
From: -Info-Land Dept.
Sent: Tuesday, June 01, 2010 4:12 PM
Subject: ND State Land Dept. Info - June 1, 2010 - Oil & Gas Lease Nomination Process

As some of you may recall, the Land Department ran into a few problems publishing the May 2010 sale list that resulted in our having to reissue the entire list prior to the sale. Most of the problems that occurred were a result of this office and nominees not following the lease nomination policy that the Land Board adopted many years ago. In order to prevent the same problems from happening again as we prepare for future sales, it has been decided that going forward, we will strictly follow the Land Board's lease application policy shown below (emphasis added):

85-06-06-02. LEASE APPLICATIONS. Lease applications in writing, by facsimile transmission, or by electronic email, may be made only for tracts not already leased for the production of oil and/or gas as shown on the tract books of the state land department, except applications may be accepted for a tract already under lease when it appears that such lease will expire prior to the date of the lease sale. **An application shall be accompanied by a nonrefundable application fee** specified in section 85-06-06-14 of this chapter and shall indicate the bonus offered. Each tract is limited to a maximum of one quarter section within the same quarter or governmental lots corresponding thereto within the same section. Applications of more than one quarter section will be divided and considered a separate application. **Applications not accompanied by the application fee and not in the proper form shall be rejected.** **All applications are to be submitted** to the State Land Department, P.O. Box 5523, Bismarck, North Dakota 58506-5523 (telephone no. 701-328-2800), **prior to the "cut-off date"** for each sale, which date may be obtained by calling or writing the department.

So, exactly how will this impact the nomination process for the August 2010 and future oil gas lease sales?

- **Nominations must be received in this office by 5:00 PM CT on the "cut-off date" (for the August 2010 sale that date is Friday June 11, 2010) and will not be considered "accepted" unless the \$10 per tract application fee has also been received by that date.** Any nominations that are received, but for which the application fee has not been received in this office by the 5:00 PM CT on the "cut-off date", will not be accepted. There will no exceptions to this requirement.
- **We will no longer refund application fees.** Board policy clearly states that application fees are nonrefundable. In order to minimize duplicate applications, we will make every effort to get nominated tracts posted within 1 working day of when we receive them; however, we cannot guarantee this will happen.

Please make sure you keep these two things in mind as you submit nominations for the August 2010 and future oil and gas lease sales.

Thanks,

Jeff Engleson, CPA
Acting Land Commissioner

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The information contained in this email is not intended to convey all the circumstances surrounding this mineral interest and further research may be necessary.