

**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 17 January 2017, 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 January 17. The active bidding portion will close sequentially by tract beginning at 10:30 am MST on January 17.

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](http://www.energynet.com). Prospective bidders must register with EnergyNet at [https://www.energynet.com/govt\\_listing.pl](https://www.energynet.com/govt_listing.pl) and abide by the terms and conditions therein.

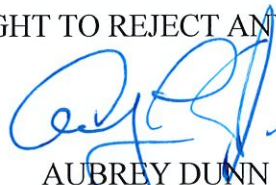
No bids will be considered for less than the whole of any tract, nor for less than the specified minimum acceptable bid. Separate bids must be made for each tract. Leases will be awarded to the highest bidder, if the offer made is deemed to be satisfactory.

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

## **January oil & gas lease sale**

The New Mexico State Land Office Oil & Gas lease sale for 17 January 2017 will be held online in two formats: sealed bid and active bidding. Online bidding will commence January 10, one week prior to the lease sale date. Bidding in the sealed bid format will close for all tracts at 8:30 am MST on January 17. Bidding in the active bidding format will close sequentially, with bidding on the FIRST tract closing at 10:30 am MST on January 17.

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](http://www.energynet.com). Prospective bidders must register with EnergyNet at [https://www.energynet.com/govt\\_listing.pl](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, BY 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.)

To verify wire transfer payment, submit copies of the dated wire instructions (sent to your bank) to [swust@slo.state.nm.us](mailto:swust@slo.state.nm.us); [msena@slo.state.nm.us](mailto:msena@slo.state.nm.us); [slopez@slo.state.nm.us](mailto:slopez@slo.state.nm.us) by COB 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.)

## FEE SCHEDULE FOR BID APPLICATIONS

The New Mexico State Land Office has instituted a new Schedule of Fees, effective July 1. The fee for an oil & gas lease application (Bid Application at a lease sale) has been increased from \$30 to \$100. The Bid Application form and instructions have been updated to reflect the new fee.

The new fee schedule can be found at the State Land Office web site:

<http://www.nmstatelands.org/uploads/files/Fee%20Schedules/New%20Schedule%20of%20Fees%20%26%20Memo%20June%2030%202016.pdf>

## 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](mailto: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.

NEW MEXICO STATE LAND OFFICE  
LEASE SALE NOTICE

\*\*\*\*\* ONLINE SEALED TRACTS \*\*\*\*\*

Regular Sale - ONLINE SEALED BIDDING COMMENCES 8:30 AM MST, JANUARY 10, 2017. BIDDING FOR ALL SEALED ONLINE TRACTS WILL CLOSE ON JANUARY 17, 2017 AT 8:30 AM MST. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET. NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR SEALED ONLINE 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, 3/16th 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	VB-001 (E)	Chaves	31 10S 31E	E2	320.00	\$0.50	\$10,000.00
002	VB-002 (D, E)	Chaves	33 10S 31E	N2	320.00	\$0.50	\$10,000.00
003	VB-003	Chaves	13 11S 31E	N2NW4	80.00	\$0.50	\$3,000.00
004	VB-004	Eddy	06 19S 29E	LOT(S) 4, 5	66.71	\$1.00	\$3,000.00
005	VB-005 (D, E)	Lea	09 10S 33E	W2	320.00	\$0.50	\$10,000.00
006	VB-006 (D, E)	Lea	17 10S 33E	E2	320.00	\$0.50	\$10,000.00
007	VB-007 (E)	Lea	13 11S 37E	E2	320.00	\$0.50	\$10,000.00
008	VB-008	Lea	21 16S 33E	N2	320.00	\$1.00	\$10,000.00
009	VB-009	Lea	01 17S 33E	LOT(S) 1, 2, 3, 4, S2N2	321.20	\$1.00	\$10,000.00
010	VB-010 (D)	Lea	03 17S 33E	LOT(S) 1, 2, 3, 4, S2N2	320.88	\$1.00	\$10,000.00
011	VB-011 (D)	Lea	23 17S 36E	N2	320.00	\$1.00	\$10,000.00
012	VB-012 (D)	Lea	24 17S 36E	N2	320.00	\$1.00	\$10,000.00
013	VB-013 (D)	Lea	15 19S 36E	S2SW4	80.00	\$1.00	\$3,000.00
014	VB-014 (E)	Roosevelt	16 08S 38E	LOT(S) 1, 2, NW4	204.39	\$0.50	\$7,000.00

\*\*\*\*\* ACTIVE BID TRACTS \*\*\*\*\*

Regular Sale - ONLINE ACTIVE BIDDING COMMENCES 8:30 AM MST, JANUARY 10, 2017. BIDDING FOR THE ACTIVE BID ONLINE TRACTS WILL CLOSE SEQUENTIALLY ON JANUARY 17, 2017, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MST. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET. NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR ACTIVE ONLINE 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, 3/16th 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
015	VB-O-001 (D)	Chaves	33 10S 31E	N2SE4	80.00	\$0.50	\$3,000.00
016	VB-O-002 (D)	Chaves	01 11S 31E	S2	320.00	\$0.50	\$10,000.00
017	VB-O-003	Chaves	13 11S 31E	N2SW4, SW4SW4	120.00	\$0.50	\$4,000.00
018	VB-O-004 (E)	Lea	16 09S 37E	SE4SE4	40.00	\$0.50	\$2,000.00
019	VB-O-005 (D, E)	Lea	16 10S 33E	W2	320.00	\$0.50	\$10,000.00
020	VB-O-006 (D, E)	Lea	17 10S 33E	W2	320.00	\$0.50	\$10,000.00
021	VB-O-007 (E)	Lea	13 11S 37E	W2	320.00	\$0.50	\$10,000.00
022	VB-O-008	Lea	21 16S 33E	S2	320.00	\$1.00	\$10,000.00
023	VB-O-009 (D)	Lea	01 17S 33E	S2	320.00	\$1.00	\$10,000.00
024	VB-O-010 (D)	Lea	12 17S 33E	N2NW4	80.00	\$1.00	\$3,000.00
025	VB-O-011 (D)	Lea	23 17S 36E	S2	320.00	\$1.00	\$10,000.00
026	VB-O-012 (D)	Lea	03 19S 36E	LOT(S) 1, 2, S2NE4, SE4	319.12	\$1.00	\$10,000.00
027	VB-O-013 (E)	Roosevelt	07 07S 33E	LOT(S) 1, 2, NE4, E2NW4	314.53	\$0.50	\$10,000.00
028	VB-O-014 (E)	Roosevelt	16 08S 38E	LOT(S) 3, 4, SW4	201.57	\$0.50	\$7,000.00

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  
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[www.nmstatelands.org](http://www.nmstatelands.org)

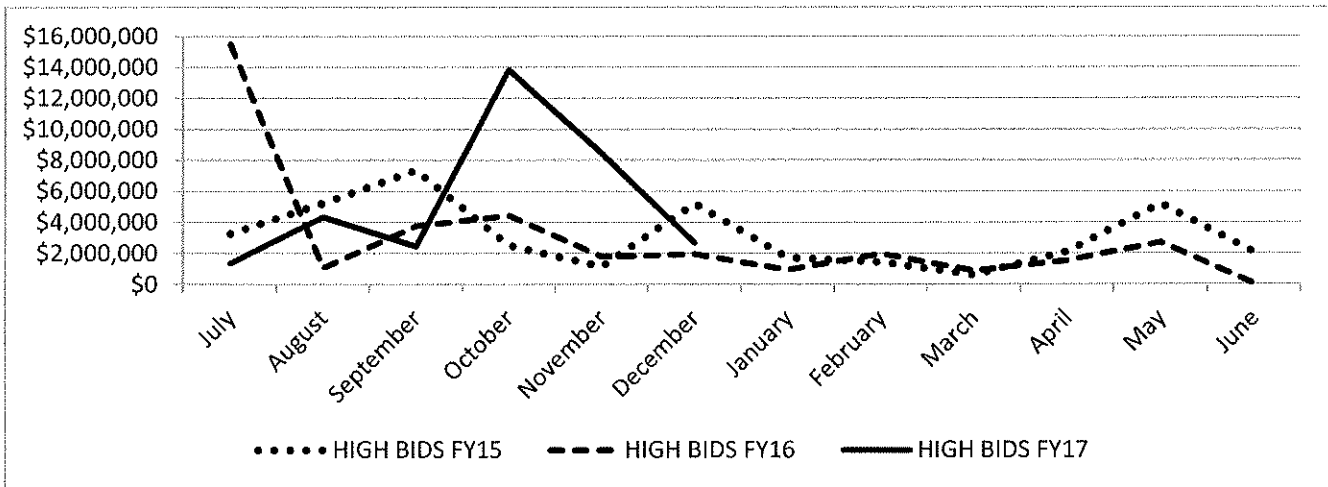
## *Lease Sale Summary December 2016*

Total high bids: \$2,696,406  
 Total online high bids: \$1,902,300  
 Total sealed high bids: \$794,106

There were 19 tracts offered, covering a total of 4363 acres. All tracts were sold to 13 different bidders.

Sale Month	Total sale	High tracts	Bid type	Rest	S	T	R
20-Dec	\$2,696,406	\$1,120,300	N		16	21S	34E
		\$250,800	N		7	10S	33E
		\$248,640	S		7	10S	33E
		\$213,525	S		23	18S	35E

Total	\$1,833,265	\$863,141	High sealed	\$462,165
% Total	68%		online	\$1,371,100



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-001	VB2879 00	12	11S	31E	E2	320.00	ROCK HOUSE RESOURCES, LLC FEDERAL ABSTRACT COMPANY DOUG J. SCHUTZ THORP PETROLEUM CORPORATION FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$56,000.00 \$30,100.00 \$26,200.00 \$25,600.00 \$23,132.00 \$12,000.00	\$175.00
VB-S-002	VB2880 00	7	10S	33E	E2	320.00	DOUG J. SCHUTZ ROCKCLIFF OPERATING NEW MEXIC ROCK HOUSE RESOURCES, LLC KASTLEFORD LAND COMPANY, LLC. FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$248,640.00 \$152,960.00 \$112,000.00 \$24,320.00 \$21,446.00 \$11,000.00	\$777.00
VB-S-003	VB2881 00	22	10S	37E	N2	320.00	DOUG J. SCHUTZ SLASH EXPLORATION LP KASTLEFORD LAND COMPANY, LLC.	\$145,280.00 \$22,400.00 \$19,389.00	\$454.00
VB-S-004	VB2882 00	23	18S	35E	E2SW4, SE4	240.00	ABO EMPIRE, LLC. DOUG J. SCHUTZ FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP KASTLEFORD LAND COMPANY, LLC.	\$213,525.00 \$183,000.00 \$73,657.00 \$36,000.00 \$13,444.00	\$889.69
VB-S-005	VB2883 00	13	21S	35E	W2	320.00	SLASH EXPLORATION LP FEATHERSTONE DEVELOPMENT CORP FEDERAL ABSTRACT COMPANY	\$24,000.00 \$16,537.00 \$16,000.00	\$75.00
VB-S-006	VB2884 00	14	21S	35E	SW4	160.00	SLASH EXPLORATION LP FEATHERSTONE DEVELOPMENT CORP	\$19,200.00 \$17,537.00	\$120.00
VB-S-007	VB2885 00	36	21S	35E	E2	320.00	KASTLEFORD LAND COMPANY, LLC. SLASH EXPLORATION LP FEATHERSTONE DEVELOPMENT CORP	\$32,640.00 \$24,000.00 \$16,537.00	\$102.00
VB-S-008	VB2886 00	16	25S	37E	NE4NE4	40.00	FEATHERSTONE DEVELOPMENT CORP SLASH EXPLORATION LP	\$4,261.00 \$2,300.00	\$106.53
VB-S-009	VB2887 00	32	07S	36E	N2	320.00	DOUG J. SCHUTZ CHAVEROO MINERALS, INC. SLASH EXPLORATION LP	\$50,560.00 \$33,260.00 \$17,600.00	\$158.00
VB-O-001	VB2888 00	12	11S	31E	W2	320.00	ROCK HOUSE RESOURCES, LLC	\$80,100.00	\$250.31
VB-O-002	VB2889 00	7	10S	33E	LOT(S) 1, 2, 3, 4, E2W2	322.62	ROCK HOUSE RESOURCES, LLC	\$250,800.00	\$777.39
VB-O-003	VB2890 00	22	10S	37E	S2	320.00	HEADINGTON ENERGY PARTNERS LL	\$80,100.00	\$250.31
VB-O-004	VB2891 00	23	18S	35E	NW4NW4	40.00	ROY G. BARTON JR.	\$45,050.00	\$1,126.25
VB-O-005	VB2892 00	23	18S	35E	E2NE4	80.00	ABO EMPIRE, LLC.	\$82,050.00	\$1,025.63

NEW MEXICO STATE LAND OFFICE  
 BID SUMMARY FOR SALE ON 12-20-2016

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VB-O-006	VB2893 00	16	21S	34E	SE4	160.00	MEWBOURNE OIL CO	\$1,120,300.00	\$7,001.88
VB-O-007	VB2894 00	24	21S	35E	W2SE4, SE4SE4	120.00	SLASH EXPLORATION LP	\$22,000.00	\$183.33
VB-O-008	VB2895 00	27	21S	35E	SE4	160.00	DAKOTA RESOURCES INC (I)	\$76,250.00	\$476.56
VB-O-009	VB2896 00	27	21S	35E	NW4	160.00	DAKOTA RESOURCES INC (I)	\$81,550.00	\$509.69
VB-O-010	VB2897 00	32	07S	36E	S2	320.00	CHAVEROO MINERALS, INC.	\$64,100.00	\$200.31

\*\*\*\* 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](http://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](http://www.cehmm.org/ccaccaa).

A handwritten signature in black ink, appearing to read "Aubrey Dunn", is written over the printed name and title.

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

**Unitization & Commingling**

Marilyn Gruebel 505-827-5791

**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

**Communitization, Reduced  
Royalty, Engineering**

Niranjan Khalsa 505-827-6628  
Anchor Holm 505-827-5759

**Sand and Gravel, Caliche, General Mining**

Jack Yates 505-827-5750  
Jason Smith 505-827-5743  
Faith Crosby 505-827-5849  
Sue Keelin 505-827-5783

**OGMD Office Procedures, Division Administration**

Patrick Padilla, Assistant Commissioner 505-827-4489  
Terry Warnell, Division Director 505-827-5745  
Ed Martin, Engineering Supervisor 505-827-5746  
Chuck Sandoval, Office Administrator 505-827-5744