

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 15 January 2019, 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 15. The open bidding portion closes sequentially by tract beginning at 10:30 am MST on January 15. 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.



STEPHANIE GARCIA RICHARD
COMMISSIONER OF PUBLIC LANDS

January oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 15 January 2019 will be held online in sealed and open bidding formats. Online bidding will commence January 8, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MST on January 15. Open bidding closes sequentially by tract, with bidding for the first tract closing at 10:30 am MST on January 15.

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 8 JANUARY 2019. BIDDING FOR THE SEALED TRACTS WILL
CLOSE 8:30am MST ON 15 January 2019. 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, 3/16th 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 VB-001	(D)	Lea	02 23S 37E	SE4NE4	40.00	\$1.00	\$2,000.00
002 VB-002	(D)	Lea	30 25S 38E	N2NE4	80.00	\$1.00	\$3,000.00

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TRACT #		COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
003 VC-001	(D)	Eddy	16 21S 25E	S2	320.00	\$1.00	\$10,000.00
004 VC-002		Lea	09 17S 37E	NE4	160.00	\$1.00	\$5,000.00
005 VC-003	(D)	Lea	18 17S 37E	LOT(S) 3, 4, E2SW4, SE4	315.59	\$1.00	\$10,000.00
006 VC-004	(D)	Lea	32 17S 38E	N2NE4, SE4NE4, NE4NW4	160.00	\$1.00	\$5,000.00
007 VC-005		Lea	23 18S 34E	NW4	160.00	\$1.00	\$5,000.00
008 VC-006		Lea	12 18S 36E	S2NE4	80.00	\$1.00	\$3,000.00
009 VC-007	(D)	Lea	33 18S 36E	S2S2	160.00	\$1.00	\$5,000.00
010 VC-008		Lea	08 18S 37E	NE4, S2NW4	240.00	\$1.00	\$8,000.00
011 VC-009		Lea	16 18S 37E	SW4, N2SE4, SW4SE4	280.00	\$1.00	\$9,000.00
012 VC-010		Lea	17 18S 37E	N2	320.00	\$1.00	\$10,000.00
013 VC-011		Lea	15 19S 37E	SE4	160.00	\$1.00	\$5,000.00
014 VC-012		Lea	22 19S 37E	E2NE4	80.00	\$1.00	\$3,000.00
015 VC-013	(D, E)	Lea	16 20S 38E	SW4NW4, W2SW4	120.00	\$1.00	\$4,000.00
016 VC-014	(D)	Lea	15 22S 35E	SE4	160.00	\$1.00	\$5,000.00
017 VC-015	(E)	Roosevelt	36 05S 32E	N2	320.00	\$0.50	\$10,000.00
018 VC-016	(E)	Roosevelt	36 05S 32E	S2	320.00	\$0.50	\$10,000.00

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

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

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

Regular Sale - ONLINE OPEN BIDDING COMMENCES 8 JANUARY 2019. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON 15 JANUARY 2019, 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 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, 3/16th 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
019 VB-O-001	Lea	02 23S 37E	SW4NW4	40.00	\$1.00	\$2,000.00

Regular Sale - ONLINE OPEN BIDDING COMMENCES 8 JANUARY 2019. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON 15 JANUARY 2019, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MST. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.

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TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
020 VC-O-001 (D)	Eddy	16 21S 25E	N2	320.00	\$1.00	\$10,000.00
021 VC-O-002	Lea	15 17S 37E	NW4	160.00	\$1.00	\$5,000.00
022 VC-O-003	Lea	33 18S 36E	N2NW4, SW4NW4	120.00	\$1.00	\$4,000.00
023 VC-O-004	Lea	17 18S 37E	SE4	160.00	\$1.00	\$5,000.00
024 VC-O-005	Lea	15 22S 35E	E2NE4	80.00	\$1.00	\$3,000.00

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www.nmstatelands.org

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 date. 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.

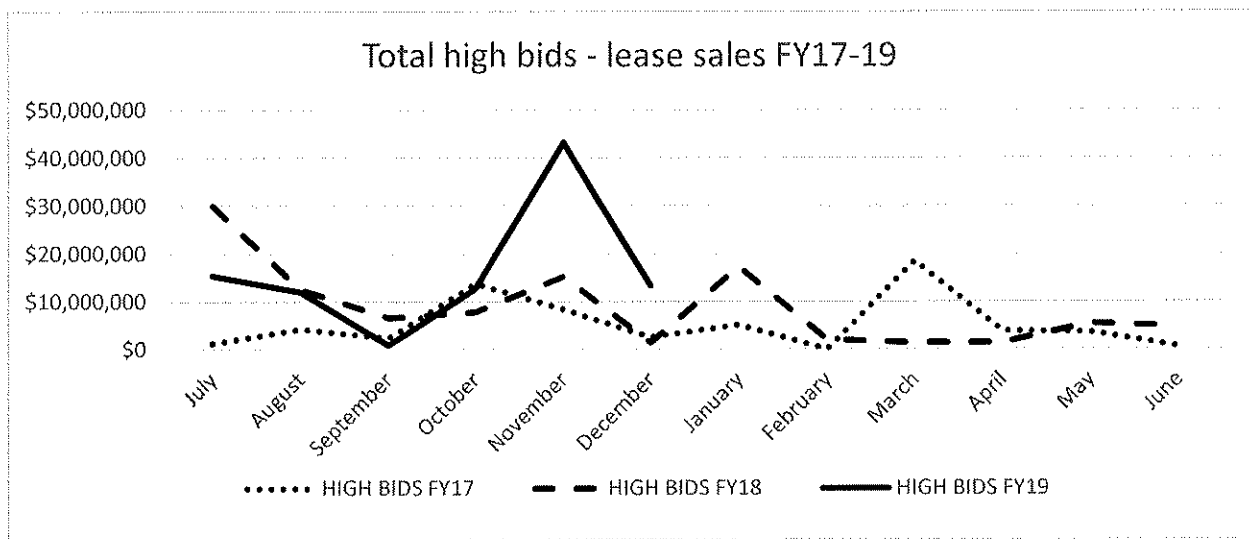
December 2018 Oil & Gas Lease Sale

The December lease sale was held online, in sealed bidding format.

There were 31 tracts offered, for a total of 5176.26 acres, in Lea and Eddy Counties. All tracts were sold.

Total high bids: \$13,345,987.00 from 8 different bidders, for an average per acre price of \$2578.31. There were 29 registered bidders from 5 states.

Sale Month	Total sale	High tracts	Bid type	Rest	S	T	R
18-Dec	\$13,345,987	\$2,081,120	S		36	20S	32E
		\$1,776,000	S		35	22S	26E
		\$1,776,000	S		35	22S	26E
		\$1,328,960	S		15	17S	36E
		\$1,296,266	S		12	20S	35E
Total		\$8,258,346					
	% Total	62%		\$5,087,641			



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0528 00	7	16S	28E	NW4SE4	40.00	RIDGE RUNNER RESOURCES OPERAT	\$4,010.00	\$100.25
VC-S-002	VC0529 00	7	18S	28E	LOT(S) 3, 4	87.52	FEATHERSTONE DEVELOPMENT CORP	\$20,300.00	\$231.95
VC-S-003	VC0530 00	16	18S	28E	NE4NW4	40.00	FEDERAL ABSTRACT COMPANY	\$100,120.00	\$2,503.00
VC-S-004	VC0531 00	20	18S	28E	SW4	160.00	FEDERAL ABSTRACT COMPANY	\$832,640.00	\$5,204.00
VC-S-005	VC0532 00	14	18S	29E	NW4NE4	40.00	RIDGE RUNNER RESOURCES OPERAT	\$304,000.00	\$7,600.00
VC-S-006	VC0533 00	14	18S	29E	N2SE4	80.00	RIDGE RUNNER RESOURCES OPERAT	\$608,125.00	\$7,601.56
VC-S-007	VC0534 00	1	19S	27E	LOT(S) 2	39.70	RIDGE RUNNER RESOURCES OPERAT	\$35,731.00	\$900.03
VC-S-008	VC0535 00	1	19S	27E	SE4NE4	40.00	RIDGE RUNNER RESOURCES OPERAT	\$36,150.00	\$903.75
VC-S-009	VC0536 00	1	19S	27E	NW4SE4	40.00	RIDGE RUNNER RESOURCES OPERAT	\$36,150.00	\$903.75
VC-S-010	VC0537 00	1	19S	27E	SE4SE4	40.00	RIDGE RUNNER RESOURCES OPERAT	\$36,150.00	\$903.75
VC-S-011	VC0538 00	14	19S	27E	S2NE4, NE4NW4, S2NW4	200.00	TASCOSA ENERGY PARTNERS, LLC.	\$102,200.00	\$511.00
VC-S-012	VC0539 00	14	19S	27E	W2SE4	80.00	TASCOSA ENERGY PARTNERS, LLC.	\$40,880.00	\$511.00
VC-S-013	VC0540 00	17	19S	28E	W2SE4	80.00	RIDGE RUNNER RESOURCES OPERAT	\$152,060.00	\$1,900.75
VC-S-014	VC0541 00	18	19S	28E	SW4SE4	40.00	FEDERAL ABSTRACT COMPANY	\$80,040.00	\$2,001.00
VC-S-015	VC0542 00	30	20S	27E	LOT(S) 1, 2, NE4, E2NW4	320.34	TASCOSA ENERGY PARTNERS, LLC.	\$485,635.00	\$1,516.00
VC-S-016	VC0543 00	30	20S	27E	LOT(S) 3, 4, E2SW4, SE4	320.22	TASCOSA ENERGY PARTNERS, LLC.	\$485,635.00	\$1,516.57
VC-S-017	VC0544 00	35	22S	26E	N2	320.00	PETROGULF CORPORATION	\$1,776,000.00	\$5,550.00
VC-S-018	VC0545 00	35	22S	26E	S2	320.00	PETROGULF CORPORATION	\$1,776,000.00	\$5,550.00
VC-S-019	VC0546 00	3	16S	34E	LOT(S) 1, 2, 3, 4, 5, 6, 7, 8	337.08	SLASH EXPLORATION LP	\$101,400.00	\$300.82
VC-S-020	VC0547 00	11	16S	34E	E2	320.00	DGP ENERGY LLC	\$240,500.00	\$751.56
VC-S-021	VC0548 00	11	16S	34E	NW4	160.00	DGP ENERGY LLC	\$57,800.00	\$361.25
VC-S-022	VC0549 00	4	16S	35E	LOT(S) 1, 2, 3, 4, 5, 6, 7, 8, 13	389.68	SLASH EXPLORATION LP	\$117,195.00	\$300.75
VC-S-023	VC0550 00	2	17S	33E	LOT(S) 1, 2, 3, 4, S2N2	321.72	DGP ENERGY LLC	\$273,800.00	\$851.05
VC-S-024	VC0551 00	2	17S	33E	S2	320.00	DGP ENERGY LLC	\$272,500.00	\$851.56
VC-S-025	VC0552 00	9	17S	33E	N2NE4	80.00	SLASH EXPLORATION LP	\$24,080.00	\$301.00

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-026	VC0553 00	9	17S	33E	SE4NW4	40.00	SLASH EXPLORATION LP	\$12,040.00	\$301.00
VC-S-027	VC0554 00	12	17S	33E	NE4, S2NW4	240.00	DGP ENERGY LLC	\$108,300.00	\$451.25
VC-S-028	VC0555 00	15	17S	36E	W2	320.00	MANZANO ENERGY PARTNERS III,	\$1,328,960.00	\$4,153.00
VC-S-029	VC0556 00	36	20S	32E	NW4	160.00	FEDERAL ABSTRACT COMPANY	\$2,081,120.00	\$13,007.00
VC-S-030	VC0557 00	12	20S	35E	SE4	160.00	RIDGE RUNNER RESOURCES OPERAT	\$1,296,266.00	\$8,101.66
VC-S-031	VC0558 00	25	21S	34E	NE4NE4	40.00	FEDERAL ABSTRACT COMPANY	\$520,200.00	\$13,005.00

**** END OF REPORT ****

CONSERVATION EASEMENTS

In 2012, the New Mexico State Land Office entered into a Candidate Conservation Agreement with Assurances (CCA) 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 CCA 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/ccacaa.

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

**Units, Commingling**

Randolph Bayliss 505-827-5791

**Communitization, Reduced  
Royalty, Engineering**

Niranjan Khalsa 505-827-6628  
Anchor Holm 505-827-5759  
Maria Pruett 505-827-5746

**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