

COMMISSIONERS OF THE LAND OFFICE

REGULAR MEETING MINUTES

THURSDAY, FEBRUARY 13, 2014, 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 December 4, 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 at the State Capitol Building on Tuesday, February 11, 2014, 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 Jim Reese, President State Board of Agriculture and Member

CLO STAFF PRESENT:

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

VISITORS:

Jeffrey Cartmell, Governor's Office
Jennifer Chance, Governor's Office
Wendy Handrick, OKPTA
Anna King, OKPTA
Keith Beall, Lt. Governor's Office
Michael McNutt, Governor's Office
Mark Higgins, RV Kuhns & Associates
Mark Christansen, APEX Wind Energy
Tim Burg, Shawnee Economic Development Foundation

Governor Fallin called the meeting to order at 2:00 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:	Absent
Reese:	Present

1. Request Approval of Minutes for Regular Meeting held January 9, 2014

- 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*

This agenda item was presented by Secretary Harry Birdwell. A MOTION was made by Lt. Governor Lamb and seconded by Commissioner Reese to approve the minutes of the January 9, 2014, meeting.

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

Motion Carried

2. Secretary's Comments

- a. Distributions to Beneficiaries for January 2014

Secretary Birdwell reported the distributions to beneficiaries in January 2014 were \$19.4 million. Year to date the Common School distributions were about \$3 million less than for the first seven months of FY2013.

- b. Special Distribution to Common Schools for January

Secretary Birdwell reported the supplemental distribution was made to the Common Schools from the 5 year "rolling average" funds in January. The monthly distribution total includes that supplemental funding.

- c. Projected Distribution for FY2014 for Common Schools

Secretary Birdwell reported staff projects that the total distributions to Common Schools in FY2014 will be equal to FY2013.

d. January 2014 Mineral Lease Bonus Auction

Secretary Birdwell reported the January 2014 lease bonus auction yielded \$3.777 million in lease bonus revenue. The result reflects an upswing of interest in leasing minerals and suggests that the rising price of natural gas is stimulating bidding. There were 90 electronic bids submitted in the January auction; 10 of which were the highest bids on the respective mineral tracts.

e. Briefing for Col. Michael Teague, Secretary of Energy and Environment

Secretary Birdwell reported that he, Assistant Secretary Kuhlman and Communications Director Watkins made a presentation to familiarize Secretary Teague and his staff with the Land Office, and to determine how the Land Office can be helpful in responding to any energy sector concerns.

f. Briefing for Long Range Capital Planning Commission

Secretary Birdwell reported that he met with and made a presentation to the Long Range Planning Commission explaining in depth what the Land Office does, why it was exempted from their actions related to surplus state property, and the Land Office plans are to assist with the Lincoln Boulevard development plan.

An explanation of the Land Office commercial property sites was given along with the extent of the Land Office's work with the private sector to develop the commercial potential of Land Office property for the economic growth of the state.

g. 2014 Legislation

Secretary Birdwell reported that several pieces of legislation will be monitored this session. Representative Denney and Senator Halligan have authored HB 2639 which would achieve the following objectives:

- Modernize language that necessitates antiquated accounting procedures.
- Eliminate conflicting dates of when the annual report should be published.
- Define certain agency positions based on employees' actual responsibilities. It does not add employees but merely properly identifies current positions.
- Permits a petty cash fund.
- Permits obtaining vehicles required for field personnel that can be operated on CNG.

There is concern about SB 1966 authored by Senator Sykes. The bill would achieve the following:

- Prohibits the Land Office from using outside legal counsel.
- Proposes that the Land Office be paid a lesser interest rate than any other royalty owner in the state.

h. 2014 Agency Goals

Secretary Birdwell reported the 2014 agency goals have been established.

Among the goals the most significant are:

- The development of an agency wide document management system.
- The development of an asset management performance plan for the various categories of properties to establish a benchmark for what they should be earning.
- Develop and implement a new invoicing, statement and collection process.
- Develop financial analytical tools to assist in forecasting, budgeting and performance review processes.
- Maximize potential for downloading oil and gas payments and check detail with 50% of production volume paid by electronic payments.
- Complete land exchanges in Oklahoma, Pottawatomie and Cimarron counties.
- Select and contract with property commercial managers.
- Update website for daily operations, communication, auctions, and conservation
- Expand interactive GIS capability
- Internal auditor to re-evaluate risk assessment factors
- Increase rate of participation in electronic reporting system
- Expand participation in mineral lease auctions
- Continue to recover royalty underpayments
- Redesign agency's annual report and website

3. Property Managers Selection

An RFP was prepared and circulated to the commercial real estate community seeking a firm to serve as a building manager for commercial properties owned or acquired by the Land Office. Five excellent firms responded with proposals. A committee of Land Office staff reviewed the proposals and invited three firms for interviews. The recommendation was made based on price, interviews, services provided and value added.

Recommendation: The Secretary recommends the selection of Specialty Real Estate Services LLC dba Newmark Grubb Levy Strange Beffort as the commercial property manager.

- a. Presented by Harry 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.*

Secretary Birdwell noted that pursuant to Title 64 O.S. § 103, the statute that permits the Land Office to hire investment managers for cash investments, an RFP was sent out for a building and commercial property investment manager. The RFP was circulated to the commercial real estate community. Five firms responded with proposals. A committee of Land Office staff reviewed the proposals and invited three firms for interviews. A selection was made based on price, interviews, services provided and value added.

This agenda item was presented by Secretary Harry W. Birdwell. A MOTION was made by Commissioner Reese and seconded by Commissioner Jones to approve the selection of commercial property manager Specialty Real Estate Services LLC dba Newmark Grubb Levy Strange Beffort.

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

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

A contract for My Consulting for fiscal year 2014 in an amount not to exceed \$30,000 is requested. This contract is necessary for maintenance of the new data base, continued training of staff in system use, and "on call" trouble shooting.

Recommendation: The Secretary recommends approval of the contract to My Consulting in the amount of \$30,000 for FY2014.

- a. Presented by Harry 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*

This agenda item was presented by Secretary Harry Birdwell. A MOTION was made by Commissioner Reese and seconded by Commissioner Jones to approve the contract in the amount of \$30,000 to My Consulting for FY2014.

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

5. Presentation of December 31, 2013 Quarterly Investment Performance Report by RV Kuhns & Associates (informational purposes only)

- a. Presented by RV Kuhns & Associates
- b. Discussion

The Land Office investments had a strong 2013 fourth quarter with a net result of 10.6% return for the year and near a 4% fourth quarter net return. At the beginning of the year the market value was \$1.977 billion with an added fund value of \$2.8 million. In comparison to peers with funds of this size the Land Office is better than 87% of them and has had an overall good performance in 2013.

6. Request Authority to Exchange Land and Release of Patent

Lease No	Legal Description	Lessees
Pottawatomie County	Tract in SE/4 SEC 36-11N-3ECM 23.1846 m/l (21.6121 net acres)	None

The Land Office owns vacant undeveloped land in Shawnee located on the west side of Kickapoo south of I-40. We are proposing the exchange of 21.6121 net acres of this land for two properties: a 41,000 sf commercial building located at 3017 N Stiles Avenue, Oklahoma City, and a 1.533 acre lot with developed infrastructure on West Memorial Rd, located on the south side of Kilpatrick Turnpike east of MacArthur Blvd in Oklahoma City. The exchange will be between the Land Office and Shawnee Marketplace Investors LP.

CLO tract to be conveyed is valued at \$2,683,056

Appraised Value: \$2,100,000

Negotiated Value: \$2,683,056 (\$2.85/sf)

Explanation: The Memorandum of Understanding covering this exchange stipulated the exchange value of the the Land Office land would be *the greater of* the Appraised Value or a Negotiated Value of \$2.85/square foot. Therefore, the Negotiated Value was used as the basis for exchange.

Real estate to be received is appraised at \$2,700,000:

Stiles Building:	\$1,900,000
Lot on west Memorial:	<u>\$800,000</u>
Total appraised value:	\$2,700,000

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

- a. Presented by James Spurgeon, Real Estate 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 Reese and seconded by Commissioner Jones to approve the exchange between the Land Office and Shawnee Marketplace Investors LP and the release of patent.

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

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

A contract for Zahl Ford, Inc. for fiscal year 2014 in the initial amount of \$75,000 is requested. This contract is necessary to engage a consortium of on-call engineering disciplines to include structural, mechanical, electrical, hydrological, and civil to assist the agency to develop pre-purchase condition and repair assessments for commercial properties being considered for exchange or purchase by the Land Office.

Recommendation: The Director of Real Estate Management recommends approval of a contract to Zahl Ford, Inc. for FY2014 to obtain information needed before an exchange or purchase of commercial properties.

- a. Presented by James Spurgeon, Real Estate 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 Reese and seconded by Commissioner Jones to approve the contract to Zahl Ford, Inc. in the amount of

\$75,000 for FY2014.

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

8. Request Approval of Long Term Commercial Lease

Lease No.	Legal Description	Lessee	Purpose
109312	All in Kay County NW/4, SW/4, SE/4 of Sec. 33-29N-02EIM All Sec. 13-29N-01EIM (except 19.48 acres sold) All Sec. 36-29N-01WIM All Sec. 13-28N-01WIM All Sec. 16-29N-01EIM (except 21.95 acres sold)	Apex Clean Energy	Wind Turbine Power Production Lease

Location of tracts: A 480 acre tract located 2 miles north and 2 ½ miles west of Newkirk; a 620.52 acre tract located north and 5 miles west of Newkirk; a 640 acre tract located 8 ¾ miles east and 4 ½ miles north of Blackwell; a 640 acre tract located 2 ¾ miles east on Peckham from Sumpter; A 618.05 acre tract located about 8 miles east of I-35 and Braman Road.

The lease consists of 2998.57 acres m/l of land in Kay County.

A public auction for a 33-year wind power production lease was held February 4, 2014. The successful bidder was Apex Clean Energy.

The annual rental for years one (1) through three (3) is \$12,000. The annual rental will then escalate per terms of production in contract.

Recommendation: Director of Real Estate Management recommends approval of the long term commercial lease #109312 to Apex Clean Energy.

- a. *Presented by James Spurgeon, Real Estate 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 Reese and seconded by Lt. Governor Lamb to approve the long term commercial lease to Apex Clean Energy.

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

9. Consent Agenda – Request Approval of December 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. December 2013
 - a. Claims Paid (routine)
 - b. Expenditure Comparison

Minerals Management Division

1. December 2013
 - a. 12/4/2013 Oil and Gas Mining Lease Sale Tabulation
 - b. Tracts Offered for Lease on 1/22/2014
 - c. Assignments of Oil and Gas Leases
 - d. Seismic Permits
 - e. Division Orders

Real Estate Management Division

1. December 2013
 - a. New Short Term Commercial Lease
 - b. Surface Lease Assignments
 - c. Short Term Commercial Lease Renewals
 - d. 20 Year Easements
 - e. Renewed 20 Year Easements
 - f. Soil Conservation Projects
 - g. Patent

The agenda item was presented by Harry Birdwell, Secretary. A MOTION was made by Commissioner Reese and seconded by Commissioner Jones to approve the consent agenda as presented.

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

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

Investments

- a. Market Value Comparison December 2013

Accounting

- a. December Distribution by District and Month

11. Request Approval of a Legal Settlement Among Titan, Antero and the Land Office

In 2005 Titan leased certain land in Coal County from the Land Office. In 2008, six months prior to the expiration of the lease, the Land Office inadvertently leased 80 minerals acres to Antero. Antero paid \$1.6 million lease bonus to the Land Office.

A well was successfully drilled on the land several days after the original lease had expired resulting in a dispute between Titan and Antero over the leasehold ownership. Titan sued the Land Office and Antero to quit.

Titan, Antero and the Land Office have participated in mediation discussions. The parties agree that Titan and Antero will jointly own the lease and produce the minerals pursuant to a financial agreement between Titan and Antero.

The settlement benefits the Land Office and by entering into the settlement, the Land Office will be permitted to keep the \$1.6 million lease bonus, more than \$900,000 in royalty payments, plus 3/16 of future production.

Recommendation: The General Counsel recommends approval of the proposed settlement among Titan, Antero and the Land Office.

1. *Presented by Lisa Blodgett, General Counsel*
2. *Discussion*
3. *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 Lisa Blodgett, General Counsel. A MOTION was made by Commissioner Jones and seconded by Lt. Governor Lamb enter into the settlement among Titan, Antero and the Land Office.

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

12. Executive Session

A. 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 In re: *Point Vista Development, LLC*.

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

13. Proposed Action on Executive Session Items

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

- a. *Commission action in which the Board may approve, disapprove or table the matter and/or direct staff to take further action*

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

14. 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.

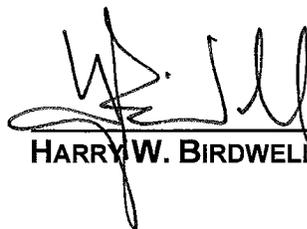
No new business was presented.

Adjourn

A MOTION was made by Lt. Governor Lamb and seconded by Commission Reese to adjourn the meeting.

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

Motion Carried

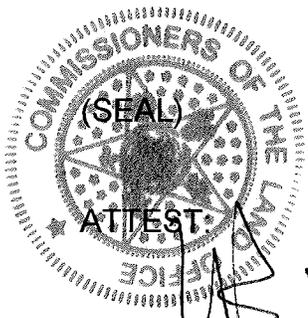


HARRY W. BIRDWELL, SECRETARY

The meeting was adjourned at 2:41 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 9th day of April, 2014



ATTEST

Harry W. Birdwell

Maryellen
CHAIRMAN

Notice of Posting

Date / Time: Tuesday, February 11, 2014, 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

Pages 61-62 were left blank intentionally.

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

Claims Paid December 2013

Oklahoma Press	Advertising Expense	\$7,453.28
Radio Oklahoma Network	Advertising Expense	\$400.00
BancFirst	Banking Service Charges	\$751.71
PDS Energy	Banking Service Charges	\$155.02
My Consulting Group Inc	Construction In Progress - Software	\$24,335.00
Office of Management & Enterprise Services	Flexible Benefits- Administration	\$109.85
Alvah Business Corp	General Operating Expense	\$93.40
First Choice Coffee Service	General Operating Expense	\$199.67
First National Management Inc	General Operating Expense	\$18,655.21
Hewlett Packard Company	General Operating Expense	\$1,002.39
Office of Management & Enterprise Services	General Operating Expense	\$2,990.25
PSI Services LLC	General Operating Expense	\$150.00
Staples Advantage	General Operating Expense	\$733.89
Staples Direct	General Operating Expense	\$29.98
Dillon Kauk Dozer	Land and Right-of-Way Expense	\$3,000.00
Joe Dozer Service	Land and Right-of-Way Expense	\$4,000.00
American Bar Association	Library Resources	\$62.90
Insurance Department	License and Permit Expense	\$690.00
Imagenet Consulting LLC	Maintenance & Repair Expense	\$588.17
Minter & Sons	Maintenance & Repair Expense	\$400.00
Office of Management & Enterprise Services	Maintenance & Repair Expense	\$1,091.30
Oklahoma Bar Association	Membership Fees	\$1,160.00
Office of Management & Enterprise Services	Miscellaneous Administrative Expense	\$5,000.88
US Treasury	Miscellaneous Administrative Expense	\$85.00
Dell Marketing LP1	Office Furniture & Equipment	\$912.24
AT&T Mobility	Professional Services	\$76.54
Crawford & Associates	Professional Services	\$337.50
DPS Security	Professional Services	\$1,850.00
Galt Foundation	Professional Services	\$8,059.29
Journey House Travel	Professional Services	\$25.00
KPMG LLP	Professional Services	\$5,600.00
Office of Management & Enterprise Services	Professional Services	\$1,626.26
Retail Attractions	Professional Services	\$3,850.00
SHI International Corp	Professional Services	\$1,365.00
Tisdal & O'Hara PLLC	Professional Services	\$507.50
Appraisal Institute	Registration Fees	\$1,704.00
Fred Pryor Seminars	Registration Fees	\$49.00
Cimarron County Free Fair	Rent Expense	\$300.00
Imagenet Consulting LLC	Rent Expense	\$1,263.18
Marianne's Rentals	Rent Expense	\$579.50
Summit Mailing & Shipping Systems	Rent Expense	\$357.74

AT&T Inc	Telecommunication Services	\$304.90
AT&T Mobility	Telecommunication Services	\$137.70
Cox Oklahoma Telcom LLC	Telecommunication Services	\$512.13
Office of Management & Enterprise Services	Telecommunication Services	\$2,056.29
Omega 1 Networks LLC	Telecommunication Services	\$55.00
Pacer	Telecommunication Services	\$18.10
Panhandle Telephone	Telecommunication Services	\$94.46
Pioneer Telephone	Telecommunication Services	\$323.88
Verizon Wireless	Telecommunication Services	\$43.01
American Airlines	Travel- Agency Direct	\$443.60
Conrad Hotel	Travel- Agency Direct	\$593.66
Courtyard by Marriott	Travel- Agency Direct	\$476.00
Holiday Inn and Suites	Travel- Agency Direct	\$348.60
Holiday Inn Express	Travel- Agency Direct	\$83.00
Office of Management & Enterprise Services	Travel- Agency Direct	\$25.95
Brownsworth, Greg	Travel- Reimbursement	\$284.20
Drake, Tom	Travel- Reimbursement	\$168.50
Eike, Tom	Travel- Reimbursement	\$311.50
Evans, Floyd	Travel- Reimbursement	\$92.00
Foster, Chris	Travel- Reimbursement	\$742.89
Hermanski, David Alan	Travel- Reimbursement	\$515.85
Ryan, Starr	Travel- Reimbursement	\$649.29
Schreiner, Randy	Travel- Reimbursement	<u>\$160.50</u>
		<u>\$110,041.66</u>

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

DESCRIPTION	FY13	FY14	Expenditures
	YTD	YTD	Changed
	Expenditures	Expenditures	From FY13/FY14
Salaries	\$ 1,484,709	\$ 1,586,504	\$ 101,795
Longevity	34,454	36,265	1,811
Insurance	278,118	291,398	13,280
Premiums, Workers Comp	21,355	20,397	(958)
State Retirement & FICA	363,701	387,274	23,573
Professional	283,648	250,349	(33,299)
Personnel Board & Soonerflex	658	554	(104)
Total Personal Service	2,466,643	2,572,741	106,098
Travel Reimbursement	23,588	26,834	3,246
Travel- Direct Agency Payments	14,702	22,575	7,873
Direct Registration	15,492	17,932	2,440
Postage, UPS & Courier Svc.	15,109	7,384	(7,725)
Communications	8,698	16,109	7,411
Printing & Advertising	18,353	26,706	8,353
Information Services & Core Charges	35,387	45,591	10,204
Exhibitions, Shows, Special Events	750	-	(750)
Miscellaneous Administrative Fee	200	5,256	5,056
Licenses, Permits, & Abstracts	1,055	1,345	290
Memberships & Tuition Reimb.	375	1,310	935
Insurance Premiums	-	3,227	3,227
Rental Of Space & Equipment	144,734	138,354	(6,380)
Repairs & Maintenance	186,730	51,292	(135,438)
Fuel/Special Supplies	11,062	3,874	(7,188)
Office & Printing Supplies	28,286	15,926	(12,360)
Shop Expense	-	-	-
Office Furniture & Equipment	9,520	11,801	2,281
Library Resources	267	1,313	1,046
Lease Purchases	-	-	-
Soil Conservation Projects	60,855	-	(60,855)
Construction in Progress- Software	53,895	24,335	(29,560)
Construction and Renovation	18,170	6,100	(12,070)
Safety /Security Supplies	-	-	-
Indemnity Payments	-	-	-
Total Supplies, Equip. & Oth.	647,228	427,264	(219,964)
TOTAL	\$ 3,113,871	\$ 3,000,005	\$ (113,866)

**MINERALS MANAGEMENT DIVISION
MONTHLY SUMMARY**

FROM: 12/1/2013

TO: 12/31/2013

RE: SUMMARY OF THE 12/4/2013 OIL AND GAS LEASE SALE

<u>*TOTAL BONUS:</u>	\$707,040.00	* Includes only high bids
<u>TOTAL NET ACRES:</u>	2,640.00	
<u>AVG PRICE PER ACRE:</u>	\$267.82	
<u>TOTAL TRACTS:</u>	28	
<u>TOTAL HIGH BIDS:</u>	18	
<u>TOTAL LOW BIDS:</u>	5	
<u>TOTAL BIDS RECEIVED:</u>	23	
<u>TOTAL TRACTS NO BIDS:</u>	10	
<u>HIGH BID PER ACRE:</u>	\$422.00	

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

12/4/2013

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	COMANCHE	NE/4 (All M.R.), Sec. 13-03N-09WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
2	COMANCHE	NW/4 (All M.R.), Sec. 13-03N-09WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
3	COMANCHE	SE/4 (All M.R.), Sec. 13-03N-09WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
4	COMANCHE	SW/4 (All M.R.), Sec. 13-03N-09WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
5	COMANCHE	NE/4 (All M.R.), Sec. 16-03N-09WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
6	COMANCHE	NW/4 (All M.R.), Sec. 16-03N-09WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
7	COMANCHE	SE/4 (All M.R.), Sec. 16-03N-09WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
8	COMANCHE	SW/4 (All M.R.), Sec. 16-03N-09WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
9	COMANCHE	S/2 SE/4 (1/2 M.R.), Sec. 25-03N-09WIM	40.00	NO BIDS	\$0.00	\$0.00

10	COMANCHE	Beginning at the Southeast corner of the SW/4 of Section 25; thence 162 yards West; thence 110 yards North; thence Northeasterly along the edge of the plowed land 80 yards; thence North 96 yards to a point 59 yards West of the half section line; thence East 59 yards to the half section line; thence due South along said half section line 220 yards to the point or place of beginning. (1/2 M.R.), Sec. 25-03N-09WIM	2.50	NO BIDS	\$0.00	\$0.00
11	COMANCHE	NW/4, less and except from the surface to the base of the Hoxbar Formation (All M.R.), Sec. 35-03N-09WIM	160.00	NO BIDS	\$0.00	\$0.00
12	COMANCHE	SE/4 (All M.R.), Sec. 20-04N-09WIM	160.00	NO BIDS	\$0.00	\$0.00
13	COMANCHE	E/2 SE/4 (All M.R.), Sec. 33-04N-09WIM	80.00	NO BIDS	\$0.00	\$0.00
14	COMANCHE	NE/4 (All M.R.), Sec. 36-04N-09WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
15	COMANCHE	NW/4 (All M.R.), Sec. 36-04N-09WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
16	COMANCHE	SE/4 (All M.R.), Sec. 36-04N-09WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
17	COMANCHE	SW/4 (All M.R.), Sec. 36-04N-09WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
18	COMANCHE	NE/4 SW/4, less and except from the surface to the base of the Hoxbar Formation (1/2 M.R.), Sec. 11-03N-10WIM	20.00	TRIAD ENERGY INC	\$8,440.00	\$422.00
19	COMANCHE	SE/4 SW/4; W/2 SW/4 (1/2 M.R.), Sec. 11-03N-10WIM	60.00	TRIAD ENERGY INC	\$25,320.00	\$422.00
19	COMANCHE	SE/4 SW/4; W/2 SW/4 (1/2 M.R.), Sec. 11-03N-10WIM	60.00	MARATHON OIL COMPANY	\$15,600.00	\$260.00
20	COMANCHE	NE/4, less and except from the surface to the base of the Wade Formation (All M.R.), Sec. 13-03N-10WIM	160.00	TRIAD ENERGY INC	\$67,520.00	\$422.00
20	COMANCHE	NE/4, less and except from the surface to the base of the Wade Formation (All M.R.), Sec. 13-03N-10WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
21	COMANCHE	NW/4, less and except from the surface to the base of the Wade Formation (All M.R.), Sec. 13-03N-10WIM	160.00	TRIAD ENERGY INC	\$67,520.00	\$422.00
21	COMANCHE	NW/4, less and except from the surface to the base of the Wade Formation (All M.R.), Sec. 13-03N-10WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00
22	COMANCHE	SE/4 (All M.R.), Sec. 13-03N-10WIM	160.00	TRIAD ENERGY INC	\$67,520.00	\$422.00
22	COMANCHE	SE/4 (All M.R.), Sec. 13-03N-10WIM	160.00	MARATHON OIL COMPANY	\$25,600.00	\$160.00
23	COMANCHE	SW/4 (All M.R.), Sec. 13-03N-10WIM	160.00	TRIAD ENERGY INC	\$67,520.00	\$422.00
23	COMANCHE	SW/4 (All M.R.), Sec. 13-03N-10WIM	160.00	MARATHON OIL COMPANY	\$41,600.00	\$260.00

24	COMANCHE	NW/4 (All M.R.), Sec. 20-03N-10WIM	160.00	NO BIDS	\$0.00	\$0.00
25	COMANCHE	NE/4, less and except from the surface to the base of the Woodford Formation (All M.R.), Sec. 36-03N-10WIM	160.00	NO BIDS	\$0.00	\$0.00
26	COMANCHE	NW/4, less and except from the surface to the base of the Woodford Formation (All M.R.), Sec. 36-03N-10WIM	160.00	NO BIDS	\$0.00	\$0.00
27	COMANCHE	SE/4, less and except from the surface to the base of the Woodford Formation (All M.R.), Sec. 36-03N-10WIM	160.00	NO BIDS	\$0.00	\$0.00
28	COMANCHE	SW/4, less and except from the surface to the base of the Woodford Formation (All M.R.), Sec. 36-03N-10WIM	160.00	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: **1/22/2014**

<u>TR#</u>	<u>COUNTY</u>	<u>LEGAL DESCRIPTION</u>	<u>M.R. %</u>	<u>SEC-TWP-RGE</u>
1	CIMARRON	SE/4	50.00%	11-04N-07ECM
2	CIMARRON	NE/4	50.00%	01-03N-08ECM
3	CIMARRON	SE/4	50.00%	01-03N-08ECM
4	CIMARRON	SW/4	50.00%	01-03N-08ECM
5	CIMARRON	NE/4, less 6 acres for railroad	100.00%	18-04N-08ECM
6	CIMARRON	Lots 1 and 2; E/2 NW/4, less 13.22 acres for railroad	100.00%	18-04N-08ECM
7	CIMARRON	SW/4	50.00%	20-04N-08ECM
8	CIMARRON	SE/4	50.00%	28-04N-08ECM
9	CIMARRON	SW/4	50.00%	28-04N-08ECM
10	CIMARRON	SE/4	50.00%	34-04N-08ECM
11	CIMARRON	NE/4	100.00%	36-04N-08ECM
12	CIMARRON	NW/4	100.00%	36-04N-08ECM
13	CIMARRON	SE/4	100.00%	05-03N-09ECM
14	CIMARRON	SE/4	100.00%	16-04N-09ECM
15	CIMARRON	E/2 NW/4; Lots 1 and 2, less and except the Topeka Formation	100.00%	19-04N-09ECM
16	CIMARRON	SW/4	100.00%	23-05N-09ECM
17	CIMARRON	SW/4	100.00%	26-05N-09ECM
18	CIMARRON	Lots 1 and 2; S/2 NE/4	100.00%	15-06N-09ECM

19	CIMARRON	Lots 3 and 4; S/2 NW/4	100.00%	15-06N-09ECM
20	CIMARRON	SE/4	100.00%	15-06N-09ECM
21	CIMARRON	SW/4	100.00%	15-06N-09ECM
22	CIMARRON	SE/4	50.00%	34-06N-09ECM
23	CIMARRON	SW/4	50.00%	34-06N-09ECM
24	COMANCHE	NE/4, less and except the Permian Formation	100.00%	16-03N-10WIM
25	COMANCHE	NW/4, less and except from the surface to 1500 feet	100.00%	16-03N-10WIM
26	COMANCHE	SE/4, less and except the Permian Formation	100.00%	16-03N-10WIM
27	COMANCHE	SW/4, less and except the Granite Wash (Permian) Formation	100.00%	16-03N-10WIM
28	CUSTER	SW/4	50.00%	05-13N-16WIM
29	DEWEY	NW/4, less and except the Tonkawa Formation	100.00%	21-16N-17WIM
30	DEWEY	NE/4	100.00%	36-16N-18WIM
31	ELLIS	E/2 NE/4, less and except the Cherokee, Cottage Grove, Oswego and Atoka Formations	100.00%	18-17N-22WIM
32	ELLIS	NE/4, less and except the Cleveland Formation	100.00%	16-18N-25WIM
33	ELLIS	NW/4, less and except the Cleveland Formation	100.00%	16-18N-25WIM
34	ELLIS	SE/4 NE/4, less and except the Cleveland Formation	100.00%	27-18N-25WIM
35	ELLIS	NW/4 SW/4; Lots 3 and 4, less and except the Cleveland Formation, and also less and except accretion and riparian rights lying outside of Sec. 27-18N-25W	100.00%	27-18N-25WIM
36	ELLIS	N/2 SE/4; Lots 1 and 2, less and except from the surface to the base of the Morrow Formation, also less and except the Atoka common source of supply as defined in the Higgins Atoka Unit Agreement, and also less and except the accretion and riparian rights lying outside of Sec. 28-18N-25W	100.00%	28-18N-25WIM
37	GARFIELD	SW/4	100.00%	36-21N-07WIM
38	GRADY	Lot 1; SE/4 NE/4	50.00%	02-05N-05WIM
39	GRADY	E/2 SE/4	50.00%	02-05N-05WIM
40	GRADY	S/2 SW/4 SE/4, less and except the Sycamore Formation	50.00%	02-05N-05WIM
41	GRADY	SE/4 NE/4 NW/4; NW/4 NW/4; W/2 SE/4 NW/4; SW/4 NW/4, less and except the Bromide and Viola Formations	50.00%	13-05N-06WIM
42	GRADY	SW/4 NE/4 SW/4; NW/4 SW/4, less and except the Bromide and Viola Formations	50.00%	13-05N-06WIM
43	LOGAN	SW/4	100.00%	16-17N-04WIM
44	MAJOR	NW/4	100.00%	13-20N-15WIM
45	MAJOR	SW/4	100.00%	13-20N-15WIM
46	PAWNEE	NW/4	100.00%	33-20N-05EIM
47	PAWNEE	Lots 3, 5 and 6	100.00%	33-20N-05EIM
48	POTTAWATOMIE	NE/4	100.00%	16-09N-02EIM
49	POTTAWATOMIE	NW/4	100.00%	16-09N-02EIM
50	POTTAWATOMIE	SE/4	100.00%	16-09N-02EIM
51	POTTAWATOMIE	SW/4	100.00%	16-09N-02EIM

52	POTTAWATOMIE	NE/4	100.00%	16-06N-04EIM
53	POTTAWATOMIE	N/2 SE/4; SE/4 SE/4	100.00%	16-06N-04EIM
54	POTTAWATOMIE	W/2 SW/4	100.00%	16-06N-04EIM
55	POTTAWATOMIE	NE/4	100.00%	36-06N-04EIM
56	POTTAWATOMIE	NE/4 SE/4	100.00%	36-06N-04EIM
57	ROGER MILLS	All that part of Lot 1 of Section 13-17N-22W, accreted to and lying within Section 11, less and except the Cottage Grove Sand Formation	100.00%	11-17N-22WIM
58	ROGER MILLS	Lots 1 and 2; SE/4 NW/4, less and except the Cherokee Formation and also less and except the accretion and riparian rights lying outside of Section 13-17N-22W	100.00%	13-17N-22WIM
59	ROGER MILLS	Lots 3 and 4, less and except the Cherokee Formation and also less and except the accretion and riparian rights lying outside of Section 13-17N-22W	100.00%	13-17N-22WIM
60	ROGER MILLS	N/2 SE/4; SW/4 SE/4	50.00%	27-15N-25WIM
61	ROGER MILLS	SW/4, less and except the Tonkawa Formation	100.00%	05-15N-26WIM
62	ROGER MILLS	NE/4, less and except the Tonkawa Formation	50.00%	09-15N-26WIM
63	ROGER MILLS	S/2 NE/4, less and except the Tonkawa Formation	50.00%	26-16N-26WIM
64	ROGER MILLS	N/2 SE/4, less a strip 150 13/14 feet East and West by 70 rods North and South located 33 feet West of East line and 10 rods South of North line of NE/4 SE/4; less and except the Tonkawa Formation	50.00%	26-16N-26WIM
65	TEXAS	SE/4	100.00%	31-05N-10ECM
66	TEXAS	NE/4	100.00%	32-05N-10ECM
67	WOODS	W/2 NE/4	100.00%	22-28N-20WIM
68	WOODS	N/2 NW/4	100.00%	22-28N-20WIM
69	WOODS	NW/4 NW/4	100.00%	23-28N-20WIM
70	WOODWARD	E/2 SE/4, less 3.08 acres for railroad right-of-way; SW/4 SE/4; less and except the Marmaton Formation	50.00%	22-23N-21WIM

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-27993	POTTAWATOMIE	W/2 NE/4 of Sec. 18-06N-02EIM	WEST STAR OPERATING COMPANY	SHALCO ENERGY (DELAWARE) LLC
CS-27993	POTTAWATOMIE	W/2 NE/4 of Sec. 18-06N-02EIM	WEST STAR OPERATING COMPANY	WEST STAR EXPLORATION AND PRODUCTION COMPANY
CS-27994	POTTAWATOMIE	E/2 NW/4 of Sec. 18-06N-02EIM	WEST STAR OPERATING COMPANY	SHALCO ENERGY (DELAWARE) LLC
CS-27994	POTTAWATOMIE	E/2 NW/4 of Sec. 18-06N-02EIM	WEST STAR OPERATING COMPANY	WEST STAR EXPLORATION AND PRODUCTION COMPANY
CS-27995	POTTAWATOMIE	LOTS 1 AND 2 of Sec. 18-06N-02EIM	WEST STAR OPERATING COMPANY	SHALCO ENERGY (DELAWARE) LLC

CS-27995	POTTAWATOMIE	LOTS 1 AND 2 of Sec. 18-06N-02EIM	WEST STAR OPERATING COMPANY	WEST STAR EXPLORATION AND PRODUCTION COMPANY
CS-28689	POTTAWATOMIE	SW/4 of Sec. 16-06N-03EIM	WEST STAR OPERATING COMPANY	SHALCO ENERGY (DELAWARE) LLC
CS-28689	POTTAWATOMIE	SW/4 of Sec. 16-06N-03EIM	WEST STAR OPERATING COMPANY	WEST STAR EXPLORATION AND PRODUCTION COMPANY
CS-28910	POTTAWATOMIE	NW/4 SW/4; W/2 SE/4 SW/4; SW/4 SW/4 of Sec. 02-05N-02EIM	WEST STAR OPERATING COMPANY	WEST STAR EXPLORATION AND PRODUCTION COMPANY
RO-29253	PAYNE	NW/4 of Sec. 36-19N-01WIM	CONTINENTAL LAND RESOURCES LLC	DEVON ENERGY PRODUCTION COMPANY LP
RO-29254	PAYNE	SE/4 of Sec. 36-19N-01WIM	CONTINENTAL LAND RESOURCES LLC	DEVON ENERGY PRODUCTION COMPANY LP
UV-653	CANADIAN	SE/4 (1/2 M.R.) of Sec. 27-11N-10WIM	SAMEDAN OIL CORPORATION	NOBLE ENERGY 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>
779	Parts of Section 29-5N-1E McClain County	Charter Oak Production	\$2,800.00

Minerals Management Division has prepared 16 Division Orders for the month of December 2013.

**REAL ESTATE MANAGEMENT DIVISION
MONTHLY SUMMARY**

December 1-31, 2013

RE: New Short Term Commercial Lease

Lease No.	Description	Rent	Lessee
109310 – Payne County	SW/4 SW/4 SEC. 16-19N-6EIM	\$1,800.00	Gary Wade

Term of lease is 1/1/2014 to 12/31/2016 and will be used for a residential home site.

RE: Surface Lease Assignments

Lease No.	Description	Rent	Lessee
105542 -Oklahoma County	NE/C SE/4 Sec. 16-14N-4WIM	\$6,400.00	Gastar Exploration LTD

This lease was previously in the name of Lime Rock Resources. Rental is paid current.

Lease No.	Description	Rent	Lessee
206603 – Harper County	SE/C of the NE/4 Sec. 13-28N-21WIM	\$1,325.00	Wagner Oil Company

This lease was previously in the name of Halcon Holdings, Inc. (f/k/a Ram Energy, Inc.). Rental is paid current.

RE: Short Term Commercial Lease Renewal for a term of 1-1-2013 thru 12-31-2015

Lease No.	Legal Description	Annual Rent	Lessee
106507 - Pottawatomie County	S/2 & SE/4 NE/4 Sec. 16-10N-2EIM Lot 36 Shawnee School Land Plat	\$1,200.00	Amy Camarata & Randy Jacox

RE: Short Term Commercial Lease Renewal for a term of 1-1-2014 thru 12-31-2016

Lease No.	Legal Description	Annual Rent	Lessee
307641- Cimarron County	Lots 1 & 2 Sec 11, 14, 15 & 22 in 6N-4ECM	\$2,600.00	NBI Properties

Lease No.	Legal Description	Annual Rent	Lessee
300001- Cimarron County	NW/4 SW/4 NE/4 Sec. 14-6N-4ECM	\$2,000.00	NBI Properties

RE: 20 Year Easements

Lease No.	Legal Description	Appraised	Company
101095 Kingfisher County Esmt No. 9322	S/2 Sec. 16-19N-5WIM	\$58,500.00	Longfellow Energy, LP

Easement has been issued to Longfellow Energy, LP for a 10" salt water pipeline. Said easement not to exceed 30' in width and 317.45 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
101108 Grant County Esmt No. 9355	Part of SW/4 Sec. 16-27N-5WIM	\$14,100.00	Oklahoma Natural Gas & Electric Company

Easement has been issued to Oklahoma Natural Gas & Electric Company for an overhead 138 kv electric transmission line. Said easement not to exceed 2.406 acres/156.510 rods. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
101107 Grant County Esmt No. 9356	Part of NW/4 Sec. 16-27N-5WIM	\$14,400.00	Oklahoma Natural Gas & Electric Company

Easement has been issued to Oklahoma Natural Gas & Electric Company for an overhead 138 kv electric transmission line. Said easement not to exceed 2.430 acres/160.180 rods. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
101110 Grant County Esmt No. 9357	Part of NW/4 Sec. 36-28N-5WIM	\$4,400.00	Oklahoma Natural Gas & Electric Company

Easement has been issued to Oklahoma Natural Gas & Electric Company for an overhead 138 kv electric transmission line. Said easement not to exceed 0.627 acres/49.220 rods. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
817191 Ellis County Esmt No. 9368	NW/4 Sec. 33-21N-24WIM	\$13,000.00	DCP Midstream, LP

Easement has been issued to DCP Midstream, LP for a 4" natural gas pipeline. Said easement not to exceed 25' in width and 21.861 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
106271 Ellis County Esmt No. 9371	E/2 Sec. 14-20N-25WIM	\$34,700.00	Enable Gas Gathering, LLC

Easement has been issued to Enable Gas Gathering, LLC for an 8" poly natural gas pipeline. Said easement not to exceed 30' in width and 256.79 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
205125 Noble County Esmt No. 9381	NE/4 Sec. 13-24N-2WIM	\$10,300.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for an 8" produced salt water pipeline. Said easement not to exceed 30' in width and 98.55 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
205125 Noble County Esmt No. 9382	NE/4 Sec. 13-24N-2WIM	\$10,300.00	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 30' in width and 80.01 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
101462 Alfalfa County Esmt No. 9383	NE/4 Sec. 16-28N-11WIM	\$9,000.00	Sandridge Exploration and Production, LLC

Easement has been issued to Sandridge Exploration and Production, LLC for an 8" produced salt water pipeline. Said easement not to exceed 30' in width and 89.85 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
100318, 105516 Lincoln County Esmt No. 9384	NE/4 Sec. 16-14N-3EIM	\$13,700.00	Oklahoma Natural Gas Company

Easement has been issued to Oklahoma Natural Gas Company for a 4" natural gas pipeline. Said easement not to exceed 25' in width and 161.15 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
409161 Beaver County Esmt No. 9389	E/2NE/4 Sec. 29-1N-20ECM	\$11,750.00	Balko Wind, LLC

Easement has been issued to Balko Wind, LLC for an underground electric cable. Said easement not to exceed 50' in width and 85.24 rods in length. Said easement has been paid in full.

Lease No.	Legal Description	Appraised	Company
409161 Beaver County Esmt No. 9390	E/2NE/4 Sec. 29-1N-20ECM	\$34,100.00	Balko Wind, LLC

Easement has been issued to Balko Wind, LLC for an electric transmission line. Said easement not to exceed 50' in width and 80.0 rods in length. Said easement has been paid in full.

RE: Renewed 20 Year Easements

Esmt No.	Legal Description	Appraised	Company
7741- Pottawatomie County - 100296	SE/4 Sec. 36-11N-3EIM	\$19,500.00	Oklahoma Natural Gas Company
Esmt No.	Legal Description	Appraised	Company
7729 – Beaver County - 409193	Sec. 5-4N-23ECM	\$24,200.00	DCP Midstream, LP

These are easements that have expired and have been renewed.

RE: Soil Conservation Projects

Lease No.	Lessee	Location	Practice	Cost to CLO
817228 – Kiowa County	Brian Johnson	NE/4 Sec. 22 & SE/4 Sec. 15-6N-16WIM	Construct new pond.	\$4,920.00
101117 – Kingfisher County	Shawn Alig	NW/4 Sec. 16-16-6WIM	Clear fence row and bury burned homesite debris.	\$4,680.00
101646 – Kiowa County	Terry Heller	SE/4 Sec. 16-7N-16WIM (subj to .72 ac esmt).	Removal of old terraces and build new terraces	\$3,360.00
100354 – Payne County	Roger Gose	NW/4 Sec. 16-19N-3EIM	Clear and stack burned timber from approximately 23 acres of lease.	\$5,850.00

101368 -- Canadian County	Darrell Garrett	Lts. 1,2 & E/2SW/4 & SE/4 Sec. 36-12N-10WIM	Doze and stack ERC from approximately 100.13 acres of river bottom grassland.	\$8,100.00
None -- Pottawatomie County		E/2 SE/4 Sec. 36-11N-3EIM	Appraisal	\$1,750.00
None -- Oklahoma County		3017 N. Stiles, Oklahoma City, OK	Appraisal	\$1,750.00

RE: Patent Issued on Land Sale

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

**PATENT
AND SALE
NUMBER:**

6443
CS2004198

LEGAL DESCRIPTION

PURCHASER(S)

A tract of land lying in the Northeast Quarter (NE/4) of Section 16, Township Thirteen North (T13N), Range Five West of the Indian Meridian (05WIM) Oklahoma City, Canadian County, Oklahoma, and being more particularly described as follows;

Village Verde Developers, LLC

COMMENCING at the Northeast corner of said Northeast Quarter (NE/4) THENCE South 00°03'35" East along the East line of said Northeast Quarter (NE/4) a distance of 50.00 feet to the POINT OF BEGINNING;

THENCE continuing South 00°03'35" East along the East line of said Northeast Quarter (NE/4) a distance of 866.39 feet to a point, said point being the Northeast corner of the filed final plat of VILLAGE VERDE ADDITION SECTION 1 (as filed in Book 9 of Plats, Page 315); THENCE along the property line of said final plat the following twenty-eight (28) courses:

- 1) THENCE South 89°56'25" West a distance of 50.00 feet;
- 2) THENCE North 75°01'51" West a distance of 98.47 feet;
- 3) THENCE North 89°52'56" West a distance of 152.96 feet;
- 4) THENCE South 00°09'13" East a distance of 121.93 feet to a point on a non-tangent curve;
- 5) THENCE around a curve to the left having a radius of 150.00 feet (said curve subtended by a chord which bears North 85°48'58" West, a distance of 22.20 feet) and an arc length of 22.22 feet;
- 6) THENCE South 89°56'25" West a distance of 22.00 feet;
- 7) THENCE South 00°03'35" East a distance of 374.67 feet;
- 8) THENCE South 36°56'20" West a distance of 167.62 feet;
- 9) THENCE South 88°10'27" West a distance of 281.55 feet;
- 10) THENCE South 00°05'13" West a distance of 122.57 feet;
- 11) THENCE North 89°54'47" West a distance of 36.64 feet;
- 12) THENCE South 00°05'13" West a distance of 169.20 feet;
- 13) THENCE South 89°54'47" East a distance of 7.68 feet;
- 14) THENCE South 00°05'13" West a distance of 110.00 feet;
- 15) THENCE North 89°54'47" West a distance of 11.70 feet;
- 16) THENCE South 00°05'13" West a distance of 165.00 feet;
- 17) THENCE South 89°54'47" East a distance of 37.56 feet;
- 18) THENCE South 00°05'13" West a distance of 165.00 feet;
- 19) THENCE South 89°54'47" East a distance of 398.91 feet;
- 20) THENCE South 40°20'23" East a distance of 32.42 feet;
- 21) THENCE South 80°00'45" East a distance of 50.00 feet to a point on a non-tangent curve;
- 22) THENCE around a curve to the left having a radius of 1000.00 feet (said curve subtended by a chord which bears North 05°59'31" East, a distance of 139.36 feet) and an arc length of 139.47 feet;
- 23) THENCE North 01°48'56" East a distance of 19.80 feet;
- 24) THENCE North 46°03'07" East a distance of 35.93 feet;
- 25) THENCE South 85°54'32" East a distance of 97.45 feet to POINT "A";

- 26) THENCE continuing South 85°54'32" East a distance of 46.87 feet;
- 27) THENCE South 44°58'15" East a distance of 35.41 feet;
- 28) THENCE North 89°56'25" East a distance of 50.00 feet to a point on the East line of said NE/4;

THENCE South 00°03'35" East along the East line of said NE/4 a distance of 276.29 feet; THENCE South 89°56'25" West a distance of 162.10 feet; THENCE North 73°26'13" West a distance of 123.24 feet; THENCE North 76°29'25" West a distance of 50.00 feet; THENCE North 89°54'47" West a distance of 628.42 feet; THENCE South 78°38'43" West a distance of 50.00 feet; THENCE North 11°21'17" West a distance of 42.88 feet to a point of curvature; THENCE around a curve to the left having a radius of 125.21 feet (said curve subtended by a chord which bears North 44°02'18" West, a distance of 135.00 feet) and an arc length of 142.58 feet; THENCE around a reverse curve to the right having a radius of 327.89 feet (said curve subtended by a chord which bears North 68°31'01" West, a distance of 92.77 feet) and an arc length of 93.08 feet; THENCE around a compound curve to the right having a radius of 325.00 feet (said curve subtended by a chord which bears North 55°26'40" West, a distance of 55.15 feet) and an arc length of 55.22 feet; THENCE North 50°34'38" West a distance of 6.34 feet; THENCE South 84°25'22" West a distance of 35.36 feet; THENCE South 39°25'22" West a distance of 4.00 feet; THENCE North 50°34'38" West a distance of 50.00 feet; THENCE North 39°25'22" East a distance of 88.45 feet to a point of curvature; THENCE around a curve to the left having a radius of 125.00 feet (said curve subtended by a chord which bears North 19°52'06" East, a distance of 83.68 feet) and an arc length of 85.32 feet; THENCE North 47°19'19" West a distance of 37.10 feet; THENCE North 03°45'35" East a distance of 50.00 feet to a point on a non-tangent curve; THENCE around a curve to the left having a radius of 175.00 feet (said curve subtended by a chord which bears South 89°50'08" East, a distance of 21.95 feet) and an arc length of 21.96 feet; THENCE North 02°45'45" East a distance of 132.66 feet; THENCE North 89°54'47" West a distance of 20.11 feet; THENCE North 05°40'20" East a distance of 125.54 feet to a point on a non-tangent curve; THENCE around a curve to the right having a radius of 225.00 feet (said curve subtended by a chord which bears North 76°38'16" West, a distance of 9.80 feet) and an arc length of 9.80 feet; THENCE North 16°06'06" East a distance of 169.38 feet; THENCE South 89°54'47" East a distance of 104.69 feet to POINT "B"; THENCE North 43°02'59" East a distance of 45.63 feet; THENCE North 46°57'01" West a distance of 44.61 feet; THENCE North 44°13'54" East a distance of 127.65 feet to a point on a non-tangent curve; THENCE around a curve to the right having a radius of 40.50 feet (said curve subtended by a chord which bears North 13°35'07" West, a distance of 8.44 feet) and an arc length of 8.45 feet; THENCE around a reverse curve to the left having a radius of 25.00 feet (said curve subtended by a chord which bears North 27°43'29" West, a distance of 17.20 feet) and an arc length of 17.56 feet; THENCE North 42°09'21" East a distance of 50.00 feet to a point on a non-tangent curve; THENCE around a curve to the left having a radius of 25.00 feet (said curve subtended by a chord which bears South 67°57'49" East, a distance of 17.20 feet) and an arc length of 17.56 feet; THENCE around a reverse curve to the right having a radius of 40.50 feet (said curve subtended by a chord which bears South 65°29'53" East, a distance of 31.11 feet) and an arc length of 31.93 feet; THENCE North 52°59'16" East a distance of 48.11 feet to a point of curvature; THENCE around a curve to the right having a radius of 300.00 feet (said curve subtended by a chord which bears North 70°27'17" East, a distance of 135.67 feet) and an arc length of 136.86 feet to POINT "C"; THENCE North 32°25'03" East a distance of 125.39 feet; THENCE North 00°22'37" East a distance of 264.58 feet; THENCE North 06°59'45" West a distance of 160.04 feet to a point on a non-tangent curve; THENCE around a curve to the right having a radius of 125.00 feet (said curve subtended by a chord which bears North 42°17'41" East, a distance of 26.04 feet) and an arc length of 26.09 feet; THENCE North 48°16'24" East a distance of 31.50 feet; THENCE South 88°24'30" East a distance of 36.38 feet; THENCE North 43°00'00" East a distance of 50.00 feet to a point on a non-tangent curve; THENCE around a curve to the right having a radius of 325.00 feet (said curve subtended by a chord which bears North 42°13'12" West, a distance of 54.17 feet) and an arc length of 54.23 feet to POINT "D"; THENCE continuing along a curve to the right having a radius of 325.00 feet (said curve subtended by a chord which bears North 35°58'25" West, a distance of 16.63 feet) and an arc length of 16.63 feet; THENCE around a reverse curve to the left having a radius of 325.00 feet (said curve subtended by a chord which bears North 49°28'29" West, a distance of 167.87 feet) and an arc length of 169.80 feet; THENCE North 04°46'12" East a distance of 218.87 feet; THENCE North 01°13'55" East a distance of 206.12 feet; THENCE South 89°34'33" East a distance of 764.20 feet to the POINT OF BEGINNING.

Said tract contains 1,469,296 square feet or 33.730 acres, more or less.

LESS AND EXCEPT the following described tracts of land;

COMMON AREA "B"

BEGINNING at said POINT "A"; THENCE South 85°54'32" East a distance of 46.87 feet; THENCE South 44°58'15" East a distance of 35.41 feet; THENCE South 00°03'35" East a distance of 276.29 feet; THENCE South 89°56'25" West a distance of 112.10 feet; THENCE North 07°29'01" East a distance of 307.42 feet to said POINT "A" and the POINT OF BEGINNING.

Said tract of land contains 27,536 square feet or 0.632 acres more or less.

And also,

COMMON AREA "C"

BEGINNING at said POINT "B"; THENCE North 43°02'59" East a distance of 45.63 feet; THENCE South 46°57'01" East a distance of 140.51 feet; THENCE South 37°32'58" East a distance of 95.68 feet; THENCE North 84°19'40" West a distance of 133.11 feet; THENCE North 25°28'31" West a distance of 138.76 feet to said POINT "B" and the POINT OF BEGINNING.

Said tract of land contains 14,361 square feet or 0.330 acres, more or less.

And also,

COMMON AREA "D"

BEGINNING at said POINT "C"; THENCE North 32°25'03" East a distance of 125.39 feet; THENCE North 00°22'37" East a distance of 264.58 feet; THENCE North 06°59'45" West a distance of 160.04 feet to a point on a non-tangent curve; THENCE along a curve to the right having a radius of 125.00 feet (said curve subtended by a chord which bears North 42°17'41" East a distance of 26.04 feet) with an arc length of 26.09 feet; THENCE North 48°16'24" East a distance of 31.50 feet; THENCE South 88°24'30" East a distance of 36.38 feet to a point on a non-tangent curve; THENCE along a curve to the left having a radius of 375.00 feet (said curve subtended by a chord which bears South 56°21'31" East a distance of 121.96 feet) with an arc length of 122.50 feet; THENCE South 16°33'33" West a distance of 214.44 feet; THENCE South 07°58'36" West a distance of 55.86 feet; THENCE South 83°13'29" East a distance of 123.02 feet; THENCE South 08°21'41" West a distance of 30.01 feet; THENCE North 83°13'29" West a distance of 122.82 feet; THENCE South 07°58'36" West a distance of 210.60 feet; THENCE North 89°54'47" West a distance of 91.85 feet to a point of curvature; THENCE along a curve to the left having a radius of 300.00 feet (said curve subtended by a chord which bears South 86°48'19" West a distance of 34.35 feet) with an arc length of 34.37 feet to said POINT "C" and the POINT OF BEGINNING.

Said tract of land contains 65,403 square feet or 1.501 acres, more or less.

And also,

COMMON AREA "E"

BEGINNING at said POINT "D" said point being a point on a curve; THENCE along a curve to the right having a radius of 325.00 feet (said curve subtended by a chord which bears North 35°58'25" West a distance of 16.63 feet) with an arc length of 16.63 feet; THENCE around a reverse curve to the left having a radius of 325.00 feet (said curve subtended by a chord which bears North 49°28'29" West a distance of 167.87 feet) with an arc length of 169.80 feet; THENCE North 04°46'12" East a distance of 218.87 feet; THENCE North 01°13'55" East a distance of 206.12 feet; THENCE South 89°34'33" East a distance of 90.00 feet; THENCE South 04°30'12" East a distance of 207.95 feet; THENCE South 01°25'24" East a distance of 338.86 feet to said POINT "D" and the POINT OF BEGINNING.

Said tract of land contains 54,025 square feet or 1.240 acres, more or less.

Total of said tracts of land being 30.027 acres, more or less.

