

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 20 November 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 November 20. The open bidding portion closes sequentially by tract beginning at 10:30 am MST on November 20. 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

November oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 20 November 2018 will be held online in sealed and open bidding formats. Online bidding will commence November 13, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MST on November 20. Open bidding closes sequentially by tract, with bidding for the first tract closing at 10:30 am MST on November 20.

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 13 NOVEMBER 2018. BIDDING FOR THE SEALED TRACTS WILL
CLOSE 8:30am MST ON 20 NOVEMBER 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	Chaves	36 12S 28E	N2	320.00	\$0.50	\$10,000.00
002 VC-002 (D)	Lea	03 12S 38E	LOT(S) 3, 4, S2NW4	160.40	\$0.50	\$5,000.00
003 VC-003	Lea	09 12S 38E	SE4	160.00	\$0.50	\$5,000.00
004 VC-004 (D)	Lea	10 12S 38E	N2	320.00	\$0.50	\$10,000.00
005 VC-005 (D)	Lea	16 12S 38E	SW4	160.00	\$0.50	\$5,000.00
006 VC-006	Lea	12 16S 33E	W2	320.00	\$1.00	\$10,000.00
007 VC-007	Lea	19 16S 33E	N2NE4	80.00	\$1.00	\$3,000.00
008 VC-008 (D)	Lea	04 16S 34E	SW4, N2SE4	240.00	\$1.00	\$8,000.00
009 VC-009 (D)	Lea	04 16S 34E	LOT(S) 1, 2, 7, 8, 9, 10, 15, 16	328.61	\$1.00	\$10,000.00
010 VC-010 (D)	Lea	06 16S 34E	LOT(S) 3, 4, 5, 6, 11, 12, 13, 14	298.36	\$1.00	\$10,000.00
011 VC-011 (D)	Lea	06 16S 34E	LOT(S) 1, 2, 7, 8, 9, 10, 15, 16	331.45	\$1.00	\$11,000.00
012 VC-012 (D)	Lea	06 16S 34E	LOT(S) 17, 18, E2SW4, SE4	303.79	\$1.00	\$10,000.00
013 VC-013	Lea	06 17S 33E	LOT(S) 6, NE4SW4, N2SE4	160.89	\$1.00	\$5,000.00
014 VC-014	Lea	06 17S 33E	LOT(S) 3, 4, 5, SE4NW4	161.00	\$1.00	\$5,000.00
015 VC-015	Lea	07 17S 33E	LOT(S) 1, NE4NW4	81.33	\$1.00	\$3,000.00
016 VC-016	Lea	02 19S 35E	E2SW4, SE4	240.00	\$1.00	\$8,000.00
017 VC-017	Lea	03 19S 35E	LOT(S) 3, 4, S2NW4	159.31	\$1.00	\$5,000.00
018 VC-018	Lea	04 19S 35E	SE4	160.00	\$1.00	\$5,000.00
019 VC-019	Lea	10 19S 35E	NW4	160.00	\$1.00	\$5,000.00
020 VC-020	Lea	10 19S 35E	SE4	160.00	\$1.00	\$5,000.00
021 VC-021	Lea	12 19S 35E	NE4, N2NW4, SE4NW4	280.00	\$1.00	\$9,000.00
022 VC-022	Lea	14 19S 35E	S2S2	160.00	\$1.00	\$5,000.00
023 VC-023	Lea	22 19S 35E	E2NW4	80.00	\$1.00	\$3,000.00
024 VC-024	Lea	22 19S 35E	E2SE4	80.00	\$1.00	\$3,000.00
025 VC-025 (E)	Lea	27 19S 35E	SW4SW4	40.00	\$1.00	\$2,000.00
026 VC-026 (E)	Lea	32 19S 35E	N2	320.00	\$1.00	\$10,000.00
027 VC-027 (E)	Lea	33 19S 35E	N2	320.00	\$1.00	\$10,000.00
028 VC-028 (E)	Lea	34 19S 35E	NW4	160.00	\$1.00	\$5,000.00
029 VC-029 (E)	Lea	36 19S 35E	W2	320.00	\$1.00	\$10,000.00
030 VC-030	McKinley	16 20N 12W	N2	320.00	\$0.50	\$10,000.00

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

Regular Sale - ONLINE OPEN BIDDING COMMENCES 13 NOVEMBER 2018. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON 20 NOVEMBER 2018, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MST. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGINET.

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, 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
031 VC-O-001	Chaves	36 12S 28E	S2	320.00	\$0.50	\$10,000.00
032 VC-O-002 (D)	Lea	10 12S 38E	S2	320.00	\$0.50	\$10,000.00
033 VC-O-003	Lea	07 16S 34E	LOT(S) 1, 2, NE4, E2NW4	303.87	\$1.00	\$10,000.00
034 VC-O-004 (E)	Lea	33 19S 35E	S2	320.00	\$1.00	\$10,000.00
035 VC-O-005	McKinley	16 20N 12W	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

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. 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.

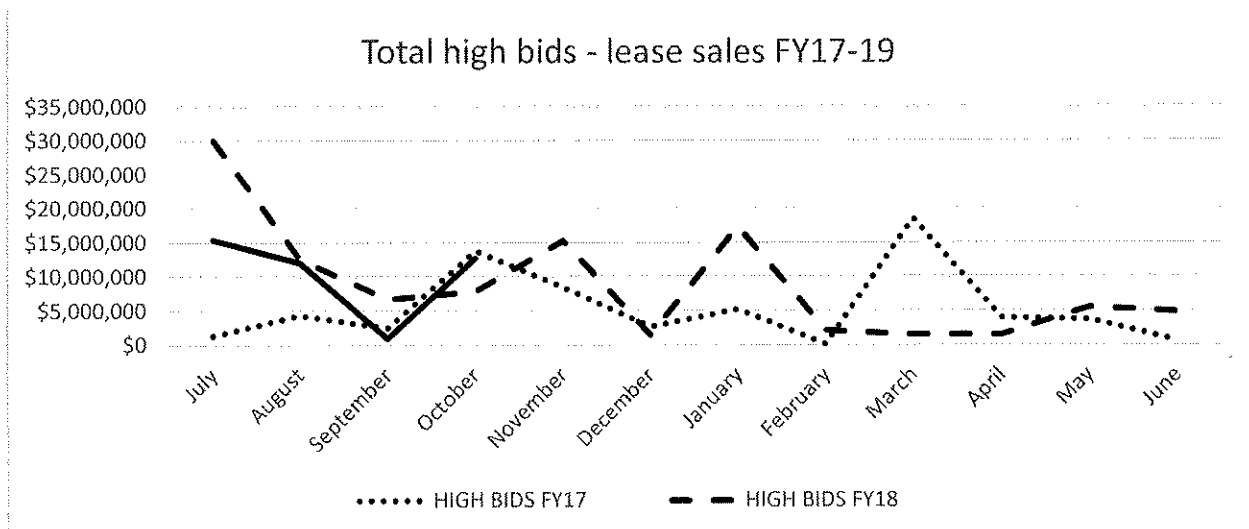
October 2018 Oil & Gas Lease Sale

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

There were 19 tracts offered, for a total of 4176.99 acres, in Lea, Chaves and Eddy Counties. All tracts were sold.

Total high bids: \$12,730,103 from 8 different bidders, for an average per acre price of \$3047.67. There were 22 registered bidders from 5 states.

Sale Month	Total sale	High tracts	Bid type	Rest		S	T	R
16-Oct	\$12,730,103	\$3,639,040	S			28	19S	35E
		\$2,400,240	S			34	19S	35E
		\$1,500,050	O			28	19S	35E
		\$856,000	S			29	19S	35E
		\$840,240	S			7	23S	26E
		\$803,200	S			32	23S	25E
Total		\$10,038,770			High sealed	\$8,395,330		
	% Total	79%		\$2,691,333	open	\$1,643,440		



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0476	00	12	13S	28E E2	320.00	\$16,640.00	\$52.00
VC-S-002	VC0477	00	16	23S	25E E2	320.00	\$538,240.00	\$1,682.00
VC-S-003	VC0478	00	32	23S	25E S2	320.00	\$803,200.00	\$2,510.00
VC-S-004	VC0479	00	7	23S	26E E2NE4, SE4	240.00	\$840,240.00	\$3,501.00
VC-S-005	VC0480	00	18	23S	26E NE4, SE4NW4	200.00	\$700,200.00	\$3,501.00
VC-S-006	VC0481	00	28	19S	35E W2	320.00	\$3,639,040.00	\$11,372.00
VC-S-007	VC0482	00	29	19S	35E W2NW4	80.00	\$856,000.00	\$10,700.00
VC-S-008	VC0483	00	34	19S	35E SW4, N2SE4	240.00	\$2,400,240.00	\$10,001.00
VC-S-009	VC0484	00	20	23S	38E SW4	160.00	\$20,363.00	\$127.27
VC-S-010	VC0485	00	8	24S	38E S2	320.00	\$105,600.00	\$330.00
VC-S-011	VC0486	00	9	24S	38E LOT(S) 1, 2, NW4	173.84	\$57,420.00	\$330.30
VC-S-012	VC0487	00	16	24S	38E LOT(S) 1, 2, NW4	174.00	\$57,420.00	\$330.00
VC-O-001	VC0488	00	12	13S	28E W2NW4, SE4NW4, SW4	280.00	\$14,050.00	\$50.18
VC-O-002	VC0489	00	16	23S	25E W2	320.00	\$475,100.00	\$1,484.69
VC-O-003	VC0490	00	7	23S	26E LOT(S) 1, NE4NW4	79.23	\$198,150.00	\$2,500.95
VC-O-004	VC0491	00	18	23S	26E LOT(S) 3, 4, NE4SW4, NW4SE4	159.15	\$397,950.00	\$2,500.47
VC-O-005	VC0492	00	28	19S	35E W2SE4, SE4SE4	120.00	\$1,500,050.00	\$12,500.42
VC-O-006	VC0493	00	9	24S	38E LOT(S) 3, 4, SW4	173.92	\$65,050.00	\$374.02
VC-O-007	VC0494	00	16	26S	38E LOT(S) 1, 2, NW4	176.85	\$45,150.00	\$255.30

**** 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

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

**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