



NOTICE

ORAL AUCTION ONLY

**SALE OF OIL AND GAS MINING LEASES
KIOWA, COMANCHE, APACHE, FORT SILL APACHE,
CADDO, DELAWARE AND WICHITA
TRIBAL & ALLOTTED INDIAN LANDS**



Department of the Interior, Bureau of Indian Affairs, Anadarko Agency, Oral Auction to be held on December 12, 2014

ORAL AUCTION bidding will begin at 9:00 A.M., Central Standard Time, December 12, 2014 in the **Mildred Cleghorn Conference Room, located at the Anadarko Agency, Anadarko, Oklahoma**. Bidding will be conducted for the leasing of Allotted and/or Tribal lands within the Anadarko Agency jurisdictional area, which includes Caddo, Canadian, Comanche, Cotton, Grady, Kiowa, Stephens, Tillman and Washita Counties, Oklahoma, for Oil and Gas Mining purposes.

SALE PROVISIONS

Oral Auction Provisions - These tracts will be offered to all qualified bidders. All bids will be recorded and a determination made for all auction items listed on the specified day by the Anadarko Agency.

This sale will be conducted under regulations promulgated by the Secretary of the Interior, Title 25, CFR 211 and 212 (Act of May 11, 1938, 52 Stat. 347; 25 U.S.C. 396A-F) as to the leasing of Tribal and Individual allotted lands. The Superintendent reserves the right to reject any and all bids and to disapprove any lease submitted on an accepted bid. The specified tracts of land are being offered subject to the acceptance by the individual Indian owners of the allotted land, or the Tribal government body on Tribal lands. A separate lease will be completed on the applicable forms for each tract of land.

Subject to the foregoing, leases will be sold to the bidder who offers the highest bonus money on a per tract basis subject to a review by the Bureau of Land Management, Division of Land Management, and Division of Economic Evaluation. On tracts receiving only one bid, the bidder will be given *one* opportunity to improve the bid. Conditional or alternate bids will not be considered. No drilling propositions will be considered as part of the bonus offer. ***Please note – absolutely no checks or sealed bids will be accepted at the sale.***

Within thirty (30) days after notification of accepted bids, the bidder must remit the total bonus amount, the first year's rental, appropriate portion of advertising costs, and a filing fee of \$75.00 for each lease, and shall file with the Superintendent, the lease in completed form.

ABSOLUTELY NO ADDITIONAL TIME WILL BE GRANTED PAST THE 30 DAY PERIOD FOR REMITTING THE BALANCE OF MONIES DUE ON ACCEPTED BIDS. The Superintendent may, for good and sufficient reason, extend the period for completing and filing the leases, but no extension shall be granted for remitting the balance of the monies due. In addition to all other remedies provided by law, failure of the successful bidder to comply with the terms of the sale will render 25% of the total bonus bid theretofore paid by him/her forfeited for the use and benefit of the Indian owner without further action on the part of this office.

In the event that no bid is received and accepted on a requested unit or tract, the cost of advertising may be assessed against the applicant who requested the tract to be advertised.

Lessees shall furnish with each lease a corporate Surety Bond acceptable to the United States in the amount of \$2,500.00 per lease, subject to an increase should drilling commence on subject lease, or the lessee may file a Collective Bond (Form 5-5430) in the sum of \$75,000.00 for all leases of minerals in the Anadarko Area.

In lieu of the foregoing bonds, a lessee may furnish a \$150,000.00 Nationwide Oil and Gas Lease Bond (Form 5-5438) for full nationwide coverage with an acceptable company authorized to act as sole surety to cover all oil and gas leases or permits to which the lessee may become a party.

Important Notice: All successful bidders will be required to prepare their own lease and obtain the signatures of the Indian Mineral Owners or the respective Tribe. **Incomplete leases will not be accepted or considered by the Anadarko Agency.** Leases must be drawn on the standard lease form used in the Anadarko Area (AAO-81) which will be provided by the Anadarko Agency. Unless otherwise noted in the schedule, the leases on allotted Indian Lands will be drawn for a maximum term of three (3) years from the date of approval by the Superintendent, Anadarko Agency, Anadarko, Oklahoma, and as long thereafter as oil and/or gas is produced in paying quantities. The rate of royalty on allotted lands is twenty percent (20%) on all leases; and rental paid in advance at \$3.00 per acre for any one year will not be considered as credit on the royalty. **The Tribes under the jurisdiction of the Anadarko Agency**

reserve the right to negotiate the rent and royalty rate on advertised Tribal properties. Oil and Gas leases on Tribal lands will be awarded according to conditions deemed acceptable by the Tribes.

If the lessee commences drilling with a rig designed to reach a proposed depth and such drilling commences by midnight on the last day of the primary term of the lease and continues until the well is fully completed to production or abandoned, the lessee shall have the right to drill such well to completion with reasonable diligence and this lease shall remain in full force and effect as if such well had been completed within the primary term of said lease.

All Departmental leases awarded under this advertisement contain a provision that all acreage not included in a unit and not producing or upon which drilling operations have not commenced shall be released at the expiration of the primary term; and further that the lease shall terminate as to all non-producing formations at the expiration of the primary term of the lease. Also included are provisions that address surface damages and geological or geophysical permits.

All questions pertaining to this Oil and Gas Lease Sale should be directed to the Anadarko Agency, Oil & Gas Section, 405/247-6677.

Date: November 10, 2014

Acting Superintendent Rose L. Johnson