



Aubrey Dunn, State Land Commissioner
State of New Mexico

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September lease sale generates nearly \$1 million

SANTA FE, NM – Common schools were the big winners in today’s September 2018 oil and gas lease sale, earning \$880,820. All told, the sale – both the sealed and online open portions – generated \$947,947.

State Land Commissioner Aubrey Dunn said that while he hoped the sale would generate more revenues, he’s pleased that the agency’s beneficiaries continue to reap the benefits of increased production in the Permian Basin, among other regions.

“With the continued focus on the Permian and its vast resources, the State Land Office’s beneficiaries are reaping huge rewards,” Commissioner Dunn said. “We will continue to identify tracts (for future oil and gas lease sales) that continue to add critical funds to the coffers of schools, hospitals and other important programs.”

Beneficiaries of this month’s sale and their respective earnings are:

- Common Schools: \$880,820
- New Mexico Military Institute: \$67,127

The September 2018 sale featured a total of 10 tracts (2,201.22 acres) in Lea, Chaves, Rio Arriba, and San Juan counties, all of which were sold.

A total of six bidders combined to generate the near \$1 million in revenues for an average price per acre of \$430.65. Twenty-one registered bidders from four states registered for the sale.

Denver-based Bison O&G the high bidder in the sealed portion of the sale, acquiring 80 acres for \$280,000 for 80 acres for a total per-acre price of \$3,504. Durango-based Juniper Resources submitted the highest bid on the open portion of the sale, paying \$50,500 for 320 acres for a per-acre price of \$157.81.

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 2018, the State Land Office collected \$709 million from lease payments, oil and gas lease sale earnings, rights-of-way, permits, interest, fees, and oil, gas, and mineral royalties.