

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 16 January 2018, for the tracts of land herein described.

The sale will be held online, in two formats. The sealed bid portion will close at 8:30 am MST on January 16. The open bidding portion closes sequentially by tract beginning at 10:30 am MST on January 16. 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.

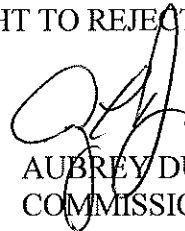
No bids will be considered for less than the whole of any tract, nor for less than the specified minimum acceptable bid. Separate bids must be made for each tract. Leases will be awarded to the highest bidder, if the offer made is deemed to be satisfactory.

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

January oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 16 January 2018 will be held online in sealed and open bidding formats. Online bidding will commence January 9, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MST on January 16. Open bidding closes sequentially by tract, with bidding for the first tract closing at 10:30 am MST on January 16.

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.)

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.)

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.

NEW MEXICO STATE LAND OFFICE
LEASE SALE NOTICE

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

Regular Sale - ONLINE SEALED BIDDING COMMENCES 9 JANUARY 2018. BIDDING FOR THE SEALED TRACTS WILL

CLOSE 8:30am MST ON 16 JANUARY 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, E)	Chaves	34 10S 31E	NW4, N2SW4	240.00	\$0.50	\$8,000.00
002 VC-002 (E)	Chaves	36 14S 30E	N2	320.00	\$0.50	\$10,000.00
003 VC-003	Lea	19 14S 34E	LOT(S) 1, 2, NE4, E2NW4	322.45	\$0.50	\$10,000.00
004 VC-004	Lea	32 14S 35E	N2	320.00	\$0.50	\$10,000.00
005 VC-005 (D)	Lea	19 14S 36E	LOT(S) 1, 2, 3, E2NW4, NE4SW4	243.53	\$0.50	\$8,000.00
006 VC-006	Lea	18 17S 34E	LOT(S) 1, 2, 3, 4, E2W2	296.24	\$1.00	\$10,000.00
007 VC-007	Lea	03 17S 36E	W2SE4	80.00	\$1.00	\$3,000.00
008 VC-008 (D)	Lea	14 17S 36E	SW4	160.00	\$1.00	\$5,000.00
009 VC-009	Lea	31 18S 36E	LOT(S) 1, 2, NE4, E2NW4	315.77	\$1.00	\$10,000.00
010 VC-010	Lea	16 19S 36E	N2	320.00	\$1.00	\$10,000.00
011 VC-011	Lea	28 19S 36E	NE4	160.00	\$1.00	\$5,000.00
012 VC-012	Lea	02 19S 37E	LOT(S) 3, 4, S2NW4	164.18	\$1.00	\$5,000.00
013 VC-013	Lea	32 24S 36E	E2	320.00	\$1.00	\$10,000.00
014 VC-014	Lea	32 25S 36E	N2	320.00	\$1.00	\$10,000.00
015 VC-015	Lea	33 26S 36E	LOT(S) 1, 2, 3, 4, N2N2 (ALL)	294.92	\$1.00	\$10,000.00

***** ONLINE OPEN BIDDING TRACTS *****

Regular Sale - ONLINE OPEN BIDDING COMMENCES 9 JANUARY 2018. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL

CLOSE SEQUENTIALLY ON 16 JANUARY 2018, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MST. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR OPEN BIDDING 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
016 VC-0-001 (D)	Chaves	34 10S 31E	E2	320.00	\$0.50	\$10,000.00
017 VC-0-002 (E)	Chaves	36 14S 30E	S2	320.00	\$0.50	\$10,000.00
018 VC-0-003	Lea	19 14S 34E	LOT(S) 3, 4, E2SW4, SE4	322.63	\$0.50	\$10,000.00
019 VC-0-004	Lea	35 14S 35E	SW4	160.00	\$0.50	\$5,000.00
020 VC-0-005 (D)	Lea	19 14S 36E	NE4, E2SE4	240.00	\$0.50	\$8,000.00
021 VC-0-006	Lea	31 18S 36E	LOT(S) 3, 4, E2SW4	155.73	\$1.00	\$5,000.00
022 VC-0-007	Lea	16 19S 36E	SE4	160.00	\$1.00	\$5,000.00
023 VC-0-008	Lea	25 21S 34E	S2NW4	80.00	\$1.00	\$3,000.00

D: ALL OR PORTION OF SURFACE NON-STATE
E: SUBJECT TO 3/2012 CONSERVATION AGREEMENT

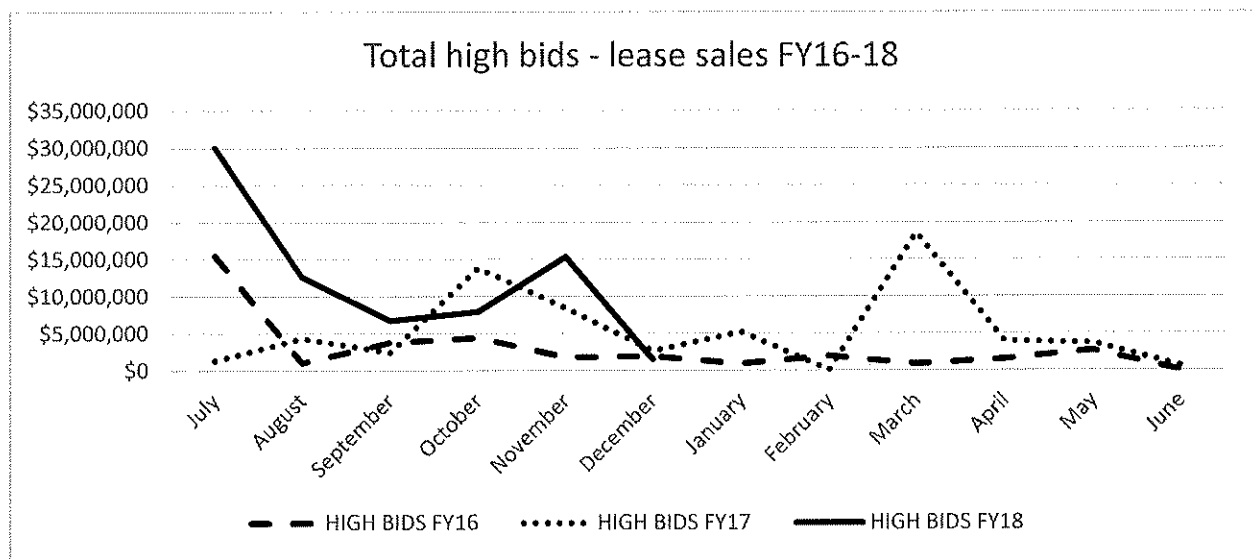
December 2017 Oil & Gas Lease Sale

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

There were 16 tracts offered, for a total of 3676 acres, in Chaves, Eddy, Roosevelt, and Lea Counties. All tracts were sold.

Total high bids: \$1,517,148 from 9 different bidders, for an average per acre price of \$413. There were 24 registered bidders from 8 states.

Sale Month	Total sale	High tracts	Bid type	Rest		S	T	R
19-Dec	\$1,517,148	\$274,873	S			2	8S	34E
		\$256,000	S			31	15S	34E
		\$205,065	S			31	7S	35E
		\$201,000	S			36	19S	24E
					High sealed			
Total		\$936,938		\$580,210	open	\$936,938		
	% Total	62%						



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0305 00	36	07S	31E	NE4NE4, S2NE4, SE4	280.00	CROSS BORDER RESOURCES, INC.	\$15,400.00	\$55.00
VC-S-002	VC0306 00	36	09S	28E	E2	320.00	NEWTEX PARTNERS LLC	\$37,369.69	\$116.78
VC-S-003	VC0307 00	36	10S	28E	E2	320.00	NEWTEX PARTNERS LLC	\$37,369.69	\$116.78
VC-S-004	VC0308 00	14	14S	29E	W2SE4	80.00	STEVENSON OIL COMPANY, INC.	\$4,500.00	\$56.25
VC-S-005	VC0309 00	36	19S	24E	E2NE4	80.00	CHALFANT PROPERTIES, INC.	\$201,000.00	\$2,512.50
VC-S-006	VC0310 00	32	19S	25E	S2SW4	80.00	CHALFANT PROPERTIES, INC.	\$121,000.00	\$1,512.50
VC-S-007	VC0311 00	31	15S	34E	LOT(S) 3, 4, E2SW4	164.33	DGP ENERGY LLC	\$256,000.00	\$1,557.84
VC-S-008	VC0312 00	31	07S	35E	LOT(S) 1, 2, NE4, E2NW4	314.35	AUBURN OPERATING COMPANY, LLC	\$205,065.00	\$652.35
VC-S-009	VC0313 00	36	07S	37E	N2	320.00	ABO EMPIRE, LLC.	\$30,100.00	\$94.06
VC-S-010	VC0314 00	2	08S	34E	LOT(S) 1, 2, S2NE4, SE4	322.99	AUBURN OPERATING COMPANY, LLC	\$274,873.00	\$851.03
VC-S-011	VC0315 00	32	08S	37E	E2	320.00	ESTACADO LAND SERVICES, LLC.	\$152,320.00	\$476.00
VC-O-001	VC0316 00	36	07S	31E	NE4NW4	40.00	CROSS BORDER RESOURCES, INC.	\$6,350.00	\$158.75
VC-O-002	VC0317 00	36	09S	28E	W2	320.00	NEWTEX PARTNERS LLC	\$18,500.00	\$57.81
VC-O-003	VC0318 00	36	10S	28E	W2	320.00	NEWTEX PARTNERS LLC	\$22,200.00	\$69.38
VC-O-004	VC0319 00	31	07S	35E	LOT(S) 3, 4, E2SW4, SE4	314.25	AUBURN OPERATING COMPANY, LLC	\$119,100.00	\$379.00
VC-O-005	VC0320 00	3	08S	34E	S2SW4	80.00	KASTLEFORD LAND COMPANY, LLC.	\$16,000.00	\$200.00

**** 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.

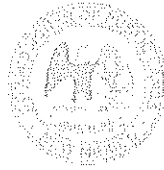
The purpose of the CCAA is to provide protections for the Lesser Prairie Chicken and Dunes Sagebrush Lizard, while allowing industry activities to continue on State Lands. There are now 404,000 acres of State Lands enrolled in the program.

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", is written over a faint, larger version of the same signature.

Aubrey Dunn
Commissioner of Public Lands



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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

COMMISSIONER'S OFFICE

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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

**Unitization & Commingling**

Marilyn Gruebel, Ph.D. 505-827-5791

**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

**Communitization, Reduced**  
**Royalty, Engineering**

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

**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**

Terry Warnell, Division Director 505-827-5745  
Ed Martin, Acting Assistant Commissioner 505-827-5746  
Billie Luther 505-827-5744