



Aubrey Dunn, State Land Commissioner
State of New Mexico

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SLO's June lease sale nets \$4.9 million

FY18 total smashes existing record year total by nearly \$5 million

SANTA FE, NM – State Land Commissioner Aubrey Dunn announced that the June 2018 oil and gas lease sale generated \$4,900,272, bringing the Fiscal Year 18 total to \$106,977,598 – the agency's single-year record.

The agency's previous record was set in FY 12 when it collected \$102,042,763. During that year, a total of 96,506 acres were sold at an average price of \$1,057 per acre. In FY 18, a total of 74,908 acres were sold at an average per acre cost of \$1,429.

"I am proud to announce that we have generated more money than ever for our beneficiaries in 2018 with fewer acres of lands sold than during the previous record year," Commissioner Dunn said. "Oil and gas is such an integral part of what we do here at the State Land Office; we are fortunate to have such a robust industry in the state and it's the school children in our state who benefit the most."

Beneficiaries of the June 2018 lease sale and their respective earnings are:

- Common Schools: \$3,929,232
- Water Reservoirs: \$641,600
- New Mexico Normal Enabling (NMHU, WNMU, & Northern NM College): \$127,200
- New Mexico Miner's Hospital: \$183,240
- University of New Mexico: \$19,000

The June sale featured 32 tracts covering 8,179.17 acres in Lea and Roosevelt counties. Total high bids of \$4,900,272 was generated by eight bidders. The average price per acre was \$599.12. A total of 25 bidders representing five states participated in today's sale.

The monthly sales are held online in sealed and open bidding formats. This month's top bidder in the sealed bidding format was Artesia, NM-based Chase Oil who acquired two 320-acre

tracts at \$2,209 per acre for a total cost of \$1,413,760. Chase Oil also submitted the highest bid in the open format, leasing 320 acres at \$506.56 per acre for a total cost of \$162,100.

“We have laid the groundwork for future generations of New Mexicans to benefit from this agency’s efforts on their behalf,” Commissioner Dunn added. “Provided the next land commissioner utilizes these critically-important resources in a responsible manner, our beneficiaries should be well taken care of in the coming years.”

Oil and gas lease sale earnings are paid into the Land Maintenance Fund, which covers the State Land Office’s operating expenses. The agency is entirely self-funded and spends about three cents of every dollar it earns. The remaining revenue is distributed directly to the beneficiaries to supplement their operating budgets. Public school monies are paid into the state’s General Fund and distributed to each school district as appropriated by the Legislature.

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.