

III. Additional Information:

A) A summary of attempts made and successes achieved in negotiating lower rates paid to other royalty and overriding royalty owners specific to each oil well. _____

B) A summary of all other steps taken to minimize the costs of operating the oil well. _____

C) A statement that, to the best of the applicant's knowledge and experience, the well is not capable of sustained production over the production limits specified in the rule. _____

D) Any other facts that may help to justify a reduction in the State royalty rate from the current rate to 5.0%.

IV. Application fees:

- o Initial Application: \$150.00 must be remitted with the initial application for oil royalty rate reduction per lease or unit.
- o Request for Renewal: A formal letter is required in order to request an extension/renewal of the reduced royalty rate for an additional three-year period. Please reference the initial application number and remit the renewal fee of \$100.00.

- NOTE: The above mentioned fees are nonrefundable

V. Certification: The information above is submitted to the Commissioner of Public Lands as an application for a lower royalty rate under NMSA 19-10-5.1 (1994 Repl. Pamp.)

As applicant, I, _____, representing _____
Type Name Company Name

hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Signature _____ Title _____ Date _____

Note:

Complete Item VI (next page) for each lease or unit, and submit it along with this initial application. Please, place this application form and Item VI in front of all other information you are submitting.

VI. Record Title Owner Ratification

Record title information for well(s) within a single oil and gas lease or unit. Attach additional sheets if necessary with information requested below.

Record Title Owner(s): _____

Lease Number _____ and **Assignment** Number(s) _____

Legal Description(s):

Subdivisions _____ Sect _____ Twp _____ Rng _____

Subdivisions _____ Sect _____ Twp _____ Rng _____

Subdivisions _____ Sect _____ Twp _____ Rng _____

Subdivisions _____ Sect _____ Twp _____ Rng _____

Subdivisions _____ Sect _____ Twp _____ Rng _____

Subdivisions _____ Sect _____ Twp _____ Rng _____

I/We, _____
Type Name(s) of Record Title Owner(s)

representing _____
Company Name(s)

Record Title Owner(s) of the above-mentioned lease, do hereby certify the information submitted with this application to be true and correct to the best of my knowledge. The oil well(s) applied for in this application do meet the criteria as set forth regarding a lower royalty rate. Therefore, I/we request a lower royalty rate pursuant to NMSA 19-10-5.1 (1994 Repl. Pamp.) and the rules and regulations of the State Land Office, as may apply to the oil well(s) production from the subject lease.

Record Title Owner Signature: _____ Title _____

Date _____

Record Title Owner Signature: _____ Title _____

Date _____

APPLICATION CHECKLIST

THIS FORM DOES NOT NEED TO BE SUBMITTED WITH THE APPLICATION. IT IS FOR THE APPLICANT'S RECORDS/USE ONLY.

After completing the application, please use the following checklist to expedite the review and approval process.

_____ 1) Complete Item I.

_____ Operator's Name, Address, Contact Person and Numbers

_____ 2) Include all information in Item II for each applicable well.

_____ Well Name

_____ Record Title Owner

_____ State Lease Number and Assignment Number

_____ API Number

_____ Legal Description

_____ Completion Formation and Dedicated Acreage as per OCD Form C-102

_____ Pool. If the perforations in the well are 5000 feet or deeper, please indicate perforation depths

_____ Forms C-115 for the well for a minimum of twelve months prior to the application date

_____ 3) Include all information in Item III.

_____ A summary of all attempts made and successes achieved in negotiating lower rates paid to other royalty and overriding royalty owners specific to each oil well.

_____ A summary of all other steps to taken to minimize the costs of operating the oil well.

_____ A statement that, to the best of the applicant's knowledge and experience, the well is not capable of sustained production over the production limits.

_____ Any other facts which may help to justify a reduction in the State royalty rate from the current rate to 5.0%.

_____ 4) Enclose application fee, Item IV.

_____ Pay the initial application fee of \$150.00

_____ 5) Complete certification in Item V.

_____ 6) Complete Item VI and obtain signature(s) from the Record Title Owner(s) of lease(s) in application.

If you have any questions, please call Paige Czoski at the Oil, Gas, and Minerals Division at (505) 827-5774 or e-mail pczoski@slo.state.nm.us