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 February 17, 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 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."

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.
- 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. If State Offices, including the State Land Office, is closed on lease sale day due to inclement weather, the lease sale for that month will be cancelled. If there is a two-hour delay, the lease sale will be held at 11:30.
- 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



Rights of Way Process Workshop

The New Mexico State Land Office Rights of Way Bureau would like to extend an invitation to anyone interested in receiving training on the process of acquiring an easement through NM State Trust Land.

Topics presented:

- -Permission to Survey process
- -Right of way application process and requirements
- -Survey requirements
- -Fee Schedule
- -Archaeological and Biological issues
- -Field inspections

Seminar will be offered following the Oil and Gas sale on Tuesday February 17th in Morgan Hall at the NM State Land Office from 1pm- 3pm.

Please RSVP to Kenny Baca at 505-827-5789 kbaca@slo.state.nm.us or Melissa Armijo at 505-827-5728 marmijo@slo.state.nm.us.

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - FEBRUARY 17, 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
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001	V0-001	(E)	Chaves	28 08s 33E	E2	320.00	\$0.50	\$5,000.00
002	V0-002		Chaves	24 12S 31E	N2NE4, NW4, W2SW4, SE4SW4, S2SE4	440.00	\$0.50	\$7,000.00
003	V0-003	(D, E)	Lea	32 09S 36E	W2	320.00	\$0.50	\$5,000.00
004	V0-004		Lea	31 11S 32E	LOT(S) 3, 4, E2SW4, SE4	322.27	\$0.50	\$5,000.00
005	V0-005	(E)	Lea	07 11S 38E	\$2	320.00	\$0.50	\$5,000.00
006	V0-006		Lea	04 12S 34E	\$2	320.00	\$0.50	\$5,000.00
007	V0-007	(D, E)	Roosevelt	08 06S 34E	\$2	320.00	\$0.50	\$5,000.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - FEBRUARY 17, 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 19-10-4.3 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 TUD DOE	DECCRIPTION	40050		
#		COUNTY	SEC IWP RGE	DESCRIPTION	ACRES (MORE OR LESS)		IINIMUM PTABLE BID
=========		=======================================			(MORE OR LESS)	RENTAL ACCE	FIABLE BID
008 VB-001		Eddy	11 19S 27E	NE4SW4, SW4SW4, N2SE4, SW4SE4	200.00	\$1.00	3,500.00
009 VB-002		Eddy	36 22s 25E	SE4NE4, NE4NW4, W2SW4	160.00	\$1.00 \$	2,500.00
010 VB-003		Lea	29 15\$ 33E	W2SW4, SE4SW4, W2SE4, SE4SE4	240.00	\$0.50	4,000.00
011 VB-004	(D)	Lea	02 15\$ 35E	LOT(S) 1, 2, S2NE4, W2SE4, SE4SE4	280.82	\$0.50 \$	4,500.00
012 VB-005		Lea	16 15s 37E	N2	320.00	\$0.50	5,000.00
013 VB-006	(D)	Lea	30 15\$ 38E	E2	320.00	\$0.50	5,000.00
014 VB-007		Lea	08 17s 37E	N2NW4, NE4SE4	120.00	\$1.00	2,000.00
015 VB-008	(D)	Lea	36 18S 38E	N2, N2SW4	400.00	\$1.00	66,500.00

D: ALL OR PORTION OF SURFACE NON-STATE

E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

Regular Sale - ORAL BID FEBRUARY 17, 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
C	016 VO-0-001	(E)	Chaves	18 14S 30E	LOT(S) 3, 4, SE4	235.52	\$0.50	\$4,000.00
C	017 V0-0-002	(D, E)	Lea	32 09s 36E	E2	320.00	\$0.50	\$5,000.00
C	018 VO-O-003	(D)	Lea	27 10s 32E	W2SE4, SE4SE4	120.00	\$0.50	\$2,000.00
C	019 V0-0-004		Lea	31 11S 32E	LOT(S) 1, 2, NE4, E2NW4	322.25	\$0.50	\$5,000.00
C	020 V0-0-005	(E)	Lea	10 11s 37E	S2N2, S2	480.00	\$0.50	\$7,500.00
C	021 V0-0-006	(E)	Lea	07 11s 38E	N2NE4, SE4NE4, W2NW4, SE4NW4	240.00	\$0.50	\$4,000.00
C	022 VO-O-007		Lea	04 12S 34E	LOT(S) 1, 2, 3, 4, S2N2	320.72	\$0.50	\$5,000.00
0	023 V0-0-008	(D, E)	Roosevelt	08 06S 34E	N2	320.00	\$0.50	\$5,000.00

Regular Sale - ORAL BID FEBRUARY 17, 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 19-10-4.3 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.

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TRACT	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES	PRIMARY	MINIMUM
#				(MORE OR LESS)	RENTAL	ACCEPTABLE BID
					=======	
024 VB-O-001 (E)	Eddy	32 17s 30E	NE4, NE4NW4, S2NW4	280.00	\$1.00	\$4,500.00
025 VB-0-002	Eddy	11 19S 27E	N2NE4, SE4NE4, N2NW4, SE4NW4	240.00	\$1.00	\$4,000.00
026 VB-0-003	Lea	15 15S 32E	E2, NW4	480.00	\$0.50	\$7,500.00
027 VB-0-004 (D)	Lea	23 15s 36E	W2SW4, SE4SW4, SE4	280.00	\$0.50	\$4,500.00
028 VB-0-005	Lea	16 15S 37E	\$2	320.00	\$0.50	\$5,000.00
029 VB-O-006 (D)	Lea	30 15\$ 38E	W2	320.00	\$0.50	\$5,000.00
030 VB-0-007	Lea	08 17s 37E	\$2\$W4	80.00	\$1.00	\$1,500.00

D: ALL OR PORTION OF SURFACE NON-STATE

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 lessee of record. 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 \$10,0<u>30</u>.

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.

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 ___ (state) (mailing address) (city) (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 _____, State of New Mexico, to-wit: land situated in the County of LAND DESCRIPTION TRACT NUMBER S____ T____ R____ Sealed: ____ - 0 ____ Description _____ Oral: ____ - 0 - 0 ____ ____ acres, more or less. containing ____ Tendered herewith as bonus and first year's rental thereon is the sum of \$ _______, plus an application fee of \$30.00; Total remittance sum of (a) and (b)......\$_____. (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: County of ____ This instrument was acknowledged before me on _____ Name of Person Signature of Notarial Officer (Seal) My commission expires: _____ Acknowledgment in a Representative Capacity: State of County of _ This instrument was acknowledged before me on _____ Name(s) of Person(s) Type of authority, e.g., officer, trustee, etc. Signature of Notarial Officer (Seal) My commission expires:

Revised September 2013

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.

	5 :		
	NEW MEXICO STAT	TE LAND OFFICE	
	DRAFT FOR OIL		
	5.00.110101	2 0 0 10 0 122	
		DATE	20
PAY TO THE		_	
ORDER OF	COMMISSIONER OF PUBLIC LANDS	<u> </u>	
			DOLLARS
			DOLLARS
TRACT#			
Wells Fargo	COMPANY NAME		
For the Account of	State Land Commissioner		
	AUTHORIZ	ED AGENT	
	Action		

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID AMOUNTS	PRICE/ACR
V0-S-001 V09850 00	15 10s 26E N2	320.00 TIERRA OIL CO., LLC	\$9,100.00	\$28.44
V0-S-002 V09851 00	18 14S 30E LOT(S) 1, 2, NE4, E2NW4	315.76 CHASE OIL CORPORATION	\$7,894.00	\$25.00
V0-S-003 V09852 00	36 16S 25E E2	320.00 FEDERAL ABSTRACT COMPANY	\$6,720.00	\$21.00
VO-S-004 V09853 00	22 10S 32E N2	320.00 EMKEY RESOURCES, LLC & EMKEY SLASH EXPLORATION LP FEDERAL ABSTRACT COMPANY	\$7,040.00 \$6,660.00 \$5,615.00	\$22.00
V0-S-005 V09854 00	17 10s 36E N2	320.00 TIERRA OIL CO., LLC SLASH EXPLORATION LP	\$16,640.00 \$8,160.00	\$52.00
V0-S-006 V09855 00	18 10s 36E LOT(S) 1, 2, NE4, E2NW4	318.80 TIERRA OIL CO., LLC SLASH EXPLORATION LP	\$24,870.00 \$6,560.00	\$78.01
V0-S-007 V09856 00	19 10s 36E LOT(S) 1, 2, NE4, E2NW4	319.12 TIERRA OIL CO., LLC SLASH EXPLORATION LP	\$25,100.00 \$6,560.00	\$78.65
V0-S-008 V09857 00	20 10s 36E E2	320.00 TIERRA OIL CO., LLC SLASH EXPLORATION LP	\$16,640.00 \$8,160.00	\$52.00
VO-S-009 V09858 00	33 11s 34E N2	320.00 FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$9,665.00 \$7,660.00	\$30.20
VO-S-010 V09859 00	6 12S 32E LOT(S) 1, 2, 3, 4, 5, S2NE4, SE4NW4	327.37 FEDERAL ABSTRACT COMPANY	\$5,745.00	\$17.55
VO-S-011 V09860 00	22 12S 38E W2SW4	80.00 SLASH EXPLORATION LP	\$2,040.00	\$25.50
VO-S-012 V09861 00	4 06S 34E LOT(S) 1, 2, 3, 4 (ALL)	175.32 YATES PETROLEUM CORPORATION	\$8,152.38	\$46.50
VB-S-001 VB2474 00	28 19S 23E N2	320.00 SLASH EXPLORATION LP	\$6,820.00	\$21.31
VB-S-002 VB2475 00	25 20S 26E E2	320.00 MRC PERMIAN COMPANY CHASE OIL CORPORATION FEATHERSTONE DEVELOPMENT CORP EMKEY RESOURCES, LLC & EMKEY YATES PETROLEUM CORPORATION SLASH EXPLORATION LP EXCALIBUR ENERGY COMPANY	\$229,286.40 \$96,070.00 \$59,265.00 \$32,000.00 \$28,518.40 \$11,520.00 \$6,777.00	\$716.52
VB-S-003 VB2476 00	26 15s 32E s2	320.00 FEDERAL ABSTRACT COMPANY	\$5,616.00	\$17.55
VB-S-004 VB2477 00	11 15S 35E NE4, SW4	320.00 FEATHERSTONE DEVELOPMENT CORP ROBERT HOOPER SLASH EXPLORATION LP	\$8,965.00 \$8,100.00 \$6,160.00	\$28.02
VB-S-005 VB2478 00	31 15s 38E N2	320.00 YATES PETROLEUM CORPORATION	\$11,718.40	\$36.62
VB-S-006 VB2479 00	28 16S 32E NE4, W2NW4, SE4NW4	280.00 LOMA HOMBRE ENERGY, LLC EMKEY RESOURCES, LLC & EMKEY	\$6,352.99 \$6,160.00	\$22.69

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID AMOUNTS	PRICE/ACR
	=======================================	FEDERAL ABSTRACT COMPANY	\$4,760.00	
VB-S-007 VB2480 00	18 17S 34E E2	320.00 FEATHERSTONE DEVELOPMENT CORP YATES PETROLEUM CORPORATION FEDERAL ABSTRACT COMPANY EMKEY RESOURCES, LLC & EMKEY SLASH EXPLORATION LP LOMA HOMBRE ENERGY, LLC	\$72,965.00 \$52,838.40 \$36,800.00 \$32,000.00 \$24,320.00 \$10,889.99	\$228.02
VB-S-008 VB2481 00	16 18S 35E NW4SW4	40.00 SDX RESOURCES INC MRC PERMIAN COMPANY FEDERAL ABSTRACT COMPANY FEATHERSTONE DEVELOPMENT CORP CHASE OIL CORPORATION YATES PETROLEUM CORPORATION DOUG J. SCHUTZ T. H. MCELVAIN OIL & GAS LLLP SLASH EXPLORATION LP	\$206,120.00 \$84,744.80 \$76,000.00 \$56,965.00 \$40,070.00 \$26,444.80 \$16,789.99 \$10,200.00 \$4,040.00	\$5,153.00
V0-0-001 V09862 00	15 10S 26E S2	320.00 TIERRA OIL CO., LLC	\$5,000.00	\$15.63
V0-0-002	16 12S 31E S2NE4, W2W2, SE4SW4, SE4	WITHDRAWN		
V0-0-003	24 13S 31E NE4, NE4NW4	WITHDRAWN		
V0-0-004 V09863 00	34 14S 31E E2	320.00 SLASH EXPLORATION LP	\$5,000.00	\$15.63
V0-0-005 V09864 00	36 16\$ 25E W2	320.00 FEDERAL ABSTRACT COMPANY	\$5,000.00	\$15.63
V0-0-006 V09865 00	22 10S 32E S2	320.00 SLASH EXPLORATION LP	\$12,000.00	\$37.50
V0-0-007 V09866 00	18 10S 36E LOT(S) 3, 4, E2SW4, N2SE4	238.96 TIERRA OIL CO., LLC	\$4,000.00	\$16.74
V0-0-008 V09867 00	19 10S 36E LOT(S) 3, NE4SW4	79.62 TIERRA OIL CO., LLC	\$1,500.00	\$18.84
V0-0-009 V09868 00	22 10S 36E E2NW4	80.00 TIERRA OIL CO., LLC	\$10,000.00	\$125.00
V0-0-010 V09869 00	33 11S 34E S2	320.00 SLASH EXPLORATION LP	\$9,000.00	\$28.13
V0-0-011 V09870 00	6 12S 32E LOT(S) 6, 7, E2SW4, SE4	322.22 FEDERAL ABSTRACT COMPANY	\$5,000.00	\$15.52
V0-0-012 V09871 00	25 12S 33E E2	320.00 SLASH EXPLORATION LP	\$8,000.00	\$25.00
V0-0-013 V09872 00	27 12S 38E W2NW4	80.00 MAR OIL & GAS CORP.	\$2,000.00	\$25.00
V0-0-014 V09873 00	5 06S 34E LOT(S) 1, 2, 3, 4 (ALL)	168.48 SLASH EXPLORATION LP	\$2,500.00	\$14.84
VB-O-001 VB2482 00	28 19S 23E S2	320.00 SLASH EXPLORATION LP	\$5,000.00	\$15.63
VB-0-002 VB2483 00	22 15S 36E SE4	160.00 TURNER OIL & GAS PROPERTIES,	\$37,000.00	\$231.25

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID PRICE/ACR AMOUNTS
VB-0-003	31 15s 38E s2	WITHDRAWN	=======================================
VB-0-004 VB2484 00	28 16S 32E SW4, W2SE4, SE4SE4	280.00 FEDERAL ABSTRACT COMPANY	\$4,500.00 \$16.07
VB-O-005 VB2485 00	16 18s 35E NW4	160.00 SDX RESOURCES INC	\$940,000.00 \$5,875.00

**** END OF REPORT ****

HIGHEST BID ANALYSIS REGULAR SALE January 20, 2015

Total \$1,742,950.17 for 36 tracts covering 9,505.65 Acres...\$183.36 per acre.

Sealed (Five Year) \$687,450.17 for 20 tracts covering 5,696.37 Acres...\$120.68 per acre.

Oral (Five Year) \$1,055,500.00 for 16 tracts covering 3,809.28Acres...\$277.09 per acre.

Total of 39 tracts were offered.... 36 tracts were sold.

Highest Sealed Bid (Five Year Term) E2, of Section 25, Township 20 South, Range 26 East, containing 320.00 acres, more or less, in Eddy County, approximately 9 miles northwest of Carlsbad, New Mexico, by MRC Permian Company of Dallas, TX.

\$ 229,286.40

Highest Sealed Bid NW4SW4 of Section 16, Township 18 South, Range 35 East, containing 40

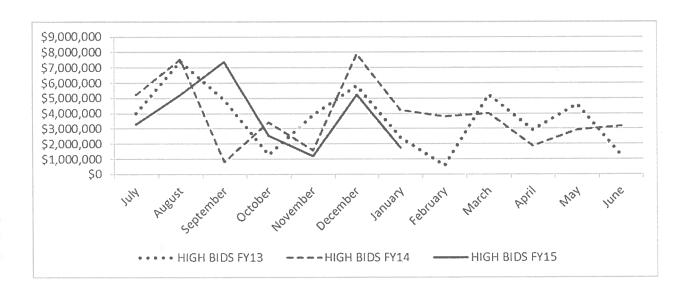
(Five Year Term)
Per Acre
Tract No. VB-008
\$ 5,153.00

NW4SW4 of Section 16, Township 18 South, Range 35 East, containing 40 acres, more or less, in Lea County, approximately 19 miles WNW of Hobbs, New Mexico, by SDX Resources Inc. of Midland, TX.

Highest Oral Bid (Five Year Term) Tract No. VB-O-005 \$ 940,000.00 NW4 of Section 16, Township 18 South, Range 35 East, containing 160.00 acres, more or less, in Lea County, approximately 19 miles WNW of Hobbs, New Mexico, by SDX Resources Inc. of Midland, TX.

Highest Oral Bid (Five Year Term) Per Acre Tract No. VB-O-005 \$ 5,875.00 NW4 of Section 16, Township 18 South, Range 35 East, containing 160.00 acres, more or less, in Lea County, approximately 19 miles WNW of Hobbs, New Mexico, by SDX Resources Inc. of Midland, TX.

January 2014 Regular Sale was \$4,212,687.02 for 7,786.07 acres or \$2,469,736.85 more than the January 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 505-827-5748 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

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

Terry Warnell, Division Director, 505-827-5745 Ed Martin, Engineering Supervisor, 505-827-5746 Chuck Sandoval, Office Administrator, 505-827-5744