

BLM

New Mexico
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BLM

Competitive Oil and Gas Lease Sale

January 25, 2017

Bureau of Land Management
New Mexico State Office
301 Dinosaur Trail
Santa Fe, New Mexico 87508

www.blm.gov/nm





In Reply
Refer To:

3120 (NM922-lbo)

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
New Mexico State Office
301 Dinosaur Trail
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.blm.gov/nm



November 9, 2016

NOTICE OF COMPETITIVE OIL AND GAS
INTERNET-BASED LEASE SALE

In accordance with the Mineral Leasing Act, 30 U.S.C. 226(b)(1), as amended by the *National Defense Authorization Act for Fiscal Year 2015* (Pub. L. 113-128 Stat. 3762) (Dec. 19, 2014), and the Bureau of Land Management (BLM) regulations at 43 CFR 3120, the BLM is offering 4 parcels at an internet-based onshore oil and gas competitive lease sale. The 4 parcels (totaling 842.66 acres), include Federal land in the State of New Mexico.

This notice describes:

- The date, time and place of the sale;
- How to participate in the bidding process;
- The sale process;
- The conditions of the sale;
- How to file a noncompetitive offer after the sale;
- How to file a pre-sale noncompetitive offer;
- How to file a protest.

When and where will the sale take place?

When: The sale date is **Wednesday, January 25, 2017**. The open bidding period will begin at 9:00 am MST; 10:00 am CST. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for three hours, from start to finish. Bids will be accepted *ONLY* during a parcel's open bidding period.

Where: The sale will be held online at <https://www.energynet.com/>. Click the Government Lease Sales icon to view the sale site. Parcels may be viewed online at the EnergyNet website approximately 10 business days after the posting of this Notice of Competitive Oil and Gas Internet-Based Lease Sale on the BLM website.

Access: The auction website is open to the public. The internet-based lease sale can be observed in real-time. However, you must register as a bidder on the website prior to the sale in order to submit bids for a parcel. The auction website will be active and available for use approximately 10 days after the date of this Notice of Competitive Oil and Gas Internet-Based Lease Sale and will remain available until the completion of the auction. The available parcels listed below are also detailed on the sale website. That information includes location, term, conditions, and stipulations.

Interested parties may visit the website at any time. Potential bidders may register for the online auction as soon as the auction website is active. Bidders must be registered for the online lease sale before the bidding begins. Further potential bidders are encouraged to visit the website before the start of the open bidding period to become familiar with the site and review the bidding tutorial. Instruction materials and other supporting documentation are available on the website to help familiarize new users to the process and answer frequently asked questions.

Attached is a list of the lands we are offering. The lands are described by parcel number and legal land description. They are listed in Range and Township order by State and land type and will be offered in that sequence. Below each parcel we have included any stipulations, lease notices, special conditions, or restrictions that will be made a part of the lease at the time we issue it. We have also identified those parcels where the United States owns less than 100 percent interest in the oil and gas mineral rights and have pending pre-sale noncompetitive offers to lease which are not available for noncompetitive offers to lease if they receive no bid at this sale.

For your convenience BLM is including a copy of the bid form, stipulations, lease notices, etc. affecting the parcels in this lease notice.

How will the sale be conducted?

The sale will be conducted **by online bidding only**. The online auction will be a sequential ascending clock, fixed period, English auction. Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for *3 hours*, from start to finish.

Bids will only be accepted for each parcel during its open bidding period and each parcel will close bidding sequentially so that each bidder will know if they are the highest winning bidder on a parcel before subsequent parcels close for bidding. The website will display each current high bid, and the high bid bidder's number. The winning bid is the highest bid per acre received equal to or exceeding the minimum acceptable bid of \$2.00 /acre, which is on record in the online auction system by the close of the auction period. The online system provides for two types of bids; a flat bid per acre, or a maximum bid, also per acre. The system allows participants to submit either type of bid, or both. Maximum bidding allows one to participate in the online auction without having to be logged into the website at the time auction period closes. The auction website provides a full explanation of placing maximum bids, as well as an explanation of how they work to place bids on your behalf to maintain your high bidder status up to the chosen maximum bid amount. The BLM strongly encourages potential bidders to review the bidding tutorial on the auction website in advance of the online lease sale.

How do I participate in the bidding process?

To participate in the Bureau of Land Management (BLM) bidding process, you must register and obtain a bidder number. Approximately 10 days after posting of this notice on the BLM website a potential bidder can register to bid at the auction website address above. Bidders are encouraged to register early, to familiarize themselves with the bidding instructions and ensure they have ample time to complete all the required bidder registration steps before the open bidding period commences.

If an entity is bidding for more than one party, they must register separate credentials, satisfy all registration requirements and obtain a separate bidder number for each company or individual they wish to represent.

When registering as a bidder on the auction website, you will also be asked to sign and submit to BLM New Mexico State Office a statement to confirm that any bid you cast will represent a good-faith intention to acquire an oil and gas lease and that you understand that any winning bid will constitute a legally binding commitment to accept the lease and pay monies owed. Further, we will ask you to acknowledge that you understand that it is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 to knowingly and willfully make any false, fictitious, or fraudulent statements or representations regarding your qualifications; bidder registration and intent to bid; acceptance of a lease; or payment of monies owed; and that any such offense may result in a fine or imprisonment for not more than 5 years or both. We will also ask you to acknowledge that you understand that it is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations. Any person who knowingly violates this provision will be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years or both.

If you, or the party you represent, owe the United States any monies that were due the day of a previous oil and gas lease auction conducted by any BLM office (the minimum monies owed the day of the sale), or any monies owed EnergyNet for a previous oil and gas lease auction conducted by EnergyNet for any BLM office, you will not be allowed to register to bid at this lease sale. The Mineral Leasing Act requires that leases be issued to a “responsible qualified bidder.” (30 U.S.C. 226(b)(1)(A)). Any bidder, or party represented by a bidding agent, that does not pay the minimum monies owed the day of the sale is not a “responsible qualified bidder” and will be barred from participating in any oil and gas lease auction nationwide until the bidder settles that debt to the United States. In addition, if you or the party you represent defaults at any three sales conducted by any BLM office, you or the party you represent will be barred permanently from participating in any other BLM oil and gas lease sale auction.

You do not have to be “present” in the online auction in order to participate as a bidder. The online auction provided a “maximum bid” bidding option. By using this “maximum bid” option, you are asking the system to bid automatically on your behalf, up to an amount you specify.

What is the sale process?

Starting at the posted opening date and time for each parcel:

- All bids are on the gross (total) a per-acre basis, rounded up to whole acres, for the entire acreage in the parcel;
- All bids are made in minimum increments of \$1.00 per acre, or fraction of an acre thereof;
- The winning bid is the highest received bid, equal to or exceeding the minimum acceptable bid, which is on record in the online action system at the close of the auction period; and
- The decision of the BLM, as presented on the auction website’s bid history at www.EnergyNet.com, is final.

The minimum acceptable bid is \$2.00 per acre. If a parcel contains fractional acreage, round it up to the next whole acre. For example, a parcel of 100.51 acres requires a minimum bid of \$202 (\$2 x101 acres).

You cannot withdraw a bid once a bid is placed and the system determines that you are the high bidder, whether the bid was a flat bid or a maximum bid.

How long will the sale last?

Each parcel will have its own unique open bidding period, with start and stop times clearly identified on the auction website. The open bidding period for each parcel will run for 3 hours, from start to finish. The length of the sale depends on the number of parcels we are offering.

What conditions apply to the lease sale?

-Parcel withdrawal or sale postponement: We reserve the right to withdraw any or all parcels before the sale begins. If we withdraw a parcel, we will post a notice in the New Mexico State Office Information Access Center (Public Room) before the sale begins. Additionally, the auction website will clearly indicate that a parcel is withdrawn. If we postpone the sale, a clear notice will be posted in the State Office Information Access Center and on the auction website.

-Fractional interests: 43 CFR 3120.1-2(c). If the United States owns less than 100 percent of the oil and gas mineral interest for the land in a parcel we will show that information as part of the parcel listing. When we issue the lease, it will be for the percentage or fraction of interest the United States owns. However, you must calculate your bonus bid and advance rental payment on the gross acreage in the parcel, not the United States net interest. For example, if a parcel contains 200 acres and the United States owns 50 percent of the oil and gas mineral interest, the minimum bonus bid will be \$400 (\$2 X 200 acres) and the advance annual rental will be \$300 (\$1.50 X 200 acres) for the first 5 years and \$400 (\$2 X 200 acres) for the remainder of the lease term. Conversely, you chargeable acreage and royalty on production will be calculated on the United States net acreage.

Payment due: You cannot withdraw a bid. Your bid is a legally binding contract. For **each parcel** for which you are the successful high bidder, you must pay the minimum bonus bid of \$2.00 per acre or fraction of an acre; the first year's advance rental of \$1.50 per acre or fraction of an acre; and a non-refundable administrative fee of **\$160**. These are monies you owe the United States, whether or not a lease is issued. You must provide notification of the payment process of these monies by 4:00 pm MST-the day the auction closes. Payment will be made directly to the BLM New Mexico State office, or as otherwise directed by the BLM. Payments to the BLM will not be made through the auction website. At the conclusion of each parcel's bidding period, the winning bidder will be provided instructions by the online auction system about how to make the required payment to BLM. Also, you will be required to pay the buyer's premium to EnergyNet of 1.5% of any successful bid, in order to participate in the internet-based lease sale.

If your bonus bid was more than \$2 per acre or fraction of an acre and you do not pay the full amount on the day of the sale, you must pay any balance due by the close of business on the 10th working day after the auction closes. If you do not pay in full by this date, you lose the right to the lease and all money due on the day of the sale. If you forfeit a parcel, we may offer it again at a future sale.

The minimum monies owed the day of the sale for a winning bid are monies owed to the United States (43CFR 3120.5-2(b) and 43 CFR 3120.5-3(a)), if we do not receive notification of the payment process of the minimum monies owed the day of the sale by the date and time described above, the BLM will issue a bill for the monies owed. If we do not receive payment by the bill due date, we will send a demand letter to you that will include additional fees. If we do not receive payment as requested by the demand letter, the United States will immediately pursue collection by all appropriate methods, and when appropriate, collect late fees, interest, administrative charges, and on past-due amounts assess civil penalties. "All appropriate methods" include, but are not limited to, referral to collection agencies and credit reporting bureaus; salary or administrative offset; offset of Federal and state payments, including goods or services; and Federal and state tax refund offset; and retirement payment offset. We may send debts to the Internal Revenue Service (IRS) and the IRS may charge them as income to you on Form 1099C, Cancellation of Debt (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR Part 285).

Forms of payment: Specific payment instructions will be provided by the online auction system to winning bidders. You can pay by personal check, certified check, or money order in person at the BLM, New Mexico State Office in Santa Fe, NM. You may also pay by Electronic Funds Transfer (EFT), Automated Clearing House (ACH), or credit card (Discover, Visa, American Express, or Master Card only). We cannot accept cash. ***Please note***, in accordance with the Department of Treasury Financial Manual, Announcement No. A-2014-04, the BLM cannot accept credit or debit card payments for an amount equal to or greater than \$24,999.99. The BLM cannot accept aggregated smaller amounts on a credit card or multiple credit cards, to bypass this requirement. The BLM does not have Personal Identification Number (PIN) equipment for the purpose of processing PIN authorized debit cards. All debit card transactions will be processed as credit cards and the dollar value limits will apply. If you pay by check in person at the BLM, New Mexico State Office, or as otherwise directed by the BLM, please make your check payable to: "**Department of the Interior - BLM.**" If a check you have sent to us in the past has been returned for insufficient funds, we may ask that you give us a guaranteed payment, such as a certified check. If you pay by credit card and the transaction is refused, we will try to notify you early enough so that you can make other payment arrangements. **However, we cannot grant you any extension of time to pay the money that is due the day of the sale.**

Bid Form: On the day of the sale, if you are a successful bidder you must submit (email or fax) a properly completed and signed competitive bid form (**Form 3000-2**), with the required payment. The online auction system will provide the winning bidder with a pdf-fillable copy of this bid form and instructions on how to submit the form to the BLM New Mexico State Office after the auction. This form constitutes a legally binding offer by the prospective lessee to accept a lease and all its terms and conditions. Once you sign the form, you cannot change it. ***We will not accept any bid form that has information crossed out or is otherwise altered.*** We will not issue a lease until we receive a signed copy of the bid form in accordance with 43 CFR 3102.43(a).

You will be shown the bid form as part of the bidder registration process, and asked to certify that you will complete and execute it should you be the successful winning high bidder. We ask that you complete the form at that time to ensure that you can meet this condition.

Your completed bid form will certify that:

- (1) You and/or the prospective lessee are qualified to hold an oil and gas lease under our regulations at Title 43 CFR 3102.5-2; and
- (2) Both of you have complied with 18 U.S.C.1860, a law that prohibits unlawful combinations, intimidation of and collusion among bidders.

This notice includes a copy of the bid form, and again, you will be provided a copy during the sale registration process and asked to assert that you agree that you will be able and willing to comply and sign it if you are the winning bidder at the close of the auctions.

-Federal acreage limitations: Qualified individuals, associations, or corporations may only participate in a competitive lease sale and purchase Federal oil and gas leases from this office if such purchase will not result in exceeding the State limit of 246,080 acres of public domain land and 246,080 acres of acquired land (30 U.S.C. 184(d)). For the purpose of chargeable acreage limitations, you are charged with your proportionate share of the lease acreage holdings of partnerships or corporations in which you own an interest greater than 10 percent. Lease acreage committed to a unit agreement, communitization agreement or development contract that you hold, own or control and acreage in leases for which royalty (including compensatory royalty or royalty-in-kind) was paid in the preceding calendar year is excluded from chargeability for acreage limitation purposes. The acreage limitations and certification requirements apply for competitive oil and gas lease sales, noncompetitive lease offers, transfer of interest by assignment of record title or operating rights, and options to acquire interest in leases regardless of whether an individual, association, or corporation has received, under Title 43 CFR 3101.2-4, additional time to divest excess acreage acquired through merger or acquisition.

-Lease Issuance: After we receive the bid form and all the money due, we can issue the lease. Usually, a lease is effective the first day of the month following the month in which we sign it. If you want your lease to be effective the first day of the month in which we sign it, you must ask us in writing to do this. We have to receive your request before we sign the lease.

Lease terms: A lease issued as a result of this sale will have a primary term of 10 years. It will continue beyond its primary term as long as oil or gas in paying quantities is produced on or for the benefit of the lease. Advance rental at \$1.50 per acre or fraction of an acre for the first 5 years (\$2.00 per acre after that) is due on or before the anniversary date each year until production begins. Once a lease is producing, you must pay a royalty of 12.5 percent of the value or the amount of production removed or sold from the lease. You will find other lease terms on our standard lease form (Form 3100-11, October 2008).

-Split Estate: Information regarding leasing of Federal mineral under private surface, referred to as "Split Estate," is available at the following Washington Office website. A Split Estate brochure is available at this site. The brochure outlines the rights, responsibilities, and opportunities of private surface owners and oil and gas operators in the planning, lease sale, permitting/development, and operations/production phases of the oil and gas program: www.blm.gov/bmp/Split_Estate.htm

Stipulations: Stipulations are part of the lease and supersede any inconsistent provisions of the lease form. Some parcels are subject to surface use stipulations. They are requirements or restrictions on how you conduct operations. These stipulations are included in the parcel descriptions on the attached list. They become part of the lease and supersede any inconsistent provisions in the lease form.

How do I file a noncompetitive offer after the sale?

Lands that do not receive a bid are available on a first-come, first-served basis for a 2-year period, beginning the day after the sale. The noncompetitive offers are handled directly by the BLM and not through the internet leasing website. If you want to file a noncompetitive offer on an unsold parcel, you must provide to the BLM New Mexico State Office:

- Three copies of Form 3100-11, *Offer to Lease and Lease for Oil and Gas* properly completed and signed. Describe the lands in your offer as specified in our regulations at 43 CFR 3110.5; **(Note: We will accept copies of the official form, including computer generated forms that are legible and have no additions, omissions, other changes, or advertising.) and;**
- Your payment for the total of the **\$415** filing fee and the first year's advance rental computed at (\$1.50 per acre or fraction of an acre). Remember to round up any fractional acreage when you calculate the rental amount.

For your convenience, you may leave your noncompetitive offers for any parcel which has received no bid with the Accounts Staff. We consider all offers filed the day of the sale and the first business day after it, for any of the unsold parcels, to be filed as of 9:00 a.m. the first business day following the day of the sale. If a parcel receives more than one offer, we will hold a drawing to select the winner (see Title 43 CFR 1822.17). We have identified those parcels that have pending presale offers. A noncompetitive presale offer to lease has priority over any other noncompetitive offer to lease filed after the sale.

Expression of Interest (EOI)

As directed by Washington Office (WO) Instruction Memorandum (IM) 2014-004, the BLM will publish EOI submissions received on or after January 1, 2014, on the website of the BLM State Office where the nomination parcel is located. EOI submitters who consider their name and address confidential should not include that information in their EOI. The BLM no longer requires submitter to provide this information for contact purposes; however, the BLM will make this information available to the public.

For more information please review WO-IM 2014-004 at http://www.blm.gov/wo/st/en/info/regulations/Instruction_Memos_and_Bulletins/national_instruction-2014.html

How do I submit an Expression of Interest (EOI)?

EOI's must be submitted with a complete legal land description. If your EOI contains lands not within a 6-mile square area, please configure the lands into the parcels as you would like to see them on a sale notice. Parcels will not exceed 2560.00 acres on the sale notice, so if your EOI contains more than 2560 acres and you have not configured or prioritized your parcels, the BLM will parcel the lands, which may not agree with the parcel configuration you prefer.

Please follow the following instructions for what to include in an EOI or nomination package, so that we may efficiently process your request. Incomplete nomination packages or improperly packaged EOI's can cause delays in processing.

- Exact locality information including state, county, meridian, township, range, section, and aliquot part or other appropriate specific land description such as lot number, tract number, or metes and bounds description.
- County plat map showing surface ownership and acreage with nominated parcel outlined on map and nominator must also provide proof of Federal mineral ownership (e.g. Deed(s), Patent(s) or other form of mineral interest conveyance to the United States).
- A shapefile(s) of the nominated area, if available.
- Parcels that include split estate lands must provide the name, address and telephone number of the current private surface owner(s).
- Do not include lands with Federal surface ownership and lands with private surface and/or State owned surface ownership in the same EOI.
- DO not include parcels in different counties, townships, or ranges in the same EOI (unless the parcels are within 6 miles of one another).
- EOI's for public domain minerals must not be made for more than 640 acres unless it is one contiguous piece of property with one surface owner or under the jurisdiction of one SMA. A nomination for public domain or acquired lands may not include more than 10,240 acres.
- The BLM no longer requires submitters of EOI's to provide their name and address. You may still provide this information for contact purposes; however, the BLM will make this information available to the public. If you consider your name and address to be confidential, do not include it in your EOI.

Public users can now access the National Fluids Leasing Sale System (NFLSS) to nominate lands for oil and gas leasing by electronically submitting Expressions of Interest, or EOIs. A tutorial of the NFLSS is available for the public from the BLM's webpage at: <https://www.ntc.blm.gov/krc/viewresource.php?courseID=944>

How do I file a non-competitive presale offer?

Under our regulations at 43 CFR 3110.1(a), you may file a noncompetitive presale offer for lands that:

- Are available; and
- Have not been under lease during the previous 1-year period, or
- Have not been included in a competitive lease sale within the previous 2 year period.

Your noncompetitive presale offer to lease must be filed prior to the official posting of this sale Notice. If your presale offer was timely filed, was complete and we do not receive a bid for the parcel that contains the lands in your offer, your presale offer has priority over any offer for that parcel filed after the sale. Your presale offer is your consent to the terms and conditions of the lease, including any additional stipulations. If you want to file a presale offer, follow the directions listed for filing a noncompetitive offer after the sale.

When is the next competitive oil and gas lease sale scheduled?

The next lease sale is tentatively scheduled for April 19, 2017.

How can I find out the results of this sale?

The sale results will be posted on the www.energynet.com website and the BLM website at www.blm.gov/nm (click on Programs, then click on Energy). You can buy (\$5) a printed copy of the results by contacting our Accounts Staff, at (505) 954-2111.

May I protest BLM's Decision to offer the lands in this Notice for lease?

Yes, under regulation Title 43 CFR 3120.1-3, you may protest the inclusion of a parcel listed in this sale notice. All protests must meet the following requirements:

- We must receive a protest no later than close of business on **December 6, 2016**. If our office is not open on that day a protest received the next day our office is open to the public will be considered timely filed. The protest must also include any statement of reasons to support the protest. We will dismiss a late-filed protest or a protest filed without a statement of reasons.
- A protest must state the interest of the protesting party in the matter.
- You may file a protest either by mail in hardcopy form or by telefax. You may not file a protest by electronic mail. A protest filed by fax must be sent to **(505) 954-2010, Attention: State Director**. A protest sent to a fax number other than the fax number identified or a protest filed by electronic mail will be dismissed.
- If the party signing the protest is doing so on behalf of an association, partnership or corporation, the signing party must reveal the relationship between them. For example, unless an environmental group authorizes an individual member of its group to act for it, the individual cannot make a protest in the group's name.
- Any protests, including names and street addresses, you submit will be made available for public review. Individual respondents may request confidentiality. If you wish to withhold your personal identifiable information from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organization or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public inspection in their entirety.

If BLM receives a timely protest of a parcel advertised on this Sale Notice, how does it affect bidding on the parcel?

We will announce receipt of any protests on the auction website prior to the start of the online auctions. We will also announce on the website a decision to either withdraw the parcel or proceed with the auction. If the protest is resolved prior to the sale, we will provide copies of our decision on the website.

If I am the high bidder at the sale for a protested parcel, when will BLM issue my lease?

We will make every effort to resolve the protest prior to the date of the lease sale. If a protest cannot be resolved prior to the lease sale, we will then attempt to resolve the protest within 60 days after the sale. We will not issue a lease for a protested parcel until the State Director makes a decision on the protest. If the State Director denies the protest, we will issue your lease concurrently with that decision.

If I am the successful bidder of a protested parcel, may I withdraw my bid and receive a refund of my first year's rental and bonus bid?

No. In accordance with BLM regulations (43 CFR 3120.5-3) you may not withdraw your bid.

If BLM upholds the protest, how does that affect my competitive bid?

If we uphold a protest and withdraw the parcel from leasing, we will reject your bid, and refund your first year's rental, bonus bid, and administrative fee. If the decision upholding the protest results in additional stipulations, we will offer you an opportunity to accept or reject the lease with the additional stipulations prior to lease issuance. If you do not accept the additional stipulations, we will reject your bid and we will refund your first year's rental, bonus bid and administrative fee.

If BLM's decision to uphold the protest results in additional stipulations, may I appeal that decision?

Yes, you may. Note, an appeal from the State Director's decision must meet the requirements of Title 43 CFR §4.411 and Part 1840.

May I appeal the BLM's decision to deny my protest?

Yes, you may. Note: An appeal from the State Director's decision must meet the requirements of 43 CFR 4.411 and part 1840.

May I withdraw my bid if the protestor files an appeal?

No. If the protestor appeals our decision to deny the protest, you may not withdraw your bid. We will issue your lease concurrently with the decision to deny the protest. If resolution of the appeal results in lease cancellation, we will authorize refund of the bonus bid, rentals and administrative fee if--

- There is no evidence that the lessee(s) derived any benefit from possession of the lease during the time they held it, and;
- There is no indication of bad faith or other reasons not to refund the rental, bonus bid and administrative fee.

Whom should I contact if I have a question?

For general information, please contact our Information Access Center at (505) 954-2098 or for information or questions about the sale, contact: [Lourdes Ortiz](#) at (505) 954-2146.

/s/Julieann Serrano for

**Gloria S. Baca
Supervisory, Land Law Examiner
Branch of Adjudication**

Enhanced Bidder Registration Form
Bidder Registration Form
Competitive Oil and Gas Lease Sale

By completing this form, I certify that the undersigned, or the principal party whom the undersigned is acting on behalf of, is in compliance with the applicable regulations and leasing authorities governing a bid and subsequent lease. I certify that any bid submitted by the undersigned or on behalf of the principal party is a good faith statement of intention by the undersigned or the principal party to acquire an oil and gas lease on the offered lands. Further, I acknowledge that if a bid is declared the high bid, it will constitute a legally binding commitment to execute the Bureau of Land Management's Form 3000-2, Competitive Oil and Gas or Geothermal Resources Lease Bid, and to accept the lease. In accordance with the lease instrument (Form 3100-11), the lessee must exercise reasonable diligence in developing and producing, and must prevent unnecessary damage to, loss of, or waste of leased resources.

In addition, if a bid is declared the high bid, the undersigned or the principal party will provide notification of the payment process to the Bureau of Land Management (BLM) by the close of official business hours on the day of the auction, or such other time as may be specified by the authorized officer, an amount at least equal to minimum monies owed the day of sale for that bid, as set out in applicable regulations. The undersigned and the principal party acknowledge that these monies are due to the BLM as a result of winning the auction. Further, the undersigned and the principal party understand that if payment is not received by the due date, the BLM will issue a bill for monies owed, and if payment is not received, the United States will pursue collection by all appropriate methods, and as appropriate, will assess late fees, civil penalties, interest, administrative charges, and penalties on past due amounts. (Federal Claims Collection Act of 1966, as amended; The Debt Collection Improvement Act of 1996; 31 CFR part 285).

I certify that neither I nor the principal party whom I represent owes the United States any monies that were due the day of sale from any oil and gas lease auction conducted by any BLM office.

It is a crime under 18 U.S.C. 1001 and 43 U.S.C. 1212 for any person to knowingly and willfully make any false, fictitious, or fraudulent statements or representations as to any matter within the jurisdiction of the government. Any such offense may result in a fine or imprisonment for not more than 5 years, or both.

It is a crime under 30 U.S.C. 195 (a) and (b) to organize or participate in any scheme to defeat provisions of the mineral leasing regulations or for any person to obtain money or property by means of false statements regarding a person's ability to obtain a lease. Any person who knowingly violates this provision shall be punished by a fine of not more than \$500,000, imprisonment for not more than 5 years, or both.

A separate registration is required for each company or individual you are representing.

Please fill in the company/individual name and address as it would appear on any issued lease. We will send a copy of the lease and billing notices to the name and address as shown below. (NOTE: Please use the same lessee name and address information on BLM Form 3000-2.)

Bidder Number (leave blank)

Lessee Name: _____

Mailing Address: _____

City: _____

State: _____ Zip Code: _____

Bidder Name: _____ Phone number: _____
(including area code)

Relationship to lessee: _____
(Self, Agent, Attorney-in-fact, President, etc.)



Signature

Date

By checking this box, I agree to the certification statement above and I understand that my digital signature is legally binding.

BUREAU OF LAND MANAGEMENT
 NEW MEXICO STATE OFFICE
 JANUARY 18, 2017, LEASE SALE STATISTICS BY STATE
 Parcels With and Without Pre-Sale Noncompetitive Priority Offers

State	Parcels With Presale Offers	Parcels Without Presale Offers	Total Parcels	Acres with Presale Offers	Acres Without Presale Offers	Total Acres
NM	0	4	4	0.00	842.66	842.66
KS	0	0	0	0	0.00	0.00
OK	0	0	0	0	0.00	0.00
TX	0	0	0	0.00	0.00	0.00
TOTALS	0	4	4	0.00	842.66	842.66

NEW MEXICO - PUBLIC DOMAIN (NW)

NM-201701-001 161.160 Acres

T.0220N, R.0060W, 23 PM, NM

Sec. 006 LOTS 6,7;

006 E2SW;

Sandoval County

Farmington FO

Bureau of Indian Affairs

NMNM 25806

Stipulations:

BIA-1

BIA-3

BIA-5

F-15 POD Plan of Development

F-41 Lease Notice

F-44 NSO No Surface Occupancy

F-47 CSU Air Dispersion Modeling

NM-10 Lease Notice

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WP-NHPA National Historic

Preservation Act

NM-201701-002 80.000 Acres

T.0220N, R.0060W, 23 PM, NM

Sec. 009 W2SW;

Sandoval County

Farmington FO

Bureau of Indian Affairs

NMNM 76833

Stipulations:

BIA-1

BIA-3

BIA-5

F-15 POD Plan of Development

F-41 Lease Notice

F-44 NSO No Surface Occupancy

F-47 CSU Air Dispersion Modeling

NM-10 Lease Notice

NM-11-LN Special Cultural Resource

WO-ESA-7 Endangered Species Act

WP-NHPA National Historic

Preservation Act

NM-201701-003 441.500 Acres

T.0230N, R.0070W, 23 PM, NM
Sec. 006 LOTS 5,6,7;
 006 SENW,E2SW,SWSE;
 007 NE;

Rio Arriba County
Farmington FO
Bureau of Indian Affairs
NMNM 23052, NMNM 28745

Stipulations:

BIA-1
BIA-3
BIA-5
F-15 POD Plan of Development
F-41 Lease Notice
F-44 NSO No Surface Occupancy
F-47 CSU Air Dispersion Modeling
NM-10 Lease Notice
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WP-NHPA National Historic
Preservation Act

NM-201701-004 160.000 Acres

T.0230N, R.0070W, 23 PM, NM
Sec. 035 NE;

Sandoval County
Farmington FO
Bureau of Indian Affairs

Stipulations:

BIA-1
BIA-3
BIA-5
F-9 CSU Paleontology
F-15 POD Plan of Development
F-41 Lease Notice
F-44 NSO No Surface Occupancy
F-47 CSU Air Dispersion Modeling
NM-10 Lease Notice
NM-11-LN Special Cultural Resource
WO-ESA-7 Endangered Species Act
WP-NHPA National Historic
Preservation Act

Number of Parcels - 4
Total Acreage - 842.66
Total Number of Parcels with
Presale Offers - 0
Total Acreage with Presale Offers - 0
***Any portion of the listed lands may be
deleted upon determination that such
lands are not available for leasing.***

STIPULATIONS

NAVAJO AREA, BUREAU OF INDIAN AFFAIRS
SURFACE MANAGEMENT AGENCY LEASE STIPULATIONS
FOR FEDERAL OIL AND GAS LEASE OFFERING

1. Lessee shall carry on all operations in a good and workmanlike manner in accordance with approved methods and practices.

2. Lessees shall abide by and conform to appropriate provisions of Titles 25, 36, and 43, Code of Federal Regulations, and any and all other applicable regulations and manuals of the Secretary now or hereafter in force relative to surface leasing rights-of-way and as amended, and National Area Environmental Protection guidelines; the National Historic Preservation Act of 1966, as amended, Archaeological Resources Protection Act, and American Indian Religious Freedom Act and other applicable laws, 30 BIA, 36 CFR 800 and 43 CFR 7.
 - a. Prior to issuing any cultural clearances, the Lessee shall provide the necessary cultural clearances to the Bureau of Land Management after consultation with the Navajo Nation Historic Preservation Department, P. O. Box 2898, Window Rock, AZ 86515, and provide copies of all historic preservation related documents associated with an undertaking. The Navajo Nation contracted under Public Law 93-638 the Navajo Area Archaeology Office.

 - b. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, Lessee shall submit a development plan for surface use to the Area Manager, Farmington Resource Area, Bureau of Land Management, 1235 La Plata Highway, Farmington, NM 87401. An Environmental Analysis will be made by the Bureau of Land Management in consultation with the BIA Navajo Area Office for the purpose of ensuring proper protection of the surface, the natural resources, the environment and existing improvements and for assuring timely reclamation of disturbed lands. Upon completion of said environmental analysis, the Oil and Gas Field Manager shall notify Lessee of the conditions to which the proposed surface disturbing operations will be subject. (Note: Prior to operations beginning; Lessee shall furnish a copy of its development plan and Bureau of Land Management conditions to the BIA. The BIA reserves the right to require site specific archaeological surveys and environmental reviews on tracts selected for development prior to giving concurrence to proposed actions(s). The BIA will consult with the Navajo Nation prior to concurring in such actions.)

3. The Lessee shall not use or permit to be used any part of said leased land for any unlawful conduct or purpose whatsoever. Lessee will not use or permit to be used any part of said leased land for the manufacture, sale, gift, transportation, or storage of intoxicating liquors, beverages or drugs. In the event any representative of Lessee or its contractor or subcontractor, employed in connection with the operations on the lease premises shall be responsible for

any of the unlawful acts described in this clause, Bureau of Land Management shall give Lessee information as to such violation(s) with a copy of the notice to BIA and Navajo Nation. Lessee shall immediately take steps to cure the violations, including the termination or transfer of such employee. (25 CFR 162.5(g) (3); 18 U.S.C. Sections 1151, 1154, and 1156, as amended.)

4. Except as otherwise stated herein, copies of correspondence and notices shall be mailed to the Bureau of Indian Affairs in care of the Area Director, Navajo Area Office, Attention: Branch of Real Property Management, Bureau of Indian Affairs, P. O. Box 1060, Gallup, NM 87305-1060; and to the Navajo Nation in care of the President, Navajo Nation, Attention: Navajo Tribal Minerals Department, P. O. Box 146, Window Rock, AZ 86515.

THE NAVAJO NATION STIPULATIONS

1. The surface ownership of lands contained in this lease may be all or partly managed by the Navajo Tribe. Site specific rights-of-way clearances and/or inventories may be required prior to entry upon the surface for operation of the lease holdings. Prior contact with the Navajo Nation will be required prior to operations beginning. All applicable laws of the Navajo Nation (including tax laws, water codes, requirements of Environmental Protection Administration, etc.) shall be complied with by the Lessee.
2. The Navajo Nation requires a copy of complete exploration and development data (drilling logs, seismic data, etc.) obtained by the Lessee on the subject lands will be provided to the Navajo Nation at no cost. All materials data will be held confidential as described in 43 CFR 3162.8.
3. Navajo grazing rights to the surface of the lands so leased shall be protected, and the Nation's rights respecting the use of water shall be unimpaired.
4. Lessee shall not obtain water for use in drilling from Indian-owned wells, tanks, springs, or stockwater reservoirs without prior written permission from the Navajo Nation. Lessee shall not drill any water wells for its use without prior written consent of the Navajo Nation and the Area Director.
5. Lessee shall compensate the Navajo Nation and its grazing permittees (if any), for all surface use(s) as well as damages to crops, buildings, and other improvements of surface landowner, including loss of grazing lands, occasioned by the Lessee's operations except the Lessee's control. Compensation for surface use shall be negotiated by Lessee and the Navajo Nation and will be based upon the duration of activity on the land.
6. Lessee shall not drill any well within 500 feet of any house, structure, or reservoir of water without the Navajo Nation's written consent.

7. Lessee shall bury all pipelines crossing tillable lands below plow depth unless other arrangements are made with the Navajo Nation.

8. Upon the request of the Navajo Nation or if so required by the Area Director or his authorized representative, and under the direction of the Field Manager, Bureau of Land Management, the Lessee shall condition any well drilled which does not produce oil or gas in paying quantities, but which is capable of producing water satisfactorily for domestic, agricultural, or livestock use by the Navajo Nation. Otherwise, after the expiration or termination of the lease, the Lessee shall remove all pumping equipment installed by Lessee at any well.

NAVAJO AREA, BUREAU OF INDIAN AFFAIRS
SURFACE MANAGEMENT AGENCY LEASE STIPULATIONS
FOR FEDERAL OIL AND GAS LEASE OFFERING

The pipeline will be so installed that it will not interfere with the construction and/or development of the area for agricultural purposes and/or operation of same in connection with the Navajo Indian Irrigation Project. Any changes or relocations found to be necessary during said construction and/or development will be accomplished at the Company's expense.

In addition, the pipeline will be buried to a depth of 48 inches and any permanent metering and production equipment installed at the actual site will conform to "no well and/or production equipment within irrigable fields of the Navajo Indian Irrigation Project will exceed two feet above natural surface elevation and be adequately barricaded for safety." Further, if crops are planted prior to accomplishment of the pipeline work, surface damages must be negotiated with Navajo Agricultural Products Industry.

**NO SURFACE OCCUPANCY OR USE
OCCUPIED STRUCTURES AND DWELLINGS**

All or a portion of the lease contains dwellings or structures occupied by one or more persons. No Surface Occupancy or use is allowed on the portion of the lease described below. These restricted lands may be developed by directional drilling from outside the restricted area.

No surface occupancy on the lands described below:

Waiver: This no surface occupancy or use restriction maybe waived if written consent of such waiver is received from the Navajo Regional Director.

For the Purpose of: Lessening the impacts caused by mineral resource development on a place of residence and the occupants within.

CONTROLLED SURFACE USE STIPULATION
PALEONTOLOGY

Surface occupancy or use is subject to the following special operating constraints:

- Restrict vehicles to existing roads and trails.
- Require a paleontological clearance on surface disturbing activities.

On the lands described below:

For the purpose of: To protect the area for scientific study.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation may be waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the provisions of the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification shall be subject to a 30-day public review period.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

PLAN OF DEVELOPMENT (POD)
STIPULATION

A plan of development (POD) for the entire lease must be submitted for review and approval, including NEPA analysis, by the Bureau of Land Management (BLM) authorized officer, prior to approval of development (APD, Sundry Notices) actions. The POD must indicate planned access to well facilities (roads, pipelines, power lines), and the approximate location of well sites. Should it become necessary to amend the POD, the amendment must be approved prior to the approval of subsequent development action. Deviations from a current POD are not authorized until an amended POD has been approved by BLM.

For the Purpose of: Plans of Development will be required to help direct development to reduce surface impacts.

LEASE NOTICE
BIOLOGICAL SURVEY

A biological survey may be required prior to any surface disturbing activity on BLM managed lands. Proposed activities may be subject to seasonal closures within sensitive species habitat.

No Surface Occupancy
Community/Residences

No surface occupancy or use is allowed on the lands described below:

No surface occupancy is allowed within 660 feet of any occupied residences of a community.

If circumstances or relative resource values change or if it can be demonstrated that oil and gas operations can be conducted without causing unacceptable impacts, this stipulation maybe waived, excepted, or modified by the BLM Authorized Officer, if such action is consistent with the provisions of the Farmington Resource Management Plan, or if not consistent, through a land use plan amendment and associated National Environmental Policy Act analysis document. If the BLM Authorized Officer determines that the waiver, exception, or modification involves an issue of major public concern, the waiver, exception, or modification shall be subject to a 30-day public review period.

Any changes to this stipulation will be made in accordance with the land use plan and/or the regulatory provisions for such changes.

CONTROLLED SURFACE USE STIPULATION
AIR DISPERSION MODELING

Due to the close proximity of occupied dwellings to potential well sites on the lease parcel, information about the air quality impacts at the dwellings must be determined and disclosed as part of the NEPA analysis. In order to determine the impacts, the lessee will be responsible for conducting air dispersion modeling for all wells proposed and within one mile of occupied dwellings prior to BLM making a decision on any proposed wells and associated operations and infrastructure. The BLM will determine the near-field air impacts based on air dispersion modeling that conforms to EPA New Mexico Environment Department guidelines. Based on modeling results, the BLM may have mitigation requirements, with a potential for moving the proposed well and associated operations and infrastructure away from the occupied dwelling(s). A Plan of Development (POD) will be required.

Air dispersion modeling in accordance with EPA and state modeling guidelines can be used to determine “near-field” impacts. This modeling could not be completed at the time of the Resource Management Plan because it requires very specific information about how leases are developed and the locations of development. At the time of the lease sale, there is still not enough information available about how the lease will be developed to accurately determine the near-field air quality impacts. Exact locations and equipment specifications are known at the time of the Application for Permit (APD) to Drill, so the NEPA analysis associated with the APD must contain the disclosure of the near-field air impacts from the development of these leases.

On the lands described below:

For the purpose of:

- (1) fulfilling the objective of the Farmington Resource Management Plan (2003) to “ensure that mineral development is carried out in a manner that minimizes environmental damage and provides for the rehabilitation of affected lands”;
- (2) comply with the requirements of the Federal Land Policy and Management Act of 1976, 43 U.S.C. 1701-1785 to “provide for compliance with applicable pollution control laws, including State and Federal air, water, noise or other pollution standards”;

(3) ensuring that federal agency activities and actions comply with all applicable air quality laws, regulations, standards and implementation plans, per the 1990 Clean Air Act Amendments Section 118; and

(4) to promote efforts which will prevent damage to the environment and promote human health and welfare (NEPA Section 2). Any changes to this stipulation, will be made in accordance with the land use plan and/or regulatory provisions for such changes.

(For guidance on the use of this stipulation, see Bureau of Land Management Manuals 1624 and 3101 or Forest Service Manuals 1950 and 2820.)

DRAINAGE STIPULATION FOR FEDERAL LANDS

All or part of the lands contained in this lease is subject to drainage by well(s) located adjacent to this lease. The lessee shall be required within 60 days of lease issuance to submit to the authorized officer plans for protecting the lease from drainage. Compensatory royalty will be assessed effective the expiration of this 60-day period if no plan is submitted. The plan must include either an Application for Permit to Drill (APD) a protective well, or an application to communitize the lease so that it is allocated production from a protective well off the lease. Either of these options may include obtaining a variance to State spacing for the area. In lieu of this plan, the lessee shall be required to demonstrate that a protective well would have little or no chance of encountering oil and gas in quantities sufficient to pay in excess the costs of drilling and operating the well. In the absence of either an acceptable plan for protecting the lease from drainage or an acceptable justification why a protective well would be uneconomical, the lessee shall be obligated to pay compensatory royalty to the Office of Natural Resources Revenue at a rate to be determined by the authorized officer.

SPECIAL CULTURAL RESOURCE
LEASE NOTICE

All development activities proposed under the authority of this lease are subject to compliance with Section 106 of the NHPA and Executive Order 13007. The lease area may contain historic properties, traditional cultural properties (TCP's), and/or sacred sites currently unknown to the BLM that were not identified in the Resource Management Plan or during the lease parcel review process. Depending on the nature of the lease developments being proposed and the cultural resources potentially affected, compliance with Section 106 of the National Historic Preservation Act and Executive Order 13007 could require intensive cultural resource inventories, Native American consultation, and mitigation measures to avoid adverse effects—the costs for which will be borne by the lessee. The BLM may require modifications to or disapprove proposed activities that are likely to adversely affect TCP's or sacred sites for which no mitigation measures are possible. This could result in extended time frames for processing authorizations for development activities, as well as changes in the ways in which developments are implemented.

ENDANGERED SPECIES ACT
SECTION 7 CONSULTATION STIPULATION

The lease area may now or hereafter contain plants, animals, or their habitats determined to be threatened, endangered, or other special status species. BLM may recommend modifications to exploration and development proposals to further its conservation and management objective to avoid BLM-approved activity that will contribute to a need to list such a species or their habitat. BLM may require modifications to or disapprove proposed activity that is likely to result in jeopardy to the continued existence of a proposed or listed threatened or endangered species or result in the destruction or adverse modification of a designated or proposed critical habitat. BLM will not approve any ground-disturbing activity that may affect any such species or critical habitat until it completes its obligations under applicable requirements of the Endangered Species Act as amended, 16 U.S.C. § 1531 et seq., including completion of any required procedure for conference or consultation.

WO-NHPA

CULTURAL RESOURCES AND TRIBAL CONSULTATION STIPULATION

This lease may be found to contain historic properties and/or resources protected under the National Historic Preservation Act (NHPA), American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, Executive Order 13007, or other statutes and executive orders. The BLM will not approve any ground-disturbing activities that may affect any such properties or resources until it completes its obligations (e.g., State Historic Preservation Officer (SHPO) and tribal consultation) under applicable requirements of the NHPA and other authorities. The BLM may require modification to exploration or development proposals to protect such properties, or disapprove any activity that is likely to result in adverse effects that cannot be successfully avoided, minimized, or mitigated.