

**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 21 March 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 MT on March 21. The active bidding portion will close sequentially by tract beginning at 10:30 am MT on March 21. 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

March oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 21 March 2017 will be held online in both a sealed bid and active bidding format. Online bidding will commence March 14, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MT on March 21. Active bidding will close sequentially by tract beginning at 10:30 am MT.

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.)

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 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 1 July 2016. 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. 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 MARCH 14, 2017. BIDDING FOR THE SEALED TRACTS WILL CLOSE 8:30am MT ON MARCH 21, 2017. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.
NOTE : 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	(E)	Chaves	36	08S	31E S2	320.00	\$0.50	\$10,000.00
002	VC-002	(E)	Chaves	01	09S	31E LOT(S) 1, 2, 3, 4, S2N2	320.41	\$0.50	\$10,000.00
003	VC-003	(E)	Lea	32	09S	34E N2	320.00	\$0.50	\$10,000.00
004	VC-004	(E)	Lea	16	09S	37E N2	320.00	\$0.50	\$10,000.00
005	VC-005	(D)	Lea	29	10S	32E N2	320.00	\$0.50	\$10,000.00
006	VC-006	(D)	Lea	32	10S	32E N2	320.00	\$0.50	\$10,000.00
007	VC-007	(D)	Lea	33	10S	32E N2	320.00	\$0.50	\$10,000.00
008	VC-008	(E)	Lea	08	10S	33E N2	320.00	\$0.50	\$10,000.00
009	VC-009	(E)	Lea	10	10S	33E N2	320.00	\$0.50	\$10,000.00
010	VC-010	(D)	Lea	20	10S	33E W2	320.00	\$0.50	\$10,000.00
011	VC-011	(D)	Lea	21	10S	33E E2NW4, SW4	240.00	\$0.50	\$8,000.00
012	VC-012		Lea	01	11S	32E LOT(S) 1, 2, 3, 4, S2S2 (ALL)	344.68	\$0.50	\$11,000.00
013	VC-013		Lea	03	11S	32E LOT(S) 1, 2, S2SE4	171.38	\$0.50	\$6,000.00
014	VC-014		Lea	10	11S	32E N2	320.00	\$0.50	\$10,000.00
015	VC-015		Lea	11	11S	32E S2	320.00	\$0.50	\$10,000.00
016	VC-016		Lea	31	14S	34E LOT(S) 1, 2, NE4, E2NW4	322.85	\$0.50	\$10,000.00
017	VC-017		Lea	06	15S	34E LOT(S) 3, SE4NW4, E2SW4	167.99	\$0.50	\$5,000.00
018	VC-018		Lea	25	16S	32E W2	320.00	\$1.00	\$10,000.00
019	VC-019		Lea	27	16S	33E NE4, W2NW4, SE4NW4	280.00	\$1.00	\$9,000.00
020	VC-020		Lea	30	16S	33E LOT(S) 1, 2, 3, 4, E2W2	321.04	\$1.00	\$10,000.00
021	VC-021		Lea	16	17S	37E N2	320.00	\$1.00	\$10,000.00
022	VC-022		Lea	25	18S	35E N2	320.00	\$1.00	\$10,000.00
023	VC-023		Lea	18	22S	35E LOT(S) 1, 2, NE4, E2NW4	315.09	\$1.00	\$10,000.00
024	VC-024	(D)	Lea	16	24S	36E N2NE4, SW4NE4, NW4	280.00	\$1.00	\$9,000.00

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
Page 1 Of 3

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Regular Sale - ONLINE SEALED BIDDING COMMENCES MARCH 14, 2017. BIDDING FOR THE SEALED TRACTS WILL CLOSE 8:30am MT ON MARCH 21, 2017. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.
 NOTE : 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
025 VC-025	Lea	16 26S 36E	N2	320.00	\$1.00	\$10,000.00
026 VC-026 (E)	Roosevelt	14 06S 34E	N2	320.00	\$0.50	\$10,000.00
027 VC-027 (E)	Roosevelt	32 07S 33E	N2	320.00	\$0.50	\$10,000.00
028 VC-028 (E)	Roosevelt	07 07S 35E	E2	320.00	\$0.50	\$10,000.00
029 VC-029 (E)	Roosevelt	30 07S 35E	LOT(S) 1, 2, 3, 4, E2W2	308.00	\$0.50	\$10,000.00

***** ONLINE ORAL (ACTIVE BIDDING) TRACTS *****

Regular Sale - ONLINE ACTIVE BIDDING COMMENCES MARCH 14, 2017. BIDDING FOR THE ONLINE ACTIVE BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON MARCH 21, 2017, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MT. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGYNET.

NOTE : 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
030 VC-0-001 (E)	Chaves	36 08S 31E	NE4, S2NW4	240.00	\$0.50	\$8,000.00
031 VC-0-002 (E)	Chaves	01 09S 31E	S2	320.00	\$0.50	\$10,000.00
032 VC-0-003 (E)	Lea	32 09S 34E	S2	320.00	\$0.50	\$10,000.00
033 VC-0-004 (E)	Lea	16 09S 37E	SW4, N2SE4, SW4SE4	280.00	\$0.50	\$9,000.00
034 VC-0-005 (D)	Lea	29 10S 32E	S2	320.00	\$0.50	\$10,000.00
035 VC-0-006 (D)	Lea	32 10S 32E	S2	320.00	\$0.50	\$10,000.00
036 VC-0-007 (D)	Lea	33 10S 32E	S2	320.00	\$0.50	\$10,000.00
037 VC-0-008 (D, E)	Lea	08 10S 33E	S2	320.00	\$0.50	\$10,000.00
038 VC-0-009 (D, E)	Lea	10 10S 33E	S2	320.00	\$0.50	\$10,000.00
039 VC-0-010 (D)	Lea	20 10S 33E	E2	320.00	\$0.50	\$10,000.00
040 VC-0-011	Lea	02 11S 32E	LOT(S) 1, 2, 3, 4, S2S2 (ALL)	343.52	\$0.50	\$11,000.00
041 VC-0-012	Lea	11 11S 32E	N2	320.00	\$0.50	\$10,000.00
042 VC-0-013 (D)	Lea	30 12S 38E	W2NW4, SE4NW4, SW4	280.00	\$0.50	\$9,000.00
043 VC-0-014	Lea	31 14S 34E	LOT(S) 3, 4, E2SW4, SE4	322.71	\$0.50	\$10,000.00

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TRACT #	COUNTY	SEC TWP RGE	DESCRIPTION	ACRES (MORE OR LESS)	PRIMARY RENTAL	MINIMUM ACCEPTABLE BID
044 VC-O-015	Lea	25 16S 32E	E2	320.00	\$1.00	\$10,000.00
045 VC-O-016 (D)	Lea	27 16S 33E	S2	320.00	\$1.00	\$10,000.00
046 VC-O-017 (D)	Lea	16 17S 37E	S2	320.00	\$1.00	\$10,000.00
047 VC-O-018	Lea	24 18S 35E	S2SW4, SW4SE4	120.00	\$1.00	\$4,000.00
048 VC-O-019	Lea	07 18S 37E	LOT(S) 3, 4, E2SW4, SE4	319.26	\$1.00	\$10,000.00
049 VC-O-020	Lea	03 22S 32E	SW4	160.00	\$1.00	\$5,000.00
050 VC-O-021	Lea	18 22S 35E	LOT(S) 3, 4, E2SW4, SE4	315.59	\$1.00	\$10,000.00
051 VC-O-022 (D)	Lea	16 24S 36E	S2	320.00	\$1.00	\$10,000.00
052 VC-O-023	Lea	32 24S 36E	W2	320.00	\$1.00	\$10,000.00
053 VC-O-024 (E)	Roosevelt	11 06S 34E	S2S2	160.00	\$0.50	\$5,000.00
054 VC-O-025 (E)	Roosevelt	14 06S 34E	S2	320.00	\$0.50	\$10,000.00
055 VC-O-026 (E)	Roosevelt	32 07S 33E	S2	320.00	\$0.50	\$10,000.00
056 VC-O-027 (E)	Roosevelt	20 07S 35E	W2	320.00	\$0.50	\$10,000.00

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 Page 3 Of 3

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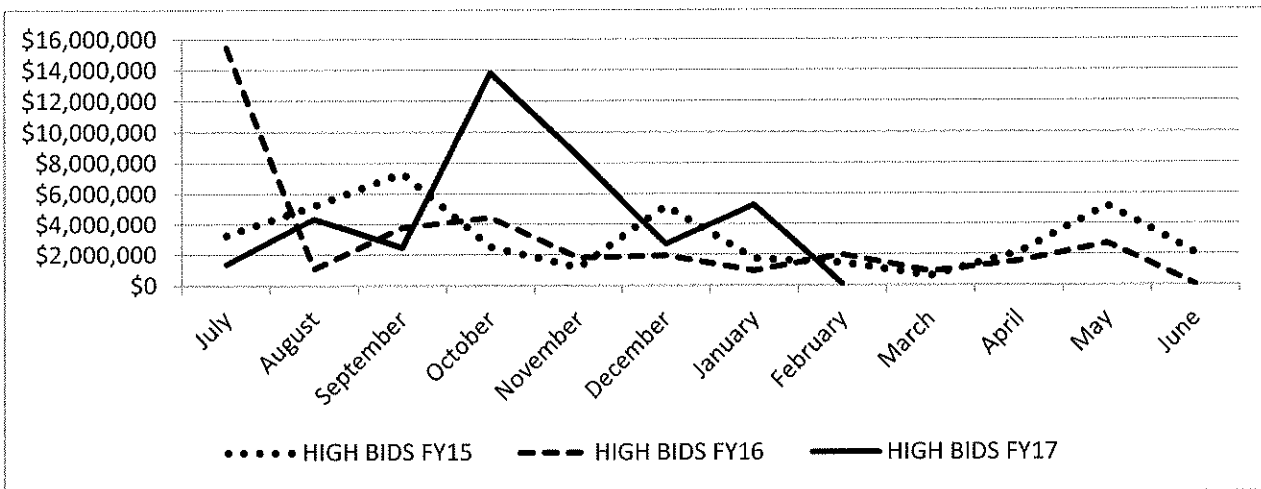
Lease Sale Summary February 2017

Total high bids: \$88,100

There was a single 80-acre tract offered, in Lea County, per online sealed bid. There were seven bidders offering nine bids.

Sale Month	Total sale	High tracts	Bid type	Rest	S	T	R
21-Feb	\$88,100	\$88,100	S		24	18S	35E

	Total	\$88,100	\$0	High sealed	\$88,100
	% Total	100%			



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NEW MEXICO STATE LAND OFFICE
BID SUMMARY FOR SALE ON 02-21-2017

02
09:35:17
PAGE 1

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0026 00	24	18S	35E	E2NE4	80.00	ROY G. BARTON JR.	\$88,100.00	\$1,101.25

**** END OF REPORT ****

NEW MEXICO STATE LAND OFFICE
 BID SUMMARY FOR SALE 02-21-2017

TRACT #	LEASE #	SEC	TWN	RNG	DESCRIPTION	ACRES	RENTAL RATE	BIDDER	Phone Number	BID AMOUNTS	BONUS	RENTAL	PRICE/ACRE	FEE	TOTAL DUE NM
001 VC-001		24	1SS	35E	E2N164	80.00	\$ 1.00	Federal Abstract Company 413 E. Palace Ave. Ste. A Santa Fe, New Mexico 87501	505-982-5537	\$88,100.00	\$88,020.00	\$ 80.00	\$1,101.25	\$100.00	\$88,200.00
TOTALS										\$88,100.00	\$88,020.00	\$ 80.00		\$100.00	\$88,200.00



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
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

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

**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