



Aubrey Dunn, State Land Commissioner
State of New Mexico

FOR IMMEDIATE RELEASE

November 20, 2018

Contact:

Gerald Garner Jr., Public Relations Specialist

(505) 827-5760 (O)

(505) 489-0393 (C)

ggarner@slo.state.nm.us

November Lease Sale Breaks Single-Month Record *Sale Generates More than \$43 Million for Trio of Beneficiaries*

SANTA FE, NM – State Land Office (SLO) beneficiaries got an early dose of holiday cheer as the agency’s November Oil and Gas Lease Sale generated \$43,286,740.60 – making it the highest single-month yield in SLO history.

“What a way to usher in the holidays,” State Land Commissioner Aubrey Dunn said. “We anticipated having a good month, but I am truly surprised by how successful the sale was.”

Beneficiaries of the November sale and their respective earnings are:

- Common Schools - \$15,200,957.20
- New Mexico Penitentiary - \$27,761,460
- University of New Mexico - \$324,323.40

The previous single-month record of \$30,035,248 was recorded in July 2017.

Each month, SLO lease sales are held online in sealed and open bidding formats; the November sale brought in \$43,286,740.60. Katy, TX-based Percheron Energy was the high bidder in the sealed bidding, purchasing 1,999.31 acres for \$26,002,000. Louisiana-based BETA Land Services submitted the highest bid in the open format, purchasing 320 acres for \$5,120,100.

In all, 35 tracts – totaling 7,969.01 acres – were offered in Lea, Chaves and McKinley counties. All but one of the tracts sold, with one tract receiving no bids and one tract sold (VC030) was withdrawn. Nine bidders combined for \$43,286,740.60 to yield an average per-acre price of \$5,431.88. A total of 32 bidders from eight states participated.

“I am thrilled that the land office and its beneficiaries continue to reap the benefits of the tremendous boom in production in the Permian Basin,” Commissioner Dunn said. “This month’s sale will go a long way toward achieving our FY19 goal of generating \$1 billion in revenues.”

Commissioner Dunn said that productivity in the Permian Basin has been a mixed blessing for New Mexico.

“On one hand, money is being generated at an unprecedented rate but the flipside is that with the increased productivity comes problems,” Dunn said. “I’ve already gone on record to say that our environment is suffering as a result of unenforced environmental regulations and unscrupulous business practices in the oil patch and beyond. As a result, the land, its resources and the citizens of New Mexico are not being afforded the protection they deserve.”

Oil, gas, and mineral production, ranching and farming, and commercial 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. In fiscal year 2017, the State Land Office collected \$664 million from lease payments, oil and gas lease sale earnings, rights-of-way, permits, interest, fees, and oil, gas, and mineral royalties.