

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 January 21, 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.

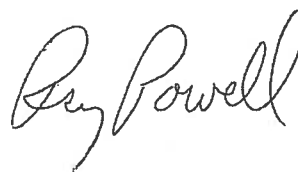
The successful bidder in every case of oral bidding will be required to deposit forthwith, in cash or by check, money order or certified check drawn on a solvent bank, the amount bid, plus the application fee of \$30.00, and to file application in due form before the close of business on said date.

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, e-mail Anise Valdez at avaldez@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, 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 - JANUARY 21, 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	Eddy	31 16S 29E	LOT(S) 4	25.55	\$1.00	\$1,000.00
002 VO-002 (D)	Eddy	05 19S 28E	LOT(S) 1, 4	81.26	\$1.00	\$1,500.00
003 VO-003	Lea	29 15S 33E	N2	320.00	\$0.50	\$5,000.00
004 VO-004 (D)	Lea	24 15S 36E	E2	320.00	\$0.50	\$5,000.00
005 VO-005	Lea	26 15S 36E	E2	320.00	\$0.50	\$5,000.00
006 VO-006	Lea	34 15S 36E	SE4SE4	40.00	\$0.50	\$1,000.00
007 VO-007	Lea	30 16S 36E	NE4NE4	40.00	\$1.00	\$1,000.00
008 VO-008	Lea	21 16S 37E	NE4	160.00	\$1.00	\$2,500.00
009 VO-009	Lea	16 16S 38E	E2	320.00	\$1.00	\$5,000.00
010 VO-010	Lea	10 19S 37E	NE4NE4	40.00	\$1.00	\$1,000.00
011 VO-011	Lea	04 24S 38E	LOT(S) 4, SE4NW4	47.00	\$1.00	\$1,000.00
012 VO-012 (D)	Lea	32 26S 37E	LOT(S) 1, 2, NE4NE4	106.10	\$1.00	\$2,000.00
013 VO-013	San Juan	32 29N 11W	LOT(S) 2, NW4SE4	77.85	\$1.00	\$1,500.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - JANUARY 21, 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
014 VB-001 (E)	Chaves	36 15S 29E	S2	320.00	\$0.50	\$5,000.00
015 VB-002 (D)	Eddy	08 26S 29E	NW4NE4, NE4NW4, SW4NW4, NW4SW4	160.00	\$1.00	\$2,500.00
016 VB-003	Lea	27 11S 33E	N2SW4, SW4SW4	120.00	\$0.50	\$2,000.00
017 VB-004	Lea	26 13S 33E	N2	320.00	\$0.50	\$5,000.00
018 VB-005 (D)	Lea	09 14S 33E	E2	320.00	\$0.50	\$5,000.00
019 VB-006	Lea	14 15S 32E	NW4SE4, SE4SE4	80.00	\$0.50	\$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

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - JANUARY 21, 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
020 VB-007	Lea	26 16S 32E	S2	320.00	\$1.00	\$5,000.00
021 VB-008	Lea	07 17S 33E	NE4NE4	40.00	\$1.00	\$1,000.00
022 VB-009 (D)	Lea	08 17S 33E	NW4NE4	40.00	\$1.00	\$1,000.00
023 VB-010	Lea	13 21S 34E	W2NE4, NE4SE4	120.00	\$1.00	\$2,000.00
024 VB-011	Lea	22 21S 34E	NE4NW4	40.00	\$1.00	\$1,000.00

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

Regular Sale - ORAL BID JANUARY 21, 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
025 V0-0-001 (E)	Chaves	32 15S 30E	E2	320.00	\$0.50	\$5,000.00
026 V0-0-002 (E)	Chaves	32 15S 30E	NW4, W2SW4, SE4SW4	280.00	\$0.50	\$4,500.00
027 V0-0-003	Eddy	02 20S 23E	S2	320.00	\$1.00	\$5,000.00
028 V0-0-004	Eddy	19 20S 27E	LOT(S) 1, 2, 3, N2NE4, SW4NE4, E2NW4, NE4SW4	359.67	\$1.00	\$6,000.00
029 V0-0-005	Eddy	13 23S 25E	SE4	160.00	\$1.00	\$2,500.00
030 V0-0-006	Eddy	08 24S 25E	NE4SE4	40.00	\$1.00	\$1,000.00
031 V0-0-007	Lea	30 15S 33E	N2SE4	80.00	\$0.50	\$1,500.00
032 V0-0-008	Lea	06 15S 35E	S2NE4, SE4	240.00	\$0.50	\$4,000.00
033 V0-0-009 (D)	Lea	24 15S 36E	W2	320.00	\$0.50	\$5,000.00
034 V0-0-010	Lea	26 15S 36E	E2NW4, NE4SW4, S2SW4	200.00	\$0.50	\$3,500.00
035 V0-0-011	Lea	29 16S 36E	N2NW4	80.00	\$1.00	\$1,500.00
036 V0-0-012 (D)	Lea	07 16S 37E	LOT(S) 3, 4, E2SW4, W2SE4	262.46	\$1.00	\$4,500.00
037 V0-0-013	Lea	03 16S 38E	LOT(S) 15, 16	80.00	\$1.00	\$1,500.00

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Regular Sale - ORAL BID JANUARY 21, 2014

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TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
038 VO-0-014	Lea	03 16S 38E	S2SW4	80.00	\$1.00	\$1,500.00
039 VO-0-015	Lea	05 16S 38E	LOT(S) 1, 2, 3, 4, 5, 6, 7, 8	371.60	\$1.00	\$6,000.00
040 VO-0-016	Lea	16 16S 38E	W2	320.00	\$1.00	\$5,000.00
041 VO-0-017	Lea	17 19S 35E	SE4SE4	40.00	\$1.00	\$1,000.00
042 VO-0-018	Lea	12 19S 37E	W2NW4	80.00	\$1.00	\$1,500.00
043 VO-0-019	Lea	07 19S 38E	LOT(S) 3, NE4SW4	80.58	\$1.00	\$1,500.00
044 VO-0-020 (E)	Lea	27 20S 36E	NW4SW4	40.00	\$1.00	\$1,000.00

Regular Sale - ORAL BID JANUARY 21, 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
045 VB-0-001	Lea	26 13S 33E	SW4, E2SE4	240.00	\$0.50	\$4,000.00
046 VB-0-002 (D)	Lea	09 14S 33E	W2SW4, SE4SW4	120.00	\$0.50	\$2,000.00
047 VB-0-003 (D)	Lea	15 14S 34E	S2	320.00	\$0.50	\$5,000.00
048 VB-0-004	Lea	33 15S 32E	NE4NE4	40.00	\$0.50	\$1,000.00
049 VB-0-005	Lea	12 16S 32E	SE4SE4	40.00	\$1.00	\$1,000.00

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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.

**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
V0-S-001	V09556 00	23	08S	33E	NE4NW4, S2NW4	120.00	YATES PETROLEUM CORPORATION TIERRA OIL CO., LLC	\$6,886.80 \$6,220.00	\$57.39
V0-S-002	V09557 00	36	08S	33E	W2	320.00	YATES PETROLEUM CORPORATION TIERRA OIL CO., LLC	\$18,396.80 \$14,600.00	\$57.49
V0-S-003	V09558 00	17	16S	31E	NW4NW4	40.00	CROWN OIL PARTNERS IV, LP	\$1,000.00	\$25.00
V0-S-004	V09559 00	18	16S	31E	NE4NE4	40.00	CROWN OIL PARTNERS IV, LP	\$1,000.00	\$25.00
V0-S-005	V09560 00	7	21S	26E	NE4SE4	40.00	FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$7,326.00 \$6,400.00	\$183.15
V0-S-006	V09561 00	8	21S	26E	SW4SW4	40.00	FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$7,326.00 \$6,400.00	\$183.15
V0-S-007	V09562 00	36	22S	25E	N2NE4, SW4NE4, W2NW4, SE4NW4	240.00	DOUGLAS W. FERGUSON OGX ACREAGE FUND II, LP YATES PETROLEUM CORPORATION	\$360,000.00 \$66,840.00 \$57,112.80	\$1,500.00
V0-S-008	V09563 00	6	22S	26E	S2SE4	80.00	MANZANO ENERGY PARTNERS II, L DOUGLAS W. FERGUSON FEATHERSTONE DEVELOPMENT CORP	\$120,600.00 \$40,000.00 \$16,990.00	\$1,507.50
V0-S-009	V09564 00	28	23S	25E	E2	320.00	DOUGLAS W. FERGUSON CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION	\$480,000.00 \$48,102.00 \$26,201.60	\$1,500.00
V0-S-010	V09565 00	10	12S	34E	ALL	640.00	YATES PETROLEUM CORPORATION DAVID W. LOGAN	\$21,305.60 \$20,384.40	\$33.29
V0-S-011	V09566 00	25	12S	34E	NE4	160.00	YATES PETROLEUM CORPORATION	\$7,257.60	\$45.36
V0-S-012		34	13S	33E	SW4		WITHDRAWN		
V0-S-013	V09567 00	26	16S	32E	N2	320.00	YATES PETROLEUM CORPORATION	\$44,710.40	\$139.72
V0-S-014	V09568 00	17	16S	35E	W2NW4	80.00	DOUG J. SCHUTZ MRC PERMIAN COMPANY SLASH EXPLORATION LP	\$29,400.00 \$28,000.00 \$6,400.00	\$367.50
V0-S-015	V09569 00	1	19S	36E	NW4SW4	40.00	CROWN OIL PARTNERS IV, LP	\$1,000.00	\$25.00
VB-S-001	VB2339 00	35	18S	36E	SW4	160.00	CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION	\$29,120.00 \$7,014.40	\$182.00
VB-S-002	VB2340 00	9	22S	32E	SE4SW4	40.00	MRC PERMIAN COMPANY CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION FEATHERSTONE DEVELOPMENT CORP BVX OPERATING INC.	\$248,000.00 \$210,000.00 \$160,278.40 \$96,562.00 \$60,320.00	\$6,200.00

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-003	VB2341 00	5	24S	38E	SW4SW4, SE4SE4	80.00	ENERGEX, LLC	\$12,137.60	\$151.72
VO-O-001	V09570 00	36	08S	33E	E2	320.00	YATES PETROLEUM CORPORATION	\$11,500.00	\$35.94
VO-O-002	V09571 00	13	16S	31E	N2NE4, NE4SE4	120.00	YATES PETROLEUM CORPORATION	\$2,000.00	\$16.67
VO-O-003	V09572 00	30	21S	26E	LOT(S) 1, 3, NE4SW4	118.70	DOUGLAS W. FERGUSON	\$2,000.00	\$16.85
VO-O-004	V09573 00	36	22S	25E	E2SW4, SE4	240.00	DOUGLAS W. FERGUSON	\$135,000.00	\$562.50
VO-O-005	V09574 00	36	22S	27E	ALL	640.00	MRC PERMIAN COMPANY	\$3,850,000.00	\$6,015.63
VO-O-006	V09575 00	28	23S	25E	W2	320.00	DOUGLAS W. FERGUSON	\$165,000.00	\$515.63
VO-O-007		23	11S	33E	N2		WITHDRAWN		
VO-O-008		28	11S	33E	NW4SE4		WITHDRAWN		
VO-O-009	V09576 00	25	12S	34E	S2	320.00	YATES PETROLEUM CORPORATION	\$5,000.00	\$15.63
VO-O-010		34	13S	33E	N2		WITHDRAWN		
VO-O-011		35	13S	33E	N2N2, SW4NW4, W2SW4		WITHDRAWN		
VO-O-012	V09577 00	27	16S	32E	N2	320.00	YATES PETROLEUM CORPORATION	\$5,000.00	\$15.63
VO-O-013	V09578 00	27	16S	32E	SW4, NE4SE4, S2SE4	280.00	YATES PETROLEUM CORPORATION	\$4,500.00	\$16.07
VO-O-014	V09579 00	12	16S	33E	E2	320.00	MRC PERMIAN COMPANY	\$135,000.00	\$421.88
VO-O-015	V09580 00	7	16S	34E	LOT(S) 3, 4, E2SW4, SE4	304.01	MRC PERMIAN COMPANY	\$135,000.00	\$444.06
VO-O-016	V09581 00	35	16S	37E	NE4	160.00	DOUG J. SCHUTZ	\$15,500.00	\$96.88
VB-O-001	VB2342 00	32	23S	26E	ALL	640.00	CHASE OIL CORPORATION	\$1,920,000.00	\$3,000.00
VB-O-002	VB2343 00	33	18S	36E	NE4	160.00	CROWN OIL PARTNERS IV, LP	\$88,000.00	\$550.00

**** END OF REPORT ****

HIGHEST BID ANALYSIS
REGULAR SALE December 17, 2013

Total \$7,868,966.80 for 31 tracts covering 7,022.71 Acres...\$1,120.50 per acre.

Sealed (Five Year) \$1,395,466.80 for 17 tracts covering 2,760.00 Acres...\$505.60 per acre.

Oral (Five Year) \$6,473,500.00 for 14 tracts covering 4,262.71 Acres...\$1,518.63 per acre.

Total of 36 tracts were offered.... 31 tracts were sold.

Highest Sealed Bid (Five Year Term) E2, of Section 28, Township 23 South, Range 25 East, containing 320.00 acres, more or less, in Eddy County, approximately 14 miles SW of Carlsbad, New Mexico, by Douglas W. Ferguson, of Midland, TX.
Tract No. V0-009
\$ 480,000.00

Highest Sealed Bid (Five Year Term) SE4SW4 of Section 9, Township 22 South, Range 32 East, containing 40.00 acres, more or less, in Lea County, approximately 38 miles SW of Hobbs, New Mexico, by MRC Permian Co., of Dallas, TX.
Per Acre
Tract No. VB-002
\$ 6,200.00

Highest Oral Bid (Five Year Term) All of Section 36, Township 22 South, Range 27 East, containing 640.00 acres, more or less, in Eddy County, approximately 7 miles SE of Carlsbad, New Mexico, by MRC Permian Co., of Dallas, TX.
Tract No. VO-O-005
\$ 3,850,000.00

Highest Oral Bid (Five Year Term) All of Section 36, Township 22 South, Range 27 East, containing 640.00 acres, more or less, in Eddy County, approximately 7 miles SE of Carlsbad, New Mexico, by MRC Permian Co., of Dallas, TX.
Per Acre
Tract No. VO-O-005
\$ 6,015.63

December 2012 Regular Sale was \$5,818,597.50 for 10,113.99 acres or \$2,050,369.30 less than the December 2013 Regular Sale.

No Special Sale

Four of the tracts offered as sealed bids were also offered as oral bids as per: [19.2.100.28 NMAC – Rn, SLO Rule 1, Section 1.021, 12/13/2002]

Total Sale was \$7,868,966.80



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.

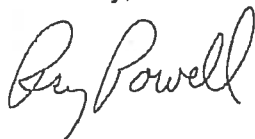
USFWS provides regulatory certainty (assurances) concerning land use restrictions that might otherwise apply should the LPC or DSL become listed in the future as threatened or endangered species.

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 initial "R".

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

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						
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						
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9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March						
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April						
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27	28	29	30			

May						
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25	26	27	28	29	30	31

June						
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29	30					

July						
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August						
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31						

September						
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28	29	30				

October						
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26	27	28	29	30	31	

November						
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30						

December						
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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

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

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

### **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

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

Kenda Montoya 505-827-5749

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

Paulette Lucero-Romero, 505-827-5714

### **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