

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 December 17, 2013 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, e-mail [Debbie Tise at dtise@slo.state.nm.us](mailto:dtise@slo.state.nm.us), 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, MS, DVM
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 - DECEMBER 17, 2013

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 V0-001	Chaves	23 08S 33E	NE4NW4, S2NW4	120.00	\$0.50	\$2,000.00
002 V0-002	Chaves	36 08S 33E	W2	320.00	\$0.50	\$5,000.00
003 V0-003 (E)	Eddy	17 16S 31E	NW4NW4	40.00	\$1.00	\$1,000.00
004 V0-004 (E)	Eddy	18 16S 31E	NE4NE4	40.00	\$1.00	\$1,000.00
005 V0-005	Eddy	07 21S 26E	NE4SE4	40.00	\$1.00	\$1,000.00
006 V0-006	Eddy	08 21S 26E	SW4SW4	40.00	\$1.00	\$1,000.00
007 V0-007	Eddy	36 22S 25E	N2NE4, SW4NE4, W2NW4, SE4NW4	240.00	\$1.00	\$4,000.00
008 V0-008	Eddy	06 22S 26E	S2SE4	80.00	\$1.00	\$1,500.00
009 V0-009	Eddy	28 23S 25E	E2	320.00	\$1.00	\$5,000.00
010 V0-010 (D)	Lea	10 12S 34E	ALL	640.00	\$0.50	\$10,000.00
011 V0-011 (D)	Lea	25 12S 34E	NE4	160.00	\$0.50	\$2,500.00
012 V0-012 (D)	Lea	34 13S 33E	SW4	160.00	\$0.50	\$2,500.00
013 V0-013	Lea	26 16S 32E	N2	320.00	\$1.00	\$5,000.00
014 V0-014	Lea	17 16S 35E	W2NW4	80.00	\$1.00	\$1,500.00
015 V0-015	Lea	01 19S 36E	NW4SW4	40.00	\$1.00	\$1,000.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - DECEMBER 17, 2013

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
016 VB-001	Lea	35 18S 36E	SW4	160.00	\$1.00	\$2,500.00
017 VB-002	Lea	09 22S 32E	SE4SW4	40.00	\$1.00	\$1,000.00
018 VB-003	Lea	05 24S 38E	SW4SW4, SE4SE4	80.00	\$1.00	\$1,500.00

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

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

Regular Sale - ORAL BID DECEMBER 17, 2013

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
019 V0-O-001	Chaves	36 08S 33E	E2	320.00	\$0.50	\$5,000.00
020 V0-O-002	Eddy	13 16S 31E	N2NE4, NE4SE4	120.00	\$1.00	\$2,000.00
021 V0-O-003	Eddy	30 21S 26E	LOT(S) 1, 3, NE4SW4	118.70	\$1.00	\$2,000.00
022 V0-O-004	Eddy	36 22S 25E	E2SW4, SE4	240.00	\$1.00	\$4,000.00
023 V0-O-005 (D)	Eddy	36 22S 27E	ALL	640.00	\$1.00	\$10,000.00
024 V0-O-006	Eddy	28 23S 25E	W2	320.00	\$1.00	\$5,000.00
025 V0-O-007	Lea	23 11S 33E	N2	320.00	\$0.50	\$5,000.00
026 V0-O-008	Lea	28 11S 33E	NW4SE4	40.00	\$0.50	\$1,000.00
027 V0-O-009	Lea	25 12S 34E	S2	320.00	\$0.50	\$5,000.00
028 V0-O-010 (D)	Lea	34 13S 33E	N2	320.00	\$0.50	\$5,000.00
029 V0-O-011	Lea	35 13S 33E	N2N2, SW4NW4, W2SW4	280.00	\$0.50	\$4,500.00
030 V0-O-012	Lea	27 16S 32E	N2	320.00	\$1.00	\$5,000.00
031 V0-O-013	Lea	27 16S 32E	SW4, NE4SE4, S2SE4	280.00	\$1.00	\$4,500.00
032 V0-O-014	Lea	12 16S 33E	E2	320.00	\$1.00	\$5,000.00
033 V0-O-015	Lea	07 16S 34E	LOT(S) 3, 4, E2SW4, SE4	304.01	\$1.00	\$5,000.00
034 V0-O-016	Lea	35 16S 37E	NE4	160.00	\$1.00	\$2,500.00

Regular Sale - ORAL BID DECEMBER 17, 2013

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
035 VB-O-001	Eddy	32 23S 26E	ALL	640.00	\$1.00	\$10,000.00
036 VB-O-002	Lea	33 18S 36E	NE4	160.00	\$1.00	\$2,500.00

D: ALL OR PORTION OF SURFACE NON-STATE

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:

TRACT NUMBER	LAND DESCRIPTION	REGULAR SALE	SPECIAL SALE
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	V09537 00	2	15S	29E	LOT(S) 1, 2, 3, 4, SW4NE4, S2NW4, SW4	440.28	CHASE OIL CORPORATION	\$18,051.48	\$41.00
VO-S-002	V09538 00	1	16S	38E	LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, S2 (ALL)	1,013.20	YATES PETROLEUM CORPORATION	\$68,613.90	\$67.72
VO-S-003	V09539 00	2	16S	38E	LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, SE4	693.60	YATES PETROLEUM CORPORATION	\$40,145.57	\$57.88
VO-S-004	V09540 00	6	16S	39E	LOT(S) 11, 13, 14	120.00	YATES PETROLEUM CORPORATION	\$10,058.40	\$83.82
VO-S-005	V09541 00	36	17S	35E	S2	320.00	FEDERAL ABSTRACT COMPANY COMPOUND PROPERTIES, LLC YATES PETROLEUM CORPORATION	\$115,520.00 \$27,577.60 \$8,916.40	\$361.00
VO-S-006	V09542 00	31	17S	36E	LOT(S) 1, 2, E2NW4	155.12	DOUG J. SCHUTZ COMPOUND PROPERTIES, LLC YATES PETROLEUM CORPORATION	\$44,519.00 \$13,398.24 \$3,665.49	\$287.00
VO-S-007	V09543 00	10	19S	36E	W2	320.00	CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION COMPOUND PROPERTIES, LLC	\$512,149.30 \$48,953.60 \$18,297.60	\$1,600.47
VB-S-001	VB2332 00	7	15S	38E	SE4	160.00	DOUG J. SCHUTZ	\$83,200.00	\$520.00
VB-S-002	VB2333 00	35	16S	33E	N2	320.00	SLASH EXPLORATION LP YATES PETROLEUM CORPORATION FEATHERSTONE DEVELOPMENT CORP	\$49,600.00 \$49,270.40 \$41,560.00	\$155.00
VB-S-003	VB2334 00	32	18S	39E	W2SW4, SE4SW4	120.00	COMPOUND PROPERTIES, LLC	\$10,341.60	\$86.18
VB-S-004	VB2335 00	3	23S	32E	SW4NW4	40.00	FEATHERSTONE DEVELOPMENT CORP COMPOUND PROPERTIES, LLC SLASH EXPLORATION LP YATES PETROLEUM CORPORATION	\$94,800.00 \$48,678.00 \$15,200.00 \$2,555.60	\$2,370.00
VB-S-005	VB2336 00	4	23S	32E	SE4NE4	40.00	FEATHERSTONE DEVELOPMENT CORP COMPOUND PROPERTIES, LLC SLASH EXPLORATION LP YATES PETROLEUM CORPORATION	\$94,800.00 \$48,687.20 \$15,200.00 \$2,318.40	\$2,370.00
VO-O-001		1	15S	29E	LOT(S) 1, 2, 3, 4, S2N2, S2 (ALL)		WITHDRAWN		
VO-O-002	V09544 00	35	15S	30E	N2NE4, NW4SW4, NW4SE4	160.00	YATES PETROLEUM CORPORATION	\$2,500.00	\$15.63
VO-O-003	V09545 00	7	18S	24E	LOT(S) 3, 4, E2SW4, SE4	319.51	YATES PETROLEUM CORPORATION	\$5,000.00	\$15.65
VO-O-004	V09546 00	16	18N	28E	LOT(S) 1, 2, 3, E2NE4	180.36	CROWN OIL PARTNERS IV, LP	\$5,500.00	\$30.49

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VO-O-005	V09547 00	36	18N	28E	LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, NW4, N2SW4 (ALL)	717.21	CROWN OIL PARTNERS IV, LP	\$13,000.00	\$18.13
VO-O-006	V09548 00	1	20N	28E	LOT(S) 1, 2, 3, S2NE4, W2SW4, SE4SW4, SE4	480.09	KHL, INC., A NEW MEXICO CORPO	\$32,000.00	\$66.65
VO-O-007	V09549 00	2	20N	28E	LOT(S) 2, 3, 4, SW4NE4, S2NW4, S2	565.61	KHL, INC., A NEW MEXICO CORPO	\$52,000.00	\$91.94
VO-O-008	V09550 00	2	16S	38E	LOT(S) 11, 12	80.00	YATES PETROLEUM CORPORATION	\$1,500.00	\$18.75
VO-O-009	V09551 00	3	16S	38E	LOT(S) 1, 2, 3, 4, 5, 6, 7	333.00	YATES PETROLEUM CORPORATION	\$7,500.00	\$22.52
VO-O-010	V09552 00	35	17S	35E	N2NE4, SE4NE4	120.00	DOUG J. SCHUTZ	\$32,000.00	\$266.67
VO-O-011	V09553 00	2	19S	36E	LOT(S) 2, SW4NE4, S2	399.78	CROWN OIL PARTNERS IV, LP	\$130,000.00	\$325.18
VO-O-012	V09554 00	2	24S	35E	LOT(S) 1, 2, 3, 4, S2N2, S2 (ALL)	640.76	YATES PETROLEUM CORPORATION	\$40,000.00	\$62.43
VO-O-013	V09555 00	36	05S	32E	ALL	640.00	SLASH EXPLORATION LP	\$27,000.00	\$42.19
VO-O-014		31	07S	34E	LOT(S) 2, 3, 4, SW4NE4, S2SE4		WITHDRAWN		
VB-O-001	VB2337 00	10	16S	33E	N2	320.00	YATES PETROLEUM CORPORATION	\$40,000.00	\$125.00
VB-O-002	VB2338 00	32	20S	36E	NW4	160.00	FEATHERSTONE DEVELOPMENT CORP	\$12,000.00	\$75.00

**** END OF REPORT ****

HIGHEST BID ANALYSIS
REGULAR SALE November 19, 2013

Total \$1,541,799.25 for 28 tracts covering 9,760.46 Acres...\$157.96 per acre.
Sealed (Five Year) \$1,141,799.25 for 12 tracts covering 3,742.20 Acres...\$305.11 per acre.
Oral (Five Year) \$400,000.00 for 16 tracts covering 6,018.26 Acres...\$66.46 per acre.

Total of 28 tracts were offered.... 26 tracts were sold.

Highest Sealed Bid W2, of Section 10, Township 19 South, Range 36 East, containing 320.00
(Five Year Term) acres, more or less, in Lea County, approximately 12 miles WSW of Hobbs,
Tract No. V0-007 New Mexico, by Crown Oil Partners IV, LP, of Midland, TX.
\$ 512,149.30

Highest Sealed Bid SW4NW4 of Section 3, Township 23 South, Range 32 East, containing 40.00
(Five Year Term) acres, more or less, in Lea County, approximately 29.5 miles WNW of Jal,
Per Acre New Mexico, by Featherstone Development Corporation, of Roswell, NM.

Tract No. VB-004
\$ 2,370.00

&

Tract No. VB-005
\$ 2,370.00

SE4NE4 of Section 4, Township 23 South, Range 32 East, containing 40.00
acres, more or less, in Lea County, approximately 32 miles WNW of Jal, New
Mexico, by Featherstone Development Corporation, of Roswell, NM.

Highest Oral Bid S2, SW4NE4 of Section 2, Township 19 South, Range 36 East, containing
(Five Year Term) 399.78 acres, more or less, in Lea County, approximately 10 miles WSW of
Tract No. VO-O-011 Hobbs, New Mexico, by Crown Oil Partners IV, LP, of Midland, TX.
\$ 130,000.00

Highest Oral Bid S2, SW4NE4 of Section 2, Township 19 South, Range 36 East, containing
(Five Year Term) 399.78 acres, more or less, in Lea County, approximately 10 miles WSW of
Per Acre Hobbs, New Mexico, by Crown Oil Partners IV, LP, of Midland, TX.

Tract No. VO-O-011
\$ 325.18

November 2012 Regular Sale was \$3,857,112.91 for 9,997.88 acres or \$2,315,313.66 more than the
November 2013 Regular Sale.

No Special Sale

Total Sale was \$1,541,799.25



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

July 25, 2012

Dear representatives of the oil and gas industry:

As you may be aware, on March 2, 2012, 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). The USFWS cited this and similar agreements between industry and the federal government as being instrumental in its June 2012 decision not to list the Dunes Sagebrush Lizard (DSL) under the Endangered Species Act.

This agreement, the result of years of work with the oil and gas industry, the agricultural community, and the Bureau of Land Management, will protect the health of our natural world while ensuring economic activity that supports communities, universities, hospitals and our other beneficiary institutions while helping keep our taxes down. It represents the largest such accord in the nation -- more than 247,000 acres.

Participation in the CCAA virtually assures that oil and gas activity can continue in areas inhabited by the Lesser Prairie Chicken (LPC) and/or the DSL while meeting conservation objectives for these two species.

In the case of an Endangered Species Act listing in the absence of a CCAA, oil and gas development in the species' range would likely be severely delayed by the requisite USFWS consultation process.

The CCAA¹ agreement is available for your review at the State Land Office website www.nmstatelands.org/ConservationAgreement.aspx. Also available on this page are a habitat map and other information concerning the agreement that may be of interest to you.

I encourage all leaseholders and operators to enroll and participate fully in this voluntary program. By agreeing to conduct certain conservation measures the

¹ The CCAA may also be referred to in Oil and Gas Sale Notices as "Subject to 3/2012 Conservation Agreement" due to system restrictions on the length of footnotes.

USFWS provides regulatory certainty (assurances) concerning land use restrictions that might otherwise apply should the LPC or DSL become listed in the future as threatened or endangered species.

An example of the measures required under the CCAA includes: a requirement that power lines be buried within two miles of LPC lek sites, active at least once in the past five years, or within one mile of historic LPC lek sites. Other requirements include providing escape ramps for open water sources, minimizing surface disturbances, and avoiding DSL habitat.

The health of our state lands and the success of our oil and gas industry are of prime 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 style with a large, looped "R" and "P".

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

2013

NEW MEXICO STATE LAND OFFICE



SALE CALENDAR

Regularly scheduled sale
(Third Tuesday of each month)

Last day to nominate tracts for
next monthly sale

For information on nominating tracts,
call the Oil, Gas, and Minerals Division
Geologist at 505-827-5774

To nominate tracts for an oil and gas lease sale,
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						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

March						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

April						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

May						
Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

June						
Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

July						
Su	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

August						
Su	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

October						
Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November						
Su	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December						
Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

~~~~~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?

### **Unitization & Commingling**

Pete Martinez, 505-827-5791  
Jerome Maestas, 505-827-5783

### **Lease Sales, 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

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

Paulette Lucero-Romero, 505-827-5714

### **Communitization, Reduced Royalty & Engineering**

Terry Warnell, 505-827-5745  
William Jones, 505-827-6628  
Anchor Holm, 505-827-5759

### **Lease Expirations, Cancellations, Rentals, Assignments**

Kenda Montoya 505-827-5749

### **Miscellaneous Instruments**

Kenda Montoya 505-827-5749

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

In Santa Fe (includes Farmington):

Michael Mariano, 505-827-5750

Jack Yates, 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

Larry Roybal, Division Director, 505-827-5746

Anise Valdez, Office Manager 505-827-5744