

STATE BOARD OF LAND COMMISSIONERS
OF THE
STATE OF COLORADO

Oil and Gas Lease Auction

Thursday, February 17, 2011
10:00 am
Suite 200
1127 Sherman Street
Denver, CO 80203

NOTICE IS HEREBY GIVEN, That the State Board of Land Commissioners, by means of its regular leasing procedure (oral bidding), intends to grant oil and gas leases on the tracts listed. Leases will be on Colorado Oil & Gas Lease Form 193-6 (Rev. 8/89), as amended. The Board reserves the right to reject any and all bids, and to withdraw any tract at any time.

PAYMENT IN FULL FOR ANY AND ALL TRACTS IS DUE AND PAYABLE AT THE CONCLUSION OF THE SALE. A SUCCESSFUL BID CONSTITUTES THE CREATION OF A DEBT TO THE STATE OF COLORADO

Tract	Acreage	Note #	Subdivision	Twp	Rng	Sec	Survey	County	Patent
1	640.00	1	ALL	5S	63W	36	6th PM	Arapahoe	Yes
2	640.00	1	ALL	5S	66W	16	6th PM	Arapahoe	Yes
3	628.41	1	All except under LT 303 & LT 292	5S	68W	36	6th PM	Arapahoe	Yes
4	320.00	2	W2	16S	46W	22	6th PM	Cheyenne	Yes
5	640.00	1	ALL	6S	67W	36	6th PM	Douglas	Yes
6	640.00	1	ALL	7S	66W	36	6th PM	Douglas	Yes
7	640.00	1	ALL	7S	67W	16	6th PM	Douglas	Yes
8	640.00	1	ALL	7S	67W	36	6th PM	Douglas	Yes
9	640.00	1	ALL	8S	67W	16	6th PM	Douglas	Yes
10	640.00	1	ALL	8S	67W	36	6th PM	Douglas	Yes
11	440.00	1	NE, N2NW, SWNW, W2SW, E2SE	9S	67W	16	6th PM	Douglas	Yes
12	640.00	1	ALL	12S	64W	16	6th PM	El Paso	Yes

13	640.00	1	ALL	6S	60W	16	6th PM	Elbert	No
14	640.00	1	ALL	6S	60W	36	6th PM	Elbert	No
15	640.00	1	ALL	6S	61W	16	6th PM	Elbert	Yes
16	640.00	1	ALL	6S	61W	36	6th PM	Elbert	No
17	640.00	1	ALL	7S	59W	16	6th PM	Elbert	Yes
18	640.00	1	ALL	7S	60W	16	6th PM	Elbert	No
19	640.00	1	ALL	8S	59W	16	6th PM	Elbert	Yes
20	640.00	1	ALL	8S	59W	20	6th PM	Elbert	No
21	640.00	1	ALL	8S	59W	26	6th PM	Elbert	No
22	640.00	1	ALL	8S	59W	32	6th PM	Elbert	No
23	640.00	1	ALL	8S	60W	14	6th PM	Elbert	No
24	640.00	1	ALL	8S	60W	16	6th PM	Elbert	Yes
25	640.00	1	ALL	8S	61W	36	6th PM	Elbert	Yes
26	640.00	4	ALL	8N	81W	16	6th PM	Jackson	Yes
27	320.00	3	NENE, S2NE, NWNW, SE	9N	80W	16	6th PM	Jackson	Yes
28	280.00	1	SWNE, W2NW, SE	9N	80W	36	6th PM	Jackson	Yes
29	160.00	1	SW	9N	81W	28	6th PM	Jackson	Yes
30	640.00	1	ALL	9N	81W	29	6th PM	Jackson	Yes
31	442.56	1	Lots 2 & 3, E2NE, SWNE, SENW, NESW, SE	9N	81W	30	6th PM	Jackson	Yes
32	640.00	4	ALL	9N	81W	36	6th PM	Jackson	No
33	640.00	4	ALL	10N	81W	36	6th PM	Jackson	No
34	80.00	1	S2SE	33N	12W	3	NM PM	La Plata	Yes
35	80.00	1	N2NE	33N	12W	10	NM PM	La Plata	Yes
36	160.00	1	NW	33N	12W	11	NM PM	La Plata	Yes
37	80.00	1	SWNW, NWSW	33N	12W	17	NM PM	La Plata	Yes
38	200.00	1	S2SW, N2SE, SWSE	5N	68W	16	6th PM	Larimer	Yes
39	80.00	1	N2SW	5N	68W	16	6th PM	Larimer	Yes
40	482.00	10	E2, N2NW, S2S2NW, SESW	5N	69W	36	6th PM	Larimer	Yes
41	32.70	1	Lot 7	4N	92W	7	6th PM	Moffat	Yes
42	138.87	5	Lots 1,8,9	4N	92W	9	6th PM	Moffat	No

43	304.26	5	Lots 1-6, S2	4N	92W	10	6th PM	Moffat	No
44	64.34	5	Lots 2,3,12	4N	92W	14	6th PM	Moffat	No
45	480.53	5	NE, E2NW, NESW, NWSE, Lots 1,3,4,6,9,10,12,13	4N	92W	15	6th PM	Moffat	No
46	421.39	5	Lot 1	4N	92W	16	6th PM	Moffat	No
47	162.87	1	Lots 8 & 9	4N	92W	18	6th PM	Moffat	Yes
48	652.45	5	8.53 ac Lot 12 3.22 ac Lots 6 & 7 640.70 ac All	4N 4N 4N	92W 92W 92W	25 35 36	6th PM	Moffat	No
49	640.00	5	ALL	5N	92W	16	6th PM	Moffat	No
50	20.16	5	Lot 8	5N	92W	34	6th PM	Moffat	No
51	320.00	1	S2	7N	90W	36	6th PM	Moffat	Yes
52	640.00	1	ALL	7N	92W	36	6th PM	Moffat	No
53	640.00	6	ALL	9N	89W	36	6th PM	Moffat	No
54	640.00	6	ALL	11N	89W	16	6th PM	Moffat	No
55	640.00	1	ALL	6N	57W	16	6th PM	Morgan	No
56	640.00	1	ALL	11S	74W	16	6th PM	Park	No
57	640.00	7	ALL	11S	74W	36	6th PM	Park	No
58	282.48	1	S2 except Lots 1-5, 10-13, 22,23,33 under LT 3493	11S	76W	9	6th PM	Park	Yes
59	320.00	1	N2	11S	76W	15	6th PM	Park	Yes
60	640.00	1	ALL	11S	76W	36	6th PM	Park	Yes
61	320.00	8	E2	12S	74W	30	6th PM	Park	No
62	640.00	9	ALL	12S	75W	16	6th PM	Park	Yes
63	80.00	1	S2NE	12S	75W	17	6th PM	Park	Yes
64	240.00	8	SW, W2SE	12S	76W	1	6th PM	Park	No
65	317.80	8	Lots 1 & 2, S2NE, SE	12S	76W	2	6th PM	Park	Yes
66	640.00	1	ALL	12S	76W	16	6th PM	Park	Yes
67	640.00	1	ALL	12S	76W	32	6th PM	Park	Yes
68	640.00	1	ALL	12S	76W	36	6th PM	Park	Yes
69	640.00	9	ALL	13S	74W	16	6th PM	Park	No
70	640.00	9	ALL	13S	74W	36	6th PM	Park	No

71	642.60	9	Lots 1-4, S2N2, S2 (All)	13S	75W	1	6th PM	Park	No
72	640.00	1	ALL	13S	75W	16	6th PM	Park	Yes
73	640.00	9	ALL	13S	75W	36	6th PM	Park	No
74	40.00	1	SWSW	6N	88W	9	6th PM	Routt	Yes
75	80.00	1	E2SE	6N	88W	10	6th PM	Routt	Yes
76	280.00	1	W2SW, SESW, SE	6N	88W	11	6th PM	Routt	Yes
77	400.00	1	S2NW, S2	6N	88W	12	6th PM	Routt	Yes
78	560.00	1	E2, E2W2, NWNW, SWSW	6N	88W	14	6th PM	Routt	Yes
79	560.00	1	E2, E2W2, NWNW, SWSW	6N	88W	14	6th PM	Routt	Yes
80	480.00	1	SWNE, W2NW, SENW, S2	6N	88W	15	6th PM	Routt	Yes
81	620.00	1	All except 20 ac in LT 3346	6N	88W	16	6th PM	Routt	Yes
82	640.00	11	ALL	6N	88W	24	6th PM	Routt	No
83	480.00	11	N2, SE	6N	88W	36	6th PM	Routt	No
84	39.92	1	Lot 1 (SESE)	6N	89W	12	6th PM	Routt	Yes
85	474.80	12	Lots 5-16 (W2,SE)	7N	89W	1	6th PM	Routt	Yes
86	355.58	1	Lots 5-12, 16 (N2, NWSW)	7N	89W	2	6th PM	Routt	Yes
87	399.21	1	0.86 ac Lot D	8N	88W	8	6th PM	Routt	Yes
			76.89 ac Lots B & C	8N	88W	9			
			0.30 ac Lot A	8N	88W	10			
			0.59 ac Lot H	8N	88W	15			
			316.40 ac Lots F, G, N2K	8N	88W	16			
			04.17 ac Lots E, N2L	8N	88W	17			
88	40.00	1	Lot 6	8N	88W	13	6th PM	Routt	Yes
89	39.71	1	Lot 9 (SWSW)	8N	88W	28	6th PM	Routt	Yes
90	79.29	1	Lots 7 & 8 (S2SE)	8N	88W	29	6th PM	Routt	Yes
91	119.11	1	Lots 1,2,4, (N2NE, SWNE)	8N	88W	32	6th PM	Routt	Yes
92	79.45	1	Lots 4 & 5 (W2NW)	8N	88W	33	6th PM	Routt	Yes
93	80.00	1	W2SW	3N	68W	16	6th PM	Weld	Yes
94	320.00	2	W2	7N	57W	13	6th PM	Weld	Yes
95	160.00	2	SE	7N	58W	1	6th PM	Weld	Yes
96	640.00	13	ALL	7N	58W	36	6th PM	Weld	No
97	160.00	2	E2W2	8N	56W	33	6th PM	Weld	No

98	160.00	19	SE	8N	57W	27	6th PM	Weld	No
99	160.00	2	NE	8N	57W	32	6th PM	Weld	No
100	640.00	19	ALL	8N	57W	36	6th PM	Weld	No
101	320.00	15	E2	11N	65W	14	6th PM	Weld	No
102	160.00	1	E2E2	11N	65W	30	6th PM	Weld	Yes
103	160.00	1	NE	11N	66W	20	6th PM	Weld	Yes
104	120.00	1	E2NW, NWSE	11N	66W	32	6th PM	Weld	Yes
105	559.76	1	Lots 1 & 2, S2N2, SW, N2SE	11N	67W	2	6th PM	Weld	No
106	322.93	1	Lot 2, S2NW, SW (All)	11N	67W	4	6th PM	Weld	No
107	305.86	1	W2 of Lot 1, Lot 4 SWNE, E2SW, W2SE	11N	67W	6	6th PM	Weld	Yes
108	320.00	1	E2	11N	67W	8	6th PM	Weld	No
109	640.00	1	ALL	11N	67W	10	6th PM	Weld	No
110	640.00	1	ALL	11N	67W	12	6th PM	Weld	No
111	640.00	1	ALL	11N	67W	14	6th PM	Weld	No
112	640.00	1	ALL	11N	67W	16	6th PM	Weld	No
113	160.00	1	SWNW, NWSW, S2SW	11N	67W	32	6th PM	Weld	Yes
114	157.16	1	Lot 2, E2SW (SW)	12N	65W	30	6th PM	Weld	Yes
115	584.99	14	Lots 1-4, S2N2, S2 (All)	12N	66W	20	6th PM	Weld	No
116	160.00	1	W2W2	12N	66W	28	6th PM	Weld	Yes
117	176.50	16	Lot 1, S2NE, NESW, NWSE	12N	67W	20	6th PM	Weld	Yes
118	176.50	9	Lot 1, S2NE, NESW, NWSE	12N	67W	20	6th PM	Weld	Yes
119	498.36	16	Lot 1-4, S2N2, N2SW, SWSW, SE	12N	67W	22	6th PM	Weld	No
120	533.07	14	Lots 1-4, S2N2, S2 (All)	12N	67W	24	6th PM	Weld	No
121	640.00	1	ALL	12N	67W	26	6th PM	Weld	No
122	640.00	1	ALL	12N	67W	28	6th PM	Weld	No
123	615.44	17	Lots 1 & 2, E2, E2W2 (ALL)	12N	67W	30	6th PM	Weld	Yes
124	240.00	18	N2NE, SENE, NENW, S2SE	12N	67W	32	6th PM	Weld	Yes
125	480.00	1	N2, SW	12N	67W	34	6th PM	Weld	No
126	640.00	1	ALL	12N	67W	36	6th PM	Weld	No
127	603.65	1	ALL	1S	46W	16	6th PM	Yuma	No

128	640.00	1	ALL	1N	47W	36	6th PM	Yuma	Yes
129	640.00	1	ALL	3S	42W	16	6th PM	Yuma	No

Total Acreage Offered: 55,934.71

Total Tracts Offered: 129

- Note # 1 - The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas.
- Note # 2 - A) The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) This is an acquired mineral interest. Title is not warranted.
- Note # 3 - A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to North Park Phacelia and Sage Grouse habitat. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 4 - A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Sage Grouse lek sites . Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 5 - A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to multiple wildlife and aquatic species habitats. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 6 - A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Columbian Sharp-tailed Grouse leks. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 7 - A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Mountain Plover habitat and Pronghorn Winter Range. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.

- Note # 8- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Mountain Plover habitat. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 9- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Mule Deer Critical Winter Range and Mountain Plover habitat . Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 10- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's Real Estate Section for siting of access, exploration operations and rig placement due to commercial development. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 11- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Elk Winter Concentration Area and Grouse leks. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 12- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Colorado River Cutthroat and Round-tail Chub habitat. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.
- Note # 13- A) The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) This lease is subject to existing Conservation Reserve program agreement no. CRP 42505.
- Note # 14- A) The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) This lease is subject to existing wind energy lease no. WI 3382.
- Note # 15- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Swift Fox and Mountain Plover habitat. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.

Note # 16- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Colorado Butterfly Weed and Northern Leopard Frog habitat. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.

Note # 17- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to McCown's Longspur and Mule Deer range. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.

Note # 18- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Prebles Jumping Mouse, Butterfly Weed, and Mule Deer Winter Range. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.

Note # 19- A)The royalty rate on this lease shall be one-sixth (16.67%) for oil and gas. B) Prior to surface occupancy, Lessee must obtain approval from Lessor's District Manager for siting of access, exploration operations and rig placement due to Swift Fox and Ferruginous Hawk habitat. Without excluding other penalties or remedies available under this Lease or as provided by law, Lessor shall impose a fine of up to \$10,000 for any violation of this special stipulation in whole or in part arising directly or indirectly from the use, occupation or control of the Leased Premises by Lessee, Lessee's contractor or operator under this Lease.

Errors sometimes occur in the listing though every effort is made to avoid them. The Board is not liable for any inconvenience or loss caused by these errors, which may occur. Corporations must be registered and in good standing with the Secretary of State's Division of Corporations to do business in Colorado.

Receipts for all rental payments after the first year will not be mailed to the lessees unless a stamped, self-addressed envelope accompanies the rental payment.

SALE PROCEDURES

All tracts will be offered for sale by oral bidding at public auction. All monies are due immediately after the sale. A successful bid constitutes the creation of a debt to the State of Colorado. The Board may elect, at anytime including the day of the auction, to remove from the sale any tract or parcel at its discretion without prior notice.

Rentals and bonus bidding are on a per acre basis. The minimum bid, often called the opener by the auctioneer, is the first year's rental of \$1.50 per acre or fraction thereof, plus the statutory fees (shown below). The bidding beyond the minimum is a bonus bid, and the winning bidder will pay the amount bid plus the first year's rental and fees. The bonus is a one-time payment only while the rentals are annual and continuous whether or not production is established. The bidding is in multiples of \$1.00 but the Board may change this at any time. The lease will be awarded to the highest bidder unless withdrawn by the Board, at its sole discretion, at a regularly scheduled meeting after the auction.

In accordance with the Americans with Disabilities Act, persons needing auxiliary communicative aids and services for these meetings may call Jan Anderson at (303) 866-3454 ext. 3306, giving her at least five (5) working days notice.

FEE SCHEDULE: \$20.00 per tract

WARNING

There is no assurance that there is any potential for production on any tract offered for leasing by the State Board of Land Commissioners.