

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 15, 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, 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 - JANUARY 15, 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	27 10S 26E	S2	320.00	\$0.50	\$5,000.00
002 V0-002	Chaves	31 15S 29E	E2SW4, S2SE4	160.00	\$0.50	\$2,500.00
003 V0-003	Eddy	04 16S 29E	LOT(S) 1	41.60	\$1.00	\$1,000.00
004 V0-004	Eddy	15 20S 21E	SW4NE4, SW4SW4	80.00	\$1.00	\$1,500.00
005 V0-005	Eddy	13 21S 21E	SE4NE4	40.00	\$1.00	\$1,000.00
006 V0-006	Lea	35 13S 32E	N2, SW4, E2SE4	560.00	\$0.50	\$9,000.00
007 V0-007 (D)	Lea	12 15S 32E	E2	320.00	\$0.50	\$5,000.00
008 V0-008	Lea	05 16S 38E	S2	320.00	\$1.00	\$5,000.00
009 V0-009	Lea	31 16S 38E	LOT(S) 2, 3, 4, SE4NW4, E2SW4	228.68	\$1.00	\$4,000.00
010 V0-010	Lea	09 24S 38E	LOT(S) 1, 2, 3, 4, W2 (ALL)	347.76	\$1.00	\$5,500.00
011 V0-011	Sandoval	33 22N 01W	SW4SW4	40.00	\$0.50	\$1,000.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - JANUARY 15, 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
012 VB-001 (D)	Eddy	03 19S 31E	SW4SE4	40.00	\$1.00	\$1,000.00
013 VB-002	Eddy	07 25S 28E	LOT(S) 1, 2, 3, E2NW4	201.70	\$1.00	\$3,500.00
014 VB-003	Lea	18 13S 33E	LOT(S) 1, 2, 3, 4, E2, E2W2 (ALL)	639.68	\$0.50	\$10,000.00
015 VB-004	Lea	03 14S 33E	LOT(S) 3, SE4NW4	80.14	\$0.50	\$1,500.00

D: ALL OR PORTION OF SURFACE NON-STATE

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

www.nmstatelands.org

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

Regular Sale - ORAL BID JANUARY 15, 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
016 V0-O-001	Chaves	36 14S 24E	ALL	640.00	\$0.50	\$10,000.00
017 V0-O-002 (E)	Lea	04 10S 37E	S2NE4, S2	400.00	\$0.50	\$6,500.00
018 V0-O-003	Lea	36 13S 32E	S2	320.00	\$0.50	\$5,000.00
019 V0-O-004	Lea	12 15S 32E	W2	320.00	\$0.50	\$5,000.00
020 V0-O-005	Lea	09 16S 38E	W2	320.00	\$1.00	\$5,000.00
021 V0-O-006	Lea	32 16S 38E	SW4, W2SE4	240.00	\$1.00	\$4,000.00
022 V0-O-007	Lea	08 24S 38E	S2	320.00	\$1.00	\$5,000.00
023 V0-O-008	Lea	16 24S 38E	LOT(S) 1, 2, 3, NW4, E2SW4	261.03	\$1.00	\$4,500.00
024 V0-O-009	Sandoval	16 20N 01W	ALL	640.00	\$0.50	\$10,000.00
025 V0-O-010	Sandoval	31 20N 01W	LOT(S) 3, 4, 5, SE4NW4, E2SW4	233.28	\$0.50	\$3,500.00
026 V0-O-011 (D)	Sandoval	32 22N 01W	LOT(S) 6, 7	44.07	\$0.50	\$1,000.00

Regular Sale - ORAL BID JANUARY 15, 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
027 VB-O-001	Chaves	24 15S 31E	N2NE4, SE4NE4, E2NW4, N2SE4	280.00	\$0.50	\$4,500.00
028 VB-O-002	Eddy	35 18S 27E	SW4NE4, N2SW4, SE4SW4, N2SE4	240.00	\$1.00	\$3,500.00
029 VB-O-003 (D)	Lea	05 14S 33E	SW4	160.00	\$0.50	\$2,500.00

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

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

www.nmstatelands.org

Filling out the Bid Application Form

This guide follows the blanks on the Bid Application Form from top to bottom.

OGRID No. Enter your OGRID number here. If you do not have one, contact Paulette Lucero-Romero at (505) 827-5714 or plucero@slo.state.nm.us.

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

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

The following five blanks require information that you find in the SLO monthly Oil and Gas Lease Sale Notice. The information describes the tract on which you are bidding: the name of the county in which it lies, the tract number in the sale, the legal land description, whether it is in the regular sale or a special sale, and how many acres the tract contains.

The amount of dollars that you enter in the next blank is your bid. Notice that your first year's rental is included in your bid. Your bid on a 320-acre tract may be \$10,000; if the rental rate on that tract is \$1/acre, we will apply \$320 of your \$10,000 to the first year's rental.

The amount of dollars that you enter in the "Total remittance" blank is your bid plus the \$30.00 application fee. In the above example, you would remit \$10,030.

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

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

Acknowledgment section – Your notary public will complete the remainder of the form.

Remember that the bid application and your remittance must be in the Accounting office of the State Land Office before 9:30 a.m. the day of the oil and gas lease sale.

NEW MEXICO STATE LAND OFFICE
BID APPLICATION
FOR A STATE OF NEW MEXICO OIL AND GAS LEASE

OGRID No. _____

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

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

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

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

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

<u>TRACT NUMBER</u>	<u>LAND DESCRIPTION</u>	<u>REGULAR SALE</u>	<u>SPECIAL SALE</u>
		<input type="checkbox"/>	<input type="checkbox"/>

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	V09317 00	33	10S	27E	E2	320.00	YATES PETROLEUM CORPORATION DURANGO PRODUCTION CORP	\$21,766.40 \$8,640.00	\$68.02
VO-S-002	V09318 00	16	14S	28E	ALL	640.00	CHASE OIL CORPORATION YATES PETROLEUM CORPORATION DURANGO PRODUCTION CORP	\$320,020.00 \$17,452.80 \$17,280.00	\$500.03
VO-S-003	V09319 00	33	15S	31E	S2NE4, W2, SE4	560.00	YATES PETROLEUM CORPORATION DURANGO PRODUCTION CORP THE BLANCO COMPANY	\$38,242.40 \$21,280.00 \$14,000.00	\$68.29
VO-S-004	V09320 00	32	20S	24E	ALL	640.00	YATES PETROLEUM CORPORATION THE BLANCO COMPANY	\$18,918.40 \$16,000.00	\$29.56
VO-S-005		19	21S	25E	NE4NE4		WITHDRAWN		
VO-S-006	V09321 00	16	23S	25E	ALL	640.00	CAZA PETROLEUM, INC. DURANGO PRODUCTION CORP YATES PETROLEUM CORPORATION	\$195,200.00 \$24,320.00 \$17,177.60	\$305.00
VO-S-007	V09322 00	36	25S	24E	S2	320.00	CHASE OIL CORPORATION THE BLANCO COMPANY YATES PETROLEUM CORPORATION	\$96,020.00 \$18,000.00 \$12,156.80	\$300.06
VO-S-008	V09323 00	15	15S	33E	W2	320.00	FEATHERSTONE DEVELOPMENT CORP DURANGO PRODUCTION CORP YATES PETROLEUM CORPORATION	\$37,123.00 \$12,160.00 \$8,761.60	\$116.01
VO-S-009	V09324 00	36	15S	34E	W2, SE4	480.00	FEATHERSTONE DEVELOPMENT CORP THE BLANCO COMPANY DURANGO PRODUCTION CORP YATES PETROLEUM CORPORATION	\$20,640.00 \$20,000.00 \$18,240.00 \$15,897.60	\$43.00
VO-S-010	V09325 00	16	26S	38E	LOT(S) 1, 2, NW4	176.85	DURANGO PRODUCTION CORP	\$37,138.50	\$210.00
VO-S-011	V09326 00	16	05S	33E	ALL	640.00	YATES PETROLEUM CORPORATION	\$11,788.80	\$18.42
VB-S-001	VB2226 00	36	20S	32E	NW4	160.00	BOPCO, L.P. DANIEL E GONZALES MANZANO LLC MARSHALL & WINSTON INC YATES PETROLEUM CORPORATION DURANGO PRODUCTION CORP	\$540,600.00 \$464,318.40 \$408,530.00 \$40,320.00 \$34,185.60 \$6,080.00	\$3,378.75
VB-S-002	VB2227 00	32	21S	32E	N2NW4, SW4NW4, SW4	280.00	GMT EXPLORATION COMPANY LLC DANIEL E GONZALES ADVENTURE EXPLORATION PARTNER LEGEND NATURAL GAS III LIMITE MARSHALL & WINSTON INC YATES PETROLEUM CORPORATION CROWN OIL PARTNERS IV, LP DURANGO PRODUCTION CORP	\$1,368,640.00 \$1,260,000.00 \$602,000.00 \$420,280.00 \$336,560.00 \$161,772.80 \$140,280.03 \$10,640.00	\$4,888.00

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-003	VB2228 00	29	23S	34E	NW4	160.00	CAZA PETROLEUM, INC. ADVENTURE EXPLORATION PARTNER GMT EXPLORATION COMPANY LLC DANIEL E GONZALES REGENERATION ENERGY, CORPORAT FEATHERSTONE DEVELOPMENT CORP CROWN OIL PARTNERS IV, LP LEGEND NATURAL GAS III LIMITE YATES PETROLEUM CORPORATION DURANGO PRODUCTION CORP	\$564,000.00 \$480,000.00 \$355,520.00 \$336,000.00 \$208,160.00 \$162,430.00 \$80,160.00 \$80,160.00 \$50,171.20 \$6,080.00	\$3,525.00
VO-O-001	V09327 00	33	10S	27E	W2	320.00	YATES PETROLEUM CORPORATION	\$5,000.00	\$15.63
VO-O-002	V09328 00	20	21S	25E	N2N2	160.00	THE BLANCO COMPANY	\$7,000.00	\$43.75
VO-O-003	V09329 00	31	23S	25E	LOT(S) 1, 2, 3, 4, E2, E2W2 (ALL)	640.36	THE BLANCO COMPANY	\$19,000.00	\$29.67
VO-O-004	V09330 00	9	24S	27E	SE4	160.00	LEGEND NATURAL GAS III LIMITE	\$135,000.00	\$843.75
VO-O-005	V09331 00	32	25S	24E	ALL	640.00	CHASE OIL CORPORATION	\$16,000.00	\$25.00
VO-O-006	V09332 00	15	12S	34E	ALL	640.00	WISE OIL & GAS NO.8, LTD.	\$18,000.00	\$28.13
VO-O-007	V09333 00	15	14S	32E	S2	320.00	YATES PETROLEUM CORPORATION	\$5,000.00	\$15.63
VO-O-008	V09334 00	2	15S	33E	LOT(S) 1, 2, S2NE4, SE4	336.78	FEATHERSTONE DEVELOPMENT CORP	\$5,500.00	\$16.33
VO-O-009	V09335 00	16	15S	33E	ALL	640.00	FEATHERSTONE DEVELOPMENT CORP	\$32,000.00	\$50.00
VO-O-010	V09336 00	3	18S	36E	S2SW4, SE4	240.00	CROWN OIL PARTNERS IV, LP	\$220,000.00	\$916.67
VB-O-001	VB2229 00	21	17S	36E	SE4NE4, SW4SE4	80.00	CROWN OIL PARTNERS IV, LP	\$15,000.00	\$187.50
VB-O-002	VB2230 00	9	17S	37E	SW4, S2SE4	240.00	CROWN OIL PARTNERS IV, LP	\$46,000.00	\$191.67
VB-O-003	VB2231 00	34	20S	35E	S2	320.00	CROWN OIL PARTNERS IV, LP	\$2,020,000.00	\$6,312.50
VB-O-004	VB2232 00	2	22S	35E	NW4SW4	40.00	FEATHERSTONE DEVELOPMENT CORP	\$5,000.00	\$125.00

**** END OF REPORT ****

HIGHEST BID ANALYSIS
REGULAR SALE December 18, 2012

Total \$5,818,597.50 for 27 tracts covering 10,113.99 Acres...\$575.30 per acre.

Sealed (Five Year) \$3,270,097.50 for 13 tracts covering 5,336.85 Acres...\$612.74 per acre.

Oral (Five Year) \$2,548,500.00 for 14 tracts covering 4,777.14 Acres...\$533.48 per acre.

Total of 28 tracts were offered.... 27 tracts were sold.

**Highest Sealed Bid
(Five Year Term)
Tract No. VB-002
\$ 1,368,640.00** N2NW4, SW4NW4, SW4 of Section 32, Township 21 South, Range 32 East, containing 280.00 acres, more or less, in Lea County, approximately 31 miles east of Carlsbad, New Mexico, by GMT Exploration Company LLC of Denver, CO.

**Highest Sealed Bid
(Five Year Term)
Per Acre
Tract No. VB-002
\$ 4,888.00** N2NW4, SW4NW4, SW4 of Section 32, Township 21 South, Range 32 East, containing 280.00 acres, more or less, in Lea County, approximately 31 miles east of Carlsbad, New Mexico, by GMT Exploration Company LLC of Denver, CO.

**Highest Oral Bid
(Five Year Term)
Tract No. VB-O-003
\$ 2,020,000.00** S2 of Section 34, Township 20 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 18 miles northwest of Eunice, New Mexico, by Crown Oil Partners III, LP of Midland, TX.

**Highest Oral Bid
(Five Year Term)
Per Acre
Tract No. VB-O-003
\$ 6,312.50** S2 of Section 34, Township 20 South, Range 35 East, containing 320.00 acres, more or less, in Lea County, approximately 18 miles northwest of Eunice, New Mexico, by Crown Oil Partners III, LP of Midland, TX.

December 2011 Regular Sale was \$2,056,456.98 for 8,036.32 acres or \$3,762,140.52 less than the December 2012 Regular Sale.

No Special Sale

Total Sale was \$5,818,597.50



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.

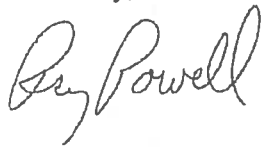
USFWS provides regulatory certainty (assurances) concerning land use restrictions that might otherwise apply should the LPC or DSL become listed in the future as threatened or endangered species.

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 cursive script that reads "Ray Powell". The signature is written in black ink and is positioned below the word "Sincerely,".

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

~~~~~*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/>

# 2013

## NEW MEXICO STATE LAND OFFICE



### SALE CALENDAR

| 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 |
| 30   |    |    |    |    |    |    |

| 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 |    |    |    |    |

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 505-827-5748, submit your nomination in writing, or by e-mail to: [dfuqua@slo.state.nm.us](mailto:dfuqua@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, New Mexico 87504-1148

Fax communication may not be confidential.  
Our Web page address is [www.nmstatelands.org](http://www.nmstatelands.org).



## 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  
VACANT, 505-827-6628  
Anchor Holm, 505-827-5759

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

VACANT, 505-827-5774  
Dan Fuqua, 505-827-5748

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

VACANT, 505-827-5730

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

Paulette Lucero-Romero, 505-827-5714  
Stephen Manning, 505-827-5749

### **Miscellaneous Instruments**

Debbie Tise, 505-827-5744

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

In Santa Fe (includes Farmington):

Michael Mariano, 505-827-5750

VACANT

Monica Fresquez, 505-827-5849

In Hobbs Field Office:

VACANT, 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

Debbie Tise, Office Administrator, 505-827-5744