

PUBLIC NOTICE
SALE OF OIL AND GAS LEASES

Office of the Commissioner of Public Lands
P.O. Box 1148
Santa Fe, New Mexico 87504-1148

Public Notice is hereby given pursuant to New Mexico Law 1929, Chapter 125, Section B, as amended, and rules and regulations of the State Land Office, that the Commissioner of Public Lands will hold a sale of oil and gas leases on 18 December 2018, for the tracts of land herein described.

The sale will be held online, in sealed bid format. Sealed bids will close at 8:30 am MST on December 18. Bidding will commence one week prior to lease sale day.

The sale will be held and conducted in accordance with the following terms and conditions:

The online auction will be conducted by the State Land Office contract auction house, EnergyNet. To view the online tract listing go to www.energynet.com. Prospective bidders must register with EnergyNet at https://www.energynet.com/govt_listing.pl and abide by the terms and conditions therein.

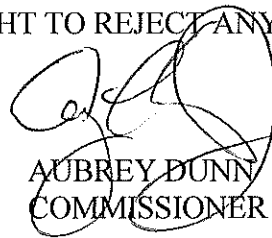
No bids will be considered for less than the whole of any tract, nor for less than the specified minimum acceptable bid. Separate bids must be made for each tract. Leases will be awarded to the highest bidder, if the offer made is deemed to be satisfactory.

The successful bidder in every case of bidding will be required to deposit forthwith, the amount bid, plus the application fee of \$100.00, and to file application in due form before the close of business on said date. The successful bidder in online bidding will be required to make the deposit via electronic fund transfer, as specified on the EnergyNet auction site.

The applications received pursuant hereto will be deemed to have been filed simultaneously. In all cases, leases will be made on the specified Lease Form as set forth in the Sale Notice.

The State Land Office makes no warranty as to the conditions of the lands. Lessees must comply with all applicable federal and state laws or regulations.

THE COMMISSIONER RESERVES THE RIGHT TO REJECT ANY AND ALL BIDS.



AUBREY DUNN
COMMISSIONER OF PUBLIC LANDS

December oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 18 December 2018 will be held online in sealed bidding format. Online bidding will commence December 11, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MST on December 18.

The online auction will be conducted by the State Land Office auction house contractor, EnergyNet. When posted, the online tract listing can be viewed at www.energynet.com. Prospective bidders must register with EnergyNet at https://www.energynet.com/govt_listing.pl and abide by the terms and conditions therein.

PAYMENT FOR ALL WINNING ONLINE LEASES SHALL BE MADE THE DAY OF THE SALE, BY WIRE TRANSFER, OR

IN-PERSON AT THE NEW MEXICO STATE LAND OFFICE BY CASH, CHECK, MONEY ORDER, CERTIFIED CHECK, OR ELECTRONIC TRANSFER ON A SOLVENT BANK.

LATE PAYMENTS WILL BE REJECTED AND NO LEASE WILL BE ISSUED FOR THAT TRACT

("The successful bidders shall file proper applications for the leases purchased and shall complete the payment of any balance due on their bids before the closing of the office of the commissioner on the day of the sale." §19-10-17 NMSA 1978.)

"Applications" are the lease information sheets as provided by EnergyNet. To verify wire transfer payment, submit copies of the dated wire instructions (sent to your bank) to swust@slo.state.nm.us; msena@slo.state.nm.us; slopez@slo.state.nm.us by COB of the State Land Office on the day of the sale.

When you provide a check as payment, you authorize the State of New Mexico to either use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. Please be advised that payments will be drafted from your account immediately upon receipt. ("The successful bidders shall file proper applications for the leases purchased and shall complete the payment of any balance due on their bids before the closing of the office of the commissioner on the day of the sale." §19-10-17 NMSA 1978.)

NEW MEXICO STATE LAND OFFICE
LEASE SALE NOTICE

***** ONLINE SEALED TRACTS *****

Regular Sale - ONLINE SEALED BIDDING COMMENCES 11 December 2018. BIDDING FOR THE SEALED TRACTS WILL
CLOSE 8:30am MST ON 18 DECEMBER 2018. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR SEALED BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL
BE ISSUED ON SECTION 19-10-4.3 NMSA 1978, DEVELOPMENT LEASE FORM, FIVE(5) YEAR TERM, 1/5th ROYALTY, AND HAVE BEEN
CLASSIFIED AND CATEGORIZED IN COMPLIANCE WITH 19-10-3 NMSA 1978.

TRACT #		COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
001	VC-001	(D)	Eddy	07 18S 28E NW4SE4	40.00	\$1.00	\$2,000.00
002	VC-002	(D)	Eddy	07 18S 28E LOT(S) 3, 4	87.52	\$1.00	\$3,000.00
003	VC-003		Eddy	16 18S 28E NE4NW4	40.00	\$1.00	\$2,000.00
004	VC-004		Eddy	20 18S 28E SW4	160.00	\$1.00	\$5,000.00
005	VC-005		Eddy	14 18S 29E NW4NE4	40.00	\$1.00	\$2,000.00
006	VC-006		Eddy	14 18S 29E N2SE4	80.00	\$1.00	\$3,000.00
007	VC-007		Eddy	01 19S 27E LOT(S) 2	39.70	\$1.00	\$2,000.00
008	VC-008		Eddy	01 19S 27E SE4NE4	40.00	\$1.00	\$2,000.00
009	VC-009	(D)	Eddy	01 19S 27E NW4SE4	40.00	\$1.00	\$2,000.00
010	VC-010	(D)	Eddy	01 19S 27E SE4SE4	40.00	\$1.00	\$2,000.00
011	VC-011		Eddy	14 19S 27E S2NE4, NE4NW4, S2NW4	200.00	\$1.00	\$7,000.00
012	VC-012		Eddy	14 19S 27E W2SE4	80.00	\$1.00	\$3,000.00
013	VC-013		Eddy	17 19S 28E W2SE4	80.00	\$1.00	\$3,000.00
014	VC-014		Eddy	18 19S 28E SW4SE4	40.00	\$1.00	\$2,000.00
015	VC-015		Eddy	30 20S 27E LOT(S) 1, 2, NE4, E2NW4	320.34	\$1.00	\$10,000.00
016	VC-016		Eddy	30 20S 27E LOT(S) 3, 4, E2SW4, SE4	320.22	\$1.00	\$10,000.00
017	VC-017	(D)	Eddy	35 22S 26E N2	320.00	\$1.00	\$10,000.00
018	VC-018	(D)	Eddy	35 22S 26E S2	320.00	\$1.00	\$10,000.00
019	VC-019	(D)	Lea	03 16S 34E LOT(S) 1, 2, 3, 4, 5, 6, 7, 8	337.08	\$1.00	\$11,000.00
020	VC-020	(D)	Lea	11 16S 34E E2	320.00	\$1.00	\$10,000.00
021	VC-021	(D)	Lea	11 16S 34E NW4	160.00	\$1.00	\$5,000.00
022	VC-022		Lea	04 16S 35E LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 13	389.68	\$1.00	\$13,000.00
023	VC-023		Lea	02 17S 33E LOT(S) 1, 2, 3, 4, S2N2	321.72	\$1.00	\$10,000.00

D: ALL OR PORTION OF SURFACE NON-STATE

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS
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www.nmstatelands.org

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TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
024 VC-024	Lea	02 17S 33E	S2	320.00	\$1.00	\$10,000.00
025 VC-025	Lea	09 17S 33E	N2NE4	80.00	\$1.00	\$3,000.00
026 VC-026	Lea	09 17S 33E	SE4NW4	40.00	\$1.00	\$2,000.00
027 VC-027 (D)	Lea	12 17S 33E	NE4, S2NW4	240.00	\$1.00	\$8,000.00
028 VC-028 (D)	Lea	15 17S 36E	W2	320.00	\$1.00	\$10,000.00
029 VC-029 (B)	Lea	36 20S 32E	NW4	160.00	\$1.00	\$5,000.00
030 VC-030 (D, E)	Lea	12 20S 35E	SE4	160.00	\$1.00	\$5,000.00
031 VC-031	Lea	25 21S 34E	NE4NE4	40.00	\$1.00	\$2,000.00

B: DRILLING RESTRICTED DUE TO POTASH
E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

D: ALL OR PORTION OF SURFACE NON-STATE

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS
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POLICY ON COMMUNICATIONS REGARDING OIL & GAS LEASE SALE NOMINATIONS

Because the listing of oil & gas lease tracts to be offered for bid is neither finalized nor public prior to publication, the State Land Office will not provide notification of whether submitted or internal nominations will be included in a lease sale prior to publication. Notification of inclusion will be in the form of the published lease sale listing.

Acknowledgement of receipt of nominations does not constitute a notification that such nominations will or will not be included in a lease sale.

The State Land Office will no longer track submitted nominations beyond the month they are submitted. Nominated tracts will only be considered for the following month's lease sale. If a nominated tract does not appear in the lease listing, it must be resubmitted the next month in order to be considered for a subsequent lease sale.

To nominate, submit a locational description of the nominated tract to swust@slo.state.nm.us. To be considered for the next month's lease sale, nominations must be submitted two Fridays before the current month's lease sale. Lease sales are held the third Tuesday of each month.

If a nominated tract is included in a lease sale, the nominator must ensure that at least a minimum bid is submitted for the nominated tract. If a nominated tract receives no bids and is withdrawn, no further nominations will be accepted from that nominator.

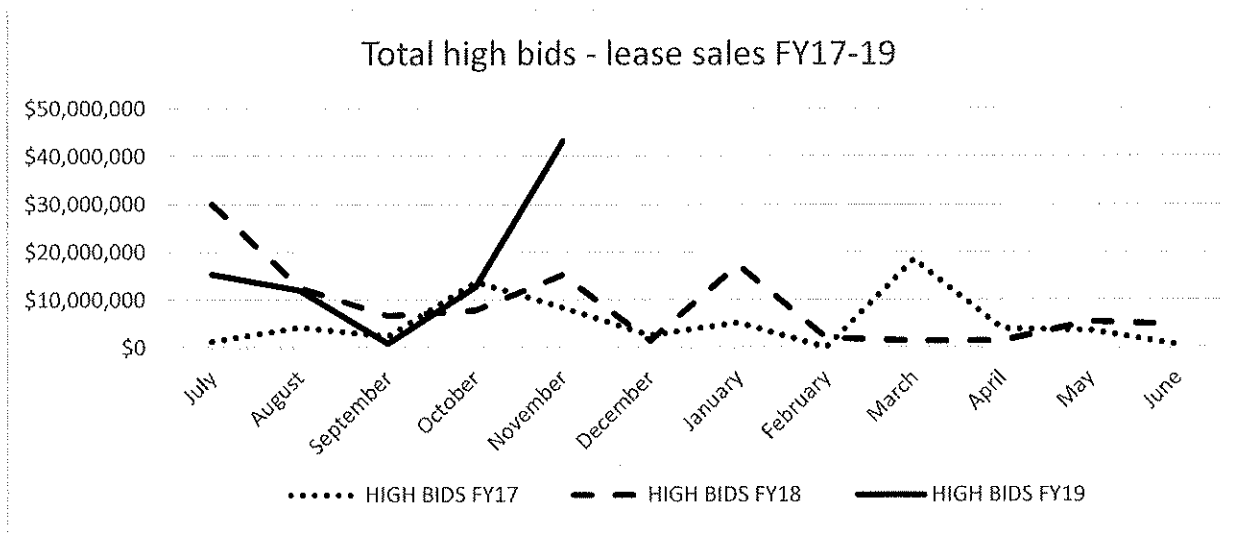
November 2018 Oil & Gas Lease Sale

The November lease sale was held online, in open and sealed bidding formats.

There were 35 tracts offered, for a total of 7969.01 acres, in Lea, Chaves and McKinley Counties. All but one tract were sold. One tract had no bids, and one tract sold (VC030) was withdrawn.

Total high bids: \$43,286,740.60 from 9 different bidders, for an average per acre price of \$7969.01. There were 32 registered bidders from 8 states.

Sale Month	Total sale	High tracts	Bid type	Rest	S	T	R
20-Nov	\$43,286,741	\$5,120,000	O		33	19S	35E
		\$4,976,320	S		32	19S	35E
		\$4,960,000	S		33	19S	35E
		\$4,160,320	S		36	19S	35E
		\$3,640,280	S		12	19S	35E
		\$3,120,240	S		2	19S	35E
Total		\$25,977,160			High sealed	\$20,857,160	
	% Total	60%		\$17,309,581	open	\$5,120,000	



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0495 00	36	12S	28E	N2	320.00	SLASH EXPLORATION LP	\$40,160.00	\$125.50
VC-S-002	VC0496 00	3	12S	38E	LOT(S) 3, 4, S2NW4	160.40	SLASH EXPLORATION LP	\$20,125.00	\$125.47
VC-S-003	VC0497 00	9	12S	38E	SE4	160.00	WISHBONE TEXAS OPERATING COMP	\$48,532.80	\$303.33
VC-S-004	VC0498 00	10	12S	38E	N2	320.00	WISHBONE TEXAS OPERATING COMP	\$97,065.60	\$303.33
VC-S-005	VC0499 00	16	12S	38E	SW4	160.00	SPECIAL ENERGY CORP	\$80,363.20	\$502.27
VC-S-006	VC0500 00	12	16S	33E	W2	320.00	DGP ENERGY LLC	\$234,000.00	\$731.25
VC-S-007	VC0501 00	19	16S	33E	N2NE4	80.00	DGP ENERGY LLC	\$28,080.00	\$351.00
VC-S-008	VC0502 00	4	16S	34E	SW4, N2SE4	240.00	DGP ENERGY LLC	\$134,640.00	\$561.00
VC-S-009	VC0503 00	4	16S	34E	LOT(S) 1, 2, 7, 8, 9, 10, 15, 16	328.61	DGP ENERGY LLC	\$241,000.00	\$733.39
VC-S-010	VC0504 00	6	16S	34E	LOT(S) 3, 4, 5, 6, 11, 12, 13, 14	298.36	DGP ENERGY LLC	\$218,500.00	\$732.34
VC-S-011	VC0505 00	6	16S	34E	LOT(S) 1, 2, 7, 8, 9, 10, 15, 16	331.45	DGP ENERGY LLC	\$242,300.00	\$731.03
VC-S-012	VC0506 00	6	16S	34E	LOT(S) 17, 18, E2SW4, SE4	303.79	DGP ENERGY LLC	\$222,400.00	\$732.08
VC-S-013	VC0507 00	6	17S	33E	LOT(S) 6, NE4SW4, N2SE4	160.89	QUANTUM RESOURCES MANAGEMENT,	\$168,321.00	\$1,046.19
VC-S-014	VC0508 00	6	17S	33E	LOT(S) 3, 4, 5, SE4NW4	161.00	QUANTUM RESOURCES MANAGEMENT,	\$169,372.00	\$1,052.00
VC-S-015	VC0509 00	7	17S	33E	LOT(S) 1, NE4NW4	81.33	QUANTUM RESOURCES MANAGEMENT,	\$85,561.00	\$1,052.02
VC-S-016	VC0510 00	2	19S	35E	E2SW4, SE4	240.00	PERCHERON PROFESSIONAL SERVIC	\$3,120,240.00	\$13,001.00
VC-S-017	VC0511 00	3	19S	35E	LOT(S) 3, 4, S2NW4	159.31	PERCHERON PROFESSIONAL SERVIC	\$2,080,160.00	\$13,057.31
VC-S-018	VC0512 00	4	19S	35E	SE4	160.00	PERCHERON PROFESSIONAL SERVIC	\$2,080,160.00	\$13,001.00
VC-S-019	VC0513 00	10	19S	35E	NW4	160.00	PERCHERON PROFESSIONAL SERVIC	\$2,080,160.00	\$13,001.00
VC-S-020	VC0514 00	10	19S	35E	SE4	160.00	PERCHERON PROFESSIONAL SERVIC	\$2,080,160.00	\$13,001.00
VC-S-021	VC0515 00	12	19S	35E	NE4, N2NW4, SE4NW4	280.00	PERCHERON PROFESSIONAL SERVIC	\$3,640,280.00	\$13,001.00
VC-S-022	VC0516 00	14	19S	35E	S2S2	160.00	PERCHERON PROFESSIONAL SERVIC	\$2,080,160.00	\$13,001.00
VC-S-023	VC0517 00	22	19S	35E	E2NW4	80.00	PERCHERON PROFESSIONAL SERVIC	\$1,040,080.00	\$13,001.00
VC-S-024	VC0518 00	22	19S	35E	E2SE4	80.00	PERCHERON PROFESSIONAL SERVIC	\$1,040,080.00	\$13,001.00

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-025	VC0519 00	27	19S	35E	SW4SW4	40.00	PERCHERON PROFESSIONAL SERVIC	\$520,040.00	\$13,001.00
VC-S-026	VC0520 00	32	19S	35E	N2	320.00	MARATHON OIL PERMIAN LLC	\$4,976,320.00	\$15,551.00
VC-S-027	VC0521 00	33	19S	35E	N2	320.00	CATENA RESOURCES OPERATING, L	\$4,960,000.00	\$15,500.00
VC-S-028	VC0522 00	34	19S	35E	NW4	160.00	PERCHERON PROFESSIONAL SERVIC	\$2,080,160.00	\$13,001.00
VC-S-029	VC0523 00	36	19S	35E	W2	320.00	PERCHERON PROFESSIONAL SERVIC	\$4,160,320.00	\$13,001.00
VC-S-030		16	20N	12W	N2		WITHDRAWN		
VC-O-001	VC0524 00	36	12S	28E	S2	320.00	SLASH EXPLORATION LP	\$10,000.00	\$31.25
VC-O-002	VC0525 00	10	12S	38E	S2	320.00	WISHBONE TEXAS OPERATING COMP	\$158,600.00	\$495.63
VC-O-003	VC0526 00	7	16S	34E	LOT(S) 1, 2, NE4, E2NW4	303.87	DGP ENERGY LLC	\$19,000.00	\$62.53
VC-O-004	VC0527 00	33	19S	35E	S2	320.00	CATENA RESOURCES OPERATING, L	\$5,120,100.00	\$16,000.31
VC-O-005		16	20N	12W	S2		WITHDRAWN		

**** END OF REPORT ****



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760
Fax (505) 827-5766
www.nmstatelands.org

20 January 2015

To the representatives of the oil and gas industry:

In 2012, the New Mexico State Land Office entered into a Candidate Conservation Agreement with Assurances (CCAA) with the United States Fish and Wildlife Service (USFWS) and the Center of Excellence for Hazardous Material Management (CEHMM). The agreement was expanded in 2014.

The purpose of the CCAA is to provide protections for the Lesser Prairie Chicken and Dunes Sagebrush Lizard, while allowing industry activities to continue on State Lands. There are now 404,000 acres of State Lands enrolled in the program.

By enrolling State Lands, the New Mexico State Land Office has provided for program eligibility for lease holders on these lands. Enrolled lands are marked on the oil & gas lease sale tract listing with a footnote.

This is a voluntary program entered into by industry through CEHMM. Information on the program can be found at the CEHMM web site: www.cehmm.org/ccaccaa.

A handwritten signature in black ink, appearing to read "Aubrey Dunn".

Aubrey Dunn
Commissioner of Public Lands



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

310 OLD SANTA FE TRAIL
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

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NOTICE:
CULTURAL RESOURCE PROTECTION

All oil & gas or mineral leases, assigns, and operators conducting drilling, production, injection, or related operations on state trust lands should be aware that it is a criminal offense for any person to knowingly excavate, injure, or destroy cultural property located on state land. [§ 18-6-9, NMSA 1978]. Applicants and lessees should exercise due caution to ensure that cultural properties are not inadvertently excavated, injured, or destroyed by any person. A cultural resource survey prior to any surface disturbing activity may assist in site identification and avoidance of criminal liability associated with disturbance or destruction of sites. Should any activity reveal suspected cultural property, the activity should cease until a site evaluation is made. For further information, please contact the New Mexico State Land Office Oil & Gas Division at 505-827-5774.

CALICHE PITS ON OIL & GAS LEASES

FROM SLO MINERALS RULE 5:

19.2.5.11 USE OF NECESSARILY DISTURBED CALICHE FROM OIL AND GAS LEASE ACREAGE. The commissioner shall make no charge for caliche necessarily moved within the roadbed or within the perimeter of a specific well pad while in the process of developing oil and natural gas under a state oil and gas lease, subject to the following conditions.

A. Only caliche derived from the cellar and reserve pit or cut and fill, which is necessarily disturbed in the process of building an access road and/or that oil and gas well location, may be used without charge.

B. Caliche necessarily disturbed during construction must remain within the boundaries of the oil and gas lease. If excess caliche exists from a necessary disturbance, that caliche may only be moved from that location to another well site within the lease once an operator or lessee of record obtains a permit and compensates the commissioner pursuant to the terms of a community caliche pit permit.

C. Only caliche excavated during cut and fill construction of a well pad or roads built to 19.2.20 NMAC standards will be considered necessarily disturbed.

[5/14/99; 19.2.5.11 NMAC - Rn, 19 NMAC 3. SLO 5.11, 09/30/02]

~~~~~*Do you need New Mexico oil and gas info?*~~~~~

▶▶▶ **USEFUL NEW MEXICO OIL AND GAS LINKS** ◀◀◀

New Mexico State Land Office, leasing/royalty management agency  
for state trust lands: [www.nmstatelands.org](http://www.nmstatelands.org)

New Mexico Tech site for State Land Office ONGARD data  
presentation to the public.  
<http://octane.nmt.edu/slo/>

ONGARD database for open acres and a wealth of other state data  
you didn't know you needed.  
<http://www.ongard.state.nm.us/>

NM Bureau of Geology and Mineral Resources, subsurface geology  
for the state.  
Their publications website: <http://geoinfo.nmt.edu/>

NM Oil Conservation Division, oil industry regulatory agency for  
operating in New Mexico, plus well and  
production data: <http://www.emnrd.state.nm.us/ocd/>



## How may our Oil, Gas, and Minerals Division help you?

**Lease Sales, Nominations,  
Potash Enclave,  
Geophysical Permitting, Geology**

Stephen L. Wust, Ph.D. 505-827-5774  
swust@slo.state.nm.us

**Communitization, Reduced  
Royalty, Engineering**

Niranjan Khalsa 505-827-6628  
Anchor Holm 505-827-5759

**Bonds, Shut-In Royalty, OGRIDS,  
Lease Expirations, Cancellations,  
Rentals, Assignments,  
Miscellaneous Instruments**

Kenda Montoya 505-827-5749  
Rubel Salazar 505-827-5730  
Ramona Marcus 505-476-0378

**Sand and Gravel, Caliche, General Mining**

Jack Yates 505-827-5750  
Jason Smith 505-827-5743  
Faith Crosby 505-827-5849  
Chris Gonzales 505-827-5783

**OGMD Office Procedures, Division Administration**

Allison Marks, Division Director 505-827-5745  
Ed Martin, Assistant Commissioner 505-827-5746