

New Mexico State Lease GS-2385

(Page 2 of 52)

NEW MEXICO STATE LAND OFFICE
COMMISSIONER OF PUBLIC LANDS
NEW MEXICO STATE LAND OFFICE BUILDING
P.O. BOX 1148, SANTA FE, NM 87504-1148

AGRICULTURAL LEASE

LEASE NO. GS2385

THIS LEASE, DATED OCTOBER 01, 2012, IS ENTERED INTO BY AND BETWEEN THE COMMISSIONER OF PUBLIC LANDS, NEW MEXICO STATE LAND OFFICE, STATE OF NEW MEXICO, HEREINAFTER CALLED "LESSOR" AND:

LARRY YOUNGBLOOD
ALTA YOUNGBLOOD

HEREINAFTER CALLED "LESSEE(S)", WHOSE ADDRESS OF RECORD IS:

424 HONOLULU RD.
DEXTER, NM 88230

LESSOR AND LESSEE AGREE AND COVENANT AS FOLLOWS:



EXPIRED

9-30-2017

1. LEASE.

FOR AND IN CONSIDERATION OF AND SUBJECT TO THE RENTALS AND THE TERMS, COVENANTS, CONDITIONS, AGREEMENTS, OBLIGATIONS, AND RESERVATIONS CONTAINED IN THIS LEASE AND ALL OTHER EXISTING RIGHTS, LESSOR GRANTS AND LEASES TO LESSEE AND LESSEE TAKES FROM LESSOR THE TRACT(S) OF LAND DESCRIBED IN EXHIBIT A, ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE. THIS LEASE IS GOVERNED BY 19.2.8 NMAC (RULE 8).

2. TERM.

THE TERM OF THIS LEASE SHALL BEGIN ON OCTOBER 01, 2012 AND SHALL EXPIRE AT MIDNIGHT SEPTEMBER 30, 2017.

3. RENT.

THE ANNUAL RENTAL SHALL NOT BE LESS THAN THE MINIMUM RENTAL ESTABLISHED BY SECTION 19-7-29 NMSA 1978 AND SHALL BE PAID IN ADVANCE FOR EACH LEASE YEAR AND RECEIVED IN THE STATE LAND OFFICE ON OR BEFORE OCTOBER 1. THE ANNUAL RENTAL FOR GRAZING LAND SHALL BE DETERMINED AS FOLLOWS: ANNUAL RENTAL = BASE VALUE X CARRYING CAPACITY X ACREAGE X ECONOMIC VARIABLE INDEX (EVI), AS DEFINED BY SLO RULE 8 "RELATING TO AGRICULTURAL LEASES" (19 N.M.A.C. 3, SLO 8.11). IN NO EVENT SHALL THE PRODUCT OF THE APPLICATION OF THE EVI, FOR EACH SUCCESSIVE YEAR OF THE LEASE TERM, BE DECREASED OR INCREASED BY MORE THAN THIRTY-THREE AND ONE-THIRD PERCENT. IN THE CASE OF GRAZING RENTAL OFFERS ON OPEN ACREAGE OR PURSUANT TO COMPETITIVE BID, LESSOR MAY ACCEPT GREATER RENTAL AMOUNTS THAN THOSE DETERMINED BY THE FOREGOING FORMULA, BUT THE ANNUAL GRAZING RENTAL DUE IN ANY LEASE YEAR SHALL NOT BE LESS THAN THE FORMULA AMOUNT. THE ANNUAL RENTAL FOR CULTIVATED LAND, ASSOCIATED LAND AND CONSERVATION RESERVE PROGRAM LAND SHALL BE DETERMINED BY LESSOR AND SHALL REMAIN UNCHANGED DURING THE TERM OF THE LEASE. THE TYPE OF LAND HEREBY LEASED AND THE ANNUAL RENTAL AMOUNT FOR THIS LEASE SHALL BE AS SET OUT IN EXHIBIT A HEREIN.

4. PERMITTED USE.

LESSEE MAY USE THE LEASED PREMISES ONLY FOR SUCH OPERATIONS AND ACTIVITIES AS ARE NECESSARY TO CARRY OUT THE PURPOSES FOR WHICH THE LEASE IS GRANTED AS SPECIFIED IN EXHIBIT A, AND IN ORDER TO COMPLY WITH ALL APPLICABLE PROVISIONS OF LAW REGARDING THE

OT 8 14 11 10 21:2

SLO SCAN

NOV 28 2012

LAND SUSPENSE 3 NMSLO 001-00001
24 0 11-JUL-12 09:42 57.79

New Mexico State Lease GS-2385

(Page 3 of 52)

CARE AND PROTECTION OF THE LEASED PREMISES.

5. LIEN.

AS SECURITY FOR THE PAYMENT OF ANY RENT THAT IS OR MAY BECOME DUE AND UNPAID, LESSEE GRANTS TO LESSOR A FIRST AND PRIOR LIEN UPON ANY AND ALL IMPROVEMENTS AND CROPS ON THE LEASED PREMISES.

6. IMPROVEMENTS.

NO IMPROVEMENTS, EXCEPT AS OTHERWISE PROVIDED BY LAW, SHALL BE PLACED ON THE LEASED PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF THE LESSOR. ALL IMPROVEMENTS PLACED ON THE LEASED PREMISES IN VIOLATION OF THIS PARAGRAPH SHALL BE CONSIDERED AND TREATED AS UNAUTHORIZED IMPROVEMENTS IN ACCORDANCE WITH THE APPLICABLE LAWS AND RULES.

7. ASSIGNMENT, SUBLEASE AND RELINQUISHMENT.

LESSEE SHALL NOT ASSIGN OR SUBLEASE THE LEASED PREMISES OR THE IMPROVEMENTS ON SAID PREMISES WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR AND SUCH OTHER REQUIREMENTS AS PRESCRIBED BY LAW OR RULE. AS PROVIDED BY LAW AND RULE ANY LEASE, IN GOOD STANDING, MAY BE RELINQUISHED TO THE STATE. UPON RELINQUISHMENT HOWEVER, THE LESSEE SHALL NOT BE ENTITLED TO A REFUND OF RENTALS PREVIOUSLY OWING AND PAID.

8. COLLATERAL ASSIGNMENTS.

ANY AGRICULTURAL LEASE MAY BE ASSIGNED AS COLLATERAL SECURITY SUBJECT TO THE EXPRESS WRITTEN CONSENT OF THE LESSOR AND SUCH OTHER TERMS AND CONDITIONS AS PRESCRIBED BY LAW OR RULE. THE APPROVAL OF A COLLATERAL ASSIGNMENT, HOWEVER, SHALL NOT PREVENT THE CANCELLATION OF THE LEASE AND TERMINATION OF THE COLLATERAL ASSIGNMENT FOR THE NONPAYMENT OF RENTALS OR OTHER VIOLATIONS OF THE LEASE TERMS.

9. DEFAULT AND CANCELLATION.

THE VIOLATION BY LESSEE OF ANY OF THE TERMS, CONDITIONS, OR COVENANTS OF THIS LEASE OR THE NONPAYMENT BY LESSEE OF THE RENT DUE UNDER THIS LEASE SHALL AT THE OPTION OF THE COMMISSIONER BE CONSIDERED A DEFAULT AND SHALL CAUSE THE CANCELLATION OF THIS LEASE 30 DAYS AFTER LESSOR HAS SENT WRITTEN NOTICE OF SUCH DEFAULT TO THE LESSEE AND TO ANY HOLDERS OF COLLATERAL ASSIGNMENTS BY REGISTERED MAIL, ADDRESSED TO THE POST OFFICE ADDRESS OF RECORD, PROVIDED, HOWEVER, IF WITHIN THE THIRTY DAYS THE LESSEE OR HOLDERS OF ANY COLLATERAL ASSIGNMENTS SHALL COMPLY WITH THE DEMAND MADE IN THE NOTICE, CANCELLATION SHALL NOT BE MADE.

10. RENEWAL.

ANY LESSEE WHO DESIRES TO SECURE A NEW LEASE SHALL MAKE AND FILE AN APPLICATION WITH THE LESSOR ON OR BEFORE AUGUST 1 NEXT PRECEDING THE EXPIRATION OF THIS LEASE. THE RIGHT OF RENEWAL SHALL BE SUBJECT TO SUCH TERMS AND CONDITIONS AS PROVIDED FOR BY LAW AND RULE.

11. RESERVATIONS.

A. LESSOR RESERVES THE RIGHT TO EXECUTE LEASES ON THE LAND GRANTED BY THIS LEASE FOR MINING PURPOSES AND FOR THE EXTRACTION OF OIL, GAS, SALT, GEOTHERMAL RESOURCES, AND OTHER MINERAL DEPOSITS THEREFROM AND THE RIGHT TO GO UPON, EXPLORE FOR, MINE, REMOVE AND SELL SAME. LESSOR FURTHER RESERVES THE RIGHT TO SELL OR DISPOSE OF NATURAL SURFACE PRODUCTS OF SAID LANDS OTHER THAN GRAZING, AGRICULTURAL OR HORTI-

OT 8 12 11 10 2012

SLO SCAN

NOV 2 8 2012

New Mexico State Lease GS-2385

(Page 4 of 52)

CULTURAL PRODUCTS AND TO GRANT SUCH OTHER RIGHTS-OF-WAY AND EASEMENTS AS PROVIDED BY LAW.

B. LESSOR RESERVES THE RIGHT TO WITHDRAW PURSUANT TO RULE, UP TO 640 ACRES, BUT IN NO CASE MORE THAN HALF, OF THE LAND HELD BY THIS LEASE.

12. COMPLIANCE WITH LAWS.

LESSEE SHALL AT ITS OWN EXPENSE FULLY COMPLY WITH AND BE SUBJECT TO ALL LAWS, REGULATIONS, RULES, ORDINANCES, AND REQUIREMENTS OF LESSOR AND APPLICABLE CITY, COUNTY, STATE AND FEDERAL AUTHORITIES AND AGENCIES WHICH HAVE BEEN OR MAY BE ENACTED OR PROMULGATED, IN ALL MATTERS AND THINGS AFFECTING THE LEASED PREMISES AND OPERATIONS THEREON. SUCH OTHER AGENCIES SHALL NOT BE DEEMED THIRD PARTY BENEFICIARIES UNDER THIS LEASE.

13. HOLD HARMLESS.

LESSEE SHALL SAVE AND HOLD HARMLESS, INDEMNIFY AND DEFEND LESSOR AND THE STATE OF NEW MEXICO, AND THEIR AGENT OR AGENTS, IN THEIR OFFICIAL AND INDIVIDUAL CAPACITIES, OF AND FROM ANY AND ALL LIABILITY CLAIMS, LOSSES, OR DAMAGES ARISING OUT OF OR ALLEGED TO ARISE OUT OF OR INDIRECTLY CONNECTED WITH THE OPERATIONS OF LESSEE UNDER THIS LEASE, OFF OR ON THE LEASED PREMISES OR ARISING OUT OF THE PRESENCE ON THE LEASED PREMISES OF ANY AGENT, CONTRACTOR OR SUBCONTRACTOR OF LESSEE.

14. AMENDMENT.

THIS LEASE SHALL NOT BE ALTERED, CHANGED OR AMENDED EXCEPT BY INSTRUMENT IN WRITING EXECUTED BY LESSOR AND LESSEE.

15. WAIVER.

NO WAIVER OF ANY BREACH OR DEFAULT BY LESSEE OF ANY OF THE TERMS, CONDITIONS OR COVENANTS OF THIS LEASE SHALL BE HELD TO BE A WAIVER OF ANY SUBSEQUENT BREACH. NO WAIVER SHALL BE VALID OR BINDING UNLESS THE SAME IS IN WRITING AND SIGNED BY LESSOR.

16. DELINQUENT RENTAL.

ALL RENTAL PAYMENTS RECEIVED AFTER OCTOBER 1 OF EACH YEAR SHALL BE CONSIDERED DELINQUENT AND SHALL BE SUBJECT TO THE PAYMENT OF INTEREST AT A RATE OF ONE PERCENT (1%) A MONTH FOR ANY FRACTION OF A MONTH. INTEREST SHALL ACCRUE FROM THE DATE THE PAYMENT BECOMES DUE.

17. APPLICABLE LAW.

THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW MEXICO.

18. SUCCESSORS IN INTEREST.

ALL TERMS, CONDITIONS AND COVENANTS IN THIS LEASE SHALL EXTEND TO AND BIND THE HEIRS, ASSIGNS, AGENTS, ATTORNEYS, CONTRACTORS AND SUCCESSORS IN INTEREST OF LESSOR AND LESSEE.

19. CARRYING CAPACITY REEVALUATION.

THE LESSOR RESERVES THE RIGHT DURING THE TERM OF THIS LEASE, AND UPON THE LESSOR'S DISCRETION, TO CONDUCT CARRYING CAPACITY REEVALUATIONS AND MAKE THE NECESSARY ADJUSTMENTS TO THE LEASE AND RENTAL AS MAY BE REQUIRED.

20. SURFACE DAMAGES NOTIFICATION.

01 0 00 11 00 2012

SLO 30
NOV 28 2012

New Mexico State Lease GS-2385

(Page 5 of 52)

PURSUANT TO 19.2.8.21 NMAC, IF LESSEE IS INVOLVED IN LITIGATION WITH ANY OTHER PERSON OR ENTITY FOR DAMAGES CONNECTED WITH THEIR LEASED TRUST LAND, LESSEE MUST NOTIFY THE COMMISSIONER AS SOON AS PRACTICABLE. THIS NOTICE REQUIREMENT DOES NOT APPLY TO LITIGATION INVOLVING ONLY THE LESSEE'S PERSONAL OR REAL PROPERTY.

21. RENEWABLE ENERGY.

IN ADDITION TO THE RESERVATIONS STATED IN PARAGRAPH 11 ("RESERVATIONS"), LESSOR RESERVES THE RIGHT TO EXECUTE LEASES FOR RENEWABLE ENERGY PROJECTS ON THE LAND GRANTED BY THIS LEASE, LESSEE CONSENTS TO ANY SUCH LANGUAGE, LESSEE AGREES TO COOPERATE IN ANY SUCH LEASE, AND FAILURE TO SO SHALL CONSTITUTE A VIOLATION PER PARAGRAPH 9 ("DEFAULT AND CANCELLATION").

2012 JUN 11 PM 8 10

SLO 37
NOV 26 2012

New Mexico State Lease GS-2385

(Page 6 of 52)

I/WE CERTIFY THAT I/WE ARE THE LESSEE(S) REFERENCED ON THE FACE PAGE OF THIS LEASE.

LESSEE SIGNATURE [Signature]
LESSEE SIGNATURE [Signature]

TELEPHONE 575 626 1968
TELEPHONE 575 626 1968

[Signature]
LESSOR-COMMISSIONER OF PUBLIC LANDS
10-10-12

ACKNOWLEDGMENTS
NATURAL PERSON(S)

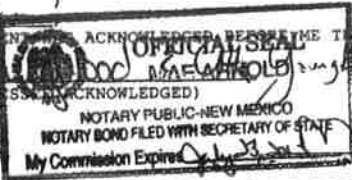
STATE OF NEW MEXICO)

COUNTY OF Crane

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS 5 DAY OF July, 2012,

BY [Signature]
(NAME OF PERSON ACKNOWLEDGED)

MY COMMISSION EXPIRES July 23, 2012



[Signature]
NOTARY PUBLIC

PARTNERSHIP

STATE OF NEW MEXICO)

COUNTY OF _____

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ____ DAY OF _____, 20____,

BY _____
(NAME OF PERSON ACKNOWLEDGED)

PARTNER(S) ON BEHALF OF _____, A PARTNERSHIP.

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC

CORPORATION

STATE OF NEW MEXICO)

COUNTY OF _____

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ____ DAY OF _____, 20____,

BY _____ OF _____
(NAME OF OFFICER) (TITLE OF OFFICER)

(CORPORATION NAME)
OF SAID CORPORATION.

MY COMMISSION EXPIRES: _____

NOTARY PUBLIC

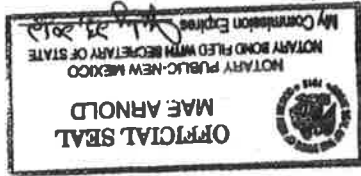
2012 JUL 11 AM 10:20

NOV 28 2012

New Mexico State Lease GS-2385

NOV 2 8 2012
SLO 301A

2012 JUN 11 AM 8 10



MY COMMISSION EXPIRES: 11/27/2012

SUBSCRIBED AND SWORN TO BEFORE ME THIS 5 DAY OF July 20 12
CITY/STATE Lawell NM 88203
ADDRESS 1800 E. GA/1E
SIGNED [Signature]
NOTARY PUBLIC

I, [Name], DO SOLEMNLY SWEAR (OR AFFIRM), UNDER THE PENALTIES OF PERJURY, THAT AFTER HAVING PERSONALLY INSPECTED THE TRACT(S) OF LAND CONTAINED IN LEASE NO. 52385 AND DESCRIBED IN EXHIBIT A OF SAID LEASE, THAT MY OPINION OF THE APPRAISED CASH VALUE OF SAME (WITHOUT IMPROVEMENTS) IS \$ 100.00 PER ACRE, IF SOLD, AND \$ 170 PER ACRE, FOR LEASE PURPOSES, AND CERTIFY THAT I AM NOT INTERESTED IN SAID LAND FOR LEASING OR SALE THEREOF.

INSTRUCTIONS: THIS INFORMATION MUST BE COMPLETED BY A DISINTERESTED PERSON AND BASED ON THAT INDIVIDUAL'S INFORMATION AND BELIEF. THIS FORM CANNOT BE COMPLETED BY A LICENSED APPRAISER. (NMSA 1978, 61-30-16). YOU CANNOT PAY TO HAVE THIS FORM COMPLETED. (NMSA 1978, 60-30-3A). THE LAND MUST BE APPRAISED AS VACANT, I.E. WITHOUT IMPROVEMENTS, FOR BOTH SALE AND LEASE PURPOSES. IT MUST ALSO BE SIGNED BEFORE A NOTARY PUBLIC.

APPRAISEMENT

LESSOR: SECTION 10 OF THE NEW MEXICO ENABLING ACT SPECIFICALLY REQUIRES THAT ALL STATE LAND TO BE LEASED BE APPRAISED AT ITS TRUE VALUE. STATE LAW, UNDER SECTION 19-7-1 NMSA 1978, FURTHER PRESCRIBES THAT SUCH APPRAISEMENT BE SECURED BY THE LESSEE WHEN ACQUIRING A LEASE AND THAT SUCH APPRAISEMENT BE COMPLETED BY A DISINTERESTED PERSON. THE INSTRUCTIONS FOR THE COMPLETION OF THIS FORM ARE SET OUT BELOW.

COMMISSIONER OF PUBLIC LANDS
NEW MEXICO STATE LAND OFFICE BUILDING
PO BOX 1148, SANTA FE, NEW MEXICO 87504-1148

APPRAISEMENT OF GRAZING AND AGRICULTURAL LANDS

NEW MEXICO STATE LAND OFFICE

New Mexico State Lease GS-2385

(Page 8 of 52)

EXHIBIT A

LEASE NO: GS2385

SUBDIVISION	SEC-TWN-RNG	ACREAGE	USE	PRICE PER UNIT	CAR CAP
N28E4	02 13S 24E	80.00	G	-	12
TOTAL ACREAGE:		80.00	TOTAL RENTAL:		\$57.79

RENEWAL LEASE

LEGEND: USE TYPE CODES

C= CONSERVATION RESERVE PROGRAM LAND, D= DRYLAND FARMING, G= GRAZING,
 I= IRRIGATED CROPLAND, M= MOBILE HOME ON LAND, R= RSIP LAND, 1= GRAZING (BID),
 2= DRYLAND FARMING (BID), 3= IRRIGATED CROPLAND (BID) 4= CRP (BID) 5= RSIP (BID),
 H= 1/2 SOUTH FOR TOWNSHIP, H= 1/2 EAST FOR RANGE

* CARRYING CAPACITY RATES LISTED ARE BASED ON 640 ACRE PARCELS



OT 8 WY IT 10P 202

SLO 30 'N
NOV 2 8 2012

New Mexico State Lease GS-2385

(Page 9 of 52)

LEASE NO. GS2385
MISCELLANEOUS INSTRUMENT PAGE

UNDER COLLATERAL ASSIGNMENT

TO: AUBREY L. & ROBIN L. DUNN
DATE FILED: 02/11/2002 NO: 15,672
DATE RELEASED:
DATE ASSUMED :

UNDER COLLATERAL ASSIGNMENT

TO:
DATE FILED: NO:
DATE RELEASED:
DATE ASSUMED :

2012 JUL 11 PM 8 10

SLO SC:K
NOV 28 2012

New Mexico State Lease GS-2385

(Page 10 of 52)

IMPROVEMENT LISTING FOR EXISTING LESSEE'S RENEWAL APPLICATION

The State Land Office Rule Relating to Agricultural Leases, 19 N.M.A.C. 8.9.2.2. requires you to submit a listing of your improvements located on the state leased land held under this lease with your application.

LEASE NUMBER GS 2385

(Please check one of the boxes) DO IMPROVEMENTS EXIST ON STATE LAND: YES IF YES PLEASE LIST BELOW.

NO (none)

All improvements must be listed even if they are on record with our office.

IMPROVEMENT	APPROXIMATE MONTH AND YEAR BUILT	LOCATION		
		SECTION	TOWNSHIP	RANGE

Inclusion of unauthorized improvements on this listing or any appraisal submitted to the Commissioner for any purpose shall not be interpreted as approval of those improvements by the Commissioner. (19 N.M.A.C. 8.9.11)

This office will reject your renewal lease application if this form is not completed.

The information provided above is true and correct to the best of my knowledge. Please sign and date.

Signature is required whether improvements exist or not.

[Signature]
Lessee Signature

[Signature]
Lessee Signature

Date: 6-19-12

SLO SC:K
NOV 28 2012

BLM Grazing Preference Statement - Peters Lake Allotment

PUBLIC DOMAIN GRAZING PREFERENCE STATEMENT
Farm Credit Services

To the BUREAU OF LAND MANAGEMENT, Roswell Field Office, 2909 W Second Street, Roswell, NM,
Jose Angel Chavez of Chaves County is submitting to Farm Credit of New Mexico, FLCA an application for a loan,
offering as security the following described property: Describe using township, range, section, and subdivision:

Peters Lake Allotment #64162

It is our understanding that the applicant has, or will acquire from _____ certain grazing preferences on the Public Land,
which is used in connection with the above described land.

In order that due consideration may be given to the grazing preferences attached to and used in connection with base
properties offered in the application and to grazing preferences attached to and used in connection with other base properties
owned by the applicant which together constitute one grazing operation, please complete the questionnaire below and on the
reverse side of this form and return it to us. This request is made under the provisions of the memorandum of understanding
between the Department of Interior and the Farm Credit Administration.

Date: 03/19/2019

Please Provide:

1. Allotment Map
2. Allotment Summary
3. Permitted Project/Improvement Listing
4. Allotment Management Plan

Farm Credit of New Mexico, FLCA

BY: _____
Kathy Leach
Sr. Collateral Risk Support
575-528-7116

Note: If a grazing permit or lease includes an allotment management plan, the permittee's or lessee's copy of the plan should
be attached hereto. The copy of the plan will be returned to the permittee or lessee when processing of the application
for the loan is complete.

Questionnaire

1. Date of Issuance of the Grazing Permit(s) and/or Lease(s) 11/13/13
2. Permit and/or Lease Number(s) 3006208
3. Give the following preference information:

Allotment Name	Allotment Number	Livestock		Period		% Public Land Use	AUM's
		Number	Kind	Begin	End		
Peters Lake	64162	3	C	03/01	02/28	100	34

Total grazing preference is 34 AUM's.

4. Is any part of the grazing preference attached to the following? Yes If so, describe the base property and attached grazing preference.

A. Water see attached

B. Leased Land None

C. Decedent Land not described as loan security None

Form 0114 Rev 07-03