



MARTIN FUELS COMPANY, INC.

OIL AND GAS PROPERTIES

P.O. Box 630811 ✪ Nacogdoches, TX 75963
(936) 560-6477 ✪

2016 MAY 26 PM 12:45
STATE OFFICE
SANTA FE, NM 87508

May 11, 2016

BUREAU OF LAND MANAGEMENT
**ATTN: MS. DIANE ELLENBURG AND
MS. LOU ORTIZ AND
MS. GLORIA S. BACA**

Via: FedEx - Airbill# 8059 4192 1641

E O I 201704 - 864
TX - FS R(8)

301 Dinosaur Trail
Santa Fe, NM 87508

EXPRESSION OF INTEREST

Re: Martin Fuels Company, Inc. ("Martin") has formerly provided its Expression of Interest ("Expression" a/k/a "nomination") regarding many of the below lands. These lands were once represented in very large oil and gas leases ("Leases") located in Trinity County, Texas. These Leases have long-since expired, of course. The acreage was subdivided in order to conform to more modern size requirements, and appeared in the Bureau of Land Management ("BLM") brochure for the (properly-scheduled) April 20, 2016 Oil and Gas Lease Sale ("Sale"). This Sale was to have occurred in Santa Fe, NM; but as the United States Forest Service ("USFS") reneged on its approval to lease, the actual Sale was cancelled at great expense of money, time and effort on all parties, except for the environmental activists that protested the Sale at the last minute.

In a personal meeting with personnel of the USFS (also attended via phone by Mr. Tryon of the BLM, et al), as well as on a later conference call of larger participation, Martin was instructed to provide another Expression of Interest on the afore-mentioned lands. As the acreage appeared in the brochure for said Sale, Martin doesn't understand why a new Expression (and nomination) must be made, but please see Martin's Expression / nominations, below.

The lands contained in six (again - former & expired) Leases were originally contained in Martin's Expression of Interest (nomination), dated January 15th, 2013 **in bold**. The subdivision of these lands resulted in the Parcel numbers below the titled and expired former Leases. The Parcel numbers were published in the above mentioned Sale Brochure for the April 20, 2016 lease Sale, and, again, are hereby nominated to **appear** in the Sale Brochure for the April 19, 2017 scheduled Lease Sale ("2017 Sale").

1. TXNM 60896 (4,506.28 Acres)

- Parcel 31 (1,620.77 Acres) Trinity County; 201604-031
- Parcel 32 (2,492.59 Acres) Trinity County; 201604-032
- Parcel 33 (1,547.30 Acres) Trinity County; 201604-033

2. TXNM 61092 (3,907.78 Acres)

- Parcel 16 (2,336.55 Acres) Trinity County; 201604-016
- Parcel 17 (1,413.97 Acres) Trinity County; 201604-017

3. TXNM 61093 (4,219.36 Acres)

- Parcel 18 (547.46 Acres) Trinity County; 201604-018
- Parcel 19 (1,763.39 Acres) Trinity County; 201604-019

4. TXNM 61094 (5,704.62 Acres)

- Parcel 25 (1,095.78 Acres) Trinity County; 201604-025
- Parcel 26 (2,352.47 Acres) Trinity County; 201604-026
- Parcel 27 (2,256.21 Acres) Trinity County; 201604-027

5. TXNM 61095 (2,870.38 Acres)

- Parcel 22 (1,910.97 Acres) Trinity County; 201604-022
- Parcel 23 (1,514.74 Acres) Trinity County; 201604-023

6. TXNM 61115 (2,884.01 Acres)

- Parcel 20 (2,369.17 Acres) Trinity County; 201604-020
- Parcel 21 (2,002.31 Acres) Trinity County; 201604-021

The below Parcels 14, 24, 28, 29, 30, 35 and 36 also appeared in the brochure for said Sale, but were subsequently removed, due to the USFS's renege of its approval. Because these Parcels appeared in the brochure and Martin was interested in competing for a Lease thereon, Martin is hereby making its Expression of Interest (nomination) known. Please make these lands available at the 2017 Sale, also.

- Parcel 14 (481.00 Acres) San Augustine County; 201604-014
- Parcel 24 (2,344.93 Acres) Trinity County; 201604-024
- Parcel 28 (580.00 Acres) Houston County; 201604-028
- Parcel 29 (30.00 Acres) Trinity and Houston Counties; 201604-029
- Parcel 30 (48.00 Acres) Houston County; 201604-030
- Parcel 35 (54.00 Acres) Houston County; 201604-035
- Parcel 36 (82.64 Acres) Trinity County; 201604-036

We are enclosing the metes and bounds ("Exhibits") for all of the above Parcels.

And, finally, we are making an Expression of Interest (nomination) on the lands contained within two (2) terminated/expired Leases. Lease TXNM 117621 was terminated due to the lack of rental payments and TXNM 115039 expired, as its primary term was exhausted. Since the amount of acreage for each conforms to modern rules, we are asking that the lands contained in said terminated/expired Leases be given two (2) NEW Parcel Numbers and be offered in the 2017 Sale, also:

- TXNM 117621 (325.27 Acres) Shelby County*,
- TXNM 115039 (2,418.40 Acres) Shelby County*.

We are enclosing the metes and bounds ("Exhibits") for the last-above two (2) lands.

* Martin is providing its Expression of Interest (nominating) these lands, because it does not know the entity that originally provided an Expression of Interest (nomination) thereon. It is very possible that this entity owned private (or BLM) Leases that became very dated (or even expired) while waiting on a Lease Sale to include the opportunity to acquire a competitive Lease. Martin would like it known that it has paid a lot of money for the existing BLM Leases it currently owns. The current year-long wait for its chance to competitively acquire a Lease or Leases on the above-mentioned lands has cost Martin: (1) One full YEAR of time – *IF the 2017 Sale actually occurs*. That is a fruitless year of Martin's primary terms... and... (2) rental payments totaling tens-of-thousands of dollars.

Please Note: Martin believes all mentioned lands have a grand total of 31,587.90 acres.

Thank you for your hard work in getting these lands prepared for next years' Lease Sale. We would also like to thank the USFS staff that will necessarily be involved in this process, also. PLEASE do not hesitate to let Martin know if any assistance can be given in achieving the above goals.

Yours truly,

A handwritten signature in black ink that reads "Richard M. Foshee". The signature is written in a cursive style with a large, prominent "R" and "F".

Richard M. Foshee
President

RMF / cjf / jrf / tw

23 Exhibits are enclosed.