



**STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
ELECTRONIC DATA INTERCHANGE AGREEMENT**

This Electronic Data Interchange Agreement (“EDI Agreement”) is made and effective as of the _____ day of _____, 20____, by and between the Commissioner of Public Lands for the State of New Mexico ("Commissioner"), whose address is P.O. Box 1148, Santa Fe, New Mexico, 87504-1148, and _____ (“Remitter”), whose address is _____.

This EDI Agreement is made to enable the Remitter to file its Reports (as defined herein) with the Commissioner by transmitting electronic data in approved formats instead of filing conventional, paper-based documents, and to ensure that such Reports are legally valid and enforceable. This is a standard form EDI Agreement and no changes have been made from the standard form EDI Agreement for this agreement. Accordingly, the parties agree as follows:

1. Definitions. The following terms have the following meanings in this EDI Agreement:
 - A. Comma Separated Value Format or “CSV Format”: A format for electronic data transmitted to the Commissioner pursuant to this EDI Agreement which complies with the Commissioner’s standards for CSV Format and with any instructions the Commissioner may issue from time to time including any instructions posted on the ONGARD Web Site.
 - B. EDI Certification: Approval by the Commissioner of the format and the method of transmission by which a Remitter transmits electronic data to the Commissioner pursuant to this EDI Agreement. Such certification is required initially; is required for each OGRID; and is required each time a Remitter changes from one format to another, from one method of transmission to another, or from one TPSP (as defined herein) to another. A Remitter may transmit electronic data in more than one format and by more than one method of transmission per OGRID, provided that each format and method of transmission has EDI Certification. The procedures for EDI Certification are set forth in the attached Appendix A, and may be amended from time to time by the Commissioner in his sole discretion.
 - C. EDI Format: A format for electronic data transmitted to the Commissioner pursuant this EDI Agreement which complies with the Commissioner’s standards for EDI Format and with any written instructions the Commissioner may issue from time to time including any instructions posted on the ONGARD Web Site.
 - D. Electronic Media: Any technologies approved by the Commissioner for

the storage of electronic data pursuant to this EDI Agreement such as diskettes, magnetic computer tapes, compact disks and other approved technologies.

- E. Fiscal Agent: The then current fiscal agent for the State of New Mexico.
- F. OGRID: The Oil and Gas Royalty Identification Number assigned to the Remitter by ONGARD.
- G. ONGARD: The Oil and Natural Gas Administration and Revenue Database established and maintained by the State of New Mexico.
- H. ONGARD Service Center: The service center related to the operation of ONGARD established and maintained by the State of New Mexico.
- I. ONGARD Web Site: The Internet Web Site related to the operation of ONGARD established and maintained by the State of New Mexico .
- J. Receipt Computer: One or more computers or servers designated by the ONGARD Service Center and approved by the Commissioner for the receipt of Reports transmitted electronically to a Receipt Computer pursuant to this EDI Agreement .
- K. Remitter: The party named as the Remitter in this EDI Agreement who has a duty to file Reports, and who does so by transmitting electronic data in approved formats pursuant to this EDI Agreement by transmission of the data electronically to a Receipt Computer or by physical delivery of the data to the Commissioner stored on Electronic Media.
- L. Reports: The New Mexico Royalty Reports identified in the attached Appendix A as amended from time to time by the Commissioner in his sole discretion.
- M. Rules: The New Mexico State Land Office Rules as they are now or as they may be restated or amended from time to time by the Commissioner in his sole discretion.
- N. Third Party Service Provider (“TPSP”): A technical and electronic third-party service provider approved by the Commissioner and the ONGARD Service Center through which all Reports in EDI Format and all notices provided for in this EDI Agreement may be transmitted. A TPSP shall be deemed approved by the Commissioner and the ONGARD Service Center for so long as it is identified as such in the attached Appendix A, or any amended version of that Appendix. The Remitter may change its approved

TPSP by giving written notice to the Commissioner at least thirty (30) days in advance, which notice shall be in the form of an amendment to the attached Appendix A; however, the Commissioner reserves the right to disapprove any such change by the Remitter on the grounds that: (i) the proposed TPSP is not acceptable to the ONGARD Service Center; (ii) the use of the proposed TPSP would adversely affect the transmission of electronic data in approved formats pursuant to this EDI Agreement; or (iii) the use of the proposed TPSP would cause the Commissioner to incur additional expense. A TPSP identified in this EDI Agreement or any of its amendments shall not be a third party beneficiary of this EDI Agreement.

2. Reports Covered; Standards. The Remitter may transmit all of its Reports to the Commissioner in electronic form in either EDI Format or CSV Format. All Reports in electronic form shall be transmitted by electronic transmission to the appropriate Receipt Computer or by physical delivery of the Report to the Commissioner stored on Electronic Media. In the case of Reports transmitted by electronic transmission, the Remitter may transmit its Reports to the appropriate Receipt Computer directly or, for Reports in EDI Format, through a TPSP. All Reports shall be transmitted in accordance with this EDI Agreement and with standards set by the Commissioner in his sole discretion. The Remitter shall be informed of changes in such standards, and of additional instructions in connection with such standards, by receipt of amendments to the attached Appendix A. Any such changes shall become effective immediately upon receipt of the amended Appendix A.
3. Use of a TPSP. Reports that are transmitted through a TPSP shall only be transmitted through a TPSP approved by the Commissioner and the ONGARD Service Center. The Remitter shall be responsible for paying the costs of any TPSP with which it contracts, unless otherwise approved by the Commissioner and set forth in the attached Appendix A, or any amendments to that Appendix. Notwithstanding the forgoing, upon thirty (30) days prior written notice by the Commissioner, the Commissioner may require that the Remitter assume sole responsibility for paying all of the costs of any TPSP with which it contracts.
4. System Operations; Security Procedures. Each party to this EDI Agreement, at its own expense, shall provide and maintain the equipment, software, services, and testing capability necessary for the Remitter to transmit, and for the Commissioner to receive, electronic data in approved formats pursuant to this EDI Agreement. The Remitter must obtain EDI Certification from the Commissioner, in advance, for all formats and methods of transmission of electronic data pursuant to this EDI Agreement.
5. Signature. The authorized signature of the Remitter on this EDI Agreement, whether by the Remitter or its agent, shall thereafter be deemed to appear on each

Report transmitted to the Commissioner pursuant to this EDI Agreement, as if it actually appeared on each such Report. A signature shall be deemed authorized if it appears on this EDI Agreement. The Remitter's OGRID(s), along with the name of the OGRID subsidiary and/or other entity for whom the OGRID is given, shall be listed in the attached Appendix A. Changes in any OGRID shall be made only upon thirty (30) days prior written notice to the Commissioner.

6. Receipt and Acceptance of Report. A Report in electronic form shall not be deemed to have been filed with the Commissioner until the Report, in an approved format, is actually received and accepted by the Commissioner. `1`
 - a. Receipt and Acknowledgment of Receipt. If a Report in electronic form is transmitted to a Receipt Computer, the Report must be received by the appropriate Receipt Computer. If a Report in electronic form is transmitted by physical delivery of the Report stored on Electronic Media, the Report must be received by the Royalty Management Division of the New Mexico State Land Office or as otherwise designated by the Commissioner in Appendix A. Upon receipt of any Report in electronic form from the Remitter or from a TPSP on behalf of the Remitter, such receipt shall be acknowledged as follows: (a) the receipt of any Report transmitted electronically to a Receipt Computer will be acknowledged by electronic mail to the Remitter or the TPSP if the Remitter has requested such acknowledgment in accordance with the requirements of the ONGARD Service Center; and (b) the receipt of any Report transmitted by physical delivery of the Report stored on Electronic Media will be acknowledged by electric mail, facsimile transmission, or first-class mail to the Remitter if the Remitter has requested such acknowledgment from the Commissioner. The acknowledgment of receipt will only confirm that the Commissioner has received the Remitter's or the TPSP's transmission. Such an acknowledgment shall not be deemed an acceptance of the Report or an admission of its completeness or accuracy. The absence of acknowledgment of receipt of any Report shall be deemed to be sufficient notice to the Remitter or its TPSP that the Report was not received.
 - b. Acceptance. To be accepted by the Commissioner, a Report in electronic form must be in a form capable of being processed by the information processing system designated or used by the Commissioner for the purpose of receiving and processing Reports in electronic form. The Commissioner will notify the Remitter if a Report cannot be processed and such notice will be sent by electronic mail, facsimile transmission or first-class mail. Acceptance of a Report shall not be deemed an admission of its completeness or accuracy and the Report may still be rejected or objected to by the Commissioner.

7. Timeliness of Filing. For a report in electronic form to be timely filed, it must be received and accepted by the Commissioner on or before the filing due date. If a Remitter or its TPSP attempts to transmit a Report by electronic transmission and is not able to do so because the appropriate Receipt Computer is not available to receive the Report, the Commissioner will not consider the Remitter to be in violation of this paragraph or in violation of the Remitter's lease and related Rules provided that the Remitter promptly notifies the Commissioner of the lack of access and submits the Report to the Commissioner in a manner permitted by this EDI Agreement within seventy-two (72) hours after the filing due date so as not to further delay the filing. Notwithstanding the foregoing, the due date for royalty payments shall not be extended by lack of access to an appropriate Receipt Computer and interest and penalties will continue to be charged on any delinquent royalty payments pursuant to the Rules.
8. Unidentified Remitters. If any Report is received in electronic form for which the Remitter cannot be identified, that Report will be deemed to have not been received, and no acknowledgment of receipt will be made for the Report.
9. Reports Received as Originals. Any Report in electronic form filed by the Remitter pursuant to this EDI Agreement shall be deemed to constitute an "original" when presented or retained by the Commissioner in accordance with the New Mexico Uniform Electronic Transactions Act, Section 14-16-12, NMSA (1978).
10. Admissibility of Reports as Evidence. Any Report in electronic form filed by the Remitter pursuant to this EDI Agreement may be introduced as evidence in any judicial or administrative proceeding, and shall be admissible as between the parties to the same extent and under the same conditions as any other business records. Neither party shall contest the admissibility of any Report on the basis that the Report was not filed or retained in documentary form.
11. Retention. Each party shall retain the data contained in Reports filed in electronic form to the same extent required for paper documents. Such data shall be retained by making and retaining a paper copy, microform, or computer readable record in accordance with reasonably reliable data processing practices. Data stored on a microform or computer readable record must be retrievable and presentable in a visual form.
12. Term; Amendments. This EDI Agreement shall be effective on the date shown above and shall continue for a period of ten (10) years unless sooner terminated by the parties. Either party may terminate this EDI Agreement upon thirty (30) days prior written notice to the other party. Termination of this EDI Agreement shall not relieve the Remitter of any duties or obligations arising from or related to Reports. Except as otherwise provided herein, this EDI Agreement may be

amended at any time by the execution of a written amendment signed by both the Remitter and the Commissioner.

13. Electronic Payment/Authorization. The Remitter may elect to remit royalty payments to the Commissioner by the use of electronic fund transfers. The two payment options for electronic fund transfers are as follows: (1) ACH Credit, or (2) Fedwire. The Remitter must indicate its election and payment option selection by marking as indicated below:

_____ ACH Credit _____ Fedwire

_____ Electronic fund transfers not desired

If one of the electronic fund transfer options specified above is chosen, the Remitter agrees to use the detail record format for such transfers specified by the Fiscal Agent. The procedure for remittance of electronic funds will be in conformance with the requirements specified by the Commissioner and the Fiscal Agent. The current Fiscal Agent is identified in the attached Appendix A.

14. Remitter Identification. Please print or type the following information:

NAME OF REMITTER: _____

NAME AND TITLE OF PERSON EXECUTING EDI AGREEMENT FOR REMITTER:

REMITTER STATE TAXPAYER I.D. NUMBER:

REMITTER FACSIMILE NUMBER: _____

REMITTER E-MAIL ADDRESS: _____

15. Additional Legal Terms. The paragraphs, which follow, contain terms, which are common and necessary in agreements such as this and are a material part of this EDI Agreement:

- A. Merger: Any agreements or understandings the parties have made must appear in this EDI Agreement or they will not be legally binding.
- B. Governing Law: The terms used in this EDI Agreement, and any disputes

that might arise about this EDI Agreement are all governed by New Mexico law.

- C. Venue and Jurisdiction: The parties agree that if a dispute about this EDI Agreement is litigated, the venue (location) and jurisdiction (authority to decide) shall be in the First Judicial District Court of Santa Fe County, New Mexico.
- D. Severability: If one of the parts of this EDI Agreement is ever found to be unenforceable, that does not make the rest of this EDI Agreement unenforceable.
- E. Amendments: Except as otherwise provided herein, any change in this EDI Agreement has to be made in writing and must be signed by both parties.
- F. Non-Waiver: If one of the parties to this EDI Agreement chooses not to enforce a term against the other, that does not mean the right to enforce that term later has been lost.
- G. Binding Effect: This EDI Agreement is binding on the parties as well as on their employees, agents, representatives, successors and assigns.
- H. Notice: Along with the name of each party, recited in the first paragraph of this EDI Agreement, is an address. Except as otherwise provided herein, if notice of something is required by this EDI Agreement, that notice shall be in writing and shall be sent by certified mail to the indicated address.
- I. Headings: The titles and headings in this EDI Agreement are not part of the binding EDI Agreement language, but are used to help the form and organization.
- J. Appendix A is a material part of this EDI Agreement and is incorporated herein by reference.
- K. Prior EDI Agreements Terminated and Replaced: This EDI Agreement terminates and replaces any and all prior EDI agreements between the parties.

REMITTER

**COMMISSIONER OF PUBLIC LANDS
FOR THE STATE OF NEW MEXICO**

By: _____
(signature)

By: _____
(signature)

Name: _____
(print)

Name: Aubrey Dunn
(print)

Title: _____

Title: _____

Date: _____

Date: _____

REVIEWED BY THE OFFICE OF GENERAL COUNSEL
NEW MEXICO STATE LAND OFFICE:

BY: _____

NAME: _____

DATE: _____

**STATE OF NEW MEXICO
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APPENDIX A
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I. State Agency:

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

II. Third Party Service Provider:

AAMVANET Inc. (a/k/a IBM Global Network)
4200 Wilson Blvd., Suite 1100
Arlington, VA 22203

III. Current Fiscal Agent:

Wells Fargo Bank
40 First Plaza
P.O. Box 1305
Albuquerque, New Mexico 87102

IV. Standards for EDI Format:

- A. American Petroleum Institute (API) Petroleum Industry Data Exchange (PIDX) Royalty Regulatory Reports Implementation Guide.
- B. American National Standards Institute (ANSI) Accredited Standards Committee (ASC X 12).
- C. Transaction Set Number 185.

V. Standards for CSV Format:

- A. Comma Separated Value File Layouts issued by the ONGARD Service Center.

VI. Costs of Using a TPSP:

The Remitter shall pay all costs of using a TPSP to transmit Reports electronically pursuant to this EDI Agreement except the costs of retrieving submitted data from the TPSP which shall be paid by the ONGARD Service Center.

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VII. New Mexico Royalty Reports:

- A. SLO Form: OGR-1 - Oil and Gas Royalty Remittance Report.
- B. SLO Form: OGR-2 and OGR-2c - Oil and Gas Royalty Detail Report.

VIII. Procedures for EDI Certification:

Submission and approval of an electronic data interchange (“EDI”) formatted test return is required by the Commissioner for EDI Certification pursuant to paragraphs 1.B. and 4 of this EDI Agreement. EDI formatted test returns must be submitted to the ONGARD Service Center in accordance with instructions from the Commissioner. The approval of such test returns by the ONGARD Service Center will constitute acknowledgment of EDI Certification pursuant to paragraphs 1.B. and 4 of this EDI Agreement.

IX. Location for Physical Delivery of Reports Stored on Electronic Media:

New Mexico State Land Office
Royalty Management Division
310 Old Santa Fe Trail
Santa Fe, New Mexico 87504

X. OGRID:

OGRID NAME(S)

OGRID NUMBER(S)
