POLICY ON COMMUNICATIONS REGARDING OIL & GAS LEASE SALE NOMINATIONS

Because the listing of oil & gas lease tracts to be offered for bid is neither finalized nor public prior to publication, the State Land Office will not provide notification of whether submitted or internal nominations will be included in a lease sale prior to publication. Notification of inclusion will be in the form of the published lease sale listing.

Acknowledgement of receipt of nominations does not constitute a notification that such nominations will or will not be included in a lease sale.

The State Land Office will no longer track submitted nominations beyond the month they are submitted. Nominated tracts will only be considered for the following month's lease sale. If a nominated tract does not appear in the lease listing, it must be resubmitted the next month in order to be considered for a subsequent lease sale.

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 in the Executive Conference Room, Edward J. Lopez State Land Office Building, Santa Fe, New Mexico, at 9:30 a.m., on June 21, 2016 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 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. ("The successful bidders shall file proper applications for the leases purchased and shall complete the payment of any balance due on their bids before the closing of the office of the commissioner on the day of the sale." §19-10-17 NMSA 1978.)
- 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.

AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS
SANTA FE, NEW MEXICO

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - JUNE 21, 2016

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 | PRIMARY | MINIMUM |
| | # . | | | | (MORE OR LESS) | RENTAL | ACCEPTABLE BID |
| == | | | | | ************ | | ******* |
| | | | | | | | |
| 0.0 | 01 VB-001 | Eddy | 15 18S 21E | W2 | 320.00 | \$1.00 | \$10,000.00 |
| 0.0 | 02 VB-002 | Lea | 12 16S 35E | NW4 | 160.00 | \$1.00 | \$5,000.00 |
| 00 | 03 VB-003 | Lea | 25 16S 35E | SE4 | 160.00 | \$1.00 | \$5,000.00 |
| | | | | | | | |

Regular Sale - ORAL BID JUNE 21, 2016

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 | PRIMARY | MINIMUM |
| # | | | | | (MORE OR LESS) | RENTAL | ACCEPTABLE BID |
| | | | ======= | | | | |
| | | | | | | | |
| 004 VB-0-001 | Eddy | 15 | 18S 21E | E2 | 320.00 | \$1.00 | \$10,000.00 |
| 005 IP 0 002 | * | | 1.50 050 | 1 E | | | |
| 005 VB-0-002 | Lea | 1/. | 16S 35E | NE4 | 160.00 | \$1.00 | \$5,000.00 |

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 Kenda Montoya at (505) 827-5749 or kmontoya@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 <u>lessee of record</u>. This can be the name of a company or of an individual.

Mailing address – 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>.

<u>Name of applicant or agent</u> – 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 | | | | | |
|---|---|--------------------------|-------------------------|------------------------------|-------------------|--|
| | | | | | OGRID N | 0 |
| FO: Commissioner of Public Lan P.O. Box 1148 | ds | | | | | |
| Santa Fe, New Mexico 8750 | 4-1148 | | | | | |
| | | | | | | |
| | (Please prin | t the name of the legal | entity, or, if applying | g as an individual, ti | he personal name | 9.) |
| whose address is (maili | | | | | | , |
| <i>(maili</i> a corporation qualified to do busine hereby makes application for an oil | SS IN NEW MEXICO, | OR a citizen (or eligi | die to decome a c | illizen) of the Unite | o States, over tr | ie age of twenty-one years |
| land situated in the County of | | | _, State of New N | Mexico, to-wit: | | |
| TRACT NUMBER | LAND DE | SCRIPTION | | REC | GULAR SALE | SPECIAL SALE |
| 0 | s | т | R | □ | | |
| Sealed: 0 | _ | Description | | | | |
| Oral: 0 – 0 | | | | | | |
| containing a | | | | | | |
| Tendered herewith as bonus and fi | rst year's rental the | ereon is the sum of \$ _ | (a) | , plus a | n application fee | of \$30.00; b) |
| Total remittance sum of (a) and (| b)\$ | . . | 1-7 | | ' | • |
| I, (Plea | se print name of a | onlicent or of atterney | n fact / authorized | agent) | | |
| do solemnly swear that every state | ment made in this | application is true and | correct to the bes | ayen., it of my knowledge | and belief. | |
| • | | | | J | | |
| | | | | | | |
| | | | | | | |
| | | | | | al or of attorne | y in fact / authorized agent) |
| | | Acknowledgment | | | ual or of attorne | y in fact / authorized agent) |
| State of |) | Acknowledgment | | | ual or of attorne | y in fact / authorized agent) |
| | SS) | Acknowledgment | | | al or of attorne | y in fact / authorized agent) |
| County of |) SS) | · | | | ial or of attorne | y in fact / authorized agent) |
| County of |) SS) | · | | | ual or of attorne | y in fact / authorized agent) |
| County ofThis instrument was acknowledged |) SS) | | | | ial or of attorne | y in fact / authorized agent) |
| State of County of This instrument was acknowledged By Name of Person |) SS) | | | | ial or of attorne | y in fact / authorized agent) |
| County ofThis instrument was acknowledged |) SS) | | | | ual or of attorne | y in fact / authorized agent) |
| County of This instrument was acknowledged |) SS) | | | | ial or of attorne | y in fact / authorized agent) Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person |) SS) | | | | ial or of attorne | |
| County of This instrument was acknowledged By Name of Person |) SS) | | | Capacity: | | |
| County of This instrument was acknowledged By Name of Person |) SS) | | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) |) SS) | Date | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) |) SS) | Date | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of | SS) before me on SS) | Date Acknowledgment is | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of | SS) before me on SS) | Date Acknowledgment is | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged | SS) before me on SS) | Date Acknowledgment is | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged | SS) before me on SS) | Date Acknowledgment is | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged By Name(s) of Person(s) | SS) before me on SS) | Acknowledgment in | in an Individual | Capacity: | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged By Name(s) of Person(s) | SS) before me on SS) SS) before me on | Date Date Date | in an Individual | My c | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged By Name(s) of Person(s) as | SS) before me on SS) SS) before me on | Date Date Date | in an Individual | My c | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged By Name(s) of Person(s) as | SS) before me on SS) SS) before me on | Date Date Date | in an Individual | My c | | Signature of Notarial Officer |
| County of This instrument was acknowledged By Name of Person (Seal) State of County of This instrument was acknowledged By Name(s) of Person(s) as Type of authority, e.g., officer, truste | SS) before me on SS) SS) before me on | Date Date Date | in an Individual | My c | ommission expi | Signature of Notarial Officer |

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 OFFI | |
|------------|--------------------------------------|---------|
| | DRAFT FOR OIL & GAS SALE | |
| | DATE | 20 |
| PAY TO THE | | |
| ORDER OF | COMMISSIONER OF PUBLIC LANDS | |
| | | DOLLARS |
| TRACT# | | |
| | COMPANY NAME State Land Commissioner | |
| | AUTHORIZED AGENT | |

PAGE 1

| TRACT # LEASE # | SEC TWP RGE DESCRIPTION | ACRES BIDDER | BID AMOUNTS | PRICE/ACR |
|--------------------|-----------------------------------|--|----------------------------|-----------|
| | | | | |
| VB-S-001 VB2705 00 | 2 09S 31E LOT(S) 1, 2, 3, 4, S2N2 | 321.05 DOUG J. SCHUTZ HEADINGTON ENERGY PARTNERS LL | \$21,510.00 \$11,010.00 | \$67.00 |
| VB-S-002 VB2706 00 | 10 09S 31E N2 | 320.00 DOUG J. SCHUTZ | \$21,440.00 | \$67.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$11,010.00 | · |
| VB-S-003 VB2707 00 | 15 09S 31E N2 | 320.00 DOUG J. SCHUTZ | \$21,440.00 | \$67.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$11,010.00 | |
| VB-S-004 VB2708 00 | 4 10S 27E LOT(S) 3, 4, S2NW4, SW4 | 318.91 SLASH EXPLORATION LP | \$24,084.50 | \$75.52 |
| | | CONTINENTAL LAND RESOURCES, L | \$18,815.69 | |
| VB-S-005 VB2709 00 | 6 09S 33E LOT(S) 1, 2, S2NE4, SE4 | 320.32 CONTINENTAL LAND RESOURCES, L | \$210,770.56 | \$658.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$109,440.00 | |
| | | SLASH EXPLORATION LP | \$41,890.50 | |
| VB-S-006 VB2710 00 | 10 09S 33E N2 | 320.00 CONTINENTAL LAND RESOURCES, L | \$210,560.00 | \$658.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$93,120.00 | |
| | | SLASH EXPLORATION LP | \$41,760.00 | |
| VB-S-007 VB2711 00 | 11 09S 33E E2 | 320.00 CONTINENTAL LAND RESOURCES, L | \$210,560.00 | \$658.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$77,760.00 | |
| | | SLASH EXPLORATION LP | \$41,760.00 | |
| VB-S-008 VB2712 00 | 13 10S 37E E2 | 320.00 DOUG J. SCHUTZ | \$114,240.00 | \$357.00 |
| | | LOMA HOMBRE ENERGY, LLC | \$112,000.00 | |
| | | HEADINGTON ENERGY PARTNERS LL | \$86,400.00 | |
| | | RAYMOND KEITH WILLIAMS | \$12,500.00 | |
| VB-S-009 VB2713 00 | 14 10S 37E E2 | 320.00 DOUG J. SCHUTZ | \$114,240.00 | \$357.00 |
| • | | LOMA HOMBRE ENERGY, LLC | | |
| | | HEADINGTON ENERGY PARTNERS LL | | |
| | | SLASH EXPLORATION LP | \$41,760.00 | |
| | | RAYMOND KEITH WILLIAMS | \$12,500.00 | |
| VB-S-010 VB2714 00 | 23 10S 37E W2 | 320.00 DOUG J. SCHUTZ | \$114,240.00 | \$357.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$105,600.00 | |
| | | SLASH EXPLORATION LP | \$41,760.00 | |
| | | KASTLEFORD LAND COMPANY, LLC. | \$30,200.00 | |
| VB-S-011 VB2715 00 | 24 10S 37E W2 | 320.00 DOUG J. SCHUTZ | \$114,240.00 | \$357.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$86,400.00 | |
| | | SLASH EXPLORATION LP | \$33,760.00 | |
| | | KASTLEFORD LAND COMPANY, LLC. | \$30,200.00 | |
| VB-S-012 VB2716 00 | 25 10S 37E E2 | 320.00 DOUG J. SCHUTZ | \$114,240.00 | \$357.00 |
| | | HEADINGTON ENERGY PARTNERS LL | | |
| | | SLASH EXPLORATION LP | \$33,760.00 | |
| | | KASTLEFORD LAND COMPANY, LLC. | \$10,100.00 | |
| VB-S-013 VB2717 00 | 26 10S 37E E2 | 320.00 DOUG J. SCHUTZ | \$114,240.00 | \$357.00 |
| | | HEADINGTON ENERGY PARTNERS LL | \$105,600.00 | |
| | | | | |

| TRACT # LEASE # | SEC TWP RGE DESCRIPTION | ACRES BIDDER | | ICE/ACR |
|---|--|---|------------------|--------------|
| ======================================= | | | | ====== |
| | | SLASH EXPLORATION LP | \$33,760.00 | |
| | | KASTLEFORD LAND COMPANY, LLC. | \$28,200.00 | |
| IID C 014 ID0710 00 | 16 016 200 100/6) 1 0 0 1 100/6 | | | |
| VB-S-014 VB2/18 00 | 16 21S 38E LOT(S) 1, 2, 3, 4, W2W2 (ALL) | 341.56 OPAL RESOURCES II LLC | | 752.00 |
| | | E G L RESOURCES INC ROBERT HOOPER | \$176,102.55 | |
| | | ROBERI NOOPER | \$22,222.23 | |
| VB-S-015 VB2719 00 | 36 07S 32E N2 | 320.00 FEDERAL ABSTRACT COMPANY | \$32,300.00 \$ | 100.94 |
| | | LOMA HOMBRE ENERGY, LLC | \$12,086.40 | |
| | | | ,, | |
| VB-S-016 VB2720 00 | 31 07S 33E LOT(S) 3, 4, NE4SW4 | 114.96 FEDERAL ABSTRACT COMPANY | \$11,600.00 \$ | 100.90 |
| | | LOMA HOMBRE ENERGY, LLC | \$5,491.64 | |
| | | | | |
| VB-O-001 VB2721 00 | 6 08S 33E LOT(S) 1, 2 | 79.88 FEDERAL ABSTRACT COMPANY | \$3,000.00 | \$37.56 |
| VP 0 000 VP0000 00 | | | | |
| VB-0-002 VB2722 00 | 28 08S 33E E2 | 320.00 CONTINENTAL LAND RESOURCES, L | \$165,000.00 \$ | \$515.63 |
| VB-0-003 VB2723 00 | 33 09S 27E W2 | 320.00 SLASH EXPLORATION LP | 634 000 00 6 | -100 25 |
| 12 0 003 122,23 00 | 33 030 278 HZ | 320.00 SHASH EXPLORATION DP | \$34,000.00 \$ | \$106.25 |
| VB-0-004 VB2724 00 | 2 09S 31E S2 | 320.00 DAKOTA RESOURCES INC (I) | \$24,000.00 | \$75.00 |
| | | 22772 247777 1320011020 2172 (2) | 441,000.00 | ψ. / J . 0 0 |
| VB-O-005 VB2725 00 | 3 09S 31E LOT(S) 1, 2, S2NE4, SE4 | 320.52 DAKOTA RESOURCES INC (I) | \$25,000.00 | \$78.00 |
| | | | | |
| VB-0-006 VB2726 00 | 10 09S 31E S2 | 320.00 DAKOTA RESOURCES INC (I) | \$24,000.00 | \$75.00 |
| | | | | |
| VB-0-007 VB2727 00 | 3 09S 33E SW4 | 160.00 CONTINENTAL LAND RESOURCES, L | \$27,000.00 | \$168.75 |
| VB-0-008 VB2728 00 | 4 09S 33E SE4 | 160 00 60000000000000000000000000000000 | *** | |
| VB-0-008 VB2728 00 | 4 038 336 864 | 160.00 CONTINENTAL LAND RESOURCES, L | \$28,000.00 | \$175.00 |
| VB-O-009 VB2729 00 | 6 09S 33E LOT(S) 3, 4, 5, 6, 7, SE4NW4. | 315.70 CONTINENTAL LAND RESOURCES, L | \$54,000.00 | \$171.05 |
| | E2SW4 | Jabara Committee Barb Recogned B | 434,000.00 | ,1,1.05 |
| | | | | |
| VB-O-010 VB2730 00 | 11 09S 33E W2 | 320.00 CONTINENTAL LAND RESOURCES, L | \$54,000.00 | \$168.75 |
| | | | | |
| VB-O-011 VB2731 00 | 13 10S 37E W2 | 320.00 LOMA HOMBRE ENERGY, LLC | \$175,000.00 | \$546.88 |
| | | | | |
| VB-O-012 VB2732 00 | 14 10S 37E W2 | 320.00 DOUG J. SCHUTZ | \$120,000.00 | \$375.00 |
| VB-O-013 VB2733 00 | 23 10S 37E E2 | 220 AO EUDEDAY ADOMDAGE COMPANY | 474 DOD 00 | ė031 DE |
| VB-U-013 VB2733 00 | 23 108 37E E2 | 320.00 FEDERAL ABSTRACT COMPANY | \$74,000.00 | \$231.25 |
| VB-O-014 VB2734 00 | 24 10S 37E E2 | 320.00 DOUG J. SCHUTZ | \$40,000.00 | \$125.00 |
| | A . | 550000 5500 57 540000 | 410,000.00 | 4115.00 |
| VB-O-015 VB2735 00 | 25 10S 37E W2 | 320.00 DOUG J. SCHUTZ | \$64,000.00 | \$200.00 |
| | | | | |
| VB-O-016 VB2736 00 | 26 10S 37E W2 | 320.00 DOUG J. SCHUTZ | \$76,000.00 | \$237.50 |
| | | | | |
| VB-O-017 VB2737 00 | 36 07S 32E W2SW4 | 80.00 FEDERAL ABSTRACT COMPANY | \$7,000.00 | \$87.50 |
| VB-O-018 VB2738 00 | 36 070 33E 5E4 | 160 An Herry anderson downson | A12 000 00 | 401 05 |
| AP-0-010 AP5/20 00 | 36 07S 32E SE4 | 160.00 FEDERAL ABSTRACT COMPANY | \$13,000.00 | \$81.25 |
| LH-S-001 | 32 13S 10E N2 | WITHDRAWN | | |
| | | HT TITECHIA | | |

| ======================================= | | | | |
|---|--|--|---------|-----------|
| TRACT # LEASE # | SEC TWP RGE DESCRIPTION | ACRES BIDDER | BID | PRICE/ACR |
| | | | AMOUNTS | |
| | | | | |
| LH-S-002 | 2 14S 09E S2 | WITHDRAWN | | |
| LH-S-003 | 3 14S 09E LOT(S) 1, 2, 3, 4, S2N2 | 1.1 T (100 1 to 10 | | |
| 111-3-003 | 3 143 09E EOI(S) 1, 2, 3, 4, 52N2 | WITHDRAWN | | |
| LH-S-004 | 4 14S 09E SW4, W2SE4 | WITHDRAWN | | |
| | | The acceptance at the state of | | |
| LH-0-001 | 32 13S 10E S2 | WITHDRAWN | | |
| | | | | |
| LH-0-002 | 2 145 09E LOT(S) 1, 2, 3, 4, S2N2 | WITHDRAWN | | |
| c cc | | | | |
| LH-0-003 | 3 14S 09E NE4SW4, SE4 | WITHDRAWN | | |
| LH-0-004 | 4 14S 09E LOT(S) 1, 2, 3, 4, S2N2 | WITHDRAWN | | |
| | * 210 000 100 (0) 1/ 2/ 3/ 3/ 3/ 02112 | M T THENCHIA | | |

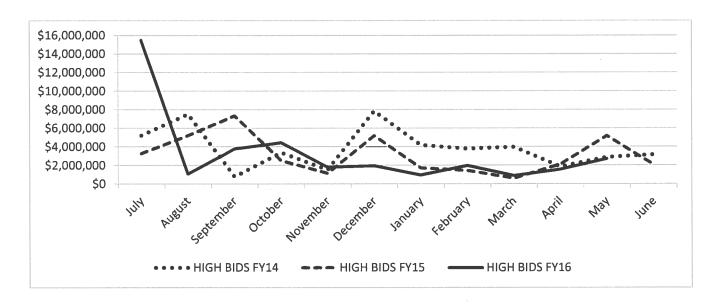
**** END OF REPORT ****

Lease Sale Summary 17 May 2016

Total high bids: \$2,713,558
Total sealed high bids: \$1,706,558
Total oral high bids: \$1,007,000

There were originally 42 tracts offered; 8 Frontier tracts were withdrawn prior to the sale. All 34 regular sale tracts were sold, covering 9,733 acres in three counties, with seven different winning bidders.

| Sale Month | Total sale | High tracts | Bid type | Rest | | S | Т | R |
|------------|-------------|-------------|----------|-------------|-------------|-----------|-------------|-------------|
| 17-May | \$2,713,558 | \$210,771 | S | | | 6 | 98 | 33E |
| | | \$210,560 | S | | | 10 | 9 S | 33E |
| | | \$210,560 | S | | | 11 | 9S | 33E |
| | | \$256,853 | S | | | 16 | 21S | 38E |
| | | | | | | | | |
| Total | | \$888,744 | | \$1,824,814 | | | | |
| | % Total | 33% | | | Nine tracts | over \$11 | 4,000 total | \$1,145,440 |





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



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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.

2016 Oil & Gas Lease Sale Calendar

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New Mexico State Land Office

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Regularly scheduled sale

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(Third Tuesday of each month)

~~~~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 L. Wust, Ph.D. 505-827-5774 swust@slo.state.nm.us

Unitization & Commingling

Pete Martinez 505-827-5791 Sue Keelin 505-827-5783

Communitization, Reduced Royalty, Engineering

Niranjan Khalsa 505-827-6628 Anchor Holm 505-827-5759

Bonds, Shut-In Royalty, OGRIDS,

Kenda Montoya 505-827-5749

Lease Expirations, Cancellations, Rentals, Assignments, Miscellaneous Instruments

Kenda Montoya 505-827-5749 Rubel Salazar 505-827-5730 Ramona Marcus 505-476-0378

Sand and Gravel, Caliche, General Mining

Jack Yates 505-827-5750 Jason Smith 505-827-5743 Faith Crosby 505-827-5849

OGMD Office Procedures, Division Administration

Patrick Padilla, Assistant Commissioner 505-827-4489 Terry Warnell, Division Director 505-827-5745 Ed Martin, Engineering Supervisor 505-827-5746 Chuck Sandoval, Office Administrator 505-827-5744