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 October 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."

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

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - OCTOBER 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	03 11S 27E	LOT(S) 1, 2, 3, 4, S2 (ALL)	352.32	\$0.50	\$5,500.00
002	2 V0-002	(D)	Chaves	13 14S 28E	N2NW4	80.00	\$0.50	\$1,500.00
003	V0-003		Chaves	17 14S 29E	NW4NW4	40.00	\$0.50	\$1,000.00
004	V0-004		Chaves	03 15S 29E	S2NW4, N2SE4	160.00	\$0.50	\$2,500.00
005	V0-005	(D)	Lea	21 11s 38E	ALL	640.00	\$0.50	\$10,000.00
006	V0-006	(D)	Lea	22 11s 38E	ALL	640.00	\$0.50	\$10,000.00
007	v0-007	(D)	Lea	28 11S 38E	N2	320.00	\$0.50	\$5,000.00
300	3 V0-008	(D)	Lea	05 16S 35E	W2SE4	80.00	\$1.00	\$1,500.00
009	V0-009	(D)	Lea	20 16S 37E	NE4	160.00	\$1.00	\$2,500.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - OCTOBER 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
010 VB-001	Lea	36 17s 35E	WZNW4, SE4NW4	120.00	\$1.00	\$2,000.00
011 VB-002 (D) Lea	20 17S 36E	SE4SW4	40.00	\$1.00	\$1,000.00
012 VB-003	Lea	25 18S 36E	NW4NW4	40.00	\$1.00	\$1,000.00
013 VB-004	Lea	12 19S 37E	W2NW4	80.00	\$1.00	\$1,500.00
014 VB-005	Lea	07 19S 38E	LOT(S) 3, NE4SW4	80.58	\$1.00	\$1,500.00
015 VB-006	Lea	16 23S 36E	SE4SW4, SW4SE4	80.00	\$1.00	\$1,500.00
016 VB-007 (C) Lea	02 23S 37E	SE4NE4, SW4NW4	80.00	\$1.00	\$1,500.00

Regular Sale - ORAL BID OCTOBER 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
	V0-0-001		Chaves		LOT(S) 1, 2, SE4	177.98	\$0.50	\$3,000.00
018	V0-0-002		Chaves	10 11s 27E	NW4	160.00	\$0.50	\$2,500.00
019	V0-0-003		Chaves	20 14S 28E	E2NE4, SE4	240.00	\$0.50	\$4,000.00
020	V0-0-004		Chaves	21 14S 28E	s2sw4	80.00	\$0.50	\$1,500.00
021	V0-0-005		Chaves	29 14S 28E	E2, E2NW4, SW4	560.00	\$0.50	\$9,000.00
022	V0-0-006	(D)	Eddy	16 21S 25E	W2	320.00	\$1.00	\$5,000.00
023	V0-0-007		Eddy	19 21s 25E	NE4NE4	40.00	\$1.00	\$1,000.00
024	V0-0-008	(D)	Harding	36 19N 28E	ALL	640.00	\$0.25	\$10,000.00
025	V0-0-009	(D)	Harding	03 20N 28E	LOT(S) 1, 2	84.29	\$0.25	\$1,500.00
026	V0-o-010	(D)	Harding	11 20N 28E	NE4, E2NW4, N2SE4	320.00	\$0.25	\$5,000.00
027	V0-0-011		Harding	12 20N 28E	N2, NW4SW4	360.00	\$0.25	\$6,000.00
028	V0-0-012		Harding	16 20N 28E	ALL	640.00	\$0.25	\$10,000.00
029	V0-0-013	(D)	Lea	08 11s 38E	ALL	640.00	\$0.50	\$10,000.00
030	V0-0-014	(D)	Lea	15 11s 38E	ALL	640.00	\$0.50	\$10,000.00
031	V0-0-015	(D)	Lea	17 11S 38E	ALL	640.00	\$0.50	\$10,000.00
032	V0-0-016	(D)	Lea	24 16S 34E	E2, NW4	480.00	\$1.00	\$7,500.00
033	V0-0-017		Lea	19 16S 35E	LOT(S) 3, 4, E2, E2SW4	477.70	\$1.00	\$7,500.00
034	V0-0-018	(D)	Lea	19 16S 37E	LOT(S) 1, 2, SW4NE4, SE4NW4	181.23	\$1.00	\$3,000.00
035	V0-0-019	(D)	Lea	19 16S 37E	LOT(S) 3, 4, E2SW4, SE4	340.81	\$1.00	\$5,500.00

D: ALL OR PORTION OF SURFACE NON-STATE

Regular Sale - ORAL BID OCTOBER 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	PRIMARY	MINIMUM
==:	# =========	=======================================				(MORE OR LESS)		ACCEPTABLE BID
07	(ND 0 004	48.5		80 470 740		40.00		
05	6 VB-O-001	(D)	Lea	20 17S 36E	SE4NE4	40.00	\$1.00	\$1,000.00
03	7 VB-0-002	(D)	Lea	25 18S 36E	SW4SE4	40.00	\$1.00	\$1,000.00
03	8 VB-O-003		Lea	33 18s 36E	N2NW4, SW4NW4	120.00	\$1.00	\$2,000.00
03	9 VB-0-004		Lea	14 19S 37E	SW4NE4	40.00	\$1.00	\$1,000.00
04	0 VB-O-005	(D)	Lea	34 20s 35E	N2	320.00	\$1.00	\$5,000.00
04	1 VB-0-006	(D)	Lea	30 25s 38E	N2NE4	80.00	\$1.00	\$1,500.00

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 Paulette Lucero-Romero at (505) 827-5714 or <u>plucero@slo.state.nm.us</u>.

<u>Name of legal entity or personal name</u> –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 in which it lies, the legal land description</u> describing the tract on which you are bidding, whether it is a <u>regular sale 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.

<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 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) (state) (city) (zip code) a corporation qualified to do business in New Mexico, OR a citizen (or eligible to become a citizen) of the United States, over the age of twenty-one years hereby makes application for an oil and gas lease for the exploration, development and production of oil and natural gas thereon, upon the following described _____, State of New Mexico, to-wit: land situated in the County of _____ LAND DESCRIPTION TRACT NUMBER Sealed: ____ - 0 ____ Description _____ Oral: ____ - 0 - 0 ___ _ acres, more or less. containing ___ Tendered herewith as bonus and first year's rental thereon is the sum of \$ ______, plus an application fee of \$30.00; (b) 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 My commission expires: _____ Acknowledgment in a Representative Capacity: State of ___ This instrument was acknowledged before me on _____ Name(s) of Person(s) Type of authority; e.g., officer, trustee, etc. Signature of Notarial Officer (Seal) My commission expires: Revised September 2013

HOW TO MAKE A FEDWIRE DEPOSIT TO NEW MEXICO STATE LAND OFFICE

Direct any questions concerning this type of payment to Margaret Sena in the State Land Office Accounting Office at 505-827-5705

When you intend to pay by a wire transfer, please let the SLO Accounting Office know by filling out the form below. You can include the form inside any sealed bid you offer to the SLO. You can get copies of the form by calling the Accounting Office at (505) 827-5700.

	NEW MEXICO STATE LAND OFFICE	<u> </u>
	DRAFT FOR OIL & GAS SALE	
	DATE	20
PAY TO THE		
ORDER OF	COMMISSIONER OF PUBLIC LANDS \$	
-		DOLLARS
TRACT #	 	
Wells Fargo	COMPANY NAMEate Land Commissioner	
For the Account of Sta	AUTHORIZED AGENT	

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID AMOUNTS	PRICE/ACR
v0-s-001 v09488 00	32 13S 30E W2, NE4SE4, S2SE4	440.00 CHASE OIL CORPORATION LARRY G. PHILLIPS	\$17,650.00 \$7,000.00	\$40.11
VO-S-002 V09489 00	12 14S 29E ALL	640.00 CHASE OIL CORPORATION LARRY G. PHILLIPS	\$25,650.00 \$10,000.00	\$40.08
VO-S-003 V09490 00	4 15S 28E SW4NE4, SE4NW4, NE4SE4	120.00 CHASE OIL CORPORATION LARRY G. PHILLIPS	\$12,050.00 \$2,000.00	\$100.42
VO-S-004 V09491 00	4 16S 33E LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16	674.36 CHASE OIL CORPORATION COMPOUND PROPERTIES, LLC FEATHERSTONE DEVELOPMENT CORP	\$101,204.00 \$41,891.24 \$36,078.26	\$150.07
VB-S-001 VB2313 00	16 16S 30E S2	320.00 CROWN OIL PARTNERS IV, LP COMPOUND PROPERTIES, LLC FEATHERSTONE DEVELOPMENT CORP	\$27,360.00 \$17,968.40 \$17,120.01	\$85.50
VB-S-002 VB2314 00	2 16S 31E LOT(S) 13, 14, 15, 16	160.00 COMPOUND PROPERTIES, LLC FEATHERSTONE DEVELOPMENT CORP	\$17,958.40 \$8,560.00	\$112.24
VB-S-003 VB2315 00	16 18s 37e sw4nw4, sw4, n2se4, sw4se4	320.00 CROWN OIL PARTNERS IV, LP	\$27,360.00	\$85.50
VB-S-004 VB2316 00	28 26s 36E W2	320.00 FEATHERSTONE DEVELOPMENT CORP COMPOUND PROPERTIES, LLC	\$84,160.00 \$35,916.80	\$263.00
V0-0-001 V09492 00	28 14S 28E ALL	640.00 CHASE OIL CORPORATION	\$10,000.00	\$15.63
v0-0-002 v09493 00	34 14S 28E ALL	640.00 CHASE OIL CORPORATION	\$10,000.00	\$15.63
v0-o-003 v09494 00	9 15S 28E S2NE4, S2	400.00 CHASE OIL CORPORATION	\$6,700.00	\$16.75
v0-o-004 v09495 00	13 20N 28E E2NE4, NW4NW4, SW4, NE4SE4	320.00 KHL, INC., A NEW MEXICO CORPO	\$17,000.00	\$53.13
v0-o-005 v09496 00	14 20N 28E NE4NE4, N2SE4, SW4SE4	160.00 KHL, INC., A NEW MEXICO CORPO	\$13,000.00	\$81.25
V0-0-006 V09497 00	15 20N 28E S2N2	160.00 KHL, INC., A NEW MEXICO CORPO	\$15,000.00	\$93.75
V0-0-007 V09498 00	20 20N 28E SW4NE4, SE4NW4, NE4SW4, N2SE4, SE4SE4	240.00 KHL, INC., A NEW MEXICO CORPO	\$17,000.00	\$70.83
V0-0-008 V09499 00	21 20N 28E E2NE4, S2	400.00 KHL, INC., A NEW MEXICO CORPO	\$15,000.00	\$37.50
V0-0-009 V09500 00	22 20N 28E SW4NW4, W2SW4, SE4SW4, N2SE4	240.00 KHL, INC., A NEW MEXICO CORPO	\$20,000.00	\$83.33
V0-0-010 V09501 00	23 20N 28E W2NE4, SE4NE4	120.00 KHL, INC., A NEW MEXICO CORPO	\$20,000.00	\$166.67
v0-o-011 v09502 00	23 20N 28E E2W2, W2SE4	240.00 KHL, INC., A NEW MEXICO CORPO	\$32,000.00	\$133.33
V0-0-012 V09503 00	24 20N 28E SW4NE4, S2NW4, N2S2	280.00 KHL, INC., A NEW MEXICO CORPO	\$56,000.00	\$200.00
V0-0-013 V09504 00	13 11s 32E E2	320.00 DANIEL E GONZALES	\$15,000.00	\$46.88

09 15:74:19 PAGE 2

=======================================	=======================================	=======================================		
TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER		RICE/ACR
			AMOUNTS	
v0-o-014 v09505 00	13 11S 32E NW4	160.00 CROWN OIL PARTNERS IV, LP	\$5,500.00	\$34.38
V0-0-015 V09506 00	16 15S 36E SE4NE4, SE4	200.00 MRC PERMIAN COMPANY	\$20,000.00	\$100.00
V0-0-016 V09507 00	4 16S 33E S2	320.00 CHASE OIL CORPORATION	\$42,000.00	\$131.25
V0-0-017 V09508 00	6 25S 38E SW4NE4	40.00 COMPOUND PROPERTIES, LLC	\$2,500.00	\$62.50
VB-0-001 VB2317 00	32 14S 28E ALL	640.00 CHASE OIL CORPORATION	\$10,000.00	\$15.63
VB-0-002 VB2318 00	16 16S 31E ALL	640.00 COMPOUND PROPERTIES, LLC	\$42,000.00	\$65.63
VB-O-003 VB2319 00	35 16S 32E NE4, NE4NW4, S2NW4, SE4SW4	N2SW4, 400.00 SLASH EXPLORATION LP	\$110,000.00	\$275.00
VB-0-004 VB2320 00	8 18S 37E SE4	160.00 CROWN OIL PARTNERS IV, LP	\$2,500.00	\$15.63
VB-0-005 VB2321 00	17 18s 37e E2, NW4	480.00 CROWN OIL PARTNERS IV, LP	\$7,500.00	\$15.63

**** END OF REPORT ****

HIGHEST BID ANALYSIS REGULAR SALE September 17, 2013

Total \$802,092.40 for 30 tracts covering 10,194.36 Acres...\$78.68 per acre.

Sealed (Five Year) \$313,392.40 for 8 tracts covering 2,994.36 Acres...\$104.66 per acre.

Oral (Five Year) \$488,700.00 for 22 tracts covering 7,200.00 Acres...\$67.88 per acre.

Total of 30 tracts were offered.... 30 tracts were sold.

Highest Sealed Bid (Five Year Term) Tract No. V0-004 \$ 101,204.00 LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, of Section 04, Township 16 South, Range 33 East, containing 674.36 acres, more or less, in Lea County, approximately 8.7 miles northeast of Maljamar, New Mexico, by Chase Oil Corporation, of Artesia, NM.

Highest Sealed Bid (Five Year Term) Per Acre Tract No. VB-004 \$ 263.00 W2 of Section 28, Township 26 South, Range 36 East, containing 320.00 acres, more or less, in Lea County, approximately 8 miles southwest of Jal, New Mexico, by Featherstone Development Corporation, of Roswell, NM.

Highest Oral Bid (Five Year Term) Tract No. VB-O-003 \$ 110,000.00 NE4, NE4NW4, S2NW4, N2SW4, SE4SW4 of Section 35, Township 16 South, Range 32 East, containing 400.00 acres, more or less, in Lea County, approximately 2 miles northeast of Maljamar, New Mexico, by Slash Exploration LP, of Roswell, NM.

Highest Oral Bid (Five Year Term) Per Acre Tract No. VB-O-003 \$ 275.00 NE4, NE4NW4, S2NW4, N2SW4, SE4SW4 of Section 35, Township 16 South, Range 32 East, containing 400.00 acres, more or less, in Lea County, approximately 2 miles northeast of Maljamar, New Mexico, by Slash Exploration LP, of Roswell, NM.

September 2012 Regular Sale was \$4,892,358.71 for 8,084.44 acres or \$4,090,266.31more than the September 2013 Regular Sale.

No Special Sale

Total Sale was \$802,092.40



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,

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

Day Powell

Commissioner of Public Lands

	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	Мо	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										

Type fact.			April			
Su	Мо	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				

- 11	May							
Su	Мо	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			

an out the								
771.	June							
Su	Мо	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		

2013

NEW MEXICO STATE LAND OFFICE



SALE CALENDAR

хх	Regularly scheduled sale						
	(Third Tuesday of each month						

Last day to nominate tracts for
next monthly sale

For information on nominating tracts, call the Oil, Gas, and Minerals Division Geologist at 505-827-5774

To nominate tracts for an oil and gas lease sale, 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.

July								
Su	Мо	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	Мо	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	Мо	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	Мо	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	Мо	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	Мо	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						

~~~~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?

Unitization & Commingling

Pete Martinez, 505-827-5791 Jerome Maestas, 505-827-5783

<u>Lease Sales, Potash Enclave,</u> Geophysical Permitting, Geology

Stephen Wust, 505-827-5774

Bonds, Shut-In Royalty, OGRIDS,

Paulette Lucero-Romero, 505-827-5714

Communitization, Reduced Royalty & Engineering

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

<u>Lease Expirations,</u> <u>Cancellations, Rentals,</u> <u>Assignments</u>

Kenda Montoya 505-827-5749

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, <u>Division Administration</u>

Greg Bloom Assistant Commissioner, 505-827-4489 Larry Roybal, Division Director, 505-827-5746