

(Decision No. 65447)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

* * *

IN THE MATTER OF THE APPLICATION OF PUBLIC
SERVICE COMPANY OF COLORADO FOR A CERTIFI-
CATE OF PUBLIC CONVENIENCE AND NECESSITY
TO RENDER ELECTRIC SERVICE IN CERTAIN
AREAS IN THE COUNTIES OF ALAMOSA, CONEJOS,
COSTILLA, RIO GRANDE, AND SAGUACHE, COLO-
RADO, AND FOR AN ORDER AUTHORIZING THE
EXCHANGE OF CERTAIN ELECTRIC FACILITIES
WITH SAN LUIS VALLEY RURAL ELECTRIC CO-
OPERATIVE, INC., ALL PURSUANT TO AN AGREE-
MENT MADE AND ENTERED INTO BY AND BETWEEN
PUBLIC SERVICE COMPANY OF COLORADO AND
SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE
INC.

APPLICATION NO. 21146

IN THE MATTER OF THE APPLICATION OF SAN
LUIS VALLEY RURAL ELECTRIC COOPERATIVE,
INC. FOR A CERTIFICATE OF PUBLIC CONVEN-
IENCE AND NECESSITY TO RENDER ELECTRIC
SERVICE IN CERTAIN AREAS IN THE COUNTIES
OF ALAMOSA, CONEJOS, COSTILLA, MINERAL,
RIO GRANDE AND SAGUACHE, COLORADO, AND FOR
AN ORDER AUTHORIZING THE EXCHANGE OF
CERTAIN ELECTRIC FACILITIES WITH PUBLIC
SERVICE COMPANY OF COLORADO, ALL PURSUANT
TO AN AGREEMENT MADE AND ENTERED INTO BY
AND BETWEEN PUBLIC SERVICE COMPANY OF
COLORADO AND SAN LUIS VALLEY RURAL ELEC-
TRIC COOPERATIVE, INC.

APPLICATION NO. 21147

July 27, 1965

Appearances: Lee, Bryans, Kelly and Stansfield,
Esqs., by
Bryant O'Donnell, Esq., Denver,
Colorado, for Public Service
Company of Colorado;
William O. DeSouchet, Jr., Esq.,
Alamosa, Colorado, for San Luis
Valley Rural Electric Cooperative;
Paul M. Brown, Denver, Colorado, of
the Staff of the Commission.

S T A T E M E N T

By the Commission:

On May 5, 1965, Public Service Company of Colorado (herein-
after referred to as "Public Service") and San Luis Valley Rural Electric

Cooperative, Inc. (hereinafter referred to as "San Luis Valley") filed a joint application requesting that this Commission enter orders granting to Public Service and San Luis Valley certificates of public convenience and necessity to own, operate, maintain and extend electric facilities to serve the public in certain areas referred to in the application and in an agreement between them attached thereto and incorporated therein by reference as Exhibit A, a conformed copy of which is attached hereto and incorporated herein by reference; to enter an order authorizing said parties to exchange certain electric facilities described in said agreement; for an order authorizing and approving the agreement between the parties attached to the petition as Exhibit A; and for such other orders as the Commission might deem necessary.

The application was duly set for hearing on June 8, 1965, at 10:00 o'clock A.M. at the Commission's Hearing Room, State Services Building, Denver, Colorado, and notice thereof was given to interested parties. No one appeared at the hearing in protest to said application.

Public Service is an operating public utility engaged, among other things, in the generation, transmission, distribution and sale of electric energy in an extensive area in the State of Colorado, including various areas in Alamosa, Conejos, Costilla, Rio Grande and Saguache Counties, in the San Luis Valley. San Luis Valley is a rural electric cooperative association engaged in the transmission, distribution and sale of electric energy, serving in certain areas in the San Luis Valley in the Counties of Alamosa, Conejos, Costilla, Rio Grande and Saguache, and in neighboring Mineral County.

The testimony of the various witnesses and the exhibits introduced disclosed that Public Service and San Luis Valley have entered into an agreement, subject to the approval of this Commission, which determines and defines the service area of each company in a large area in said counties, in which both utilities presently have electric facilities and are rendering electric service to the public. Said agreement marked

Exhibit A was attached to the joint application filed in this matter and is one and the same agreement which was introduced at the hearing as Public Service Exhibit No. 1 and is one and the same as Exhibit A attached to this statement, findings and order and herein referred to as Exhibit A. Appended to Exhibit A are two maps identified as Exhibit 1 herein, a metes and bounds description of the territories to be supplied with electric service by San Luis Valley identified as Exhibit 2 herein, and a metes and bounds description of the territories to be supplied with electric service by Public Service identified as Exhibit 3, herein.

The agreement Exhibit A is the result of many months of negotiation between the parties directed to the elimination of duplicate facilities and over-lapping of service areas, which have complicated the rendition of service in the area for many years. Since such duplication of service is antithetic to economy of utility operation, this Commission looks with favor upon the voluntary settlement of such territorial disputes so long as the terms of settlement are in the public interest, and will not withhold its approval of such an agreement, if the same is in the public interest.

A map of the areas in question (Exhibit 1 of Exhibit A attached hereto) showing the boundary lines of the various areas in which each of the respective utilities would serve was introduced in evidence as Public Service Exhibit 2. Generally, the compromise and settlement voluntarily arrived at by the two utilities provides that (1) San Luis Valley will render electric service in an area designated as "San Luis Valley area (Main Tract)," except for Tracts A, B, C and D, which are enclaves within said area, and in an area designated as "San Luis Valley Area (Costilla County Tract)" and (2) that Public Service will render all service in said Tracts A, B, C and D and in separate Tracts E and F, all subject to certain exceptions and reservations contained in Exhibit A. Not determined by said agreement is the claimed right of Public Service to serve customers along its transmission lines wherever located, when such

service involves taps to transmission lines of a voltage of 69,000 volts or higher, which matter was agreed to be submitted to the Commission for determination at such time as request for such service shall be made.

The two utilities have agreed that exchange value will be based on 3 1/2 times the difference in the 1961 annual revenue of the customers in the area to be exchanged. The agreement contains adequate plans and provisions for the orderly transfer of customers and electric facilities so that the public will be inconvenienced as little as possible and that electric service can be continued during the transition period with a minimum interruption.

Both utilities presented evidence to this Commission for its consideration on all of the pertinent facts relating to present service to the consuming public as well as the manner in which future service will be undertaken by each utility.

After the sale and exchange of facilities and transfer of customers from each utility to the other, each utility will render service to its new customers under its rates on file with this Commission.

Evidence was presented disclosing the number of customers to be transferred by each utility to the other in order to integrate service in the areas agreed to. The evidence shows that neither utility will suffer a financial hardship from the sale and exchange of facilities and the transfer of existing customers, and that such sale, exchange and transfer will not in any manner jeopardize the financial integrity of either company.

The Commission and its staff were furnished with copies of Public Service Exhibit 1 a substantial time prior to the hearing date in order that the staff of the Commission could undertake such investigation and review of the proposed territorial settlement as it deemed necessary to insure that the public interest would be protected. This Commission is fully informed of the matters set forth in the joint

application and the agreement Exhibit 1 attached thereto, and is of the opinion that the joint application and the agreement submitted for the approval of the Commission is in the public interest and that the consummation of the contract and the granting of certificates will result in a substantial elimination of present and future duplication of electric facilities; will, to a large extent, do away with confusion in the mind of the consuming public as to which utility is entitled to serve in any given area, and will result in more efficient public utility service to the public involved; wherefore the agreement Exhibit 1, being the agreement between Public Service and San Luis Valley, should be, and it is hereby, approved in its entirety.

F I N D I N G S

THE COMMISSION FINDS:

That the above statement be, and it is hereby, made a part hereof by reference.

That the Commission has jurisdiction of the subject matter and of the joint applicants.

That Public Service and San Luis Valley are both public utilities, and are subject to the jurisdiction and regulation of this Commission.

That Exhibit 1, being the agreement between Public Service and San Luis Valley referred to above, is consistent with the public interest and public convenience and necessity require that the same should be approved in its entirety and that certificates of public convenience and necessity should issue as in the joint application prayed.

O R D E R

THE COMMISSION ORDERS:

1. That Exhibit A, being the agreement between Public Service and San Luis Valley, dated November 24, 1964, is consistent with the public interest and public convenience and necessity require the approval of the same and it is, therefore, hereby approved by this Commission in its entirety and said agreement, Marked Exhibit A, and its appended Exhibits 1, 2 and 3, is attached hereto, and is hereby incorporated in this order

and decision by reference and made a part hereof the same as if said agreement Exhibit A, and its appended exhibits, were fully set out in this order and decision.

2. That Public Service Company of Colorado be, and it is hereby, granted a certificate of public convenience and necessity to render electric service within the areas as set forth in Exhibit 3 of Exhibit A attached hereto.

3. That San Luis Valley Electric Cooperative, Inc., be, and it hereby is, granted a certificate of public convenience and necessity to render electric service within the areas as set forth in Exhibit 2 of Exhibit A attached hereto.

4. That this order, decision and certificate of public convenience and necessity is without prejudice to the right of Public Service to make application to this Commission for a certificate of public convenience and necessity at a later date to serve customers along the route of its transmission lines, service to whom shall necessitate, require or justify the tapping of an electric transmission line having a voltage of 69,000 volts or higher, in said areas designated as areas to be served by San Luis Valley in Paragraph 3 preceding.

5. That the Commission retain jurisdiction of these matters to make such further Order or Orders as may be necessary in the premises.

That this Order shall become effective as of the day and date hereof.

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

Alvin E. Zalusky
Donald B. Butler

Walter C. Norton
Commissioners

Dated at denver, Colorado,
this 27th day of July, 1965.

et

A G R E E M E N T

THIS AGREEMENT, made and executed this 24th day of November, 1964, by and between PUBLIC SERVICE COMPANY OF COLORADO, a corporation organized and existing under the laws of the State of Colorado (hereinafter called "Public Service") and SAN LUIS VALLEY RURAL ELECTRIC COOPERATIVE, INC., a corporation organized and existing under the laws of the State of Colorado (hereinafter called "San Luis Valley")

W I T N E S S E T H:

WHEREAS, Public Service is a public utility operating company engaged, among other things, in generation, transmission, distribution and sale of electric energy in various cities, towns, communities and rural areas in the State of Colorado and owns and operates certain electric transmission and distribution lines and related facilities, rights of way and easements, and other property related thereto and used in connection therewith, located in, among other places, the Counties of Alamosa, Conejos, Costilla, Rio Grande, and Saguache, Colorado, as shown on a map marked Exhibit 1 attached hereto and made a part hereof; and

WHEREAS, San Luis Valley is an electric cooperative association and a public utility engaged in the purchase, transmission, distribution and sale of electric energy for consumption in certain Counties of the State of Colorado and owns and operates certain electric distribution and transmission lines and related facilities, rights of way and easements, and other property related thereto and used in connection therewith, located in the Counties of Alamosa, Conejos, Costilla, Mineral, Rio Grande and Saguache, Colorado, all as shown on a map marked Exhibit 1 attached hereto and made a part hereof; and

WHEREAS, in certain of the areas served by the parties hereto, there has resulted duplication of electric facilities because of the extensive development of the area and the increased need for electric energy therein, and the parties hereto in recognition of the fact that such duplication of facilities is inconsistent with the most efficient economical

service to the public, have mutually agreed, after extensive study, analysis and investigation of the many operative and administrative problems affecting the respective parties' operations, upon an exchange of various electric distribution facilities and related property and equipment, and the definition of the respective service areas of the parties hereto (recognizing, however, that Public Service is serving in areas which are outside the scope of this Agreement), which will enable each of the parties to more efficiently render electric service to the public.

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

SERVICE AREAS

1. Exhibit 1 attached hereto and made a part hereof is a map showing the areas in which San Luis Valley and Public Service own and operate electric lines and facilities in the area applicable to and intended to be covered by this agreement. The future service areas of the parties hereto shall be as follows:

(a) San Luis Valley shall render electric service within the area delineated as its service area on the map attached hereto as Exhibit 1, Pages 1 and 2, which area is more particularly described in Exhibit 2 attached hereto and made a part hereof.

(b) Public Service shall render electric service within the area delineated as its service area on Exhibit 1, Page 1, which area is more particularly described in Exhibit 3 attached hereto and made a part hereof. In recognition of the fact that Public Service serves extensive areas in various portions of the State of Colorado as well as those shown on Exhibit 1 and not intended to be covered by the terms of this agreement, it is understood and agreed that none of the terms and provisions of this agreement shall cover or be applicable to the operations, service, or lines and facilities of Public Service located in any areas or portions of the State of Colorado outside of said delineated area shown on Exhibit 1 and described in Exhibit 3. In recognition of the further

fact that Public Service operates and maintains transmission lines located in areas described in Paragraph 1 (a) of this Article designated as "San Luis Valley Service Area" it is specifically understood and agreed that the limitations contained in this Paragraph 1 (b) shall not be applicable to service from transmission lines and that any future extensions of said transmission lines or service from such lines or extensions shall be governed by the terms and provisions of Article V of this agreement.

2. Neither party shall extend its electric lines and facilities or render electric service within the areas assigned to and designated as the service area of the other party unless authorized or ordered by The Public Utilities Commission of the State of Colorado. Provided that nothing herein contained shall be construed to restrict the right of either party to continue to operate existing transmission lines and associated primary substations and primary distribution feeder lines or to construct new transmission lines or primary substations or primary distribution feeder lines through areas served by the other party if necessary to meet the electric requirements of the public served by the parties, in their respective service areas.

ARTICLE II

CUSTOMERS AND FACILITIES

1. Public Service, as of the transfer date hereinafter set forth, shall sell, convey, transfer and assign to San Luis Valley all of its electric distribution facilities located within San Luis Valley Areas and after completion of said transfer, shall thereafter serve no customers in said San Luis Valley Area except as otherwise provided herein.

2. San Luis Valley, as of the transfer date hereinafter set forth, shall sell, convey, transfer and assign to Public Service all of its electric distribution facilities located within Public Service Areas, and shall thereafter serve no customers in Public Service Areas except as otherwise provided herein.

3. Exclusions. Excluded from said facilities sold by the parties are the following:

- a. All transmission lines, which are hereby defined to be electric lines of 33 KV or higher voltage together with transmission line substations.
 - b. All distribution feeders which cross the other party's Service Areas which are necessary to supply service to the respective party's Service Areas.
 - c. Meters, distribution transformers and related equipment excepting meter bases that can be used by the other party.
4. The method of transfer by the parties hereto of their distribution facilities and customers located within the other party's Service Area shall be as follows:

- a. The parties hereto shall transfer all of their distribution facilities located in the other party's Service Areas as above set forth and shall forthwith transfer all of their customers in said Areas to the other party in the manner and under the plan hereinafter set forth under Article IV, Transition Period - Cut-Over.

5. Miscellaneous to be Transferred

- a. In addition to the electric facilities of the respective parties to be transferred hereunder, the parties hereto also covenant and agree to convey and assign all easements, rights of way or other occupancy rights with respect to public or private lands on which said lines and facilities are situated.
- b. Each party shall convey by Bill of Sale or such other reasonable and necessary documents of conveyance as may be needed in form satisfactory to the other party its respective facilities as herein agreed.
- c. In addition to the transfer of physical facilities as above provided, the parties hereto, subject to required

approvals, shall assign and transfer in whole or in part as appropriate all franchises, certificates of convenience and necessity or other governmental or regulatory authorizations or consents with respect to the property herein agreed to be transferred.

- d. Wherever abstracts of title to property being exchanged under the terms hereof shall be in the possession of either of the parties, such abstracts shall be delivered with the conveyances to the property abstracted, provided however, that neither party shall be under the duty or obligation to obtain new abstracts to any of the property being exchanged hereunder or to obtain extensions of abstracts already in the possession of said party.

ARTICLE III

PURCHASE PRICE AND CONSUMMATION OF CLOSING

I. Consideration. The 1961 revenue derived from the 102 customers of Public Service proposed to be served by San Luis Valley was \$32,085.06, and the 1961 revenue derived from the 136 customers of San Luis Valley proposed to be served by Public Service was \$27,286.17, or a difference of \$4,798.89; and it is agreed that the difference in the value of the properties proposed to be exchanged by the parties is $3\frac{1}{2}$ times such difference of \$4,798.89, or the total sum of \$16,796.11. Said sum of \$16,796.11 shall be paid by San Luis Valley to Public Service after approval by the Public Utilities Commission of this agreement upon closing and the delivery of the instruments of transfer and exchange herein contemplated.

2. Each of the parties shall take all necessary and reasonable action to obtain public acceptance of this proposal, to obtain the approval of The Public Utilities Commission of the State of Colorado and to obtain such other approvals as may be required to effect the exchange of facilities

and customers with the least possible inconvenience to the public and the customers involved, and the minimum cost to the parties.

3. The date of closing shall be a date mutually agreed by and between the parties hereto, but shall in no event be later than sixty (60) days after the approval of the transfer and exchange contemplated hereunder by The Public Utilities Commission of the State of Colorado and shall take place in the office of Public Service in Denver, Colorado.

a. At least five (5) days prior to the closing, each party shall deliver to the other party as many duly conformed copies of the required closing instruments as may be reasonably requested and agree that it will execute and deliver any additional instruments of further assurance as may be requested by the other party to fully effectuate the intent and terms hereof. Neither party hereto shall be obligated to convey any property or to make any payment or tender pursuant to the terms hereof on the date of closing unless both parties hereto shall be prepared simultaneously to perform all of the acts required by this agreement to be performed on the closing date.

b. Each of the parties shall take possession of the facilities to be acquired by it under the terms of this agreement as set forth in Article IV, Paragraph 5.

4. Each of the parties hereto shall obtain any and all releases, consents or approvals from any party holding any lien, mortgage, deed of trust, or other encumbrance upon any of the property contemplated to be transferred and exchanged hereunder so that all of such property may be transferred and exchanged free and clear of any and all liens and encumbrances whatsoever with the exception of current taxes. In addition, the parties hereto shall obtain any and all other authorizations, orders, consents or approvals required by law from any Federal, State or Local authorities having jurisdiction in the premises. Conformed copies of the above

consents, releases, permits or approvals required to be obtained by any party hereto prior to the closing of this transaction shall be furnished to the other party for their examination at least five (5) days prior to the closing date.

5. Any amounts payable to either party under this agreement shall be made by certified check or by such other method as the parties may agree.

ARTICLE IV

CUT-OVER AND TRANSITION PERIOD

1. Not later than thirty (30) days after the closing date, each of the parties hereto shall cause the meters of its customers served through facilities to be transferred and exchanged hereunder to be read. If the party receiving said customers to be transferred so desires, it may simultaneously read said meters. All meters shall be read within five (5) working days commencing with the first meter reading. Immediately after all of said meters have been read, each party shall furnish to the other party a record of such meter readings so that each party will have a sufficient basis for future billing. The customers shall be transferred between the parties as of the date of final meter reading as herein described.

- a. Immediately after final meter readings have been made, final bills shall be rendered to all customers being transferred. Each party hereto shall make every effort to effect collection of their respective accounts receivable, including said final bill, from such customers during the 60-day period immediately following transfer of customer.
- b. At a date to be agreed upon, but not more than ninety (90) days after the date of final meter readings, each party shall prepare and deliver to the other party a customer list showing the names, addresses, meter numbers and net amount unpaid of all accounts receivable remaining on its books for electric service

rendered to its customers to be served by the other party prior to the transfer date and shall, by assignment delivered to the other party, unconditionally sell and assign all such accounts and the other party shall purchase and pay therefor an amount equal to the aggregate sum of such accounts.

- c. On or prior to the date of transfer of customers between the parties, each party hereto shall refund or cause to be refunded to its respective customers served by its facilities to be sold and exchanged hereunder any and all customers' refundable deposits of every nature made by such customers excluding Capital Credits of Members of San Luis Valley who are transferred to Public Service which shall be treated as provided by San Luis Valley's articles of incorporation, by-laws and rules and regulations, and shall terminate or cause to be terminated any and all existing guaranteed monthly revenue service agreements or contracts with any customer served by its facilities to be sold and exchanged hereunder.

2. Subsequent to the transfer of customers as set forth in Article IV, Paragraph 1, arrangements for orderly exchange of facilities shall be made by a committee composed of operating personnel representing both parties. Said committee shall determine the most expeditious manner, creating the least inconvenience to customers, of phasing in and cutting over of facilities to be exchanged and of changing of distribution transformers and meters.

- a. Except as otherwise specifically provided, each party shall bear all costs of whatsoever nature incurred in revising, rearranging, rebuilding or reconnecting the facilities received from the other party and necessary to operation of such facilities as a part of the distribution system of said receiving party.

b. At the time of cut-over of a particular line, the party receiving the line shall remove the distribution transformers of the party transferring said line and shall install thereon its distribution transformers necessary to render service at the operating voltage of the party receiving said line. All such transformers removed shall be tagged with a tag indicating the date, address of nearest customer served therefrom, and shall be delivered to the designated service center of the party owning same, at least once each week. All such returned transformers shall be properly receipted for.

3. As soon as possible following the cut-over of a particular line, the party receiving the line shall remove the meters served from said line of the party transferring said line and shall install thereon its meters. All such meters removed shall be tagged with a tag indicating that date, name and address of customer and shall be delivered to the designated service center of the party owning same at least once each week. All such returned meters shall be properly receipted for. All meters shall be changed within 120 days of closing.

4. Each of the parties shall operate and maintain its respective facilities to be transferred until said facilities are cut-over and physically connected to the receiving party's system.

5. The time of possession by the party receiving facilities to be transferred from the transferring party shall be the date of cut-over of each section.

6. In the event that any customer should be required to be connected to a line which has not yet been cut-over the party acquiring the line shall connect said customer, provided that the other party shall be notified in advance of the date and time that such connection is to be made so that such party may be present, if it so desires.

7. Where required and/or requested, both parties shall be present at times when cut-overs are made and when transformers and meters are changed.

8. Following the completion of meter changes for all customers transferred, the parties hereto shall calculate the total number of meters, meter housings, transformers and other special equipment removed by each of the parties hereto, and shall determine the difference in the number of such facilities so removed. The party removing the lesser number of such facilities shall pay to the other party the following amounts for the difference in facilities removed:

Meter	\$1.00
Meter Base or Housing	\$1.00
Transformer	\$5.00

9. The respective parties hereto shall pay all taxes of every kind and nature on or relating to the operation of their respective facilities to be sold and exchanged pursuant to this agreement, to and including the date of closing, and shall also pay any and all transfer and other taxes which may come by reason of said sale and exchange, including without limitations any State sales taxes accrued and owing as of the date of closing. All ad valorem taxes in respect of the respective facilities for the year 1963, payable in 1964, shall be paid by the party owning such facilities as of the date hereof, and there shall be no attempt to pro-rate such taxes. Each party shall indemnify the other and save such other party harmless against any liability with respect to its own share, as herein defined, of all taxes referred to in this Paragraph 9.

ARTICLE V

TRANSMISSION LINE SERVICE

1. The parties hereto have been unable to agree upon the claimed right of Public Service to render electric service from its existing transmission lines located in areas assigned to and designated as the service areas of San Luis Valley. It is the contention of Public Service that it has the right and duty to render service to any customer within any area in

which its transmission lines are located when the nature of the service requested by any such customer necessitates, requires or justifies the tapping of an electric transmission line having a voltage of 69,000 volts or higher. San Luis Valley denies that Public Service should have such right or duty and this agreement, therefore, does not cover the claimed right of Public Service to render service from its existing transmission lines in areas assigned to and designed as the service area of San Luis Valley. The parties do agree that the claimed right of Public Service to render electric service from such transmission lines shall be submitted to The Public Utilities Commission of the State of Colorado for determination at such time as request for such service may be made in the future. It is understood and agreed however, that Public Service shall not construct or extend transmission lines in the areas assigned to and designated as the service areas of San Luis Valley for the purpose of rendering electric service to the public within such areas without prior authorization or direction by order of The Public Utilities Commission of the State of Colorado.

ARTICLE VI

MISCELLANEOUS

1. There shall be no general assumption by either party hereto of the other party's liabilities of any nature other than from and after the date of closing: (a) Public Service shall render electric service to the former customers of San Luis Valley which were served through the San Luis Valley facilities to be transferred to Public Service hereunder, and San Luis Valley shall render electric service to the former customers of Public Service which were served through Public Service facilities to be transferred to San Luis Valley hereunder; (b) All obligations to be performed subsequent to the date of closing under all easements, crossing agreements, rights of way, leases, licenses and franchises to be transferred and exchanged hereunder shall be assumed and performed by the party to which any such instruments are assigned and transferred under the terms hereof; (c) Obligations to be performed under joint use attachment

agreements, provided that each party shall pay and receive rentals with respect to the facilities transferred by it hereunder for the period ending with the date of transfer of facilities.

2. Each party shall indemnify and hold the other party harmless from any loss or damage from any contractual obligations of the other party other than as set forth in (a), (b) and (c) above.

3. Between the date of execution of this agreement and the date of closing, neither party hereto shall enter into any contracts relating to its facilities which are to be sold and exchanged hereunder or the operation of such facilities, nor shall either party, during such period, sell or otherwise dispose of any part of its facilities which are to be sold and exchanged hereunder except such part or parts thereof as may be retired from service in the usual course of business. Upon the retirement from service of any such part or parts the party owning the same shall, insofar as possible, forthwith make replacements thereof which will maintain the value of said facilities and their capacity to render service.

4. The respective parties hereto shall promptly take all necessary action to obtain all consents, releases, or approvals necessary to consummate this transfer and exchange, and in connection therewith agree to render to each other all assistance and cooperation as the respective parties may reasonably request in order to expeditiously carry out the terms and provisions hereof.

5. All notices hereunder to Public Service shall be sufficient if sent by registered mail or telegram, addressed to L. R. Patterson, Vice President, Public Service Company of Colorado, Box 840, Denver, Colorado. All notices hereunder to San Luis Valley shall be sufficient if sent by registered mail or telegram, addressed to Ray Villyard, Manager, San Luis Valley Rural Electric Cooperative, Inc., Monte Vista, Colorado. Either party hereto by written notice to the other party may specify a different address for purposes of notification, and in each such case, all notices thereafter sent shall be sufficient if sent to such address by the method prescribed above. All notices shall be deemed to have been given on the

date of posting, if sent by mail, or on the date of delivery to the sending office of the telegraph company, if sent by telegram.

6. This agreement constitutes the entire agreement and understanding of the parties hereto with respect to the transfer and exchange of facilities herein described and service by the respective parties to the affected area. It is understood and agreed, however, that the parties hereto in their operations as public utilities are charged with the duty and responsibility of rendering electric service to the public in their respective service areas and that while the parties have earnestly and sincerely endeavored to resolve by this agreement all of their respective operating problems, it is recognized that future problems may arise affecting the operations of the parties which have not and could not have been anticipated at this time because of the very nature of the public utility business and the ever changing requirements and needs of the public involved. In recognition thereof, the parties hereto covenant and agree that in the event future conflicts arise with respect to their respective electric systems operations they will meet and negotiate in a bona fide manner toward the end of mutually resolving and agreeing upon a solution to any such conflicts toward the end of adopting a course of operations which will best serve the public interest.

7. This agreement and any ancillary agreements entered into pursuant hereto shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto, or of the successors and assigns of the parties to such ancillary agreements, as the case may be.

8. This agreement may be simultaneously executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

9. It is understood and agreed that San Luis Valley and Public Service are public utilities, subject to the jurisdiction and regulation of The Public Utilities Commission of the State of Colorado and that this agreement and the rendering of electric service by said parties as herein contemplated is subject to the approval of said Public Utilities Commission.

**U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION**

REA BORROWER DESIGNATION Colorado 14 Alamosa

THE WITHIN Agreement - Exchange of Property with the Public
Service Company of Colorado

**SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE
TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE
PURPOSES OF SUCH CONTRACT.**

DATED

1-25-65


FOR THE ADMINISTRATOR

SAN LUIS VALLEY SERVICE AREAS

Beginning at the NE corner of Section 1, T38N, R6E, N.M.P.M; thence westerly along the north line of T38N to the NW corner of Section 4 in T38N, R5E; thence southerly along the west line of said Section 4 to the SW corner of said Section 4; thence westerly along the south line of Section 5, T38N, R5E, to the SW corner of Section 5; thence southerly along the east line of Section 7, T38N, R5E, to the SE corner of said Section 7; thence westerly along the south line of said Section 7, T38N, R5E, along the south line of Section 12, T38N, R $4\frac{1}{2}$ E, to the SW corner of said Section 12; thence northerly along the west line of Sections 12 and 1, T38N, R $4\frac{1}{2}$ E and along the west line of Sections 36, 25, 24 and 13, T39N, R4E to the SW corner of Section 12, T39N, R4E; thence westerly along the south line of Sections 11, 10, 9, 8 and 7, T39N, R4E and along the south line of Section 12, T39N, R $3\frac{1}{2}$ E, and along the south line of Section 12, T39N, R3E to the SW corner of said Section 12; thence southerly along the east line of Sections 14, 23, 26 and 35, T39N, R3E, to the SE corner of said Section 35; thence westerly along the north line of T38N, to the SW corner of Section 35, T39N, R2E; thence northerly along the west line of Sections 35, 26, 23, 14, 11 and 2, T39N, R2E to the NW corner of Section 2; thence easterly along the north line of said Section 2 to the SW corner of Section 35, T40N, R2E; thence northerly along the west line of Sections 35, 26 and 23, T40N, R2E, to the NW corner of said Section 23; thence westerly along the south line of Sections 15, 16, 17 and 18, T40N, R2E, and along the south line of Sections 13, 14 and 15, T40N, R1E to the SW corner of said Section 15; thence northerly along the west line of Sections 15, 10 and 3, T40N, R1E, to the NW corner of said Section 3; thence westerly along the south line of Sections 33, 32 and 31, T41N, R1E to the SW corner of said Section 31; thence southerly along the line between Ranges 1E and 1W to the SE corner of Section 36, T40N, R1W; thence westerly along the south line of T40N, R1W and R2W, to the SW corner of Section 35, T40N, R2W; thence northerly along the west line of Sections 35, 26 and 23, T40N, R2W, to the NW corner of said Section 23; thence westerly along the south line of Sections 15 and 16, T40N, R2W, to the SW corner of said Section 16; thence northerly along the west line of said Section 16 to the NW corner thereof; thence westerly along the south line of Section 8, T40N, R2W, to the SW corner of said Section 8; thence northerly along

the west line of Sections 8 and 5, T⁴0N, R2W, to the NW corner of said Section 5; thence westerly along the south line of Section 31, T⁴1N, R2W, to the SW corner of said Section 31; thence northerly along the west line of Sections 31, 30, 19, 18 and 7, T⁴1N, R2W to the NW corner of said Section 7; thence easterly along the north line of Sections 7 and 8, T⁴1N, R2W, to the NE corner of said Section 8; thence southerly along the east line of said Section 8 to the SE corner thereof; thence easterly along the north line of Sections 16 and 15, T⁴1N, R2W, to the NE corner of said Section 15; thence southerly along the east line of Sections 15, 22, 27 and 34, T⁴1N, R2W, to the SE corner of said Section 34; thence easterly along the north line of Sections 2 and 1, T⁴0N, R2W, to the NE corner of said Section 1; thence northerly along the west line of Sections 31, 30, 19, 18 and 7, T⁴1N, R1W to the NW corner of said Section 7; thence easterly along the north line of Sections 7, 8 and 9, T⁴1N, R1W, to the NE corner of said Section 9; thence northerly along the west line of Section 3, T⁴1N, R1W, and along the west line of Sections 34, 27, 22 and 15, T⁴2N, R1W, to the NW corner of said Section 15; thence easterly along the north line of Sections 15, 14 and 13, T⁴2N, R1W, and along the north line of Section 18, T⁴2N, R1E to the NE corner thereof; thence southerly along the east line of Sections 18, 19, 30 and 31, T⁴2N, R1E to the SE corner of said Section 31; thence easterly along the north line of Section 5, T⁴1N, R1E to the NE corner of said Section 5; thence southerly along the east line of said Section 5 to the SE corner thereof; thence easterly along the north line of Sections 9 and 10, T⁴1N, R1E, to the NE corner of said Section 10; thence southerly along the east line of said Section 10 to the SE corner thereof; thence easterly along the north line of Section 14, T⁴1N, R1E, to the NE corner of said Section 14; thence southerly along the east line of said Section 14 to the SE corner thereof; thence easterly along the north line of Section 24, T⁴1N, R1E, and along the north line of Sections 19, 20 and 21, T⁴1N, R2E to the NE corner of said Section 21; thence southerly along the east line of Sections 21 and 28, T⁴1N, R2E, to the SE corner of said Section 28; thence easterly along the north line of Sections 34 and 35, T⁴1N, R2E to the NE corner of said Section 35; thence southerly along the east line of Section 35, T⁴1N, R2E, and along the east line of Section 2, T⁴0N, R2E to the SE corner of said Section 2; thence

easterly along the north line of Section 12, T⁴ON, R2E and along the north line of Section 7, T⁴ON, R3E, to the NE corner of said Section 7; thence southerly along the east line of Sections 7 and 18, T⁴ON, R3E, to the SE corner of said Section 18; thence easterly along the north line of Sections 20, 21, 22 and 23, T⁴ON, R3E to the NE corner of said Section 23; thence northerly along the west line of Sections 13 and 12, T⁴ON, R3E, to the NW corner of said Section 12; thence easterly along the north line of Section 12, T⁴ON, R3E, and along the north line of Sections 7, 8, 9, 10, 11 and 12, T⁴ON, R4E, and along the north line of Sections 7, 8, 9, 10, 11 and 12, T⁴ON, R5E, and along the north line of Sections 7, 8 and 9, T⁴ON, R6E to the NE corner of said Section 9; thence northerly along the west line of Section 3, T⁴ON, R6E, and along the west line of Sections 34, 27 and 22, T⁴1N, R6E, to the NW corner of said Section 22; thence westerly along the south line of Section 16, T⁴1N, R6E, to the SW corner of said Section; thence northerly along the west line of Sections 16, 9 and 4, T⁴1N, R6E, to the NW corner of said Section 4; thence easterly along the north line of said Section 4, to the NE corner of said Section; thence northerly along the west line of Sections 34, 27 and 22, T⁴2N, R6E, to the NW corner of said Section 22; thence easterly along the north line of Sections 22, 23 and 24, T⁴2N, R6E to the NE corner of said Section 24; thence northerly along the line between R6E and R7E to the NW corner of Section 30, T⁴3N, R7E; thence easterly along the north line of Sections 30, 29 and 28, T⁴3N, R7E, to the NE corner of said Section 28; thence northerly along the west line of Sections 22, 15, 10 and 3, T⁴3N, R7E, and along the west line of Section 34, T⁴4N, R7E to the W¹/₄ corner of said Section 34; thence easterly along the east-west center lines of Sections 34, 35 and 36, T⁴4N, R7E, and along the east-west center lines of Sections 31, 32 and 33, T⁴4N, R8E to the SW corner of the E¹/₂ NW¹/₄ of said Section 33; thence northerly along the west line of said E¹/₂ NW¹/₄ of said Section 33 to the north line of said Section 33; thence easterly along the north line of said Section 33 to the N¹/₄ corner of said Section; thence northerly along the north-south center lines of Sections 28, 21, 16 and 9, T⁴4N, R8E to the center of said Section 9; thence easterly along the east-west center lines of Section 9 and 10, T⁴4N, R8E, to the SW corner of the E¹/₂ NW¹/₄ of said Section 10; thence northerly along the west line of said E¹/₂ NW¹/₄ of said Section 10 and along the

west line of the $SE\frac{1}{4}$ $SW\frac{1}{4}$ of Section 3, T44N, R8E, to the NW corner of said $SE\frac{1}{4}$ $SW\frac{1}{4}$ of said Section 3; thence easterly along the north lines of the $S\frac{1}{2}$ $S\frac{1}{2}$ of Sections 3, 2, and 1, T44N, R8E, and along the north line of the $S\frac{1}{2}$ $S\frac{1}{2}$ of Sections 6, 5, 4, 3 and 2, T44N, R9E, to the NW corner of $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 1, T44N, R9E; thence northerly along the west line of said Section 1 to the NW corner of said Section; thence easterly along the north line of said Section 1 to the SW corner of Section 36, T45N, R9E; thence northerly along the west line of Sections 36, 25, 24, 13, 12 and 1, T45N, R9E, and along the west line of Sections 36, 25 and 24, T46N, R9E, to the NW corner of said Section 24; thence westerly along the south line of Sections 14 and 15, T46N, R9E, to the SW corner of said Section 15; thence northerly along the west line of said Section 15 and Section 10, T46N, R9E, to the $W\frac{1}{4}$ corner of said Section 10; thence westerly along the east-west center lines of Sections 9, 8 and 7, T46N, R9E, to $W\frac{1}{4}$ corner of said Section 7; thence northerly along the line between R8E and R9E to the NW corner of Section 30, T47N, R9E; thence westerly along the south line of Section 24, T47N, R8E, to the $S\frac{1}{4}$ corner of said Section 24; thence northerly to the $N\frac{1}{4}$ corner of Section 24; thence westerly along the south lines of Sections 13 and 14, T47N, R8E, to the SW corner of the $E\frac{1}{2}$ $E\frac{1}{2}$ of said Section 14; thence northerly along the west line of the $E\frac{1}{2}$ $E\frac{1}{2}$ of Sections 14, 11 and 2, T47N, R8E, to the east-west center line of said Section 2; thence westerly along the east-west center line of said Section 2 to the $W\frac{1}{4}$ corner of said Section; thence northerly along the west line of said Section 2 and along the west line of Section 35, T48N, R8E to the NW corner of said Section 35; thence westerly along the south line of Section 27, T48N, R8E, to the SW corner of said Section; thence northerly along the west line of said Section 27 to the NW corner of said Section; thence easterly along the north line of Sections 27, 26, 25, T48N, R8E, and along the north line of Sections 30 and 29, T48N, R9E, to the $N\frac{1}{4}$ corner of said Section 29; thence southerly to the $S\frac{1}{4}$ corner of said Section 29; thence easterly along the north line of Section 32, T48N, R9E, to the NE corner of said Section; thence southerly along the east line of said Section 32 to the $E\frac{1}{4}$ corner of said Section; thence easterly to the center of Section 33, T48N, R9E; thence southerly to

the $S\frac{1}{4}$ corner of said Section 33; thence easterly along the north line of Section 4, T47N, R9E, to the NE corner of said Section; thence southerly along the east line of said Section 4 to the SE corner of said Section; thence easterly along the north line of Section 10, T47N, R9E, to the NE corner of said Section; thence southerly on the east line of said Section to the $E\frac{1}{4}$ corner of said Section; thence easterly along the east-west center line of Section 11, T47N, R9E to the $E\frac{1}{4}$ corner of said Section 11; thence southerly along the east line of said Section 11 to the SE corner of said Section 11; thence easterly along the north line of Section 13, T47N, R9E, to the NE corner of said Section 13; thence southerly along the east line of said Section 13 to the SE corner of said Section; thence easterly along the north line of Section 19, T47N, R10E to the $N\frac{1}{4}$ corner of said Section; thence southerly along the north-south center line of said Section 19 to the $S\frac{1}{4}$ corner of said Section; thence easterly along the north lines of Sections 30 and 29, T47N, R10E, to the $N\frac{1}{4}$ corner of said Section 29; thence southerly along the north-south center line of said Section 29 to the $S\frac{1}{4}$ corner of said Section; thence easterly along the north lines of Sections 32 and 33, T47N, R10E, to the $N\frac{1}{4}$ corner of said Section 33; thence southerly along the north-south center line of said Section 33 to the $S\frac{1}{4}$ corner of said Section; thence easterly along the north line of Section 4, T46N, R10E, to the NE corner of said Section; thence southerly along the east line of said Section 4 to the $E\frac{1}{4}$ corner of said Section 4; thence easterly along the east-west center lines of Sections 3, 2 and 1, T46N, R10E to the center of said Section 1; thence southerly along the north-south center lines of Sections 1 and 12, T46N, R10E, to the center of said Section 12; thence easterly along the east-west center lines of said Section 12 to the $E\frac{1}{4}$ corner of said Section 12; thence southerly along the east line of said Section 12 to the SE corner of said Section; thence easterly along the north line of Section 18, T46N, R11E, to the $N\frac{1}{4}$ corner of said Section 18; thence southerly along the north-south center lines of Sections 18, 19, 30 and 31, T46N, R11E, and along the north-south center lines of Sections 6 and 7, T45N, R11E, to the $S\frac{1}{4}$ corner of said Section 7; thence easterly along the north line of Section 18, T45N, R11E, to the NE corner of said Section 18; thence southerly along the east line of Sections 18 and 19, T45N, R11E, to the SE corner of said Section 19; thence easterly along the north line of Section 29, T45N, R11E, to the $N\frac{1}{4}$ corner

of said Section 29; thence southerly along the north-south center line of said Section 29 to the $S\frac{1}{4}$ corner of said Section; thence easterly along the north line of Section 32, T⁴5N, R11E, to the NE corner of said Section; thence southerly along the east line of said Section 32 to the SE corner of said Section 32; thence east along the south line of Section 33, T⁴5N, R11E, to the $S\frac{1}{4}$ corner of said Section 33; thence southerly in a straight line to the $N\frac{1}{4}$ corner of Section 9, T⁴4N, R11E; thence easterly along the north line of said Section 9, to the NE corner of said Section 9; thence southerly along the east line of Sections 9 and 16, T⁴4N, R11E, to the SE corner of said Section 16; thence easterly along the north line of Section 22, T⁴4N, R11E, to the $N\frac{1}{4}$ corner of said Section 22; thence southerly along the north-south center line of said Section 22 to the $S\frac{1}{4}$ corner of said Section; thence easterly along the north line of Section 27, T⁴4N, R11E, to the NE corner of said Section 27; thence southerly along the east line of said Section 27 to the $E\frac{1}{4}$ corner of said Section 27; thence easterly along the east-west center line of Section 26, T⁴4N, R11E, to the $E\frac{1}{4}$ corner of said Section 26; thence southerly along the east line of said Section 26 to the SE corner of said Section 26; thence easterly along the north line of Section 36, T⁴4N, R11E, to the $N\frac{1}{4}$ corner of said Section 36; thence southerly along the north-south center line of said Section 36 to the $S\frac{1}{4}$ corner of said Section 36; thence easterly along the north line of Section 1, T⁴3N, R11E, and along the north line of Section 6, T⁴3N, R12E, to the NE corner of said Section 6; thence southerly along the east line of Sections 6 and 7, T⁴3N, R12E to the SE corner of said Section 7; thence easterly along the north boundary line of Luis Maria Baca Grant No. 4 to the NE corner of said Grant; thence southerly along the east boundary line of said Grant to the SW corner of Section 18, T25S, R73W of the 6th PM; thence easterly along the south line of said Section 18 to the SE corner of said Section 18; thence southerly along the west line of Section 20, T25S, R73W, to the SW corner of said Section 20; thence easterly along the south line of said Section 20 to the SE corner of said Section 20; thence southerly along the west line of Sections 28 and 33, T25S, R73W, to the SW corner of said Section 33; thence easterly along the south line of Sections 33 and 34, T25S, R73W, to the SE corner of said Section 34; thence southerly along the

west line of Section 2, T26S, R73W, to the SW corner of said Section 2; thence easterly along the south line of said Section 2 to the SE corner of said Section 2; thence southerly along the west line of Sections 12, 13, 24, 25 and 36, T26S, R73W, and along the west line of Section 1, T27S, R73W to the SW corner of said Section 1; thence westerly along the south line of Section 2, T27S, R73W to the SW corner of said Section 2; thence southerly along the west line of Sections 11, 14 and 23, T27S, R73W to the SW corner of said Section 23; thence westerly along the north line of Section 27, T27S, R73W, to the NW corner of said Section 27; thence southerly along the west line of Sections 27 and 34, T27S, R73W, to the SW corner of said Section 34; thence continuing southerly along the San Isabel National Forest Boundary for 4 miles, more or less, to a point where said boundary turns west; thence westerly along said boundary for 1 mile, more or less, to the NE corner of Section 29, T28S, R73W; thence southerly along the east line of said Section 29 to a point due east of the center of Section 36, T39N, R12E, N.M.P.M.; thence westerly to the center of said Section 36; thence westerly along the east-west center lines of Sections 36, 35, 34, 33, 32, 31, T39N, R12E, and westerly along the east-west center lines of Sections 36, 35, 34, 33, 32 and 31, T39N, R11E, and westerly along the east-west center line of Sections 36 and 35, T39N, R10E, to the center of said Section 35; thence northerly along the north-south center line of Sections 35, 26, 23, 14, 11 and 2, T39N, R10E, and along the north-south center line of Section 35, T40N, R10E, to the center of said Section 35; thence westerly along the east-west center line of Sections 35, 34, and 33, T40N, R10E, to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 33; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 9, T38N, R10E; thence westerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 12, T38N, R9E; thence southerly to the center of the Rio Grande; thence in a NWly direction along the center of the Rio Grande to a point lying due north of the SE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 6, T38N, R9E; thence southerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 30, T38N, R9E; thence easterly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 28, T38N, R9E; thence southerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 33, T38N, R9E; thence easterly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 33, T38N, R9E; thence southerly to the east-west center line of Section 4, T37N, R9E; thence easterly along the east-

west center line of Sections 4, 3 and 2, T37N, R9E, to the center of said Section 2; thence southerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ of Section 11, T37N, R9E; thence easterly to the SE corner of the $N\frac{1}{2}$ $NW\frac{1}{4}$ of Section 7, T37N, R10E; thence southerly to the NE corner $S\frac{1}{2}$ $SW\frac{1}{4}$ of Section 19, T37N, R10E; thence easterly to the NE corner of the $SW\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 19; thence southerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 30, T37N, R10E; thence westerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ of Section 25, T37N, R9E; thence southerly to the center of Section 36, T37N, R9E; thence westerly to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 36; thence southerly to the SE corner of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of said Section 36; thence westerly to the NE corner of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of Section 1, T36N, R9E; thence southerly to the SE corner of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of said Section 1; thence westerly to the NE corner of the $W\frac{1}{2}$ $NW\frac{1}{4}$ of Section 11, T36N, R9E; thence southerly to the NE corner of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of Section 14, T36N, R9E; thence westerly to the NW corner of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of said Section 14; thence southerly to the SW corner of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of Section 23, T36N, R9E; thence easterly to the SE corner of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of said Section 23; thence southerly to the NE corner of $W\frac{1}{2}$ $SW\frac{1}{4}$ of Section 23, T36N, R9E; thence easterly to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of Section 24, T36N, R9E; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 25, T36N, R9E; thence westerly to the east line of Section 26, T36N, R9E; thence southerly to the east quarter corner of said Section 26; thence westerly to the center of Section 27, T36N, R9E; thence southerly to the center of Section 10, T35N, R9E; thence westerly to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 10; thence southerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of said Section 10; thence easterly to the north-south center line of said Section 10; thence southerly to the south quarter corner of said Section 10; thence easterly to the SW corner of $SE\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 10; thence southerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 22, T35N, R9E; thence west to the north-south center line of said Section 22; thence southerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ Section 27, T35N, R9E; thence westerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ Section 28, T35N, R9E; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 33, T35N, R9E; thence westerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ Section 31, T35N, R9E; thence southerly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ Section 31, T35N, R9E;

thence westerly to the NW corner of $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 36, T35N, R8E; thence northerly to the NW corner of said Section 36; thence westerly along the north line of Sections 35, 34, 33, 32, 31 T35N, R8E and westerly along the north line of Sections 36, 35 and 34, T35N, R7E to the NW corner of said Section 34; thence northerly along the east lines of Sections 28, 21, 16, 9 and 4, T35N, R7E, to the NE corner of said Section 4; thence westerly along the south lines of Sections 33, 32, 31, T36N, R7E, and westerly along the south lines of Sections 36, 35 and 34, T36N, R6E, to the SW corner of said Section 34; thence northerly along the west line of Sections 34, 27 and 22, T36N, R6E, to the NW corner of said Section 22; thence easterly along the north line of Sections 22, 23 and 24, T36N, R6E, to the NE corner of said Section 24; thence northerly along the west line of Sections 18, 7 and 6, T36N, R7E, and northerly along the west line of Sections 31, 30, 19, 18, 7 and 6, T37N, R7E, and northerly along the west line of Sections 31, 30, 19, 18, 7 and 6, T38N, R7E to the NE corner of Section 1, T38N, R6E, the place of beginning.

(COSTILLA COUNTY TRACT)

Beginning at the SW corner of the $E\frac{1}{2}$ $SE\frac{1}{4}$ of Section 17, T36N, R10E, of the N.M.P.M.; thence northerly to the east-west center line of said Section 17; thence easterly to the center of Section 16, T36N, R10E; thence northerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ of said Section 16; thence easterly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 14, T36N, R10E; thence northerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 2, T36N, R10E; thence easterly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ of Section 1, T36N, R10E; thence northerly to the ~~XXX~~ North Quarter Corner ~~of said Section 1~~; thence easterly to the $S\frac{1}{4}$ corner of Section 36, T37N, R10E; thence northerly to the center of Section 25, T37N, R10E; thence easterly to the center of the Rio Grande in Section 28, T37N, R11E; thence in a southerly direction along the center of the west branch of the Rio Grande to the south line of Section 9, T36N, R11E; thence easterly to the NE corner of Section 15, T36N, R11E; thence southerly to the SE corner of said section 15; thence easterly along the south line of Section 14, T36N, R11E to the Alamosa County - Costilla County boundary line; thence in a northeasterly direction along said Alamosa County - Costilla County boundary

line 4 miles, more, or less to a point west of the $N\frac{1}{4}$ corner of Section 32, T30S, R73W of the 6th P.M.; thence easterly to said $N\frac{1}{4}$ corner of said Section 32; thence southerly 2.8 miles; thence easterly 2.4 miles; thence southerly 7.4 miles; thence easterly 5 miles, more or less, to a point $\frac{1}{2}$ mile west of the west R.O.W. line of Colorado State Highway 159; thence southerly 18.2 miles, more or less, to the Colorado-New Mexico State line; thence westerly along the Colorado-New Mexico State line to the middle of the Rio Grande; thence in a northwesterly direction along the center of the Rio Grande to the north line of Section 10, T33N, R11E of the N.M.P.M.; thence westerly along the north lines of Sections 10, 9, 8 and 7, T33N, R11E, to the SW corner of Section 6, T33N, R11E; thence northerly along the west line of said Section 6, Sections 31, 30, 19, 18, 7 and 6, T34N, R11E, Sections 31, 30, 19, 18, T35N, R11E to the NW corner of said Section 18; thence westerly to the $S\frac{1}{4}$ corner of Section 12, T35N, R10E; thence northerly to the center of said Section 12; thence westerly along the east-west center line of Sections 12, 11 and 10, T35N, R10E to the SE corner of the $W\frac{1}{2}$ $NW\frac{1}{4}$ of said Section 10; thence northerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 3, T35N, R10E; thence westerly to the north-south center line of Section 4, T35N, R10E; thence northerly along the north-south center lines of Sections 4, T35N, R10E and Section 33, T36N, R10E to the SE corner of the $N\frac{1}{2}$ $NW\frac{1}{4}$ of said Section 33; thence westerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 32, T36N, R10E; thence northerly to the SW corner of the $E\frac{1}{2}$ $SE\frac{1}{4}$ of Section 17, T36N, R10E, the place of beginning.

(EXCEPTIONS FROM MAIN TRACT)

Excepting from one above described tract all of the following, tracts (a through d) To-wit:

(a) Beginning at the SW corner of Section 36, T40N, R5E of the N.M.P.M.; thence northerly along the west line of said Section 36 to the SW corner of the $N\frac{1}{2}$ $N\frac{1}{2}$ $NW\frac{1}{4}$ of said Section 36; thence easterly to the north-south center line of said Section 36; thence northerly to the north line of said Section 36; thence easterly along the north line of said Section 36 to the NE corner thereof; thence northerly to the $W\frac{1}{4}$ corner of Section 19, T40N, R6E; thence easterly to the SE corner of the $W\frac{1}{2}$ $NW\frac{1}{4}$ of Section 20, T40N, R6E; thence

southerly to the NE corner of the $SW\frac{1}{4} SW\frac{1}{4}$ of said Section 20; thence easterly to the center of Colorado State Highway 112; thence in a northeasterly direction along the center of said State Highway 112 to the E-W center line of Section 15, T⁴ON, R⁶E; thence easterly to the SW corner of the $E\frac{1}{2} NE\frac{1}{4}$ of Section 17, T⁴ON, R⁷E; thence southerly to the SW corner of $NE\frac{1}{4} NE\frac{1}{4}$ of Section 29, T⁴ON, R⁷E; thence westerly to the SW corner of the $NE\frac{1}{4} NE\frac{1}{4}$ of Section 30, T⁴ON, R⁷E; thence southerly to the east-west center line of said Section 30; thence westerly to the SE corner of the $W\frac{1}{2} NW\frac{1}{4}$ of said Section 30; thence northerly to the SE corner of the $NW\frac{1}{4} NW\frac{1}{4}$ of said Section 30; thence westerly to the SW corner of the $NE\frac{1}{4} NE\frac{1}{4}$ of Section 26, T⁴ON, R⁶E; thence southerly to the center of the north branch of the Rio Grande; thence in a northwesterly direction to the E line of Section 29, T⁴ON, R⁶E; thence southerly to the center of the south branch of the Rio Grande; thence westerly along the center of said south branch of the Rio Grande to a point which is 1076.30 feet east and 1558.42 feet north of the $N\frac{1}{4}$ corner of Section 32, T⁴ON, R⁶E; thence southerly to the east-west center line of said Section 32; thence westerly to the $W\frac{1}{4}$ corner of said Section 32; thence southerly to the SE corner of Section 31, T⁴ON, R⁶E; thence westerly to the SW corner of Section 36, T⁴ON, R⁵E, the place of beginning.

(b) Beginning at the center of Section 32, T⁴ON, R⁷E of the N.M.P.M.; thence easterly to the center of Section 33, T⁴ON, R⁷E; thence northerly to the SE corner of the $NE\frac{1}{4} SW\frac{1}{4}$ of Section 28, T⁴ON, R⁷E; thence westerly to the SW corner of said $NE\frac{1}{4} SW\frac{1}{4}$ of Section 28; thence northerly to the east-west center line of Section 16, T⁴ON, R⁷E; thence easterly to the east line of said Section 16; thence northerly to the SW corner of the $N\frac{1}{2} NW\frac{1}{4}$ of Section 15, T⁴ON, R⁷E; thence easterly to the east line of said Section 15; thence southerly to the east-west center line of said Section 15, thence easterly to the SW corner of the $SE\frac{1}{4} NE\frac{1}{4}$ of Section 14, T⁴ON, R⁷E; thence northerly to the NW corner of said $SE\frac{1}{4} NE\frac{1}{4}$ of Section 14; thence easterly to the SE corner of the $NW\frac{1}{4} NW\frac{1}{4}$ of Section 13, T⁴ON, R⁷E; thence southerly to the east-west center line of said Section 13; thence easterly to the SW corner of the $E\frac{1}{2} E\frac{1}{2} NE\frac{1}{4}$ of Section 13; thence northerly to the SW corner of the

$NE\frac{1}{4}$ $NE\frac{1}{4}$ $NE\frac{1}{4}$ of said Section 13; thence easterly to the west line of Section 18, T40N, R8E; thence southerly to the SW corner of the $N\frac{1}{2}$ $NW\frac{1}{4}$ of said Section 18; thence easterly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of said Section 18; thence southerly to the east-west center line of said Section 18; thence easterly to the SE corner of the $W\frac{1}{2}$ $NW\frac{1}{4}$ of Section 17, T40N, R8E; thence northerly to the SW corner of the $NE\frac{1}{4}$ $NW\frac{1}{4}$ of said Section 17; thence easterly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of said Section 17; thence northerly to the east-west center line of Section 8, T40N, R8E; thence westerly to the SW corner of the $E\frac{1}{2}$ $NE\frac{1}{4}$ of Section 7, T40N, R8E; thence northerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of said Section 7; thence westerly to the north-south center line of said Section 7; thence northerly to the SW corner of the $NW\frac{1}{4}$ $SE\frac{1}{4}$ of Section 6, T40N, R8E; thence easterly to the SW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 6; thence northerly to the east-west center line of said Section 6; thence easterly to the center of Section 5, T40N, R8E; thence northerly to the center of Colorado State Highway 112; thence westerly 747.75 feet; thence northerly 660 feet; thence easterly 675.38 feet to the north-south center line of Section 32, T41N, R8E; thence northerly 3,317.28 feet along said north-south center line; thence easterly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 33, T41N, R8E; thence northerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 28, T41N, R8E; thence easterly to the north-south center line of Section 27, T41N, R8E; thence southerly to the SW corner of the $N\frac{1}{2}$ $SE\frac{1}{4}$ of Section 3, T40N, R8E; thence easterly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 3; thence southerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 10, T40N, R8E; thence westerly to the north-south center line of said Section 10; thence southerly to the SE corner of the $N\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 10; thence westerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 9, T40N, R8E; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 16, T40N, R8E; thence easterly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 15, T40N, R8E; thence southerly to the SW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 27, T40N, R8E; thence westerly to the north-south center line of said Section 27; thence southerly to the center of Section 34, T40N, R8E; thence easterly

to the center of Section 35, T40N, R8E; thence southerly to the center of Section 11, T39N, R8E; thence westerly to the SE corner of the $W\frac{1}{2} NW\frac{1}{4}$ of Section 10, T39N, R8E; thence southerly to the SE corner of $N\frac{1}{2} SW\frac{1}{4} SW\frac{1}{4}$ of said Section 10; thence westerly to the SW corner of $N\frac{1}{2} SE\frac{1}{4} SE\frac{1}{4}$ of Section 9, T39N, R8E; thence north to the SW corner of the $NE\frac{1}{4} NE\frac{1}{4}$ of said Section 9; thence westerly to the north-south center line of said Section 9; thence northerly to the south line of Section 4, T39N, R8E; thence westerly to the SW corner of $E\frac{1}{2} SW\frac{1}{4}$ of said Section 4; thence northerly to the NE corner of the $SW\frac{1}{4} SW\frac{1}{4}$ of said Section 4; thence westerly to the north-south center line of Section 5, T39N, R8E; thence southerly to the SE corner of the $N\frac{1}{2} NW\frac{1}{4}$ of Section 8, T39N, R8E; thence westerly to the SE corner of the $NW\frac{1}{4} NW\frac{1}{4}$ of Section 7, T39N, R8E; thence southerly to the east-west center line of Section 18, T39N, R8E; thence westerly to the SW corner of the $SE\frac{1}{4} NW\frac{1}{4}$ of Section 13, T39N, R7E; thence northerly to the NW corner of $SE\frac{1}{4}$ of $NW\frac{1}{4}$ of said Section 13, T39N, R7E; thence westerly to the center of the Rio Grande; thence in a northwesterly direction along the center of the Rio Grande to the north-south center line of Section 8, T39N, R7E; thence northerly to the center of Section 32, T40N, R7E, the place of beginning.

(c) Beginning on the center of Section 24, T39N, R8E of the N.M.P.M.; thence southerly to the center of the Rio Grande; thence in a westerly direction along the center of the Rio Grande to the east line of Section 34, T39N, R8E; thence southerly to the $E\frac{1}{4}$ corner of Section 3, T38N, R8E; thence westerly to the SE corner of the $W\frac{1}{2} NW\frac{1}{4}$ of said Section 3; thence southerly to the south line of said Section 3; thence easterly to the north-south center line of said Section 3; thence southerly to the SW corner of the $N\frac{1}{2} N\frac{1}{2} NE\frac{1}{4}$ of Section 10, T38N, R8E; thence easterly to the east line of said Section 10; thence southerly to the SE corner of the $NE\frac{1}{4} NE\frac{1}{4}$ of said Section 10, thence easterly to the north-south center line of Section 12, T38N, R8E; thence southerly to the center of the right of way of the D & R G W RR. Company; thence in a southeasterly direction along the center of said ROW to the west line of $E\frac{1}{2} E\frac{1}{2} E\frac{1}{2}$ of Section 13, T38N, R8E; thence southerly along said line to the SW corner of the $E\frac{1}{2} NE\frac{1}{4} SE\frac{1}{4}$ of said Section 13; thence

westerly to the NE corner of the $SW\frac{1}{4} SW\frac{1}{4}$ of Section 15, T38N, R8E; thence northerly to the SE corner of the $NW\frac{1}{4} NW\frac{1}{4}$ of Section 10, T38N, R8E; thence westerly to the north-south center line of Section 8, T38N, R8E; thence northerly to the center of Section 5, T38N, R8E; thence westerly to the NW corner of the $NE\frac{1}{4} SE\frac{1}{4}$ of Section 6, T38N, R8E; thence southerly to the SW corner of the $NE\frac{1}{4} SE\frac{1}{4}$ of Section 7, T38N, R8E; thence westerly to the SW corner of the $NE\frac{1}{4} SE\frac{1}{4}$ of Section 11, T38N, R7E; thence northerly to the SW corner of the $NE\frac{1}{4} SE\frac{1}{4}$ of Section 2, T38N, R7E; thence westerly to the SW corner of the $NE\frac{1}{4} SW\frac{1}{4}$ of said Section 2; thence northerly to the center of the ROW of the D & R G W RR Company; thence in a northwesterly direction along the center of said ROW to the east-west center line of Section 21, T39N, R7E; thence easterly to the SW corner of the $SE\frac{1}{4} NW\frac{1}{4}$ of Section 22, T39N, R7E; thence northerly to the center of the Rio Grande; thence in a southeasterly direction along the center of the Rio Grande and the north branch thereof to the west line of the $E\frac{1}{2} E\frac{1}{2}$ of Section 29, T39N, R8E; thence northerly to the NW corner of the $SE\frac{1}{4} SE\frac{1}{4}$ of Section 17, T39N, R8E; thence easterly to the NW corner of the $SE\frac{1}{4} SE\frac{1}{4}$ of Section 16, T39N, R8E; thence northerly to the NW corner of $S\frac{1}{2}$ of the $NE\frac{1}{4} NE\frac{1}{4}$ of Section 16, T39N, R8E; thence easterly to the NE corner of $S\frac{1}{2}$ of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of Section 15, T39N, R8E; thence southerly to the east-west center line of said Section 15; thence easterly to the NW corner of the $NE\frac{1}{4} SE\frac{1}{4}$ of said Section 15; thence southerly to the SW corner of the $NE\frac{1}{4} NE\frac{1}{4}$ of Section 22, T39N, R8E; thence easterly to the north-south center line of Section 23, T39N, R8E; thence southerly to the center of said Section 23; thence easterly to the center of Section 24, T39N, R8E, the place of beginning.

(d) Beginning at the $S\frac{1}{4}$ corner of Section 34, T41N, R10E of the N.M.P.M.; thence northerly to the center of Section 15, T43N, R10E; thence westerly to the center of Section 16, T43N, R10E; thence northerly to the $N\frac{1}{4}$ corner of Section 4, T43N, R10E; thence westerly to the NW corner of Section 6, T43N, R10E; thence southerly to the $E\frac{1}{4}$ corner of Section 12, T43N, R9E; thence westerly to the center of said Section 12; thence southerly to the

center of Section 36, T⁴2N, R9E; thence easterly to the west line of the E¹/₂ E¹/₂ of Section 31, T⁴2N, R10E; thence southerly to the east-west center line of Section 7, T⁴1N, R10E; thence easterly to the SW corner of the E¹/₂ NE¹/₄ of Section 8, T⁴1N, R10E; thence southerly to the south line of Section 32, T⁴1N, R10E; thence easterly to the NE corner of the NW¹/₄ NW¹/₄ of Section 4, T⁴0N, R10E; thence southerly to the SE corner of the NW¹/₄ NW¹/₄ of said Section 4; thence easterly to the north-south center line of said Section 4; thence southerly to the SW corner of the N¹/₂ SE¹/₄ of Section 9, T⁴0N, R10E; thence easterly to the SE corner of the NW¹/₄ SE¹/₄ of Section 10, T⁴0N, R10E; thence northerly to the NE corner W¹/₂ NE¹/₄ of Section 3, T⁴0N, R10E; thence westerly to the S¹/₄ corner of Section 34, T⁴1N, R10E, the place of beginning.

EXHIBIT 3

PUBLIC SERVICE COMPANY SERVICE AREAS

TRACT A

Beginning at the SW corner of Section 36, T⁴ON, R⁵E of the N.M.P.M.; thence northerly along the west line of said Section 36 to the SW corner of the N¹/₂ N¹/₂ NW¹/₄ of said Section 36; thence easterly to the north-south center line of said Section 36; thence northerly to the north line of said Section 36; thence easterly along the north line of said Section 36 to the NE corner thereof; thence northerly to the W¹/₄ corner of Section 19, T⁴ON, R⁶E; thence easterly to the SE corner of the W¹/₂ NW¹/₄ of Section 20, T⁴ON, R⁶E; thence southerly to the NE corner of the SW¹/₄ SW¹/₄ of said Section 20; thence easterly to the center of Colorado State Highway 112; thence in a northeasterly direction along the center of said State Highway 112 to the east-west center line of Section 15, T⁴ON, R⁶E; thence easterly to the SW corner of the E¹/₂ NE¹/₄ of Section 17, T⁴ON, R⁷E; thence southerly to the SW corner of NE¹/₄ NE¹/₄ of Section 29, T⁴ON, R⁷E; thence westerly to the SW corner of the NE¹/₄ NE¹/₄ of Section 30, T⁴ON, R⁷E; thence southerly to the east-west center line of said Section 30; thence westerly to the SE corner of the W¹/₂ NW¹/₄ of said Section 30; thence northerly to the SE corner of the NW¹/₄ NW¹/₄ of said Section 30; thence westerly to the SW corner of the NE¹/₄ NE¹/₄ of Section 26, T⁴ON, R⁶E; thence southerly to the center of the North branch of the Rio Grande; thence in a northwesterly direction to the east line of Section 29, T⁴ON, R⁶E; thence southerly to the center of the south branch of the Rio Grande; thence westerly along the center of said south branch of the Rio Grande to a point which is 1076.30 feet east and 1558.42 feet north of the N¹/₄ corner of Section 32, T⁴ON, R⁶E; thence southerly to the east-west center line of said Section 32; thence westerly to the W¹/₄ corner of said Section 32; thence southerly to the SE corner of Section 31, T⁴ON, R⁶E; thence westerly to the SW corner of Section 36, T⁴ON, R⁵E, the place of beginning.

PUBLIC SERVICE COMPANY SERVICE AREASTRACT B

Beginning at the center of Section 32, T⁴ON, R⁷E of the N.M.P.M.; thence easterly to the center of Section 33, T⁴ON, R⁷E; thence northerly to the SE corner of the NE¹/₄ SW¹/₄ of Section 28, T⁴ON, R⁷E; thence westerly to the SW corner of said NE¹/₄ SW¹/₄ of Section 28; thence northerly to the east-west center line of Section 16, T⁴ON, R⁷E; thence easterly to the east line of said Section 16; thence northerly to the SW corner of the N¹/₂ NW¹/₄ of Section 15, T⁴ON, R⁷E; thence easterly to the east line of said Section 15; thence southerly to the east-west center line of said Section 15; thence easterly to the SW corner of the SE¹/₄ NE¹/₄ of Section 14, T⁴ON, R⁷E; thence northerly to the NW corner of said SE¹/₄ NE¹/₄ of Section 14; thence easterly to the SE corner of the NW¹/₄ NW¹/₄ of Section 13, T⁴ON, R⁷E; thence southerly to the east-west center line of said Section 13; thence easterly to the SW corner of the E¹/₂ E¹/₂ NE¹/₄ of Section 13; thence northerly to the SW corner of the NE¹/₄ NE¹/₄ NE¹/₄ of said Section 13; thence easterly to the west line of Section 18, T⁴ON, R⁸E; thence southerly to the SW corner of the N¹/₂ NW¹/₄ of said Section 18; thence easterly to the SW corner of the NE¹/₄ NE¹/₄ of said Section 18; thence southerly to the east-west center line of said Section 18; thence easterly to the SE corner of the W¹/₂ NW¹/₄ of Section 17, T⁴ON, R⁸E; thence northerly to the SW corner of the NE¹/₄ NW¹/₄ of said Section 17; thence easterly to the SW corner of the NE¹/₄ NE¹/₄ of said Section 17; thence northerly to the east-west center line of Section 8, T⁴ON, R⁸E; thence westerly to the SW corner of the E¹/₂ NE¹/₄ of Section 7, T⁴ON, R⁸E; thence northerly to the SW corner of the NE¹/₄ NE¹/₄ of said Section 7; thence westerly to the north-south center line of said Section 7; thence northerly to the SW corner of the NW¹/₄ SE¹/₄ of Section 6, T⁴ON, R⁸E; thence easterly to the SW corner of the NE¹/₄ SE¹/₄ of said Section 6; thence northerly to the east-west center line of said Section 6; thence easterly to the center of Section 5, T⁴ON, R⁸E; thence northerly to the center of Colorado State Highway 112; thence westerly 747.75 feet; thence northerly 660 feet; thence easterly 675.38 feet to the north-south center line of Section 32, T⁴1N, R⁸E; thence northerly

3,317.28 feet along said north-south center line; thence easterly to the SE corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 33, T41N, R8E; thence northerly to the SE corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 28, T41N, R8E; thence easterly to the north-south center line of Section 27, T41N, R8E; thence southerly to the SW corner of the N $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 3, T40N, R8E; thence easterly to the NW corner of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 3; thence southerly to the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 10, T40N, R8E; thence westerly to the north-south center line of said Section 10; thence southerly to the SE corner of the N $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 10; thence westerly to the NE corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, T40N, R8E; thence southerly to the SE corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, T40N, R8E; thence easterly to the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15, T40N, R8E; thence southerly to the SW corner of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, T40N, R8E; thence westerly to the north-south center line of said Section 27; thence southerly to the center of Section 34, T40N, R8E; thence easterly to the center of Section 35, T40N, R8E; thence southerly to the center of Section 11, T39N, R8E; thence westerly to the SE corner of the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 10, T39N, R8E; thence southerly to the SE corner of N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 10; thence westerly to the SW corner of N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, T39N, R8E; thence northerly to the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 9; thence westerly to the north-south center line of said Section 9; thence northerly to the south line of Section 4, T39N, R8E; thence westerly to the SW corner of E $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 4; thence northerly to the NE corner of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 4; thence westerly to the north-south center line of Section 5, T39N, R8E; thence southerly to the SE corner of the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8, T39N, R8E; thence westerly to the SE corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7, T39N, R8E; thence southerly to the east-west center line of Section 18, T39N, R8E; thence westerly to the SW corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 13, T39N, R7E; thence northerly to the NW corner of SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of said Section 13, T39N, R7E; thence westerly to the center of the Rio Grande; thence in a northwesterly direction along the center of the Rio Grande to the north-south center line of Section 8, T39N, R7E; thence northerly to the center of Section 32, T40N, R7E, the place of beginning.

PUBLIC SERVICE COMPANY SERVICE AREASTRACT C

Beginning on the center of Section 24, T39N, R8E of the N.M.P.M.; thence southerly to the center of the Rio Grande; thence in a westerly direction along the center of the Rio Grande to the east line of Section 34, T39N, R8E; thence southerly to the $E\frac{1}{4}$ corner of Section 3, T38N, R8E; thence westerly to the SE corner of the $W\frac{1}{2}$ $NW\frac{1}{4}$ of said Section 3; thence southerly to the south line of said Section 3; thence easterly to the north-south center line of said Section 3; thence southerly to the SW corner of the $N\frac{1}{2}$ $N\frac{1}{2}$ $NE\frac{1}{4}$ of Section 10, T38N, R8E; thence easterly to the east line of said Section 10; thence southerly to the SE corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of said Section 10; thence easterly to the north-south center line of Section 12, T38N, R8E; thence southerly to the center of the right of way of the D & R G W RR Company; thence in a southeasterly direction along the center of said ROW to the west line of $E\frac{1}{2}$ $E\frac{1}{2}$ $E\frac{1}{2}$ of Section 13, T38N, R8E; thence southerly along said line to the SW corner of the $E\frac{1}{2}$ $NE\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 13; thence westerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 15, T38N, R8E; thence northerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 10, T38N, R8E; thence westerly to the north-south center line of Section 8, T38N, R8E; thence northerly to the center of Section 5, T38N, R8E; thence westerly to the NW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 6, T38N, R8E; thence southerly to the SW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 7, T38N, R8E; thence westerly to the SW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 11, T38N, R7E; thence northerly to the SW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 2, T38N, R7E; thence westerly to the SW corner of the $NE\frac{1}{4}$ $SW\frac{1}{4}$ of said Section 2; thence northerly to the center of the ROW of the D & R G W RR Company; thence in a northwesterly direction along the center of said ROW to the east-west center line of Section 21, T39N, R7E; thence easterly to the SW corner of the $SE\frac{1}{4}$ $NW\frac{1}{4}$ of Section 22, T39N, R7E; thence northerly to the center of the Rio Grande; thence in a southeasterly direction along the center of the Rio Grande and the north branch thereof to the west line of the $E\frac{1}{2}$ $E\frac{1}{2}$ of Section 29, T39N, R8E; thence northerly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 17, T39N, R8E; thence easterly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 16, T39N, R8E; thence northerly to the NW corner of $S\frac{1}{2}$ of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 16, T39N,

R8E; thence easterly to the NE corner of $S\frac{1}{2}$ of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of Section 15, T39N, R8E; thence southerly to the east-west center line of said Section 15; thence easterly to the NW corner of the $NE\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 15; thence southerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 22, T39N, R8E; thence easterly to the north-south center line of Section 23, T39N, R8E; thence southerly to the center of said Section 23; thence easterly to the center of Section 24, T39N, R8E, the place of beginning.

PUBLIC SERVICE COMPANY SERVICE AREASTRACT D

Beginning at the $S\frac{1}{4}$ corner of Section 34, T41N, R10E of the N.M.P.M.; thence northerly to the center of Section 15, T43N, R10E; thence westerly to the center of Section 16, T43N, R10E; thence northerly to the $N\frac{1}{4}$ corner of Section 4, T43N, R10E; thence westerly to the NW corner of Section 6, T43N, R10E; thence southerly to the $E\frac{1}{4}$ corner of Section 12, T43N, R9E; thence westerly to the center of said Section 12; thence southerly to the center of Section 36, T42N, R9E; thence easterly to the west line of the $E\frac{1}{2}$ $E\frac{1}{2}$ of Section 31, T42N, R10E; thence southerly to the east-west center line of Section 7, T41N, R10E; thence easterly to the SW corner of the $E\frac{1}{2}$ $NE\frac{1}{4}$ of Section 8, T41N, R10E; thence southerly to the south line of Section 32, T41N, R10E; thence easterly to the NE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 4, T40N, R10E; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of said Section 4; thence easterly to the north-south center line of said Section 4; thence southerly to the SW corner of the $N\frac{1}{2}$ $SE\frac{1}{4}$ of Section 9, T40N, R10E; thence easterly to the SE corner of the $NW\frac{1}{4}$ $SE\frac{1}{4}$ of Section 10, T40N, R10E; thence northerly to the NE corner $W\frac{1}{2}$ $NE\frac{1}{4}$ of Section 3, T40N, R10E; thence westerly to the $S\frac{1}{4}$ corner of Section 34, T41N, R10E, the place of beginning.

PUBLIC SERVICE COMPANY SERVICE AREASTRACT E

Beginning at the NE corner of Section 1, T38N, R6E, N.M.P.M.; thence westerly along the north line of T38N to the NW corner of Section 4 in T38N, R5E; thence southerly along the west line of said Section 4 to the SW corner of said Section 4; thence westerly along the south line of Section 5, T38N, R5E, to the SW corner of said Section 5; thence southerly along the east line of Section 7, T38N, R5E to the SE corner of said Section 7; thence westerly along the south line of said Section 7, T38N, R5E and along the south line of Section 12, T38N, R4 $\frac{1}{2}$ E to the SW corner of said Section 12; thence northerly along the west line Sections 12 and 1, T38N, R4 $\frac{1}{2}$ E and along the west line of Sections 36, 25, 24 and 13, T39N, R4E to the SW corner of Section 12, T39N, R4E; thence westerly along the south line of Sections 11, 10, 9, 8 and 7, T39N, R4E and continuing westerly along the south line of Section 12, T39N, R3 $\frac{1}{2}$ E to the SW corner of said Section 12; thence southerly four nominal miles along the west range line of R3 $\frac{1}{2}$ E to the SW corner of Section 36, T39N, R3 $\frac{1}{2}$ E; thence continuing southerly along the west range line of R4E to the SW corner of Section 31, T35N, R4E; thence continuing southerly along the west line of R4E extended to a point of intersection with the Archuleta-Conejos County line; thence in a general southeasterly direction along said county line to a point of intersection with the Colorado-New Mexico State line in Section 19, T32N, R5E; thence easterly along said State line to a point of intersection with the center line of the natural channel of the Rio Grande in Section 24, T32N, R11E; thence in a northerly direction along the center of the Rio Grande to the north line of Section 10, T33N, R11E; thence westerly along the north lines of Sections 10, 9, 8 and 7, T33N, R11E to the SW corner of Section 6, T33N, R11E; thence northerly along the west line of said Section 6 and Sections 31, 30, 19, 18, 7 and 6, T34N, R11E and Sections 31, 30, 19, 18, T35N, R11E to the NW corner of said Section 18; thence westerly to the S $\frac{1}{4}$ corner of Section 12, T35N, R10E; thence northerly to the center of said Section 12; thence westerly along the east-west center line of Sections 12,

11 and 10, T35N, R10E to the SE corner of the $W\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 10; thence northerly to the SE corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 3, T35N, R10E; thence westerly to the north-south center line of Section 4, T35N, R10E; thence northerly along the north-south center lines of Section 4, T35N, R10E and Section 33, T36N, R10E to the SE corner of the N $\frac{1}{2}$ NW $\frac{1}{4}$ of said Section 33; thence westerly to the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 32, T36N, R10E; thence northerly to the SW corner of the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 17, T36N, R10E; thence easterly to the center of Section 16, T36N, R10E; thence northerly to the SW corner of the N $\frac{1}{2}$ NE $\frac{1}{4}$ of said Section 16; thence easterly to the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 14, T36N, R10E; thence northerly to the SW corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 2, T36N, R10E; thence easterly to the SW corner of the N $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 1, T36N, R10E; thence northerly to the N $\frac{1}{4}$ corner of said Section 1; thence easterly to the S $\frac{1}{4}$ corner of Section 36, T37N, R10E; thence northerly to the center of Section 25, T37N, R10E; thence easterly to the center of the Rio Grande in Section 28, T37N, R11E; thence in a southerly direction along the center of the westerly branch of the Rio Grande to the south line of Section 9, T36N, R11E; thence easterly to the NE corner of Section 15, T36N, R11E; thence southerly to the SE corner of said Section 15; thence easterly along the south line of Section 14, T36N, R11E to the Alamosa County-Costilla County boundary line; thence in a northeasterly direction along said Alamosa County-Costilla County boundary line 4 miles, more or less, to a point which is west of the N $\frac{1}{4}$ corner of Section 32, T30S, R73W of the 6th P.M.; thence easterly to said N $\frac{1}{4}$ corner of said Section 32; thence southerly 2.8 miles; thence easterly 2.4 miles; thence southerly 7.4 miles; thence easterly 5 miles, more or less, to a point $\frac{1}{2}$ mile west of the west right-of-way line of Colorado State Highway 159; thence southerly 11.6 miles, more or less, to the south township line of T2N of the Colorado-New Mexico State line base line, R72W of the 6th P.M.; thence easterly along said south line to the SE corner of Section 36, T2N, R72W; thence northerly along section lines to a point of intersection with the south section line of Section 36, T32S, R72W of the 6th P.M.; thence easterly along section lines to the SE corner of said Section 36; thence northerly along the east

range line of R72W as extended to a point of intersection with the Huerfano-Costilla County line; thence in a general southwesterly direction along said county line to a point common to the Alamosa-Costilla-Huerfano County lines; thence in a general northwesterly direction along the Alamosa-Huerfano County line to a point due east of the center of Section 36, T39N, R12E, N.M. P.M.; thence westerly to the center of said Section 36; thence westerly along the east-west center lines of Sections 36, 35, 34, 33, 32, 31, T39N, R12E, and westerly along the east-west center lines of Sections 36, 35, 34, 33, 32 and 31, T39N, R11E, and westerly along the east-west center line of Sections 36 and 35, T39N, R10E, to the center of said Section 35; thence northerly along the north-south center line of Sections 35, 26, 23, 14, 11 and 2, T39N, R10E, and northerly along the north-south center line of Section 35, T40N, R10E to the center of said Section 35; thence westerly along the east-west center lines of Sections 35, 34 and 33, T40N, R10E to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 33; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 9, T38N, R10E; thence westerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 12, T38N, R9E; thence southerly to the center of the Rio Grande; thence in a northwesterly direction along the center of the Rio Grande to a point lying due north of the SE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 6, T38N, R9E; thence southerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 30, T38N R9E; thence easterly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 28, T38N, R9E; thence southerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 33, T38N, R9E; thence easterly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of Section 33, T38N, R9E; thence southerly to the east-west center line of Section 4, T37N, R9E; thence easterly along the east-west center line of Sections 4, 3 and 2, T37N, R9E to the center of said Section 2; thence southerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ of Section 11, T37N, R9E; thence easterly to the SE corner of the $N\frac{1}{2}$ $NW\frac{1}{4}$ of Section 7, T37N, R10E; thence southerly to the NE corner $S\frac{1}{2}$ $SW\frac{1}{4}$ of Section 19, T37N, R10E; thence easterly to the NE corner of the $SW\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 19; thence southerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 30, T37N, R10E; thence westerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ of Section 25, T37N, R9E; thence southerly to the center of Section 36, T37N, R9E; thence westerly to

the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 36; thence southerly to the SE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of said Section 36; thence westerly to the NE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 1, T36N, R9E; thence southerly to the SE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of said Section 1; thence westerly to the NE corner of the $W\frac{1}{2}$ $NW\frac{1}{4}$ of Section 11, T36N, R9E; thence southerly to the NE corner of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of Section 14, T36N, R9E; thence westerly to the NW corner of the $SW\frac{1}{4}$ of the $SW\frac{1}{4}$ of said Section 14; thence southerly to the SW corner of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of Section 23, T36N, R9E; thence easterly to the SE corner of the $NW\frac{1}{4}$ of the $NW\frac{1}{4}$ of said Section 23; thence southerly to the NE corner of $W\frac{1}{2}$ $SW\frac{1}{4}$ Section 23, T36N, R9E; thence easterly to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of Section 24, T36N, R9E; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 25, T36N, R9E; thence westerly to the east line of Section 26, T36N, R9E; thence southerly to the $E\frac{1}{4}$ corner of said Section 26; thence westerly to the center of Section 27, T36N, R9E; thence southerly to the center of Section 10, T35N, R9E; thence westerly to the NE corner of the $W\frac{1}{2}$ $SW\frac{1}{4}$ of said Section 10; thence southerly to the NE corner of the $SW\frac{1}{4}$ $SW\frac{1}{4}$ of said Section 10; thence easterly to the north-south center line of said Section 10; thence southerly to the $S\frac{1}{4}$ corner of said Section 10; thence easterly to the SW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ of said Section 10; thence southerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ of Section 22, T35N, R9E; thence westerly to the north-south center line of said Section 22; thence southerly to the SW corner of the $N\frac{1}{2}$ $NE\frac{1}{4}$ Section 27, T35N, R9E; thence westerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ Section 28, T35N, R9E; thence southerly to the SE corner of the $NW\frac{1}{4}$ $NW\frac{1}{4}$ of Section 33, T35N, R9E; thence westerly to the SW corner of the $NE\frac{1}{4}$ $NE\frac{1}{4}$ Section 31, T35N, R9E; thence southerly to the NW corner of the $SE\frac{1}{4}$ $SE\frac{1}{4}$ Section 31, T35N, R9E; thence westerly to the NW corner of $SW\frac{1}{4}$ $SW\frac{1}{4}$ of Section 36, T35N, R8E; thence northerly to the NW corner of said Section 36; thence westerly along the north line of Sections 35, 34, 33, 32, 31, T35N, R8E and westerly along the north line of Sections 36, 35 and 34, T35N, R7E to the NW corner of said Section 34; thence northerly along the east lines of Sections 28, 21, 16, 9 and 4, T35N, R7E to the NE corner of said Section 4; thence westerly along the south lines of Sections 33, 32, 31, T36N, R7E and westerly

along the south lines of Sections 36, 35 and 34, T36N, R6E to the SW corner of said Section 34; thence northerly along the west line of Sections 34, 27 and 22, T36N, R6E to the NW corner of said Section 22; thence easterly along the north line of Sections 22, 23 and 24, T36N, R6E to the NE corner of said Section 24; thence northerly along the west line of Sections 18, 7 and 6, T36N, R7E and northerly along the west line of Sections 31, 30, 19, 18, 7 and 6, T37N, R7E and northerly along the west line of Sections 31, 30, 19, 18, 7 and 6, T38N, R7E to the NE corner of Section 1, T38N, R6E, the place of beginning.

PUBLIC SERVICE COMPANY SERVICE AREASTRACT F

Beginning at the SW corner of Section 34, T44N, R7E of the N.M.P.M.; thence northerly along the west line of said Section 34 to the $W\frac{1}{4}$ corner of said Section 34; thence easterly along the east-west center lines of Sections 34, 35 and 36, T44N, R7E and along the east-west center lines of Sections 31, 32 and 33, T44N, R8E to the SW corner of the $E\frac{1}{2} NW\frac{1}{4}$ of said Section 33; thence northerly along the west line of said $E\frac{1}{2} NW\frac{1}{4}$ of said Section 33 to the north line of said Section 33; thence easterly along the north line of said Section 33 to the $N\frac{1}{4}$ corner of said Section 33; thence northerly along the north-south center lines of Sections 28, 21, 16 and 9, T44N, R8E to the center of said Section 9; thence easterly along the east-west center lines of Sections 9 and 10, T44N, R8E to the SW corner of the $E\frac{1}{2} NW\frac{1}{4}$ of said Section 10; thence northerly along the west line of said $E\frac{1}{2} NW\frac{1}{4}$ of said Section 10 and along the west line of the $SE\frac{1}{4} SW\frac{1}{4}$ of Section 3, T44N, R8E to the NW corner of said $SE\frac{1}{4} SW\frac{1}{4}$ of said Section 3; thence easterly along the north line of the $S\frac{1}{2} S\frac{1}{2}$ of Sections 3, 2 and 1, T44N, R8E and along the north line of the $S\frac{1}{2} S\frac{1}{2}$ of Sections 6, 5, 4, 3 and 2, T44N, R9E to the NW corner of $SW\frac{1}{4} SW\frac{1}{4}$ of Section 1, T44N, R9E; thence northerly along the west line of said Section 1 to the NW corner of said Section 1; thence easterly along the north line of said Section 1 to the SW corner of Section 36, T45N, R9E; thence northerly along the west line of Sections 36, 25, 24, 13, 12 and 1, T45N, R9E and along the west line of Sections 36, 25 and 24, T46N, R9E to the NW corner of said Section 24; thence westerly along the south line of Sections 14 and 15, T46N, R9E to the SW corner of said Section 15; thence northerly along the west line of said Section 15 and Section 10, T46N, R9E to the $W\frac{1}{4}$ corner of said Section 10; thence westerly along the east-west center lines of Sections 9, 8 and 7, T46N, R9E to the $W\frac{1}{4}$ corner of said Section 7; thence northerly along the line between Ranges 8E and 9E to the NW corner of Section 30, T47N, R9E; thence westerly along the south line of Section 24, T47N, R8E to the $S\frac{1}{4}$ corner of said Section 24; thence northerly

to the $N\frac{1}{4}$ corner of said Section 24; thence westerly along south lines of Sections 13 and 14, T47N, R8E to the SW corner of the $E\frac{1}{2}$ $E\frac{1}{2}$ of said Section 14; thence northerly along the west line of the $E\frac{1}{2}$ $E\frac{1}{2}$ of Sections 14, 11 and 2, T47N, R8E to the east-west center line of said Section 2; thence westerly along the east-west center line of said Section 2 to the $W\frac{1}{4}$ corner of said Section 2; thence northerly along the west line of said Section 2 and along the west line of Section 35, T48N, R8E to the NW corner of said Section 35; thence westerly along the south line of Section 27, T48N, R8E to the SW corner of said Section 27; thence northerly along the west line of said Section 27 to the NW corner of said Section 27; thence westerly along section lines to the NW corner of Section 28, T48N, R8E, said point being on the boundary line of the San Isabel and Rio Grande National Forests; thence following said National Forest boundary line in a southwesterly direction and continuing along said boundary line in a northwesterly direction to a point of intersection of said boundary line with the Continental Divide in Section 1, T47N, R6E; thence southwesterly along said Continental Divide to a point of intersection with the west range line of R4E; thence southerly along the said west range line of R4E to the SW corner of Section 31, T44N, R4E; thence easterly along section lines to the SW corner of Section 34, T44N, R7E, the place of beginning.