

1
2 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

3 **IN AND FOR THE COUNTY OF COCONINO**

4 THE CITY OF FLAGSTAFF,

5
6 Plaintiff,

7 v.

8 DESERT MOUNTAIN ENERGY CORP.,

9 Defendant.

Case No.: CV 2020-00624

PRELIMINARY INJUNCTION

**[Amended to conform to evidence at
January 8, 2021 preliminary injunction
hearing]**

10 The Court, having received the *Emergency Application for Temporary Restraining*
11 *Order And Preliminary Injunction With Notice* (“Application”) filed by Plaintiff City of
12 Flagstaff (“Plaintiff”), and having considered all briefing and arguments submitted before
13 the Court, and having held a full day hearing with evidence presented by witnesses for the
14 Plaintiff and Defendant on January 8, 2021, hereby finds that the City has carried its burden
15 and that a preliminary injunction shall issue.

16 Based upon the proposed findings of fact and conclusions of law entered
17 contemporaneously with this Order, which are hereby incorporated herein in full, the Court
18 hereby enters this order **GRANTING** the Application and enjoining Defendant Desert
19 Mountain Energy Corp (“DME), as set forth herein.

20 **IT IS HEREBY ORDERED** that during the pendency of these proceedings,
21 Defendant DME shall:

22 a. Cease and desist any Well construction or operations at the Well or at the site
23 of Well Permit 1255 until or unless it obtains all necessary permits, including an Aquifer
24 Protection Permit;

25 b. Refrain from using Well 1255 for injection of fracking chemicals or for
26 disposal of brine or other wastewater.
27
28

1 c. Certify, warrant and represent, by binding resolution of its Board of Directors
2 or other representative authority, that it will use only NSF Standard 60 drilling additives in
3 the Well and other mining operations at the site of the Well;

4 d. Certify, warrant and represent, by binding resolution of its Board of Directors
5 or other representative authority, that it will not use, inject or otherwise introduce any
6 chemicals, constituents or other materials into the Well and other mining operations at the
7 site of the Well that may impair groundwater around and beneath the Well and thereby
8 threaten to degrade the existing water quality underlying Red Gap Ranch;

9 e. Provide a bond of no less than \$5,000,000 to address remediation that could
10 be necessitated by its operations; and

11 f. On a quarterly basis, authorize the City to enter onto the DME Well field to
12 collect seismic or other geophysical data and obtain samples of water, soils, take pictures
13 or video, or collect other data to ensure that DME's operations are not causing materials to
14 enter or otherwise mobilize within the C Aquifer that may degrade or contaminate the City's
15 municipal water supplies at Red Gap Ranch. Such testing or data collection will be
16 undertaken at the City's expense, and the City must provide at least twenty-four (24) hours'
17 notice in advance of seeking access to the lands containing DME's Well at the site of Well
18 Permit 1255.

19 DATED: February 8, 2021

20 

21 eS

22 Nel.9X8g

23 SUPERIOR COURT JUDGE

24 Lee A. Storey (011989)
25 lee@tsllawgroup.com
26 alex@tsllawgroup.com
27 ethan@tsllawgroup.com
28 sara@tsllawgroup.com

Sesaly Stamps, Esq.
Sstamps@DMYL.com
LSMITH@SMYL.com