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 on September 20, 2016 for the tracts of land herein described.

The sale will be held in two venues: online and in-house. The online sale will be active bidding, commencing one week prior to the lease sale date, with online bidding closing at 8:30 am MDT on September 20. The in-house sale will be oral, conducted in the Edward J. Lopez State Land Office Building, Santa Fe, New Mexico, and commencing at 10:30 am MDT on September 20. There will be no sealed bid auction.

The sale will be held and conducted in accordance with the following terms and conditions:

The online auction will be conducted by the State Land Office contract auction house, EnergyNet. To view the online tract listing go to www.energynet.com/govt-listing.pl and abide by the terms and conditions therein.

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.

The successful bidder in every case of bidding will be required to deposit forthwith, the amount bid, plus the application fee of \$100.00, and to file application in due form before the close of business on said date.

If not in attendance at the State Land Office on the sale date, the successful bidder in online bidding will be required to make the deposit via electronic fund transfer, as specified on the EnergyNet auction site. If in attendance at the State Land Office, successful bidders can make the deposit in-person via electronic transfer, or in cash or by check, money order or certified check drawn on a solvent bank.

In the case of in-house oral bidding, successful bidders will be required to make the deposit in-person via electronic transfer, or in cash or by check, money order or certified check drawn on a solvent bank, and to file a bid 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 in-house 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.

AUBREY DUNN

COMMISSIONER OF PUBLIC LANDS

Online auction for oil & gas lease sale

Starting in September, the New Mexico State Land Office will be adding an online contingent to its monthly oil & gas lease sale. The online portion will be held in lieu of the traditional sealed bid portion.

The sale will be held in two venues: online and in-house. The online sale will be active bidding, commencing at 8:30 am MDT September 13, with online bidding closing tract by tract beginning at 7:48 am MDT on September 20, with each subsequent tract closing two minutes later. Bidding on the final tract will close at 8:30 am MDT on September 20. The in-house sale will be oral, conducted in the Edward J. Lopez State Land Office Building, Santa Fe, New Mexico, and commencing at 10:30 am MDT on September 20. There will be no sealed bid auction.

The online auction will be conducted by the State Land Office auction house contractor, EnergyNet. When posted, the online tract listing can be viewed at www.energynet.com/govt_listing.pl and abide by the terms and conditions therein.

PAYMENT FOR ALL LEASES SHALL BE MADE THE DAY OF THE SALE IN CASH, BY CHECK, MONEY ORDER, CERTIFIED CHECK, OR ELECTRONIC TRANSFER 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.)

NEW FEE SCHEDULE FOR BID APPLICATIONS

The New Mexico State Land Office has instituted a new Schedule of Fees, effective July 1. The fee for an oil & gas lease application (Bid Application at a lease sale) has been increased from \$30 to \$100. The Bid Application form and instructions have been updated to reflect the new fee.

Bid applications for the September oil & gas lease sale must include a \$100 application fee.

The new fee schedule can be found at the State Land Office web site:

http://www.nmstatelands.org/uploads/files/Fee%20Schedules/New%20Schedule%20of%20Fees%20%26%20Memo%20June%2030%202016.pdf

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.

Regular Sale - ONLINE BIDDING CLOSES 8:30 AM MDT - SEPTEMBER 20, 2016

NOTE: THE FOLLOWING TRACTS WILL BE OFFERED FOR ONLINE AUCTION 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	PRIMARY	MUNIMUM
#				(MORE OR LESS)	RENTAL	ACCEPTABLE BID
001 V0-001	McKinley	28 20N 09W	E2	320.00	\$0.50	\$10,000.00
002 V0-002	McKinley	28 20N 09W	W2	320.00	\$0.50	\$10,000.00

Regular Sale - ONLINE BIDDING CLOSES 8:30 AM - SEPTEMBER 20, 2016

NOTE: THE FOLLOWING TRACTS WILL BE OFFERED FOR ONLINE AUCTION 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
	VB-001	(E)	Chaves		NE4SE4, S2SE4	120.00	\$0.50	\$4,000.00
004	VB-002		Eddy	02 26S 23E	N2	385.78	\$1.00	\$12,000.00
005	VB-003		Eddy	02 26S 23E	\$2	407.75	\$1.00	\$13,000.00
006	VB-004		Eddy	32 26S 24E	LOT(S) 1, 2, 3, 4, N2N2 (ALL)	251.04	\$1.00	\$8,000.00
007	VB-005	(E)	Lea	36 10S 37E	N2	320.00	\$0.50	\$10,000.00
008	VB-006		Lea	17 16S 33E	N2	320.00	\$1.00	\$10,000.00
009	VB-007		Lea	20 16S 33E	N2	320.00	\$1.00	\$10,000.00
010	VB-008	(D)	Lea	08 19S 38E	W2NE4	80.00	\$1.00	\$3,000.00
011	VB-009	(D)	Lea	36 198 38E	W2SW4, SE4SW4, NE4SE4, S2SE4	240.00	\$1.00	\$8,000.00
012	VB-010	(D)	Lea	13 21S 35E	W2	320.00	\$1.00	\$10,000.00
013	VB-011	•	Lea	15 218 35E	N2	. 320.00	\$1.00	\$10,000.00
014	VB-012		Lea	01 22S 35E	LOT(S) 2, SW4NE4, W2SE4	160.30	\$1.00	\$5,000.00
015	VB-013		Lea	36 23S 37E	\$2	320.00	\$1.00	\$10,000.00
016	VB-014		Lea	02 26S 36E	NW4NE4, NE4NW4	80.00	\$1.00	\$3,000.00
017	VB-015		Lea	02 26S 36E	SW4NW4	40.00	\$1.00	\$2,000.00
018	VB-016		Lea	02 26S 36E	SE4NE4, SE4SW4, SE4	240.00	\$1.00	\$8,000.00
019	VB-017	(D, E)	Roosevelt	07 06S 34E	LOT(S) 4, E2	353.57	\$0.50	\$12,000.00

D: ALL OR PORTION OF SURFACE NON-STATE

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS Page 1 Of 2

www.nmstatelands.org

E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

TRACT		COUNTY	SEC TWP RGE	DESCRIPTION	ACRES	PRIMARY	MINIMUM ACCEPTABLE BID
#					(MORE OR LESS)		ACCEPTABLE DID
020 VB-018	(E)	Roosevelt	31 07S 33E	LOT(S) 1, 2, NE4, E2NW4	315.12	\$0.50	\$10,000.00
021 VB-019	(E)	Roosevelt	06 07S 35E	LOT(S) 1, 2, S2NE4, SE4	319.55	\$0.50	\$10,000.00
022 VB-020	(E)	Roosevelt	19 07S 35E	E2	320.00	\$0.50	\$10,000.00

Regular Sale - ORAL BID 10:30 AM MDT - SEPTEMBER 20, 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 (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
	VB-0-001	(E)	Lea	36 10S 37E	S2	320.00	\$0.50	\$10,000.00
024	VB-0-002	(D)	Lea	07 16S 33E	LOT(S) 1, 2, 3, 4, E2W2	319.52	\$1.00	\$10,000.00
025	VB-0-003		Lea	17 16S 33E	S2	320.00	\$1.00	\$10,000.00
026	VB-0-004		Lea	20 16S 33E	S2	320.00	\$1.00	\$10,000.00
027	VB-0-005		Lea	05 17S 34E	S2	320.00	\$1.00	\$10,000.00
028	VB-0-006	(D)	Lea	08 19S 38E	S2SW4	80.00	\$1.00	\$3,000.00
029	VB-0-007	(E)	Roosevelt	31 07S 33E	SE4SW4	40.00	\$0.50	\$2,000.00
030	VB-0-008	(D, E)	Roosevelt	07 07S 34E	LOT(S) 4, S2SE4	124.31	\$0.50	\$4,000.00
031	VB-0-009	(D, E)	Roosevelt	07 07S 34E	LOT(S) 2	43.96	\$0.50	\$2,000.00
032	VB-0-010	(E)	Roosevelt	06 07S 35E	LOT(S) 3, 4, 5, 6, 7, SE4NW4, E2SW4	308.14	\$0.50	\$10,000.00
033	VB-0-011	(E)	Roosevelt	07 078 35E	LOT(S) 1, 2, 3, 4, E2W2	307.28	\$0.50	\$10,000.00
034	VB-0-012	(E)	Roosevelt	19 07S 35E	LOT(S) 1, 2, 3, 4, E2W2	307.12	\$0.50	\$10,000.00

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS Page 2 Of 2

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D: ALL OR PORTION OF SURFACE NON-STATE

E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

Filling out the Bid Application Form

NOTE: For the online auction, you will fill out the bid application forms presented at the Energy Net auction site, and make payments as per instructions at the auction site.

For the in-house oral auction, winning bidders will use the following bid application form and make payments as per SLO instructions.

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 Ramona Marcus at (505) 476-0378 or rmarcus@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.

<u>Mailing address</u> – 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 Oral: VB-O-001 Description W2NW4, SE4NW4, SW4

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 \$100.00 application fee. In the above example, you would remit \$10,<u>100</u>.

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.

NEW MEXICO STATE LAND OFFICE

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

	TORASTATE OF NEW IN		OGRID No	o
TO: Commissioner of Public Lands P.O. Box 1148	s			_
Santa Fe, New Mexico 87504	-1148			
	(Please print the name of the legal er	ntity, or, if applying as a	n individual, the personal name	.)
whose address is	g address)			late) (zip code)
corporation qualified to do husiness	g address) s in New Mexico, OR a citizen (or eligibl ınd gas lease for the exploration, develop	le to become a citizen') of the United States, over th	e age of twenty-one years
and situated in the County of		_, State of New Mexico	o, to-wit:	
TRACT NUMBER	LAND DESCRIPTION		REGULAR SALE	SPECIAL SALE
0	S T	R		_
Oral: 0 – 0				
containingac				
	it year's rental thereon is the sum of \$	(a)	, plus an application fee	of \$100.00; <i>b</i>)
Fotal remittance sum of (a) and (b)\$,	
, (Pleas	e print name of applicant or of attorney in ent made in this application is true and c	fact / authorized agent	.)	
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			re of individual or of attorne	y iii raci / auinorized agent,
	Acknowledgment i	in an Individual Capa	icity:	
State of))			
County of				
This instrument was acknowledged t				
_	Date			
ByName of Person				
(Seal)				Signature of Notarial Officer
			•	es:
	Acknowledgment in	a Representative Ca	pacity:	
State of)			
County of	, ss))			
This instrument was acknowledged	before me on			
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Ву	,	- Annual Control of the Control of t		
Name(s) of Person(s)				
as	of	n behalf of whom instrument was	executed	
Type of authority; e.g., officer, trustee	, etc. Name of party or	Journal or Ymorn instrument was		
(Seal)		***************************************		Signature of Notarial Officer
, ,			My commission expl	res:
Revised Avenuel 2016				
Revised August 2016				

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

Wells Fargo COMPANY NAME

AUTHORIZED AGENT

For the Account of State Land Commissioner

TRACT II	LEASE	#	SEC nlP RGE DESCRIPTION	ACRE	S BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-001	VB2764	00	32 088 33E NW4, N2SW4, SE4SW4		ROCKCLIFF OPERATING NEW MEXIC DOUG J. SCHUTZ SLASH EXPLORA'J'ION LP	\$239,960.00 \$239,120.00 \$49,140.00	\$857.00
VB-S-002	VB2765	00	34 085 33E W2		ROCKCLIFF OPERATING NEW MEXIC DOUG J. SCHUTZ SLASH EXPLORATION LP	\$274,240.00 \$273,280.00 \$56,160.00	\$857.00
VB-S-003	VB2766	00	34 08S 33E W2E2, SE4SE4		ROCKCLIFF OPERATING NEW MEXIC DOUG J. SCHUTZ SLASH EXPLORATION LP	\$171,400.00 \$170,800.00 \$35,100.00	\$857.00
VB-S-004	VB2767	00	15 188 21E E2	320.00	SLASH EXPLORATION LP	\$12,320.00	\$38.50
VB-S-005	VB2768	00	12 098 32E N2NW4, SE4NW4, SW4		ROCKCLIFF OPERATING NEW MEXIC SLASH EXPLORATION LP DOUG J. SCHUTZ	\$113'960.00 \$49,140.00 \$9,240.00	\$407.00
VB-S-006	VB2769	00	16 09S 34E E2		ROCKCLIFF OPERATING NEW MEXIC LOMA HOMBRE ENERGY, LLC SLASH EXPLORATION LP	\$274,240.00 \$164,800.00 \$72,160.00	\$857.00
VB-S-007	VB2770	00	15 128 38E NE4		MANZANO ENERGY PARTNERS II, L KASTLEFORD LAND COMPANY, LLC. SLASH EXPLORATION LP FEDERAI, ABSTRACT COMPANY	\$56,200.00 \$36,260.00 \$28,880.00 \$11,360.00	\$351.25
VB-S-008	VB2771	00	32 158 33E W2		CHASE OIL CORPORATION SLASH EXPLORATION LP	\$40,005.00 \$11,360.00	\$125.02
VB-S-009	VB2772	00	19 16S 33E S2NE4, SE4		CHASE OIL CORPORATION DOUG J. SCHUTZ KASTLEFORD LAND COMPANY, LLC. SLASH EXPLORATION LP	\$84,005.00 \$66,000.00 \$10,000.00 \$8,640.00	\$350.02
VB-S-010	VB2773	00	23 16S 33E S2		DOUG J, SCHUTZ CHASE OIL CORPORATION KASTLEFORD LAND COMPANY, LLC. SLASH EXPLORATION LP	\$168,000.00 \$80,005.00 \$15,000.00 \$11,520.00	\$525.00
VB-S-011	VB2774	00	36 168 33E N2		DOUG J. SCHUTZ CHASE OIL CORPORATION FEDERAL ABSTRACT COMPANY SLASH EXPLORATION LP KASTLEFORD LAND COMPANY, LLC.	\$232,000,00 \$80,005.00 \$20,160,00 \$17,920.00 \$10,000.00	\$725.00
VB-S-012	VB2775	00	30 188 37E LOT(S) 3, 4, E2SW4		FEDERAL ABSTRACT COMPANY SLASH EXPLORATION LP	\$17,120.00 \$5,760.00	\$107.19
VB-S-013	VB2776	00	31 18S 37E LOT(S) 3, 4	78.99	SLASH EXPLORATION LP	\$3,240.00	\$41.02

TRACT # LEASE #	SEC TWP RGE DESCRIPTION	ACRES BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-014 VB2777 00	5 208 39E LOT(S) 1	29.56 THE TEXAS SOUTHERN STANDARD O OPAL RESOURCES II LLC	\$22,200.00 \$12,267.40	\$751.01
VB-S-015 VB2778 00	1 21s 35E LOT(s) 3, 5, 6	117.71 FEDERAL ABSTRACT CGr.1PANY SLASH EXPLORATION LP ROBERT HOOPER	\$78,150.00 \$4,248.00 \$4,100.25	\$663.92
VB-S-016 VB2779 00	34 21S 35E W2	320.00 FEDERAL ABSTRACT COMPANY FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$146,240.00 \$40,321.00 \$11,320.00	\$457.00
VB-S-017 VB2780 00	35 218 35E S2	320.00 SLASH EXPLORATION LP	\$11,320.00	\$35.38
VB-S-018 VB2781 00	2 22S 34E SW4	160.00 GMT EXPLORATION COMPANY LLC BLACK MOUNTAIN OPERATING LLC FEATHERSTONE DEVELOPMENT CORP FEDERAL ABSTRACT COMPANY SLASH EXPLORATION LP	\$1,086,400.00 \$769,920.00 \$491,590.00 \$124,160,00 \$28,160.00	\$6,790.00
VB-S-019 VB2782 00	36 D78 34E E2	320.00 AETOS ENERGY PARTNERS, L.L.C. SLASH EXPLORATION LP	\$48,000.00 \$11,360.00	\$150.00
VB-0-001 VB2783 00	32 088 33E N2NE4, SW4NE4, SE4	280.00 ROCKCLIFF OPERATING NEW MEXIC	\$241,500.00	\$862.50
VB-0-002 VB2784 00	13 098 32E NW4NE4, NE4NW4	80.00 ROCKCLIFF OPERATING NEW MEXIC	\$16,000.00	\$200.00
VB-0-003 VB2785 00	16 098 34E W2	320.00 ROCKCLIFF OPERATING NEW MEXIC	\$228,000.00	\$712'50
VB-0-004 VB2786 00	15 128 38E NW4, N2SW4, SE4SW4	280.00 MANZANO ENERGY PARTNERS II, L	\$70,000.00	\$250.00
VB-0-005 VB2787 00	3 16S 33E 82	320.00 CHASE OIL CORPORATION	\$83,000.00	\$259.38
VB-0-006 VB2788 00	13 168 33E E2	320.00 CHASE OIL CORPORATION	\$180,000,00	\$562,50
VB-0-007 VB2789 00	19 16S 33E LOT(S) 1, 2, 3, 4, E2 12	320,60 CHASE OIL CORPORATION	\$120,000,00	\$374.30
VB-0-008 VB2790 00	36 16S 33E S2	320,00 DOUG J, SCHUTZ	\$210,000,00	\$656.25
VB-0-009 VB2791 00	17 16S 35E NE4	160,00 KASTLEFORD LAND COMPANY, LLC.	\$12,000,00	\$75,00
VB-0-010 VB2792 00	16 18S 37E NE4	160,00 KASTLEFORD LAND COMPANY, LLC.	\$5,000.00	\$31.25
VB-0-011 VB2793 00	31 185 37E SE4NE4, E2SE4	120,00 KASTLEFORD LAND COMPANY, LLC.	\$10,000.00	\$83.33
VB-0-012 VB2794 00	21 198 36E 52	320,00 KASTLEFORD LAND COMPANY, LLC.	\$10,000.00	\$31.25
VB-0-013 VB2795 00	26 218 35E 52	320.00 ROY BARTON III	\$14,000.00	\$43,75
VB-0-014 VB2796 00	34 218 35E E2	320.00 ROY BARTON III	\$18,000.00	\$56.25
VB-0-015 VB2797 00 TRACT II LEASE II	36 078 34E W2 SEC YWP RGE DESCRIPTION	320.00 AETOS ENERGY PARTNERS, L.L.C, ACRES BIDDER	\$16,000.00 BID AMOUNTS	\$50.00 PRICE/ACR
VB-0-016 VB2798 00	36 08s 36E NE4	160.00 ROCKCLIFF OPERATING NEW MEXIC	\$34,000.00	\$212.50

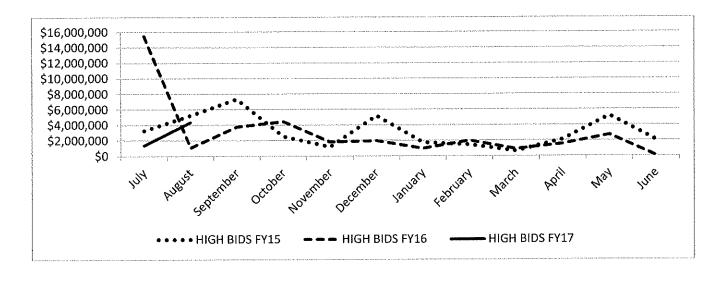
END OF REPORT * *

Lease Sale Summary 16 August 2016

Total high bids: \$4,346,500 Total sealed high bids: \$3,079,000 Total oral high bids: \$1,267,500

There were 35 tracts offered, covering a total of 8707 acres. All tracts were sold to 11 different bidders.

Sale Month	Total sale	High tracts	Bid type	Rest	S	Т	R
16-Aug	\$4,346,500	\$239,960	S		32	8 S	33E
		\$274,240	S		34	8 S	33E
		\$274,240	S		16	9 S	34E
		\$232,000	S		36	16S	33E
		\$1,086,400	S		2	22S	34E
		\$241,500	0		32	88	33E
		\$228,000	0		16	95	34E
		\$210,000	0		36	16S	33E
Total		\$2,786,340		\$1,560,160			
	% Total	64%		Six tracts	over \$100,0	000 total \$8	399600





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



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

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

New Mexico State Land Office

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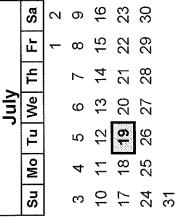
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December



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Regularly scheduled sale

(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

Marilyn Gruebel 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