#### 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 November 18, 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, 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

Ley Powell

#### 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

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Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - NOVEMBER 18, 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.

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	TRACT #		COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
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001	V0-001		Eddy	28 16S 24E	W2	320.00	\$1.00	\$5,000.00
002	V0-002	(D)	Eddy	22 19S 23E	N2	320.00	\$1.00	\$5,000.00
003	V0-003		Harding	31 20N 31E	SE4NW4, SE4SW4	80.00	\$0.25	\$1,500.00
004	V0-004	(D, E)	Lea	36 09S 36E	N2	320.00	\$0.50	\$5,000.00
005	V0-005	(D, E)	Lea	03 10s 36E	LOT(S) 1, 2, 3, 4, S2N2	319.88	\$0.50	\$5,000.00
006	V0-006	(D, E)	Lea	04 10S 36E	LOT(S) 1, 2, 3, 4, S2N2	320.24	\$0.50	\$5,000.00
007	V0-007		Lea	07 11S 33E	LOT(S) 1, 2, N2NE4, SE4NE4, E2NW4, NE4SW4, SE4	477.08	\$0.50	\$7,500.00
008	V0-008	(E)	Lea	24 11S 37E	W2NE4, SE4NE4, NW4	280.00	\$0.50	\$4,500.00
009	V0-009		Lea	36 11s 37E	N2	320.00	\$0.50	\$5,000.00
010	V0-010	(E)	Lea	19 11s 38E	N2	320.00	\$0.50	\$5,000.00
011	V0-011		Lea	33 14S 34E	E2	320.00	\$0.50	\$5,000.00
012	V0-012		Rio Arriba	02 29N 05W	NE4SE4	40.00	\$1.00	\$1,000.00
013	V0-013	(E)	Roosevelt	17 06S 34E	NE4, E2NW4	240.00	\$0.50	\$4,000.00
014	V0-014		San Juan	16 32N 13W	W2	320.00	\$1.00	\$5,000.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - NOVEMBER 18, 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
015	VB-001	(D, E)	Lea	16 10S 36E	N2	320.00	\$0.50	\$5,000.00
016	VB-002		Lea	36 14S 36E	s2	320.00	\$0.50	\$5,000.00
017	VB-003	(D)	Lea	26 15s 37E	NE4	160.00	\$0.50	\$2,500.00
018	VB-004		Lea	03 16S 33E	LOT(S) 1, 2, 7, 8, 9, 10, 15,	335.82	\$1.00	\$5,500.00

D: ALL OR PORTION OF SURFACE NON-STATE

E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

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.

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TRACT	COUNTY	SEC TWP RGE DESCRIPTION	ACRES PRIMARY MINIMUM
#			(MORE OR LESS) RENTAL ACCEPTABLE BID
	========		
019 VB-005	Lea	06 19S 37E LOT(S) 5, SE4NW4	79.44 \$1.00 \$1,500.00
020 VB-006	Lea	08 19S 37E NE4NW4	40.00 \$1.00 \$1,000.00

Regular Sale - ORAL BID NOVEMBER 18, 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.

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	TRACT #		COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY	MINIMUM ACCEPTABLE BID
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021	V0-0-001		Eddy	28 16S 24E	E2	320.00	\$1.00	\$5,000.00
022	V0-0-002	(D)	Eddy	22 19S 23E	S2	320.00	\$1.00	\$5,000.00
023	V0-0-003		Harding	30 20N 31E	SE4NW4, NE4SW4	80.00	\$0.25	\$1,500.00
024	V0-0-004	(D, E)	Lea	36 09S 36E	\$2	320.00	\$0.50	\$5,000.00
025	V0-0-005	(D, E)	Lea	03 10S 36E	N2SW4, SE4SW4, SE4	280.00	\$0.50	\$4,500.00
026	vo-o-006	(D, E)	Lea	04 10S 36E	SW4, N2SE4, SW4SE4	280.00	\$0.50	\$4,500.00
027	v0-o-007	(D)	Lea	26 11S 37E	NW4	160.00	\$0.50	\$2,500.00
028	800-0-008		Lea	36 11s 37E	S2	320.00	\$0.50	\$5,000.00
029	V0-0-009		Lea	23 12S 33E	N2	320.00	\$0.50	\$5,000.00
030	V0-0-010	(D)	Lea	13 15S 35E	NW4	160.00	\$0.50	\$2,500.00
031	V0-0-011		Rio Arriba	21 31N 06W	TRACT(S) 40	179.90	\$1.00	\$3,000.00
032	V0-0-012	(D, E)	Roosevelt	08 07S 34E	\$2	320.00	\$0.50	\$5,000.00
033	V0-0-013		San Juan	16 32N 13W	NE4NE4, SW4NE4, N2SE4, SE4SE4	200.00	\$1.00	\$3,500.00
034	V0-0-014	(D)	Union	16 21N 34E	ALL	640.00	\$0.25	\$10,000.00

D: ALL OR PORTION OF SURFACE NON-STATE

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Regular Sale - ORAL BID NOVEMBER 18, 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.

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TRACT	COUNTY	SEC TWP RGE	DESCRIPTION		IMARY MINIMUM
#				(MORE OR LESS) RE	
035 VB-O-001	Chaves	25 11S 31E	N2NE4, SW4NE4, N2SW4, SW4SE4	240.00	\$0.50 \$4,000.00
036 VB-O-002 (E)	Chaves	32 13s 31E	N2NE4, SE4NE4, NE4NW4, S2SW4,	400.00	\$0.50 \$6,500.00
			SE4		
037 VB-0-003 (D. E)	Lea	16 10s 36E	\$2	320.00	\$0.50 \$5,000.00
031 48 0 003 (8, 1)	LCu	10 103 301	32	520.00	45,000.00
038 VB-0-004	Lea	03 16S 33E	LOT(S) 3, 4, 5, 6, 11, 12, 13,	336.34	\$1.00 \$5,500.00
			14		

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 <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 leaseholder.

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 \$10,030.

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.

<u>Acknowledgment section</u> – 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 ) ( zip code ) ( mailing address ) ( city ) 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: LAND DESCRIPTION TRACT NUMBER REGULAR SALE S\_\_\_\_ T\_\_\_\_ R\_\_\_\_ 
 Sealed: \_\_\_\_ - 0 \_\_\_ - 0 \_\_\_
 Description \_\_\_\_\_
 Oral: \_\_\_\_ - 0 - 0 \_\_\_\_ \_\_\_\_\_ 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; 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: State of \_\_\_ 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: County of \_\_\_ This instrument was acknowledged before me on 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.

		TATE LAND OFFICE OIL & GAS SALE	
		DATE	20
PAY TO THE ORDER OF	COMMISSIONER OF PUBLIC LANDS	\$	
			DOLLARS
TRACT#			
	COMPANY NAME State Land Commissioner		
	AUTHO	RIZED AGENT	

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID AMOUNTS	PRICE/ACR
V0-S-001 V09778 00	36 08s 32E W2	320.00 TIERRA OIL CO., LLC	\$6,600.00	\$20.63
VO-S-002 V09779 00	11 13S 28E N2	320.00 CENTENNIAL, LLC CHASE OIL CORPORATION	\$27,120.00 \$5,360.00	\$84.75
VO-S-003 V09780 00	16 14S 27E E2	320.00 CHASE OIL CORPORATION	\$5,360.00	\$16.75
V0~S-004 V09781 00	35 15S 30E SE4NW4	40.00 FEATHERSTONE DEVELOPMENT CORP	\$2,374.00	\$59.35
VO-S-005 V09782 00	16 16S 24E E2	320.00 YATES PETROLEUM CORPORATION SLASH EXPLORATION LP FEDERAL ABSTRACT COMPANY	\$15,052.80 \$7,820.00 \$7,360.00	\$47.04
V0-S-006 V09783 00	16 18S 23E W2	320.00 SLASH EXPLORATION LP FEDERAL ABSTRACT COMPANY	\$12,320.00 \$7,360.00	\$38.50
V0-S-007 V09784 00	11 10S 36E N2	320.00 TIERRA OIL CO., LLC SHAW INTERESTS, INC. FEDERAL ABSTRACT COMPANY	\$122,000.00 \$106,560.00 \$7,360.00	\$381.25
VO-S-008 V09785 00	12 15\$ 35E E2E2	160.00 FEATHERSTONE DEVELOPMENT CORP FEDERAL ABSTRACT COMPANY	\$24,374.00 \$3,680.00	\$152.34
VO-S-009 V09786 00	36 02s 32E E2	320.00 DAVID V. ALCORN	\$5,155.00	\$16.11
VO-S-010 V09787 00	36 03S 30E N2	320.00 DAVID V. ALCORN	\$5,405.00	\$16.89
V0-S-011	35 06s 34E W2	WITHDRAWN		
VB-S-001 VB2442 00	17 21S 31E SW4NE4, SW4	200.00 FEDERAL ABSTRACT COMPANY BMT O&G NM, LLC	\$51,400.00 \$3,500.00	\$257.00
VB-S-002 VB2443 00	13 13s 37E SW4	160.00 FEDERAL ABSTRACT COMPANY	\$6,400.00	\$40.00
VB-S-003 VB2444 00	27 15S 37E S2	320.00 TURNER OIL & GAS PROPERTIES, FEATHERSTONE DEVELOPMENT CORP FEDERAL ABSTRACT COMPANY	\$82,240.00 \$42,863.00 \$12,800.00	\$257.00
VB-S-004 VB2445 00	32 16S 34E S2	320.00 MRC PERMIAN COMPANY FEDERAL ABSTRACT COMPANY FEATHERSTONE DEVELOPMENT CORP	\$196,646.40 \$82,240.00 \$24,320.00	\$614.52
VB-S-005 VB2446 00	24 16S 36E S2SW4	80.00 TURNER OIL & GAS PROPERTIES, MRC PERMIAN COMPANY FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$79,600.00 \$49,161.60 \$9,782.00 \$3,280.00	\$995.00
VB-S-006 VB2447 00	8 20S 32E E2NE4, NE4SE4	120.00 FEDERAL ABSTRACT COMPANY BMT O&G NM, LLC J BAR CANE INC SLASH EXPLORATION LP	\$1,530,960.00 \$333,090.00 \$44,000.00 \$18,120.00	\$12,758.00

SEC TWP RGE DESCRIPTION TRACT # LEASE # ACRES BIDDER BID PRICE/ACR AMOUNTS VB-S-007 VB2448 00 16 23S 36E NE4, SE4SW4, SW4SE4 240.00 SLASH EXPLORATION LP \$6,240.00 \$26,00 V0-0-001 V09788 00 11 13S 28E S2 320.00 CENTENNIAL, LLC \$7,000.00 \$21.88 V0-0-002 V09789 00 16 14S 27E W2 320.00 ROY G. BARTON JR. \$8,000.00 \$25.00 V0-0-003 V09790 00 22 14S 29E NW4NW4 40.00 CHASE OIL CORPORATION \$1,000.00 \$25,00 V0-0-004 V09791 00 13 16S 26E NW4 160.00 FEDERAL ABSTRACT COMPANY \$2,500.00 \$15.63 2 16S 27E LOT(S) 1, 4, 5, 8 V0-0-005 V09792 00 \$13,000.00 113.72 FEDERAL ABSTRACT COMPANY \$114.32 V0-0-006 V09793 00 33 19s 23E N2 320.00 FEDERAL ABSTRACT COMPANY \$5,000.00 \$15.63 V0-0-007 36 21S 22E S2 WITHDRAWN V0-0-008 V09794 00 11 10S 36E S2 320.00 TIERRA OIL CO., LLC \$216,000.00 \$675.00 V0-0-009 V09795 00 25 12S 32E N2 320.00 FEDERAL ABSTRACT COMPANY \$5,000.00 \$15.63 V0-0-010 V09796 00 28 12S 38E NE4 160.00 TIERRA OIL CO., LLC \$5,000.00 \$31.25 V0-0-011 V09797 00 34 14S 36E S2SW4 80.00 TURNER OIL & GAS PROPERTIES, \$7,000.00 \$87.50 V0-0-012 V09798 00 16 15S 35E S2 320.00 FEATHERSTONE DEVELOPMENT CORP \$12,000.00 \$37.50 V0-0-013 V09799 00 4 16S 32E S2SE4 80.00 FEATHERSTONE DEVELOPMENT CORP \$4,000.00 \$50.00 V0-0-014 V09800 00 11 16S 33E N2 320.00 FEATHERSTONE DEVELOPMENT CORP \$12,000.00 \$37.50 V0-0-015 V09801 00 36 17S 38E N2SW4, SE4SW4, W2SE4, SE4SE4 240.00 CROWN OIL PARTNERS V, L.P. \$4,000.00 \$16.67 V0-0-016 V09802 00 16 23N 01W E2W2 160.00 SAN JUAN BASIN PROPERTIES LLC \$2,500.00 \$15.63 V0-0-017 V09803 00 32 26N 07W SE4NE4 40.00 FEDERAL ABSTRACT COMPANY \$5,000.00 \$125.00 V0-0-018 V09804 00 36 02S 32E W2 \$5,000.00 320.00 DAVID V. ALCORN \$15.63 V0-0-019 V09805 00 36 03S 30E S2 320.00 DAVID V. ALCORN \$5,000.00 \$15.63 VB-0-001 VB2449 00 23 16S 36E SE4SE4

\*\*\*\* END OF REPORT \*\*\*\*

40.00 TURNER OIL & GAS PROPERTIES,

\$34,000.00

\$850.00

## HIGHEST BID ANALYSIS REGULAR SALE October 21, 2014

Total \$2,532,247.20 for 36 tracts covering 8,193.72 Acres...\$309.05 per acre.

Sealed (Five Year) \$2,179,247.20 for 17 tracts covering 4,200.00 Acres...\$518.87 per acre.

Oral (Five Year) \$353,000.00 for 19 tracts covering 3,504.41 Acres...\$898.01 per acre.

Total of 38 tracts were offered.... 36 tracts were sold.

Highest Sealed Bid (Five Year Term)

Tract No. VB-006
\$ 1,530,960.00

E2NE4, NE4SE4 of Section 08, Township 20 South, Range 32 East, containing 120.00 acres, more or less, in Lea County, approximately 28 miles northeast of Carlsbad, New Mexico, by Federal Abstract Company, of Santa Fe, NM.

Highest Sealed Bid
(Five Year Term)
Per Acre
Tract No. VB-006
\$12,758.00

E2NE4, NE4SE4 of Section 08, Township 20 South, Range 32 East, containing 120.00 acres, more or less, in Lea County, approximately 28 miles northeast of Carlsbad, New Mexico, by Federal Abstract Company, of Santa Fe, NM.

Highest Oral Bid (Five Year Term)

Tract No. V0-O-008

Tatum, New Mexico, by Tierra Oil Company, LLC, of San Antonio, TX.

\$216,000.00

Highest Oral Bid
(Five Year Term)
Per Acre
Tract No. VB-O-001

SE4SE4 of Section 23, Township 16 South, Range 36 East, containing 40.00
acres, more or less, in Lea County, approximately 3 miles southeast of Lovington, New Mexico, by Turner Oil & Gas Properties, Inc., of Oklahoma City, OK.

\$850.00

October 2013 Regular Sale was \$3,393,898.96 for 10,414.33 acres or \$861,651.76 more than the October 2014 Regular Sale.

No Special Sale

Total Sale was \$2,532,247.20



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

April 1, 2014

Dear Representative of the Oil and Gas Industry:

On March 25, 2014, 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). With the USFWS's recent decision to list the Lesser Prairie Chicken (LPC) as a "threatened" species under the Endangered Species Act, I would like to make sure you are aware of your ability to utilize the protections afforded under the CCAA.

This agreement, which enrolls approximately 404,000 acres of State Trust Land under the voluntary conservation program, is aimed at ensuring that regardless of USFWS listing decisions under the Endangered Species Act participating State Land Office lessees will be able to continue their operations. The accord covers both Lesser Prairie Chicken and the Dunes Sagebrush Lizard (DSL) habitat. In 2012 I signed a similar agreement, which at the time represented one of the largest accords in the nation with more than 247,000 acres. This new agreement replaces and expands this effort.

Participation in the CCAA helps ensure that oil and gas activities can continue in areas inhabited by the LPC and/or the DSL while meeting conservation objectives for these two species. By enrolling these State Trust Lands under the program, lessees of these lands will also be able to enroll if they chose to do so, even though the listing decision for the LPC has already been published.

This agreement will help protect the health of our lands while allowing economic activity that supports State Land Trust beneficiaries, which include public schools, hospitals, and universities, to continue. In the absence of a CCAA, state land use and development in the species' range may be delayed by the requisite USFWS consultation process. By agreeing to conduct certain conservation measures the USFWS provides regulatory certainty (assurances) concerning land use restrictions that might otherwise apply due to LPC or DSL listing decisions.

Some measures required under the CCAA to protect the LPC and DSL include:

- Providing escape ramps for open water sources;
- Minimizing surface disturbances;

- Avoiding DSL habitat;
- Burying power lines within two miles of LPC lek sites active at least once in the past five years;
- Burying power lines within one mile of historic LPC lek site.

The CCAA agreement is available for your review on the State Land Office website: www.nmstatelands.org/conservation-agreement-for-sand-dunes-lizard-and-lesser-prairie-chicken.aspx. This page also includes a habitat map and other information concerning the agreement that may be of interest to you.

Comprehensive information on the CCAA is also available on the CEHMM website at <a href="www.cehmm.org/ccaccaa">www.cehmm.org/ccaccaa</a>. Mr. Matt Mathis is the CEHMM point of contact and can be reached at (575) 885-3700 or matt.mathis@cehmm.org with questions regarding enrollment. Enrollment eligibility and associated deadlines may differ based on each applicant's circumstances. Please contact CEHMM as soon as possible if you have questions.

I am also writing to encourage all oil and gas lessees to participate in this voluntary program. The health of our State Trust Lands and the success of the oil and gas industry are of great 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,

Ray Powell, M.S., D.V.M.

Commissioner of Public Lands



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

## NOTICE: CULTURAL RESOURCE PROTECTION

All oil & gas or mineral lessees, 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 further information is obtained. For further information, please contact the State Land Office Field Operations Division at 505-827-5095 or the New Mexico Historic Preservation Division at 505-827-6320.

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## 2014

#### NEW MEXICO STATE LAND OFFICE



#### SALE CALENDAR

X X 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, <a href="mailto:swust@slo.state.nm.us">swust@slo.state.nm.us</a>.

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.

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## ~~~~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: <a href="https://www.nmstatelands.org">www.nmstatelands.org</a>

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.

<a href="http://www.ongard.state.nm.us/">http://www.ongard.state.nm.us/</a>

NM Bureau of Geology and Mineral Resources, subsurface geology for the state.

Their publications website: <a href="http://geoinfo.nmt.edu/">http://geoinfo.nmt.edu/</a>

NM Oil Conservation Division, oil industry regulatory agency for operating in New Mexico, plus well and production data: <a href="http://www.emnrd.state.nm.us/ocd/">http://www.emnrd.state.nm.us/ocd/</a>



#### 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

Niranjan Khalsa 505-827-5748

#### **Unitization & Commingling**

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

#### Communitization, Reduced Royalty, Engineering

Anchor Holm, 505-827-5759

# 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**

Greg Bloom, 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