The New Mexico Commissioner of Public Lands will hold

the 15 September 2015

New Mexico Oil and Gas Lease Sale
in

<u>Carlsbad, New Mexico</u>,
at the

Pecos River Village Conference Center 711 Muscatel Avenue

All sale related business transactions will be completed in Carlsbad on sale day

Questions? Please call 505-827-5744.

PUBLIC NOTICE

SALE OF OIL AND GAS LEASES

Office of the Commissioner of Public Lands P.O. Box 1148 Santa Fe, New Mexico 87504-1148

Public Notice is hereby given pursuant to New Mexico Law 1929, Chapter 125, Section B, as amended, and rules and regulations of the State Land Office, that the Commissioner of Public Lands will hold a sale of oil and gas leases at Morgan Hall, Edward J. Lopez State Land Office Building, Santa Fe, New Mexico, at 9:30 a.m., on August 18, 2015 for the tracts of land herein described. The sale will be held and conducted in accordance with the following terms and conditions:

No bids will be considered for less than the whole of any tract, nor for less than the specified minimum acceptable bid. Separate bids must be made for each tract, and a separate remittance made for each bid.

Sealed bids must be plainly marked, "Oil and Gas Sealed Bid" on the outside of the envelope, along with the date and hour to be opened. Sealed bids may be submitted by mail or otherwise to the Commissioner of Public Lands. All bids submitted will be opened at 9:30 a.m. for the Regular Sale, and at the specified time for the Special Sale on said date. The lease will be awarded to the highest bidder, if the offer made is deemed to be satisfactory.

Sealed bids must be on the proper form issued by the New Mexico State Land Office, complete, and notarized, and must be accompanied by a check, money order, or certified check drawn on a solvent bank. This payment must include the amount bid, plus the application fee of \$30.00.

Each tract on which no sealed bid is received in the Sale may be offered for oral bidding at the public auction, and awarded to the highest bidder.

The successful bidder in every case of oral bidding will be required to deposit forthwith, in cash or by check, money order or certified check drawn on a solvent bank, the amount bid, plus the application fee of \$30.00, and to file application in due form before the close of business on said date.

The applications received pursuant hereto will be deemed to have been filed simultaneously. In all cases, leases will be made on the specified Lease Form as set forth in the Sale Notice. Application forms will be furnished upon request. Form 0-00 (formerly No. OG-57) Bid Application, is applicable to all Lease Forms advertised in this Sale Notice.

Disabled individuals who require aids to participate in the Oil & Gas Lease Sale may call (505) 827-5744, or contact Relay New Mexico at (505) 292-0454 or the AT&T Operator Service for TTY at (800) 855-1155.

The State Land Office makes no warranty as to the conditions of the lands. Lessees must comply with all applicable federal and state laws or regulations.

THE COMMISSIONER RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS. ENVELOPES CONTAINING BIDS SHOULD BE MARKED, "OIL AND GAS SEALED BID."

AUBREY DUNN

COMMISSIONER OF PUBLIC LANDS

NOTICE OF SALE

OIL AND GAS LEASES

BY AUTHORITY VESTED IN ME, I, AUBREY DUNN, COMMISSIONER OF PUBLIC LANDS, WILL OFFER FOR SALE TO THE HIGHEST BIDDER, OIL AND GAS LEASES ON THE TRACTS OF LAND LISTED BELOW, UNDER THE FOLLOWING CONDITIONS:

- 1. NO BIDS WILL BE CONSIDERED FOR LESS THAN THE MINIMUM ACCEPTABLE BID AS LISTED IN THE SALE NOTICE, PLUS A \$30.00 APPLICATION FEE.
- 2. EACH BID MUST BE SUBMITTED FOR THE WHOLE OF ANY TRACT HEREIN DESCRIBED.
- 3. SEPARATE BIDS MUST BE MADE ON EACH TRACT, ACCOMPANIED BY A SEPARATE REMITTANCE.
- 4. PAYMENT SHALL BE MADE THE DAY OF THE SALE IN CASH, BY CHECK, MONEY ORDER, OR CERTIFIED CHECK ON A SOLVENT BANK. When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt. ("The successful bidders shall file proper applications for the leases purchased and shall complete the payment of any balance due on their bids before the closing of the office of the commissioner on the day of the sale." §19-10-17 NMSA 1978.)
- 5. ENVELOPES CONTAINING BIDS SHOULD BE PLAINLY MARKED "OIL AND GAS SEALED BID," GIVING DATE AND TIME OF SALE.
- 6. IN ALL CASES, LEASES WILL BE ISSUED ON THE APPROPRIATE STATUTORY LEASE FORM AS SET FORTH IN THE SALE NOTICE.
- 7. APPLICATION FORMS WILL BE MAILED UPON REQUEST. THE APPLICATION FORM MUST ACCOMPANY EACH SEALED BID.
- 8. ALL MONEY TENDERED BY BIDDERS WILL BE RETURNED IF THEIR BIDS ARE UNSUCCESSFUL.
- 9. SALE WILL BE HELD IN MORGAN HALL, EDWARD J. LOPEZ STATE LAND OFFICE BUILDING, 310 OLD SANTA FE TRAIL, SANTA FE, NEW MEXICO.
- 10. THE COMMISSIONER OF PUBLIC LANDS RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS
SANTA FE, NEW MEXICO

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - AUGUST 18, 2015

NOTE: THE FOLLOWING TRACTS WILL BE OFFERED FOR SEALED BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL BE ISSUED ON SECTION 19-10-4.2 NMSA 1978, DISCOVERY LEASE FORM, FIVE(5) YEAR TERM, 1/6th ROYALTY, AND HAVE BEEN CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

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	TRACT		COUNTY	SEC TWP RGE	DESCRIPTION	ACRES	PRIMARY	MINIMUM
	#					(MORE OR LESS)	RENTAL	ACCEPTABLE BID
===				=======================================				
001	V0-001	(E)	Chaves	14 08S 32E	S2	320.00	\$0.50	\$5,000.00
002	V0-002	(E)	Chaves	15 08s 32E	N2	320.00	\$0.50	\$5,000.00
003	V0-003	(E)	Chaves	22 08S 32E	S2	320.00	\$0.50	\$5,000.00
004	V0-004	(E)	Chaves	23 08s 32E	S2	320.00	\$0.50	\$5,000.00
005	V0-005	(E)	Lea	20 10s 37E	\$2\$2	160.00	\$0.50	\$2,500.00
004								
006	V0-006	(E)	Lea	21 10s 37E	S2SW4	80.00	\$0.50	\$1,500.00
007		455		22 422 77-				
007	V0-007	(E)	Lea	28 10s 37E	WZ	320.00	\$0.50	\$5,000.00
000	VO 008	(E)	1	20 400 775	N2	700 00	00.50	ar 000 00
000	800-00	(E)	Lea	29 10s 37E	N2	320.00	\$0.50	\$5,000.00
nno	V0-009	(E)	1.00	02 110 775	107/62 1 2 7 /	7/ 00	ድቦ ደቦ	#4 F00 00
009	¥0-009	(=)	Lea	02 113 376	LOT(S) 1, 2, 3, 4	74.00	\$0.50	\$1,500.00
010	VO-010	(E)	Lea	03 11s 37E	62	320.00	\$0.50	#E 000 00
010	¥0 010	(6)	Lea	03 113 376	32	320.00	∌0.50	\$5,000.00
011	V0-011	(E)	Lea	16 11s 37E	\$2	320.00	\$0.50	\$5,000.00
311	10 011	()	Lea	10 113 372	32	320.00	\$0.50	\$3,000.00
012	V0-012		Lea	20 11s 37E	N2	320.00	\$0.50	\$5,000.00
J 1 L			LCG	20 113 372	142	320.00	#0.50	\$5,000.00

Regular Sale - ORAL BID AUGUST 18, 2015

NOTE: THE FOLLOWING TRACTS WILL BE OFFERED FOR ORAL BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL BE ISSUED ON SECTION 19-10-4.2 NMSA 1978, DISCOVERY LEASE FORM, FIVE(5) YEAR TERM, 1/6th ROYALTY, AND HAVE BEEN CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

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TRACT	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES	PRIMARY	MINIMUM
#				(MORE OR LESS)	RENTAL	ACCEPTABLE BID
=======================================					========	=======================================
013 VO-O-001 (E)	Chaves	14 08S 32E	N2	320.00	\$0.50	\$5,000.00
014 VO-O-002 (E)	Chaves	15 08S 32E	\$2	320.00	\$0.50	\$5,000.00
015 VO-O-003 (E)	Chaves	22 08S 32E	N2	320.00	\$0.50	\$5,000.00
016 VO-O-004 (E)	Chaves	23 08s 32E	N2	320.00	\$0.50	\$5,000.00
017 VO-O-005 (E)	Lea	36 10s 36E	\$2	320.00	\$0.50	\$5,000.00
018 V0~0-006 (E)	Lea	01 10s 37E	LOT(S) 1, 2, S2NE4, SE4	320.03	\$0.50	\$5,000.00
019 V0-0-007 (E)	Lea TO 3/2012 CONSERVATION		LOT(S) 1, 2, S2NE4, SE4	320.15	\$0.50	\$5,000.00

Regular Sale - ORAL BID AUGUST 18, 2015

NOTE: THE FOLLOWING TRACTS WILL BE OFFERED FOR ORAL BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL BE ISSUED ON SECTION 19-10-4.2 NMSA 1978, DISCOVERY LEASE FORM, FIVE(5) YEAR TERM, 1/6th ROYALTY, AND HAVE BEEN CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

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	TRACT		COUNTY	SEC TWE	RGE	DESCRIPTION	ACRES	PRIMARY	MINIMUM
	#						(MORE OR LESS)	RENTAL	ACCEPTABLE BID
===		=======================================		=====	=====	=======================================			3==========
020	V0-0-008	(E)	Lea	29 109	37E	S2	320.00	\$0.50	\$5,000.00
021	V0-0-009	(E)	Lea	30 109	37E	E2	320.00	\$0.50	\$5,000.00
022	v0-o-010	(E)	Lea	02 119	37E	S2	320.00	\$0.50	\$5,000.00
023	v0-o-011	(E)	Lea	03 119	37E	LOT(S) 1, 2, 3, 4	74.20	\$0.50	\$1,500.00
024	V0-0-012	(E)	Lea	10 119	37E	N2N2	160.00	\$0.50	\$2,500.00
025	V0-0-013	(E)	Lea	16 119	37E	N2	320.00	\$0.50	\$5,000.00
026	v0-0-014		Lea	20 11	37E	N2SW4, SE4	240.00	\$0.50	\$4,000.00
027	v0-0-015		Lea	16 149	37E	E2SE4	80.00	\$0.50	\$1,500.00

E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

Filling out the Bid Application Form

This guide follows the blanks on the Bid Application Form from top to bottom.

OGRID No. Enter your OGRID number here. If you do not have one, contact Paulette Lucero-Romero at (505) 827-5714 or <u>plucero@slo.state.nm.us</u>.

Name of legal entity or personal name —This is the name in which the lease will be issued; it will be the <u>lessee of record</u>. This can be the name of a company or of an individual.

<u>Mailing address</u> – This is the address of the potential <u>leaseholder</u>.

The <u>following five blanks</u> require information to be recorded exactly as you find in the SLO monthly Oil and Gas Lease Sale Notice. The information includes the <u>tract number</u> in the sale, the name of the <u>county</u> in which it lies, <u>the legal land description</u> describing the tract on which you are bidding, whether it is a <u>regular</u> sale <u>or special</u> sale, and how many <u>acres</u> the tract contains. Note that some of the portions are already filled in, to give you a guide to proper annotation.

EXAMPLE: 001 S12 T13S R28E

Sealed: V0-001 Description W2NW4, SE4NW4, SW4

Notice the V0 –type lines are different for sealed and oral bids.

The amount of dollars that you enter in the next blank is your bid. Notice that your first year's rental is included in your bid. Your bid on a 320-acre tract may be \$10,000; if the rental rate on that tract is \$1/acre, we will apply \$320 of your \$10,000 to the first year's rental.

The amount of dollars that you enter in the "Total remittance" blank is your bid <u>plus</u> the \$30.00 application fee. In the above example, you would remit \$10,030.

Name of applicant or agent – This blank is for the <u>printed name</u> of either the applicant or the agent of the applicant.

<u>Signature</u> – The form must be signed in the presence of a <u>notary public</u>. The signature here is of the person named in the previous, "printed name" blank.

<u>Acknowledgment section</u> – Your notary public will complete the remainder of the form.

Remember that the bid application and your remittance must be in the Accounting office of the State Land Office before 9:30 a.m. the day of the oil and gas lease sale.

NEW MEXICO STATE LAND OFFICE

BID APPLICATION FOR A STATE OF NEW MEXICO OIL AND GAS LEASE

				OGRID	
O: Commissioner of Public Land P.O. Box 1148					
Santa Fe, New Mexico 87504	-1148				
	(Please prin	nt the name of the legal	entity, or, if applying	as an individual, the personal na	me.)
hose address is (mailing					,,
<i>(mailing</i> a corporation qualified to do business nereby makes application for an oil a	in New Mexico,	OR a citizen (or eligi	ble to become a cit	izen) of the United States, over	(state) (zip code) the age of twenty-one years on, upon the following describe
and situated in the County of			_, State of New M	exico, to-wit:	
TRACT NUMBER	LAND DE	SCRIPTION		REGULAR SALE	SPECIAL SALE
)	S	T	R		L
Sealed: 0 0	_	Description			
Oral: 0 – 0					
containing ac	es, more or less.				
Tendered herewith as bonus and firs				, plus an application f	ee of \$30.00;
			(a)		
Total remittance sum of (a) and (b)\$		· ·		
/ Place	a print name of an	oplicant or of attorney i	n fact / authorized a	ident l	
to solemnly swear that every statem					
,				, ,	
			(Sign	nature of individual or of attori	ney in fact / authorized agent)
		Acknowledgment	(Sign		ney in fact / authorized agent)
State of)	Acknowledgment	, ,		ney in fact / authorized agent)
)) 	Acknowledgment	, ,		ney in fact / authorized agent)
County of) ´	-	, ,		ney in fact / authorized agent)
County of) ´	-	, ,		ney in fact / authorized agent)
County ofThis instrument was acknowledged b) efore me on	Date	in an Individual C		ney in fact / authorized agent)
County of) efore me on		in an Individual C		ney in fact / authorized agent)
County ofThis instrument was acknowledged b) efore me on	Date	in an Individual C		ney in fact / authorized agent)
County of This instrument was acknowledged b By Name of Person) efore me on	Date	in an Individual C		ney in fact / authorized agent)
County of This instrument was acknowledged b) efore me on	Date	in an Individual C		
County of This instrument was acknowledged b By Name of Person) efore me on	Date	in an Individual C	Capacity:	Signature of Notarial Officer
County of This instrument was acknowledged b By Name of Person) efore me on	Date	in an Individual C	Capacity: My commission ex	
County of This instrument was acknowledged b	efore me on	Date	in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of This instrument was acknowledged b By Name of Person (Seal)	efore me on	Date	in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of This instrument was acknowledged b By Name of Person (Seal)	efore me on	Date	in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of	efore me on	Date Acknowledgment in	in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of	efore me on	Date Acknowledgment in	in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of This instrument was acknowledged by Name of Person (Seal) State of County of This instrument was acknowledged by	efore me on	Date Acknowledgment in	i in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of	efore me on	Date Acknowledgment in	i in an Individual C	Capacity: My commission ex	Signature of Notarial Officer
County of	efore me on	Acknowledgment is	i in an Individual C	My commission exectage Capacity:	Signature of Notarial Officer
County of	efore me on	Acknowledgment is	i in an Individual C	My commission exectage Capacity:	Signature of Notarial Officer
Name of Person (Seal) State of County of This instrument was acknowledged to the seal of Person(s) Name(s) of Person(s)	efore me on	Acknowledgment is	i in an Individual C	My commission exectage Capacity:	Signature of Notarial Officer
County of	efore me on	Acknowledgment is	i in an Individual C	My commission exe Capacity:	Signature of Notarial Officer pires:

HOW TO MAKE A FEDWIRE DEPOSIT TO NEW MEXICO STATE LAND OFFICE

Direct any questions concerning this type of payment to Margaret Sena in the State Land Office Accounting Office at 505-827-5705

When you intend to pay by a wire transfer, please let the SLO Accounting Office know by filling out the form below. You can include the form inside any sealed bid you offer to the SLO. You can get copies of the form by calling the Accounting Office at (505) 827-5700.

	NEW MEXICO ST DRAFT FOR (
	DRAFIFOR	JIL & GAS	SALE	
		DATE		20
PAY TO THE			•	
ORDER OF	COMMISSIONER OF PUBLIC LANDS		_ \$	DOLLADO.
TDACT#				DOLLARS
	COMPANY NAME State Land Commissioner			
	AUTHOR	RIZED AGENT	•	

NEW MEXICO STATE LAND OFFICE BID SUMMARY FOR SALE ON 07-21-2015

_____ TRACT # LEASE # SEC TWP RGE DESCRIPTION ACRES BIDDER BID PRICE/ACR AMOUNTS _______ VB-S-001 VB2553 00 27 22S 25E W2NW4, SE4NW4, N2SW4 200.00 DOUGLAS W. FERGUSON \$222,000.00 \$1,110.00 NEWKUMET EXPLORATION INC. \$161,000.00 FEATHERSTONE DEVELOPMENT CORP \$86,839.00 \$20,000.00 CARRIE D. MARBACH LOMA HOMBRE ENERGY, LLC \$6,900.00 SLASH EXPLORATION LP \$5,200.00 VB-S-002 VB2554 00 36 25S 23E N2 320.00 NEWKUMET EXPLORATION INC. \$16,640.00 \$52.00 LOMA HOMBRE ENERGY, LLC \$6,100.00 VB-S-003 VB2555 00 1 25S 24E LOT(S) 5, 6, 7, 8, SE4 328.80 DOUGLAS W. FERGUSON \$233,448.00 \$710.00 NEWKUMET EXPLORATION INC. \$36,496.80 LOMA HOMBRE ENERGY, LLC \$22,282.78 VB-S-004 VB2556 00 11 25S 24E W2 320.00 DOUGLAS W. FERGUSON \$227,200.00 \$710.00 NEWKUMET EXPLORATION INC. \$129,600.00 LOMA HOMBRE ENERGY, LLC \$15,040.00 VB-S-005 VB2557 00 15 25S 24E N2 320.00 DOUGLAS W. FERGUSON \$227,200.00 \$710.00 NEWKUMET EXPLORATION INC. \$129,600.00 LOMA HOMBRE ENERGY, LLC \$11,840.00 VR-S-006 VR2558 00 16 25S 24E N2 320.00 DOUGLAS W. FERGUSON \$227,200.00 \$710.00 NEWKUMET EXPLORATION INC. \$129,600.00 LOMA HOMBRE ENERGY, LLC \$11,840.00 VB-S-007 VB2559 00 13 26S 22E W2W2 160.00 LOMA HOMBRE ENERGY, LLC \$2,779.00 \$17.37 VB-S-008 VB2560 00 33 24S 34E NE4NE4 40.00 FEDERAL ABSTRACT COMPANY \$400,000.00 \$10,000.00 FEATHERSTONE DEVELOPMENT CORP \$202,727.00 \$88,888.88 LOMA HOMBRE ENERGY, LLC SLASH EXPLORATION LP \$12,040.00 NEWKUMET EXPLORATION INC. \$8,200.00 DAKOTA RESOURCES INC (I) \$1,600.00 VB-S-009 VB2561 00 36 25S 35E E2 320.00 NEWKUMET EXPLORATION INC. \$353,600.00 \$1,105.00 DOUG J. SCHUTZ \$65,920.00 SLASH EXPLORATION LP \$9,920.00 LOMA HOMBRE ENERGY, LLC \$8,800.00 VB-S-010 VB2562 00 16 26S 35E N2 320.00 REAGAN SMITH ENERGY SOLUTIONS \$4,803,520.00 \$15,011.00 DOUG J. SCHUTZ \$1,923,840.00 MRC PERMIAN COMPANY \$1,344,000.00 CROWN OIL PARTNERS V, L.P. \$802,000.00 J BAR CANE INC \$499,200.00 NEWKUMET EXPLORATION INC. \$353,600.00 SLASH EXPLORATION LP \$24,320.00 LOMA HOMBRE ENERGY, LLC \$8,800.00 VB-S-011 VB2563 00 32 26S 35E LOT(S) 1, 2, 3, 4, N2N2 (ALL) 295.00 REAGAN SMITH ENERGY SOLUTIONS \$4,428,245.00 \$15,011.00 MRC PERMIAN COMPANY \$1,239,000.00 FEATHERSTONE DEVELOPMENT CORP \$763,000.00

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID AMOUNTS	PRICE/ACR
		J BAR CANE INC NEWKUMET EXPLORATION INC. SLASH EXPLORATION LP LOMA HOMBRE ENERGY, LLC	\$150,745.00 \$89,975.00 \$22,420.00 \$8,800.00	
VB-O-001 VB2564 00	28 22S 25E E2NE4, NE4SE4	120.00 NEWKUMET EXPLORATION INC.	\$135,000.00	\$1,125.00
VB-O-002 VB2565 00	36 25\$ 23E \$2	320.00 NEWKUMET EXPLORATION INC.	\$8,000.00	\$25.00
VB-O-003 VB2566 00	2 25S 24E SE4	160.00 NEWKUMET EXPLORATION INC.	\$115,000.00	\$718.75
VB-O-004 VB2567 00	14 25\$ 24E LOT(\$) 1, 2, 3, 4, NW4	328.70 NEWKUMET EXPLORATION INC.	\$240,000.00	\$730.15
VB-O-005 VB2568 00	15 25\$ 24E \$2	320.00 NEWKUMET EXPLORATION INC.	\$230,000.00	\$718.75
VB-O-006 VB2569 00	17 25S 24E SE4	160.00 NEWKUMET EXPLORATION INC.	\$120,000.00	\$750.00
VB-O-007 VB2570 00	14 26S 22E N2NE4	80.00 NEWKUMET EXPLORATION INC.	\$5,000.00	\$62.50
VB-O-008 VB2571 00	9 26S 23E SE4SW4, SW4SE4	80.00 NEWKUMET EXPLORATION INC.	\$5,100.00	\$63.75
VB-O-009 VB2572 00	36 25\$ 35E W2	320.00 NEWKUMET EXPLORATION INC.	\$660,000.00	\$2,062.50
VB-O-010 VB2573 00	16 26S 35E S2	320.00 REAGAN SMITH ENERGY SOLUTION	s \$2,260,000.00	\$7,062.50
VB-O-011 VB2574 00	36 26S 35E LOT(S) 1, 2, 3, 4, N2N2 (ALL)	293.16 NEWKUMET EXPLORATION INC.	\$560,000.00	\$1,910.22

**** END OF REPORT ****

HIGHEST BID ANALYSIS REGULAR SALE July 21, 2015

Total
Sealed (Five Year)
Oral (Five Year)

\$15,479,932.00 for 22 tracts covering 5,445.66 Acres...\$2,842.62 per acre. \$11,141,832.00 for 11 tracts covering 2,943.80 Acres...\$3,784.85 per acre. \$4,338,100.00 for 11 tracts covering 2,501.86 Acres...\$1,733.95 per acre.

Total of 22 tracts were offered.... 22 tracts were sold.

Highest Sealed Bid Tract No. VB-010 \$ 4,803,520.00 N2 of Section 16, Township 26 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 11.5 miles southwest of Jal, New Mexico, by Reagan Smith Energy Solutions, Inc. of Oklahoma City, OK.

Highest Sealed Bid Per Acre Tract No. VB-010 \$ 15,011.00 N2 of Section 16, Township 26 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 11.5 miles southwest of Jal, New Mexico, by Reagan Smith Energy Solutions, Inc. of Oklahoma City, OK.

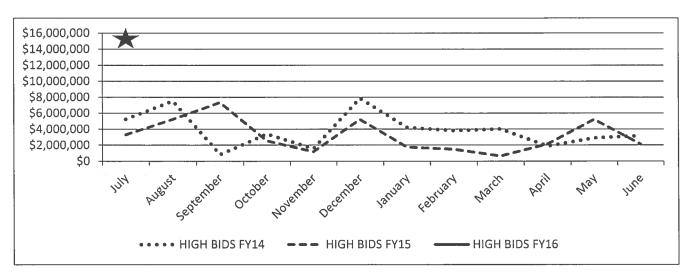
Highest Sealed Bid Per Acre Tract No. VB-011 \$ 15,011.00

(LOT)S 1, 2, 3, 4, N2N2 (ALL) of Section 32, Township 26 South, Range 35 East, containing 295.00 acres, more or less, in Lea County, approximately 13.7 miles southwest of Jal, New Mexico, by Reagan Smith Energy Solutions, Inc. of Oklahoma City, OK.

Highest Oral Bid Tract No. VB-O-010 \$ 2,260,000.00 S2 of Section 16, Township 26 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 11.5 miles southwest of Jal, New Mexico, by Reagan Smith Energy Solutions, Inc. of Oklahoma City, OK.

Highest Oral Bid Per Acre Tract No. VB-O-010 \$ 7,062.50 S2 of Section 16, Township 26 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 11.5 miles southwest of Jal, New Mexico, by Reagan Smith Energy Solutions, Inc. of Oklahoma City, OK.

July 2014 Regular Sale was \$3,287,028.90 for 6,849.21 acres or \$12,192,903.10 less than the July 2015 Regular Sale.





Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

20 January 2015

To the representatives of the oil and gas industry:

In 2012, the New Mexico State Land Office entered into a Candidate Conservation Agreement with Assurances (CCAA) with the United States Fish and Wildlife Service (USFWS) and the Center of Excellence for Hazardous Material Management (CEHMM). The agreement was expanded in 2014.

The purpose of the CCAA is to provide protections for the Lesser Prairie Chicken and Dunes Sagebrush Lizard, while allowing industry activities to continue on State Lands. There are now 404,000 acres of State Lands enrolled in the program.

By enrolling State Lands, the New Mexico State Land Office has provided for program eligibility for lease holders on these lands. Enrolled lands are marked on the oil & gas lease sale tract listing with a footnote.

This is a voluntary program entered into by industry through CEHMM. Information on the program can be found at the CEHMM web site: www.cehmm.org/ccaccaa.

Aubrey Dunie

Commissioner of Public Lands



Aubrey Dunn COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

NOTICE: CULTURAL RESOURCE PROTECTION

All oil & gas or mineral leases, assigns, and operators conducting drilling, production, injection, or related operations on state trust lands should be aware that it is a criminal offense for any person to knowingly excavate, injure, or destroy cultural property located on state land. [§ 18-6-9, NMSA 1978]. Applicants and lessees should exercise due caution to ensure that cultural properties are not inadvertently excavated, injured, or destroyed by any person. A cultural resource survey prior to any surface disturbing activity may assist in site identification and avoidance of criminal liability associated with disturbance or destruction of sites. Should any activity reveal suspected cultural property, the activity should cease until a site evaluation is made. For further information, please contact the New Mexico State Land Office Oil & Gas Division at 505-827-5774.

2015 Oil & Gas Lease Sale Calendar

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Regularly scheduled sale

(Third Tuesday of each month)

Last day to nominate tracts for following monthly sale

~~~~Do you need New Mexico oil and gas info?~~~~

▶ ▶ ► USEFUL NEW MEXICO OIL AND GAS LINKS ◀ ◀ ◀

New Mexico State Land Office, leasing/royalty management agency for state trust lands: www.nmstatelands.org

New Mexico Tech site for State Land Office ONGARD data presentation to the public.

http://octane.nmt.edu/slo/

ONGARD database for open acres and a wealth of other state data you didn't know you needed.

http://www.ongard.state.nm.us/

NM Bureau of Geology and Mineral Resources, subsurface geology for the state.

Their publications website: http://geoinfo.nmt.edu/

NM Oil Conservation Division, oil industry regulatory agency for operating in New Mexico, plus well and production data: http://www.emnrd.state.nm.us/ocd/



How may our Oil, Gas, and Minerals Division help you?

<u>Lease Sales, Nominations,</u> <u>Potash Enclave,</u> <u>Geophysical Permitting, Geology</u>

Stephen Wust, 505-827-5774 swust@slo.state.nm.us

Communitization, Reduced Royalty, Engineering

Niranjan Khalsa 505-827-6628 Anchor Holm, 505-827-5759

Unitization & Commingling

Pete Martinez, 505-827-5791 Sue Keelin, 505-827-5783

Lease Expirations, Cancellations, Rentals, Assignments, Miscellaneous Instruments

Kenda Montoya 505-827-5749 Rubel Salazar 505-827-5730

Bonds, Shut-In Royalty, OGRIDS,

Paulette Lucero-Romero, 505-827-5714

Sand and Gravel, Caliche, General Mining

Michael Mariano, 505-827-5750 Jason Smith, 505-827-5743 Monica Fresquez, 505-827-5849

OGMD Office Procedures, Division Administration

Patrick Padilla, Assistant Commissioner, 505-827-4489 Terry Warnell, Division Director, 505-827-5745 Ed Martin, Engineering Supervisor, 505-827-5746 Chuck Sandoval, Office Administrator, 505-827-5744