

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 19 June 2018, 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 MDT on June 19. The open bidding portion closes sequentially by tract beginning at 10:30 am MDT on June 19. Bidding will commence one week prior to lease sale day.

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. Prospective bidders must register with EnergyNet at https://www.energynet.com/govt_listing.pl and abide by the terms and conditions therein.

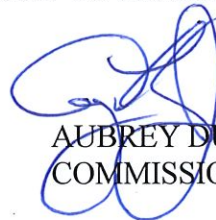
No bids will be considered for less than the whole of any tract, nor for less than the specified minimum acceptable bid. Separate bids must be made for each tract. Leases will be awarded to the highest bidder, if the offer made is deemed to be satisfactory.

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

June oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 19 June 2018 will be held online in sealed and open bidding formats. Online bidding will commence June 12, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MDT on June 19. Open bidding closes sequentially by tract, with bidding for the first tract closing at 10:30 am MDT on June 19.

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. Prospective bidders must register with EnergyNet at 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, 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.)

"Applications" are the lease information sheets as provided by EnergyNet. To verify wire transfer payment, submit copies of the dated wire instructions (sent to your bank) to swust@slo.state.nm.us; msena@slo.state.nm.us; slopez@slo.state.nm.us by COB of the State Land Office 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.)

NEW MEXICO STATE LAND OFFICE
LEASE SALE NOTICE

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

Regular Sale - ONLINE SEALED BIDDING COMMENCES 12 JUNE 2018. BIDDING FOR THE SEALED TRACTS WILL
CLOSE 8:30am MDT ON 19 JUNE 2018. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR SEALED 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, 1/5th 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	VC-001	(D)	Lea	20	10S	32E E2	320.00	\$0.50	\$10,000.00
002	VC-002	(E)	Lea	11	10S	33E E2	320.00	\$0.50	\$10,000.00
003	VC-003	(E)	Lea	14	10S	33E E2	320.00	\$0.50	\$10,000.00
004	VC-004	(E)	Lea	04	11S	38E LOT(S) 1, 2, SE4	195.80	\$0.50	\$7,000.00
005	VC-005		Lea	15	12S	34E N2	320.00	\$0.50	\$10,000.00
006	VC-006		Lea	30	14S	34E E2	320.00	\$0.50	\$10,000.00
007	VC-007		Lea	33	14S	34E NW4	160.00	\$0.50	\$5,000.00
008	VC-008		Lea	02	15S	33E LOT(S) 1, 2, S2NE4, SE4	336.78	\$0.50	\$11,000.00
009	VC-009	(D)	Lea	15	15S	33E W2	320.00	\$0.50	\$10,000.00
010	VC-010	(D)	Lea	16	15S	33E N2	320.00	\$0.50	\$10,000.00
011	VC-011		Lea	05	15S	34E LOT(S) 3, 4	95.59	\$0.50	\$3,000.00
012	VC-012		Lea	36	15S	34E S2	320.00	\$0.50	\$10,000.00
013	VC-013	(D)	Lea	05	16S	33E S2	320.00	\$1.00	\$10,000.00
014	VC-014	(D)	Lea	08	16S	33E E2	320.00	\$1.00	\$10,000.00
015	VC-015		Lea	13	16S	33E SW4	160.00	\$1.00	\$5,000.00
016	VC-016		Lea	31	16S	33E LOT(S) 1, 2, NE4, E2NW4	320.60	\$1.00	\$10,000.00
017	VC-017		Lea	05	16S	38E S2	320.00	\$1.00	\$10,000.00
018	VC-018		Lea	29	16S	38E SW4SW4	40.00	\$1.00	\$2,000.00
019	VC-019		Lea	31	16S	38E LOT(S) 2, 3, 4, SE4NW4, E2SW4	228.68	\$1.00	\$8,000.00
020	VC-020	(E)	Roosevelt	11	06S	34E NW4SW4	40.00	\$0.50	\$2,000.00

D: ALL OR PORTION OF SURFACE NON-STATE
E: SUBJECT TO 2012/2014 CONSERVATION AGREEMENT

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS
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www.nmstatelands.org

***** ONLINE OPEN BIDDING TRACTS *****

Regular Sale - ONLINE OPEN BIDDING COMMENCES 12 JUNE 2018. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON 19 JUNE 2018, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MDT. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGINET.

NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR OPEN BIDDING 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, 1/5th 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
021 VC-O-001 (D)	Lea	20 10S 32E	NW4, N2SW4, SW4SW4	280.00	\$0.50	\$9,000.00
022 VC-O-002 (E)	Lea	11 10S 33E	W2	320.00	\$0.50	\$10,000.00
023 VC-O-003 (E)	Lea	14 10S 33E	W2	320.00	\$0.50	\$10,000.00
024 VC-O-004 (E)	Lea	04 11S 38E	LOT(S) 3, 4, SW4	195.56	\$0.50	\$7,000.00
025 VC-O-005	Lea	15 12S 34E	S2	320.00	\$0.50	\$10,000.00
026 VC-O-006	Lea	30 14S 34E	LOT(S) 1, 2, 3, 4, E2W2	325.64	\$0.50	\$10,000.00
027 VC-O-007 (D)	Lea	16 15S 33E	S2	320.00	\$0.50	\$10,000.00
028 VC-O-008	Lea	36 15S 34E	NW4	160.00	\$0.50	\$5,000.00
029 VC-O-009 (D)	Lea	08 16S 33E	W2	320.00	\$1.00	\$10,000.00
030 VC-O-010	Lea	31 16S 33E	LOT(S) 3, 4, E2SW4	160.52	\$1.00	\$5,000.00
031 VC-O-011	Lea	09 16S 38E	W2	320.00	\$1.00	\$10,000.00
032 VC-O-012	Lea	29 16S 38E	SE4SE4	40.00	\$1.00	\$2,000.00

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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. 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.

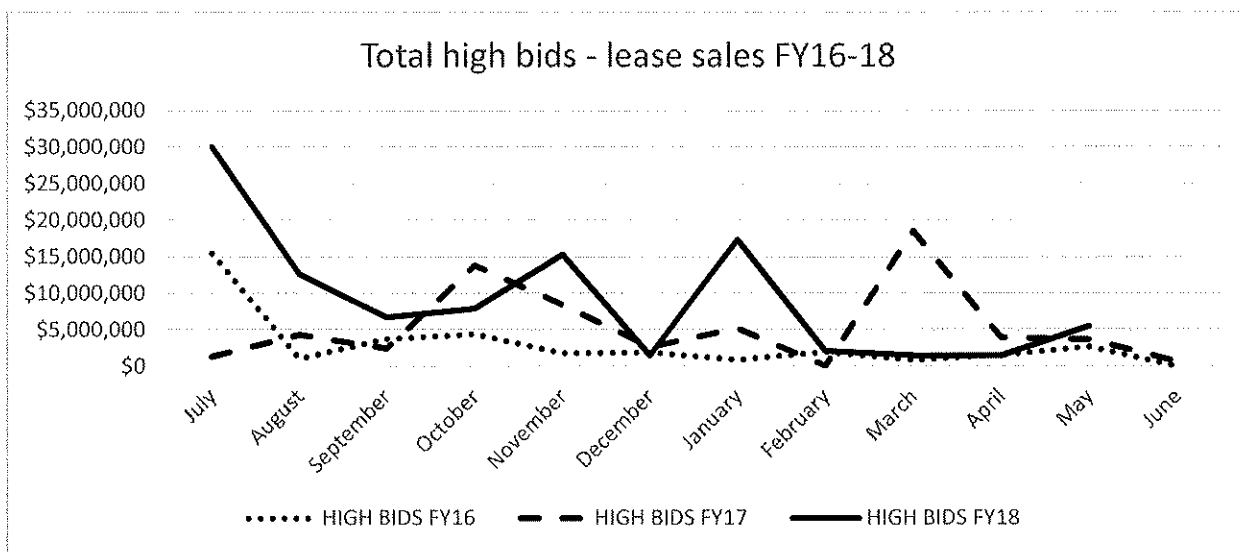
May 2018 Oil & Gas Lease Sale

The May lease sale was held online, in open and sealed bidding formats.

There were 9 tracts offered, for a total of 2550 acres, in Chaves, Eddy and Lea Counties. All tracts were sold.

Total high bids: \$5,487,142 from 5 different bidders, for an average per acre price of \$2152. There were 23 registered bidders from 7 states.

Sale Month	Total sale	High tracts	Bid type	Rest		S	T	R
15-May	\$5,487,142	\$3,200,000	S			6	23S	26E
		\$800,100	O			32	15S	29E
		\$650,000	S			32	15S	29E
		\$343,042	S			35	16S	35E
Total		\$4,993,142			High sealed	\$4,193,042		
	% Total	91%		\$494,000	open	\$800,100		



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0373 00	32	15S	29E	E2	320.00	DAKOTA RESOURCES INC (I)	\$650,000.00	\$2,031.25
VC-S-002	VC0374 00	6	23S	26E	LOT(S) 3, 4, 5, 6, 7, SE4NW4, E2SW4	313.48	CHISHOLM ENERGY OPERATING, LL	\$3,200,000.00	\$10,207.99
VC-S-003	VC0375 00	9	24S	25E	SW4	160.00	DAKOTA RESOURCES INC (I)	\$150,000.00	\$937.50
VC-S-004	VC0376 00	18	09S	32E	E2	320.00	BROWNING OIL COMPANY, INC.	\$58,700.00	\$183.44
VC-S-005	VC0377 00	22	10S	33E	E2	320.00	BROWNING OIL COMPANY, INC.	\$113,000.00	\$353.13
VC-S-006	VC0378 00	35	16S	35E	SE4	160.00	ABO EMPIRE, LLC.	\$343,042.36	\$2,144.01
VC-O-001	VC0379 00	32	15S	29E	W2	320.00	DAKOTA RESOURCES INC (I)	\$800,100.00	\$2,500.31
VC-O-002	VC0380 00	18	09S	32E	LOT(S) 1, 2, 3, 4, E2W2	316.80	BROWNING OIL COMPANY, INC.	\$57,200.00	\$180.56
VC-O-003	VC0381 00	22	10S	33E	W2	320.00	BRO ENERGY, LLC.	\$115,100.00	\$359.69

**** 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

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.

A handwritten signature in black ink, appearing to read "Aubrey Dunn".

Aubrey Dunn
Commissioner of Public Lands



Aubrey Dunn
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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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, Ph.D. 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  
Chris Gonzales 505-827-5783

**OGMD Office Procedures, Division Administration**

Terry Warnell, Division Director 505-827-5745  
Ed Martin, Acting Assistant Commissioner 505-827-5746  
Billie Luther 505-827-5744