

**THIS IS
PART 1 of 3**

COMMISSIONER

MEETING MINUTES

**YEAR: 2013
VOL. 99A**

**THIS RECORD INCLUDES
MEETING DATES:**

Feb-April

Commissioners of the Land Office

2013 Meeting Minutes

NOTE: Due to an inadvertent error page numbering starts with page 32 of the February 2013 minutes. Duplicate page numbers were unintentionally used in the April and June minutes. All page numbers have been verified and are correct as presented.

<u>Meeting Date</u>	<u>Page</u>
1/10/13 Meeting Cancelled	
2/14/13 Attendance Records.....	32
Approval of December 13, 2012 Regular Meeting Minutes	33
Secretary’s Comments.....	33
Proposed 2013 Legislation	36
Database Management System Contract Phase III	37
Real Estate Management Division	
Establishment of Minimum Bid Auction Price and Authorization to Auction Land for Sale.....	39
Establishment of Minimum Bid Auction Price and Authorization to Auction Land for Sale.....	40
Authority to Exchange Land.....	41
Continuous Easements.....	42
Dedication of Continuous Easement	43
Financial Services Division	
Modifications or Amendments to the CLO Investment Policy	44
RV Kuhns & Associates Quarterly Investment Report.....	44
Legal Division	
No Agenda Items	
Mineral Management Division	
No Agenda Items	
Consent Agenda	45
Financial Information	46
Executive Session	47
Action on Executive Session Items	47
New Business	47
Monthly Division Summaries	49
Accounting Division	
November 2012	49
December 2012.....	52
Minerals Management Division	
November 2012	55
December 2012.....	59

	Real Estate Management Division	
	December 2012.....	64
	Secretary's Approval	67
3/14/13	Attendance Records	68
	Approval of February 14, 2013 Regular Meeting Minutes	69
	Secretary's Comments	69
	Financial Services Division	
	No Agenda Items	
	Real Estate Management Division	
	No Agenda Items	
	Legal Division	
	No Agenda Items	
	Mineral Management Division	
	No Agenda Items	
	Consent Agenda	71
	Financial Information	72
	Executive Session	72
	Action on Executive Session Items	73
	New Business	73
	Monthly Division Summaries	75
	Accounting Division	
	January 2013	75
	Minerals Management Division	
	January 2013	78
	Real Estate Management Division	
	January 2013	86
	Secretary's Approval	93
Note: Duplicate page numbers were unintentionally used in the April minutes. All page numbers have been verified and are correct as presented.		
4/11/13	Attendance Records	91
	Approval of March 14, 2013 Regular Meeting Minutes	92
	Secretary's Comments	92
	Contract in Excess of \$25,000	93
	Financial Services Division	
	No Agenda Items	
	Real Estate Management Division	
	Real Estate Leasing Process and Results.....	94
	Mineral Management Division	
	No Agenda Items	
	Consent Agenda	95
	Financial Information	96

	Executive Session	96
	Action on Executive Session Items	97
	New Business	97
	Monthly Division Summaries	99
	Accounting Division	
	February 2013	99
	Minerals Management Division	
	February 2013	102
	Real Estate Management Division	
	February 2013	109
	Secretary's Approval	114
5/14/13	Attendance Records	122
	Approval of April 11, 2013 Regular Meeting Minutes	123
	Secretary's Comments	123
	Internal Auditor Statement of Organizational Independence	125
	FY2014 Financial and Administrative Internal Audit Plan	125
	Legal Division	
	No Agenda Items	
	Mineral Management Division	
	No Agenda Items	
	Real Estate Management Division	
	Approval of Land Sale	126
	Financial Services Division	
	RV Kuhns Quarterly Investment Report	128
	Consent Agenda	128
	Financial Information	129
	Executive Session	130
	Action on Executive Session Items	131
	New Business	131
	Monthly Division Summaries	133
	Accounting Division	
	March 2013	133
	Minerals Management Division	
	March 2013	136
	Real Estate Management Division	
	March 2013	150
	Secretary's Approval	156
Note: Duplicate page numbers were unintentionally used in the June minutes. All page numbers have been verified and are correct as presented.		
6/13/13	Attendance Records	151
	Approval of May 14, 2013 Regular Meeting Minutes	152
	Secretary's Comments	152
	Cancellation of Regular July Meeting	153
	International Council of Shopping Centers Report	153

	Financial Services Division	
	Modification or Amendments to Investment Policy.....	154
	Renewal of RV Kuhns & Associates Investment Consultant Contract.....	155
	Renewal of Investment Manager Contracts.....	156
	Renewal Bank of Oklahoma Custodian Bank Contract	157
	FY2013 Contracts in the Amount of \$25,000 or Above	158
	IT Contracts in Excess of \$25,000	159
	Legal Division.....	160
	Renewal of Annual Professional Services Contracts	160
	Contingent Fee Contracts for Royalty Underpayment Dispute Representation	161
	Real Estate Management Division	
	No Agenda Items	
	Mineral Management Division	
	No Agenda Items	
	Consent Agenda	161
	Financial Information	162
	Executive Session	163
	Action on Executive Session Items	164
	New Business	165
	Monthly Division Summaries	167
	Accounting Division	
	April 2013.....	167
	Minerals Management Division	
	April 2013.....	170
	Real Estate Management Division	
	April 2013.....	180
	Secretary’s Approval	184
7/11/13	Meeting Cancelled	
8/14/13	Attendance Records.....	207
	Approval of June 13, 2013 Regular Meeting Minutes	208
	Secretary’s Comments.....	208
	Financial Services Division	
	RV Kuhns Quarterly Investment Report	210
	Legal Division	
	Professional Services Contract	211
	Emergency Rule and Procedures.....	211
	Real Estate Management Division	
	Authorization to Appraise Land for Sale.....	212
	Continuous Easement	213
	Mineral Management Division	
	No Agenda Items	
	Consent Agenda	214
	Financial Information	215

	Executive Session	216
	Action on Executive Session Items	217
	New Business	217
	Monthly Division Summaries	219
	Accounting Division	
	May 2013	219
	June 2013	222
	Minerals Management Division	
	May 2013	225
	June 2013	242
	Real Estate Management Division	
	May 2013	249
	June 2013	252
	Secretary's Approval	258
9/12/13	Attendance Records	259
	Approval of August 14, 2013 Regular Meeting Minutes	260
	Secretary's Comments	260
	Land Office Branding	260
	Real Estate Management Fall Auction	261
	Real Estate Management Division	
	Continuous Easements	261
	Financial Services Division	
	Recommendations of the Investment Consultant, Investment Committee and Staff	262
	Mineral Management Division	
	No Agenda Items	
	Legal Division	
	No Agenda Items	
	Consent Agenda	263
	Financial Information	264
	Executive Session	265
	Action on Executive Session Items	265
	New Business	266
	Monthly Division Summaries	268
	Accounting Division	
	July 2013	268
	Minerals Management Division	
	July 2013	271
	Real Estate Management Division	
	July 2013	344
	Secretary's Approval	348
10/10/13	Attendance Records	349
	Approval of September 12, 2013 Regular Meeting Minutes	350
	Secretary's Comments	350

	Investment Manager Selection	352
	Financial Services Division	
	No Agenda Items	
	Real Estate Management Division	
	Appraisal and Authorization to Sell Land by Public Auction	353
	Mineral Management Division	
	No Agenda Items	
	Legal Division	
	Renewal of Professional Legal Services Contract.....	354
	Adoption of Permanent Rule for Electronic Bidding	355
	Consent Agenda	356
	Financial Information	357
	Executive Session	357
	Action on Executive Session Items	358
	CLO v New Dominion Mediation	359
	New Business	359
	Monthly Division Summaries	361
	Accounting Division	
	August 2013.....	361
	Minerals Management Division	
	August 2013.....	364
	Real Estate Management Division	
	August 2013.....	373
	Secretary's Approval	380
11/14/13	Attendance Records	381
	Approval of October 10, 2013 Regular Meeting Minutes.....	382
	Secretary's Comments	382
	Status Report of CLO v. New Dominion Mediation	384
	2014 Legislative Session	385
	Financial Services Division	
	RV Kuhns Quarterly Investment Report	385
	Modification or Amendments to the CLO Investment Policy	386
	Geographical Information System Software and Training	387
	Resolution to Change Interest Rate for Delinquent Surface Leases	387
	Real Estate Management Division	
	Report on Prairie Chicken	388
	Approval of Land Sale.....	389
	Mineral Management Division	
	No Agenda Items	
	Legal Division	
	No Agenda Items	
	Consent Agenda	390
	Financial Information	391
	Executive Session	391
	Action on Executive Session Items	392
	New Business	393

	Monthly Division Summaries	395
	Accounting Division	
	September 2013	395
	Minerals Management Division	
	September 2013	398
	Real Estate Management Division	
	September 2013	423
	Secretary's Approval	426
12/12/13	Attendance Records	427
	Approval of November 14, 2013 Regular Meeting Minutes	428
	Secretary's Comments	428
	Commission Meeting 2014 Dates	429
	Financial Services Division	
	FY2013 Audit Report	430
	Real Estate Management Division	
	Amendment to Long Term Commercial Lease	430
	Continuous Easements	432
	Legal Division	
	No Agenda Items	
	Mineral Management Division	
	No Agenda Items	
	Consent Agenda	434
	Financial Information	435
	Executive Session	435
	Proposed Action Executive Session Items	436
	New Business	436
	Monthly Division Summaries	443
	Accounting Division	
	October 2013	443
	Minerals Management Division	
	October 2013	446
	Real Estate Management Division	
	October 2013	470
	Secretary's Approval	517
12/19/13	Attendance Records	518
	Executive Session	519
	Proposed Action Executive Session Items	520
	New Business	520

There are two original hardcopy sets of the 2013 Commissioners of the Land Office meeting minutes. One set is retained in the State Archiver Office for permanent preservation, and the second is retained in the Commissioners of the Land Office.

COMMISSIONERS OF THE LAND OFFICE

REGULAR MEETING MINUTES

THURSDAY, FEBRUARY 14, 2013 AT 2:00 P.M.
GOVERNOR'S LARGE CONFERENCE ROOM
STATE CAPITOL BUILDING – SECOND FLOOR
OKLAHOMA CITY, OKLAHOMA

Notice was posted online with the Secretary of State on November 16, 2012. Public notice was also posted on the Commissioners of the Land Office website and at the Commissioners of the Land Office and Governor's Large Conference Room of the State Capitol Building on Monday, February 11, 2013, before 5 p.m.

PRESENT:

Honorable Mary Fallin, Governor and Chair
Honorable Todd Lamb, Lt. Governor and Vice Chair
Honorable Gary Jones, State Auditor & Inspector and Member
Honorable Janet Barresi, State Superintendent of Public Instruction and Member
Honorable Jim Reese, Absent

CLO STAFF PRESENT:

Harry W. Birdwell, Secretary
Keith Kuhlman, Assistant Secretary
Debra Sprehe, Executive Assistant
Terri Watkins, Director of Communications
Dave Shipman, Director of Minerals Management Division
Steve Diffe, Director of Royalty Compliance Division
Lisa Blodgett, General Counsel
Karen Johnson, Chief Financial Officer
James Spurgeon, Director of Real Estate Management
Diana Nichols, Internal Auditor
Brandon Jones, Royalty Compliance
Emma Thomas, Financial Services

VISITORS:

Rebecca Frazier, Governor's Office
Steve Tinsley, State Auditor and Inspector
Keith Beall, Lt. Governor's Office
Mark Higgins, RVKuhns, Inc.
Steve Thompson, American Farmers & Ranchers

Governor Fallin called the meeting to order at 2:18 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Fallin:	Present
Lamb:	Present
Jones:	Present
Barresi:	Present
Reese:	Absent

1. Approval of Minutes for Regular Meeting held December 13, 2012.

This agenda item was presented by Harry W. Birdwell, Secretary. A Motion was made by Lt. Governor Lamb and seconded by Commissioner Jones to approve the minutes of the December 13, 2012 meeting.

Fallin:	Aye	
Lamb:	Aye	
Jones:	Aye	<i>Motion Carried</i>
Barresi:	Aye	
Reese:	Absent	

2. Secretary's Comments

a. Distributions to Beneficiaries for December 2012 and January 2013

Secretary Birdwell noted that December 2012 distributions were \$7.1 million.

January 2013 distributions were considerably higher at \$22.3 million. Two reasons were given for the significant increase. First, a sizeable portion of the surface lease payments from the fall auctions were included in January distributions, and second, an \$8 million supplemental distribution was made in January as part of the 5-year rolling average distribution of lease bonus revenue.

b. Supplemental Distribution for 5-year Rolling Average

As a result of the decision to implement the 5-year rolling average, it was agreed to provide a supplemental distribution at mid-year and year-end to attempt to create greater predictability for common school beneficiaries. An \$8 million supplemental distribution was made to public schools in late January.

CLO advised all superintendents and finance officers in advance. A letter was sent explaining the downturn in lease bonus revenue and invited questions from the districts.

Even with the supplemental distribution, they are still \$15 million behind last year's record distributions during the same time as a result of the lease bonus revenue reduction.

Another supplemental distribution will occur at fiscal year's end, (assuming it is necessary) to hold the public schools to FY-2011 distribution levels.

c. January 2013 Lease Bonus Auction Results

Secretary Birdwell reported 38 tracts of land were successfully leased for a total of \$781,000 at the January 2013 mineral lease bonus auction. The result reflects the continued "softened" interest in mineral leasing. The staff believes there are at least three factors:

1. There was a record amount of land leased during 2010, 11 and 12. Now, producers are intent on drilling to preserve lease rights.
2. The market price for natural gas is too low to encourage additional leasing. The volume of gas discovered in the last 3 to 4 years has created an oversupply.
3. The supply of liquids from natural gas formations has increased so dramatically over the past 36 months, prices for natural gas liquids have fallen.

The magnitude in the drop of new leasing in the agency can be seen as follows:

The average number of tracts leased per auction in 2011 was 186.

The average number of tracts leased per auction in 2012 was 92.

The first auction in 2013 was 17.

Comparing the auction totals for the past several years:

In 2011 the smallest auction total was \$5 Million.

In 2012 the smallest auction total was \$ 2.8 Million.

The first auction in 2013 yielded \$ 781,000.

Secretary Birdwell mentioned that the electronic auction module will be tested during the March auction in a side-by-side test during the live auction. Secretary Birdwell stated his belief that as the economy and pricing structure improves for natural gas; the electronic auction capability will increase interest in our auctions far beyond Oklahoma.

d. Western States Land Commissioners Association (WSLCA) Oklahoma City Winter Meeting

Secretary Birdwell noted that the Western States Land Commissioners winter meeting was held in Oklahoma City in mid-January. He thanked Governor Fallin for addressing the conference, praised the CLO staff for its planning, and noted that participants were impressed by Oklahoma hospitality and the conference presentations.

e. House and Senate Budget Hearings

Commissioners were advised that the agency had submitted its annual request for spending authority for FY-2014 to the Oklahoma Legislature. The request is \$798,000 less than FY-2013. Secretary Birdwell said most of the reduction was due to the one-time expenditures for IT improvements in FY-2013.

f. Advising the Commission on Appointment of Hearing Officer for *CLO v. New Dominion, LLC*

At the December meeting of the Commission, staff was instructed to attempt to engage former Oklahoma Supreme Court Justice Daniel Boudreau to serve as hearing officer in the administrative procedure in the matter of *CLO vs. New Dominion, LLC*. Mr. Boudreau accepted.

In Late January a scheduling conference for the proceeding was held. A formal hearing has been scheduled in the matter in the Attorney Generals' office in August.

Subsequent to that hearing Justice Boudreau will present his report and any recommendations to the Commission.

On another note, Secretary Birdwell advised that he had been informed a day earlier that the permanent trust fund of the CLO had surpassed the \$2 Billion mark for the first time in agency history.

3. Report on Proposed 2013 Legislation (informational only)

Terri Watkins, Communications Director, reported that House Bill 1022 is authored by Randy McDaniel in the House and Clark Jolly in the Senate. The bill will allow the CLO to put 3% of permanent funds into commercial development and real estate.

House Bill 1883 is authored by Don Arms in the House and John Ford in the Senate. This bill will allow the transferring of money from the agency's revolving account into distribution accounts and will allow the secretary to transfer excess funds held at the treasurer's office on June 30th to the beneficiaries.

Currently oil and gas lease auction bidders are required to post a 25% earnest money check when bidding on a CLO lease. The law requires those checks be deposited even if they are not the successful bidder. This bill would allow the CLO a grace period to void and return the check to unsuccessful bidders. This bill would clarify that the CLO and the surface lessee, who may have a crop on the land, will separately negotiate surface damages with the oil company.

The CLO does not publish a hard copy annual report but places an electronic report on the CLO web page. The law still requires that a printer be contacted to determine the per page costs to print the report then post the information at the back of it. Proposed legislation would eliminate that requirement.

This bill would allow other changes of "archaic" language from the 1940's and 50's be cleaned up.

Both bills will go before House Common Education Appropriations subcommittee and full appropriations committees next week.

4. Extension of Database Management System Contract Phase III

The agency has worked with MY Consulting Group the past two years to develop a comprehensive database management system for business functions. Phase II of the existing development contract requirements will be completed within the next few weeks.

As development of the new system has progressed, staff has found needed application enhancements of the first two phases of the project. Two of the requirements listed below were planned for inclusion in Phase II however due to revisions of the statement of work they were put aside as additions to a possible Phase III project.

- A centralized billings and receivables system for all division functions.
- Integration of investment data into the CLO financial statements

Many of these new applications are a result of needs caused by the complexity of the CLO business functions. The following is a partial list of the key applications identified by staff for expansion of the database management system:

- New GIS platform integration
- Acceptance of CDEX royalty payment detail
- Integration of comparable data documents into system files for appraisal applications
- Workflow management tracking module

A contract extension and statement of work revision is requested for the existing database management system contract not to exceed the sum of \$319,545. The current vendor has developed the CLO database management system and these additional modifications should be completed by the vendor since MY Consulting is thoroughly familiar with the CLO business practices, software code, and architecture of the database. Monetary and time savings will be accomplished with this contract extension.

Recommendation: The Assistant Secretary recommends approval of the contract extension to MY Consulting Group.

- a. Presented by Keith Kuhlman, Assistant Secretary*
- b. Discussion*
- c. Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action.*

Assistant Secretary Kuhlman reported that phase II of the IT project is nearing completion. Among the things accomplished in phase II were the electronic seal bid process for oil and gas leases which will be tested at the March sale. The integration and upload of oil and gas production records is being done and interest continues to be generated in this process. In addition there have been soil conservation upgrades, improved appraisal automation and receipt of better reports from the system.

Phase III will include enhancements to the system which include an enhanced GIS system. The capability of uploading oil and gas check detail through an electronic payment system using a computer language call CDEX, which is common in the oil and gas industry. If large producers use this method it will reduce the amount of data entry required. Work flow management will be added which permits the tracking of any changes in the system by capturing the last date of a data entry point of a transaction creating a safeguard for the entire financial and data integrity of the system.

MY Consulting has completed phase I and II and there have been no issues with the company. They are familiar with the project thus making the completion of phase III timelier and cost efficient.

This agenda item was presented by Keith Kuhlman, Assistant Secretary. A Motion was made by Commissioner Barresi and seconded by Commissioner Jones to approve the extension of the contract with MY Consulting in the amount of \$319,545.

Fallin:	Aye	
Lamb	Aye	
Jones:	Aye	<i>Motion Carried</i>
Barresi:	Aye	
Reese:	Absent	

5. Consideration and Possible Action Regarding the Establishment of Minimum Bid Auction Price and Authorization to Auction Land for Sale

Lease No.	Legal Description	Lessee	Rent
101639 Kiowa County	A tract of land in the N/2 Sec 16-6N-16WIM (less 2.4 ac CO LS 106011)	Jimmy and Joann Compton	\$7,100.00

On October 11, 2012, the Commission authorized staff to have appraisals completed for the 4.99 acre tract in the N/2. The following appraisals have been completed and reviewed:

\$13,750.00	Chris Foster
\$15,500.00	Tom Eike
\$12,500.00	Greg Brownsworth

Recommendation: Director of Real Estate Management recommends the 4.99 acre tract in the N/2 Sec 16-6N-16WIM be offered for sale at public auction with a minimum bid price of \$15,500.00.

- a. Presented by James Spurgeon, Real Estate Management Director*
- b. Discussion*
- c. Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action.*

This agenda item was presented by James Spurgeon, Real Estate Management Director. A Motion was made by Lt. Governor Lamb and seconded by Commissioner Jones to approve the sale of 4.99 acre tract at public auction with a minimum bid of \$15,500.00.

Fallin:	Aye	
Lamb	Aye	
Jones:	Aye	<i>Motion Carried</i>
Barresi:	Aye	
Reese:	Absent	

6. Consideration and Possible Action Regarding the Establishment of Minimum Bid Auction Price and Authorization to Auction Land for Sale

Lease No.	Legal Description	Lessee	Rent
101120 Kingfisher County	A 3.5 ac tract in the SE/4 Sec. 36-16N-6WIM (Less Improvements)	Allen W. Kordis	\$4,300.00

On October 11, 2012, the Commission authorized staff to have appraisals completed for the 3.5 acre tract in the SE/4. The following appraisals have been completed and reviewed:

\$13,000.00	Chris Foster
\$14,500.00	Tom Eike
\$15,500.00	Floyd Evans

Recommendation: Director of Real Estate Management recommends the 3.5 acre tract in the SE/4 Sec 36-16N-6WIM be offered for sale at public auction with a minimum bid price of \$15,500.00.

- a. Presented by James Spurgeon, Real Estate Management Director*
- b. Discussion*
- c. Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

This agenda item was presented by James Spurgeon, Real Estate Management Director. A Motion was made by Commissioner Jones and seconded by Lt. Governor Lamb to approve the sale of 3.5 acre tract at public auction with a minimum bid price of \$15,500.00.

Fallin:	Aye	
Lamb	Aye	<i>Motion Carried</i>
Jones:	Aye	
Barresi:	Aye	
Reese:	Absent	

7. Request Authority to Exchange Land

Lease No.	Legal Description
307162	W/2E/2 & W/2 Sec 8-4N-2ECM – 480 acres
613163	A tract of land located in the NW/4NE/4 Sec 17-4N-2ECM (16.43 ac)

This CLO property contains 496.43 acres, more or less, and is located in Cimarron County, Oklahoma.

Mary Louise Dawson has agreed to exchange her land described below for an equal acreage of CLO land described above.

Lot 1 and the SE/4NE/4 Sec 3-4N-2ECM; containing 76.43 acres, mol
NW/4SW/4 Sec 4-4N-2ECM; containing 40 acres, mol
W/2W/2 Sec 9-4N-2ECM, containing 160 acres, mol
S/2NE/4NE/4, S/2NE/4 and NW/4SE/4; containing 140 acres, mol
W/2SW/4 Sec 21-4-3ECM, containing 80 acres, mol
All located in Cimarron County, Oklahoma and containing a total of 496.43 acres, more or less.

The properties were appraised by three staff appraisers as agreed by Mrs. Dawson and CLO. The results of the appraisals are as follows:

Market Value CLO Land	\$124,000.00
Market Value Deeded Land	\$136,500.00

The agricultural lessee, Celebrity Feeders, has agreed in writing to this land exchange.

Recommendation: Director of Real Estate Management recommends the exchange of property be approved.

- a. *Presented by James Spurgeon, Real Estate Management Director*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

Director Spurgeon reported after last fall's lease auction two leases in Cimarron County changed lessees resulting in Ms. Dawson's land being embedded in the CLO leases operated by Celebrity Feeders. An exchange on an acre-for-acre basis was made with Ms. Dawson. The appraised value of the land meets CLO criteria of receiving land of equal or greater value in an exchange. All parties have agreed to the exchange in writing.

This agenda item was presented by James Spurgeon, Real Estate Management Director. A Motion was made by Commissioner Jones and seconded by Commissioner Barresi to approve the exchange of 496.43 acres in Cimarron County.

Fallin: Aye
 Lamb: Aye
 Jones: Aye
 Barresi: Aye *Motion Carried*
 Reese: Absent

8. Continuous Easement

Lease No.	Legal Description	Easement No.
101195 – Garfield County	NW/4 Sec. 16-23N-8WIM	9245

The Oklahoma Department of Transportation has made a request to purchase an easement for a highway right of way project consisting of 2.98 acres permanent and 0.07 acres temporary for the consideration of \$3,515.00. Appraisal was reviewed by Alan Hermanski and James Spurgeon.

Recommendation: The Director of Real Estate Management recommends approval of the continuous easement.

- a. *Presented by James Spurgeon, Real Estate Management Director*
- b. *Discussion*
- c. *Commissioners action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action.*

This agenda item was presented by James Spurgeon, Real Estate Management Director. A Motion was made by Commissioner Barresi and seconded by Lt. Governor Lamb to approve the continuous easement.

Fallin: Aye
 Lamb: Aye *Motion Carried*
 Jones: Aye
 Barresi: Aye
 Reese: Absent

9. Dedication of Continuous Easement

Lease No.	Legal Description	Lessee	Annual Rent
106300	159.310 acres in Sec. 36-14N-04WIM, Oklahoma County	Tour 18 at Rose Creek, L.P.	\$155,293.08

Tour 18 at Rose Creek, L.P. has a long term lease on the referenced 159.310 acre tract of land in Oklahoma City, Oklahoma. Rose Creek is developing adjacent land for additional housing.

The Lessee needs to provide drainage easements to Rose Creek. A .0212 acre tract for three drainage easements dedicated to the City of Oklahoma City is needed. Paragraph 4.2 of the lease contract requires the CLO to dedicate necessary easements to government entities and public utilities for servicing the lease operations.

Recommendation: The Director of Real Estate Management recommends three continuous utility easements covering .0212 acres be dedicated to the City of Oklahoma City.

- a. *Presented by James Spurgeon, Real Estate Management Director*
- b. *Discussion*
- c. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

This agenda item was presented by James Spurgeon, Real Estate Management Director. A Motion was made by Commissioner Jones and seconded by Lt. Governor Lamb to approve the dedication of a continuous easement.

Fallin: Aye
 Lamb: Aye *Motion Carried*
 Jones: Aye
 Barresi: Aye
 Reese: Absent

10. Discussion and Possible Action to Approve Modifications or Amendments to the CLO Investment Policy.

The Investment Committee recommends that changes be made to the Investment Plan and Policy to enhance future performance of the investment managers.

Recommendation: The Chief Financial Officer recommends approval of the investment policy.

- g. Presented by Karen Johnson, Chief Financial Officer*
- h. Discussion*
- i. Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

CFO Johnson reported the investment committee met yesterday and made recommendations to revise a portion of the investment policy. This change allows mutual funds and commingled fund managers to invest in index futures thus allowing the CLO to continually stay invested in the market as changes occur. This is a common method used in the industry that requires contract approval by the Commodities and Futures Trading Commission (CFTC). (See attached)

This agenda item was presented by Karen Johnson, Chief Financial Officer. A Motion was made by Commissioner Jones and seconded by Commissioner Barresi to approve the change in the investment policy.

Fallin:	Aye
Lamb	Aye
Jones:	Aye
Barresi:	Aye <i>Motion Carried</i>
Reese:	Absent

11. Presentation of December 31, 2012 Quarterly Investment Performance Report by RV Kuhns & Associates.

- 1. Presented by RV Kuhns & Associates*
- 2. Discussion*

This agenda item was presented by Mark Higgins from RV Kuhns. A milestone was reached in 2012 by reaching the \$2 billion dollar mark in total funds. Returns in all asset classes were very positively strong. Among investment peers the CLO has ranked in the 18% percentile the last 3 years and in the 3% percentile the last 5 years.

12. Consent Agenda – Request Approval of November and December 2012 Agency Monthly Division Summary of Activities

The Agenda items presented on the Consent Agenda are considered as one item for voting purposes. The Consent Agenda includes items that are statutorily or constitutionally required to be performed by the Commissioners of the Land Office or are administrative in nature, which are done as a routine action by the Commissioners of the Land Office. If any member of the Commission or any member of the public requests a particular item or items to be considered individually, the matter or matters shall be considered individually.

- a. *Presented by Harry W. Birdwell, Secretary*
- b. *Discussion*
- c. *Commission Action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

Accounting Division

1. November 2012
 - a. Claims Paid (routine)
 - b. Expenditure Comparison
2. December 2012
 - a. Claims Paid (routine)
 - b. Expenditure Comparison

Minerals Management Division

1. November 2012
 - a. Tabulation of 11/28/2012 Oil and Gas Lease Sale
 - b. Assignments of Oil and Gas Leases
 - c. Seismic Exploration Permits
 - d. Division Orders
2. December 2012
 - a. Award of 11/28/2012 Oil and Gas Lease Sale
 - b. Tracts Offered for Oil and Gas Mining on 1/23/2013
 - c. Assignments of Oil and Gas Leases
 - d. Seismic Exploration Permits
 - e. Division Orders

Real Estate Management Division

1. December 2012
 - a. Surface Lease Assignments
 - b. Short Term Commercial Lease Assignments
 - c. New Short Term Commercial Lease
 - d. Renewal Short Term Commercial Leases
 - e. Soil Conservation Projects
 - f. Request and Authorization for Improvements
 - g. Patent Issued on Land Sale

The agenda item was presented by Harry Birdwell, Secretary. A MOTION was made by Commissioner Barresi and seconded by Lt. Governor Lamb to approve the Consent Agenda.

Fallin:	Aye	
Lamb	Aye	<i>Motion Carried</i>
Barresi	Aye	
Jones:	Aye	
Reese	Absent	

**13. Financial Information Regarding Investments and Monthly Distributions
(informational only)**

Investments

- a. Market Value Comparison November and December, 2012

Accounting

- b. December and January Distribution for FY-13 by District and Month

14. Executive Session

Executive Session pursuant to 25 O.S. § 307(B)(4) for the purpose of confidential communications between the Commission and its attorney concerning pending investigations, claims or actions, if upon advice of its attorney, it is determined that disclosure will seriously impair the Commission's ability to process the claim or conduct the pending investigations, litigation, or proceedings in the public interest regarding *CRR v. CLO*, CJ-2007-11005, *RSJ v. CLO*, CJ-2011-457, *Durham v. CLO*, CJ-2011-7178, *CLO v. Chesapeake*, CJ-2008-18.

- a. Recommendation of Lisa Blodgett, General Counsel*
- b. Vote to Convene Executive Session*
- c. Executive Session*
- d. Vote to Return to Regular Session*

Lisa Blodgett, General Counsel, recommended that the executive session was not necessary and no action was taken by the Commissioners on these items.

15. Proposed Action on Executive Session Items

The Commission may further consider and take action in open session related to executive session agenda items.

No executive session was held therefore no action was taken by the Commission.

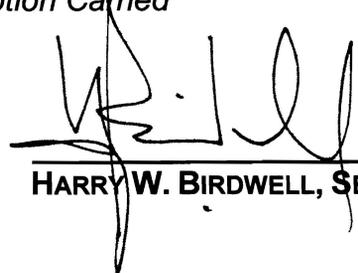
16. New Business

The Commission may discuss, consider and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

No new business was presented.

A MOTION was made by Lt. Governor Lamb and seconded by Commissioner Jones to adjourn the meeting.

Fallin:	Aye	
Lamb	Aye	
Barresi	Aye	
Jones:	Aye	<i>Motion Carried</i>
Reese	Absent	



HARRY W. BIRDWELL, SECRETARY

The meeting was adjourned at 2:55 p.m.

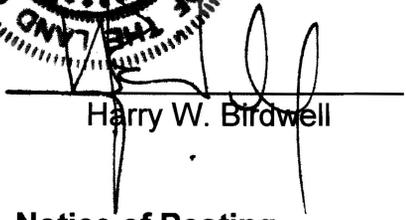
I HEREBY CERTIFY that the foregoing is a true, full and correct report of said meeting.

WITNESS my hand and official signature this 14th day of March, 2013



CHAIRMAN





Harry W. Birdwell

Notice of Posting

Date / Time: Monday, February 11, 2013, before 5:00 p.m.

Locations: Commissioners of the Land Office
120 N. Robinson, Suite 1000W
Oklahoma City, OK 73102
Governor's Large Conference Room
State Capitol, 2nd Floor
Oklahoma City, OK 73105

By: Debra Sprehe, Executive Assistant

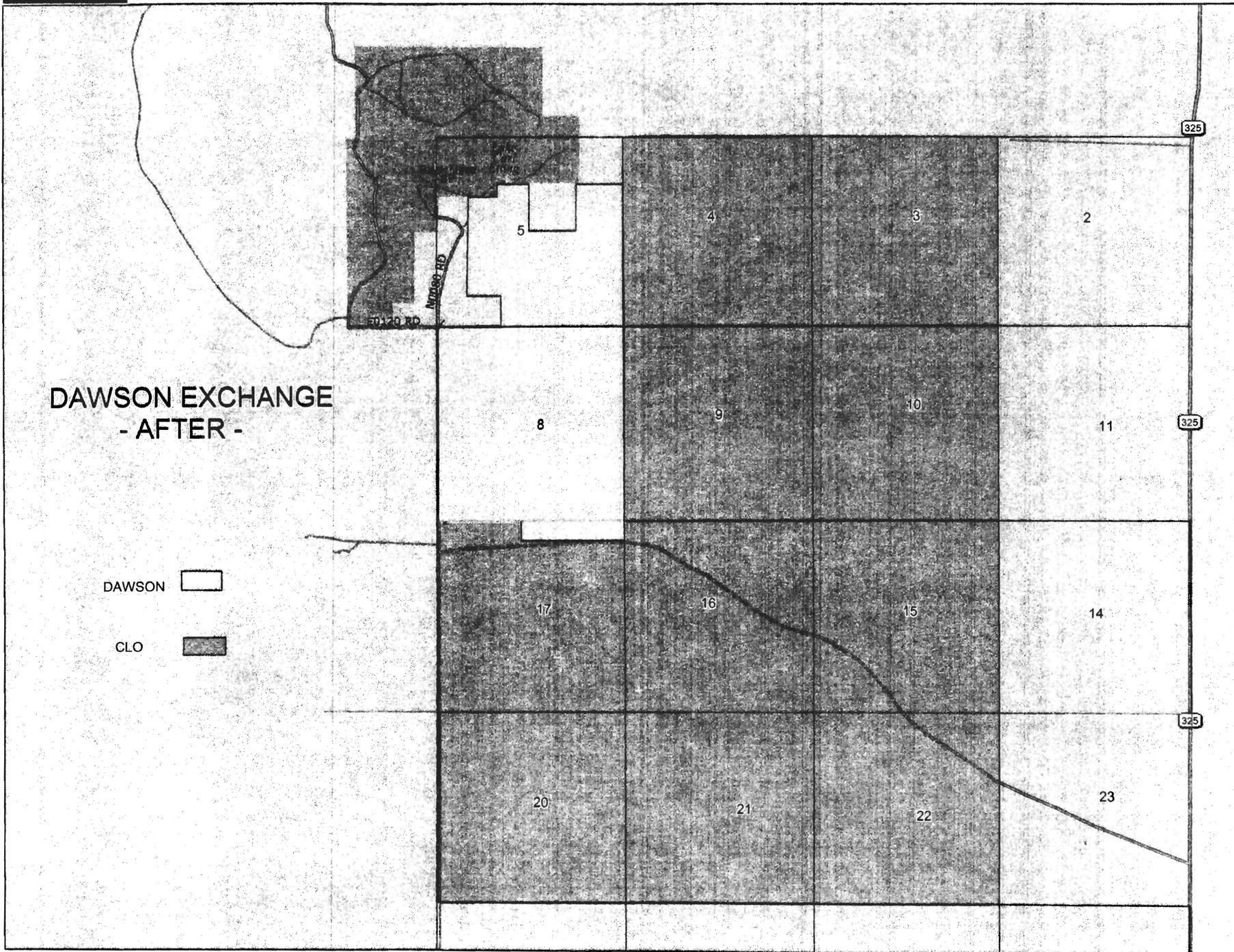
6. Review the performance and services of the external investment consultant. Every five years, or as deemed necessary, conduct an extensive review and recommend to the Investment Committee any changes deemed necessary.
7. Assist in selecting professional investment fund managers, custodial bank and investment consultant.
8. Negotiate and monitor terms and conditions of managers, custodian, and consultant services.
9. Monitor performance of investment options on an ongoing basis, at least quarterly and more often if necessary.
10. Monitor the Trust portfolio, on a timely basis, to ensure not more than 5% of the entire Trust portfolio is held in a single equity security or in a single bond issue.

V. INVESTMENT MANAGEMENT – ASSET CLASS GUIDELINES

The Trust assets may be invested in separately managed accounts or mutual funds. In such cases, the investment manager(s) of these funds will have full discretion over the portfolio management decisions in accordance with the following guidelines and those established by respective prospectuses. The Trust assets may only be invested in bonds issued in the United States and United States dollar denominated or other investments settled in United States dollars or traded on the United States exchange markets.

Investment in derivatives such as futures and options is generally prohibited. However, the use of index futures contracts which are Commodities and Futures Trading Commission (CFTC)-approved are permitted to be used by mutual fund and commingled fund manager(s) to maintain market exposure in a non-leveraged and non-speculative manner consistent with prospectuses or investment guidelines.

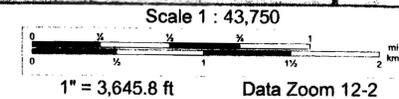
- A. **Equity Investments:** The overall investment objective of the equity portion is to provide above median long-term total returns relative to the appropriate index and relative to the returns of other funds with similar objectives and investment styles. The equity portion shall be invested under the following guidelines:
1. Allowed investments include publicly traded common stocks, stock warrants and rights, securities issued by non-U.S. companies traded on U.S. exchanges or over-the-counter (including sponsored and unsponsored American Depository Receipts – ADRs), as well as publicly traded REITs (Real Estate Investment Trusts) and any other investments as allowed by law.
 2. Equity managers shall not invest more than 5% of their portfolio based on the portfolio's market value at the time of purchase in one



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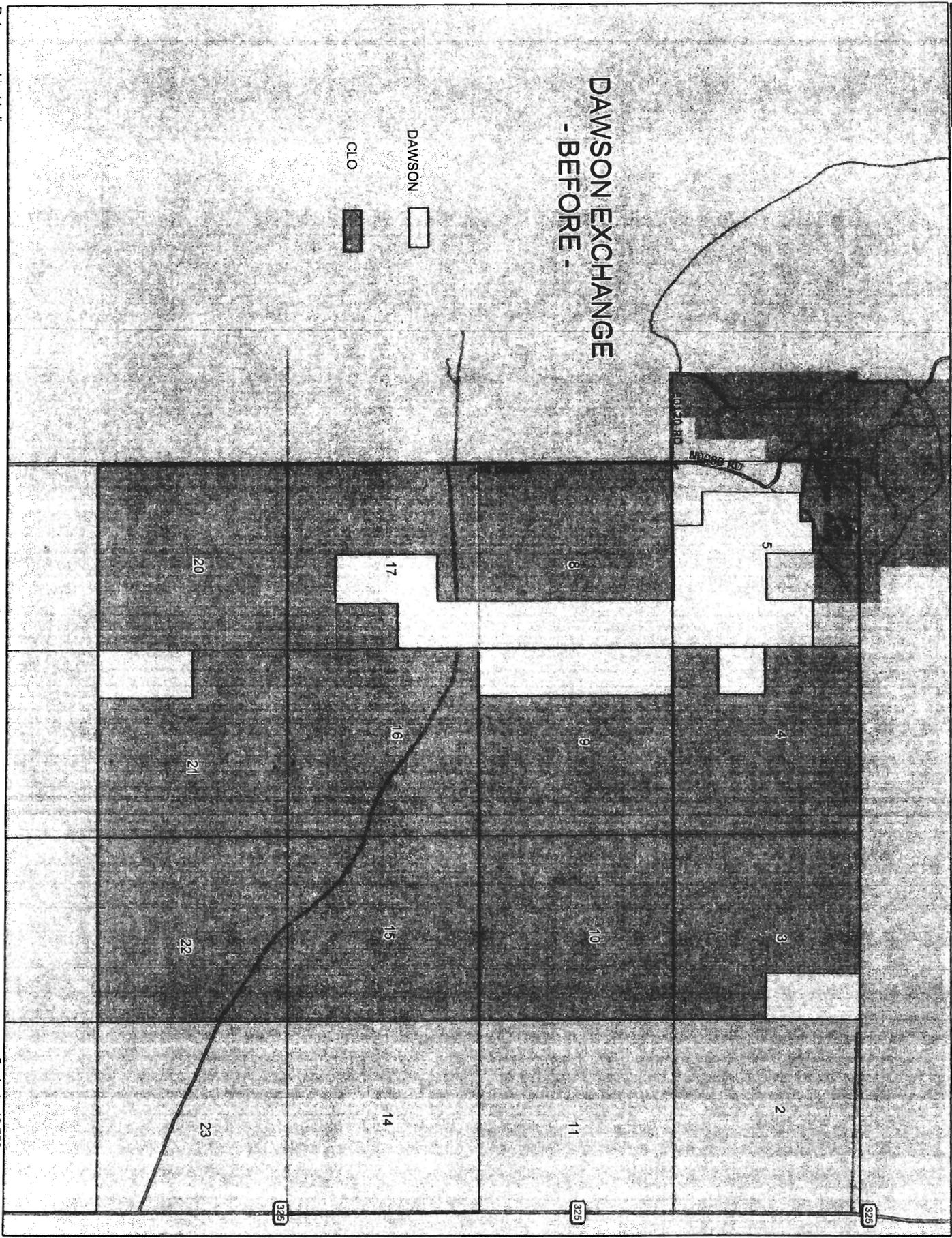
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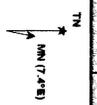
DAWSON 
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The following claims were approved by the Secretary and are routine in nature:

Claims Paid November 2012

BancFirst	Bank Service Charges	\$	635.01
Oklahoma State Treasurer	Bank Service Charges		1.00
Don Shunk Service	Construction and Renovation		18,170.00
My Consulting Group	Construction-in-Progress- Software		29,945.00
Office of Mangmt and Enterprise Services	Flexible Benefits- Administration		345.44
Office of Mangmt and Enterprise Services	Fuel Expense		9,303.98
First Choice Coffee Service	General Operating Expense		427.23
Neopost	General Operating Expense		152.99
Office of Mangmt and Enterprise Services	General Operating Expense		456.00
Staples	General Operating Expense		1,343.95
Grainger	General Operating Expense		606.00
Software House International	General Operating Expense		224.00
E-Legal Supply	General Operating Expense		61.25
Oklahoma Department of Corrections	General Operating Expense		1,461.90
Xpedx	General Operating Expense		704.60
Clinton Taylor	Land & Right-of-Way Expense		3,973.05
Diemer Construction	Land & Right-of-Way Expense		1,980.00
Michael Wayne Freeman	Land & Right-of-Way Expense		9,250.00
Sharp Drilling	Land & Right-of-Way Expense		11,710.00
Oklahoma Press Service	Library Equipment and Resources		12.00
Amazon	Library Equipment and Resources		23.89
Ahrens Bobcat & Treesaw	Maintenance & Repair Expense		3,300.00
Brandon Drinnon	Maintenance & Repair Expense		24,900.00
Clinton Taylor	Maintenance & Repair Expense		5,025.00
Diemer Construction	Maintenance & Repair Expense		1,815.00
Jason Stromski	Maintenance & Repair Expense		1,500.00
Jeff Davis and Sons Farm	Maintenance & Repair Expense		4,480.00
Midwest Wrecking	Maintenance & Repair Expense		5,380.00
Office of Mangmt and Enterprise Services	Maintenance & Repair Expense		289.82
TS Construction	Maintenance & Repair Expense		5,095.50
Office of Mangmt and Enterprise Services	Miscellaneous Admin Expense		6,095.00
Construction and Properties	Miscellaneous Admin Expense		200.00
Pacer	Miscellaneous Admin Expense		50.60
Oklahoma Press Service	Miscellaneous Admin Expense		2,639.82
United States Post Office	Miscellaneous Admin Expense		5,000.00
West Thomson Business	Miscellaneous Admin Expense		1,066.05
Stow's Office Furniture	Office Furniture and Equipment		1,499.00
Galt Foundation	Professional Services		2,898.78
KPMG	Professional Services		48,000.00
Office of Mangmt and Enterprise Services	Professional Services		2,345.00
Radio Oklahoma	Professional Services		9,400.00
Retail Attractions	Professional Services		3,500.00

Tisdal & O'Hara	Professional Services	15,722.50
CoBank	Registration Fee	275.00
Corporation Commission	Registration Fee	150.00
Appraisal Institute	Registration Fee	75.00
NAIFA	Registration Fee	320.00
McKissock	Registration Fee	228.48
Center for Exec. & Professional Dvlpmt	Registration Fee	165.00
Beaver County	Rent Expense	200.00
Cimmarron County	Rent Expense	300.00
Imagenet Consulting	Rent Expense	1,871.77
OCE North America	Rent Expense	14.25
Office of Mangmt and Enterprise Services	Rent Expense	10,742.73
Payne County	Rent Expense	228.00
Summit Mailing and Shipping Systems	Rent Expense	357.74
AT&T Mobility	Telecommunications Expense	87.95
AT&T	Telecommunications Expense	498.54
Cox Oklahoma Telephone	Telecommunications Expense	1,046.74
Panhandle Telephone	Telecommunications Expense	94.28
Pioneer Telephone	Telecommunications Expense	284.74
Office of Mangmt and Enterprise Services	Travel- Agency Direct Payment	1,427.26
Night Hotel	Travel- Agency Direct Payment	155.94
Country Inn & Suites	Travel- Agency Direct Payment	899.66
DoubleTree Hotel	Travel- Agency Direct Payment	1,293.03
Holiday Inn and Suites	Travel- Agency Direct Payment	867.82
Comfort Inn & Suites	Travel- Agency Direct Payment	770.00
Brownsworth, Gregory	Travel- Reimbursement	522.02
Drake, Thomas	Travel- Reimbursement	115.00
Eike, Tom	Travel- Reimbursement	620.49
Evans, Floyd	Travel- Reimbursement	207.00
Foster, Christopher	Travel- Reimbursement	1,387.51
Hermanski, David	Travel- Reimbursement	1,019.87
Jennings, Carter	Travel- Reimbursement	389.00
Jones, Brandon	Travel- Reimbursement	207.19
Nichols, Diana	Travel- Reimbursement	124.25
Schreiner, Randy	Travel- Reimbursement	<u>98.00</u>
		<u>\$ 268,033.62</u>

COMMISSIONERS OF THE LAND OFFICE
 BUDGET WORKSHEET

November 30, 2011 compared to November 30, 2012

<u>DESCRIPTION</u>	FY12	FY13	Expenditures
	YTD	YTD	Changed
	<u>Expenditures</u>	<u>Expenditures</u>	<u>From FY12/FY13</u>
Salaries	\$ 1,129,191	\$ 1,230,353	\$ 101,162
Longevity	26,694	26,428	(266)
Insurance	243,175	230,456	(12,719)
Premiums, Workers Comp	23,792	21,355	(2,437)
State Retirement & FICA	279,334	301,625	22,291
Professional	297,676	255,360	(42,316)
Personnel Board & Soonerflex	1,040	658	(382)
Total Personal Service	2,000,902	2,066,235	65,333
Travel Reimbursement	25,155	20,062	(5,093)
Direct Airline	6,931	12,547	5,616
Direct Registration	4,306	14,479	10,173
Postage, UPS & Courier Svc.	63	15,077	15,014
Communications	12,316	8,008	(4,308)
Printing & Advertising	13,222	17,962	4,740
Information Services & Core Charges	30,445	29,598	(847)
Exhibitions, Shows, Special Events	0	750	750
Miscellaneous Administrative Fee	0	200	200
Licenses, Permits, & Abstracts	423	600	177
Memberships & Tuition Reimb.	231	0	(231)
Insurance Premiums	2,710	0	(2,710)
Rental Of Space & Equipment	109,451	100,834	(8,617)
Repairs & Maintenance	2,005	173,509	171,504
Fuel/Special Supplies	2,408	8,374	5,966
Office & Printing Supplies	16,143	23,571	7,428
Shop Expense	56	0	(56)
Office Furniture & Equipment	44,599	3,136	(41,463)
Library Resources	2,068	203	(1,865)
Lease Purchases	0	0	0
Soil Conservation Projects	36,955	57,255	20,300
Construction in Progress- Software	0	29,945	29,945
Construction and Renovation	0	18,170	18,170
Safety /Security Supplies	0	0	0
Indemnity Payments	5,150	0	(5,150)
Total Supplies, Equip. & Oth.	314,637	534,280	219,643
TOTAL	\$ 2,315,539	\$ 2,600,515	\$ 284,976

The following claims were approved by the Secretary and are routine in nature:

Claims Paid December 2012

Oklahoma Press Service	Advertising Expense	\$ 3,921.31
Radio Oklahoma	Advertising Expense	600.00
BancFirst	Bank Service Charges	736.72
Oklahoma State Treasurer	Bank Service Charges	15.00
My Consulting Group	Construction-in-Progress - Software	23,950.00
AT&T	Data Processing Equipment	1,384.23
Office of Mangmt and Enterprise Services	Data Processing Software	5,000.00
SHI International Corp	Data Processing Software	3,440.00
Office of Mangmt and Enterprise Services	Flexible Benefits- Administration	372.20
Office of Mangmt and Enterprise Services	Fuel Expense	1,764.49
First Choice Coffee Service	General Operating Expense	87.89
Staples	General Operating Expense	448.90
Quill Corporation	General Operating Expense	71.96
Dew Online Stores	General Operating Expense	182.50
Dillon Kauk Dozer	Land and Right-of-Way Expense	3,600.00
West Thomson Reuter Business	Library Equipment and Resources	64.30
Insurance Department	License and Permit Fee	700.00
Walker Companies	License and Permit Fee	157.50
A&D Dozer Service	Maintenance & Repair Expense	3,445.00
Ahrens Bobcat & Treesaw	Maintenance & Repair Expense	5,025.00
Office of Mangmt and Enterprise Services	Maintenance & Repair Expense	37.50
Taylor's Dozer Work	Maintenance & Repair Expense	4,640.00
Federal Express	Miscellaneous Admin Expenses	32.03
KellPro	Miscellaneous Admin Expenses	60.00
Office of Mangmt and Enterprise Services	Miscellaneous Admin Expenses	430.00
Office of Mangmt and Enterprise Services	Miscellaneous Admin Expenses	1,624.40
Barbara Ley	Professional Services	2,397.00
Galt Foundation	Professional Services	3,300.43
Goolsby, Proctor, Heefner, Gibbs	Professional Services	10,105.60
Office of Mangmt and Enterprise Services	Professional Services	2,801.89
Retail Attractions	Professional Services	3,500.00
Tisdal & O'Hara	Professional Services	7,325.00
Travel Agents Incorporated	Professional Services	60.00
National Assoc of Independent Appraisers	Registration Fee	125.00
Center for Exec & Professional Development	Registration Fee	165.00
Oklahoma Society of CPAs	Registration Fee	220.00
Oklahoma Assoc.of Public Procurement	Registration Fee	28.00
TCC- Business Office	Registration Fee	475.00
First National Management	Rent Expense	38,287.92
Imagenet Consulting	Rent Expense	1,856.67
Office of Mangmt and Enterprise Services	Rent Expense	174.58

Summit Mailing & Shipping Systems	Rent Expense	357.74
AT&T Mobility	Telecommunications Expense	106.51
AT&T	Telecommunications Expense	499.43
Panhandle Telephone	Telecommunications Expense	94.28
Pioneer Telephone	Telecommunications Expense	288.71
Verizon Wireless	Telecommunications Expense	43.01
Office of Mangmt and Enterprise Services	Travel- Agency Direct Payments	3,414.30
Magnolia Hotel Dallas	Travel- Agency Direct Payments	961.26
Southwest Airlines	Travel- Agency Direct Payments	909.60
Comfort Inn & Suites	Travel- Agency Direct Payments	154.00
Brownsworth, Gregory	Travel- Reimbursement	567.21
Eike, Tom	Travel- Reimbursement	276.95
Foster, Christopher	Travel- Reimbursement	409.04
Hake, Daniel	Travel- Reimbursement	607.30
Hermanski, David	Travel- Reimbursement	726.39
Hoover, Jon	Travel- Reimbursement	416.06
Ramsey, Foster Trey	Travel- Reimbursement	<u>523.56</u>

\$ 142,968.37

COMMISSIONERS OF THE LAND OFFICE

BUDGET WORKSHEET

December 31, 2011 compared to December 31, 2012

<u>DESCRIPTION</u>	FY12	FY13	Expenditures
	YTD	YTD	Changed
	<u>Expenditures</u>	<u>Expenditures</u>	<u>From FY12/FY13</u>
Salaries	\$ 1,369,199	\$ 1,484,709	\$ 115,510
Longevity	34,320	34,454	134
Insurance	290,732	278,118	(12,614)
Premiums, Workers Comp	23,792	21,355	(2,437)
State Retirement & FICA	339,317	363,701	24,384
Professional	307,050	283,648	(23,402)
Personnel Board & Soonerflex	1,326	658	(668)
Total Personal Service	2,365,736	2,466,643	100,907
Travel Reimbursement	30,260	23,588	(6,672)
Direct Airline	9,947	14,702	4,755
Direct Registration	4,730	15,492	10,762
Postage, UPS & Courier Svc.	5,085	15,109	10,024
Communications	15,266	8,698	(6,568)
Printing & Advertising	22,714	18,353	(4,361)
Information Services & Core Charges	32,890	35,387	2,497
Exhibitions, Shows, Special Events	0	750	0
Miscellaneous Administrative Fee	0	200	200
Licenses, Permits, & Abstracts	1,123	1,055	(68)
Memberships & Tuition Reimb.	991	375	(616)
Insurance Premiums	2,710	0	(2,710)
Rental Of Space & Equipment	131,242	144,734	13,492
Repairs & Maintenance	2,131	186,730	184,599
Fuel/Special Supplies	3,553	11,062	7,509
Office & Printing Supplies	40,883	28,286	(12,597)
Shop Expense	56	0	(56)
Office Furniture & Equipment	51,915	9,520	(42,395)
Library Resources	2,068	267	(1,801)
Lease Purchases	0	0	0
Soil Conservation Projects	44,695	60,855	16,160
Construction in Progress- Software	0	53,895	53,895
Construction and Renovation	0	18,170	18,170
Safety /Security Supplies	0	0	0
Indemnity Payments	5,150	0	(5,150)
Total Supplies, Equip. & Oth.	407,409	647,228	239,069
TOTAL	\$ 2,773,145	\$ 3,113,871	\$ 339,976

**MINERALS MANAGEMENT DIVISION
MONTHLY SUMMARY**

FROM: 11/1/2012 TO: 11/30/2012

RE: SUMMARY OF THE 11/28/2012 OIL AND GAS LEASE SALE

*TOTAL BONUS:	\$2,270,393.71	* Includes only high bids
TOTAL NET ACRES:	2,509.83	
AVG PRICE PER ACRE:	\$904.60	
TOTAL TRACTS:	34	
TOTAL HIGH BIDS:	33	
TOTAL LOW BIDS:	5	
TOTAL BIDS RECEIVED:	38	
TOTAL TRACTS NO BIDS:	1	
HIGH BID PER ACRE:	\$2,758.00	

Tabulation of bids received by Commissioners of the Land Office of Oil and Gas Mining Leases
Sale held in the Commission conference room, at Oklahoma City, Oklahoma

11/28/2012

Oil and Gas Lease Sale

**MINERALS MANAGEMENT DIVISION
APPROVAL OF OIL AND GAS LEASE SALE TABULATION**

<u>TR #</u>	<u>COUNTY</u>	<u>LEGAL DESCRIPTION</u>	<u>NET ACRES</u>	<u>BIDDER</u>	<u>BONUS</u>	<u>PRICE PER ACRE</u>
1	ALFALFA	NE/4, as to the Mississippi Lime formation only (All M.R.), Sec. 13-27N-12WIM	160.00	CHESAPEAKE EXPLORATION LLC	\$204,160.00	\$1,276.00
2	ALFALFA	SE/4, as to the Mississippi Lime formation only (All M.R.), Sec. 13-27N-12WIM	160.00	CHESAPEAKE EXPLORATION LLC	\$204,160.00	\$1,276.00
3	ATOKA	W/2 SE/4 (1/2 M.R.), Sec. 33-02S-09EIM	40.00	HUSKY VENTURES INC	\$6,520.00	\$163.00
4	BEAVER	SW/4 NE/4 (All M.R.), Sec. 05-05N-27ECM	40.00	CONCHO LAND COMPANY LLC	\$6,120.00	\$153.00
5	BEAVER	Lot 4; SW/4 NW/4 (All M.R.), Sec. 05-05N-27ECM	80.01	CONCHO LAND COMPANY LLC	\$12,241.53	\$153.00
6	BEAVER	E/2 SW/4 (All M.R.), Sec. 05-05N-27ECM	80.00	CONCHO LAND COMPANY LLC	\$12,240.00	\$153.00
7	BRYAN	Lots 7 and 8 (All M.R.), Sec. 22-06S-08EIM	45.76	XTO ENERGY INC	\$23,246.08	\$508.00
8	BRYAN	NE/4 SE/4 SW/4 (All M.R.), Sec. 22-06S-08EIM	10.00	XTO ENERGY INC	\$5,080.00	\$508.00
9	BRYAN	W/2 SE/4, less 12 acres in the SW/4 SE/4 (All M.R.), Sec. 30-06S-08EIM	68.00	XTO ENERGY INC	\$34,544.00	\$508.00
10	BRYAN	S/2 NW/4 SW/4; SW/4 SW/4 (1/2 M.R.), Sec. 30-06S-08EIM	30.00	XTO ENERGY INC	\$15,240.00	\$508.00
11	CADDO	SW/4 NW/4 (1/2 M.R.), Sec. 01-10N-12WIM	20.00	SCHONWALD LAND INC	\$11,703.40	\$585.17
12	CADDO	W/2 SW/4 (1/2 M.R.), Sec. 01-10N-12WIM	40.00	SCHONWALD LAND INC	\$23,406.80	\$585.17

13	CADDO	NE/4 (All M.R.), Sec. 16-11N-12WIM	160.00	SCHONWALD LAND INC	\$93,627.20	\$585.17
14	CADDO	SW/4 (1/2 M.R.), Sec. 22-11N-12WIM	80.00	SCHONWALD LAND INC	\$14,170.40	\$177.13
15	CADDO	SW/4 (1/2 M.R.), Sec. 01-11N-13WIM	80.00	SCHONWALD LAND INC	\$50,597.60	\$632.47
16	CRAIG	N/2 SE/4 (1/2 M.R.), Sec. 21-26N-18EIM	40.00	OLAP COMPANY LLC	\$400.00	\$10.00
17	ELLIS	S/2 SW/4, less and except Oswego and Atoka formations, effective the date of first production of the Danny 3H-3 well. (All M.R.), Sec. 03-17N-22WIM	80.00	APACHE CORPORATION	\$122,080.00	\$1,526.00
17	ELLIS	S/2 SW/4, less and except Oswego and Atoka formations, effective the date of first production of the Danny 3H-3 well. (All M.R.), Sec. 03-17N-22WIM	80.00	PANTHER ENERGY COMPANY LLC	\$81,600.00	\$1,020.00
18	ELLIS	All that part of Lot 1 of Section 28-18N-25WIM, accreted to and lying within Section 27-18N-25WIM (All M.R.), Sec. 27-18N-25WIM	3.07	DARANCO LLC	\$7,777.00	\$2,533.22
18	ELLIS	All that part of Lot 1 of Section 28-18N-25WIM, accreted to and lying within Section 27-18N-25WIM (All M.R.), Sec. 27-18N-25WIM	3.07	CHESAPEAKE EXPLORATION LLC	\$5,185.23	\$1,689.00
19	GARVIN	N/2 NE/4; N/2 SE/4 NE/4; SE/4 SE/4 NE/4; SW/4 NE/4 (1/2 M.R.), Sec. 22-03N-02WIM	75.00	LIBERTY LAND SERVICES INC	\$28,350.00	\$378.00
20	MCCLAIN	SW/4 SW/4 NW/4 (All M.R.), Sec. 16-06N-02WIM	10.00	CHARTER OAK PRODUCTION CO LLC	\$2,137.70	\$213.77
21	MCCLAIN	W/2 W/2 SW/4; SE/4 SW/4 SW/4; SW/4 SE/4 SW/4 (All M.R.), Sec. 16-06N-02WIM	60.00	CHARTER OAK PRODUCTION CO LLC	\$12,826.20	\$213.77
22	MCCLAIN	N/2 NE/4; SE/4 NE/4; N/2 SW/4 NE/4; SE/4 SW/4 NE/4 (1/2 M.R.), Sec. 09-06N-04WIM	75.00	ENERGY LEASE ACCOUNT LLC	\$52,500.00	\$700.00
23	MCCLAIN	NE/4 NE/4 SE/4 (1/2 M.R.), Sec. 09-06N-04WIM	5.00	CONTINENTAL EXPLORATION LLC	\$13,790.00	\$2,758.00
23	MCCLAIN	NE/4 NE/4 SE/4 (1/2 M.R.), Sec. 09-06N-04WIM	5.00	ENERGY LEASE ACCOUNT LLC	\$3,500.00	\$700.00
24	MCCLAIN	NW/4 SE/4 NW/4; S/2 SE/4 NW/4; LOT 2 (All M.R.), Sec. 31-07N-04WIM	67.99	ENERGY LEASE ACCOUNT LLC	\$47,593.00	\$700.00
25	MCCLAIN	E/2 SW/4; N/2 OF NE 10 ACRES OF LOT 3 (All M.R.), Sec. 31-07N-04WIM	85.00	ENERGY LEASE ACCOUNT LLC	\$59,500.00	\$700.00
26	PITTSBURG	NE/4 NW/4; E/2 NW/4 NW/4; NW/4 NW/4 NW/4, less and except the Hartshorne formation (1/2 M.R.), Sec. 25-08N-12EIM	35.00	CANAAN RESOURCES X LLC	\$23,730.00	\$678.00
27	ROGER MILLS	NE/4 (1/2 M.R.), Sec. 28-13N-24WIM	80.00	CRYSTAL RIVER OIL & GAS LLC	\$20,000.00	\$250.00
28	ROGER MILLS	E/2 NE/4 (All M.R.), Sec. 11-13N-25WIM	80.00	NO BIDS	\$0.00	\$0.00
29	ROGER MILLS	NE/4 (All M.R.), Sec. 36-15N-25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
30	ROGER MILLS	NW/4 (All M.R.), Sec. 36-15N-25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
31	ROGER MILLS	SE/4 (All M.R.), Sec. 36-15N-25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00

32	ROGER MILLS	SW/4 (All M.R.), Sec. 36-15N-25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
33	TEXAS	W/2 NE/4 (All M.R.), Sec. 36-01N-19ECM	80.00	CHAPARRAL ENERGY LLC	\$80,526.40	\$1,006.58
33	TEXAS	W/2 NE/4 (All M.R.), Sec. 36-01N-19ECM	80.00	STRAT LAND EXPLORATION COMPANY	\$12,228.80	\$152.86
34	TEXAS	W/2 SE/4 (All M.R.), Sec. 36-01N-19ECM	80.00	CHAPARRAL ENERGY LLC	\$80,526.40	\$1,006.58
34	TEXAS	W/2 SE/4 (All M.R.), Sec. 36-01N-19ECM	80.00	STRAT LAND EXPLORATION COMPANY	\$12,228.80	\$152.86

RE: ASSIGNMENTS OF OIL AND GAS MINING LEASES APPROVED:

<u>Lease #</u>	<u>County</u>	<u>Legal Description</u>	<u>Assignor</u>	<u>Assignee</u>
CS-14520	ROGER MILLS	E/2 NE/4; W/2 NW/4 (1/2 M.R.) of Sec. 23-15N-23WIM	ENERGY PROSPECTS INC	SEA BREEZE LLC
CS-14521	ROGER MILLS	SE/4 (1/2 M.R.) of Sec. 23-15N-23WIM	ENERGY PROSPECTS INC	SEA BREEZE LLC
CS-14522	ROGER MILLS	SW/4 (1/2 M.R.) of Sec. 23-15N-23WIM	ENERGY PROSPECTS INC	SEA BREEZE LLC
CS-29189	PAWNEE	NE/4 of Sec. 16-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
CS-29190	PAWNEE	NW/4 of Sec. 16-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
CS-29191	PAWNEE	SE/4 of Sec. 16-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
CS-29192	PAWNEE	SW/4 of Sec. 16-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
PB-29193	PAWNEE	NE/4, subject to a partial subordination to the U.S. Government. of Sec. 33-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
PB-29194	PAWNEE	NW/4, subject to a partial subordination to the U.S. Government. of Sec. 33-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
PB-29195	PAWNEE	Lots 3 and 4, subject to a partial subordination to the U.S. Government. of Sec. 33-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC
PB-29196	PAWNEE	Lots 1 and 2, subject to a partial subordination to the U.S. Government. of Sec. 33-20N-08EIM	BG ENERGY PARTNERS LLC	OSAGE EXPLORATION & DEVELOPMENT INC

RE: SEISMIC EXPLORATION PERMITS

The following permits have been granted for seismic exploration on the following School Trust land:

<u>PERMIT NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY</u>	<u>AMOUNT</u>
742	W/2 Sec.16- 28N-10W; NW/4 Sec. 13 & NE/4 Sec.16 & SE/4 Sec.33-28N-11W Alfalfa County	McDonald Land Services, LLC	\$8,200.00

Minerals Management Division has prepared 5 Division Orders for the month of November 2012.

**MINERALS MANAGEMENT DIVISION
MONTHLY SUMMARY**

FROM: 12/1/2012

TO: 12/31/2012

11/28/2012 OIL AND GAS MINING LEASE SALE

MINERALS MANAGEMENT DIVISION

AWARDS OF LEASES TO HIGH BIDDERS

<u>TR#</u>	<u>RESULT</u>	<u>COUNTY</u>	<u>LEGAL</u>	<u>NET ACRES</u>	<u>BIDDER</u>	<u>BONUS</u>	<u>PRICE PER ACRE</u>
1	AWARDED	ALFALFA	NE/4, as to the Mississippi Lime formation only (All M.R.), Sec. 13-27N-12WIM	160.00	CHESAPEAKE EXPLORATION LLC	\$204,160.00	\$1,276.00
2	AWARDED	ALFALFA	SE/4, as to the Mississippi Lime formation only (All M.R.), Sec. 13-27N-12WIM	160.00	CHESAPEAKE EXPLORATION LLC	\$204,160.00	\$1,276.00
3	AWARDED	ATOKA	W/2 SE/4 (1/2 M.R.), Sec. 33-02S-09EIM	40.00	HUSKY VENTURES INC	\$6,520.00	\$163.00
4	AWARDED	BEAVER	SW/4 NE/4 (All M.R.), Sec. 05-05N-27ECM	40.00	CONCHO LAND COMPANY LLC	\$6,120.00	\$153.00
5	AWARDED	BEAVER	Lot 4; SW/4 NW/4 (All M.R.), Sec. 05-05N-27ECM	80.01	CONCHO LAND COMPANY LLC	\$12,241.53	\$153.00
6	AWARDED	BEAVER	E/2 SW/4 (All M.R.), Sec. 05-05N-27ECM	80.00	CONCHO LAND COMPANY LLC	\$12,240.00	\$153.00
7	AWARDED	BRYAN	Lots 7 and 8 (All M.R.), Sec. 22-06S-08EIM	45.76	XTO ENERGY INC	\$23,246.08	\$508.00
8	AWARDED	BRYAN	NE/4 SE/4 SW/4 (All M.R.), Sec. 22-06S-08EIM	10.00	XTO ENERGY INC	\$5,080.00	\$508.00
9	AWARDED	BRYAN	W/2 SE/4, less 12 acres in the SW/4 SE/4 (All M.R.), Sec. 30-06S-08EIM	68.00	XTO ENERGY INC	\$34,544.00	\$508.00
10	AWARDED	BRYAN	S/2 NW/4 SW/4; SW/4 SW/4 (1/2 M.R.), Sec. 30-06S-08EIM	30.00	XTO ENERGY INC	\$15,240.00	\$508.00
11	AWARDED	CADDO	SW/4 NW/4 (1/2 M.R.), Sec. 01-10N-12WIM	20.00	SCHONWALD LAND INC	\$11,703.40	\$585.17
12	AWARDED	CADDO	W/2 SW/4 (1/2 M.R.), Sec. 01-10N-12WIM	40.00	SCHONWALD LAND INC	\$23,406.80	\$585.17
13	AWARDED	CADDO	NE/4 (All M.R.), Sec. 16-11N-12WIM	160.00	SCHONWALD LAND INC	\$93,627.20	\$585.17
14	REJECTED	CADDO	SW/4 (1/2 M.R.), Sec. 22-11N-12WIM	80.00	SCHONWALD LAND INC	\$14,170.40	\$177.13
15	AWARDED	CADDO	SW/4 (1/2 M.R.), Sec. 01-11N-13WIM	80.00	SCHONWALD LAND INC	\$50,597.60	\$632.47
16	AWARDED	CRAIG	N/2 SE/4 (1/2 M.R.), Sec. 21-26N-18EIM	40.00	OLAP COMPANY LLC	\$400.00	\$10.00
17	AWARDED	ELLIS	S/2 SW/4, less and except Oswego and Atoka formations, effective the date of first production of the Danny 3H-3 well. (All M.R.), Sec. 03-17N-22WIM	80.00	APACHE CORPORATION	\$122,080.00	\$1,526.00
18	AWARDED	ELLIS	All that part of Lot 1 of Section 28-18N-25WIM, accreted to and lying within Section 27-18N-25WIM (All M.R.), Sec. 27-18N-25WIM	3.07	DARANCO LLC	\$7,777.00	\$2,533.22
19	AWARDED	GARVIN	N/2 NE/4; N/2 SE/4 NE/4; SE/4 SE/4 NE/4; SW/4 NE/4 (1/2 M.R.), Sec. 22-03N-02WIM	75.00	LIBERTY LAND SERVICES INC	\$28,350.00	\$378.00

20	AWARDED	MCCLAIN	SW/4 SW/4 NW/4 (All M.R.), Sec. 16-06N-02WIM	10.00	CHARTER OAK PRODUCTION CO LLC	\$2,137.70	\$213.77
21	AWARDED	MCCLAIN	W/2 W/2 SW/4; SE/4 SW/4 SW/4; SW/4 SE/4 SW/4 (All M.R.), Sec. 16-06N-02WIM	60.00	CHARTER OAK PRODUCTION CO LLC	\$12,826.20	\$213.77
22	AWARDED	MCCLAIN	N/2 NE/4; SE/4 NE/4; N/2 SW/4 NE/4; SE/4 SW/4 NE/4 (1/2 M.R.), Sec. 09-06N-04WIM	75.00	ENERGY LEASE ACCOUNT LLC	\$52,500.00	\$700.00
23	AWARDED	MCCLAIN	NE/4 NE/4 SE/4 (1/2 M.R.), Sec. 09-06N-04WIM	5.00	CONTINENTAL EXPLORATION LLC	\$13,790.00	\$2,758.00
24	AWARDED	MCCLAIN	NW/4 SE/4 NW/4; S/2 SE/4 NW/4; LOT 2 (All M.R.), Sec. 31- 07N-04WIM	67.99	ENERGY LEASE ACCOUNT LLC	\$47,593.00	\$700.00
25	AWARDED	MCCLAIN	E/2 SW/4; N/2 OF NE 10 ACRES OF LOT 3 (All M.R.), Sec. 31- 07N-04WIM	85.00	ENERGY LEASE ACCOUNT LLC	\$59,500.00	\$700.00
26	AWARDED	PITTSBURG	NE/4 NW/4; E/2 NW/4 NW/4; NW/4 NW/4 NW/4, less and except the Hartshorne formation (1/2 M.R.), Sec. 25-08N-12EIM	35.00	CANAAN RESOURCES X LLC	\$23,730.00	\$678.00
27	REJECTED	ROGER MILLS	NE/4 (1/2 M.R.), Sec. 28-13N- 24WIM	80.00	CRYSTAL RIVER OIL & GAS LLC	\$20,000.00	\$250.00
28	NO BIDS	ROGER MILLS	E/2 NE/4 (All M.R.), Sec. 11- 13N-25WIM	80.00	NO BIDS	\$0.00	\$0.00
29	AWARDED	ROGER MILLS	NE/4 (All M.R.), Sec. 36-15N- 25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
30	AWARDED	ROGER MILLS	NW/4 (All M.R.), Sec. 36-15N- 25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
31	AWARDED	ROGER MILLS	SE/4 (All M.R.), Sec. 36-15N- 25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
32	AWARDED	ROGER MILLS	SW/4 (All M.R.), Sec. 36-15N- 25WIM	160.00	APACHE CORPORATION	\$250,400.00	\$1,565.00
33	AWARDED	TEXAS	W/2 NE/4 (All M.R.), Sec. 36- 01N-19ECM	80.00	CHAPARRAL ENERGY LLC	\$80,526.40	\$1,006.58
34	AWARDED	TEXAS	W/2 SE/4 (All M.R.), Sec. 36- 01N-19ECM	80.00	CHAPARRAL ENERGY LLC	\$80,526.40	\$1,006.58

MINERALS MANAGEMENT DIVISION

TRACTS OFFERED FOR OIL AND GAS MINING

The following tracts will be offered for lease on: **1/23/2013**

<u>TR#</u>	<u>COUNTY</u>	<u>LEGAL DESCRIPTION</u>	<u>M.R. %</u>	<u>SEC-TWP-RGE</u>
1	BEAVER	Lots 3 and 4; E/2 SW/4, from the surface to the base of the Marmaton - oil rights only	50.00%	19-01N-22ECM
2	BEAVER	NE/4, less and except the Chester Lime formation, effective on production of the Johnson 1-32 well after 9-1-2012	50.00%	32-05N-22ECM
3	BEAVER	SE/4, less and except the Chester Lime formation, effective on production of the Johnson 1-32 well after 9-1-2012	50.00%	32-05N-22ECM
4	CLEVELAND	All that portion of Lots 5, 6 and 7 lying with the NE/4	100.00%	36-10N-04WIM
5	CLEVELAND	All that portion of Lot 7 lying within the NW/4	100.00%	36-10N-04WIM
6	CLEVELAND	All that portion of Lots 1 and 2 of Section 25-10N-4WIM accreted to and lying within Section 36-10N-4WIM	50.00%	36-10N-04WIM
7	CLEVELAND	All that portion of Lots 5, 6 and 7 lying within the SE/4, less and except from the surface to the base of the Lower Viola formation	100.00%	36-10N-04WIM
8	CLEVELAND	All that portion of Lots 5, 6 and 7 lying within the SW/4	100.00%	36-10N-04WIM
9	CRAIG	N/2 NE/4	100.00%	13-26N-19EIM

10	CRAIG	NE/4 NW/4	100.00%	13-26N-19EIM
11	GARFIELD	NE/4, less and except the Mississippi Lime formation	100.00%	13-23N-08WIM
12	GARFIELD	NW/4, less and except the Mississippi Lime formation	100.00%	13-23N-08WIM
13	GARFIELD	SW/4, less and except the Mississippi Lime formation	100.00%	13-23N-08WIM
14	KAY	SE/4 SW/4, less and except from the surface to the base of the Endicott formation and also less and except the Wilcox and Mississippian formations	100.00%	36-25N-01WIM
15	LINCOLN	NW/4	100.00%	16-14N-02EIM
16	LINCOLN	SW/4	100.00%	33-12N-03EIM
17	LINCOLN	NW/4	100.00%	36-13N-04EIM
18	LOGAN	NE/4	100.00%	36-15N-01WIM
19	LOGAN	W/2 NW/4	100.00%	36-15N-01WIM
20	LOGAN	SW/4	100.00%	36-15N-01WIM
21	LOGAN	NE/4	100.00%	36-16N-01WIM
22	LOGAN	NW/4	100.00%	36-16N-01WIM
23	LOGAN	SE/4	100.00%	36-16N-01WIM
24	LOGAN	SW/4	100.00%	36-16N-01WIM
25	LOGAN	SW/4, any use of the surface lands covered herein shall require the permission of the lessor	100.00%	16-15N-02WIM
26	LOGAN	NE/4	100.00%	36-15N-02WIM
27	LOGAN	SE/4	100.00%	36-16N-02WIM
28	LOGAN	NW/4	100.00%	16-15N-03WIM
29	LOGAN	NE/4 SE/4, less and except the Skinner (Bartlesville) formation	100.00%	16-15N-03WIM
30	LOGAN	NW/4 SE/4, less and except the Skinner (Bartlesville) and Prue formations	100.00%	16-15N-03WIM
31	LOGAN	SE/4 SE/4, less and except the Skinner (Bartlesville) formation	100.00%	16-15N-03WIM
32	LOGAN	SW/4 SE/4, less and except the Prue and Skinner (Bartlesville) formations	100.00%	16-15N-03WIM
33	LOGAN	SE/4 SW/4, less and except the Skinner (Bartlesville) formation	100.00%	16-15N-03WIM
34	LOGAN	SW/4 SW/4, less and except the Skinner (Bartlesville) formation	100.00%	16-15N-03WIM
35	PAWNEE	NE/4 NE/4; S/2 NE/4	100.00%	36-21N-06EIM
36	PAWNEE	NW/4 NE/4, less and except the Red Fork formation	100.00%	36-21N-06EIM
37	PAWNEE	NW/4	100.00%	36-21N-06EIM
38	PAWNEE	SE/4	100.00%	36-21N-06EIM
39	PAWNEE	E/2 SW/4, less and except the Bartlesville and Cleveland formations	100.00%	36-21N-06EIM
40	PAWNEE	W/2 SW/4, less and except the Bartlesville formation	100.00%	36-21N-06EIM
41	PAYNE	NE/4	100.00%	16-19N-03EIM
42	ROGER MILLS	All that part of Lots 1 and 2 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM	100.00%	14-17N-22WIM
43	ROGER MILLS	All that part of Lots 3 and 4 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM	100.00%	14-17N-22WIM
44	STEPHENS	N/2 NE/4 containing 71.439394 acres, less the South 585 feet of the East 660	2.68%	14-02N-08WIM

feet of the N/2 NE/4
a/d/a the following: An 8.560606 acre tract beginning 755 feet South of the NE corner of the NE/4; thence South 660 feet; thence West 660 feet; thence North 660 feet; thence East 660 feet to the point of beginning. Also, less and except from the surface to the base of the Deese formation

45 STEPHENS S/2 NE/4 containing 68.560606 acres, less the following tracts: (1) A 1.439394 acre tract described as the North 95 feet of the East 660 feet of the S/2 NE/4 a/d/a beginning 755 feet South of the NE corner of the NE/4; thence South 660 feet; thence West 660 feet; thence North 660 feet; thence East 660 feet to the point of beginning; (2) A 5 acre tract described as the North 612.5 feet beginning at the SE/corner of the NE/4; thence West 356 feet; thence North 1225 feet; thence East 356 feet; thence South 1225 feet to the point of beginning; and (3) A 5 acre tract described as the South 612.5 feet beginning at the SE/corner of the NE/4; thence West 356 feet; thence North 1225 feet; thence East 356 feet; thence South 1225 feet to the point of beginning. Also, less and except from the surface to the base of the Deese formation

2.00% 14-02N-08WIM

RE: ASSIGNMENTS OF OIL AND GAS MINING LEASES APPROVED:

<u>Lease #</u>	<u>County</u>	<u>Legal Description</u>	<u>Assignor</u>	<u>Assignee</u>
CS-5616	BEAVER	NW/4 (1/2 M.R.) of Sec. 30-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-5617	BEAVER	S/2 SE/4 (1/2 M.R.) of Sec. 30-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-5618	BEAVER	SW/4 (1/2 M.R.) of Sec. 30-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-5619	BEAVER	SW/4 (1/2 M.R.) of Sec. 31-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-6260	BEAVER	NE/4 (1/2 M.R.) of Sec. 32-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-6261	BEAVER	NW/4 (1/2 M.R.) of Sec. 32-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-6262	BEAVER	SE/4 (1/2 M.R.) of Sec. 32-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-6263	BEAVER	SW/4 (1/2 M.R.) of Sec. 32-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-6375	BEAVER	N/2 SW/4 (1/2 M.R.) of Sec. 29-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-7625	BEAVER	N/2 SE/4 (1/2 M.R.) of Sec. 30-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-7641	BEAVER	NE/4 of Sec. 30-02N-23ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-12776	CADDO	NE/4 (1/2 M.R.) of Sec. 14-12N-12WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-13515	DEWEY	LOTS 7 & 8 A/K/A S/2 SW/4 of Sec.	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY

36-20N-14WIM

CS-13518	MAJOR	W/2 NW/4 (1/2 M.R.) of Sec. 35-20N-14WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-13519	MAJOR	NW/4; LOTS 1 & 2 A/K/A N/2 SW/4 of Sec. 36-20N-14WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-14095	CADDO	NW/4 of Sec. 16-12N-12WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-14577	CUSTER	NE/4 (1/2 M.R.) of Sec. 14-12N-16WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-18288	CADDO	N/2 NE/4 NE/4; W/2 NE/4, L&E LOWER CUNNINGHAM (1/2 M.R.) of Sec. 10-11N-11WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-21236	CIMARRON	NE/4 SW/4 (ALL M.R.) of Sec. 07-05N-08ECM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
CS-21245	CADDO	E/2 SW/4; LOT 3 (AKA NW/4 SW/4) & LOT 4 (AKA SW/4 SW/4) LESS & EXCEPT THE MORROW AND SPRINGER of Sec. 31-10N-11WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY
UP-458	CUSTER	N/2 NE/4, LESS AND EXCEPT THE ATOKA FORMATION, AS FOUND IN THE BARTEL #1 WELL, PRODUCING FROM A DEPTH OF 14,039' TO 14,091' IN THE C SW/4, AND ALSO, LESS AND EXCEPT THE SPRINGER FORMATION AS FOUND IN THE BARTEL #3 WELL, PRODUCING FROM A DEPTH OF 15,412' TO 15,419' IN THE NE/4 NW/4 NE/4 of Sec. 24-12N-15WIM	NOBLE ENERGY INC	UNIT PETROLEUM COMPANY

RE: SEISMIC EXPLORATION PERMITS

The following permits have been granted for seismic exploration on the following School Trust land:

<u>PERMIT NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY</u>	<u>AMOUNT</u>
743	NW/4 Sec 13-26N-11W; SW/4 Sec 16; NE/4 Sec 33 & SE/4 Sec 36-27N-11W Alfalfa County	McDonald Land Services, LLC	\$6,600.00
744	NW/4 Sec 34 & Parts of 36-21N-4E Pawnee County	Nicholson Land Services	\$4,200.00

Minerals Management Division has prepared 14 Division Orders for the month of December 2012

**REAL ESTATE MANAGEMENT DIVISION
MONTHLY SUMMARY**

December 1 - 31, 2012

RE: SURFACE LEASE ASSIGNMENTS

Lease No.	Description	Rent	Lessee
205318 – Tillman County	Sec. 13-1S-15WIM	\$11,750.00	John Ellis

This lease was previously in the name of Calvin Stoll. Rental is paid current.

Lease No.	Description	Rent	Lessee
102145 – Texas County	N/2 & SW/4 Sec. 36-4N-16ECM (less improvements)	\$3,500.00	Michael J. Lambley & Mignon L. Lambley

This lease was previously in the name of C. J. Mouser. Rental is paid current.

Lease No.	Description	Rent	Lessee
100195 – Payne County	SW/4 Sec. 16-17N-2EIM	\$8,300.00	Cross S Farm, LLC

This lease was previously in the name of Chris M. McCutchen. Rental is paid current.

RE: SHORT TERM COMMERCIAL LEASE ASSIGNMENTS

Lease No.	Description	Rent	Lessee
106458 – Pottawatomie County	Lot 4 of S/2 & SE/4NE/4 Sec. 16-10N-2EIM	\$1,200.00	SWM & Sons Inc.

This lease was previously in the name of Otis Maxwell or Craig Maxwell. Rental is paid current.

Lease No.	Description	Rent	Lessee
106497 – Pottawatomie County	Lot 15 of S/2 & SE/4NE/4 Sec. 16-10N-2EIM, Pottawatomie County, Oklahoma according to the recorded plat thereof.	\$1,200.00	Michael Hurst

This lease was previously in the name of Michael Chad Hastings. Rental is paid current.

RE: NEW SHORT TERM COMMERCIAL LEASE

Lease No.	Description	Rent	Lessee
109277 – Comanche County	SE/C SE/4 Sec. 33-2N-10WIM	\$500.00	Jeffrey Carroll

Term of lease is 1-1-2013 thru 12-31-2015.

RE: RENEWAL OF SHORT TERM COMMERCIAL LEASES

Lease No.	Legal Description	Annual Rent	Lessee
106451 - Pottawatomie County	S/2 & SE/4NE/4 Sec. 16-10N-2EIM Lot 40 Shawnee School Land Plat	\$1,200.00	Henry Davis
106447 - Pottawatomie County	S/2 & SE/4NE/4 Sec. 16-10N-2EIM Lot 45 Shawnee School Land Plat	\$1,200.00	Julie or Charlie Akerman
106460- Pottawatomie County	S/2 & SE/4NE/4 Sec. 16-10N-2EIM Lot 44 Shawnee School Land Plat	\$1,200.00	Michael Jon Clopton Trust
106458- Pottawatomie County	S/2 & SE/4NE/4 Sec. 16-10N-2EIM Lot 4 Shawnee School Land Plat	\$1,200.00	SWB & Sons, Inc.
105658- Beaver County	SE/C Sec. 36-6N-22ECM	\$1,500.00	DCP Midstream, LP
106413-	SE/4 Sec. 36-19N-5EIM	\$500.00	City of Yale

Payne County		Minimum	
715205- Beaver County	SW/4NW/4 Sec. 4-3N-28ECM	\$600.00	Chesapeake Operating Inc.
106294- Grant County	SE/4 Sec. 16-27N-5WIM	\$1,200.00	Medford Public Schools
106320- Dewey County	N/2N/2 Sec. 5-16N-17WIM	\$1,000.00	JMA Energy Co, LLC
100063- Kay County	SE/4NW/4NE/4 Sec. 36-25N-1 WIM	\$7,400.00	Te-Ray Resources, Inc.
715055- Woodward County	SW/C Sec. 2-24N-17WIM	\$1,500.00	ONEOK Field Services Company LLC
106489- Harper County	NE/C NE/4 Sec. 16-25N-21WIM	\$1,500.00	ONEOK Field Services Company LLC
106187- Payne County	NW?4SW/4NW/4 Sec. 36-19N-2EIM	\$1,600.00	Lamar Advertising Company
106289- Payne County	SE/4SW/4SW/4 Sec. 16-19N-3EIM	\$1,500.00	Lamar Advertising Company
106290- Payne County	SW/4SW/4NW/4 Sec. 36-19N-2EIM	\$1,500.00	Lamar Advertising Company
206629- Payne County	SW/C SW/4 Sec. 33-20N-2EIM	\$1,600.00	Lamar Advertising Company
105967- Washita County	SE/C Sec. 36-8N-14WIM	\$900.00	Clay AG Inc.
106477- Woodward County	NE/4 & SW/4 Sec. 36-21N-22WIM	\$0.35/1000 gallons	Woodward Municipal Authority
105881- Lincoln County	NW/C Sec. 16-21N-6EIM	\$1,300.00	Richard & Jackie Martinez
511630- Woods County	NW/4NW/4; S/2 NW/4; N/2 SW/4 Sec. 23-24N-16WIM	\$4,800.00	Okla. Tourism & Recreation Dept.
511004- Woods County	E/2 of SW/4 & NW/4 of SW/4 & SE/4 Sec. 22-24N-16WIM	\$6,700.00	Okla. Tourism & Recreation Dept.
511002- Woods County	S/2 of NW/4 and SW/4 Sec. 15-24N-16WIM	\$5,800.00	Okla. Tourism & Recreation Dept.

Term of leases is 1/1/2013 thru 12/31/2015.

RE: SOIL CONSERVATION PROJECTS

Lease No.	Lessee	Location	Practice	Cost to CLO
100745 – Pawnee County	Steven Spess	S/2NE/4 & SE/4 Sec. 36-21N-6EIM	Clean out existing pond.	\$2,280.00
100919 – Kay County	Morgan Bergman	NW/4 Sec. 36-28N-1WIM	Clean out existing pond.	\$2,280.00
100920 – Kay County	Morgan Bergman	SW/4 Sec.36-28N-1WIM	Clean out existing pond.	\$2,280.00
101736 – Dewey County	Robert K. Moss	SW/4 Sec. 36-20N-18WIM	Drill and complete livestock water well.	\$7,450.00
101737 – Dewey County	Robert K. Moss	E/2 Sec. 36-20N-18WIM	Drill and complete livestock water well.	\$7,450.00
101301 – Cotton County	Dennis Bachand	SE/4 Sec. 36-15N-10WIM	Construct Reservoir.	\$4,800.00

RE: REQUEST AND AUTHORIZATION FOR IMPROVEMENTS

Lease No.	Description	Approx. Cost	Lessee
100868 –Noble County	Lts 3,4,5,6 & S/2SE/4 & NE/4 Sec 36-20N-1WIM (less improvements)	\$8,000.00	Dvorak Farms, LLC

Lessee has requested to make improvements at their expense E2/ Sec. 36. Lessee wishes to build a fence (1.5 miles).

Lease No.	Description	Approx. Cost	Lessee
205150- –Garfield County	NE/4 Sec.13-23N-3WIM (less improvements)	\$7,477.00	Less Schnaithman

Lessee has requested to make improvements at their expense. Lessee wishes to build a fence (1 mile).

RE: PATENT ISSUED ON LAND SALE

Having met all required conditions, the following Patent has been issued.

PATENT AND SALE NUMBER:
6437
CS2004193

LEGAL DESCRIPTION

A 1 acre trace lying in the Northwest Quarter (NW/4) of Section Thirty-Six (36), Township Ten North (10N), Range Four East of the Indian Meridian (4EIM) more particularly described as follows: Commencing at the Northwest Corner of said NW/4, thence S89° 53'27" E a distance of 1092 feet to the point of beginning; thence continuing S89° 53'27" E a distance of 121 feet; thence S00° 06'33" E a distance of 360 feet; thence S89° 53'27" W a distance of 121 feet; thence N00° 06'33" E a distance of 360 feet; thence S89°53'27" W a distance of 121 feet; thence N00° 06'33" E a distance of 360 feet to the point of beginning, containing one (1) acre, more or less, Pottawatomie County, Oklahoma, and subject to right of ways and easements of records

PURCHASER(S)

William Cecil Bernard, Jr. & Kathy J. Bernard

COMMISSIONERS OF THE LAND OFFICE

REGULAR MEETING MINUTES

THURSDAY, MARCH 14, 2013 AT 2:00 P.M.
GOVERNOR'S LARGE CONFERENCE ROOM
STATE CAPITOL BUILDING – SECOND FLOOR
OKLAHOMA CITY, OKLAHOMA

Notice was posted online with the Secretary of State on November 16, 2012. Public notice was also posted on the Commissioners of the Land Office website and at the Commissioners of the Land Office and Governor's Large Conference Room of the State Capitol Building on Tuesday, March 12, 2013, before 5 p.m.

PRESENT:

Honorable Mary Fallin, Governor and Chair
Honorable Todd Lamb, Lt. Governor and Vice Chair
Honorable Gary Jones, State Auditor & Inspector and Member
Honorable Janet Barresi, State Superintendent of Public Instruction and Member
Honorable Jim Reese, Absent

CLO STAFF PRESENT:

Harry W. Birdwell, Secretary
Keith Kuhlman, Assistant Secretary
Debra Sprehe, Executive Assistant
Terri Watkins, Director of Communications
Dave Shipman, Director of Minerals Management Division
Lisa Blodgett, General Counsel
Karen Johnson, Chief Financial Officer

VISITORS:

Rebecca Frazier, Governor's Office
Steve Tinsley, State Auditor and Inspector
Keith Beall, Lt. Governor's Office
Kathy Bates, PTA

Governor Fallin called the meeting to order at 2:21 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Fallin:	Present
Lamb:	Present
Jones:	Present
Barresi:	Present
Reese:	Absent

1. Approval of Minutes for Regular Meeting held February 14, 2013

This agenda item was presented by Harry W. Birdwell, Secretary. A Motion was made by Lt. Governor Lamb and seconded by Commissioner Jones to approve the minutes of the February 14, 2013 meeting.

Fallin:	Aye	
Lamb	Aye	
Jones:	Aye	<i>Motion Carried</i>
Barresi:	Aye	
Reese:	Absent	

2. Secretary's Comments

a. Distributions to Beneficiaries for February 2013

Secretary Birdwell reported that distributions to Common School and High Ed beneficiaries for February 2013 were \$10.5 million, compared to \$8.3 million in February 2012.

Common School distributions were \$1.7 million more than the previous February. Overall, FY 2013 distributions trail FY 2012. Both Common Schools and Higher Education beneficiaries have received lower distributions in FY 2013. Regional universities are approximately 5% lower than FY 2012 through the first 7 months of the fiscal year. The comprehensive research universities, OU and OSU, are significantly lower (20%) because of their reliance on mineral lease bonus income.

b. March 2013 Lease Bonus Auction Results

Commissioners were briefed on the March 2013 lease bonus auction. Twenty three tracts were successfully leased, netting lease bonus revenues of \$740,000. (PowerPoint)

c. Electronic Mineral Auction Update

Secretary Birdwell noted that during the March auction last week the first parallel test of the electronic auction format was conducted. Twenty eight companies participated on a test basis. Thirty two mock bids were received on-line. At the next test streaming video and audio will be used. The system has been designed with security and protection.

d. 2013 Legislative Update

Secretary Birdwell reported that two bills proposed by the agency (HB 1883 and HB 1022) have been approved by the Oklahoma House of Representatives and will move to the Senate. House Bill 1883 provides greater flexibility to the Secretary to move funds into the distribution account to create opportunities for more distributable income. House Bill 1022 would permit the CLO to invest up to 3% of its portfolio into real estate.

e. Increase Public Access and Transparency of CLO Information

Secretary Birdwell reported on the many measures that have been begun and completed to increase public access to CLO records and information and to increase the transparency of the agency during the Fallin administration. (PowerPoint)

f. Report on Investment Manager Transition

Secretary Birdwell reported on a successful effort to replace three large cap equity investment managers in an effort to enhance yields and reduce management fees. (PowerPoint)

g. Continuing Review of Investment Strategies with Investment Advisor (RV Kuhns) and Investment Committee

Because of low interest rates and a general negative investment climate, the CLO is working with the Investment Committee and investment advisor, R.V. Kuhns, to examine every aspect of the investment policy and strategies to determine if greater yields can be achieved without increasing risk. Despite the good results of the investment portfolio, the CLO wants to assure that all permitted market vehicles are used to drive higher yield.

h. Agency Goals for Balance of FY 2013

Secretary Birdwell highlighted several agency goals and initiatives for the last half of FY 2013. (PowerPoint)

3. Consent Agenda – Request Approval of January 2013 Agency Monthly Division Summary of Activities

The Agenda items presented on the Consent Agenda are considered as one item for voting purposes. The Consent Agenda includes items that are statutorily or constitutionally required to be performed by the Commissioners of the Land Office or are administrative in nature, which are done as a routine action by the Commissioners of the Land Office. If any member of the Commission or any member of the public requests a particular item or items to be considered individually, the matter or matters shall be considered individually.

- a. *Presented by Harry W. Birdwell, Secretary*
- b. *Discussion*
- c. *Commission Action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

Accounting Division

1. **January 2013**
 - a. **Claims Paid (routine)**
 - b. **Expenditure Comparison**

Minerals Management Division

1. **January 2013**
 - a. **Approval of 1/23/13 Oil and Gas Lease Sale Tabulation**
 - b. **Assignments of Oil and Gas Leases**
 - c. **Seismic Exploration Permits**
 - d. **Division Orders**

Real Estate Management Division

1. **January 2013**
 - a. **Surface Lease Assignments**
 - b. **New Short Term Commercial Leases**
 - c. **Renewal Short Term Commercial Lease**
 - d. **20 Year Easements**
 - e. **Soil Conservation Projects**

The agenda item was presented by Harry Birdwell, Secretary. A MOTION was made by Lt. Governor Lamb and seconded Commissioner Jones by to approve the Consent Agenda.

Fallin:	Aye	
Lamb	Aye	
Barresi	Aye	
Jones:	Aye	<i>Motion Carried</i>
Reese	Absent	

4. Financial Information Regarding Investments and Monthly Distributions (informational only)

Investments

- a. Market Value Comparison January 2013

Accounting

- b. February Distribution for FY-13 by District and Month

5. Executive Session

Executive Session pursuant to 25 O.S. § 307(B)(4) for the purpose of confidential communications between the Commission and its attorney concerning pending investigations, claims or actions, if upon advice of its attorney, it is determined that disclosure will seriously impair the Commission's ability to process the claim or conduct the pending investigations, litigation, or proceedings in the public interest regarding *CRR v. CLO*, CJ-2007-11005, *RSJ v. CLO*, CJ-2011-457, *Durham v. CLO*, CJ-2011-7178, *CLO v. Chesapeake*, CJ-2008-18.

- a. *Recommendation of Lisa Blodgett, General Counsel*
- b. *Vote to Convene Executive Session*
- c. *Executive Session*
- d. *Vote to Return to Regular Session*

Lisa Blodgett, General Counsel, recommended that the executive session was not necessary and no action was taken by the Commissioners on these items.

6. Proposed Action on Executive Session Items

The Commission may further consider and take action in open session related to executive session agenda items.

No executive session was held therefore no action was taken by the Commission.

7. New Business

The Commission may discuss, consider and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

No new business was presented.

A MOTION was made by Lt. Governor Lamb and seconded by Commissioner Barresi to adjourn the meeting.

Fallin:	Aye	
Lamb	Aye	
Barresi	Aye	<i>Motion Carried</i>
Jones:	Aye	
Reese	Absent	



HARRY W. BIRDWELL, SECRETARY

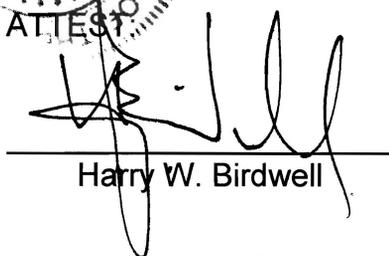
The meeting was adjourned at 2:53 p.m.

I HEREBY CERTIFY that the foregoing is a true, full and correct report of said meeting.

WITNESSES my hand and official signature this 11th day of April, 2013



CHAIRMAN



Harry W. Birdwell

Notice of Posting

Date / Time: Tuesday, March 12, 2013, before 5:00 p.m.

Locations: Commissioners of the Land Office
120 N. Robinson, Suite 1000W
Oklahoma City, OK 73102
Governor's Large Conference Room
State Capitol, 2nd Floor
Oklahoma City, OK 73105

By: Debra Sprehe, Executive Assistant

The following claims were approved by the Secretary and are routine in nature:

Claims Paid January 2013

Oklahoma Farmers Union	Advertising Expense	\$ 400.00
Oklahoma Press Service	Advertising Expense	11,111.21
BancFirst	Bank Service Charges	1,096.41
Oklahoma State Treasurer	Bank Service Charges	1.00
My Consulting	Construction-in-Progress - Software	23,317.50
Office of Management and Enterprise Services	Flexible Benefits- Administration	189.72
Office of Management and Enterprise Services	Fuel Expense	1,199.45
Amazon	General Operating Expense	83.43
Arcanum Security	General Operating Expense	1,444.35
Dale Rogers Training Center	General Operating Expense	364.74
First Choice Coffee Service	General Operating Expense	250.73
Garvin County Community Center	General Operating Expense	429.00
Ned's Catering	General Operating Expense	1,451.25
Office Depot	General Operating Expense	79.60
SHI International	General Operating Expense	23.00
Staples	General Operating Expense	1,914.21
West Thomson	Informational Services	1,730.00
Jason Stromski	Land and Right-of-Way Expense	5,600.00
MK Excavation	Land and Right-of-Way Expense	8,500.00
TS Construction	Land and Right-of-Way Expense	2,429.00
Office of Management and Enterprise Services	Maintenance and Repair Expense	288.00
OkAPP	Membership Fee	40.00
Bloomberg	Miscellaneous Administrative Expense	5,925.00
Geoland Management	Miscellaneous Administrative Expense	1,200.00
Insurance Department	Miscellaneous Administrative Expense	680.00
Office of Management and Enterprise Services	Miscellaneous Administrative Expense	5,592.54
Barbara Ley	Professional Service	5,390.50
Burns & Stowers	Professional Service	42,017.50
Dell	Professional Service	8,020.33
Galt Foundation	Professional Service	4,631.07
Goolsby, Proctor, Hefner, Gibbs	Professional Service	10,650.25
KPMG	Professional Service	3,600.00
Office of Management and Enterprise Services	Professional Service	3,943.13
Retail Attractions	Professional Service	8,500.00
RV Kuhns	Professional Service	40,262.90
Tisdal and O'Hara	Professional Service	25,207.50
ASFMRA	Registration Fee	1,538.00
TCC- Business Office	Registration Fee	70.00
Imagenet Consulting	Rent Expense	1,904.31
OCE North America	Rent Expense	32.81

Oklahoma Public Employees Retirement System	Retirement Contribution Expense	466.67
AT&T	Telecommunications Expense	564.41
AT&T Mobility	Telecommunications Expense	148.51
Cox Telecom	Telecommunications Expense	1,047.48
Omega 1 Networks	Telecommunications Expense	350.00
Panhandle Telephone Coop	Telecommunications Expense	94.15
Pioneer Telephone	Telecommunications Expense	289.49
Verizon Wireless	Telecommunications Expense	86.02
Holiday Inn and Suites	Travel- Agency Direct Payments	349.64
Office of Management and Enterprise Services	Travel- Agency Direct Payments	3,421.50
Sheraton Hotel	Travel- Agency Direct Payments	634.44
Ambrose, Joel	Travel- Reimbursement	408.55
Berger, Cecil	Travel- Reimbursement	183.16
Brownsworth, Gregory	Travel- Reimbursement	908.13
Eike, Tom	Travel- Reimbursement	734.50
Evans, Floyd	Travel- Reimbursement	332.00
Hermanski, David	Travel- Reimbursement	736.82
Schreiner, Randy	Travel- Reimbursement	<u>148.50</u>
		<u>\$ 242,012.41</u>

COMMISSIONERS OF THE LAND OFFICE
EXPENDITURE COMPARISON
January 31, 2012 compared to January 31, 2013

<u>DESCRIPTION</u>	FY12	FY13	Expenditures
	YTD	YTD	Changed
	<u>Expenditures</u>	<u>Expenditures</u>	<u>From FY12/FY13</u>
Salaries	\$ 1,617,148	\$ 1,743,453	\$ 126,305
Longevity	43,580	45,715	2,135
Insurance	336,931	324,338	(12,593)
Premiums, Workers Comp	23,792	21,355	(2,437)
State Retirement & FICA	398,721	427,223	28,502
Professional	382,910	436,506	53,596
Personnel Board & Soonerflex	1,611	1,220	(391)
Total Personal Service	2,804,693	2,999,810	195,117
Travel Reimbursement	34,732	27,040	(7,692)
Direct Airline	11,564	19,111	7,547
Direct Registration	7,377	17,100	9,723
Postage, UPS & Courier Svc.	5,125	15,109	9,984
Communications	19,634	10,414	(9,220)
Printing & Advertising	22,806	30,344	7,538
Information Services & Core Charges	39,341	47,177	7,836
Exhibitions, Shows, Special Events	0	750	750
Miscellaneous Administrative Fee	0	200	200
Licenses, Permits, & Abstracts	1,448	1,395	(53)
Memberships & Tuition Reimb.	991	755	(236)
Insurance Premiums	2,710	3,960	1,250
Rental Of Space & Equipment	154,504	146,846	(7,658)
Repairs & Maintenance	2,646	203,297	200,651
Fuel/Special Supplies	4,153	12,827	8,674
Office & Printing Supplies	47,339	34,326	(13,013)
Shop Expense	284	0	(284)
Office Furniture & Equipment	61,554	9,520	(52,034)
Library Resources	2,354	267	(2,087)
Lease Purchases	0	0	0
Soil Conservation Projects	47,195	60,855	13,660
Construction in Progress- Software	0	77,213	77,213
Construction and Renovation	0	18,170	18,170
Safety /Security Supplies	0	0	0
Indemnity Payments	5,150	0	(5,150)
Total Supplies, Equip. & Oth.	470,907	736,676	265,769
TOTAL	\$ 3,275,600	\$ 3,736,486	\$ 460,886

**MINERALS MANAGEMENT DIVISION
MONTHLY SUMMARY**

FROM: 1/1/2013 TO: 1/31/2013

RE: SUMMARY OF THE 1/23/2013 OIL AND GAS LEASE SALE

*TOTAL BONUS:	\$781,943.25	* Includes only high bids
TOTAL NET ACRES:	1,955.19	
AVG PRICE PER ACRE:	\$399.93	
TOTAL TRACTS:	45	
TOTAL HIGH BIDS:	18	
TOTAL LOW BIDS:	11	
TOTAL BIDS RECEIVED:	29	
TOTAL TRACTS NO BIDS:	27	
HIGH BID PER ACRE:	\$2,175.00	

Tabulation of bids received by Commissioners of the Land Office of Oil and Gas Mining Leases
Sale held in the Commission conference room, at Oklahoma City, Oklahoma

1/23/2013

Oil and Gas Lease Sale

**MINERALS MANAGEMENT DIVISION
APPROVAL OF OIL AND GAS LEASE SALE TABULATION**

TR #	COUNTY	LEGAL DESCRIPTION	NET ACRES	BIDDER	BONUS	PRICE PER ACRE
1	BEAVER	Lots 3 and 4; E/2 SW/4, from the surface to the base of the Marmaton - oil rights only (1/2 M.R.), Sec. 19-01N-22ECM	79.16	SUPERIOR TITLE SERVICES INC	\$63,328.00	\$800.00
1	BEAVER	Lots 3 and 4; E/2 SW/4, from the surface to the base of the Marmaton - oil rights only (1/2 M.R.), Sec. 19-01N-22ECM	79.16	CHAPARRAL ENERGY LLC	\$55,491.16	\$701.00
1	BEAVER	Lots 3 and 4; E/2 SW/4, from the surface to the base of the Marmaton - oil rights only (1/2 M.R.), Sec. 19-01N-22ECM	79.16	R K PINSON & ASSOCIATES LLC	\$51,628.94	\$652.21
2	BEAVER	NE/4, less and except the Chester Lime formation, effective on production of the Johnson 1-32 well after 9-1-2012 (1/2 M.R.), Sec. 32-05N-22ECM	80.00	SNYDER PARTNERS	\$16,640.00	\$208.00
3	BEAVER	SE/4, less and except the Chester Lime formation, effective on production of the Johnson 1-32 well after 9-1-2012 (1/2 M.R.), Sec. 32-05N-22ECM	80.00	SNYDER PARTNERS	\$16,640.00	\$208.00

4	CLEVELAND	All that portion of Lots 5, 6 and 7 lying with the NE/4 (All M.R.), Sec. 36-10N-04WIM	289.47	NO BIDS	\$0.00	\$0.00
5	CLEVELAND	All that portion of Lot 7 lying within the NW/4 (All M.R.), Sec. 36-10N-04WIM	10.00	NO BIDS	\$0.00	\$0.00
6	CLEVELAND	All that portion of Lots 1 and 2 of Section 25-10N-4WIM accreted to and lying within Section 36-10N-4WIM (1/2 M.R.), Sec. 36-10N-04WIM	38.70	NO BIDS	\$0.00	\$0.00
7	CLEVELAND	All that portion of Lots 5, 6 and 7 lying within the SE/4, less and except from the surface to the base of the Lower Viola formation (All M.R.), Sec. 36-10N-04WIM	124.57	NO BIDS	\$0.00	\$0.00
8	CLEVELAND	All that portion of Lots 5, 6 and 7 lying within the SW/4 (All M.R.), Sec. 36-10N-04WIM	16.25	NO BIDS	\$0.00	\$0.00
9	CRAIG	N/2 NE/4 (All M.R.), Sec. 13-26N-19EIM	80.00	OLAP COMPANY LLC	\$4,800.00	\$60.00
10	CRAIG	NE/4 NW/4 (All M.R.), Sec. 13-26N-19EIM	40.00	OLAP COMPANY LLC	\$2,400.00	\$60.00
11	GARFIELD	NE/4, less and except the Mississippi Lime formation (All M.R.), Sec. 13-23N-08WIM	160.00	KIRKPATRICK OIL & GAS LLC	\$4,000.00	\$25.00
12	GARFIELD	NW/4, less and except the Mississippi Lime formation (All M.R.), Sec. 13-23N-08WIM	160.00	KIRKPATRICK OIL & GAS LLC	\$4,000.00	\$25.00
13	GARFIELD	SW/4, less and except the Mississippi Lime formation (All M.R.), Sec. 13-23N-08WIM	160.00	KIRKPATRICK OIL & GAS LLC	\$4,000.00	\$25.00
14	KAY	SE/4 SW/4, less and except from the surface to the base of the Endicott formation and also less and except the Wilcox and Mississippian formations (All M.R.), Sec. 36-25N-01WIM	40.00	NO BIDS	\$0.00	\$0.00
15	LINCOLN	NW/4 (All M.R.), Sec. 16-14N-02EIM	160.00	UPLAND ENERGY RESOURCES LLC	\$34,000.00	\$212.50
16	LINCOLN	SW/4 (All M.R.), Sec. 33-12N-03EIM	160.00	NO BIDS	\$0.00	\$0.00
17	LINCOLN	NW/4 (All M.R.), Sec. 36-13N-04EIM	160.00	NO BIDS	\$0.00	\$0.00
18	LOGAN	NE/4 (All M.R.), Sec. 36-15N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
19	LOGAN	W/2 NW/4 (All M.R.), Sec. 36-15N-01WIM	80.00	NO BIDS	\$0.00	\$0.00
20	LOGAN	SW/4 (All M.R.), Sec. 36-15N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
21	LOGAN	NE/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
22	LOGAN	NW/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
23	LOGAN	SE/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00

24	LOGAN	SW/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
25	LOGAN	SW/4, any use of the surface lands covered herein shall require the permission of the lessor (All M.R.), Sec. 16-15N-02WIM	160.00	NO BIDS	\$0.00	\$0.00
26	LOGAN	NE/4 (All M.R.), Sec. 36-15N-02WIM	160.00	NO BIDS	\$0.00	\$0.00
27	LOGAN	SE/4 (All M.R.), Sec. 36-16N-02WIM	160.00	NO BIDS	\$0.00	\$0.00
28	LOGAN	NW/4 (All M.R.), Sec. 16-15N-03WIM	160.00	NO BIDS	\$0.00	\$0.00
29	LOGAN	NE/4 SE/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
30	LOGAN	NW/4 SE/4, less and except the Skinner (Bartlesville) and Prue formations (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
31	LOGAN	SE/4 SE/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
32	LOGAN	SW/4 SE/4, less and except the Prue and Skinner (Bartlesville) formations (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
33	LOGAN	SE/4 SW/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
34	LOGAN	SW/4 SW/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
35	PAWNEE	NE/4 NE/4; S/2 NE/4 (All M.R.), Sec. 36-21N-06EIM	120.00	EUFAULA LLC	\$42,813.60	\$356.78
35	PAWNEE	NE/4 NE/4; S/2 NE/4 (All M.R.), Sec. 36-21N-06EIM	120.00	BLUEHAWK PROPERTIES INC	\$1,200.00	\$10.00
36	PAWNEE	NW/4 NE/4, less and except the Red Fork formation (All M.R.), Sec. 36-21N-06EIM	40.00	DARANCO LLC	\$22,222.00	\$555.55
36	PAWNEE	NW/4 NE/4, less and except the Red Fork formation (All M.R.), Sec. 36-21N-06EIM	40.00	EUFAULA LLC	\$14,271.20	\$356.78
36	PAWNEE	NW/4 NE/4, less and except the Red Fork formation (All M.R.), Sec. 36-21N-06EIM	40.00	BLUEHAWK PROPERTIES INC	\$400.00	\$10.00
37	PAWNEE	NW/4 (All M.R.), Sec. 36-21N-06EIM	160.00	EUFAULA LLC	\$57,084.80	\$356.78
37	PAWNEE	NW/4 (All M.R.), Sec. 36-21N-06EIM	160.00	BLUEHAWK PROPERTIES INC	\$1,600.00	\$10.00
38	PAWNEE	SE/4 (All M.R.), Sec. 36-21N-06EIM	160.00	EUFAULA LLC	\$57,084.80	\$356.78
38	PAWNEE	SE/4 (All M.R.), Sec. 36-21N-06EIM	160.00	BLUEHAWK PROPERTIES INC	\$1,600.00	\$10.00

39	PAWNEE	E/2 SW/4, less and except the Bartlesville and Cleveland formations (All M.R.), Sec. 36-21N-06EIM	80.00	EUFAULA LLC	\$28,542.40	\$356.78
39	PAWNEE	E/2 SW/4, less and except the Bartlesville and Cleveland formations (All M.R.), Sec. 36-21N-06EIM	80.00	BLUEHAWK PROPERTIES INC	\$800.00	\$10.00
40	PAWNEE	W/2 SW/4, less and except the Bartlesville formation (All M.R.), Sec. 36-21N-06EIM	80.00	EUFAULA LLC	\$28,542.40	\$356.78
40	PAWNEE	W/2 SW/4, less and except the Bartlesville formation (All M.R.), Sec. 36-21N-06EIM	80.00	BLUEHAWK PROPERTIES INC	\$800.00	\$10.00
41	PAYNE	NE/4 (All M.R.), Sec. 16-19N-03EIM	160.00	DEVON ENERGY PRODUCTION COMPANY LP	\$56,480.00	\$353.00
42	ROGER MILLS	All that part of Lots 1 and 2 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM (All M.R.), Sec. 14-17N-22WIM	60.91	APACHE CORPORATION	\$132,479.25	\$2,175.00
42	ROGER MILLS	All that part of Lots 1 and 2 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM (All M.R.), Sec. 14-17N-22WIM	60.91	MEWBOURNE OIL COMPANY	\$9,319.23	\$153.00
43	ROGER MILLS	All that part of Lots 3 and 4 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM (All M.R.), Sec. 14-17N-22WIM	95.12	APACHE CORPORATION	\$206,886.00	\$2,175.00
43	ROGER MILLS	All that part of Lots 3 and 4 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM (All M.R.), Sec. 14-17N-22WIM	95.12	MEWBOURNE OIL COMPANY	\$14,553.36	\$153.00
44	STEPHENS	N/2 NE/4 containing 71.439394 acres, less the South 585 feet of the East 660 feet of the N/2 NE/4 a/d/a the following: An 8.560606 acre tract beginning 755 feet South of the NE corner of the NE/4; thence South 660 feet; thence West 660 feet; thence North 660 feet; thence East 660 feet to the point of beginning. Also, less and except from the surface to the base of the Deese formation (2.68%), Sec. 14-02N-08WIM	1.91	NO BIDS	\$0.00	\$0.00

45	STEPHENS	S/2 NE/4 containing 68.560606 acres, less the following tracts: (1) A 1.439394 acre tract described as the North 95 feet of the East 660 feet of the S/2 NE/4 a/d/a beginning 755 feet South of the NE corner of the NE/4; thence South 660 feet; thence West 660 feet; thence North 660 feet; thence East 660 feet to the point of beginning; (2) A 5 acre tract described as the North 612.5 feet beginning at the SE/corner of the NE/4; thence West 356 feet; thence North 1225 feet; thence East 356 feet; thence South 1225 feet to the point of beginning; and (3) A 5 acre tract described as the South 612.5 feet beginning at the SE/corner of the NE/4; thence West 356 feet; thence North 1225 feet; thence East 356 feet; thence South 1225 feet to the point of beginning. Also, less and except from the surface to the base of the Deese formation (2.00%), Sec. 14-02N-08WIM	1.37	NO BIDS	\$0.00	\$0.00
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RE: ASSIGNMENTS OF OIL AND GAS MINING LEASES APPROVED:

<u>Lease #</u>	<u>County</u>	<u>Legal Description</u>	<u>Assignor</u>	<u>Assignee</u>
CS-10381	DEWEY	LOTS 2 & 3; SE/4 NE/4, EXTENDING TO THE CENTER OF THE SOUTH CANADIAN RIVER (1/2 M.R.) of Sec. 04-17N-17WIM	NAPIER & GREEN PRENTICE, INC	BUTTRAM ENERGIES INC
CS-10381	DEWEY	LOTS 2 & 3; SE/4 NE/4, EXTENDING TO THE CENTER OF THE SOUTH CANADIAN RIVER (1/2 M.R.) of Sec. 04-17N-17WIM	NAPIER & GREEN PRENTICE, INC	T. REX INC
CS-10381	DEWEY	LOTS 2 & 3; SE/4 NE/4, EXTENDING TO THE CENTER OF THE SOUTH CANADIAN RIVER (1/2 M.R.) of Sec. 04-17N-17WIM	T. REX INC	WESTSHORE INVESTMENTS INC
CS-10381	DEWEY	LOTS 2 & 3; SE/4 NE/4, EXTENDING TO THE CENTER OF THE SOUTH CANADIAN RIVER (1/2 M.R.) of Sec. 04-17N-17WIM	WESTSHORE INVESTMENTS INC	CHESAPEAKE EXPLORATION LLC
CS-13191	GARFIELD	NE/4 of Sec. 36-22N-05WIM	SOONER EXPLORATION & DEVELOPMENT CO INC	STAGHORN ENERGY LLC

CS-13192	GARFIELD	NW/4 of Sec. 36-22N-05WIM	SOONER EXPLORATION & DEVELOPMENT CO INC	STAGHORN ENERGY LLC
CS-17422	KINGFISHER	SE/4, LESS AND EXCEPT THE RED FORK FORMATION (1/2 M.R.) of Sec. 12-16N-07WIM	MARLIN OIL CORPORATION	ROBERT L MOORE
CS-17422	KINGFISHER	SE/4, LESS AND EXCEPT THE RED FORK FORMATION (1/2 M.R.) of Sec. 12-16N-07WIM	ROBERT L MOORE	R & A MOORE INC
CS-21472	ELLIS	LOTS 2 (AKA N/2 NW/4 SW/4), 7 (AKA S/2 NE/4 SW/4), 1 (AKA N/2 NE/4 SW/4) & 8 (AKA S/2 NW/4 SW/4); S/2 SW/4 of Sec. 36-20N-26WIM	WYNN-CROSBY 2000 LTD	PETROHAWK PROPERTIES LP
CS-21852	HASKELL	LOT 1 (AKA NW/4 NW/4) & LOT 2 (AKA SW/4 NW/4) of Sec. 19-09N-19EIM	PETROLEUM INTERNATIONAL INC	FOURMILE OIL AND GAS CORPORATION
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	CARTER PETROLEUM CORP	BUNCHEER FAMILY TRUST
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	CARTER PETROLEUM CORP	ENMARK GAS GATHERING LP
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	CARTER PETROLEUM CORP	PETER J MASSION INC
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	CARTER PETROLEUM CORP	PHILLIP W SYMONS
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	CARTER PETROLEUM CORP	STEPHENS EXPLORATION INC
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	CARTER PETROLEUM CORP	WESTERN DRILLING PROGRAM 2008-B
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	ENMARK GAS GATHERING LP	BRIAN SWIGERT
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	DONALD CHASE
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	G & D WILEY PARTNERS LP
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	JANET CORNWALL
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	JRS OIL INC
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	KUHNE OIL & GAS LLC

CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	MATTERHORN KEENAN WHODAT
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	ORIGIN PARTNERS LLC
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	TIBURON LAND & CATTLE LP
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	TIM H CORNWALL
CS-26815	ELLIS	NE/4 of Sec. 36-21N-23WIM	STEPHENS EXPLORATION INC	WARNER B CROFT
CS-27373	ROGER MILLS	SE/4 of Sec. 16-16N-21WIM	NEOMORPH INVESTMENTS LLC	MINERALMEN LAND CO LLC
CS-27374	ROGER MILLS	SW/4 of Sec. 16-16N-21WIM	NEOMORPH INVESTMENTS LLC	MINERALMEN LAND CO LLC
CS-29156	BEAVER	NE/4, as to the Marmaton formation only of Sec. 30-02N-23ECM	SUPERIOR TITLE SERVICES INC	UNIT PETROLEUM COMPANY
CS-29157	BEAVER	SW/4, less and except the Chester and Morrow Sand formations of Sec. 28-04N-23ECM	SUPERIOR TITLE SERVICES INC	UNIT PETROLEUM COMPANY
CS-29158	BEAVER	SW/4, less and except the Chester Lime, Council Grove and Morrow Sand formations of Sec. 34-04N-24ECM	SUPERIOR TITLE SERVICES INC	UNIT PETROLEUM COMPANY
EI-4151	PITTSBURG	LOT 3 (1/2 M.R.) of Sec. 18-07N-13EIM	PETROLEUM INTERNATIONAL INC	FOURMILE OIL AND GAS CORPORATION
EI-4152	PITTSBURG	NE/4 OF LOT 4; S/2 OF LOT 4 of Sec. 18-07N-13EIM	PETROLEUM INTERNATIONAL INC	FOURMILE OIL AND GAS CORPORATION
EI-4153	PITTSBURG	NW/4 OF LOT 4 (1/2 M.R.) of Sec. 18-07N-13EIM	PETROLEUM INTERNATIONAL INC	FOURMILE OIL AND GAS CORPORATION
EI-4233	PITTSBURG	S/2 NE/4 (1/2 M.R.) of Sec. 13-07N-12EIM	PETROLEUM INTERNATIONAL INC	FOURMILE OIL AND GAS CORPORATION
EI-4234	PITTSBURG	SE/4 (1/2 M.R.) of Sec. 13-07N-12EIM	PETROLEUM INTERNATIONAL INC	FOURMILE OIL AND GAS CORPORATION

RE: SEISMIC EXPLORATION PERMITS

The following permits have been granted for seismic exploration on the following School Trust land:

<u>PERMIT NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY</u>	<u>AMOUNT</u>
745	W/2 Sec. 16-13N-10W Canadian County	Microseismic, Inc.	\$200.00
746	SW/4 Sec. 16-25N-13W Woods County	McDonald Land Services, LLC	\$1,800.00
747	7,960 acres in 5N & 6N-3ECM Cimarron County	Ramsey Property Management, LLC	\$55,920.00

Minerals Management Division has prepared 21 Division Orders for the month of January 2013.

**REAL ESTATE MANAGEMENT DIVISION
MONTHLY SUMMARY**

January 1 - 31, 2013

RE: SURFACE LEASE ASSIGNMENTS

Lease No.	Description	Rent	Lessee
205349 – Kiowa County	SW/4 Sec. 13-7N-18WIM	\$3,800.00	Kirk Duff

This lease was previously in the name of Jerry & Toni Coakley. Rental is paid current.

Lease No.	Description	Rent	Lessee
101812– Harper County	Sec. 36-28N-21WIM	\$8,000.00	Josh Dies

This lease was previously in the name of J.R. Dies, DBA: Dies & Sons. Rental is paid current.

Lease No.	Description	Rent	Lessee
205377– Harper County	E/2 & SW/4 Sec. 13-28N-21WIM	\$4,900.00	Josh Dies

This lease was previously in the name of J.R. Dies, DBA: Dies & Sons. Rental is paid current.

Lease No.	Description	Rent	Lessee
101691 – Washita County	NW/4 Sec. 36-8N-17WIM (subj. to 1 ac for cemetery) (less improvements)	\$5,200.00	Wayne Willard

This lease was previously in the name of Heath Ryan Gray. Rental is paid current.

Lease No.	Description	Rent	Lessee
103693 – Beaver County	Sec. 16-2N-25ECM	\$4,600.00	Texanna LLP

This lease was previously in the name of Jerry Baggerly, (deceased). Rental is paid current.

Lease No.	Description	Rent	Lessee
100995 – Kay County	LTS 3, 4 & S/2NW/4 Sec. 16-29N-2WIM	\$6,200.00	Derry Johns and D.J. Johns

This lease was previously in the name of Dennis Johns. Rental is paid current.

Lease No.	Description	Rent	Lessee
817051 – Kay County	SW/4 Sec. 33-25N-1WIM (less improvements)	\$5,700.00	Michael McAninch

This lease was previously in the name of 4S Farms LLC. Rental is paid current.

Lease No.	Description	Rent	Lessee
101125 – Garfield County	SW/4 Sec. 36-21N-6EIM (less 6 ac sold)	\$6,400.00	Linda Milacek

This lease was previously in the name of Daniel Milacek, (deceased). Rental is paid current.

Lease No.	Description	Rent	Lessee
919016 - Beckham County	NE/4 Sec. 33-9N-24WIM	\$6,000.00	Ronnie Trent

This lease was previously in the name of Keith Robertson, (deceased). Rental is paid current.

RE: NEW SHORT TERM COMMERCIAL LEASES

Lease No.	Description	Rent	Lessee
109278 – Oklahoma County	N/C SW/4 Sec. 16-14N-4WIM	\$2,100.00	Burgess Family Farms LLC
109279 – Grant County	Part of the SE/4 Sec. 16-27N-4WIM	\$1,800.00	Beck Oilfield Supply

Term of leases is 1-1-2013 thru 12-31-2015.

RE: RENEWAL OF SHORT TERM COMMERCIAL LEASE

Lease No.	Legal Description	Rent	Lessee
106455 - Pottawatomie County	S/2 & SE/4NE/4 Sec. 16-10N-2EIM Lot 29 Shawnee School Land Plat	\$1,200.00	Steve & Cathy Kennedy

Term of lease is 1-1-2013 thru 12-31-2015.

RE: 20 YEAR EASEMENTS

Lease No.	Legal Description	Appraised	Company
101372 – Canadian County Esmt No. 9087	SW/4 Sec. 16-13N-10WIM	\$26,750.00	OneOK Field Services Company, LLC

Easement has been issued to OneOK Field Services Company, LLC for a 20” natural gas pipeline. Said easement not to exceed 162 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205125, 205126 Noble County Esmt No. 9142	N/2 Sec. 13-24N-2WIM	\$15,500.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for a 6.0” salt water pipeline. Said easement not to exceed 193.40 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101033, 034 Grant County Esmt No. 9160	N/2 Sec. 36-25N-3WIM	\$37,500.00	Superior Pipeline Company, LLC

Easement has been issued to Superior Pipeline Company, LLC for an 8” natural gas pipeline. Said easement not to exceed 469.21 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
817119 - Alfalfa County Esmt No. 9161	NW/4 Sec. 33-28N-12WIM	\$14,400.00	Chesapeake Operating, Inc.

Easement has been issued to Chesapeake Operating, Inc. for an overhead electric transmission line. Said easement not to exceed 159.76 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101462 - Alfalfa County Esmt No. 9162	NE/4 Sec. 16-28N-11WIM	\$14,300.00	Chesapeake Operating, Inc.

Easement has been issued to Chesapeake Operating, Inc. for an overhead electric transmission line. Said easement not to exceed 159.27 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101455 - Alfalfa County Esmt No. 9165	SE/4 Sec. 36-24N-11WIM	\$2,400.00	Atlas Pipeline Mid-Continent WestOK, LLC

Easement has been issued to Atlas Pipeline Mid-Continent WestOK, LLC for 6" poly natural gas pipeline. Said easement not to exceed 24.4 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
206112 - Grady County Esmt No. 9168	E/2SE/4 Sec. 21-5N-6WIM	\$10,000.00	Chesapeake Operating, Inc.

Easement has been issued to Chesapeake Operating, Inc. for a 2" natural gas pipeline. Said easement not to exceed 83.39 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
817060, 817061 Kay County Esmt No. 9169	S/2 Sec. 33-25N-2WIM	\$28,800.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for an electric transmission line. Said easement not to exceed 320.05 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205125 - Noble County Esmt No. 9172	NE/4 Sec. 13-24N-2WIM	\$7,700.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for an electric transmission line. Said easement not to exceed 86.05 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205300 – Alfalfa County Esmt No. 9179	SW/4 Sec. 13-26N-12WIM	\$16,400.00	Mid-America Midstream Gas Services, LLC

Easement has been issued to Mid-America Midstream Gas Services, LLC for a 10" sweet natural gas pipeline. Said easement not to exceed 164.48 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205301 – Alfalfa County Esmt No. 9180	SE/4 Sec. 13-27N-12WIM	\$17,500.00	Mid-America Midstream Gas Services, LLC

Easement has been issued to Mid-America Midstream Gas Services, LLC for a 10" sweet natural gas pipeline. Said easement not to exceed 174.54 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
817119 – Alfalfa County Esmt No. 9184	NW/4 Sec. 33-28N-12WIM	\$3,900.00	Chesapeake Midstream Gas Services, LLC

Easement has been issued to Chesapeake Midstream Gas Services, LLC for a 8" natural gas pipeline and 25'x25' valve site. Said easement not to exceed 39.03 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205301 – Alfalfa County Esmt No. 9188	SE/4 Sec. 13-27N-12WIM	\$600.00	Mid-America Midstream Gas Services, LLC

Easement has been issued to Mid-America Midstream Gas Services, LLC for a 12" sweet natural gas pipeline. Said easement not to exceed 5.76 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
100584, 100585 Lincoln County Esmt No. 9189	N/2 Sec. 16-13N-5EIM	\$32,600.00	Montclair Energy, LLC

Easement has been issued to Montclair Energy, LLC for a 6" natural gas pipeline and 6" salt water pipeline. Said easement not to exceed 289.96 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101292 – Alfalfa County Esmt No. 9191	SE/4 Sec. 36-26N-9WIM	\$7,300.00	Atlas Pipeline Mid-Continent WestOK, LLC

Easement has been issued to Atlas Pipeline Mid-Continent WestOK, LLC for a 6" natural gas pipeline. Said easement not to exceed 72.9 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101382, 101383 Alfalfa County Esmt No. 9192	W/2 Sec. 16-28N-10WIM	\$29,000.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for an electric transmission line. Said easement not to exceed 320.0 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205300 - Alfalfa County Esmt No. 9193	SW/4 Sec. 13-26N-12WIM	\$6,900.00	Chesapeake Operating, Inc.

Easement has been issued to Chesapeake Operating, Inc. for a 10" fiberglass salt water pipeline. Said easement not to exceed 68.73 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101511 - Major County Esmt No. 9195	SW/4 Sec. 36-23N-12WIM	\$20,000.00	Glass Mountain Pipeline, LLC

Easement has been issued to Glass Mountain Pipeline, LLC for a 12" crude oil pipeline. Said easement not to exceed 159.80 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
817083 - Garfield County Esmt No. 9196	SW/4 Sec. 33-22N-8WIM	\$20,000.00	Glass Mountain Pipeline, LLC

Easement has been issued to Glass Mountain Pipeline, LLC for an 18" crude oil pipeline. Said easement not to exceed 160.02 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
100489 - Payne County Esmt No. 9197	NE/4 Sec. 16-17N-4EIM	\$12,300.00	Glass Mountain Pipeline, LLC

Easement has been issued to Glass Mountain Pipeline, LLC for an 18" crude oil pipeline. Said easement not to exceed 164.13 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101455 - Alfalfa County Esmt No. 9201	SE/4 Sec. 36-24N-11WIM	\$6,200.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for a 6.0" salt water pipeline. Said easement not to exceed 61.85 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101382 – Alfalfa County Esmt No. 9203	NW/4 Sec. 16-28N-10WIM	\$16,000.00	Atlas Pipeline Mid-Continent WestOK, LLC

Easement has been issued to Atlas Pipeline Mid-Continent WestOK, LLC for a 12” natural gas pipeline. Said easement not to exceed 160.5 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205024, 205025 Noble County Esmt No. 9205	N/2 Sec. 13-21N-2EIM	\$26,200.00	Highmount E &P Midcontinent, LLC

Easement has been issued to Highmount E &P Midcontinent, LLC for an electric transmission line. Said easement not to exceed 290.84 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205025, 205026 Noble County Esmt No. 9208	NW/4 & SW/4 Sec. 13-21N-2EIM	\$22,400.00	Jaguar Pipeline Company, LLC

Easement has been issued to Jaguar Pipeline Company, LLC for a 10” natural gas pipeline. Said easement not to exceed 249.31 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205025, 205026 Noble County Esmt No. 9209	NW/4 & SW/4 Sec. 13-21N-2EIM	\$22,800.00	Jaguar Pipeline Company, LLC

Easement has been issued to Jaguar Pipeline Company, LLC for a 10” produced salt water pipeline. Said easement not to exceed 252.93 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205025, 205026 Noble County Esmt No. 9210	NW/4 & SW/4 Sec. 13-21N-2EIM	\$22,500.00	Highmount E &P Midcontinent, LLC

Easement has been issued to Highmount E &P Midcontinent, LLC for an electric transmission line. Said easement not to exceed 250.54 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101106, 101107 Grant County Esmt No. 9211	N/2 Sec. 16-27N-5WIM	\$9,800.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for a 15” salt water pipeline. Said easement not to exceed 97.92 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101379 - Alfalfa County Esmt No. 9212	SW/4 Sec. 16-24N-10WIM	\$16,900.00	Chesapeake Operating, Inc.

Easement has been issued to Chesapeake Operating, Inc. for a 10” fiberglass salt water pipeline. Said easement not to exceed 159.27 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
100845, 846, 847 Logan County Esmt No. 9218	W/2 & SE/4 Sec. 16-17N-1WIM	\$58,200.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16” natural gas liquids pipeline. Said easement not to exceed 352.60 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
100840 - Logan County Esmt No. 9219	E/2 Sec. 36-16N-1WIM	\$40,000.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 242.77 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
100161, 100162 Lincoln County Esmt No. 9220	S/2 Sec. 16-12N-2EIM	\$27,800.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 168.42 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
100159 - Lincoln County Esmt No. 9221	N/2 Sec. 16-12N-2EIM	\$27,300.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 165.23 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
102184 - Lincoln County Esmt No. 9222	SW/4 Sec. 20-13N-2EIM	\$28,400.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 171.90 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101516 - Alfalfa County Esmt No. 9226	SW/4 Sec. 16-28N-12WIM	\$14,700.00	Chesapeake Operating, Inc.

Easement has been issued to Chesapeake Operating, Inc. for a three-phase overhead electric line. Said easement not to exceed 162.97 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
206112 - Grady County Esmt No. 9227	E/2SE/4 & SE/4NE/4 Sec. 21-5N-6WIM	\$23,750.00	DCP Midstream, LP

Easement has been issued to DCP Midstream, LP for a 16" natural gas pipeline. Said easement not to exceed 197.60 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101646 - Alfalfa County Esmt No. 9228	NW/4 Sec. 36-29N-11WIM	\$2,200.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for a 15" salt water pipeline. Said easement not to exceed 22.30 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101107 - Grant County Esmt No. 9229	NW/4 Sec. 16-27N-5WIM	\$2,200.00	Atlas Pipeline Mid-Continent WestOK, LLC

Easement has been issued to Atlas Pipeline Mid-Continent WestOK, LLC for a 6" natural gas pipeline. Said easement not to exceed 21.8 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
205183 – Grant County Esmt No. 9230	NW/4 Sec. 13-26N-8WIM	\$7,900.00	Atlas Pipeline Mid-Continent WestOK, LLC

Easement has been issued to Atlas Pipeline Mid-Continent WestOK, LLC for a 12” natural gas pipeline. Said easement not to exceed 79.2 rods in length and 20 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Company
101150, 151, 152 Grant County Esmt No. 9231	E/2 & SW/4 Sec. 16-27N-7WIM	\$38,500.00	Atlas Pipeline Mid-Continent WestOK, LLC

Easement has been issued to Atlas Pipeline Mid-Continent WestOK, LLC for a 12” natural gas pipeline. Said easement not to exceed 385.0 rods in length and 20 feet in width. The appraised price has been paid in full.

RE: SOIL CONSERVATION PROJECTS

Lease No.	Lessee	Location	Practice	Cost to CLO
100163 – Lincoln County	Steven Burris	NE/4 & E/2SW/4 & W/2SE/4 Sec 36-12N-2EIM	Dozer work to clear silt out of 3 dry ponds located on lease	\$4,560.00
100629 - Payne County	Bobby Hunt	NE/4 Sec 16-18N-5EIM	Dozer work to clear silt from existing pond and to clear cedar trees from on and around pond dam to allow construction	\$4,050.00

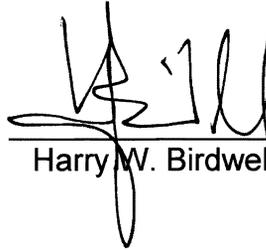
The above soil conservation projects have been approved.

STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

I hereby certify that the foregoing Monthly Summary is a true, full and correct report of the actions of the Secretary to the Commissioners of the Land Office taken pursuant to Resolution of the Commissioners of the Land Office adopted the 17th day of December, 1968 and subsequent Resolution adopted the 1st day of March 1988, amended April 12, 1988.

WITNESS my hand and official signature this 8th day of March 2013.





Harry W. Birdwell, Secretary

**COMMISSIONERS OF
THE LAND OFFICE**



Managing Assets to
Support Education

**March 2013
Lease Bonus Auction Results**

March 2013 Lease Bonus Auction

- March 6, 2013
- Downward trend continues because of natural gas pricing
- Second auction of the calendar year
- 33 tracts
- 23 successfully leased
- \$740 K...both auctions less than \$1 million in lease bonuses
- 10 tracts with no bid

March 2013 Lease Bonus Auction

- Highest bid per acre exceeded \$4,900 per acre on a Roger Mills County tract
- One major bidder was present for the first time in several years

Trends in Mineral Auctions

<u>Auction</u>	<u># Tracts</u>	<u>Revenue</u>	<u>Auction</u>	<u># Tracts</u>	<u>Revenue</u>
Jan 11	340 (340)	\$13.6 M	Jan 12	84 (57)	\$ 4.6 M
Mar 11	200 (195)	\$15.3 M	Mar 12	397 (205)	\$16.1 M
May 11	250 (216)	\$18.8 M	May 12	127 (58)	\$ 3.5 M
July 11	123 (85)	\$ 5.0 M	July 12	188 (137)	\$ 7.8 M
Sept 11	169 (153)	\$12.8 M	Sept 12	100 (63)	\$ 3.6 M
Nov 11	145 (127)	<u>\$17.7 M</u>	Nov 12	34 (33)	<u>\$ 2.8 M</u>
	1,116	\$96.8 M		553	\$38.4 M

50% as many properties leased in 2012

40% of the lease bonus revenue in 2012

Trends in Mineral Auctions

<u>Auction</u>	<u># Tracts</u>	<u>Revenue</u>
• Jan. 2013	38 (17)	\$781 K
• Mar 2013	<u>33 (23)</u>	<u>\$740 K</u>
	71 (40)	\$1.52 M
	Average # tracts in 2011	186
	Average # tracts in 2012	92
	Average # tracts in 2013	20
	In 2011 Least \$ volume	\$5 M
	In 2012 Least \$ volume	\$2.8 M
	In 2013 Ave. \$ volume	\$761 K

**COMMISSIONERS OF
THE LAND OFFICE**



Managing Assets to
Support Education

**Efforts to Increase Public Access and
Transparency of CLO Information**

March 2013

Public Access and Transparency

- All rules, regulations and agency forms are available on-line
- All schedules, meetings notices, agendas and minutes are posted on-line
- All lease auction notices, both surface and mineral, are available on-line
- Auction results, winning bid prices, and successful bidders are available on-line

Public Access and Transparency

- Since CLO participates in “gov delivery”, we send electronic notifications of distributions, trends, and projections to all beneficiaries and interested groups
- The CLO Annual Report is published on-line.
- The CLO Information Technology upgrades will permit improved public access to land and mineral ownership records

Public Access and Transparency

- IT upgrades now permit mineral lessees to report production and will soon permit production payments electronically, improving ease, automation and accuracy
- Legislative approval of new revolving funds make income and fund balances readily available to the legislature and public
- Presentations made by the Secretary to the Commissioners and public have been made available on-line

Plans for 2013

- In 2013 mineral auctions can be accessed “live” through video streaming
- In 2013 the CLO will introduce electronic mineral auctions (which we believe is a national innovation for state land agencies)
- In 2013 all agency forms can be completed and returned on-line
- In 2013 improved GIS and mapping capabilities will increase available land and mineral information available to the public on-line

**COMMISSIONERS OF
THE LAND OFFICE**



Managing Assets to
Support Education

March 2013
**Report on Investment Manager
Transition**

Investment Manager Transition

- 3 investment managers were terminated in large cap stock sector
- All proceeds from these terminations were invested in the BlackRock Russell 1000 Index Fund
- Objectives:
 - Improve performance of active managed portfolio
 - Avoid performance cancellation among firms in the same investment territory. Eliminate managers with performance concerns
 - Reduce investment fees

Investment Manager Transition

- Results
 - The realized gains on the sales that Citi placed for BlackRock were \$16,287,750.70
 - Ongoing annual fee reduction of approximately \$634,000
 - Less risk in a passive index fund which owns all Russell 1000 stocks

**COMMISSIONERS OF
THE LAND OFFICE**



Managing Assets to
Support Education

CLO Agency Goals

January-June 2013

Semi Annual Planning Exercise

- In addition to the daily responsibilities
- Focus resources
- Things that are innovative, improve efficiency, improve transparency and openness, streamline processes

Legislation

- Authority to invest in income producing real estate (HB 1022)
 - Up to 3 %
 - Will require change in investment policy
- Clean-up bill (HB 1883)
 - Movement among CLO accounts to impact distributions
 - Clarify handling of earnest deposits at mineral lease auctions
 - Various clean-up provisions

Real Estate

- Advance land exchanges in Panhandle and OKC
- Continue efforts to enhance CLO's commercial sites

IT Upgrades

- Complete Phase II of IT Upgrades to include electronic mineral payments and electronic auction modules
- Begin Phase III of IT Upgrades...
 - Eliminate extensive data entry through payment systems software design
 - Commence GIS improvements...mapping and CLO field information
 - Off -site storage and redundancy of electronic data and records

IT Upgrades

- Complete ability to fill out and submit all agency forms on line

Pointe Vista Development

- Determine the course to move the Pointe Vista development forward
- Establish construction scenario with developers

Explore New Revenue Opportunities for Distribution

- Pursue recovery in suits for unpaid and underpaid royalties
- Explore raw land exchanges for income producing properties
- “Claw back” into settled class action lawsuits where resources have been set aside for landowners

Resolve Document Management Solution and Begin Implementation

- Create indexes and searchable format for legal records
- Create searchable format for contracts, RFP's, monitoring services, requisitions and invoices
- Create searchable format for compliance and processes

Begin the Development of an Asset Management Plan for the Trust

- Establish performance objectives for each asset class...investments, surface leases, minerals
- Commercial property plans...return objectives, policies, management, and maintenance

COMMISSIONERS OF THE LAND OFFICE

REGULAR MEETING MINUTES

**THURSDAY, APRIL 11, 2013 AT 2:00 P.M.
GOVERNOR'S LARGE CONFERENCE ROOM
STATE CAPITOL BUILDING – SECOND FLOOR
OKLAHOMA CITY, OKLAHOMA**

Notice was posted online with the Secretary of State on November 16, 2012. Public notice was also posted on the Commissioners of the Land Office website and at the Commissioners of the Land Office and Governor's Large Conference Room of the State Capitol Building on Tuesday, April 9, 2013, before 5 p.m.

PRESENT:

Honorable Mary Fallin, Governor and Chair
Honorable Todd Lamb, Absent
Honorable Gary Jones, State Auditor & Inspector and Member
Honorable Janet Barresi, State Superintendent of Public Instruction and Member
Honorable Jim Reese, President State Board of Agriculture and Member

CLO STAFF PRESENT:

Harry W. Birdwell, Secretary
Keith Kuhlman, Assistant Secretary
Debra Sprehe, Executive Assistant
Dave Shipman, Director Minerals Management Division
Lisa Blodgett, General Counsel
Emma Thomas, Financial Services
Steve Diffie, Director of Royalty Compliance
Brandon Jones, Royalty Compliance
Trey Ramsey, Director of Information Technology
Diana Nichols, Auditor
James Spurgeon, Director of Real Estate Management Division

VISITORS:

Rebecca Frazier, Governor's Office
Steve Tinsley, State Auditor and Inspector
Janice Buchanan, State Auditor and Inspector
Keith Beall, Lt. Governor's Office

Governor Fallin called the meeting to order at 2:18 p.m., confirmed proper posting of the meeting notice, ensured the presence of a quorum, and called the roll.

Fallin:	Present
Lamb:	Absent
Jones:	Present
Barresi:	Present
Reese:	Present

1. Approval of Minutes for Regular Meeting held March 14, 2013

This agenda item was presented by Harry W. Birdwell, Secretary. A Motion was made by Commissioner Barresi and seconded by Commissioner Jones to approve the minutes of the March 14, 2013 meeting.

Fallin:	Aye
Lamb:	Absent
Jones:	Aye <i>Motion Carried</i>
Barresi:	Aye
Reese:	Aye

2. Secretary's Comments

a. Distributions to Beneficiaries for March 2013

Secretary Birdwell reported March 2013 distributions to beneficiaries were \$4.4 million, compared to \$4.5 million in March 2012. March is historically a smaller month for distributions.

b. 2013 Legislation Update

Secretary Birdwell reported on two bills being considered by the Oklahoma Legislature that are important to the CLO.

- HB 1022 would authorize the flexibility of investing up to 3% of the trust portfolio in real property. The bill was approved by the Appropriations Committee of the Senate last week by a vote of 19-0, and is on General Order in the Senate. It was approved by the House last month.

- HB 1883 would grant greater flexibility for moving CLO funds from its various revolving funds to the distribution account, together with several other clean-up provisions, has been unanimously approved by both the Senate Subcommittee on Education Appropriations and full Senate Appropriations Committee. It is on General order in the Senate. It was approved by the House of Representatives earlier in the session.

c. Quarterly Report to Superintendents and Finance Officers – Lease Bonus Trend and Impact on Beneficiary Distributions

CLO's quarterly report to the beneficiaries was a review of the significant reduction experienced in lease bonus revenue this fiscal year; together with a review of the various measures that have been taken to attempt to increase earnings for the beneficiaries.

Secretary Birdwell acknowledged Terri Watkins, Director of Communications, has the honor of being inducted into the Oklahoma Women's Hall of Fame later this afternoon.

3. Request for Approval of a Contract in Excess of \$25,000

Renewal of the Real Estate Management and Minerals Management Divisions Oklahoma Press Contract for fiscal year 2013 in the amount of \$35,000.00 is requested. This contract is necessary for the advertisement of lease and sale auctions.

Recommendation: The Director of Real Estate Management recommends approval of the request to renew the Oklahoma Press Service Contract.

- a. *Presented by James Spurgeon, Real Estate Management Director*
- b. *Discussion*
- c. *Commission Action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

The agenda item was presented by James Spurgeon, Real Estate Management Director. A MOTION was made by Commissioner Reese and seconded Commissioner Jones by to approve the Oklahoma Press Contract in the amount of \$35,000.

Fallin:	Aye	
Lamb	Absent	
Barresi	Aye	
Jones:	Aye	<i>Motion Carried</i>
Reese	Aye	

4. Real Estate Leasing Process and Results (informational only)

Real Estate Management Director, James Spurgeon reported that the CLO manages more than 740,000 surface acres in 43 counties in the western 2/3 of the state. There are two types of leases; agriculture and commercial. Commercial leases can be long or short term. Agriculture leases are leased at public auction in October. Each year 1/5 of the agricultural leases are available for lease. A minimum bid for each lease is set by staff appraisers. Leases are for a term of 5 years or less and can be used for agriculture, hunting and recreation use. Any un-leased tracts are available for the minimum bid on a "first come first served" basis. All remaining leases are offered for lease by sealed bid in late January. If there are any remaining un-leased tracts after January, appraisers are asked to take another look to determine why they are not being leased.

Long term commercial leases can be for a term up to 55 years and are offered at public auction which works well for comprehensive development. There are 45 long term commercial leases on 1700 acres.

Short term commercial leases are for a term of 3 years or less but are not offered at a public auction. These types of leases work well for certain uses such as home sites, cell towers, directional drilling, etc.

In addition to the surface leasing, conservation work is done on agricultural leases, a variety of easements are issued and surface damages for well locations is monitored. Field staff is required to inspect every parcel annually. The CLO assists other agencies by conducting appraisals, helping with leasing and sale of land.

As a net result in 2012 the real estate division produced \$16 million in revenue, has maintained or increased the value of the land and has real estate holdings with a market value of \$400 million. It is believed that the greatest opportunity to increase revenue is in commercial properties. As an example, in Pottawatomie County, 5 commercial leases on less than 10 acres produce \$270,000 annually while the remaining roughly 17,000 acres of agricultural land in the county produced approximately \$250,000. The agricultural leases remain a constant and steady source of revenue with a historical increase of approximately 2% annually.

5. Consent Agenda – Request Approval of February 2013 Agency Monthly Division Summary of Activities

The Agenda items presented on the Consent Agenda are considered as one item for voting purposes. The Consent Agenda includes items that are statutorily or constitutionally required to be performed by the Commissioners of the Land Office or are administrative in nature, which are done as a routine action by the Commissioners of the Land Office. If any member of the Commission or any member of the public requests a particular item or items to be considered individually, the matter or matters shall be considered individually.

- a. Presented by Harry W. Birdwell, Secretary
- b. Discussion
- c. Commission Action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action

Accounting Division

February 2013

- a. Claims Paid (routine)
- b. Expenditure Comparison

Minerals Management Division

February 2013

- a. Award of 1/23/13 Oil and Gas Lease Sale
- b. Tracts Offered for Oil and Gas Mining on 3/6/2013
- c. Assignments of Oil and Gas Leases
- d. Seismic Exploration Permits
- e. Division Orders

Real Estate Management Division

February 2013

- a. Surface Lease Assignments
- b. New Short Term Commercial Leases
- c. Renewal Short Term Commercial Lease
- d. Short Term Surface Lease Assignment
- e. 20 Year Easements
- f. Renewed 20 Year Easements
- g. Request and Authorization for Improvements
- h. Soil Conservation Projects

The agenda item was presented by Harry Birdwell, Secretary. A MOTION was made by Commissioner Barresi and seconded by Commissioner Reese to approve the Consent Agenda.

Fallin:	Aye	
Lamb	Absent	
Barresi	Aye	
Jones:	Aye	
Reese	Aye	<i>Motion Carried</i>

6. Financial Information Regarding Investments and Monthly Distributions (informational only)

Investments

- a. Market Value Comparison February 2013

Accounting

- b. March Distribution for FY-13 by District and Month

7. Executive Session

Executive Session may be convened to discuss, evaluate, and take possible action pursuant to 25 O.S. § 307(B)(4) allowing confidential communications between the Commission and its attorney concerning pending investigations, claims, or actions on recommendation that disclosure will seriously impair the ability of the Commission to process them in the public interest regarding the following matters:

CRR v. CLO, CJ-2007-11005, RSJ v. CLO, CJ-2011-457, Durham v. CLO, CJ-2011-7178, In Re: Point Vista Development, LLC & CLO v. Chesapeake, CJ-2008-18

- a. *Recommendation of Lisa Blodgett, General Counsel*
- b. *Vote to Convene Executive Session*
- c. *Executive Session*
- d. *Vote to Return to Regular Session*

The agenda item was presented by Lisa Blodgett, General Counsel, who recommended an executive session be convened. A MOTION was made by Commissioner Barresi and seconded Commissioner Reese to adjourn to an executive session at 2:30 p.m.

Fallin:	Aye	
Lamb	Absent	
Barresi	Aye	
Jones:	Aye	
Reese	Aye	<i>Motion Carried</i>

A MOTION was made by Commissioner Barresi and seconded Commissioner Jones to return to regular session at 3:30 p.m.

Fallin:	Aye	
Lamb	Absent	
Barresi	Aye	
Jones:	Aye	
Reese	Aye	<i>Motion Carried</i>

8. Proposed Action on Executive Session Items

The Commission may further consider and take action in open session related to executive session agenda items.

A MOTION was made by Commissioner Barresi and seconded by Commissioner Jones to take no action on the executive session items.

Fallin:	Aye	
Lamb	Absent	
Barresi	Aye	
Jones:	Aye	<i>Motion Carried</i>
Reese	Aye	

9. New Business

The Commission may discuss, consider and take possible action regarding new business that could not have been reasonably anticipated or was unknown prior to the regular meeting.

No new business was presented.

A MOTION was made by Commission Barresi and seconded by Commissioner Jones to adjourn the meeting.

Fallin: Aye
Lamb Absent
Barresi Aye
Jones: Aye Motion Carried
Reese Aye

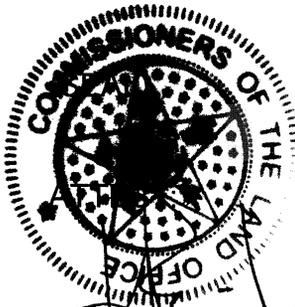
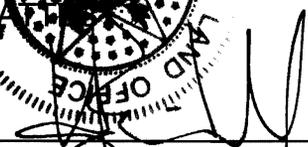


HARRY W. BIRDWELL, SECRETARY

The meeting was adjourned at 3:35 p.m.

I HEREBY CERTIFY that the foregoing is a true, full and correct report of said meeting.

WITNESS my hand and official signature this 14th day of May, 2013

Harry W. Birdwell



CHAIRMAN

Notice of Posting

Date / Time: Tuesday, April 9, 2013, before 5:00 p.m.

Locations: Commissioners of the Land Office
120 N. Robinson, Suite 1000W
Oklahoma City, OK 73102
Governor's Large Conference Room
State Capitol, 2nd Floor
Oklahoma City, OK 73105

By: Debra Sprehe, Executive Assistant

The following claims were approved by the Secretary and are routine in nature:

Claims Paid February 2013

My Consulting Group	Construction-in-Progress - Software	\$	29,360.00
Amazon.com	Data Processing - Equipment		394.23
Office of Management and Enterprise Services	Flexible Benefits - Administration		112.40
Office of Management and Enterprise Services	Fuel Expense		1,349.79
Dale Rogers Training Center	General Operating Expense		2.70
First Choice Coffee Service	General Operating Expense		115.14
Western Cartographers	General Operating Expense		190.00
TCP Global	General Operating Expense		40.15
Staples	General Operating Expense		690.86
Grainger	General Operating Expense		107.69
Walker Stamp & Seal	General Operating Expense		33.00
West A Thomson Reuters	Legal Publications		880.00
Insurance Department	License and Permit Fee		390.00
Mapel Dozer	Maintenance & Repair Expense		2,280.00
Minter & Sons	Maintenance & Repair Expense		480.00
Office of Management and Enterprise Services	Miscellaneous Administrative Expense		359.88
Oklahoma Bar Association	Miscellaneous Administrative Expense		195.00
West A Thomson Reuters	Miscellaneous Administrative Expense		804.00
DCAM	Miscellaneous Administrative Expense		515.00
Oklahoma Bar Association	Miscellaneous Administrative Expense		905.00
Retail Attractions	Professional Services		3,500.00
Barbara Ley	Professional Services		3,033.00
Comstock Appraisal	Professional Services		800.00
Galt Foundation	Professional Services		5,615.67
Goolsby, Proctor, Heefner, Gibbs	Professional Services		3,526.85
Office of Management and Enterprise Services	Professional Services		1,174.00
Lorman Education Services	Registration Fee		478.00
Metro Technology Centers	Registration Fee		375.00
Western States Land Commissioners	Registration Fee		9,200.00
NAIFA	Registration Fee		635.00
Ceat Continuing Education	Registration Fee		300.00
Land EKG Inc	Registration Fee		495.00
Cannon	Rent Expense		46.98
First National Management	Rent Expense		18,655.21
Imagenet Consulting	Rent Expense		1,977.01
Summit Mailing & Shipping Systems	Rent Expense		715.48
Mariannes Rentals	Rent Expense		396.20
AT&T Mobility	Telecommunications Expense		148.29
AT&T	Telecommunications Expense		44.57
Office of Management and Enterprise Services	Telecommunications Expense		2,628.38

Panhandle Telephone	Telecommunications Expense	94.15
Pioneer Telephone	Telecommunications Expense	288.98
Office of Management and Enterprise Services	Travel - Agency Direct Payments	3,075.57
Comfort Inn & Suites	Travel - Agency Direct Payments	77.00
American Airlines	Travel - Agency Direct Payments	415.60
Holiday Inn Express	Travel - Agency Direct Payments	454.30
Brownsworth, Greg	Travel Reimbursement	638.35
Eike, Tom	Travel Reimbursement	987.06
Foster, Chris	Travel Reimbursement	375.47
Hermanski, David	Travel Reimbursement	<u>1,036.56</u>
		<u>\$ 100,392.52</u>

COMMISSIONERS OF THE LAND OFFICE
 EXPENDITURE COMPARISON
 February 28, 2012 compared to February 28, 2013

<u>DESCRIPTION</u>	<u>FY12</u> <u>YTD</u> <u>Expenditures</u>	<u>FY13</u> <u>YTD</u> <u>Expenditures</u>	<u>Expenditures</u> <u>Changed</u> <u>From FY12/FY13</u>
Salaries	\$ 1,860,892	\$ 1,991,053	\$ 130,161
Longevity	45,068	46,777	1,709
Insurance	387,104	370,617	(16,487)
Premiums, Workers Comp	26,529	21,355	(5,174)
State Retirement & FICA	458,918	487,313	28,395
Professional	418,192	455,343	37,151
Personnel Board & Soonerflex	1,611	1,220	(391)
Total Personal Service	3,198,314	3,373,678	175,364
Travel Reimbursement	39,775	30,077	(9,698)
Direct Airline	13,803	23,460	9,657
Direct Registration	7,705	28,583	20,878
Postage, UPS & Courier Svc.	5,125	15,109	9,984
Communications	21,403	15,563	(5,840)
Printing & Advertising	28,468	30,539	2,071
Information Services & Core Charges	45,756	48,485	2,729
Exhibitions, Shows, Special Events	0	750	750
Miscellaneous Administrative Fee	1,448	715	(733)
Licenses, Permits, & Abstracts	991	1,785	794
Memberships & Tuition Reimb.	2,710	1,660	(1,050)
Insurance Premiums	0	3,960	3,960
Rental Of Space & Equipment	177,889	168,637	(9,252)
Repairs & Maintenance	2,772	206,939	204,167
Fuel/Special Supplies	5,376	14,026	8,650
Office & Printing Supplies	48,673	35,900	(12,773)
Shop Expense	284	0	(284)
Office Furniture & Equipment	66,861	9,520	(57,341)
Library Resources	5,408	1,147	(4,261)
Lease Purchases	0	0	0
Soil Conservation Projects	55,910	60,855	4,945
Construction in Progress- Software	0	106,573	106,573
Construction and Renovation	0	18,170	18,170
Safety /Security Supplies	0	0	0
Indemnity Payments	5,150	0	(5,150)
Total Supplies, Equip. & Oth.	535,507	822,453	286,946
TOTAL	\$ 3,733,821	\$ 4,196,131	\$ 462,310

**MINERALS MANAGEMENT DIVISION
MONTHLY SUMMARY**

FROM: 2/1/2013

TO: 2/28/2013

1/23/2013 OIL AND GAS MINING LEASE SALE

MINERALS MANAGEMENT DIVISION

AWARDS OF LEASES TO HIGH BIDDERS

<u>TR#</u>	<u>RESULT</u>	<u>COUNTY</u>	<u>LEGAL</u>	<u>NET ACRES</u>	<u>BIDDER</u>	<u>BONUS</u>	<u>PRICE PER ACRE</u>
1	AWARDED	BEAVER	Lots 3 and 4; E/2 SW/4, from the surface to the base of the Marmaton - oil rights only (1/2 M.R.), Sec. 19-01N-22ECM	79.16	SUPERIOR TITLE SERVICES INC	\$63,328.00	\$800.00
2	AWARDED	BEAVER	NE/4, less and except the Chester Lime formation, effective on production of the Johnson 1-32 well after 9-1-2012 (1/2 M.R.), Sec. 32-05N-22ECM	80.00	SNYDER PARTNERS	\$16,640.00	\$208.00
3	AWARDED	BEAVER	SE/4, less and except the Chester Lime formation, effective on production of the Johnson 1-32 well after 9-1-2012 (1/2 M.R.), Sec. 32-05N-22ECM	80.00	SNYDER PARTNERS	\$16,640.00	\$208.00
4	NO BIDS	CLEVELAND	All that portion of Lots 5, 6 and 7 lying with the NE/4 (All M.R.), Sec. 36-10N-04WIM	289.47	NO BIDS	\$0.00	\$0.00
5	NO BIDS	CLEVELAND	All that portion of Lot 7 lying within the NW/4 (All M.R.), Sec. 36-10N-04WIM	10.00	NO BIDS	\$0.00	\$0.00
6	NO BIDS	CLEVELAND	All that portion of Lots 1 and 2 of Section 25-10N-4WIM accreted to and lying within Section 36-10N-4WIM (1/2 M.R.), Sec. 36-10N-04WIM	38.70	NO BIDS	\$0.00	\$0.00
7	NO BIDS	CLEVELAND	All that portion of Lots 5, 6 and 7 lying within the SE/4, less and except from the surface to the base of the Lower Viola formation (All M.R.), Sec. 36-10N-04WIM	124.57	NO BIDS	\$0.00	\$0.00
8	NO BIDS	CLEVELAND	All that portion of Lots 5, 6 and 7 lying within the SW/4 (All M.R.), Sec. 36-10N-04WIM	16.25	NO BIDS	\$0.00	\$0.00
9	AWARDED	CRAIG	N/2 NE/4 (All M.R.), Sec. 13-26N-19EIM	80.00	OLAP COMPANY LLC	\$4,800.00	\$60.00
10	AWARDED	CRAIG	NE/4 NW/4 (All M.R.), Sec. 13-26N-19EIM	40.00	OLAP COMPANY LLC	\$2,400.00	\$60.00
11	AWARDED	GARFIELD	NE/4, less and except the Mississippi Lime formation (All M.R.), Sec. 13-23N-08WIM	160.00	KIRKPATRICK OIL & GAS LLC	\$4,000.00	\$25.00
12	AWARDED	GARFIELD	NW/4, less and except the Mississippi Lime formation (All M.R.), Sec. 13-23N-08WIM	160.00	KIRKPATRICK OIL & GAS LLC	\$4,000.00	\$25.00
13	AWARDED	GARFIELD	SW/4, less and except the Mississippi Lime formation (All M.R.), Sec. 13-23N-08WIM	160.00	KIRKPATRICK OIL & GAS LLC	\$4,000.00	\$25.00

14	NO BIDS	KAY	SE/4 SW/4, less and except from the surface to the base of the Endicott formation and also less and except the Wilcox and Mississippian formations (All M.R.), Sec. 36-25N-01WIM	40.00	NO BIDS	\$0.00	\$0.00
15	REJECTED	LINCOLN	NW/4 (All M.R.), Sec. 16-14N-02EIM	160.00	UPLAND ENERGY RESOURCES LLC	\$34,000.00	\$212.50
16	NO BIDS	LINCOLN	SW/4 (All M.R.), Sec. 33-12N-03EIM	160.00	NO BIDS	\$0.00	\$0.00
17	NO BIDS	LINCOLN	NW/4 (All M.R.), Sec. 36-13N-04EIM	160.00	NO BIDS	\$0.00	\$0.00
18	NO BIDS	LOGAN	NE/4 (All M.R.), Sec. 36-15N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
19	NO BIDS	LOGAN	W/2 NW/4 (All M.R.), Sec. 36-15N-01WIM	80.00	NO BIDS	\$0.00	\$0.00
20	NO BIDS	LOGAN	SW/4 (All M.R.), Sec. 36-15N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
21	NO BIDS	LOGAN	NE/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
22	NO BIDS	LOGAN	NW/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
23	NO BIDS	LOGAN	SE/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
24	NO BIDS	LOGAN	SW/4 (All M.R.), Sec. 36-16N-01WIM	160.00	NO BIDS	\$0.00	\$0.00
25	NO BIDS	LOGAN	SW/4, any use of the surface lands covered herein shall require the permission of the lessor (All M.R.), Sec. 16-15N-02WIM	160.00	NO BIDS	\$0.00	\$0.00
26	NO BIDS	LOGAN	NE/4 (All M.R.), Sec. 36-15N-02WIM	160.00	NO BIDS	\$0.00	\$0.00
27	NO BIDS	LOGAN	SE/4 (All M.R.), Sec. 36-16N-02WIM	160.00	NO BIDS	\$0.00	\$0.00
28	NO BIDS	LOGAN	NW/4 (All M.R.), Sec. 16-15N-03WIM	160.00	NO BIDS	\$0.00	\$0.00
29	NO BIDS	LOGAN	NE/4 SE/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
30	NO BIDS	LOGAN	NW/4 SE/4, less and except the Skinner (Bartlesville) and Prue formations (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
31	NO BIDS	LOGAN	SE/4 SE/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
32	NO BIDS	LOGAN	SW/4 SE/4, less and except the Prue and Skinner (Bartlesville) formations (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
33	NO BIDS	LOGAN	SE/4 SW/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
34	NO BIDS	LOGAN	SW/4 SW/4, less and except the Skinner (Bartlesville) formation (All M.R.), Sec. 16-15N-03WIM	40.00	NO BIDS	\$0.00	\$0.00
35	AWARDED	PAWNEE	NE/4 NE/4; S/2 NE/4 (All M.R.), Sec. 36-21N-06EIM	120.00	EUFAULA LLC	\$42,813.60	\$356.78
36	AWARDED	PAWNEE	NW/4 NE/4, less and except the Red Fork formation (All M.R.), Sec. 36-21N-06EIM	40.00	DARANCO LLC	\$22,222.00	\$555.55
37	AWARDED	PAWNEE	NW/4 (All M.R.), Sec. 36-21N-06EIM	160.00	EUFAULA LLC	\$57,084.80	\$356.78

38	AWARDED	PAWNEE	SE/4 (All M.R.), Sec. 36-21N-06EIM	160.00	EUFAULA LLC	\$57,084.80	\$356.78
39	AWARDED	PAWNEE	E/2 SW/4, less and except the Bartlesville and Cleveland formations (All M.R.), Sec. 36-21N-06EIM	80.00	EUFAULA LLC	\$28,542.40	\$356.78
40	AWARDED	PAWNEE	W/2 SW/4, less and except the Bartlesville formation (All M.R.), Sec. 36-21N-06EIM	80.00	EUFAULA LLC	\$28,542.40	\$356.78
41	AWARDED	PAYNE	NE/4 (All M.R.), Sec. 16-19N-03EIM	160.00	DEVON ENERGY PRODUCTION COMPANY LP	\$56,480.00	\$353.00
42	AWARDED	ROGER MILLS	All that part of Lots 1 and 2 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM (All M.R.), Sec. 14-17N-22WIM	60.91	APACHE CORPORATION	\$132,479.25	\$2,175.00
43	AWARDED	ROGER MILLS	All that part of Lots 3 and 4 of Section 13-17N-22WIM, accreted to and lying within Section 14-17N-22WIM (All M.R.), Sec. 14-17N-22WIM	95.12	APACHE CORPORATION	\$206,886.00	\$2,175.00
44	NO BIDS	STEPHENS	N/2 NE/4 containing 71.439394 acres, less the South 585 feet of the East 660 feet of the N/2 NE/4 a/d/a the following: An 8.560606 acre tract beginning 755 feet South of the NE corner of the NE/4; thence South 660 feet; thence West 660 feet; thence North 660 feet; thence East 660 feet to the point of beginning. Also, less and except from the surface to the base of the Deese formation (2.68%), Sec. 14-02N-08WIM	1.91	NO BIDS	\$0.00	\$0.00
45	NO BIDS	STEPHENS	S/2 NE/4 containing 68.560606 acres, less the following tracts: (1) A 1.439394 acre tract described as the North 95 feet of the East 660 feet of the S/2 NE/4 a/d/a beginning 755 feet South of the NE corner of the NE/4; thence South 660 feet; thence West 660 feet; thence North 660 feet; thence East 660 feet to the point of beginning; (2) A 5 acre tract described as the North 612.5 feet beginning at the SE/corner of the NE/4; thence West 356 feet; thence North 1225 feet; thence East 356 feet; thence South 1225 feet to the point of beginning; and (3) A 5 acre tract described as the South 612.5 feet beginning at the SE/corner of the NE/4; thence West 356 feet; thence North 1225 feet; thence East 356 feet; thence South 1225 feet to the point of beginning. Also, less and except from the surface to the base of the Deese formation (2.00%), Sec. 14-02N-08WIM	1.37	NO BIDS	\$0.00	\$0.00

MINERALS MANAGEMENT DIVISION

TRACTS OFFERED FOR OIL AND GAS MINING

The following tracts will be offered for lease on: **3/6/2013**

<u>TR#</u>	<u>COUNTY</u>	<u>LEGAL DESCRIPTION</u>	<u>M.R. %</u>	<u>SEC-TWP-RGE</u>
1	ATOKA	SW/4 NE/4	50.00%	04-03S-09EIM
2	ATOKA	The North 20.75 acres and the SW 10 acres of Lot 3; the NE 10.37 acres and the south 20 acres of Lot 4; N/2 SW/4 NW/4	50.00%	04-03S-09EIM
3	ATOKA	NE/4 SE/4; E/2 NW/4 SE/4; W/2 SW/4 SE/4	50.00%	04-03S-09EIM
4	ATOKA	E/2 SW/4	50.00%	04-03S-09EIM
5	CADDO	SW/4	50.00%	22-11N-12WIM
6	CANADIAN	NW/4	100.00%	36-13N-06WIM
7	KIOWA	NE/4	100.00%	22-06N-16WIM
8	KIOWA	NW/4	100.00%	22-06N-16WIM
9	KIOWA	SE/4	100.00%	22-06N-16WIM
10	KIOWA	SW/4	100.00%	22-06N-16WIM
11	LATIMER	Lots 1 and 2; S/2 NE/4, less and except the Upper Atoka formation	50.00%	01-05N-20EIM
12	LATIMER	SE/4, less and except the Upper Atoka formation	50.00%	01-05N-20EIM
13	LINCOLN	NE/4	100.00%	36-15N-05EIM
14	LINCOLN	E/2 NW/4	100.00%	36-15N-05EIM
15	LINCOLN	W/2 NW/4, less and except the Prue Sand formation	100.00%	36-15N-05EIM
16	LINCOLN	SW/4, less and except the Prue Sand formation	100.00%	36-15N-05EIM
17	MCCLAIN	SW/4 NE/4 NE/4; S/2 NW/4 NE/4; SE/4 NE/4; N/2 SW/4 NE/4; SE/4 SW/4 NE/4	100.00%	33-07N-02WIM
18	MCCLAIN	E/2 NE/4 NW/4; NE/4 SE/4 NW/4	100.00%	33-07N-02WIM
19	MCCLAIN	NE/4 NE/4 SE/4	100.00%	33-07N-02WIM
20	MCCLAIN	NW/4 NE/4 SW/4; NW/4 SW/4	100.00%	34-07N-02WIM
21	POTTAWATOMIE	NE/4	100.00%	16-09N-03EIM
22	POTTAWATOMIE	NW/4	100.00%	16-09N-03EIM
23	POTTAWATOMIE	SE/4	100.00%	16-09N-03EIM
24	POTTAWATOMIE	SW/4	100.00%	16-09N-03EIM
25	POTTAWATOMIE	NE/4	100.00%	36-09N-03EIM
26	POTTAWATOMIE	NW/4	100.00%	36-09N-03EIM
27	POTTAWATOMIE	SE/4	100.00%	36-09N-03EIM
28	POTTAWATOMIE	N/2 SW/4; SE/4 SW/4	100.00%	36-09N-03EIM
29	POTTAWATOMIE	SW/4 SW/4, less and except the Bartlesville formation	100.00%	36-09N-03EIM
30	ROGER MILLS	N/2 NW/4, as to the Marmaton formation only	50.00%	15-14N-24WIM
31	ROGER MILLS	NE/4 SE/4	100.00%	13-13N-25WIM
32	TEXAS	SE/4	50.00%	11-01N-19ECM
33	TEXAS	SE/4 SW/4	50.00%	11-01N-19ECM

RE: ASSIGNMENTS OF OIL AND GAS MINING LEASES APPROVED:

<u>Lease #</u>	<u>County</u>	<u>Legal Description</u>	<u>Assignor</u>	<u>Assignee</u>
CS-17171	LATIMER	S/2 S/2 SE/4 of Sec. 11-05N-19EIM	CHAPARRAL ENERGY LLC	FOUNDATION ENERGY FUND IV-A, L.P
CS-17171	LATIMER	S/2 S/2 SE/4 of Sec. 11-05N-19EIM	CHAPARRAL ENERGY LLC	FOUNDATION ENERGY FUND IV-B HOLDING LLC
CS-27537	PAYNE	NE/4 NW/4 of Sec. 16-19N-03EIM	TRUEVINE OPERATING LLC	MASKED RIDER ENERGY LLC
CS-27537	PAYNE	NE/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TRUEVINE OPERATING LLC
CS-27537	PAYNE	NE/4 NW/4 of Sec. 16-19N-03EIM	MASKED RIDER ENERGY LLC	DEVON ENERGY PRODUCTION COMPANY LP
CS-27538	PAYNE	NW/4 NW/4 of Sec. 16-19N-03EIM	TRUEVINE OPERATING LLC	MASKED RIDER ENERGY LLC
CS-27538	PAYNE	NW/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TIPTOP ENERGY PRODUCTION US LLC
CS-27538	PAYNE	NW/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TRUEVINE OPERATING LLC
CS-27538	PAYNE	NW/4 NW/4 of Sec. 16-19N-03EIM	MASKED RIDER ENERGY LLC	DEVON ENERGY PRODUCTION COMPANY LP
CS-27539	PAYNE	SE/4 NW/4 of Sec. 16-19N-03EIM	TRUEVINE OPERATING LLC	MASKED RIDER ENERGY LLC
CS-27539	PAYNE	SE/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TIPTOP ENERGY PRODUCTION US LLC
CS-27539	PAYNE	SE/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TRUEVINE OPERATING LLC
CS-27539	PAYNE	SE/4 NW/4 of Sec. 16-19N-03EIM	MASKED RIDER ENERGY LLC	DEVON ENERGY PRODUCTION COMPANY LP
CS-27540	PAYNE	SW/4 NW/4 of Sec. 16-19N-03EIM	TRUEVINE OPERATING LLC	MASKED RIDER ENERGY LLC
CS-27540	PAYNE	SW/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TIPTOP ENERGY PRODUCTION US LLC
CS-27540	PAYNE	SW/4 NW/4 of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TRUEVINE OPERATING LLC
CS-27540	PAYNE	SW/4 NW/4 of Sec. 16-19N-03EIM	MASKED RIDER ENERGY LLC	DEVON ENERGY PRODUCTION COMPANY LP

CS-27619	PAYNE	SW/4, LESS AND EXCEPT THE THOMAS FORMATION of Sec. 16-19N-03EIM	TRUEVINE OPERATING LLC	MASKED RIDER ENERGY LLC
CS-27619	PAYNE	SW/4, LESS AND EXCEPT THE THOMAS FORMATION of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TIPTOP ENERGY PRODUCTION US LLC
CS-27619	PAYNE	SW/4, LESS AND EXCEPT THE THOMAS FORMATION of Sec. 16-19N-03EIM	DEVON ENERGY PRODUCTION COMPANY LP	TRUEVINE OPERATING LLC
CS-27619	PAYNE	SW/4, LESS AND EXCEPT THE THOMAS FORMATION of Sec. 16-19N-03EIM	MASKED RIDER ENERGY LLC	DEVON ENERGY PRODUCTION COMPANY LP
CS-28696	ROGER MILLS	That part E/2 NE/4 lying East of the 100th Meridian of West Longitude of Sec. 19-14N-26WIM	LAREDO PETROLEUM INC	SAMSON RESOURCES COMPANY
CS-28697	ROGER MILLS	SE/4 of Sec. 20-14N-26WIM	LAREDO PETROLEUM INC	SAMSON RESOURCES COMPANY
CS-28873	LINCOLN	NE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	CLAYTON WILLIAMS ENERGY INC
CS-28873	LINCOLN	NE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	INTREPID E&P LLC
CS-28873	LINCOLN	NE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	JAMES C TRIMBLE LLC
CS-28873	LINCOLN	NE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	SOUTHSTAR EXPLORATION LLC
CS-28873	LINCOLN	NE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	STEPHENS PRODUCTION COMPANY
CS-28874	LINCOLN	SE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	CLAYTON WILLIAMS ENERGY INC
CS-28874	LINCOLN	SE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	INTREPID E&P LLC
CS-28874	LINCOLN	SE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	JAMES C TRIMBLE LLC
CS-28874	LINCOLN	SE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	SOUTHSTAR EXPLORATION LLC
CS-28874	LINCOLN	SE/4 of Sec. 16-12N-05EIM	SPRING CREEK ROYALTY LLC	STEPHENS PRODUCTION COMPANY
CS-29136	LOGAN	Lots 4 and 5; W/2 SW/4 of Sec. 09-17N-02WIM	OSAGE EXPLORATION & DEVELOPMENT INC	OSAGE EXPLORATION & DEVELOPMENT INC
CS-29136	LOGAN	Lots 4 and 5; W/2 SW/4 of Sec. 09-17N-02WIM	OSAGE EXPLORATION & DEVELOPMENT INC	SLAWSON EXPLORATION CO INC
CS-29136	LOGAN	Lots 4 and 5; W/2 SW/4 of Sec. 09-17N-02WIM	OSAGE EXPLORATION & DEVELOPMENT INC	U S ENERGY DEVELOPMENT CORPORATION

RE: SEISMIC EXPLORATION PERMITS

The following permits have been granted for seismic exploration on the following School Trust land:

<u>PERMIT NO.</u>	<u>DESCRIPTION</u>	<u>COMPANY</u>	<u>AMOUNT</u>
748	SE/4 SE/4 Sec. 28-6N-3ECM; N/2 NE/4 & W/2 SE/4 of Sec. 33-6N-3ECM; W/2 NE/4 Sec. 4-5N-3ECM (All Tracts Minerals Only) Cimarron County	Ramsey Property Management, LLC.	\$200.00
749	NW/4 NW/4 Sec.13-16N-25W & NE/4 Sec.16-17N-25W Roger Mills County	Seitel Data, LTD	\$1957.00
750	SE/4 of Sec. 16-17N-24W Ellis County	Seitel Data, LTD	\$1,800.00
751	2857.54 acres in Townships 26N-1E & 1W, 27N-1E & 1W, and 28N-1E Kay County	Geokinitics USA, Inc.	\$28,775.40
752	Sec. 16 & Sec. 36-21N-2E Noble County	ION Geophysical	\$12,885.20
753	NE/4 & SW/4 Sec. 33-21N-2E Noble County	ION Geophysical	\$3,400.00
754	N/2 & SW/4 & W/2 SE/4 Sec.13-21N-2E Noble County	ION Geophysical	\$5,771.40

Mineral Management Division has prepared 18 Division Orders for the month of February.

**REAL ESTATE MANAGEMENT DIVISION
MONTHLY SUMMARY**

February 1 - 28, 2013

RE: SURFACE LEASE ASSIGNMENTS

Lease No.	Description	Rent	Lessee
100869 – Noble County	NW/4 Sec. 36-20N-1WIM (less improvements)	\$5,300.00	Carol B. Coe

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
817051 – Kay County	SW/4 Sec. 33-25N-1WIM (less improvements)	\$5,370.00	Michael McAninch

This lease was previously in the name of 4S Farms LLC, Carol Sawyer. Rental is paid current.

Lease No.	Description	Rent	Lessee
100149 – Pottawatomie County	NW/4 Sec. 36-10N-2EM (less 4.5 ac sold)	\$4,000.00	Gregory Hillerman

This lease was previously in the name of J.C. Jackson. Rental is paid current.

Lease No.	Description	Rent	Lessee
101817 – Jackson County	SE/4 Sec. 16-2N-22WIM (subj to 10.02 ac esmt)	\$4,200.00	Mark Alan Turner

This lease was previously in the name of Thomason Farm, Inc. Rental is paid current.

Lease No.	Description	Rent	Lessee
101117 – Kingfisher County	NW/4 Sec. 16-16N-6WIM (subj to 1.52 ac esmt) (less 1.26 ac sold)	\$4,400.00	Shawn Alig

This lease was previously in the name of Troy D Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
101118 – Kingfisher County	SE/4 Sec. 16-16N-6WIM (subj to 1.03 ac esmt) (less improvements)	\$8,100.00	Shawn Alig

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
100856 – Payne County	NE/4 Sec. 36-18N-1WIM (less 2.67 ac Co Ls #105894)	\$7,100.00	John C. Williams & Carl A. Williams

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
101089 – Kingfisher County	NW/4 Sec. 16-15N-5WIM (less 3.5 ac sold)	\$6,800.00	Double C Farms, Inc.

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
101068 – Logan County	SW/4 Sec. 36-17N-4WIM	\$7,900.00	Double C Farms, Inc.

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
101070 – Logan County	W/2SE/4 Sec. 36-18N-4WIM	\$2,700.00	Double C Farms, Inc.

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
101071 – Logan County	E/2SE/4 Sec. 36-18N-4WIM (less 5.01 ac #105838)	\$2,000.00	Double C Farms, Inc.

This lease was previously in the name of Troy D. Bomhoff. Rental is paid current.

Lease No.	Description	Rent	Lessee
206124 – McClain County	NW/4 Sec. 25 & W/2SW/4SW/4 & NE/4SW/4SW/4 Sec. 24-5N-3EIM	\$2,900.00	J. D. Roberson

This lease was previously in the name of Chickasha Bank & Trust. Rental is paid current.

RE: NEW SHORT TERM COMMERCIAL LEASE

Lease No.	Legal Description	Rent	Lessee
307639– Beaver County	'20 x 2640' access road across the SW/4 Sec. 31-2N-20ECM	\$1,200.00	B&G Production Inc.

Term of lease is 1/1/2013 thru 12/31/2015.

RE: RENEWAL OF SHORT TERM COMMERCIAL LEASES

Lease No.	Legal Description	Annual Rent	Lessee
190065- Pottawatomie County	CLO #16-6T, E/2SE/4SW/4SW/4 Sec. 16-4N-10WIM	\$3,000.00	The Dehart Company

Lease No.	Legal Description	Annual Rent	Lessee
105912- Kay County	Approx. 800' S of the NW/C of Sec. 36-27N-2EIM	\$1,500.00	Robert Denton

Lease No.	Legal Description	Annual Rent	Lessee
106412- Lincoln County	SE/4SE/4SE/4 Sec. 16-14N-3EIM	\$2,500.00	Midstates Petroleum Company LLC

Lease No.	Legal Description	Annual Rent	Lessee
106411- Payne County	548' x 259' in the SE/C of the SE/4 Sec. 36-18N-3EIM	\$1,800.00	Kevin & Jessica Hartley

Term of above leases is 1/1/2013 thru 12/31/2015.

RE: SHORT TERM SURFACE LEASE ASSIGNMENT

Lease No.	Description	Rent	Lessee
106509 – Pottawatomie County	Lot 41 of S/2 & SE/4NE/4 Sec. 16-10N-2EIM	\$1,200.00	Rafael Martinez

This lease was previously in the name of Anthony Dean Wester. Rental is paid current.

RE: 20 YEAR EASEMENTS

Lease No.	Legal Description	Appraised	Bid	Company
100413, 416 Pottawatomie County Esmt No. 9140	SE/4NE/4 & NE/4SE/4 Sec. 16-8N-4EIM	\$2,350.00	\$2,350.00	Paul Gillham Oil Co.

Easement has been issued to Paul Gillham Oil Co. for a 3" oil, gas and produced salt water pipeline. Said easement not to exceed 45.20 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
103110 – Ellis County Esmt No. 9200	SW/4 Sec. 36-22N-26WIM	\$17,900.00	\$17,900.00	Enogex Gas Gathering, LLC

Easement has been issued to Enogex Gas Gathering, LLC for an 8" steel natural gas pipeline. Said easement not to exceed 162.97 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
100845, 846, 847 Logan County Esmt No. 9218	W/2 & SE/4 Sec. 16-17N-1WIM	\$58,200.00	\$58,200.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 352.60 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
100840 - Logan County Esmt No. 9219	E/2 Sec. 36-16N-1WIM	\$40,000.00	\$40,000.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 242.77 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
100161, 162 Lincoln County Esmt No. 9220	S/2 Sec. 16-12N-2EIM	\$27,800.00	\$27,800.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 168.42 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
100159 - Lincoln County Esmt No. 9221	N/2 Sec. 16-12N-2EIM	\$27,300.00	\$27,300.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 165.23 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
102184 - Lincoln County Esmt No. 9222	SW/4 Sec. 20-13N-2EIM	\$28,400.00	\$28,400.00	OneOK Sterling III Pipeline, LLC

Easement has been issued to OneOK Sterling III Pipeline, LLC for a 16" natural gas liquids pipeline. Said easement not to exceed 171.90 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
101373 - Blaine County Esmt No. 9232	NE/4 Sec. 36-15N-10WIM	\$29,500.00	\$29,500.00	Devon Gas Services, LP

Easement has been issued to Devon Gas Services, LP for an 8.625" natural gas pipeline. Said easement not to exceed 159.70 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
100644 - Payne County Esmt No. 9244	NW/4 Sec. 36-19N-5EIM	\$2,750.00	\$2,750.00	Scissortail Energy, LLC

Easement has been issued to Scissortail Energy, LLC for a 2" electric line and 2 poles. Said easement not to exceed 32.4 rods in length and 30 feet in width. The appraised price has been paid in full.

Lease No.	Legal Description	Appraised	Bid	Company
101878 - Roger Mills County Esmt No. 9247	SE/4 Sec. 36-16N-24WIM	\$4,700.00	\$4,700.00	Enogex Gas Gathering, LLC

Easement has been issued to Enogex Gas Gathering, LLC for a 6" steel natural gas pipeline. Said easement not to exceed 43.82 rods in length and 30 feet in width. The appraised price has been paid in full.

RE: RENEWED 20 YEAR EASEMENTS

Lease No.	Legal Description	Appraised	Company
103285 – Ellis County Esmt. No. 7672	SW/4 Sec. 16-23N-26WIM	\$700.00	DCP Midstream, LP
101060 – Oklahoma County Esmt. No. 7681	SE/4 Sec. 16-14N-4WIM	\$15,000.00	Oklahoma Gas and Electric Company

These are 20 year easements that have expired and have been renewed. Payment has been made in full.

RE: REQUEST AND AUTHORIZATION FOR IMPROVEMENTS

Lease No.	Description	Approx. Cost	Lessee
100309 –Lincoln County	N/2 Sec. 16-13N-3EIM (subj to 3.71 ac esmt)(less improvements)	\$1,500.00	Michael Hayes

Lessee has requested to make improvements at their expense W2/ Sec.16. (Lessee wishes to build a fence.)

Lease No.	Description	Approx. Cost	Lessee
101332 –Comanche County	SW/4 Sec. 36-1N-10WIM (subj to .96 ac esmt)	\$1,693.00	David Hilbert

Lessee has requested to make improvements at their expense SE corner of Lease. (Lessee wishes to build a fence.)

RE: SOIL CONSERVATION PROJECTS

Lease No.	Lessee	Location	Practice	Cost to CLO
205147 – Kay County	Robert M. Bergman, Jr.	S/2 Sec. 13-29N-2WIM	Dozer and trackhoe work to clean out 2 ponds and tear down and bury old improvements.	\$6,600.00
205145 – Kay County	Robert M. Bergman, Jr.	Lts 1 & 2 & S/2NE/4 and that portion of SW/4NW/4 lying East	Dozer and trackhoe work to tear down and bury old improvements.	\$3,300.00

		of Shoo Fly Creek, Sec. 13-29N-2WIM		
100386 – Kay County	Robert M. Bergman, Jr.	SW/4 Sec. 16-27N-3EIM	Clean out North and South ponds with dozer/trackhoe; clean out East fence row with dozer/trackhoe.	\$9,900.00
205122 – Kay County	Robert M. Bergman, Jr.	Lts 3 & 4 & S/2NW/4 Sec. 13-29N-1WIM	Clean out pond and tear down and burn old improvements.	\$8,400.00
100149 – Pottawatomie County	J. C. Jackson	NW/4 Sec. 36-10N-2EIM	Repair pond dam and spillway; repair overflow pipe.	\$1,650.00
101981, 307145, 613275 (RU #16) – Cimarron County	Celebrity Feeders	All of Sec. 36-5N-1ECM & that pt of S/2 lying South of Hwy 325 Sec 16-5N-2ECM	Drill, case and complete stock well; chlorination of well & cement.	\$9,400.00
101993, 307162 & 613163 (RU #17) – Cimarron County	Celebrity Feeders	All of Sec. 16-4N-2ECM	Drill, case and complete stock well; chlorination of well & cement.	\$9,400.00
100357 – Payne County	Griswold Brothers	NE/4 Sec. 36-19N-3EIM	Clean silt from pond and repair dam without draining pond.	\$3,500.00
100367 – Payne County	Griswold Brothers	S/2 Sec. 36-20N-3EIM	Clean out silt from pond, repair the dam and remove trees from the dam on 5 ponds.	\$11,250.00
100519 – Payne County	Griswold Brothers	All of Sec. 36-20N-4EIM	Repair pond dam and remove trees from dam in NW corner of lease. Clean silt out of 2 remaining ponds along with doing work to increase quality of pond.	\$4,250.00
100222 – Noble County	Delles R. Eggers	SW/4 Sec. 16-21N-2EIM	Clean timber from 36.94 ac of grassland and pond site; construct pit pond; bury old farm and debris; clear ½ mi of fence line on West side of lease.	\$14,500.00
205030 – Kay County	Jason Schneeberger	SW/4 Sec. 13-27N-2EIM	Agriculture lime – 3 tons per ac x 86 ac; agriculture lime spreading – 3 tons per ac x 86 ac.	\$4,902.00
100026 – Oklahoma County	Chris Shipman	N/2NW/4 Sec. 36-12N-1EIM	Drill water well; surface pipe and cement.	\$2,580.00
100147 – Pottawatomie County	J.C. Jackson	E/2NE/4 Sec. 36-10N-2EIM	Drill water well; surface pipe and cement top 10 feet.	\$4,960.00

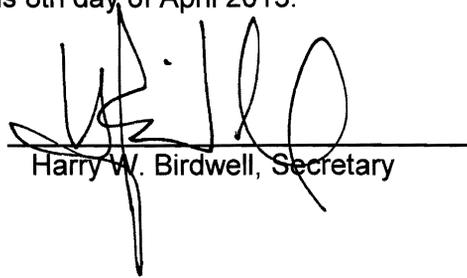
The above soil conservation projects have been approved.

STATE OF OKLAHOMA)
) ss
COUNTY OF OKLAHOMA)

I hereby certify that the foregoing Monthly Summary is a true, full and correct report of the actions of the Secretary to the Commissioners of the Land Office taken pursuant to Resolution of the Commissioners of the Land Office adopted the 17th day of December, 1968 and subsequent Resolution adopted the 1st day of March 1988, amended April 12, 1988.

WITNESS my hand and official signature this 8th day of April 2013.





Harry W. Birdwell, Secretary

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COMMISSIONERS OF THE LAND OFFICE

REGULAR MEETING MINUTES

**TUESDAY MAY 14, AT 11:00 A.M.
GOVERNOR'S LARGE CONFERENCE ROOM
STATE CAPITOL BUILDING – SECOND FLOOR
OKLAHOMA CITY, OKLAHOMA**

Notice was posted online with the Secretary of State on March 6, 2013. Public notice was also posted on the Commissioners of the Land Office website and at the Commissioners of the Land Office and Governor's Large Conference Room of the State Capitol Building on Friday, May 10, 2013, before 5 p.m.

PRESENT:

Honorable Mary Fallin, Governor and Chair
Honorable Todd Lamb, Absent
Honorable Gary Jones, State Auditor & Inspector and Member
Honorable Janet Barresi, State Superintendent of Public Instruction and Member
Honorable Jim Reese, President State Board of Agriculture and Member

CLO STAFF PRESENT:

Harry W. Birdwell, Secretary
Keith Kuhlman, Assistant Secretary
Debra Sprehe, Executive Assistant
Dave Shipman, Director Minerals Management Division
Lisa Blodgett, General Counsel
Karen Johnson, Chief Financial Officer
Steve Diffee, Director of Royalty Compliance
Diana Nichols, Internal Auditor
James Spurgeon, Director of Real Estate Management Division

VISITORS:

Rebecca Frazier, Governor's Office
Steve Tinsley, State Auditor and Inspector
Keith Beall, Lt. Governor's Office
Larry Parman, Secretary of State
Guy M. Cooper, R. V. Kuhns & Associates