

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 16, 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

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 16, 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.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
001 V0-001	Chaves	13 14S 27E	NW4NE4, NE4NW4, S2NW4, NW4SW4	200.00	\$0.50	\$3,500.00
002 V0-002	Chaves	24 15S 28E	SW4SW4	40.00	\$0.50	\$1,000.00
003 V0-003 (D, E)	Lea	10 10S 36E	E2NE4, SW4	240.00	\$0.50	\$4,000.00
004 V0-004 (D)	Lea	25 12S 32E	S2	320.00	\$0.50	\$5,000.00
005 V0-005	Lea	17 15S 32E	E2	320.00	\$0.50	\$5,000.00
006 V0-006	Lea	32 15S 37E	W2	320.00	\$0.50	\$5,000.00
007 V0-007	Lea	17 16S 34E	W2	320.00	\$1.00	\$5,000.00
008 V0-008	Lea	33 16S 36E	E2E2	160.00	\$1.00	\$2,500.00
009 V0-009	Lea	32 17S 39E	LOT(S) 1, N2NW4	106.01	\$1.00	\$2,000.00
010 V0-010 (D)	Lea	01 18S 36E	LOT(S) 1, 2, S2NE4	160.03	\$1.00	\$2,500.00
011 V0-011	Lea	25 23S 37E	SW4, NE4SE4, S2SE4	280.00	\$1.00	\$4,500.00

Regular Sale - DEADLINE FOR SEALED BIDS IS 9:30 AM - SEPTEMBER 16, 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
012 VB-001 (B)	Eddy	16 21S 31E	NE4SE4	40.00	\$1.00	\$1,000.00
013 VB-002 (D)	Lea	29 17S 36E	N2	320.00	\$1.00	\$5,000.00
014 VB-003	Lea	06 18S 36E	LOT(S) 3, 4, 5, 6, 7, SE4NW4, E2SW4	309.77	\$1.00	\$5,000.00
015 VB-004 (D)	Lea	09 22S 35E	W2	320.00	\$1.00	\$5,000.00

B: DRILLING RESTRICTED DUE TO POTASH
E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

D: ALL OR PORTION OF SURFACE NON-STATE

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

www.nmstatelands.org

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

Regular Sale - ORAL BID SEPTEMBER 16, 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.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
016 V0-0-001 (D)	Chaves	32 09S 25E	NE4NE4, S2NE4, E2SW4	200.00	\$0.50	\$3,500.00
017 V0-0-002	Chaves	25 15S 28E	SW4NW4, W2SW4	120.00	\$0.50	\$2,000.00
018 V0-0-003	Chaves	36 15S 28E	E2NE4, NW4	240.00	\$0.50	\$4,000.00
019 V0-0-004	Eddy	23 19S 23E	SE4	160.00	\$1.00	\$2,500.00
020 V0-0-005 (E)	Lea	10 10S 37E	N2N2	160.00	\$0.50	\$2,500.00
021 V0-0-006 (D)	Lea	12 12S 34E	SW4	160.00	\$0.50	\$2,500.00
022 V0-0-007	Lea	17 15S 32E	W2	320.00	\$0.50	\$5,000.00
023 V0-0-008	Lea	15 16S 32E	S2NE4, E2NW4, SE4	320.00	\$1.00	\$5,000.00
024 V0-0-009 (D)	Lea	17 16S 34E	NE4	160.00	\$1.00	\$2,500.00
025 V0-0-010	Lea	34 16S 36E	NW4, W2SW4, SE4SW4	280.00	\$1.00	\$4,500.00
026 V0-0-011	Lea	36 17S 38E	N2	320.00	\$1.00	\$5,000.00
027 V0-0-012	Lea	32 18S 39E	LOT(S) 1, 2, 3, 4	103.52	\$1.00	\$1,500.00
028 V0-0-013	Lea	32 19S 39E	N2NW4	80.00	\$1.00	\$1,500.00
029 V0-0-014	Lea	25 23S 37E	N2	320.00	\$1.00	\$5,000.00
030 V0-0-015 (E)	Roosevelt	09 06S 34E	S2	320.00	\$0.50	\$5,000.00

Regular Sale - ORAL BID SEPTEMBER 16, 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.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
031 VB-0-001 (B)	Eddy	32 21S 31E	W2SW4, W2SE4	160.00	\$1.00	\$2,500.00
032 VB-0-002	Lea	27 16S 35E	W2SE4	80.00	\$1.00	\$1,500.00
033 VB-0-003	Lea	26 18S 35E	S2NW4	80.00	\$1.00	\$1,500.00
034 VB-0-004	Lea	06 18S 36E	LOT(S) 1, 2, S2NE4	160.89	\$1.00	\$2,500.00

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Regular Sale - ORAL BID SEPTEMBER 16, 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.

TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
035 VB-0-005	Lea	07 22S 35E	NE4	160.00	\$1.00	\$2,500.00
036 VB-0-006 (D)	Lea	09 22S 35E	E2	320.00	\$1.00	\$5,000.00

D: ALL OR PORTION OF SURFACE NON-STATE

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www.nmstatelands.org

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 plucero@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 lessee of record. This can be the name of a company or of an individual.

Mailing address – This is the address of the potential leaseholder.

The following five blanks require information to be recorded exactly as you find in the SLO monthly Oil and Gas Lease Sale Notice. The information includes the tract number in the sale, the name of the county in which it lies, the legal land description describing the tract on which you are bidding, whether it is a regular sale or special sale, and how many acres 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 plus the \$30.00 application fee. In the above example, you would remit \$10,030.

Name of applicant or agent – This blank is for the printed name of either the applicant or the agent of the applicant.

Signature – The form must be signed in the presence of a notary public. 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) (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>	<u>SPECIAL SALE</u>
0 _____	S _____ T _____ R _____	<input type="checkbox"/>	<input type="checkbox"/>

Sealed: _____ - 0 _____ Description _____

Oral: _____ - 0 - 0 _____

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 _____)
) SS)
 County of _____)

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 _____)
) SS)
 County of _____)

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
VO-S-001	V09740 00	8	10S	26E	E2	320.00	TIERRA OIL CO., LLC	\$7,040.00	\$22.00
VO-S-002	V09741 00	34	11S	31E	SW4SW4	40.00	SLASH EXPLORATION LP YATES PETROLEUM CORPORATION	\$3,520.00 \$3,490.80	\$88.00
VO-S-003	V09742 00	20	16S	24E	S2	320.00	TIERRA OIL CO., LLC	\$7,040.00	\$22.00
VO-S-004		3	16S	31E	LOT(S) 16		WITHDRAWN		
VO-S-005	V09743 00	24	18S	21E	S2NW4, S2	400.00	YATES PETROLEUM CORPORATION	\$9,908.00	\$24.77
VO-S-006	V09744 00	27	12S	33E	W2	320.00	YATES PETROLEUM CORPORATION SLASH EXPLORATION LP	\$6,166.40 \$5,660.00	\$19.27
VO-S-007	V09745 00	24	13S	37E	SW4NE4, NW4	200.00	FEDERAL ABSTRACT COMPANY SLASH EXPLORATION LP	\$53,400.00 \$4,600.00	\$267.00
VO-S-008	V09746 00	10	06S	34E	S2	320.00	SLASH EXPLORATION LP YATES PETROLEUM CORPORATION	\$96,800.00 \$13,826.40	\$302.50
VB-S-001	VB2415 00	26	19S	28E	NE4	160.00	DOUG J. SCHUTZ YATES PETROLEUM CORPORATION FEDERAL ABSTRACT COMPANY MBF LAND SERVICES FEATHERSTONE DEVELOPMENT CORP CHASE OIL CORPORATION J&J ENERGY LAND SERVICES, INC SLASH EXPLORATION LP	\$917,844.80 \$640,764.80 \$481,760.00 \$320,000.00 \$275,640.00 \$240,070.00 \$60,070.00 \$24,160.00	\$5,736.53
VB-S-002	VB2416 00	17	20S	30E	N2NW4	80.00	J&J ENERGY LAND SERVICES, INC YATES PETROLEUM CORPORATION SLASH EXPLORATION LP FEDERAL ABSTRACT COMPANY	\$20,400.00 \$10,221.60 \$9,680.00 \$8,560.00	\$255.00
VB-S-003		36	26S	22E	LOT(S) 1, 2, 3, 4, N2N2 (ALL)		WITHDRAWN		
VB-S-004	VB2417 00	32	26S	23E	LOT(S) 1, 2, 3, 4, N2N2 (ALL)	244.92	YATES PETROLEUM CORPORATION	\$6,801.43	\$27.77
VB-S-005	VB2418 00	27	13S	38E	E2	320.00	FEDERAL ABSTRACT COMPANY	\$50,240.00	\$157.00
VB-S-006	VB2419 00	23	15S	35E	N2NW4, SW4NW4, SW4SW4	160.00	FEDERAL ABSTRACT COMPANY TURNER OIL & GAS PROPERTIES,	\$40,000.00 \$33,120.00	\$250.00
VB-S-007	VB2420 00	25	15S	37E	E2	320.00	TIERRA OIL CO., LLC YATES PETROLEUM CORPORATION SLASH EXPLORATION LP	\$18,240.00 \$13,846.40 \$10,160.00	\$57.00
VB-S-008	VB2421 00	28	16S	35E	NE4	160.00	TURNER OIL & GAS PROPERTIES, DOUG J. SCHUTZ SLASH EXPLORATION LP J&J ENERGY LAND SERVICES, INC	\$105,120.00 \$80,000.00 \$64,160.00 \$33,600.00	\$657.00

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-009	VB2422 00	22	16S	36E	NE4NE4	40.00	TURNER OIL & GAS PROPERTIES, SLASH EXPLORATION LP FEDERAL ABSTRACT COMPANY	\$42,200.00 \$14,040.00 \$10,000.00	\$1,055.00
VB-S-010	VB2423 00	14	17S	36E	N2, NE4SE4	360.00	TURNER OIL & GAS PROPERTIES, FEATHERSTONE DEVELOPMENT CORP YATES PETROLEUM CORPORATION SLASH EXPLORATION LP CROWN OIL PARTNERS V, L.P.	\$379,800.00 \$257,760.00 \$99,997.20 \$54,360.00 \$36,000.00	\$1,055.00
VB-S-011	VB2424 00	32	21S	32E	NE4	160.00	GMT EXPLORATION COMPANY LLC CROWN OIL PARTNERS V, L.P. FEATHERSTONE DEVELOPMENT CORP YATES PETROLEUM CORPORATION J&J ENERGY LAND SERVICES, INC SLASH EXPLORATION LP CONOCOPHILLIPS COMPANY	\$1,635,490.00 \$1,410,200.00 \$412,000.00 \$251,003.20 \$113,600.00 \$52,960.00 \$10,100.00	\$10,221.81
VO-O-001	V09747 00	24	11S	31E	S2	320.00	YATES PETROLEUM CORPORATION	\$16,000.00	\$50.00
VO-O-002	V09748 00	34	11S	31E	SE4SW4	40.00	YATES PETROLEUM CORPORATION	\$4,000.00	\$100.00
VO-O-003		2	14S	30E	LOT(S) 2, 3, 4, SW4NE4, S2NW4		WITHDRAWN		
VO-O-004	V09749 00	28	16S	25E	W2NE4, NW4SE4	120.00	YATES PETROLEUM CORPORATION	\$2,000.00	\$16.67
VO-O-005		16	17S	25E	W2		WITHDRAWN		
VO-O-006		26	18S	24E	N2NE4, SW4NE4, SW4, W2SE4		WITHDRAWN		
VO-O-007	V09750 00	36	20H	22E	LOT(S) 1, 2, 3, 4, S2S2 (ALL)	338.08	YATES PETROLEUM CORPORATION	\$5,500.00	\$16.27
VO-O-008	V09751 00	32	09S	37E	W2SE4	80.00	SHAW INTERESTS, INC.	\$8,000.00	\$100.00
VO-O-009	V09752 00	1	10S	32E	SW4	160.00	YATES PETROLEUM CORPORATION	\$2,500.00	\$15.63
VB-O-001	VB2425 00	36	26S	23E	ALL	93.73	DF RANCH PARTNERS, L.P.	\$5,000.00	\$53.34
VB-O-002	VB2426 00	25	15S	37E	W2	320.00	YATES PETROLEUM CORPORATION	\$36,000.00	\$112.50
VB-O-003	VB2427 00	28	16S	35E	S2	320.00	DOUG J. SCHUTZ	\$215,000.00	\$671.88
VB-O-004	VB2428 00	21	16S	36E	W2SW4, E2SE4	160.00	DOUG J. SCHUTZ	\$178,000.00	\$1,112.50
VB-O-005	VB2429 00	17	17S	37E	N2NE4, N2SW4	160.00	NEARBURG EXPLORATION COMPANY,	\$180,000.00	\$1,125.00
VB-O-006	VB2430 00	32	21S	32E	N2SE4, SE4SE4	120.00	CROWN OIL PARTNERS V, L.P.	\$1,180,000.00	\$9,833.33
VB-O-007	VB2431 00	16	24S	37E	NW4NE4, SE4SE4	80.00	CHASE OIL CORPORATION	\$1,500.00	\$18.75

**** END OF REPORT ****

HIGHEST BID ANALYSIS
REGULAR SALE August 19, 2014

Total \$5,233,510.63 for 30 tracts covering 7,445.58 Acres...\$702.90 per acre.
Sealed (Five Year) \$3,400,010.63 for 17 tracts covering 4,212.40 Acres...\$807.14 per acre.
Oral (Five Year) \$1,833,500.00 for 13 tracts covering 3,233.18 Acres...\$567.09 per acre.

Total of 35 tracts were offered.... 30 tracts were sold.

Highest Sealed Bid (Five Year Term) NE4 of Section 32, Township 21 South, Range 32 East, containing 160.00 acres, more or less, in Lea County, approximately 31 miles east of Carlsbad, New Mexico, by GMT Exploration Company LLC, of Denver, CO.
Tract No. VB-011
\$ 1,635,490.00

Highest Sealed Bid (Five Year Term) NE4 of Section 32, Township 21 South, Range 32 East, containing 160.00 acres, more or less, in Lea County, approximately 31 miles east of Carlsbad, New Mexico, by GMT Exploration Company LLC, of Denver, CO.
Per Acre
Tract No. VB-011
\$ 10,221.81

Highest Oral Bid (Five Year Term) N2SE4, SE4SE4 of Section 32, Township 21 South, Range 32 East, containing 120.00 acres, more or less, in Lea County, approximately 31 miles east of Carlsbad, New Mexico, by Crown Oil Partners IV, LP, of Midland, TX.
Tract No. VB-O-006
\$ 1,180,000.00

Highest Oral Bid (Five Year Term) N2SE4, SE4SE4 of Section 32, Township 21 South, Range 32 East, containing 120.00 acres, more or less, in Lea County, approximately 31 miles east of Carlsbad, New Mexico, by Crown Oil Partners IV, LP, of Midland, TX.
Per Acre
Tract No. VB-O-006
\$ 9,833.33

August 2013 Regular Sale was \$7,520,634.86 for 10,556.22 acres or \$2,287,124.23 more than the August 2014 Regular Sale.

No Special Sale

Total Sale was \$5,233,510.63



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 www.cehmm.org/ccaccaa. 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,

A handwritten signature in black ink that reads "Ray Powell". The signature is written in a cursive, flowing style.

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



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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.

2014

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, 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.

January						
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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: [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/>





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

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

Stephen Wust, 505-827-5774  
[swust@slo.state.nm.us](mailto:swust@slo.state.nm.us)

Niranjan Khalsa  
505-827-5748

**Communitization, Reduced  
Royalty, Engineering**

William Jones, 505-827-6628  
Anchor Holm, 505-827-5759

**Lease Expirations,  
Cancellations, Rentals,  
Assignments,  
Miscellaneous Instruments**

Kenda Montoya 505-827-5749  
Rubel Salazar 505-827-5730

**Unitization & Commingling**

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

**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