

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 September 18, 2012 for the tracts of land herein described. The sale will be held and conducted in accordance with the following terms and conditions:

No bids will be considered for less than the whole of any tract, nor for less than the specified minimum acceptable bid. Separate bids must be made for each tract, and a separate remittance made for each bid.

Sealed bids must be plainly marked, "Oil and Gas Sealed Bid" on the outside of the envelope, along with the date and hour to be opened. Sealed bids may be submitted by mail or otherwise to the Commissioner of Public Lands. All bids submitted will be opened at 9:30 a.m. for the Regular Sale, and at the specified time for the Special Sale on said date. The lease will be awarded to the highest bidder, if the offer made is deemed to be satisfactory.

Sealed bids must be on the proper form issued by the New Mexico State Land Office, complete, and notarized, and must be accompanied by a check, money order, or certified check drawn on a solvent bank. This payment must include the amount bid, plus the application fee of \$30.00.

Each tract on which no sealed bid is received in the Special Sale may then be offered for oral bidding at the public auction, and awarded to the highest bidder.


The successful bidder in every case of oral bidding will be required to deposit forthwith, in cash or by check, money order or certified check drawn on a solvent bank, the amount bid, plus the application fee of \$30.00, and to file application in due form before the close of business on said date.

The applications received pursuant hereto will be deemed to have been filed simultaneously. In all cases, leases will be made on the specified Lease Form as set forth in the Sale Notice. Application forms will be furnished upon request. Form 0-00 (formerly No. OG-57) Bid Application, is applicable to all Lease Forms advertised in this Sale Notice.

Disabled individuals who require aids to participate in the Oil & Gas Lease Sale may call (505) 827-5744, e-mail Debbie Tise at dtise@slo.state.nm.us, or contact Relay New Mexico at (505) 292-0454 or the AT&T Operator Service for TTY at (800) 855-1155.

The State Land Office makes no warranty as to the conditions of the lands. Lessees must comply with all applicable federal and state laws or regulations.

THE COMMISSIONER RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS. ENVELOPES CONTAINING BIDS SHOULD BE MARKED, "OIL AND GAS SEALED BID."


RAY POWELL, MS, DVM
COMMISSIONER OF PUBLIC LANDS

NOTICE OF SALE

OIL AND GAS LEASES

BY AUTHORITY VESTED IN ME, I, RAY POWELL, COMMISSIONER OF PUBLIC LANDS, WILL OFFER FOR SALE TO THE HIGHEST BIDDER, OIL AND GAS LEASES ON THE TRACTS OF LAND LISTED BELOW, UNDER THE FOLLOWING CONDITIONS:

1. NO BIDS WILL BE CONSIDERED FOR LESS THAN THE MINIMUM ACCEPTABLE BID AS LISTED IN THE SALE NOTICE, PLUS A \$30.00 APPLICATION FEE.
2. EACH BID MUST BE SUBMITTED FOR THE WHOLE OF ANY TRACT HEREIN DESCRIBED.
3. SEPARATE BIDS MUST BE MADE ON EACH TRACT, ACCOMPANIED BY A SEPARATE REMITTANCE.
4. PAYMENT SHALL BE MADE THE DAY OF THE SALE IN CASH, BY CHECK, MONEY ORDER, OR CERTIFIED CHECK ON A SOLVENT BANK.
5. ENVELOPES CONTAINING BIDS SHOULD BE PLAINLY MARKED "OIL AND GAS SEALED BID," GIVING DATE AND TIME OF SALE.
6. IN ALL CASES, LEASES WILL BE ISSUED ON THE APPROPRIATE STATUTORY LEASE FORM AS SET FORTH IN THE SALE NOTICE.
7. APPLICATION FORMS WILL BE MAILED UPON REQUEST. THE APPLICATION FORM MUST ACCOMPANY EACH SEALED BID.
8. ALL MONEY TENDERED BY BIDDERS WILL BE RETURNED IF THEIR BIDS ARE UNSUCCESSFUL.
9. SALE WILL BE HELD IN MORGAN HALL, EDWARD J. LOPEZ STATE LAND OFFICE BUILDING, 310 OLD SANTA FE TRAIL, SANTA FE, NEW MEXICO.
10. THE COMMISSIONER OF PUBLIC LANDS RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS.

RAY POWELL, M.S., D.V.M
COMMISSIONER OF PUBLIC LANDS
SANTA FE, NEW MEXICO

NEW MEXICO STATE LAND OFFICE
LEASE SALE NOTICE
***** SEALED TRACTS *****

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - SEPTEMBER 18, 2012

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 | 33 15S 29E | SW4NW4, SE4SW4 | 80.00 | \$0.50 | \$1,500.00 |
| 002 V0-002 | Lea | 23 15S 33E | S2 | 320.00 | \$0.50 | \$5,000.00 |
| 003 V0-003 (D) | Lea | 28 15S 33E | N2 | 320.00 | \$0.50 | \$5,000.00 |
| 004 V0-004 (D) | Lea | 09 18S 38E | NW4, S2SW4 | 240.00 | \$1.00 | \$4,000.00 |
| 005 V0-005 | Lea | 17 18S 38E | N2NE4 | 80.00 | \$1.00 | \$1,500.00 |
| 006 V0-006 (D) | Lea | 36 18S 38E | SE4 | 160.00 | \$1.00 | \$2,500.00 |
| 007 V0-007 | Lea | 07 19S 36E | N2NE4, SE4 | 240.00 | \$1.00 | \$4,000.00 |
| 008 V0-008 | Lea | 09 19S 36E | S2 | 320.00 | \$1.00 | \$5,000.00 |
| 009 V0-009 | Lea | 17 19S 36E | E2NE4, NW4, NW4SW4, E2SE4 | 360.00 | \$1.00 | \$6,000.00 |
| 010 V0-010 | Lea | 28 19S 36E | NE4 | 160.00 | \$1.00 | \$2,500.00 |
| 011 V0-011 | Lea | 11 19S 37E | N2SE4, SE4SE4 | 120.00 | \$1.00 | \$2,000.00 |
| 012 V0-012 | Lea | 15 24S 35E | ALL | 640.00 | \$1.00 | \$10,000.00 |

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - SEPTEMBER 18, 2012

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 |
|----------------|--------|-------------|-------------|----------------------|----------------|------------------------|
| 013 VB-001 | Eddy | 05 25S 28E | SE4 | 160.00 | \$1.00 | \$2,500.00 |
| 014 VB-002 (D) | Lea | 34 18S 36E | W2 | 320.00 | \$1.00 | \$5,000.00 |

D: ALL OR PORTION OF SURFACE NON-STATE

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

Regular Sale - ORAL BID SEPTEMBER 18, 2012

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 |
|------------------|--------|-------------|---------------------------------|----------------------|----------------|------------------------|
| 015 V0-0-001 | Lea | 23 15S 33E | N2 | 320.00 | \$0.50 | \$5,000.00 |
| 016 V0-0-002 (D) | Lea | 27 15S 33E | N2 | 320.00 | \$0.50 | \$5,000.00 |
| 017 V0-0-003 (D) | Lea | 28 15S 33E | S2 | 320.00 | \$0.50 | \$5,000.00 |
| 018 V0-0-004 | Lea | 08 18S 37E | NE4, S2NW4, SW4 | 400.00 | \$1.00 | \$6,000.00 |
| 019 V0-0-005 (D) | Lea | 03 19S 36E | LOT(S) 3, 4, S2NW4, SW4 | 318.96 | \$1.00 | \$5,000.00 |
| 020 V0-0-006 (D) | Lea | 04 19S 36E | LOT(S) 1, 2, 3, 4, S2N2 | 317.64 | \$1.00 | \$5,000.00 |
| 021 V0-0-007 | Lea | 04 19S 36E | S2 | 320.00 | \$1.00 | \$5,000.00 |
| 022 V0-0-008 | Lea | 09 19S 36E | N2 | 320.00 | \$1.00 | \$5,000.00 |
| 023 V0-0-009 | Lea | 16 19S 36E | N2, SE4SW4 | 360.00 | \$1.00 | \$6,000.00 |
| 024 V0-0-010 | Lea | 17 19S 36E | W2NE4, E2SW4, W2SE4 | 240.00 | \$1.00 | \$4,000.00 |
| 025 V0-0-011 (D) | Lea | 02 19S 37E | LOT(S) 1, 2, 3, 4, S2N2, SE4SE4 | 367.84 | \$1.00 | \$5,500.00 |
| 026 V0-0-012 | Lea | 16 24S 35E | N2 | 320.00 | \$1.00 | \$5,000.00 |

Regular Sale - ORAL BID SEPTEMBER 18, 2012

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR ORAL BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL BE ISSUED ON SECTION 19-10-4.3 NMSA 1978, DEVELOPMENT LEASE FORM, FIVE(5) YEAR TERM, 3/16th ROYALTY, AND HAVE BEEN CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

| TRACT # | COUNTY | SEC TWP RGE | DESCRIPTION | ACRES (MORE OR LESS) | PRIMARY RENTAL | MINIMUM ACCEPTABLE BID |
|--------------|--------|-------------|--------------------|----------------------|----------------|------------------------|
| 027 VB-0-001 | Chaves | 16 14S 29E | SW4, W2SE4, SE4SE4 | 280.00 | \$0.50 | \$4,500.00 |
| 028 VB-0-002 | Chaves | 21 14S 29E | NE4NE4 | 40.00 | \$0.50 | \$1,000.00 |
| 029 VB-0-003 | Lea | 32 16S 34E | N2 | 320.00 | \$1.00 | \$5,000.00 |

D: ALL OR PORTION OF SURFACE NON-STATE

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

OGRID No. _____

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

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

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

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

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

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

containing _____ acres, more or less.

Tendered herewith as bonus and first year's rental thereon is the sum of \$ _____, plus an application fee of \$30.00;
(a) (b)

Total remittance sum of (a) and (b).....\$ _____.

I, _____
(Please print name of applicant or of attorney in fact / authorized agent.)

do solemnly swear that every statement made in this application is true and correct to the best of my knowledge and belief.

(Signature of individual or of attorney in fact / authorized agent)

Acknowledgment in an Individual Capacity:

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
Date

By _____
Name of Person

(Seal)

Signature of Notarial Officer

My commission expires: _____

Acknowledgment in a Representative Capacity:

State of _____)
County of _____) SS)

This instrument was acknowledged before me on _____
Date

By _____
Name(s) of Person(s)

as _____ of _____
Type of authority; e.g., officer, trustee, etc. Name of party on behalf of whom instrument was executed

(Seal)

Signature of Notarial Officer

My commission expires: _____

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

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

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

**NEW MEXICO STATE LAND OFFICE
DRAFT FOR OIL & GAS SALE**

DATE _____ 20____

PAY TO THE
ORDER OF **COMMISSIONER OF PUBLIC LANDS** \$ _____
_____ DOLLARS

TRACT # _____

Wells Fargo **COMPANY NAME** _____
For the Account of State Land Commissioner

AUTHORIZED AGENT

| TRACT # | LEASE # | SEC | TWP | RGE | DESCRIPTION | ACRES | BIDDER | BID AMOUNTS | PRICE/ACR |
|----------|-----------|-----|-----|-----|--|--------|--|---|------------|
| V0-S-001 | V09247 00 | 33 | 12S | 34E | W2 | 320.00 | YATES PETROLEUM CORPORATION THE BLANCO COMPANY | \$10,646.40 \$8,000.00 | \$33.27 |
| V0-S-002 | V09248 00 | 16 | 13S | 32E | W2 | 320.00 | THE BLANCO COMPANY YATES PETROLEUM CORPORATION | \$9,000.00 \$5,974.40 | \$28.13 |
| V0-S-003 | V09249 00 | 4 | 18S | 36E | LOT(S) 3, 4, S2NE4, SE4NW4, SW4, W2SE4 | 440.94 | CROWN OIL PARTNERS IV, LP CHASE OIL CORPORATION YATES PETROLEUM CORPORATION | \$450,199.74 \$374,820.00 \$141,806.30 | \$1,021.00 |
| V0-S-004 | V09250 00 | 5 | 18S | 36E | LOT(S) 1, 2, 3, 4, S2N2 | 322.31 | CROWN OIL PARTNERS IV, LP CHASE OIL CORPORATION YATES PETROLEUM CORPORATION | \$286,533.59 \$274,020.00 \$110,159.11 | \$889.00 |
| V0-S-005 | V09251 00 | 8 | 18S | 36E | N2 | 320.00 | CROWN OIL PARTNERS IV, LP CHASE OIL CORPORATION YATES PETROLEUM CORPORATION | \$329,920.00 \$272,020.00 \$115,782.40 | \$1,031.00 |
| V0-S-006 | V09252 00 | 27 | 18S | 36E | E2, SW4 | 480.00 | CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION | \$456,000.00 \$154,195.20 | \$950.00 |
| V0-S-007 | V09253 00 | 4 | 18S | 37E | LOT(S) 3, 4, S2NW4, SW4 | 320.04 | CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION THE BLANCO COMPANY | \$200,025.00 \$25,046.33 \$10,000.00 | \$625.00 |
| V0-S-008 | V09254 00 | 9 | 18S | 37E | SW4 | 160.00 | CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION | \$40,000.00 \$10,772.80 | \$250.00 |
| V0-S-009 | V09255 00 | 8 | 19S | 36E | W2SE4 | 80.00 | CROWN OIL PARTNERS IV, LP YATES PETROLEUM CORPORATION THE BLANCO COMPANY | \$35,920.00 \$20,922.40 \$7,000.00 | \$449.00 |
| V0-S-010 | V09256 00 | 36 | 24S | 35E | E2, S2NW4, SW4 | 560.00 | YATES PETROLEUM CORPORATION DOUG J. SCHUTZ THE BLANCO COMPANY | \$205,710.40 \$57,000.00 \$11,000.00 | \$367.34 |
| VB-S-001 | VB2187 00 | 7 | 17S | 28E | LOT(S) 3, S2NE4, SE4NW4 | 163.10 | RONALD MILES FEATHERSTONE DEVELOPMENT CORP CROWN OIL PARTNERS IV, LP WISE OIL & GAS NO.8, LTD. YATES PETROLEUM CORPORATION | \$466,140.00 \$126,360.00 \$81,713.10 \$29,340.00 \$22,767.13 | \$2,858.00 |
| VB-S-002 | VB2188 00 | 33 | 13S | 34E | E2 | 320.00 | YATES PETROLEUM CORPORATION WISE OIL & GAS NO.8, LTD. THE BLANCO COMPANY | \$36,038.40 \$28,170.00 \$6,000.00 | \$112.62 |
| VB-S-003 | VB2189 00 | 17 | 15S | 33E | S2 | 320.00 | YATES PETROLEUM CORPORATION THE BLANCO COMPANY | \$6,012.80 \$5,000.00 | \$18.79 |
| V0-O-001 | V09257 00 | 16 | 13S | 32E | E2 | 320.00 | YATES PETROLEUM CORPORATION | \$6,600.00 | \$20.63 |

| TRACT # | LEASE # | SEC | TWP | RGE | DESCRIPTION | ACRES | BIDDER | BID AMOUNTS | PRICE/ACR |
|----------|-----------|-----|-----|-----|------------------------------|--------|-----------------------------|----------------|------------|
| VO-O-002 | V09258 00 | 23 | 14S | 38E | SW4SW4 | 40.00 | SHAW INTERESTS, INC. | \$1,100.00 | \$27.50 |
| VO-O-003 | V09259 00 | 5 | 18S | 36E | S2 | 320.00 | CROWN OIL PARTNERS IV, LP | \$470,000.00 | \$1,468.75 |
| VO-O-004 | V09260 00 | 7 | 18S | 36E | LOT(S) 1, 2, 3, 4, NE4, E2W2 | 468.28 | CROWN OIL PARTNERS IV, LP | \$700,000.00 | \$1,494.83 |
| VO-O-005 | V09261 00 | 8 | 18S | 36E | S2 | 320.00 | CROWN OIL PARTNERS IV, LP | \$510,000.00 | \$1,593.75 |
| VO-O-006 | V09262 00 | 28 | 18S | 36E | E2, SW4 | 480.00 | CROWN OIL PARTNERS IV, LP | \$150,000.00 | \$312.50 |
| VO-O-007 | V09263 00 | 31 | 18S | 36E | LOT(S) 1, 2, 3, 4, NE4, E2W2 | 471.50 | CROWN OIL PARTNERS IV, LP | \$520,000.00 | \$1,102.86 |
| VO-O-008 | V09264 00 | 5 | 18S | 37E | LOT(S) 1, 2, 3, 4, S2N2, SE4 | 479.60 | CROWN OIL PARTNERS IV, LP | \$70,000.00 | \$145.95 |
| VO-O-009 | V09265 00 | 32 | 24S | 35E | ALL | 640.00 | RONALD MILES | \$2,060,000.00 | \$3,218.75 |
| VB-O-001 | VB2190 00 | 12 | 17S | 27E | NE4SW4 | 40.00 | RONALD MILES | \$85,000.00 | \$2,125.00 |
| VB-O-002 | VB2191 00 | 32 | 19S | 25E | S2SW4 | 80.00 | RONALD MILES | \$130,000.00 | \$1,625.00 |
| VB-O-003 | VB2192 00 | 36 | 26S | 30E | LOT(S) 1, N2N2 | 184.10 | B & B ENERGY INTEREST, LLC | \$145,000.00 | \$787.62 |
| VB-O-004 | VB2193 00 | 17 | 15S | 33E | N2 | 320.00 | YATES PETROLEUM CORPORATION | \$11,000.00 | \$34.38 |

**** END OF REPORT ****

HIGHEST BID ANALYSIS
REGULAR SALE August 21, 2012

Total \$7,390,846.33 for 26 tracts covering 8,289.87 Acres...\$891.55 per acre.
Sealed (Five Year) \$2,532,146.33 for 13 tracts covering 4,126.39 Acres...\$613.65 per acre.
Oral (Five Year) \$4,858,700.00 for 13 tracts covering 4,163.48 Acres...\$1,166.98 per acre.

Total of 26 tracts were offered.... 26 tracts were sold.

Highest Sealed Bid Lot(s) 3, S2NE4, SE4NW4 of Section 07, Township 17 South, Range 28
(Five Year Term) East, containing 163.10 acres, more or less, in Eddy County, approximately
Tract No. VB-001 10 miles east of Artesia, New Mexico, by Ronald Miles of Roswell, NM.
\$ 466,140.00

Highest Sealed Bid Lot(s) 3, S2NE4, SE4NW4 of Section 07, Township 17 South, Range 28
(Five Year Term) East, containing 163.10 acres, more or less, in Eddy County, approximately
Per Acre 10 miles east of Artesia, New Mexico, by Ronald Miles of Roswell, NM.
Tract No. VB-001
\$ 2,858.00

Highest Oral Bid All of Section 32, Township 24 South, Range 35 East, containing 640.00
(Five Year Term) acres, more or less, in Lea County, approximately 12 miles north of Jal, New
Tract No. V0-O-009 Mexico, by Ronald Miles of Roswell, NM.
\$ 2,060,000.00

Highest Oral Bid All of Section 32, Township 24 South, Range 35 East, containing 640.00
(Five Year Term) acres, more or less, in Lea County, approximately 12 miles north of Jal, New
Per Acre Mexico, by Ronald Miles of Roswell, NM.
Tract No. V0-O-009
\$ 3,218.75

August 2011 Regular Sale was \$15,701,014.83 for 7,398.85 acres or \$8,310,168.50 more than the August 2012 Regular Sale.

No Special Sale

Total Sale was \$7,390,846.33



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

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760

Fax (505) 827-5766

www.nmstatelands.org

July 25, 2012

Dear representatives of the oil and gas industry:

As you may be aware, on March 2, 2012, I signed a Candidate Conservation Agreement with Assurances (CCAA) with the United States Fish and Wildlife Service (USFWS) and the Center of Excellence for Hazardous Material Management (CEHMM). The USFWS cited this and similar agreements between industry and the federal government as being instrumental in its June 2012 decision not to list the Dunes Sagebrush Lizard (DSL) under the Endangered Species Act.

This agreement, the result of years of work with the oil and gas industry, the agricultural community, and the Bureau of Land Management, will protect the health of our natural world while ensuring economic activity that supports communities, universities, hospitals and our other beneficiary institutions while helping keep our taxes down. It represents the largest such accord in the nation -- more than 247,000 acres.

Participation in the CCAA virtually assures that oil and gas activity can continue in areas inhabited by the Lesser Prairie Chicken (LPC) and/or the DSL while meeting conservation objectives for these two species.

In the case of an Endangered Species Act listing in the absence of a CCAA, oil and gas development in the species' range would likely be severely delayed by the requisite USFWS consultation process.

The CCAA¹ agreement is available for your review at the State Land Office website www.nmstatelands.org/ConservationAgreement.aspx. Also available on this page are a habitat map and other information concerning the agreement that may be of interest to you.

I encourage all leaseholders and operators to enroll and participate fully in this voluntary program. By agreeing to conduct certain conservation measures the

¹ The CCAA may also be referred to in Oil and Gas Sale Notices as "Subject to 3/2012 Conservation Agreement" due to system restrictions on the length of footnotes.

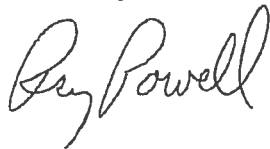
USFWS provides regulatory certainty (assurances) concerning land use restrictions that might otherwise apply should the LPC or DSL become listed in the future as threatened or endangered species.

An example of the measures required under the CCAA includes: a requirement that power lines be buried within two miles of LPC lek sites, active at least once in the past five years, or within one mile of historic LPC lek sites. Other requirements include providing escape ramps for open water sources, minimizing surface disturbances, and avoiding DSL habitat.

The health of our state lands and the success of our oil and gas industry are of prime importance to New Mexicans. This agreement helps ensure the future of both.

Please do not hesitate to contact me or my office with any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that reads "Ray Powell". The signature is written in a cursive style with a large, looped initial "R".

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

~~~~~*Do you need New Mexico oil and gas info?*~~~~~

▶▶▶ **USEFUL NEW MEXICO OIL AND GAS LINKS** ◀◀◀

New Mexico State Land Office, leasing/royalty management agency  
for state trust lands: [www.nmstatelands.org](http://www.nmstatelands.org)

New Mexico Tech site for State Land Office ONGARD data  
presentation to the public.  
<http://octane.nmt.edu/slo/>

ONGARD database for open acres and a wealth of other state data  
you didn't know you needed.  
<http://www.ongard.state.nm.us/>

NM Bureau of Geology and Mineral Resources, subsurface geology  
for the state.  
Their publications website: <http://geoinfo.nmt.edu/>

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

# 2012

## NEW MEXICO STATE LAND OFFICE



### SALE CALENDAR

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, [jmraz@slo.state.nm.us](mailto:jmraz@slo.state.nm.us) or [dfuqua@slo.state.nm.us](mailto:dfuqua@slo.state.nm.us).

TO PRESERVE CONFIDENTIALITY OF YOUR NOMINATION, PLEASE MARK THE OUTSIDE OF YOUR ENVELOPE WITH THE WORDS **CONFIDENTIAL NOMINATION.**

New Mexico State Land Office  
Oil, Gas and Minerals Division  
P.O. Box 1148

Santa Fe, NM 87504-1148.

Fax number is 505-827-4739.

Fax communication may not be confidential.

Our Web page address is [www.nmstatelands.org](http://www.nmstatelands.org).

| 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 | 29 |    |    |    |

| March |    |    |    |    |    |    |
|-------|----|----|----|----|----|----|
| Su    | Mo | Tu | We | Th | Fr | Sa |
|       |    |    |    | 1  | 2  | 3  |
| 4     | 5  | 6  | 7  | 8  | 9  | 10 |
| 11    | 12 | 13 | 14 | 15 | 16 | 17 |
| 18    | 19 | 20 | 21 | 22 | 23 | 24 |
| 25    | 26 | 27 | 28 | 29 | 30 | 31 |

| April |    |    |    |    |    |    |
|-------|----|----|----|----|----|----|
| Su    | Mo | Tu | We | Th | Fr | Sa |
| 1     | 2  | 3  | 4  | 5  | 6  | 7  |
| 8     | 9  | 10 | 11 | 12 | 13 | 14 |
| 15    | 16 | 17 | 18 | 19 | 20 | 21 |
| 22    | 23 | 24 | 25 | 26 | 27 | 28 |
| 29    | 30 |    |    |    |    |    |

| May |    |    |    |    |    |    |
|-----|----|----|----|----|----|----|
| Su  | Mo | Tu | We | Th | Fr | Sa |
|     |    | 1  | 2  | 3  | 4  | 5  |
| 6   | 7  | 8  | 9  | 10 | 11 | 12 |
| 13  | 14 | 15 | 16 | 17 | 18 | 19 |
| 20  | 21 | 22 | 23 | 24 | 25 | 26 |
| 27  | 28 | 29 | 30 | 31 |    |    |

| June |    |    |    |    |    |    |
|------|----|----|----|----|----|----|
| Su   | Mo | Tu | We | Th | Fr | Sa |
|      |    |    |    |    | 1  | 2  |
| 3    | 4  | 5  | 6  | 7  | 8  | 9  |
| 10   | 11 | 12 | 13 | 14 | 15 | 16 |
| 17   | 18 | 19 | 20 | 21 | 22 | 23 |
| 24   | 25 | 26 | 27 | 28 | 29 | 30 |

| July |    |    |    |    |    |    |
|------|----|----|----|----|----|----|
| Su   | Mo | Tu | We | Th | Fr | Sa |
| 1    | 2  | 3  | 4  | 5  | 6  | 7  |
| 8    | 9  | 10 | 11 | 12 | 13 | 14 |
| 15   | 16 | 17 | 18 | 19 | 20 | 21 |
| 22   | 23 | 24 | 25 | 26 | 27 | 28 |
| 29   | 30 | 31 |    |    |    |    |

| August |    |    |    |    |    |    |
|--------|----|----|----|----|----|----|
| Su     | Mo | Tu | We | Th | Fr | Sa |
|        |    |    | 1  | 2  | 3  | 4  |
| 5      | 6  | 7  | 8  | 9  | 10 | 11 |
| 12     | 13 | 14 | 15 | 16 | 17 | 18 |
| 19     | 20 | 21 | 22 | 23 | 24 | 25 |
| 26     | 27 | 28 | 29 | 30 | 31 |    |

| September |    |    |    |    |    |    |
|-----------|----|----|----|----|----|----|
| Su        | Mo | Tu | We | Th | Fr | Sa |
|           |    |    |    |    |    | 1  |
| 2         | 3  | 4  | 5  | 6  | 7  | 8  |
| 9         | 10 | 11 | 12 | 13 | 14 | 15 |
| 16        | 17 | 18 | 19 | 20 | 21 | 22 |
| 23        | 24 | 25 | 26 | 27 | 28 | 29 |
| 30        |    |    |    |    |    |    |

| October |    |    |    |    |    |    |
|---------|----|----|----|----|----|----|
| Su      | Mo | Tu | We | Th | Fr | Sa |
|         | 1  | 2  | 3  | 4  | 5  | 6  |
| 7       | 8  | 9  | 10 | 11 | 12 | 13 |
| 14      | 15 | 16 | 17 | 18 | 19 | 20 |
| 21      | 22 | 23 | 24 | 25 | 26 | 27 |
| 28      | 29 | 30 | 31 |    |    |    |

| November |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| Su       | Mo | Tu | We | Th | Fr | Sa |
|          |    |    |    | 1  | 2  | 3  |
| 4        | 5  | 6  | 7  | 8  | 9  | 10 |
| 11       | 12 | 13 | 14 | 15 | 16 | 17 |
| 18       | 19 | 20 | 21 | 22 | 23 | 24 |
| 25       | 26 | 27 | 28 | 29 | 30 |    |

| December |    |    |    |    |    |    |
|----------|----|----|----|----|----|----|
| Su       | Mo | Tu | We | Th | Fr | Sa |
|          |    |    |    |    |    | 1  |
| 2        | 3  | 4  | 5  | 6  | 7  | 8  |
| 9        | 10 | 11 | 12 | 13 | 14 | 15 |
| 16       | 17 | 18 | 19 | 20 | 21 | 22 |
| 23       | 24 | 25 | 26 | 27 | 28 | 29 |



## How may our Oil, Gas, and Minerals Division help you?

### **Unitization & Commingling**

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

### **Communitization, Reduced Royalty & Engineering**

Terry Warnell, 505-827-5745  
Scott Dawson, 505-827-6628

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

Joe Mraz, 505-827-5774  
Dan Fuqua, 505-827-5748

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

Darlene Vigil, 505-827-5730

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

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

### **Miscellaneous Instruments**

Debbie Tise, 505-827-5744

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

In Santa Fe (includes Farmington):

Michael Mariano, 505-827-5750

VACANT

Monica Fresquez, 505-827-5849

In Hobbs Field Office:

VACANT, 505-392-8736

or William Sonnamaker, 505-392-3697

### **OGMD Office Procedures, Division Administration**

Greg Bloom Assistant Commissioner, 505-827-4489

Larry Roybal, Division Director, 505-827-5746

Debbie Tise, Office Administrator, 505-827-5744