



Aubrey Dunn, State Land Commissioner
State of New Mexico

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July lease sale generates \$15.4 million

SANTA FE, NM – Fresh off the heels of a record-breaking year for oil and gas lease sales, State Land Commissioner Aubrey Dunn today announced that Fiscal Year 19 has begun with a bang with July’s lease sale generating \$15.4 million.

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

- Common Schools: \$13,819,232
- New Mexico Miners Hospital: \$1,387,900
- New Mexico State Hospital: \$73,470
- Improvements to the Rio Grande: \$40,250
- University of New Mexico: \$101,900

The monthly sales are held online in sealed and open bidding formats. Commissioner Dunn offered 27 tracts for a total of 5,282 acres in Chaves, Eddy, Lea, and San Juan Counties. This month, 28 bidders from six states registered.

Total high bids of \$15,423,257 was generated by nine different bidders for an average price per acre of \$2,920.

Santa Fe-based Federal Abstract was the high bidder in both the sealed and open bidding formats, acquiring a total of 1,680.32 acres for \$11,753,950 for an average per-acre price of \$6,995.07.

“Our beneficiaries continue to reap the benefits of the prosperity of the Permian Basin, which has been tipped to become the largest oil-producing region in the world,” Commissioner Dunn said. “We had a fantastic year in FY 18 and this month’s numbers indicate that FY 19 should be a very good year for the agency and those we serve.”

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.