



New Mexico State Land Office 2015 Annual Report

Aubrey Dunn

New Mexico State Land Commissioner

Table of Contents

Agency & Commissioner Dunn

- Mission3
- Meet the Commissioner.....4
- Message from the Commissioner.....5
- Agency History.....6
- Agency Overview.....7
- The Beneficiaries.....8
- Land Ownership.....9

Funds & Revenues

- Land Grant Permanent Fund & Land Maintenance Fund.....10
- Revenue Flow Chart.....11
- Beneficiary Distribution.....12-13
- Revenues by Source.....14-15
- Rental and Royalty Revenue.....16-17

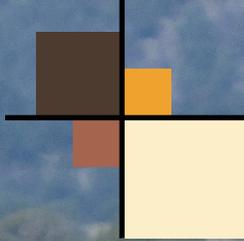
Divisions

- Oil, Gas, & Minerals18-21
- Commercial Resources.....22-25
- Field Operations.....26-29
- Administrative Services30-31
- Information Technology & Records Management32
- Communications.....33
- Office of General Counsel.....33

Other

- Accomplishments..... 34-35
- Past Commissioners.....36
- State Trust Advisory Board.....37
- Organizational Chart.....39

All Photos were taken by SLO Staff.



Mission Statement

Optimize revenues generated from trust lands to support the beneficiaries while ensuring proper land management and restoration to continue the legacy for generations to come.



Meet New Mexico State Land Commissioner Aubrey Dunn

Aubrey Dunn is a native New Mexican and has been in agriculture and ranching his entire life. He is devoted to the conservation of our resources. He was raised on a small apple farm in the community of High Rolls near Cloudcroft, New Mexico and graduated from Colorado State University with a Bachelor of Science degree in Animal Science. Aubrey worked for 25 years in the financial industry, including 10 years as CEO/President of First Federal Bank of New Mexico. Aubrey and his wife, Robin are looking forward to the arrival of their third granddaughter next year. They own a cow/calf operation between Mountainair and Corona in Torrance, Lincoln and Socorro Counties. Their three children all graduated from New Mexico State University. Their son, A. Blair Dunn, is an attorney and lives with his wife, Beky and daughter, Harper in Albuquerque. Their daughter, Dr. Jamie Dunn, practices optometry at UNM Hospital. Their youngest is Jed Dunn, a soil specialist with National Resources Conservation Service, who lives with his wife, Colleen and daughter, Alannah in Lake Okeechobee, Florida.



MESSAGE FROM THE COMMISSIONER

I am honored to serve as New Mexico's State Land Commissioner. My team and I are proud to say we see a bright future for the New Mexico State Land Office.

The duties of the State Land Commissioner and the Land Office are not always understood. We operate a trust. The Trust developed over time, but it was one of our Founding Fathers, Thomas Jefferson, who proposed the Public Land Survey System that led to the dedication of certain lands to each state in order to generate revenues for public education. The subsequent Organic Act of 1850, Ferguson Act of 1898 and the Enabling Act of 1910 helped define the Trust and form the duties of the State Land Commissioner.

State Trust lands are often misunderstood in terms of both their character and their management. They are not public lands, but are instead the subject of a public Trust created to support the education of New Mexico's children.

The Trust exists for the purpose of supporting our 21 beneficiaries, which include many public institutions but most importantly New Mexico's public schools. I, as Land Commissioner, act as the trustee to the State Land Trust. It is my fiduciary responsibility to optimize the responsible uses of our land and natural resources to add to our permanent fund for education and create opportunities for jobs and economic growth.

The Land Grant Permanent Fund currently holds nearly **15 billion dollars**. All monies from non-renewable resources produced on State Trust Land are placed into this fund and invested. A percentage of the entire fund is then distributed to our beneficiaries each year. In fiscal year 2015, we distributed approximately **600 million dollars** to our beneficiaries.

The State Land Office is a unique agency that serves New Mexico in such an important way. It is vital that we operate efficiently and productively for the benefit of the 21 beneficiaries, which are predominately public education institutions. In my time here so far, I have seen much work to be done. I am a business man, and I come from the private sector. My goal is to run the Land Office like a business. We must be successful because our success directly impacts the future of New Mexico's children. I promise to do what is right and best for the Trust and therefore the beneficiaries.

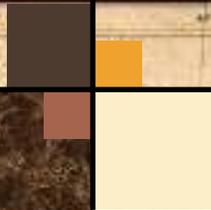
My team and I have hit the ground running, and we have seen much progress in only 6 months. I look forward to reporting back next year. Until then, thank you for allowing me to serve as your Land Commissioner and God Bless.

- **Aubrey Dunn**



New Mexico State Land Commissioner





Agency History

The Ferguson Act of 1898 and the Enabling Act of 1910 granted certain lands held by the federal government to the territory of New Mexico. Under the terms of these land grants, it was stipulated that such lands, totaling 13.4 million acres, were to be held in trust for the benefit of the public schools, universities, and other specific beneficiary institutions. The New Mexico Constitution designated the Land Commissioner to oversee the Trust and established specific Beneficiaries, including Universities, Hospitals and Penitentiary and Charitable Institutions.

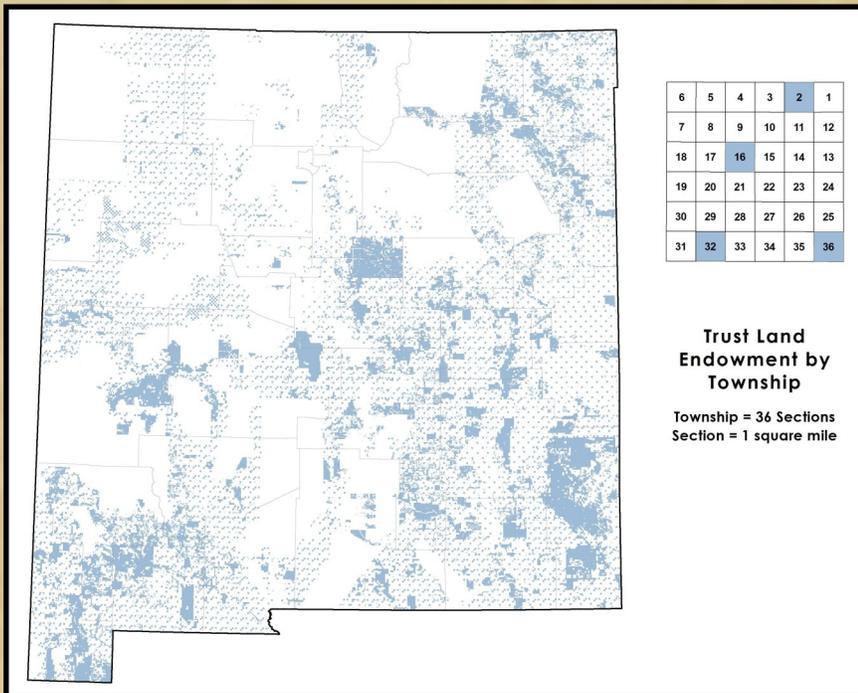
The Land Commissioner is charged with generating and optimizing revenue from State Trust Lands to support public education and other beneficiary institutions, while simultaneously striving to protect, conserve, and maintain the lands so they may be used by future generations. The State Land Office generates revenues by leasing lands for grazing, agriculture, commercial use, renewable energy, oil and gas drilling, mining, and other surface and subsurface activities.

State Land Trust



The State Land Office is responsible for administering 9 million acres of surface and 13 million acres of subsurface estate for the beneficiaries of the State Land Trust, which includes schools, universities, hospitals and other important public institutions. The Land Office seeks to optimize revenues while protecting the health of the land for future generations. By leasing State Trust Land for a wide array of uses, the Land Office generates hundreds of millions of

dollars each year to support these beneficiaries while saving the average household about \$800 in taxes.



State Trust Land is located in 32 of New Mexico’s 33 counties, with each acre of land designated to a specific beneficiary. Trust lands were granted to New Mexico by Congress under the Ferguson Act of 1898 and the Enabling Act of 1910. The latter Act allowed New Mexico’s admission to the United States upon voter approval of the state constitution.

In general terms, the state was granted four square miles – Sections 2, 16, 32, and 36 – in each 36 section township. Where those sections had previously been sold or allocated to Indian pueblos, tribal reservations or pre-existing land grants, the state was allowed to pick lands elsewhere in lieu of the four designated sections. The state also received

“quantity grants” from the federal government in specific amounts to benefit specified universities, special schools, institutions, and other purposes. Those land grants totaled about 5 million acres.

Revenue generated from the extraction of oil and gas, from mining, the sale of land, and any other activity that depletes the resource is placed in the Land Grant Permanent Fund, which is invested for the beneficiaries. Revenues from activities like grazing, rights of way, and commercial activities that do not permanently deplete the resource are distributed through the Land Maintenance Fund to the designated beneficiaries after the Land Office covers its own expenses – an amount which typically is equal to approximately 2.5 percent of the revenue generated.



Beneficiaries

Schools:

- Public (Common) Schools
- New Mexico Boys School
- New Mexico Military Institute
- New Mexico School for the Deaf
- New Mexico School for the Blind & Visually Impaired

Others:

- Capital Buildings
- Charitable Penal & Reform
- Irrigation Reservoirs
- Penitentiary of New Mexico
- Rio Grande Improvements
- Saline Lands—UNM

Universities:

- Eastern New Mexico University
- New Mexico Highlands University
- New Mexico Institute of Mining & Technology
- New Mexico State University
- Northern New Mexico College
- University of New Mexico
- Western New Mexico University

Hospitals:

- Carrie Tingley Hospital
- Las Vegas Behavioral Health Institute
- Miners' Colfax Center

Land Ownership in New Mexico

Total Acres: 77,666,400

Private: 43.9%

Federal: 34.1%

State Trust: 11.6% *

***(Owned by the State Land Office and Managed by the State Land Commissioner)**

Native American: 10.2%

Other: 0.2%

Land Ownership by Beneficiary

<i>Beneficiary Name</i>	<i>Mineral Acreage</i>	<i>Surface Acreage</i>
Common Schools	9,767,525.04	6,809,644.37
University of New Mexico	344,861.71	253,336.15
University Saline	1,502.88	1,044.47
New Mexico State University	254,200.10	194,570.80
Western New Mexico University	118,641.46	77,498.79
New Mexico Highland University	118,641.46	77,498.79
Northern NM Community College	56,563.02	31,918.10
Eastern New Mexico University	104,039.40	82,801.56
NM Institute of Mining & Technology	219,018.94	162,588.45
New Mexico Military Institute	160,010.43	135,577.42
New Mexico Boys School	62,330.50	50,814.54
New Mexico Miners Hospital	120,765.67	98,557.54
New Mexico Behavioral Health Institute	164,024.41	101,241.66
New Mexico Penitentiary	159,694.23	113,508.75
NM School for the Hearing Impaired	107,021.68	87,078.77
NM School for the Visually Handicapped	118,828.74	100,826.12
Charitable, Penal & Reform	99,620.27	74,550.73
Water Reservoirs	470,417.50	341,626.20
Improvements to the Rio Grande	89,202.15	54,220.86
Public Buildings	132,112.20	88,845.90
Carrie Tingley Hospital	13,691.64	28,027.06
State Park Commission	520.00	0.00

Land Maintenance Fund

The Land Maintenance Fund is generated by revenue from renewable resources, such as agricultural and commercial leases, rights-of-way and interest. Oil, gas and mineral bonuses also contribute to this fund. State Land Office operating expenses (approved by the Legislature) are paid from revenue collected and the balance is distributed proportionately to the beneficiaries.

Land Grant Permanent Fund

The Land Grant Permanent Fund (LGPF) receives royalty payments from non-renewable resources (oil, gas and mineral extraction and land sale proceeds) from the State Land Office. Since 1959, the State Investment Council (SIC) has managed the LGPF. The SIC, of which the Commissioner is a member, invests this fund in a collection of financial instruments. The SIC also distributes funds to beneficiaries monthly based on Constitutional provisions and the beneficiaries proportionate share of the fund. In FY 2015, the Land Office paid \$ 669.3 million into the fund. The beneficiaries were paid 5.5% of the 5 year average market value of the fund, or \$ 595.9 million.

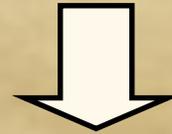
At the end of FY 2015 the market value of the Permanent Fund was \$ 14.8 billion.

State Trust Land Revenue Flow



Renewable Resources
Leases, Rights-of-Way and
Interest

Non-Renewable Resources
Royalties and Land Sale
Proceeds



**Land Maintenance
Fund**

**Land Grant Permanent
Fund**

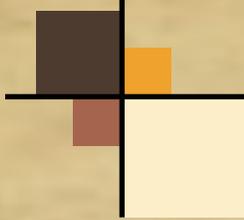


2.5% = Operating Expenses
97.5% = Public school distributions are paid into the Common School Fund, a sub category of the General Fund. Other beneficiaries receive monthly payment from the Land Office.

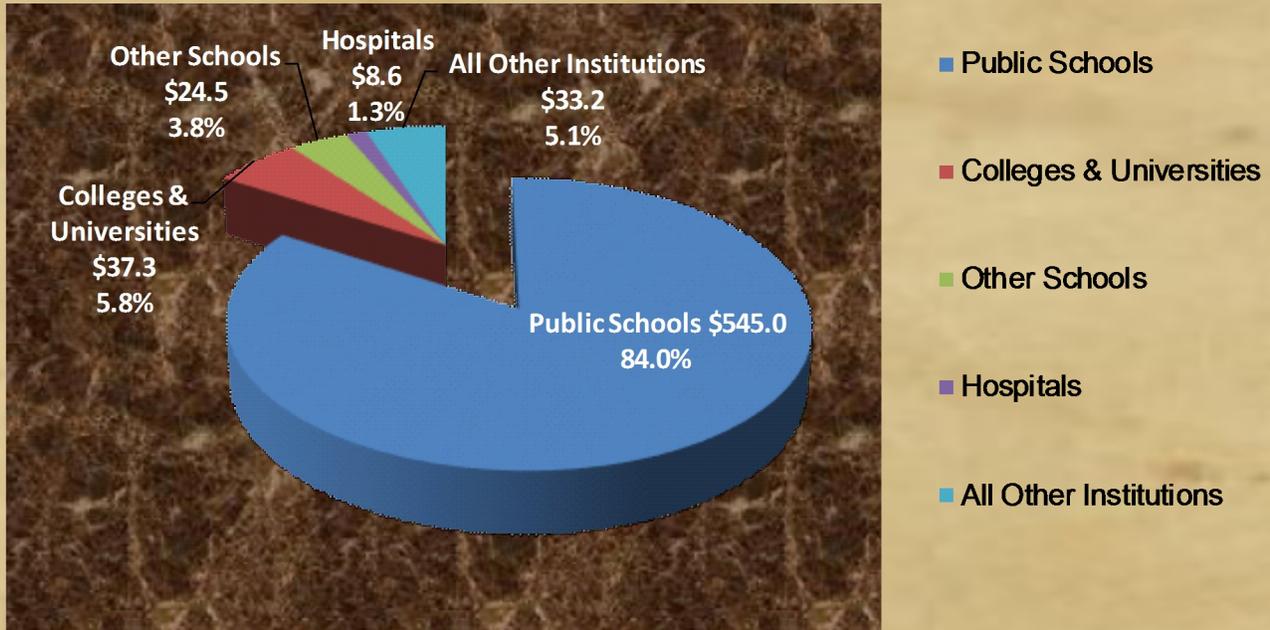
Distributions to public schools are paid into the Common School Fund; all other beneficiaries receive monthly payment from the State Investment Council.



Beneficiaries	FY 2015 Land Maintenance Fund	FY 2015 Land Grant Permanent Fund	Total Distribution
PUBLIC SCHOOLS	\$42,234,932	\$502,757,085.9	\$544,992,017
UNIVERSITY OF NM	\$1,614,342	\$8,286,446.3	\$9,900,789
SALINE LANDS (UNM)	\$ -	\$256,118.9	\$256,119
NM STATE UNIVERSITY	\$1,235,022	\$2,650,977.9	\$3,886,000
WESTERN NM UNIVERSITY	\$99,421	\$153,730.6	\$253,152
NM HIGHLANDS	\$99,618	\$152,916.5	\$252,534
NORTHERN NM SCHOOL	\$77,482	\$123,180.1	\$200,662
EASTERN NM UNIVERSITY	\$73,636	\$478,619.1	\$552,255
NM INST OF MIN & TECH	\$1,374,751	\$1,158,308.5	\$2,533,059
NM MILITARY INST.	\$473,472	\$18,991,344.0	\$19,464,816
NM BOYS SCHOOL	\$26,609	\$33,495.8	\$60,105
MINERS HOSPITAL	\$668,015	\$5,492,797.5	\$6,160,813
STATE MENTAL HEALTH HOSPITAL	\$591,896	\$1,829,520.7	\$2,421,416
STATE PENITENTIARY	\$293,463	\$11,555,818.6	\$11,849,281
SCHOOL FOR THE DEAF	\$687,723	\$11,559,393.3	\$12,247,116
SCHOOL FOR THE BLIND	\$693,990	\$11,534,119.2	\$12,228,109
CHARITABLE PENAL & REFORM	\$417,636	\$4,906,453.3	\$5,324,089
WATER RESERVOIRS	\$458,539	\$6,185,091.6	\$6,643,630
RIO GRANDE IMPROVEMENTS	\$88,509	\$1,388,726.9	\$1,477,236
PUBLIC BUILDINGS	\$1,366,205	\$6,490,982.3	\$7,857,188
CARRIE TINGLEY HOSPITAL	\$15,715	\$8,774.8	\$24,490
Total	\$52,590,974	\$595,993,902	\$648,584,876



FY 2015 Beneficiary Share of Total Distribution



Note: Per the Enabling Act, "state charitable, penal and reformatory institutions" is a single beneficiary category. Article 14, Section 1 of the New Mexico Constitution defines these institutions as: "the penitentiary at Santa Fe, the miners' hospital at Raton, the New Mexico state hospital at Las Vegas, the New Mexico boys' school at Springer, the girls' welfare home at Albuquerque, the Carrie Tingley crippled children's hospital at Truth or Consequences and the Los Lunas mental hospital at Los Lunas." According to statute, each institution receives an equal distribution from the state charitable, penal and reformatory institution permanent fund.



FY 2015 Revenues by Source

RENTALS		OTHER	
Sand & Gravel	\$ 12,187.95	Fees & Copies	\$ 869,528.35
Special Use Agreements	\$ 1,678.20	Interest Earnings	\$ 141,040.50
Potash	\$ 49,485.78	Other	\$ 17,399.92
Agriculture	\$ 7,280,751.70	SUB-TOTAL OTHER INCOME	\$ 1,027,968.77
Salt	\$ 1,714.09		
Coal Rental	\$ 12,979.80	TOTAL RENTAL	\$ 70,142,255.60
General Mining	\$ 58,771.80		
Shut-in-Royalty	\$ 92,409.43	ROYALTY	
Oil & Gas Rental	\$ 2,076,725.66	Sand & Gravel	\$ 2,283,809.94
Oil & Gas Bonuses	\$ 37,997,396.26	Potash	\$ 4,566,661.51
Oil and Gas Interest	\$ 4,034,426.00	Salt	\$ 204,852.69
Seismic Permits	\$ 7,300.00	Caliche	\$ 1,539,196.50
Business Leases	\$ 4,233,699.19	Coal	\$ 4,810,053.62
Business Lease Options	\$ -	Oil & Gas	\$ 653,482,767.00
Land Use Restrictions	\$ 5,746.25	Land Contracts	\$ 37,087.50
Billboards	\$ 97,238.00	General Mining	\$ 29,560.00
Geothermal Rental/Income	\$ 50.00	Water	\$ 1,143,537.80
Water	\$ 680,948.95	Business Lease Principle	\$ 1,268,799.37
Salt Water	\$ 4,954,935.30	Geothermal	\$ 0.00
Right-of-Way	\$ 6,795,595.04	SUB-TOTAL ROYALTY	\$ 669,366,325.93
Solar Energy	\$ 384,062.07		
Wind Energy	\$ 137,315.15	GRAND TOTAL	\$ 739,508,581.55
Energy Transmission	\$ 33,382.47		
Land Contracts Interest	\$ 234.17		
Gas Storage Units	\$ 162,868.57		
Fuel wood	\$ 2,385.00		
SUB-TOTAL RENTAL INCOME	\$ 69,114,286.83		

How Does State Trust Land Make Money?



Commercial,
Grazing and
Other
4%



Resource	Fiscal Year 2015
Oil & Gas	\$ 697,683,724.35
Grazing	\$ 7,283,137.00
Minerals	\$ 12,031,805.40
Commercial	\$ 19,935,449.83
Other	\$ 1,027,968.77

Oil, Gas &
Mineral
96%



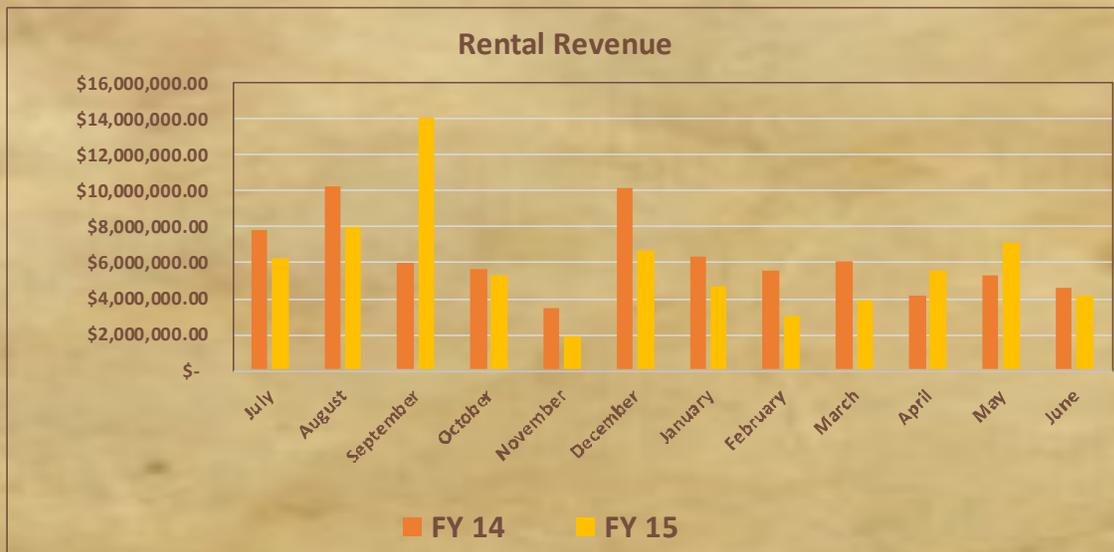
Rental & Bonus Revenue Earned

Month	FY 14	FY 15
July	\$ 7,758,807.47	\$ 6,175,906.11
August	\$ 10,237,264.89	\$ 7,945,032.86
September	\$ 5,974,287.50	\$ 14,072,545.99
October	\$ 5,566,109.58	\$ 5,218,732.65
November	\$ 3,417,794.11	\$ 1,862,957.50
December	\$ 10,112,375.17	\$ 6,642,169.24
January	\$ 6,284,491.70	\$ 4,600,756.40
February	\$ 5,536,666.47	\$ 3,005,952.80
March	\$ 6,036,251.61	\$ 3,886,785.76
April	\$ 4,077,524.55	\$ 5,506,440.65
May	\$ 5,197,793.42	\$ 7,076,047.88
June	\$ 4,522,447.72	\$ 4,148,927.76
Total	\$ 74,721,814.19	\$ 70,142,255.60

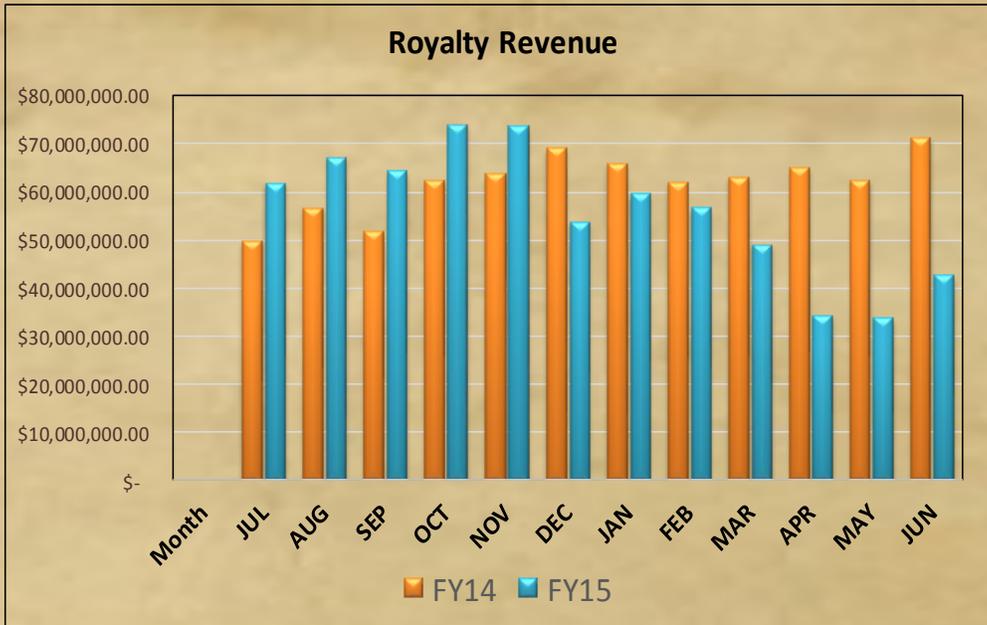
Here you find the numbers and the coordinating graph demonstrating FY 2015 rental revenue compared to FY 2014 rental revenue.

Rental revenue is any revenue from activities like grazing, rights of way, and commercial activities that do not permanently deplete the resource. This category also includes oil, gas and mineral bonus revenues generated through lease sales. In FY 2015 oil and gas bonus revenue totaled \$ 37,997,396.26.

These revenues are distributed through the Land Maintenance Fund to the designated beneficiaries after the Land Office covers its own expenses – an amount which typically is equal to about 2.5 percent of the revenue generated.



Royalty Revenue Earned



These numbers represent royalty revenue in FY 2015 compared to royalty revenue in FY 2014.

Royalty revenue is any revenue generated from the extraction of oil and gas or mining of other minerals. This revenue along with any other activity that depletes the resource is placed in the Land Grant Permanent Fund, which is invested on behalf of the beneficiaries.

Month	FY14	FY15
July	\$ 49,638,741.87	\$ 61,569,896.77
August	\$ 56,406,125.01	\$ 67,104,994.20
September	\$ 51,513,896.31	\$ 64,224,765.84
October	\$ 62,403,004.03	\$ 73,979,714.56
November	\$ 63,544,347.20	\$ 73,513,557.57
December	\$ 69,095,049.89	\$ 53,684,371.75
January	\$ 65,690,174.77	\$ 59,355,804.04
February	\$ 62,059,637.53	\$ 56,698,483.43
March	\$ 63,020,707.92	\$ 48,923,347.77
April	\$ 64,898,641.08	\$ 34,121,858.27
May	\$ 62,402,389.31	\$ 33,608,472.03
June	\$ 71,254,648.46	\$ 42,581,059.70
Total	\$741,927,363.38	\$ 669,366,325.93

Mineral Resources

Mineral Resources is comprised of two divisions: the Oil, Gas and Minerals Division and the Royalty Management Division. Together these two divisions account for over 96% of State Land Office revenues (\$709 million of \$739.5 million in FY15).

Oil, Gas, and Minerals Division

The Oil, Gas, & Minerals Division (OGMD) administers the State Land Office monthly oil and gas lease sale and manages all hydrocarbon and mineral leasing activity on State Trusts Lands. In FY15, lease sales earned total bonus income of over \$38.01 million for 370 new leases encompassing 96,800 newly leased acres. This represents an average of \$392 per acre.

The basis of Land Maintenance Fund oil and gas revenues is the competitive public sale of tracts on the third Tuesday of each month. The majority of lease sales are held in Morgan Hall at the Land Office, with two sales scheduled for Roswell and Carlsbad in 2015 to coincide with oil & gas industry events. Morgan Hall is scheduled for renovation beginning early 2016, and an alternative sale venue will be chosen based on the timing of the project. The monthly sale is the result of work by the division's oil and gas section to accept nominations of tracts, select and evaluate tracts, assign royalty rates, and publish both a hardcopy and online notice of the sale. Leases are issued within 24 hours of the sale and packets of information are distributed to new lessees to help them understand the requirements for oil and gas activity on trust lands.

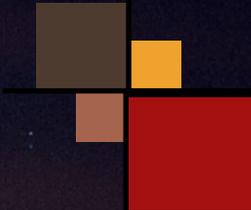
OGMD has two main sections: the oil and gas section and the minerals section. General responsibilities for the division include leasing and management of over 8,100 oil and gas leases and 133 mineral leases, together covering 2.7 million acres of the 13 million acre Trust mineral estate. OGMD's overall focus is the oversight of activities involving oil, natural gas, carbon dioxide, industrial aggregates, caliche, coal, potash, salt, geothermal energy and other natural resources on State Trust Land. The division also processes mineral royalty revenue generated from activities on New Mexico State Trust lands.

Fifteen full-time employees work in the division: three in the minerals section, and eleven who specialize in oil and gas geology, engineering, leasing, and lease management. One division employee serves as the Commissioner's representative to both the Oil Conservation Commission and the Mining Commission.

Oil and gas leasing is highly regulated. The leases are statutory, the methodology for evaluation of tracts to lease is clearly defined by law and elements of the sale notice itself are based in statute. Lease terms and royalty rates have not been changed by the Legislature since 1985. In Restricted Areas (generally areas of known production, such as the San Juan and Permian basins) leases are issued for a term of 5 years at royalty rates of 1/8, 1/6, 3/16 or 1/5 and can be held by production after the initial term. Leases in Frontier Areas (non-proven or "wildcat" areas) are issued for 10 years at a 1/8 royalty rate and can likewise be held by production.

Since early 2015, OGMD staff has spent considerable time and effort working with contractors on writing business specifications for the replacement of the Oil and Natural Gas Administration and Revenue Database (ONGARD) system. The ONGARD-related experience and expertise of the OGMD staff will be crucial factors in the design and implementation of a replacement system, and the Division is working very closely with the Royalty Management Division on the project.

In January, 2015, OGMD initiated an internal lease audit system designed to identify State Trust Lands that were not being used in a manner favorable to the mission of the Land Office, and a concerted effort has been made to ensure that the trust is capable of generating maximum possible revenue for the beneficiaries from an existing lease base. Lease oversight has been increased and pre-existing loopholes have been closed to ensure that State Trust Lands under leases administered by OGMD are being used effectively on behalf of the beneficiaries while preserving resources for future generations.



Royalty Management Division

Over the past two fiscal years, The Royalty Management Division (RMD) has experienced the two largest royalty revenue distributions in New Mexico Land Office history; \$726,387,126 for FY14 and \$653,482,767 for FY15. In addition to the record royalty revenue, the division also collected and distributed interest revenue in the amount of \$3,345,854 for FY14 and \$4,034,426 for FY15. Royalty and interest revenue makes up approximately 89% of total State Land Office revenue.

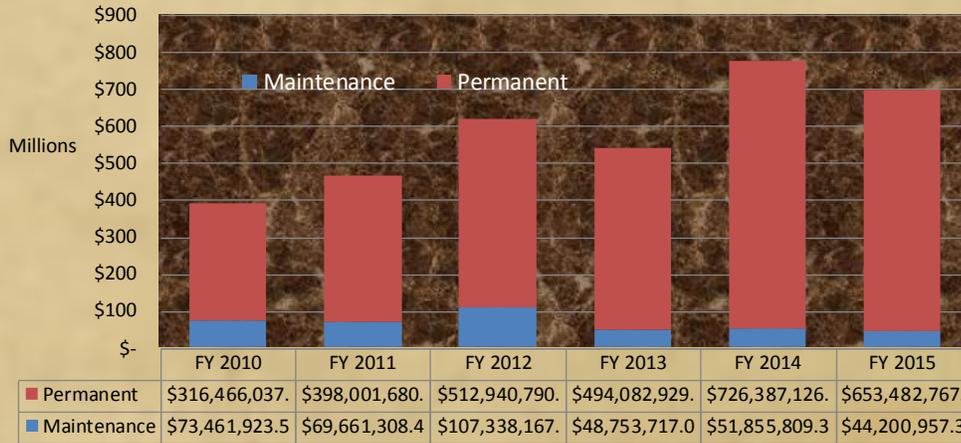
The RMD is responsible for the collection, processing, distribution and auditing of royalty revenue from oil, natural gas, and carbon dioxide produced from trust lands. Royalty payments are dependent on the terms specified in the State's statutory lease. These terms require that payments be computed on a percent of the value of products sold, the percent being the royalty rate specified in the lease agreement. Royalty payments are considered "nonrenewable revenues" and are deposited in the Land Grant Permanent Fund. Interest income is deposited in the Land Maintenance Fund. The Royalty Management Division is comprised of three separate sections: revenue processing, audit, and compliance and special projects. The division currently has a staff of 19 full-time employees.

The RMD staff has spent considerable time and effort since early 2015 working with contractors on writing business specifications for the replacement of the ONGARD system, in conjunction with the OGMD and the agency as a whole. The process of replacing the system is expected to take approximately 24 months. The new system will include new reporting requirements for filing royalty returns which are in alignment with industry ownership records and business processes.



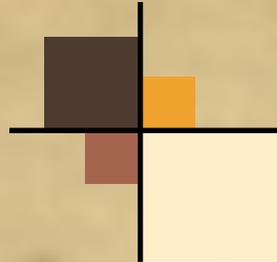
Oil & Gas

Oil and Gas Revenues FY 2010 - FY 2015



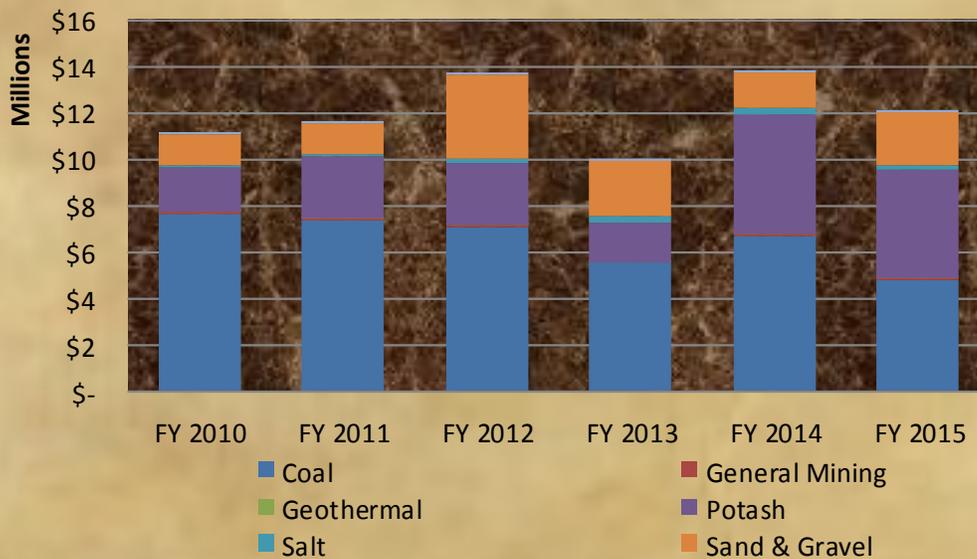
INCOME-SOURCE	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Shut-in-Royalty	\$66,345	\$58,118	\$39,443	\$48,553	\$71,666	\$92,409
Oil & Gas Rental	\$2,196,337	\$2,229,131	\$2,194,148	\$2,149,594	\$2,140,406	\$2,076,726
Oil & Gas Bonuses	\$67,737,163	\$55,360,518	\$102,042,763	\$44,046,175	\$46,297,892	\$37,997,396
Oil and Gas Interest	\$3,462,079	\$12,013,542	\$3,061,813	\$2,509,395	\$3,345,845	\$4,034,426
Oil & Gas Royalty	\$316,466,037	\$398,001,680	\$512,940,790	\$494,082,929	\$726,387,126	\$653,482,767
Total Oil & Gas Revenue	\$389,927,961	\$467,662,989	\$620,278,957	\$542,836,646	\$778,242,935	\$697,683,724
Percent of Total Revenue	92.80%	93.70%	95.10%	94.00%	95.30%	94.30%

Minerals



INCOME-SOURCE	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Coal	\$ 7,684,217	\$ 7,366,678	\$ 7,102,111	\$ 5,520,892	\$ 6,732,040	\$ 4,823,033
General Mining	\$ 98,959	\$ 105,277	\$ 60,493	\$ 52,366	\$ 60,086	\$ 88,332
Geothermal	\$ 244	\$ 21,927	\$ 10,853	\$ 4,695	\$ 84	\$ 50
Potash	\$ 1,860,056	\$ 2,622,894	\$ 2,671,279	\$ 1,740,447	\$ 5,171,584	\$ 4,616,147
Salt	\$ 66,590	\$ 110,807	\$ 198,329	\$ 229,124	\$ 250,922	\$ 206,567
Sand & Gravel	\$ 1,394,161	\$ 1,357,714	\$ 3,602,334	\$ 2,344,598	\$ 1,499,214	\$ 2,295,998
Special Use Agreements	\$ 1,550	\$ 1,205	\$ 1,632	\$ 2,750	\$ 5,530	\$ 1,678
Total Mineral Revenue	\$ 11,105,776	\$ 11,586,501	\$ 13,647,031	\$ 9,894,872	\$ 13,719,461	\$ 12,031,805
Percent of total revenue	2.64%	2.32%	2.09%	1.71%	1.68%	1.63%

Mineral Revenue FY 2010 - FY 2015



Commercial Resources

Assistant Commissioner Clyde A. Ward

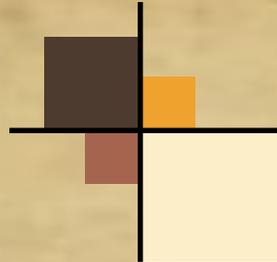
The Commercial Resources Division manages the use of State Trust Lands to produce the greatest financial return to the beneficiaries while preserving the Trust to the greatest extent possible. This is accomplished through leasing, exchanges, easements and rights-of-way. Business leasing covers business leases, billboard permits, telecommunication site leases, renewable energy leases, surface activities related to oil and gas operation, underground natural gas storage unit leases and recreational entry permits. Right of Way and Water leasing covers roads, pipelines, electric and telecommunication transmission, salt water disposal and water easements. Revenue earned from leasing State Trust Land is deposited into the maintenance fund and is immediately distributed to the beneficiaries.

Business Resources

The Commercial Resources Division leases parcels of trust land within urban areas for retail, office and other commercial uses. As urbanization extends closer to State Trust Lands, commercial opportunities increase as “highest and best use” is no longer agriculture and mining. These trust lands in the path of growth offer new potential for residential, commercial or industrial development. Currently, there are 853 active business leases on State Trust Lands. By using sound land management methodologies, the Commissioner can “partner” with the private sector to help increase the value of State Trust Lands and generate increased lease revenues. In some cases, the State Land Office can enter into economic development leases with local governments. This could extend infrastructure into State Trust Lands and recruit business partners, creating jobs and achieving economic development goals.

Because of constitutional restrictions, the State Land Office cannot use revenues generated from leases and sales to invest directly in infrastructure or otherwise create additional value on specific parcels of trust land. The State Land Office structures its business leases to provide a mechanism to create additional value through public/private partnerships.





Right of Way and Water Resources

Right of Way/Water Resources administers more than 18,000 active leases to include right of way easements, right of entry permits, outfitting/guiding permits, water easements, water rights agreements, and water exploration and development easements. The State Land Office works efficiently to review and process land use instruments to enable and supplement the extractive industries. This activity tracks with the volume of oil and gas production. Specifically, the Salt Water and Water Royalty program has a direct correlation to oil and gas production increases or decreases.



Due to the increased activity in the southeast and northwest regions of the state, the right of way staff is involved in the ongoing digitization of new and existing right of way grants to allow the right of way easements to be displayed within a Geographic Information System framework. Digitization of existing rights of way remains a priority as this provides critical information to the State Land Office and the public.



Renewable Energy

New Mexico currently ranks twelfth in terms of measured potential wind-generated electric power production capacity and second in the nation for solar radiation-generated electric power production capacity. The state also provides significant bioenergy resources from overgrown ranges and forests. As renewable energy becomes increasingly more competitive, the strategic location of State Trust Lands creates significant opportunities for the State Land Office to provide economic support for its beneficiaries. Major transmission line developments throughout the state offer the possibility of opening and expanding markets and increasing renewable energy production within New Mexico. These lines provide considerable right of way revenue as well as allow for more renewable energy projects on State Trust Lands.



Land Exchange and Sales

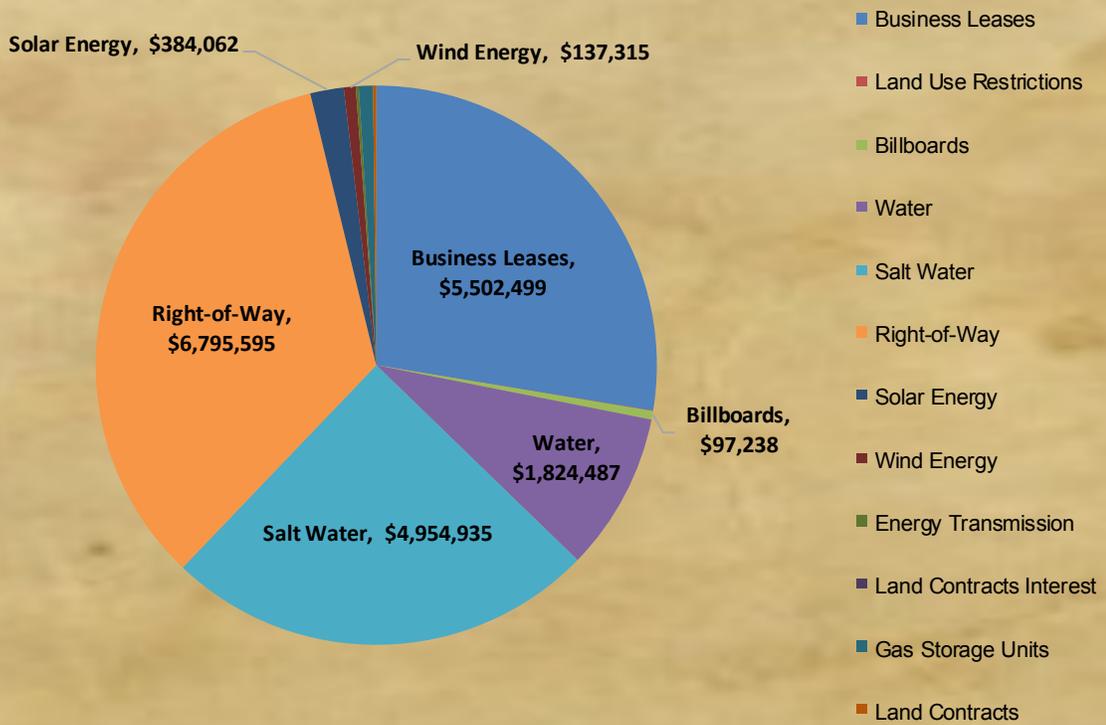
State Trust Lands are often intermingled with privately-owned and federal lands. Exchanges allow the State Land Office to essentially reposition trust lands so they are contiguous and can more effectively optimize earnings for the trust. State Trust Lands offered for exchange will typically only include surface estate. All land exchanges are designed to benefit State Trust Land holdings and beneficiaries.

The Commissioner at his discretion may sell land in response to interest expressed by outside public and private entities poised to develop projects that offer the potential for significant economic impact to adjacent communities. Commissioner Dunn will use this discretion sparingly and only offer parcels for sale when it is in the best interests of the Trust. Once sold, proceeds are deposited in the Land Grant Permanent Fund and only generate revenue for beneficiaries from investments.

Recently designated monuments have included Rio Grande del Norte Monument and Organ Mountains Monument totaling 118,302 acres of trust lands. Including State Trust Lands within the boundaries of new monuments negatively impacts the State Land Office's ability to generate revenue. Federal agencies should work with the State Land Office to exchange trust lands out of monuments to protect revenue flows to beneficiaries.

Commercial Resources - Revenue by Source FY 2015

Revenue Source	FY 15
Business Leases	\$ 5,502,499
Land Use Restrictions	\$ 5,746
Billboards	\$ 97,238
Water	\$ 1,824,487
Salt Water	\$ 4,954,935
Right-of-Way	\$ 6,795,595
Solar Energy	\$ 384,062
Wind Energy	\$ 137,315
Energy Transmission	\$ 33,382
Land Contracts Int.	\$ 234
Gas Storage Units	\$ 162,869
Land Contracts	\$ 37,088
Total	\$ 19,935,450



The Field Operations Division is comprised of several programs and one administrative bureau that promote trust land sustainability while optimizing revenue for the trust beneficiaries. The division manages complex and dynamic programs that focus on watershed health, site remediation, illegal dumping, biological and cultural resources and investigations/compliance. In addition, the division also houses the Agricultural Leasing Bureau that is responsible for the management of over 3,500 active agricultural leases.

Field Offices: Leasing Activity Analysis

In addition to staff in Santa Fe, the division employs thirteen (13) District Resource Managers, each responsible for a specific geographical area. The field offices support other State Land Office divisions with field reviews and data analysis for programs including rights-of-way, easements, agricultural leases, minerals management, oil and gas frontier nominations, business leases and land exchanges. Collectively, field office personnel respond to approximately 2,000 requests for field reviews each year.

Watershed and Forest Health

Watershed and forest health have drastically declined in New Mexico over the last decade. Degraded conditions have led to considerable changes in water holding capacity, species composition, and the vitality of our watersheds and forests. Many of our fire adapted forest communities have become less resistant to fire and more susceptible to disease and catastrophic wildfire. In New Mexico, there is a great need for watershed restoration and forest thinning projects that focus on hazardous fuels reduction and improve the health of our watersheds. Approximately 2.3 million acres of state trust lands are comprised of forests and woodlands. Many of these forests are located near communities and require long-term management and immediate treatment. The goal of the watershed and forest health program is to identify critical and essential project areas and aggressively treat these priority areas to reduce tree overcrowding while improving watershed and forest conditions.

Riparian Restoration

Riparian habitats are essential to water quality and quantity. Poorly managed riparian areas result in soil erosion, runoff damage and invasive species which in turn deteriorates wildlife habitat, decreases water retention and diminishes water quality. Internal funding allows the division to identify and prioritize critical restoration projects. In addition, grants and partnerships are pursued to implement multi-year projects designed to improve and restore current conditions. Objectives may include: restoration of natural flooding regimens; stabilization of stream banks; and/or the elimination of invasive species.



Site Reclamation

Illegal dumping is a persistent problem impacting state trust property. It is estimated that over 1,000 illegal dumpsites are located throughout the state on trust lands. Illegal trash and debris poses a health hazard, degrades the value of State Trust Lands and increases the risk of liability to the State Land Office. The cost of cleaning up illegal dump sites diverts revenues from the beneficiaries. The goal of this program is to identify areas of illegal dumping and/or contaminated property and aggressively remediate the sites through project activities and collaborative partnerships.



Illegal dumping near Lovington.

Biological Resources

The biological review program protects New Mexico’s ecological resources, species abundance and diversity by assessing each lease application and watershed health project for the presence of State or Federally listed species and by noting other species or habitat issues of concern so as to minimize long-term biological impacts. Biological review is used to assure compliance with state and federal species protection laws and to protect our most critical species from harmful activities.





Cultural Resources

The program strives to protect New Mexico's irreplaceable cultural properties located on state trust lands. Prior to approvals for certain activities proposed by lease applicants, cultural resource inventory reports may need to be submitted for review by the trust's archaeologist, who then consults with the State Historic Preservation Officer and other impacted agencies. All identified cultural properties are preserved in place whenever and wherever possible, but archaeological excavations must sometimes be conducted to recover priceless artifacts and information prior to construction. The artifacts and reports of archaeological excavations and analysis are then preserved in perpetuity within the Museum of New Mexico system, partially offsetting the loss of the resources themselves.

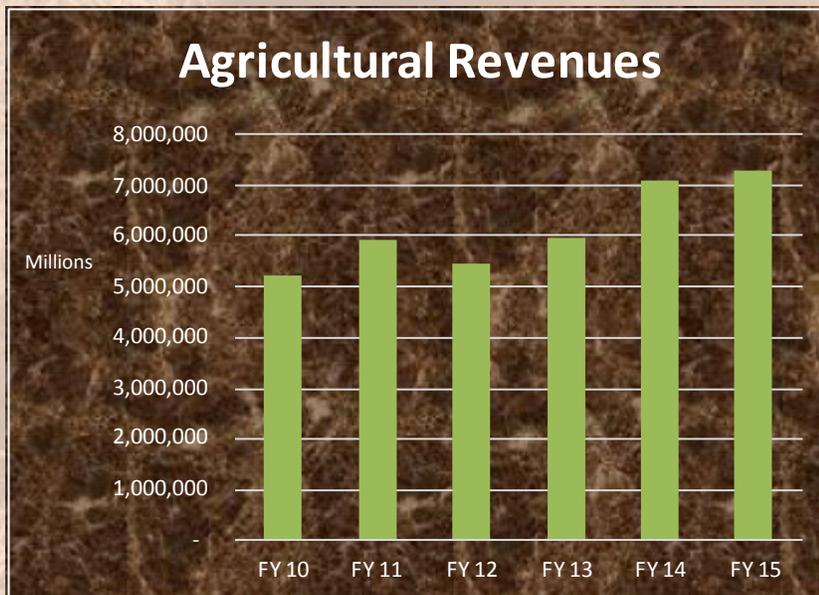
Investigation and Compliance Program

Unauthorized use of state trust land is a significant issue. Trespass and depredation of the land exposes the agency to liability and loss of revenue. The Investigation and Compliance Program works with lessees to help mitigate trespass and illegal dumping. The program also provides the division with the ability to inspect and audit existing leases to ensure compliance with the requirements of executed leases. Audits may include activities related to rights of way, easements, commercial leases, oil/gas leases, mining/minerals leases and/or agricultural leases. The program also manages investigations initiated by the division or agency.

Agricultural Leasing Bureau

The Agricultural Leasing Bureau manages activities related to the leasing of state trust lands for livestock and cropland production in order to optimize revenue for the beneficiaries while simultaneously protecting land resources. Over 3,500 agricultural leases are administered, covering more than 8.8 million surface acres. In an effort to arrive at a fair market value for leased lands, rentals assessed on livestock agricultural leases are calculated through a formula that takes into account the previous year's economic conditions. The formula is determined by the National Agriculture Statistical Service in cooperation with New Mexico State University, and has been in place since 1988.

Fiscal Year	Agricultural Revenue
2010	\$5,217,564.00
2011	\$5,919,024.00
2012	\$5,431,738.00
2013	\$5,968,882.00
2014	\$7,079,243.00
2015	\$7,283,137.00



Careful oversight of rangelands becomes increasingly important in areas experiencing drought. The bureau maintains a close relationship with lessees in order to meet their needs to continually improve agricultural leasing and promote stewardship of trust lands. The Bureau also facilitates lessee participation in federal conservation and environmental programs including: the Conservation Reserve Program through the USDA/Farm Service Agency and the Environmental Quality

Incentive Program.. The Bureau coordinates efforts with cooperative agencies such as the Natural Resource Conservation Service (NRCS) and the Farm Service Agency (FSA) to streamline processes in order to accommodate lessee participation in these programs which promote managing lands more efficiently and effectively.

All administrative functions related to accounting, human resources, and facilities management are provided by the Administrative Services Division.

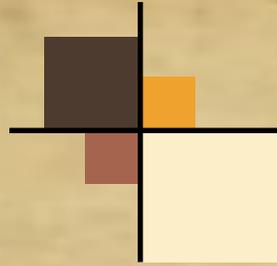
Accounting

Accounting provides customer service to Agency Divisions working to earn revenue and protect the trust. Accounting provides functions not related to leasing or field operations but necessary for management of the agency. These functions include accounting, budgeting, contract management and procurement. Accounting staff receives, classifies and records all revenue, which is then distributed to specific beneficiaries. The division formulates the agency budget, procures goods and services, processes payments for operational expenses, and processes professional service contracts for the agency. Financial statements reflecting activities are produced monthly and audited annually. The 2014 financial audit resulted in an unqualified opinion with no exceptions.

Human Resources

The Human Resources Office administers personnel management for 156.5 FTE – filled or vacant positions and payroll and benefit processing for all filled positions. The role of the office is to assist New Mexico State Land Office (NMSLO) managers in maximizing the agency's return on its investment in human capital by providing advice on NMSLO and State Personnel Board personnel policies and procedures. The office also manages transactional and administrative processes for personnel, payroll, benefits, recruitment and retention as well as all employee relations matters. Human Resource representatives serve as Alternative Dispute Resolution, Americans with Disabilities Act, Workers' Compensation, and Family and Medical Leave Act Coordinators ensuring that the office is in compliance with all legal requirements. The office works strategically with each Division on employee training initiatives and assist in the development of succession models that will assist management in planning future recruitment and retention initiatives.





Facilities Management

In 1960 the State Land Office opened the State Land Office Building, now named the Edward J. Lopez State Land Office. The facility is operated and maintained by the staff of the State Land Office - unlike most other state-owned offices around the state. Facilities Management provides a wide range of support services for the State Land Office building and maintains an in-house business operations center that processes printing, photocopying, mail, asset management services and maintains the agency's fleet. Several cost and energy-saving initiatives were implemented this last fiscal year, including improving the recycling program by purchasing appropriate recycling receptacles; replacing traditional lighting with LED lights, and installed filtered water fountains.

Fiscal Year 2015 Expenditures

Employee Benefits	\$10,925,375
Contractual Services	\$880,258
Other Costs	\$1,672,166
Other Financing Uses	\$620,000
Total	\$14,098,399



Information Technology & Records Management

Assistant Commissioner Dr. Richard Preston

Information Technology

Information Technology is a cornerstone of the State Land Office. Much of the information provided to the public relies on technology and applications developed and maintained by the Information Technology Division. In addition to managing the agency network, equipment and software, the division develops applications or oversees projects to automate agency records and record-keeping systems. The Information Technology Division supports the daily needs of the agency for all forms of technology. Staff is involved in the following on-going projects: to currently maintain, re-design and ultimately replace the Oil and Natural Gas Administration and Revenue Database (ONGARD); provide data integration capabilities for online web-based reporting of payments; continue with Geographic Information Systems (GIS) mapping initiatives; and maintain the development effort to replace our current land model with a GIS-based Land Information Management System (LIMS).

Records Management

State Trust Land records document ownership, lands encumbered through leasing activity, and availability of land for leasing, to protect rights and property, ensure accountability, and document chain of title for each section within a township and range administered for the Trust. Records must be accurate, authentic and available when needed, for as long as needed. These records document the activity of the State Land Office and enable citizens to inspect for themselves the record of transactions. The Records Management Division manages and maintains the New Mexico State Trust Land records in terms of both direct and indirect title of the Trust Lands and the complete collection of leases. Over one million active and inactive lease files and related documents and correspondence are maintained and managed by the division; the volume of records over the last four years has increased by approximately 20% per year. These important and vital records are assets that the Records Management Division manages like other key information.

Replacing ONGARD

ONGARD is currently an antiquated system that needs to be replaced. Designed starting in 1990, ONGARD is both the land model and is an accounting system for the collection of severance taxes and royalties for the State of New Mexico. A year after the system was fully implemented ONGARD was expanded to cover the accounting of commercial and surface leases and rights-of-way for State Trust Land. These changes bloated ONGARD to a 5.8 million lines of COBOL code, the database's current size. The code is administered through three state agencies: the Taxation and Revenue Department, the Energy, Minerals and Natural Resources Department and the State Land Office. The current ONGARD system collects somewhere between 25% to 30% of the total revenue for the State of New Mexico.

Under the leadership of Commissioner Dunn, a new vision for the collection of these taxes and royalties has been developed. Using modern computer tools and concepts, a new service-oriented architecture will be used to create a coordinated collection of specialized computer modules. There is a new way of developing the computer software that reduces the risk and better meets requirements. These approaches and tools will be utilized to develop this critical database for the State of New Mexico. The Commissioner's vision has been embraced by New Mexico State Government with support coming from both the executive and legislative branches.

Communications

Assistant Commissioner Emily Strickler

Communications and Outreach

The State Land Office promotes outreach efforts to communicate with the public through proactive communication which include newsletters, direct mailings (as well as email) to constituents, interest groups, and beneficiaries to better inform them about State Land Office policies and initiatives. These efforts not only promote a greater awareness of the role of the agency in funding schools, universities and hospitals, but also help generate feedback in developing successful strategies for expanding contributions in the future. Continuing to communicate and build relationships with statewide news media, trust beneficiaries, lessees, and others will be a prime focus for next fiscal year.

The State Land Office educational program promotes the mission, vision and goals of the Land Commissioner. Programs are designed to effectively inform and educate a broad constituency, build awareness and community support for the State Land Office's mission, and foster partnerships to help practice stewardship and conservation of natural resources on state trust land.

The State Land Office also continues to enhance communication and collaboration with beneficiary institutions. Efforts include keeping beneficiary institutions informed of agency actions that impact their assigned lands, the signing of cooperative agreements to strengthen working relationships, and routine updates on revenue projections.

Office of the General Counsel

Allison Hedgecock General Counsel

The Office of the General Counsel provides a full range of legal services to the Commissioner and State Land Office staff to help optimize trust revenues and enhance, manage and preserve the assets of the trust and the health of the land. The office works closely with each division to draft and review contractual agreements and advise and assist as necessary when legal issues arise. The legal staff also oversees land dispute resolution, assists in royalty revenue collection efforts, and participates in business negotiations for commercial, surface, oil, gas, and mineral leases. The office represents the Commissioner in administrative contest proceedings and lawsuits as well. Any revisions or updates to the State Land Office rules are prepared and filed by the Office of the General Counsel. In addition, the numerous requests for inspection of public records come through the legal division for processing. The Office of the General Counsel also routinely handles the drafting of any new land transactions, such as long term lease auction documents, land sale or exchange documents, and easements, as the agency requires.

Accomplishments

- The Land Office continues to generate record revenues for the Trust beneficiaries, with the last two Fiscal Years being the highest revenue in the state's history.
- Having been designed 25 years ago and consisting of over 5.8 million lines of COBOL code, the ONGARD system is in desperate need of replacement. Collecting approximately 25% of New Mexico's revenue, ONGARD is a vital system for New Mexico. Under the leadership of Commissioner Dunn, a new path to design and replace the old system with a new, efficient, and effective system is occurring. The new system must continue to uniquely integrate the revenue collection efforts of three state agencies: Taxation and Revenue Department; Energy, Minerals, and Natural Resources Department; and the State Land Office. The new approach continues to show promise to replace this vital system without affecting the flow and accounting of both severance taxes and royalties for the state. There continue to be significant challenges, but under the proper leadership, progress is being made.
- The Royalty Management Division always strives to be responsive to requests from Industry. Over the past year, changes were made to several Industry online reports to assist Industry in all of their royalty reporting requirements. Additionally, the Division enhanced the online royalty filing application to allow remitters to create their own passwords and update their own profile and contact information.
- In January, 2015, under Commissioner Dunn, Oil, Gas and Minerals Division initiated an internal lease audit system designed to identify State Trust Lands that were not being used in a manner favorable to the mission of the Land Office, and a concerted effort has been made to ensure that the trust is capable of generating maximum possible revenue for the beneficiaries from an existing lease base. Lease oversight has been increased and pre-existing loopholes have been closed to ensure that State Trust Lands under leases administered by OGMD are being used effectively on behalf of the beneficiaries while preserving resources for future generations.
- Commissioner Dunn has increased revenues from the renewable energy program. In May, the Land Office received \$218,000, the largest payment to date from a solar energy project, from the Macho Springs solar project, which is the largest solar energy facility in the state. Separately, two additional solar projects were competitively bid and awarded to NextEra Energy. The State Land Office received a bonus bid of \$301,000 for one of those projects, representing the highest bonus bid ever received for a renewable energy project.
- Commissioner Dunn executed an economic development lease with the City of Santa Fe which enables the City to develop infrastructure and spur business development on a parcel of recently annexed state trust land off of NM 599. The State Land Office continues to pursue similar opportunities with Sandoval County and other entities.

The Field Operations Division has moved forward on Commissioner Dunn's initiatives as follows:

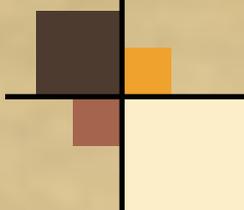
- Restoration of 3,009 acres of critical and essential watersheds throughout the state;
 - Removal of 10 tons of trash/debris from illegal dump sites on state trust property;
 - Fenced State Road 599 at County Road 62 to prevent additional trespass and illegal dumping;
 - Remediation of 2 caliche pits in Lea County – approximately 114.23 tons of trash removed;
 - Treatment of invasive species on hundreds of acres of state trust land;
 - Numerous collaborative projects with partner agencies;
 - Oversight of 3,500 agricultural leases;
 - Renewal of 604 agricultural leases (GO series);
 - The State Land Office continues to be responsive to our lessees by increasing public engagement opportunities through Agricultural Leasing Renewal Workshops;
 - Process of 2,600 billing notifications and payments;
 - Regular involvement in LIMS and testing; and
 - Continued coordination with state and federal partners on thinning projects to reduce density of woodlands to promote healthier range/watershed conditions, reducing threat of high-intensity fires and their related impacts to local watersheds.
- The workforce is essential to the agency's ability to perform its mission and the Land Office strives to hire and retain the most qualified applicants in vacant positions while ensuring that the current staff are recognized and compensated appropriately. The Land Office maintains a relatively small staff given the critical functions the Office is responsible for and will continue to monitor staffing needs in those areas that need support.
 - Several policies related to transparency and information requests were updated or adopted: Information Technology Policy, E-mail Management Policy, Responding to Public Requests for Information, and Access to State Land Office Records and Copy Fees.
 - The Right-of-way Bureau was challenged with an extensive backlog of pending applications when Commissioner Dunn arrived in January. This Bureau has been reorganized under the Commercial Resources Division. The procedures to process right-of-way applications have been revamped for efficiency and tools are being put in place to better manage the workflow. The Right-of-way Bureau is focused on the timely issuance of accurate rights-of-way to ensure that beneficiaries receive the revenues and that industry is provided excellent customer service.

Past Commissioners

Alpheus A. Keen (R)	1899-1906
Robert P. Ervein (R)	1907-1918
Fred Muller (D)	Oct.-Dec. 1918
N.A. Field (R)	1919-1922
Justiniano Baca (D)	1923-1925
E.B. Swope (D)	1925-1926
B.F. Pankey (R)	1927-1929
Austin D. Crile (R)	1929-1930
J.F. Hinkle (D)	1931-1932
Frank Vesely (D)	1933-1936
Frank Worden (D)	1937-1940
H.R. Rodgers (D)	1941-1944
John E. Miles (D)	1945-1948
Guy Shepard (D)	1949-1952
E.S. "Johnny" Walker (D)	1953-1956
Murray E. Morgan (D)	1957-1960
E.S. "Johnny" Walker (D)	1961-1964
Guyton B. Hays (D)	1965-1968
Alex Armijo (D)	1969-1974
Phil R. Lucero (D)	1975-1978
Alex Armijo (D)	1979-1982
Jim Baca (D)	1983-1986
W.R. Humphries (R)	1987-1990
Jim Baca (D)	1991-1993
Ray Powell (D)	1993-2002
Patrick Lyons (R)	2003-2010
Ray Powell (D)	2011-2014
Aubrey Dunn (R)	2015-present

State Land Trusts Advisory Board

The Land Trusts Advisory Board assists the State Land Commissioner in the formulation of policies and programs for the trust. By law, the Board is politically and geographically diverse. It represents the trust's beneficiaries and key constituencies. Two members represent the beneficiary institutions and one each represent agriculture, extractive industries and conservation interests. Two members serve at large. The members are appointed by the State Land Commissioner and confirmed by the State Senate to serve six-year terms.



Board Members

◆ **Martin Suazo, Chairman—Las Vegas**

Mr. Suazo is a businessman who operates a wood stove company in Las Vegas, New Mexico. He is a well-respected community leader in San Miguel County. He has a bachelor's degree in accounting, economics and political science from New Mexico Highlands University. Suazo was appointed to represent the general public on the board. He was elected chairman in April 2011. His term expires December 31, 2016.

◆ **Renata Witte—Albuquerque**

Ms. Witte is a longtime education advocate, specializing in kindergarten through 12th grade. Currently, she is the president of the New Mexico Parent Teacher Association (NMPTA). She is the immediate past president of Parents Reaching Out. Renata also serves on several other local, state and national non-profit boards. She is a representative for the beneficiaries on the board. Her term expires December 31, 2015.

◆ **Dr. Constance Falk—Las Cruces**

Dr. Falk is the M. Eugene Sundt Honors professor at New Mexico State University in the Department of Agricultural Economics. She received her doctorate in agricultural economics, master's degree in business administration, and bachelor's degree in English from Oklahoma State University. She is a representative for the beneficiaries on the board. Her term expires December 31, 2016.

◆ **William Sauble—Maxwell**

Mr. Sauble is a third generation rancher from Colfax County, where he manages the Circle Dot Ranch. He is a member of the Colfax County Commission and serves as chair of the New Mexico Livestock Board. He is the former president of the New Mexico Cattle Grower's Association and is an active member of the U.S. Cattlemen's Association. Sauble graduated from New Mexico State University with a bachelor's degree in animal science. He also served in the U.S. Navy and Navy Reserves. Sauble represents the agriculture community on the board. His term expires December 31, 2016.

◆ **Robert G. Armstrong—Roswell**

Mr. Armstrong has worked more than 38 years in the oil and gas industry. A past president of the New Mexico Independent Petroleum Association, Mr. Armstrong is president of Armstrong Energy Corporation, a privately held oil and gas exploration and production company with headquarters in Roswell. He received a law degree from the University of Texas Law School and a bachelor's degree from Washington and Lee University. He also attended New Mexico Military Institute. He represents the extractive industries on the board. His term expires December 31, 2016.

◆ **Lance Sigmon—Albuquerque**

Mr. Sigmon co-founded Allen Sigmon Real Estate Group with Brad Allen in 2011. Prior to this he was a top producing broker and developer at Roger Cox & Associates for over seven years. At this time he owns and manages approximately 850,000 square feet of retail, office, multi-family, hotel, and industrial space. Mr. Sigmon graduated from Brigham Young University in 2002. He has his bachelor's degree in Business Management, with emphasis in Finance and Marketing. He represents the general public on the board. His term expires December 31, 2015.

◆ **David Bacon—Santa Fe**

Mr. Bacon is president of the Southwest Energy Institute, which advocates energy policy, and founded the New Mexico Sustainable Energy Collaborative, which deals with sustainable energy and local energy production. He is a founding member of the Permaculture Credit Union, a unique nonprofit banking institution that provides sound financial business practices for environmental conservation efforts. He has lived in New Mexico more than 30 years. He attended Colorado State University and the University of Texas. He represents conservation interests on the board. His term expires December 31, 2015.





State Land
Commissioner
Aubrey Dunn

Deputy Commissioner
Laura Riley

State Lands
Trust Advisory
Board

Assistant Commissioner Sandra Lopez
Administrative Services

Assistant Commissioner Clyde A. Ward
Commercial Resources

Assistant Commissioner Patrick Padilla
Mineral Resources

General Counsel Allison Hedgecock
Office of the General Counsel

Assistant Commissioner Dr. Richard Preston
Information Technology and Records Management

Assistant Commissioner Brian Henington
Field Operations

Assistant Commissioner Emily Strickler
Communications



STATE TRUST LANDS ARE OFTEN MISUNDERSTOOD IN TERMS OF BOTH THEIR CHARACTER AND THEIR MANAGEMENT. THEY ARE NOT PUBLIC LANDS, BUT ARE INSTEAD THE SUBJECT OF A PUBLIC TRUST CREATED TO SUPPORT THE EDUCATION OF NEW MEXICO'S CHILDREN.



2015 Annual Report

310 Old Santa Fe Trail

Santa Fe, NM 87501

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www.nmstatelands.org

