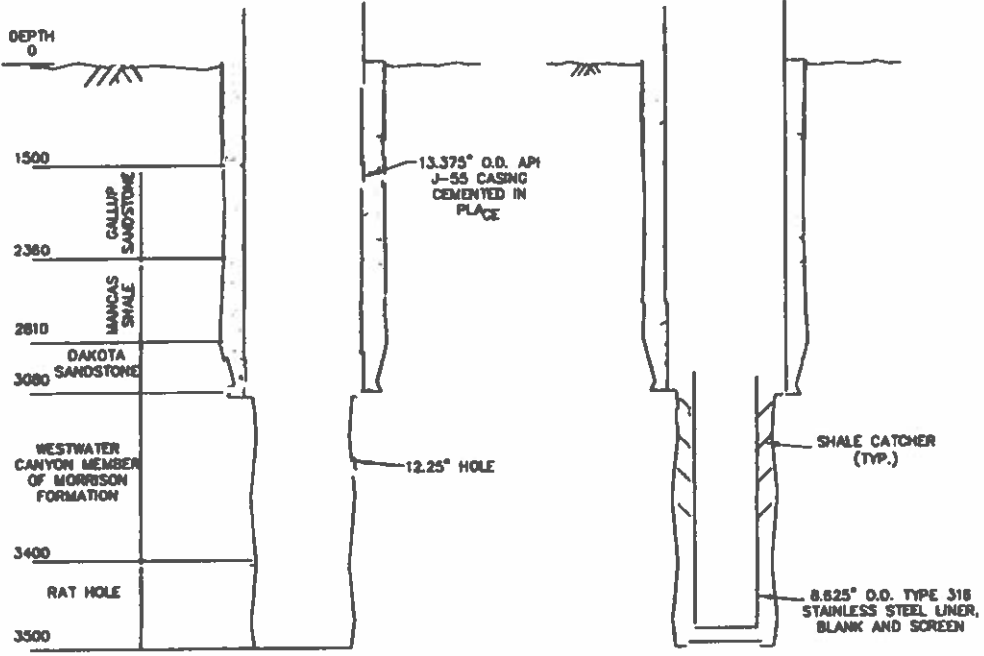
STEP 1

- 1) PLUG LOWER HOLE
- 2) FRACTURE WESTWATER

STEP 2

- 1) PLUG WESTWATER
- 2) PERFORATE 13.375" OD CASING
- 3) AIR LIFT TEST NO. 1
- 4) FRACTURE DAKOTA (CASED HOLE)
- 5) AIR LIFT TEST NO. 2

STEP 3



- 1) DRILL PLUGS
- 2) CIRCULATE CLEAN

STEP 4

- 1) SET LINER
- 2) TEST PUMP

STEP 5

**NMOSE G-80  
CONSTRUCTION  
SEQUENCE  
(LOWER HOLE)  
MAY 2022**

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## Conditions of Approval

**Permittee:** City of Gallup

**File No:** G-80 *et al.*

\*\*\*\*\*

1. Application No. G-80 *et al.* is hereby approved as follows:

**Permit No:** G-80 *et al.*

**Source:** Groundwater of the Gallup Underground Water Basin drawn from the Dakota Sandstone and/or Westwater Canyon Member of the Morrison Formation.

**Application File Date:** October 14, 1981, October 15, 1981, and amended May 29, 2020.

**Notice for Publication:** Originally issued October 21, 1981, reissued January 15, 1982.

**Affidavit of Publication:** November 16, 1981, the first Affidavit of Publication was filed from *The Gallup Independent*. The first publication of the notice being on October 29, 1981, the second publication being on November 5, 1981, and the last publication being on November 12, 1981.

February 8, 1982, the second Affidavit of Publication was filed from *The Gallup Independent*. The first publication of the notice being on January 21, 1982, the second publication being on January 28, 1982, and the last publication being on February 4, 1982.

**Priority:** October 14, 1981 (date of filing)

**Points of Diversion** (Coordinates in Subdivision, Section, Township, and Range, NMPM):

### YAH-TA-HEYWELLFIELD

Well No.	Advertised Well No.	Subdivision	Section	Township (N)	Range (W)	Depth (feet)*
G-80 POD1	G-80	NE¼ NE¼ NW¼	17	16	18	3,100
G-80 POD2	G-80-S	SW¼ SE¼	7	16	18	3,350

**YAH-TA-HEY WELL FIELD CONTINUED**

Well No.	Advertised Well No.	Subdivision	Section	Township (N)	Range (W)	Depth (feet)*
G-80 POD3**	G-80-S-2	NE¼ NE¼ NE¼	7	16	18	3,200
G-80 POD4	G-80-S-3	NW¼ NW¼ NW¼	7	16	18	3,250
G-80 POD5	G-80-S-4	SW¼ SW¼ SW¼	7	16	18	3,350
SJ-1491 POD1	SJ-1491	SE¼ SE¼ SE¼	32	17	18	3,000
G-80 POD6***	G-80-S-5	SW¼ SW¼ SW¼	32	17	18	3,450
G-80 POD7	G-80-S-6	SE¼ SE¼ SE¼	17	16	18	3,050
G-80 POD8	G-80-S-7	SW¼ SW¼ SW¼	17	16	18	3,200
G-80 POD9	G-80-S-8	NW¼ NW¼ NW¼	13	16	19	3,050
G-80 POD10	G-80-S-9	SW¼ SW¼ SW¼	13	16	19	3,000
G-80 POD11	G-80-S-10	SE¼ SE¼ SE¼	13	16	19	3,300
G-80 POD12	G-80-S-11	SW¼ SW¼ SW¼	19	16	18	3,000
G-80 POD13	G-80-S-12	SE¼ SE¼ SE¼	19	16	18	3,050

\* Approximate depths, wells cannot be drilled deeper than the Dakota Sandstone and/or Westwater Canyon Member of the Morrison Formation.

\*\*Well has been drilled and is also permitted as G-97-S-8 (Lewis Well).

\*\*\*Well has been drilled and is also permitted as G-97-S-9 (Allan Well).

**Purpose of Use:** Domestic, livestock, irrigation, municipal, industrial, commercial, and all municipal and related uses supplied by the municipal delivery system of the City of Gallup and all purposes of use specifically set forth for the Navajo-Gallup Water Supply Project.

**Place of Use:** Municipal service area of the City of Gallup and adjacent areas in McKinley County, including the service area of the Navajo-Gallup Water Supply Project bounded on the north by the Navajo Indian Reservation line located at Latitude: 35°39'35.6", all located within the State of New Mexico.

**Amount of Water:** Up to 2,600 acre-feet per annum, subject to the conditions set forth below.

2. The City of Gallup is limited to the following pumping schedule:
  - a. During the first five (5) years from issuance of this permit, pumping from wells G-80 et al. is limited to a combined total of 1,000 acre-feet per annum;
  - b. From year six (6) to year ten (10) from issuance of this permit, pumping from wells G-80 et al. is limited to a combined total of 1,500 acre-feet per annum;
  - c. From year eleven (11) to year twenty (20) from issuance of this permit, pumping from wells G-80 et al. is limited to a combined total of 2,000 acre-feet per annum;
  - d. After the second decade, the maximum total pumping from wells G-80 et al. is limited to a combined total of 2,600 acre-feet per annum.
3. Wells G-80 et al. shall be equipped with a totalizing meter, or meters, of a type and at a location(s) approved by, and installed in a manner acceptable to the State Engineer. Records of the total amount of water diverted from each well shall be submitted in writing to the State Engineer on or before the 10<sup>th</sup> day of each month for the preceding calendar month. No water shall be diverted from any well unless equipped with a functional totalizing meter.
4. The Permittee shall provide in writing, the make, model, serial number, date of installation, initial reading, units, and dates of recalibration of each meter.
5. On or before November 1, in the form of an annual written report acceptable to the Water Use and Conservation Bureau, the permittee shall provide information and data from the previous calendar year on water conservation efforts, monthly per capita use estimates utilizing the State Engineer's GPCD Calculator and the American Water Works Association system water audit for that year. The annual report shall also identify any changes to the water conservation plan, all of which illustrate the effectiveness of the water conservation efforts of the permittee.
6. The Office of the State Engineer shall supply a well identification tag for the well driller to firmly affix to the well casing or cap upon completion in accordance with Subsection M of 19.27.4.29 NMAC. The permit holder is responsible for maintaining the identification tag.



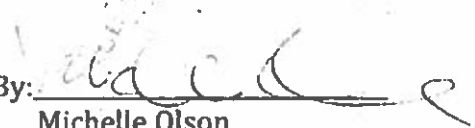
The Well Tag IDs associated with the wells permitted under this application are as follows:

Well No.	Well Tag ID	Well No.	Well Tag ID
G-80 POD1:	107EE	G-80 POD8:	107E7
G-80 POD2:	107ED	G-80 POD9:	107E6
G-80 POD3:	107EC	G-80 POD10:	107E5
G-80 POD4:	107EB	G-80 POD11:	107E4
G-80 POD5:	107EA	G-80 POD12:	107E3
G-80 POD6:	107E9	G-80 POD13:	107F0
G-80 POD7:	107E8	SJ-1491 POD1:	107EF

7. The Permittee shall submit progress reports on its 40-Year Water Development Plan and Water Conservation Plan on or before November 1, 2022, and every five years thereafter.
8. Proof of Application of Water to Beneficial Use shall be filed on or before November 1, 2060 (40 years) subject to Conditions 5 and 6 above.
9. The Permittee shall use the highest and best technology available to ensure conservation of water to the maximum extent practical.
10. The State Engineer retains jurisdiction to administer the conditions of this permit, and for purposes of ensuring that exercise of the permit does not violate the foregoing conditions is not detrimental to existing water rights, is not contrary to the conservation of water within the state and is not detrimental to the public welfare of the State of New Mexico.
11. Pursuant to Section 72-8-1 NMSA, the permittee shall allow the State Engineer and his representative's entry upon private property for the performance of their respective duties, including access to the wells for meter readings and water level measurements.

Witness my hand and seal this 25<sup>th</sup> day of September, 2020.

**JOHN D'ANTONIO JR., P.E.**  
NEW MEXICO STATE ENGINEER

By:   
Michelle Olson  
Water Resource Professional II