

STATE BOARD OF LAND COMMISSIONERS
OF THE
STATE OF COLORADO

Oil and Gas Lease Auction

Thursday, February 16, 2012
10:00 am
Suite 200
1127 Sherman Street
Denver, CO 80203
Phone: (303) 866-3454

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 issued on the current Colorado Oil & Gas Lease Form. 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	327.58	1	Lots 3-7, SENW, E2SW (W2)	1S	57W	6	6th PM	Adams	No
2	640.00		ALL	1S	57W	16	6th PM	Adams	Yes
3	312.33		Lots 1 & 2, NE, E2NW (N2)	1S	57W	19	6th PM	Adams	No
4	640.00		ALL	1S	57W	36	6th PM	Adams	Yes
5	309.14		Lots 3 & 4, SE, E2SW (S2)	2S	57W	7	6th PM	Adams	Yes
6	640.00		ALL	2S	57W	16	6th PM	Adams	Yes
7	640.00		ALL	3S	58W	16	6th PM	Adams	No
8	640.00		ALL	3S	58W	36	6th PM	Adams	No
9	640.00	1	ALL	5S	58W	16	6th PM	Arapahoe	Yes
10	640.00		ALL	5S	58W	36	6th PM	Arapahoe	No
11	449.18		Lots 1-4, NE, E2W2	21S	48W	7	6th PM	Bent	No
12	480.00		W2, SE	21S	48W	8	6th PM	Bent	No
13	480.00		N2, SW	21S	48W	9	6th PM	Bent	No
14	760.50		Lots 1-10, SE	21S	49W	1	6th PM	Bent	No

15	758.84	1	Lots 1-10, SW	21S	49W	2	6th PM	Bent	No
16	617.49	1	Lots 3-5, 8, 9, S2	21S	49W	3	6th PM	Bent	No
17	640.00		ALL	21S	50W	8	6th PM	Bent	No
18	480.00		W2, SE	21S	50W	10	6th PM	Bent	No
19	640.00		ALL	21S	50W	16	6th PM	Bent	No
20	640.00	1	ALL	21S	50W	36	6th PM	Bent	No
21	752.84	1	Lots 1-10, SE	21S	52W	2	6th PM	Bent	No
22	640.00	1	ALL	21S	52W	10	6th PM	Bent	No
23	640.00	1	ALL	21S	52W	14	6th PM	Bent	No
24	640.00	1	ALL	21S	52W	16	6th PM	Bent	No
25	480.00		N2, SW	21S	52W	20	6th PM	Bent	No
26	640.00		ALL	21S	52W	22	6th PM	Bent	No
27	640.00		ALL	21S	52W	26	6th PM	Bent	No
28	480.00		NE, S2	21S	52W	28	6th PM	Bent	No
29	480.00		N2, SW	21S	52W	32	6th PM	Bent	No
30	640.00		ALL	21S	52W	34	6th PM	Bent	No
31	155.00		SW Less 5 Acres	22S	48W	2	6th PM	Bent	Yes
32	320.00		S2	22S	48W	3	6th PM	Bent	Partial
33	160.00		NE	22S	48W	8	6th PM	Bent	Yes
34	163.35		E2W2, fraction of S2NE under ROW #1315	22S	49W	13	6th PM	Bent	Yes
35	160.00		E2W2	22S	49W	24	6th PM	Bent	Yes
36	160.00		NW	22S	49W	25	6th PM	Bent	No
37	160.00		SW	22S	50W	13	6th PM	Bent	Yes
38	320.00	1	N2	22S	50W	22	6th PM	Bent	No
39	314.00		Lots 1-4, E2W2 (W2)	22S	51W	7	6th PM	Bent	No
40	160.00		NW	22S	51W	27	6th PM	Bent	Yes
41	280.00		SWNE, S2NW, N2S2	23S	48W	1	6th PM	Bent	Yes
42	640.00		ALL	23S	48W	36	6th PM	Bent	No
43	400.00	1	S2NW, S2	23S	49W	16	6th PM	Bent	No
44	160.00		E2E2	23S	49W	26	6th PM	Bent	Yes

45	640.00		ALL	23S	49W	36	6th PM	Bent	Yes
46	400.00	1	E2NE, S2	23S	51W	10	6th PM	Bent	No
47	280.00	1	N2NE, NW, NWSW	23S	51W	15	6th PM	Bent	No
48	319.10		Lots 1 & 2, E2NW, NE (N2)	23S	51W	19	6th PM	Bent	Yes
49	555.50		Fractional Part of N2, S2	23S	52W	16	6th PM	Bent	Partial
50	640.00		ALL	24S	48W	36	6th PM	Bent	No
51	80.00	1	E2SE	24S	49W	22	6th PM	Bent	Yes
52	280.00	1	E2NE, SESW, SE	24S	49W	34	6th PM	Bent	Yes
53	640.00		ALL	24S	49W	36	6th PM	Bent	Yes
54	640.00		ALL	24S	51W	36	6th PM	Bent	No
55	640.00	1	ALL	13S	51W	16	6th PM	Cheyenne	No
56	640.00	1	ALL	13S	51W	36	6th PM	Cheyenne	No
57	558.00	1	N2, N2S2, SESE & 38 acres under ROW in S2SW, SWSE	14S	50W	16	6th PM	Cheyenne	Partial
58	640.00	1	ALL	14S	51W	16	6th PM	Cheyenne	Yes
59	640.00	1	ALL	14S	51W	36	6th PM	Cheyenne	No
60	640.00		ALL	15S	49W	16	6th PM	Cheyenne	No
61	640.00		ALL	15S	49W	36	6th PM	Cheyenne	No
62	640.00		ALL	15S	50W	16	6th PM	Cheyenne	No
63	640.00		ALL	15S	50W	36	6th PM	Cheyenne	No
64	640.00		ALL	12S	61W	16	6th PM	El Paso	No
65	640.00	1	ALL	12S	61W	36	6th PM	El Paso	No
66	640.00	1	ALL	13S	61W	16	6th PM	El Paso	No
67	640.00	1	ALL	13S	61W	36	6th PM	El Paso	No
68	640.00		ALL	14S	63W	16	6th PM	El Paso	Partial
69	280.00		NE, NENW, E2SE	14S	63W	20	6th PM	El Paso	Yes
70	480.00		E2, N2NW, S2SW	14S	63W	21	6th PM	El Paso	Partial
71	640.00		ALL	14S	63W	22	6th PM	El Paso	No
72	320.00		S2	14S	63W	29	6th PM	El Paso	No
73	640.00		ALL	14S	63W	32	6th PM	El Paso	No
74	200.00		SWSW, SE	14S	64W	20	6th PM	El Paso	Yes

75	320.00		W2W2, E2E2	14S	64W	21	6th PM	El Paso	No
76	160.00		SE	14S	64W	22	6th PM	El Paso	Partial
77	80.00		N2NW	14S	64W	29	6th PM	El Paso	Yes
78	360.00	1	E2, SESW	14S	64W	34	6th PM	El Paso	No
79	619.64	6	Lots 1-4, S2N2, S2 (All)	9S	58W	4	6th PM	Elbert	Yes
80	320.00		NE, SW	9S	58W	10	6th PM	Elbert	Yes
81	640.00	6	ALL	9S	58W	16	6th PM	Elbert	No
82	600.00		NENE, W2NE, W2, SE	9S	58W	24	6th PM	Elbert	No
83	640.00		ALL	9S	58W	26	6th PM	Elbert	No
84	640.00	1	ALL	9S	58W	36	6th PM	Elbert	Yes
85	640.00	1	ALL	9S	59W	36	6th PM	Elbert	Partial
86	156.00	2	Lots 2 &3, SWNE, SENW	10S	58W	6	6th PM	Elbert	No
87	640.00		ALL	11S	58W	16	6th PM	Elbert	Yes
88	640.00	1	ALL	26S	67W	16	6th PM	Huerfano	No
89	320.00		N2	26S	68W	36	6th PM	Huerfano	No
90	640.00	1	All	27S	67W	36	6th PM	Huerfano	No
91	640.00	1	All	28S	68W	36	6th PM	Huerfano	No
92	640.00	1	All	28S	69W	36	6th PM	Huerfano	Yes
93	640.00		All	28S	70W	36	6th PM	Huerfano	Yes
94	520.00		N2, N2S2, SWSW	29S	68W	16	6th PM	Huerfano	Yes
95	120.00		SENW, N2SW	29S	68W	24	6th PM	Huerfano	No
96	160.00		NE	29S	68W	26	6th PM	Huerfano	Yes
97	640.00		ALL	29S	69W	36	6th PM	Huerfano	Yes
98	603.00	1	ALL Except Lot 1 under LT 3455	30S	68W	16	6th PM	Huerfano	Yes
99	640.00	1	ALL	17S	50W	16	6th PM	Kiowa	Yes
100	640.00	1	ALL	17S	50W	36	6th PM	Kiowa	Yes
101	160.00		SE	18S	50W	14	6th PM	Kiowa	Yes
102	640.00	1	ALL	18S	50W	16	6th PM	Kiowa	Yes
103	120.00	1	NENW, SWNW, NWSW	18S	50W	26	6th PM	Kiowa	Yes
104	40.00	1	SESE	18S	50W	27	6th PM	Kiowa	No
105	640.00		ALL	19S	46W	16	6th PM	Kiowa	No

106	240.00	1	E2SW, SE	19S	46W	23	6th PM	Kiowa	Yes
107	487.24		Lots 1-4, NE, E2W2	19S	46W	31	6th PM	Kiowa	Yes
108	160.00		SW	19S	46W	34	6th PM	Kiowa	No
109	640.00	1	ALL	19S	46W	36	6th PM	Kiowa	No
110	320.00		E2	19S	47W	9	6th PM	Kiowa	No
111	480.00		NE, S2	19S	47W	10	6th PM	Kiowa	Partial
112	480.00	1	N2, SW	19S	47W	11	6th PM	Kiowa	Partial
113	160.00		NW	19S	47W	12	6th PM	Kiowa	Yes
114	320.00	1	W2	19S	47W	13	6th PM	Kiowa	No
115	480.00	1	NW, S2	19S	47W	15	6th PM	Kiowa	No
116	640.00	1	ALL	19S	47W	16	6th PM	Kiowa	No
117	480.00	1	NW, S2	19S	47W	17	6th PM	Kiowa	No
118	482.97	1	Lots 3&4, E2, E2SW	19S	47W	31	6th PM	Kiowa	No
119	640.00	1	ALL	19S	47W	36	6th PM	Kiowa	No
120	640.00	1	ALL	19S	48W	16	6th PM	Kiowa	No
121	480.00	1	W2, SE	19S	48W	33	6th PM	Kiowa	No
122	480.00	1	N2, SE	19S	48W	35	6th PM	Kiowa	No
123	640.00	1	ALL	19S	48W	36	6th PM	Kiowa	No
124	480.00	1	N2, SW	20S	47W	12	6th PM	Kiowa	No
125	480.16	1	Lots 1-4, S2N2, SW	20S	48W	1	6th PM	Kiowa	No
126	320.05	1	Lots 1 & 2, S2NE, SE (E2)	20S	48W	2	6th PM	Kiowa	No
127	320.00	1	S2	20S	48W	3	6th PM	Kiowa	No
128	640.00		ALL	11S	48W	36	6th PM	Kit Carson	Yes
129	640.00	1	ALL	13S	53W	16	6th PM	Lincoln	Partial
130	640.00	1	ALL	14S	52W	16	6th PM	Lincoln	No
131	640.00	1	ALL	14S	52W	36	6th PM	Lincoln	Partial
132	640.00	1	ALL	14S	53W	16	6th PM	Lincoln	No
133	329.99	1	Lots 3 & 4, E2SW, SE (E2)	14S	53W	30	6th PM	Lincoln	Yes
134	640.00	1	ALL	14S	53W	36	6th PM	Lincoln	No
135	640.00	1	ALL	6N	93W	16	6th PM	Moffat	No
136	640.00	1	ALL	6N	93W	36	6th PM	Moffat	Yes

137	478.94	7	65.48 ac Lot 3 9.80 ac Lot 2 69.72 ac Lot2 334.94 ac Lot 1	6N 6N 6N 6N	94W 94W 94W 94W	9 10 15 16	6th PM	Moffat	No
138	35.82	1	Lot 6 (NWNE)	7N	90W	3	6th PM	Moffat	Yes
139	640.00	1	ALL	8N	90W	16	6th PM	Moffat	No
140	640.00	1	ALL	8N	90W	36	6th PM	Moffat	Yes
141	641.32	1	313.68 ac Lot1 304.36 ac Lot4 23.28 ac Lots 8,9,14,15	8N 8N 8N	92W 92W 91W	36 25 31	6th PM	Moffat	Yes
142	640.00		ALL	1N	55W	16	6th PM	Morgan	No
143	320.00		N2	1N	55W	36	6th PM	Morgan	No
144	641.04		Lots 1-4, S2N2, S2 (All)	1N	56W	2	6th PM	Morgan	No
145	640.00		ALL	1N	56W	16	6th PM	Morgan	No
146	640.00		ALL	1N	56W	36	6th PM	Morgan	Partial
147	640.00		ALL	2N	58W	16	6th PM	Morgan	No
148	320.00		E2	2N	58W	27	6th PM	Morgan	Yes
149	240.00		E2SW,SE	3N	57W	28	6th PM	Morgan	No
150	160.00		E2W2	3N	57W	33	6th PM	Morgan	Yes
151	640.00		ALL	3N	57W	36	6th PM	Morgan	Yes
152	160.25	1	Lots 3 & 4, S2NW (NW)	3N	58W	5	6th PM	Morgan	Yes
153	640.00		ALL	3N	58W	16	6th PM	Morgan	Yes
154	80.00		S2SW	3N	58W	20	6th PM	Morgan	No
155	320.00		N2	3N	58W	27	6th PM	Morgan	Yes
156	786.24		Lots 1-10, SE	21S	46W	5	6th PM	Prowers	Yes
157	640.00	1	ALL	21S	46W	16	6th PM	Prowers	Partial
158	320.00		S2	21S	46W	36	6th PM	Prowers	No
159	80.00	2	N2SW	22S	46W	29	6th PM	Prowers	Yes
160	40.00	2	NESE	22S	46W	30	6th PM	Prowers	Yes
161	233.64		Lots 1-4, N2N2	22S	47W	16	6th PM	Prowers	Yes
162	240.00	1	NE, N2SE	22S	47W	34	6th PM	Prowers	Partial
163	160.00		S2N2	22S	47W	35	6th PM	Prowers	Yes

164	120.00		SWNE, S2NW	22S	47W	36	6th PM	Prowers	Yes
165	640.00	1	ALL	3S	54W	16	6th PM	Washington	No
166	639.16	1	Lot 1, E2 Lot 2, W2 Lot 2, S2N2, S2 (All)	11N	66W	2	6th PM	Weld	Yes
167	493.83	1	Lots 1-4, S2NE, SENW, E2SW	11N	66W	6	6th PM	Weld	Yes
168	640.00	1	ALL	11N	66W	36	6th PM	Weld	No
169	640.00	1	ALL	11N	67W	24	6th PM	Weld	No
170	640.00	3	All	11N	67W	36	6th PM	Weld	No
171	651.24	4	Lots 1 & 2, E2, E2W2 (All)	12N	66W	30	6th PM	Weld	No
172	480.00	1	NW, S2	12N	66W	32	6th PM	Weld	Yes
173	640.00	1	ALL	12N	66W	36	6th PM	Weld	Yes
174	303.70	1	Lots 5-8, 9-12 (NE,SW)	1S	46W	19	6th PM	Yuma	Partial
175	307.15	1	Lots 5-12 (W2)	1S	46W	30	6th PM	Yuma	No
176	154.18	1	Lots 7-10 (NW)	1S	46W	31	6th PM	Yuma	Yes

Total Acreage Offered: 83,798.41

Total Tracts Offered: 176

Note # 1 - Lease is located in a Colorado Parks and Wildlife (CPW) Sensitive Wildlife Habitat and/or Restricted Surface Occupancy Area and/or contains Colorado Natural Heritage Program (CNHP) critical wildlife habitat. Lessee must comply with Colorado Oil and Gas Conservation Commission (COGCC) rules to minimize adverse impacts to wildlife resources and address CPW and/or CNHP wildlife concerns. Prior to surface occupancy and submittal of the Application for Permit to Drill (APD) to the COGCC, Lessee must consult with the appropriate wildlife habitat expert and consult with and obtain approval from Lessor's District Manager for siting of access, exploration operations, well locations, rig placement and all other facilities. 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 # 2- A) Acquired mineral interest. Title is not warranted. B) Lease is located in a Colorado Parks and Wildlife (CPW) Sensitive Wildlife Habitat and/or Restricted Surface Occupancy Area and/or contains Colorado Natural Heritage Program (CNHP) critical wildlife habitat. Lessee must comply with Colorado Oil and Gas Conservation Commission (COGCC) rules to minimize adverse impacts to wildlife resources and address CPW and/or CNHP wildlife concerns. Prior to surface occupancy and submittal of the Application for Permit to Drill (APD) to the COGCC, Lessee must consult with the appropriate wildlife habitat expert and consult with and obtain approval from Lessor's District Manager for siting of access, exploration operations, well locations, rig placement and all other facilities. 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 # 3- A) This lease is subject to lease GL 3450 & ROW 1363-13. B) Lease is located in a Colorado Parks and Wildlife (CPW) Sensitive Wildlife Habitat and/or Restricted Surface Occupancy Area and/or contains Colorado Natural Heritage Program (CNHP) critical wildlife habitat. Lessee must comply with Colorado Oil and Gas Conservation Commission (COGCC) rules to minimize adverse impacts to wildlife resources and address CPW and/or CNHP wildlife concerns. Prior to surface occupancy and submittal of the Application for Permit to Drill (APD) to the COGCC, Lessee must consult with the appropriate wildlife habitat expert and consult with and obtain approval from Lessor's District Manager for siting of access, exploration operations, well locations, rig placement and all other facilities. 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) This lease is subject to wind lease OM 3382. B) Lease is located in a Colorado Parks and Wildlife (CPW) Sensitive Wildlife Habitat and/or Restricted Surface Occupancy Area and/or contains Colorado Natural Heritage Program (CNHP) critical wildlife habitat. Lessee must comply with Colorado Oil and Gas Conservation Commission (COGCC) rules to minimize adverse impacts to wildlife resources and address CPW and/or CNHP wildlife concerns. Prior to surface occupancy and submittal of the Application for Permit to Drill (APD) to the COGCC, Lessee must consult with the appropriate wildlife habitat expert and consult with and obtain approval from Lessor's District Manager for siting of access, exploration operations, well locations, rig placement and all other facilities. 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- Acquired mineral interest. Title is not warranted.
- Note # 6- This lease is subject to mining lease GM 3304.

Note # 7- A) There is No Surface Occupancy allowed on this lease. B) Lease is located in a Colorado Parks and Wildlife (CPW) Sensitive Wildlife Habitat and/or Restricted Surface Occupancy Area and/or contains Colorado Natural Heritage Program (CNHP) critical wildlife habitat. Lessee must comply with Colorado Oil and Gas Conservation Commission (COGCC) rules to minimize adverse impacts to wildlife resources and address CPW and/or CNHP wildlife concerns. Prior submittal of the Application for Permit to Drill (APD) to the COGCC, Lessee must consult with the appropriate wildlife habitat expert and consult with and obtain approval from Lessor's District Manager for siting of access, exploration operations, well locations, rig placement and all other facilities. 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 \$2.50 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.