

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 19, 2014 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 Special Sale may then 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."



RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

NOTICE OF SALE

OIL AND GAS LEASES

BY AUTHORITY VESTED IN ME, I, RAY POWELL, 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.
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.

RAY POWELL, M.S., D.V.M
COMMISSIONER OF PUBLIC LANDS
SANTA FE, NEW MEXICO

NEW MEXICO STATE LAND OFFICE
LEASE SALE NOTICE

***** SEALED TRACTS *****

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - AUGUST 19, 2014

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.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
001 VO-001	Chaves	08 10S 26E	E2	320.00	\$0.50	\$5,000.00
002 VO-002 (E)	Chaves	34 11S 31E	SW4SW4	40.00	\$0.50	\$1,000.00
003 VO-003	Eddy	20 16S 24E	S2	320.00	\$1.00	\$5,000.00
004 VO-004	Eddy	03 16S 31E	LOT(S) 16	40.00	\$1.00	\$1,000.00
005 VO-005	Eddy	24 18S 21E	S2NW4, S2	400.00	\$1.00	\$6,500.00
006 VO-006	Lea	27 12S 33E	W2	320.00	\$0.50	\$5,000.00
007 VO-007	Lea	24 13S 37E	SW4NE4, NW4	200.00	\$0.50	\$3,500.00
008 VO-008 (E)	Roosevelt	10 06S 34E	S2	320.00	\$0.50	\$5,000.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - AUGUST 19, 2014

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR SEALED BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL BE ISSUED ON SECTION 19-10-4.3 NMSA 1978, DEVELOPMENT LEASE FORM, FIVE(5) YEAR TERM, 3/16th ROYALTY, AND HAVE BEEN CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
009 VB-001	Eddy	26 19S 28E	NE4	160.00	\$1.00	\$2,500.00
010 VB-002 (B, D)	Eddy	17 20S 30E	N2NW4	80.00	\$1.00	\$1,500.00
011 VB-003	Eddy	36 26S 22E	LOT(S) 1, 2, 3, 4, N2N2 (ALL)	247.48	\$1.00	\$4,000.00
012 VB-004	Eddy	32 26S 23E	LOT(S) 1, 2, 3, 4, N2N2 (ALL)	244.92	\$1.00	\$4,000.00
013 VB-005	Lea	27 13S 38E	E2	320.00	\$0.50	\$5,000.00
014 VB-006 (D)	Lea	23 15S 35E	N2NW4, SW4NW4, SW4SW4	160.00	\$0.50	\$2,500.00
015 VB-007 (D)	Lea	25 15S 37E	E2	320.00	\$0.50	\$5,000.00
016 VB-008	Lea	28 16S 35E	NE4	160.00	\$1.00	\$2,500.00
017 VB-009	Lea	22 16S 36E	NE4NE4	40.00	\$1.00	\$1,000.00
018 VB-010 (D)	Lea	14 17S 36E	N2, NE4SE4	360.00	\$1.00	\$6,000.00
019 VB-011 (B)	Lea	32 21S 32E	NE4	160.00	\$1.00	\$4,500.00

B: DRILLING RESTRICTED DUE TO POTASH
E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

D: ALL OR PORTION OF SURFACE NON-STATE

***** ORAL TRACTS *****

Regular Sale - ORAL BID AUGUST 19, 2014

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.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
020 VO-O-001 (D)	Chaves	24 11S 31E	S2	320.00	\$0.50	\$5,000.00
021 VO-O-002 (E)	Chaves	34 11S 31E	SE4SW4	40.00	\$0.50	\$1,000.00
022 VO-O-003 (D)	Chaves	02 14S 30E	LOT(S) 2, 3, 4, SW4NE4, S2NW4	241.37	\$0.50	\$4,000.00
023 VO-O-004	Eddy	28 16S 25E	W2NE4, NW4SE4	120.00	\$1.00	\$2,000.00
024 VO-O-005	Eddy	16 17S 25E	W2	320.00	\$1.00	\$5,000.00
025 VO-O-006 (D)	Eddy	26 18S 24E	N2NE4, SW4NE4, SW4, W2SE4	360.00	\$1.00	\$6,000.00
026 VO-O-007 (D)	Eddy	36 20H 22E	LOT(S) 1, 2, 3, 4, S2S2 (ALL)	338.08	\$0.25	\$5,500.00
027 VO-O-008 (D, E)	Lea	32 09S 37E	W2SE4	80.00	\$0.50	\$1,500.00
028 VO-O-009 (E)	Lea	01 10S 32E	SW4	160.00	\$0.50	\$2,500.00

Regular Sale - ORAL BID AUGUST 19, 2014

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR ORAL BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL BE ISSUED ON SECTION 19-10-4.3 NMSA 1978, DEVELOPMENT LEASE FORM, FIVE(5) YEAR TERM, 3/16th ROYALTY, AND HAVE BEEN CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
029 VB-O-001	Eddy	36 26S 23E	ALL	93.73	\$1.00	\$1,500.00
030 VB-O-002 (D)	Lea	25 15S 37E	W2	320.00	\$0.50	\$5,000.00
031 VB-O-003	Lea	28 16S 35E	S2	320.00	\$1.00	\$5,000.00
032 VB-O-004	Lea	21 16S 36E	W2SW4, E2SE4	160.00	\$1.00	\$2,500.00
033 VB-O-005 (D)	Lea	17 17S 37E	N2NE4, N2SW4	160.00	\$1.00	\$2,500.00
034 VB-O-006	Lea	32 21S 32E	N2SE4, SE4SE4	120.00	\$1.00	\$2,000.00
035 VB-O-007	Lea	16 24S 37E	NW4NE4, SE4SE4	80.00	\$1.00	\$1,500.00

D: ALL OR PORTION OF SURFACE NON-STATE
 E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS

www.nmstatelands.org

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 plucero@slo.state.nm.us.

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

Mailing address – This is the address of the potential leaseholder.

The following five blanks require information to be recorded exactly as you find in the SLO monthly Oil and Gas Lease Sale Notice. The information includes the tract number in the sale, the name of the county in which it lies, the legal land description describing the tract on which you are bidding, whether it is a regular sale or special sale, and how many acres 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 plus the \$30.00 application fee. In the above example, you would remit \$10,030.

Name of applicant or agent – This blank is for the printed name of either the applicant or the agent of the applicant.

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

Acknowledgment section – 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 No. _____

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

(Please print the name of the legal entity, or, if applying as an individual, the personal name.)

whose address is _____, _____, _____, _____
(mailing address) (city) (state) (zip code)

a corporation qualified to do business in New Mexico, OR a citizen (or eligible to become a citizen) of the United States, over the age of twenty-one years hereby makes application for an oil and gas lease for the exploration, development and production of oil and natural gas thereon, upon the following described

land situated in the County of _____, State of New Mexico, to-wit:

<u>TRACT NUMBER</u>	<u>LAND DESCRIPTION</u>	<u>REGULAR SALE</u>	<u>SPECIAL SALE</u>
0 _____	S _____ T _____ R _____	<input type="checkbox"/>	<input type="checkbox"/>

Sealed: _____ - 0 _____ Description _____

Oral: _____ - 0 - 0 _____

containing _____ acres, more or less.

Tendered herewith as bonus and first year's rental thereon is the sum of \$ _____, plus an application fee of \$30.00;
(a) (b)

Total remittance sum of (a) and (b).....\$ _____.

I, _____
(Please print name of applicant or of attorney in fact / authorized agent.)

do solemnly swear that every statement made in this application is true and correct to the best of my knowledge and belief.

(Signature of individual or of attorney in fact / authorized agent)

Acknowledgment in an Individual Capacity:

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
Date

By _____
Name of Person

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity:

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
Date

By _____
Name(s) of Person(s)

as _____ of _____
Type of authority; e.g., officer, trustee, etc. Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

**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 STATE LAND OFFICE
DRAFT FOR OIL & GAS SALE**

DATE _____ 20____

PAY TO THE
ORDER OF _____ **COMMISSIONER OF PUBLIC LANDS** _____ \$ _____
_____ DOLLARS

TRACT # _____

Wells Fargo _____ **COMPANY NAME** _____
For the Account of State Land Commissioner

AUTHORIZED AGENT

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VO-S-001	V09723 00	20	09S	27E	E2	320.00	JALAPENO CORPORATION YATES PETROLEUM CORPORATION	\$48,960.00 \$14,172.80	\$153.00
VO-S-002	V09724 00	36	19S	23E	S2	320.00	CHASE OIL CORPORATION YATES PETROLEUM CORPORATION FEDERAL ABSTRACT COMPANY ROY G. BARTON JR.	\$16,015.00 \$7,612.80 \$6,600.00 \$6,270.00	\$50.05
VO-S-003	V09725 00	12	10S	36E	W2	320.00	SHAW INTERESTS, INC. YATES PETROLEUM CORPORATION FEDERAL ABSTRACT COMPANY	\$28,800.00 \$23,452.80 \$6,400.00	\$90.00
VO-S-004	V09726 00	3	10S	37E	LOT(S) 3, 4, S2NW4, SW4	320.39	SHAW INTERESTS, INC. FEDERAL ABSTRACT COMPANY	\$41,650.70 \$6,450.00	\$130.00
VO-S-005	V09727 00	6	10S	37E	LOT(S) 3, 4, 5, 6, 7, SE4NW4, E2SW4	317.16	SHAW INTERESTS, INC. FEDERAL ABSTRACT COMPANY	\$20,615.40 \$6,400.00	\$65.00
VO-S-006	V09728 00	34	11S	34E	E2	320.00	DAVID W. LOGAN YATES PETROLEUM CORPORATION FEDERAL ABSTRACT COMPANY	\$21,001.60 \$7,132.80 \$6,500.00	\$65.63
VO-S-007	V09729 00	33	13S	38E	E2	320.00	MANZANO ENERGY PARTNERS II, L DOUG J. SCHUTZ FEDERAL ABSTRACT COMPANY	\$335,040.00 \$24,640.00 \$6,500.00	\$1,047.00
VO-S-008	V09730 00	24	23S	37E	S2	320.00	OPAL RESOURCES, LLC CHASE OIL CORPORATION ROY G. BARTON JR.	\$97,600.00 \$32,015.00 \$8,640.00	\$305.00
VB-S-001	V82407 00	10	21S	25E	SE4NW4, NE4SW4, S2SW4, SE4	320.00	CROWN OIL PARTNERS V, L.P. MADISON M HINKLE DOUG J. SCHUTZ FEDERAL ABSTRACT COMPANY FEATHERSTONE DEVELOPMENT CORP YATES PETROLEUM CORPORATION ROY G. BARTON JR.	\$272,000.00 \$160,960.00 \$105,726.89 \$103,360.00 \$90,180.00 \$15,932.80 \$13,170.00	\$850.00
VB-S-002	V82408 00	11	22S	29E	S2NW4, N2SW4	160.00	BMT O&G NM, LLC MRC PERMIAN COMPANY ROY G. BARTON JR. FEDERAL ABSTRACT COMPANY	\$376,889.60 \$192,000.00 \$18,240.00 \$6,400.00	\$2,355.56
VB-S-003	V82409 00	26	22S	29E	NE4, E2NW4	240.00	BMT O&G NM, LLC MRC PERMIAN COMPANY ROY G. BARTON JR. FEDERAL ABSTRACT COMPANY	\$570,141.60 \$288,000.00 \$27,360.00 \$6,400.00	\$2,375.59
VB-S-004	V82410 00	26	18S	37E	SW4NE4, W2W2, N2SE4, SW4SE4	320.00	CHASE OIL CORPORATION YATES PETROLEUM CORPORATION ROY G. BARTON JR. FEDERAL ABSTRACT COMPANY	\$64,015.00 \$10,812.80 \$8,320.00 \$6,600.00	\$200.05

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
V0-O-001	V09731 00	27	18S	24E	NE4, E2NW4, NE4SW4, N2SE4	360.00	YATES PETROLEUM CORPORATION	\$8,500.00	\$23.61
V0-O-002	V09732 00	12	10S	36E	E2	320.00	SHAW INTERESTS, INC.	\$72,000.00	\$225.00
V0-O-003	V09733 00	3	10S	37E	LOT(S) 1, 2, S2NE4, SE4	320.29	SHAW INTERESTS, INC.	\$6,500.00	\$20.29
V0-O-004	V09734 00	6	10S	37E	LOT(S) 1, 2, S2NE4, SE4	320.24	SHAW INTERESTS, INC.	\$7,000.00	\$21.86
V0-O-005	V09735 00	34	11S	34E	W2	320.00	DAVID W. LOGAN	\$21,000.00	\$65.63
V0-O-006	V09736 00	34	13S	38E	N2	320.00	MANZANO ENERGY PARTNERS II, L	\$64,000.00	\$200.00
V0-O-007	V09737 00	6	15S	32E	LOT(S) 5, 7	91.25	FEDERAL ABSTRACT COMPANY	\$15,000.00	\$164.38
V0-O-008	V09738 00	24	23S	37E	NE4NE4, S2NE4	120.00	OPAL RESOURCES, LLC	\$28,000.00	\$233.33
V0-O-009	V09739 00	36	30N	16W	NE4NE4, SW4NE4, NW4	240.00	FEDERAL ABSTRACT COMPANY	\$25,300.00	\$105.42
VB-O-001	VB2411 00	25	22S	29E	NW4NW4	40.00	BMT O&G NM, LLC	\$86,000.00	\$2,150.00
VB-O-002	VB2412 00	2	26S	25E	E2	320.00	CHASE OIL CORPORATION	\$380,000.00	\$1,187.50
VB-O-003	VB2413 00	31	20S	36E	LOT(S) 3, 4, E2SW4	159.88	YATES PETROLEUM CORPORATION	\$26,000.00	\$162.62
VB-O-004	VB2414 00	5	22S	35E	S2	320.00	GMT EXPLORATION COMPANY LLC	\$655,000.00	\$2,046.88
LH-O-001	LH7205 00	16	19N	27E	NW4, N2SW4, SW4SW4	280.00	KHL, INC., A NEW MEXICO CORPO	\$4,500.00	\$16.07
LH-O-002	LH7206 00	16	19N	27E	N2NE4, SW4NE4, W2SE4, SE4SE4	240.00	KHL, INC., A NEW MEXICO CORPO	\$4,000.00	\$16.67
LH-O-003	LH7207 00	36	19N	27E	E2	320.00	KHL, INC., A NEW MEXICO CORPO	\$5,000.00	\$15.63
LH-O-004	LH7208 00	36	19N	27E	W2	320.00	KHL, INC., A NEW MEXICO CORPO	\$5,000.00	\$15.63
LH-O-005	LH7209 00	16	20N	27E	W2	320.00	KHL, INC., A NEW MEXICO CORPO	\$5,000.00	\$15.63
LH-O-006	LH7210 00	16	20N	27E	NE4, N2SE4, SW4SE4	280.00	KHL, INC., A NEW MEXICO CORPO	\$4,500.00	\$16.07
LH-O-007	LH7211 00	36	20N	27E	E2	320.00	KHL, INC., A NEW MEXICO CORPO	\$5,000.00	\$15.63
LH-O-008	LH7212 00	36	20N	27E	W2	320.00	KHL, INC., A NEW MEXICO CORPO	\$5,000.00	\$15.63

**** END OF REPORT ****

HIGHEST BID ANALYSIS

Total Sale (sealed, oral and special) \$3,325,028.90

REGULAR SALE July 15, 2014

Total \$ 3,287,028.90 for 25 tracts covering 6,849.21 Acres...\$479.91 per acre.

Sealed (Five Year) \$1,892,728.90 for 12 tracts covering 3,597.55 Acres...\$526.12 per acre.

Oral (Five Year) \$1,394,300.00 for 13 tracts covering 3,251.66 Acres...\$428.80 per acre.

Total of 25 tracts were offered.... 25 tracts were sold.....22 buyers registered for the sale.

**Highest Sealed Bid
(Five Year Term)
Tract No. VB-003
\$ 570,141.60** NE4, E2NW4 of Section 26, Township 22 South, Range 29 East, containing 240.00 acres, more or less, in Eddy County, approximately 10 miles northeast of Loving, New Mexico, by BMT O&G NM, LLC, Fort Worth, TX.

**Highest Sealed Bid
(Five Year Term)
Per Acre
Tract No. VB-003
\$ 2,375.59** NE4, E2NW4 of Section 26, Township 22 South, Range 29 East, containing 240.00 acres, more or less, in Eddy County, approximately 10 miles northeast of Loving, New Mexico, by BMT O&G NM, LLC, Fort Worth, TX.

**Highest Oral Bid
(Five Year Term)
Tract No. VB-O-004
\$ 655,000.00** S2 of Section 05, Township 22 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 13 miles southwest of Eunice, New Mexico, by GMT Exploration Company LLC, Denver, CO.

**Highest Oral Bid
(Five Year Term)
Per Acre
Tract No. VB-O-001
\$ 2,150.00** NW4NW4 of Section 25, Township 22 South, Range 29 East, containing 40.00 acres, more or less, in Eddy County, approximately 11 miles northeast of Loving, New Mexico, by BMT O&G NM, LLC, Fort Worth, TX.

July 2013 Regular Sale was \$1,222,657.20 for 7,816.81 acres or \$2,064,371.70 less than the July 2014 Regular Sale.

SPECIAL SALE

The Special Sale (Ten Year Term) brought in \$38,000.00 for 8 tracts covering 2,400.00 acres at \$15.83 per acre.



Ray Powell, M.S., D.V.M.
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

April 1, 2014

Dear Representative of the Oil and Gas Industry:

On March 25, 2014, I signed 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). With the USFWS's recent decision to list the Lesser Prairie Chicken (LPC) as a "threatened" species under the Endangered Species Act, I would like to make sure you are aware of your ability to utilize the protections afforded under the CCAA.

This agreement, which enrolls approximately 404,000 acres of State Trust Land under the voluntary conservation program, is aimed at ensuring that regardless of USFWS listing decisions under the Endangered Species Act participating State Land Office lessees will be able to continue their operations. The accord covers both Lesser Prairie Chicken and the Dunes Sagebrush Lizard (DSL) habitat. In 2012 I signed a similar agreement, which at the time represented one of the largest accords in the nation with more than 247,000 acres. This new agreement replaces and expands this effort.

Participation in the CCAA helps ensure that oil and gas activities can continue in areas inhabited by the LPC and/or the DSL while meeting conservation objectives for these two species. By enrolling these State Trust Lands under the program, lessees of these lands will also be able to enroll if they chose to do so, even though the listing decision for the LPC has already been published.

This agreement will help protect the health of our lands while allowing economic activity that supports State Land Trust beneficiaries, which include public schools, hospitals, and universities, to continue. In the absence of a CCAA, state land use and development in the species' range may be delayed by the requisite USFWS consultation process. By agreeing to conduct certain conservation measures the USFWS provides regulatory certainty (assurances) concerning land use restrictions that might otherwise apply due to LPC or DSL listing decisions.

Some measures required under the CCAA to protect the LPC and DSL include:

- Providing escape ramps for open water sources;
- Minimizing surface disturbances;

- Avoiding DSL habitat;
- Burying power lines within two miles of LPC lek sites active at least once in the past five years;
- Burying power lines within one mile of historic LPC lek site.

The CCAA agreement is available for your review on the State Land Office website: www.nmstatelands.org/conservation-agreement-for-sand-dunes-lizard-and-lesser-prairie-chicken.aspx. This page also includes a habitat map and other information concerning the agreement that may be of interest to you.

Comprehensive information on the CCAA is also available on the CEHMM website at www.cehmm.org/ccaccaa. Mr. Matt Mathis is the CEHMM point of contact and can be reached at (575) 885-3700 or matt.mathis@cehmm.org with questions regarding enrollment. Enrollment eligibility and associated deadlines may differ based on each applicant's circumstances. Please contact CEHMM as soon as possible if you have questions.

I am also writing to encourage all oil and gas lessees to participate in this voluntary program. The health of our State Trust Lands and the success of the oil and gas industry are of great importance to New Mexicans. This agreement helps ensure the future of both.

Please do not hesitate to contact me or my office with any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that reads "Ray Powell". The signature is written in a cursive, flowing style.

Ray Powell, M.S., D.V.M.
Commissioner of Public Lands



Ray Powell, M.S., D.V.M.
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 lessees, 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 further information is obtained. For further information, please contact the State Land Office Field Operations Division at 505-827-5095 or the New Mexico Historic Preservation Division at 505-827-6320.

2014

NEW MEXICO STATE LAND OFFICE



SALE CALENDAR

Regularly scheduled sale
(Third Tuesday of each month)

Last day to nominate tracts for
next monthly sale

To nominate tracts for an oil and gas lease sale, call the Oil, Gas, and Minerals Division Geologists at 505-827-5774 or 505-827-5748, submit your nomination in writing, or by e-mail to, swust@slo.state.nm.us.

TO PRESERVE CONFIDENTIALITY OF YOUR NOMINATION, PLEASE MARK THE OUTSIDE OF YOUR ENVELOPE WITH THE WORDS **CONFIDENTIAL NOMINATION.**

New Mexico State Land Office
Oil, Gas and Minerals Division
P.O. Box 1148
Santa Fe, NM 87504-1148.

Fax number is 505-827-4739.

Fax communication may not be confidential.

Our Web page address is www.nmstatelands.org.

January						
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~~~~~*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](http://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?

**Lease Sales, Nominations,  
Potash Enclave,  
Geophysical Permitting, Geology**

Stephen Wust, 505-827-5774  
[swust@slo.state.nm.us](mailto:swust@slo.state.nm.us)

Niranjan Khalsa  
505-827-5748

**Communitization, Reduced  
Royalty, Engineering**

William Jones, 505-827-6628  
Anchor Holm, 505-827-5759

**Lease Expirations,  
Cancellations, Rentals,  
Assignments,  
Miscellaneous Instruments**

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

**Unitization & Commingling**

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

**Bonds, Shut-In Royalty, OGRIDS,**

Paulette Lucero-Romero, 505-827-5714

**Sand and Gravel, Caliche, General Mining**

In Santa Fe (includes Farmington):

Michael Mariano, 505-827-5750

Jason Smith, 505-827-5743

Monica Fresquez, 505-827-5849

In Hobbs Field Office:

Ben Sturgill, 505-392-8736

or William Sonnamaker, 505-392-3697

**OGMD Office Procedures, Division Administration**

Greg Bloom, 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