



Aubrey Dunn, State Land Commissioner
State of New Mexico

FOR IMMEDIATE RELEASE

May 2, 2017

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Income Surges from Activity on State Trust Lands

SANTA FE, NM – With two months left in fiscal year 2017, State Land Commissioner Aubrey Dunn today announced the State Land Office has collected \$450 million, which exceeds last year’s earnings-to-date by \$10 million.

“Revenue projections indicate we will surpass last fiscal year earnings by \$50 million, or 10 percent,” said Commissioner Dunn. “A 10 percent revenue increase for the Land Office is a 10 percent revenue increase in distributions to public schools.”

Oil and gas production on State Trust Lands has dominated the agency’s business activity, generating \$418 million since July 1st – more than 90 percent of all revenues collected. Oil and gas revenues include monthly lease sale earnings, rentals, royalties and interest.

Oil and gas lease sale earnings, rentals, and interest receipts since July 1st add up to nearly \$65 million. These revenues are deposited into the Land Maintenance Fund, which covers the Land Office’s operating expenses. The agency is self-funded and spends about five cents of every dollar it earns. The remaining revenue is distributed to the beneficiaries.

Royalty earnings have reached \$353 million since the beginning of the fiscal year. Royalties earned from oil and gas development on Trust lands are paid into the Land Grant Permanent Fund and distributed monthly to the institutions and programs supported by the Land Office.

A boost in oil and gas royalties is expected due to an influx of oil exploration and production in the Permian Basin. Commissioner Dunn says he foresees royalty earnings climbing to \$441 million by June 30th – a \$35 million increase from fiscal year 2016.

EOG Resources, the Land Office’s largest holder of state leases, recently reported it was producing 4,770 barrels a day from a single well in the Permian Basin.

“That is impressive, given that the average well in the area produces 600 barrels a day,” said Commissioner Dunn. “It is also indicative of why oil and gas production is so appealing in the Permian Basin, and that is good news for public education in New Mexico.”

Other revenues collected since July 1st include:

- Rights-of-Way: \$7 million
- Business Leases: \$5.7 million
- Mineral Rental and Royalty Revenues: \$5.6 million
- Grazing Revenues: \$10.7 million
- Renewable Energy: \$118,500

In the meantime, distributions from the Land Maintenance Fund and the Land Grant Permanent Fund to the beneficiaries since July 1st are as follows:

| <i>Trust Beneficiaries</i> | <i>Land Maintenance Fund Distributions July 1 – April 30</i> | <i>Land Grant Permanent Fund Distributions July 1 – April 30</i> | <i>Total Combined Distributions July 1 – April 30</i> |
|-----------------------------|--|--|---|
| Public Schools | \$ 62,570,631.28 | \$ 451,182,830.95 | \$ 513,753,462.23 |
| University of New Mexico | \$ 2,073,010.85 | \$ 7,105,806.39 | \$ 9,178,817.24 |
| University Saline Lands | \$ 112.15 | \$ 237,808.58 | \$ 237,920.73 |
| New Mexico State University | \$ 369,041.62 | \$ 2,259,129.20 | \$ 2,628,170.82 |

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|---|-----------------|------------------|------------------|
| Western New Mexico University | \$ 96,566.47 | \$ 132,246.06 | \$ 228,812.53 |
| New Mexico Highlands University | \$ 96,836.63 | \$ 131,563.04 | \$ 228,399.67 |
| Northern New Mexico Community College | \$ 57,285.73 | \$ 106,624.06 | \$ 163,909.79 |
| Eastern New Mexico University | \$ 181,440.23 | \$ 411,897.35 | \$ 593,337.58 |
| New Mexico Institute of Mining & Technology | \$ 285,428.23 | \$ 1,004,724.18 | \$ 1,290,152.41 |
| New Mexico Military Institute | \$ 468,228.33 | \$ 16,347,257.63 | \$ 16,815,485.96 |
| New Mexico Boys School | \$ 42,887.42 | \$ 29,194.67 | \$ 72,082.09 |
| New Mexico Miners' Colfax Medical Center | \$ 196,620.77 | \$ 4,712,563.10 | \$ 4,909,183.87 |
| New Mexico Behavioral Health Institute | \$ 1,209,226.85 | \$ 1,760,904.12 | \$ 2,970,130.97 |
| New Mexico Penitentiary | \$ 968,909.17 | \$ 10,069,664.40 | \$ 11,038,573.57 |
| New Mexico School for the Deaf | \$ 507,963.19 | \$ 9,965,977.63 | \$ 10,473,940.82 |
| New Mexico School for the Blind & Visually Impaired | \$ 518,489.04 | \$ 9,944,831.07 | \$ 10,463,320.11 |
| Charitable, Penal & Reform | \$ 681,423.90 | \$ 4,188,270.07 | \$ 4,869,693.97 |
| Water Reservoirs (OSE) | \$ 2,885,307.80 | \$ 5,277,642.38 | \$ 8,162,950.18 |
| Rio Grande Improvements (OSE) | \$ 1,378,624.46 | \$ 1,180,803.92 | \$ 2,559,428.38 |
| Public Buildings | \$ 537,599.24 | \$ 5,671,614.31 | \$ 6,209,213.55 |
| Carrie Tingley Children's Hospital | \$ 23,196.92 | \$ 7,361.89 | \$ 30,558.81 |
| State Parks Division | \$ - | \$ - | \$ - |

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| Total | \$ 75,148,830.28 | \$ 531,728,715.00 | \$ 606,877,545.28 |
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Oil, gas, and mineral production, ranching and farming, and business development on State Trust Lands support public schools, seven universities, New Mexico Military Institute, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, water conservation projects, and public building construction and repair.