

**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 March 2019, 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 March 19. The open bidding portion closes sequentially by tract beginning at 10:30 am MST on March 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](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.



STEPHANIE GARCIA RICHARD  
COMMISSIONER OF PUBLIC LANDS

## **March oil & gas lease sale**

The New Mexico State Land Office Oil & Gas lease sale for 19 March 2019 will be held online in sealed and open bidding formats. Online bidding will commence March 12, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MST on March 19. Open bidding closes sequentially by tract, with bidding for the first tract closing at 10:30 am MST on March 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](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, 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](mailto:swust@slo.state.nm.us); [msena@slo.state.nm.us](mailto:msena@slo.state.nm.us); [dmsandoval@slo.state.nm.us](mailto:dmsandoval@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 MARCH 2019. BIDDING FOR THE SEALED TRACTS WILL  
CLOSE 8:30am MST ON 19 MARCH 2019. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGINET.

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, 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	Lea	16 24S 38E	LOT(S) 3, E2SW4	87.03	\$1.00	\$16,000.00

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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
002 VC-001	Chaves	31 15S 29E	E2SW4, S2SE4	160.00	\$0.50	\$32,000.00
003 VC-002	Chaves	33 15S 29E	SW4NW4	40.00	\$0.50	\$8,000.00
004 VC-003	Chaves	33 15S 29E	SE4SW4	40.00	\$0.50	\$8,000.00
005 VC-004	Eddy	04 16S 29E	LOT(S) 1, 2, 7, 8	163.37	\$1.00	\$32,000.00
006 VC-005	Eddy	35 18S 27E	N2NE4, SW4NE4, N2SE4	200.00	\$1.00	\$40,000.00
007 VC-006	Eddy	16 19S 28E	N2NE4	80.00	\$1.00	\$16,000.00
008 VC-007 (D)	Eddy	32 20S 26E	N2	320.00	\$1.00	\$64,000.00
009 VC-008 (D)	Eddy	32 20S 26E	S2	320.00	\$1.00	\$64,000.00
010 VC-009	Eddy	36 23S 25E	E2	320.00	\$1.00	\$64,000.00
011 VC-010	Eddy	36 23S 25E	W2	320.00	\$1.00	\$64,000.00
012 VC-011	Lea	35 17S 35E	N2NE4, SE4NE4	120.00	\$1.00	\$24,000.00
013 VC-012	Lea	36 17S 35E	N2	320.00	\$1.00	\$64,000.00
014 VC-013	Lea	36 17S 35E	S2	320.00	\$1.00	\$64,000.00
015 VC-014	Lea	31 17S 36E	LOT(S) 1, 2, E2NW4	155.12	\$1.00	\$32,000.00
016 VC-015	Lea	31 17S 36E	SE4	160.00	\$1.00	\$32,000.00
017 VC-016	Lea	32 18S 39E	W2SW4, SE4SW4	120.00	\$1.00	\$24,000.00
018 VC-017	Lea	02 19S 36E	LOT(S) 2, SW4NE4	79.78	\$1.00	\$16,000.00
019 VC-018	Lea	02 19S 36E	S2	320.00	\$1.00	\$64,000.00
020 VC-019	Lea	07 19S 36E	N2NE4	80.00	\$1.00	\$16,000.00
021 VC-020 (D)	Lea	10 19S 36E	W2	320.00	\$1.00	\$64,000.00
022 VC-021	Lea	32 20S 36E	NW4	160.00	\$1.00	\$32,000.00

D: ALL OR PORTION OF SURFACE NON-STATE

ALL HIGH BIDS ARE SUBJECT TO APPROVAL BY THE COMMISSIONER OF PUBLIC LANDS

www.nmstatelands.org

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

Regular Sale - ONLINE OPEN BIDDING COMMENCES 12 MARCH 2019. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON 19 MARCH 2019, 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 ORAL 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
023 VC-O-001	Lea	03 23S 32E	SW4NW4	40.00	\$1.00	\$8,000.00
024 VC-O-002	Lea	04 23S 32E	SE4NE4	40.00	\$1.00	\$8,000.00

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Page 2 Of 2

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

## 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 date. 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.

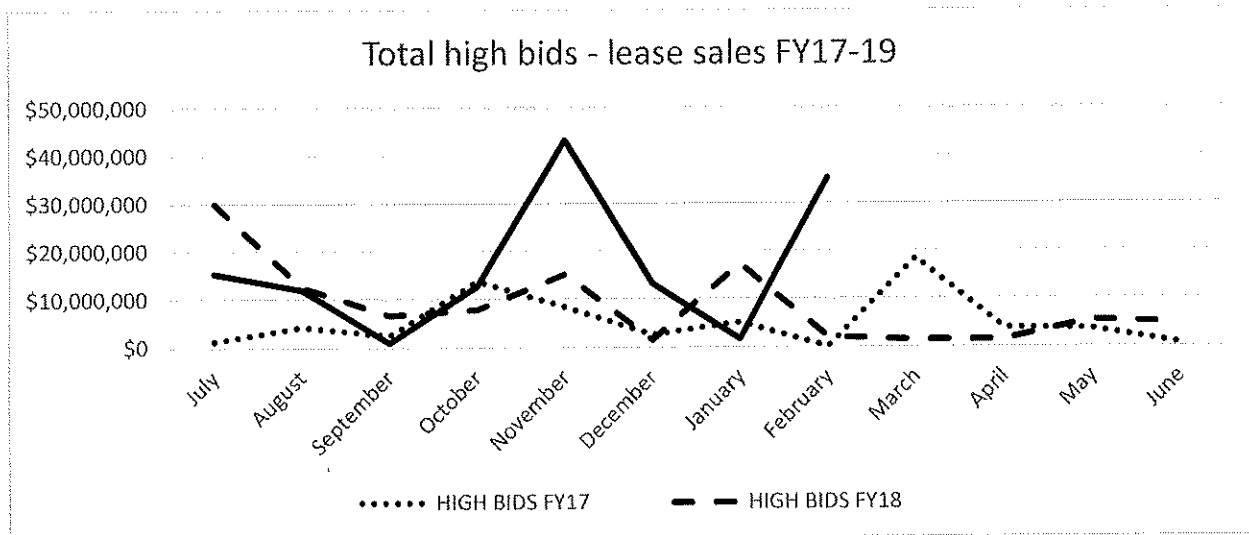
## February 2019 Oil & Gas Lease Sale

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

There were 41 tracts offered, 40 of which were sealed bid, for a total of 8920.27 acres, in Chaves, Lea and Eddy Counties. Eight tracts were withdrawn.

Total high bids: \$35,335,421 from 12 different bidders, for an average per-acre price of \$3,961.25. There were 37 registered bidders from 5 states.

Sale Month	Total sale	High tracts	Bid type	Rest	S	T	R
19-Feb	\$35,335,421	\$12,931,300	O		12	25S	29E
		\$9,600,000	S		36	21S	34E
		\$3,232,000	S		36	20S	35E
		\$3,008,000	S		36	20S	35E
		\$1,056,000	S		12	20S	35E
<b>Total</b>		\$29,827,300					
	<b>% Total</b>	<b>84%</b>		<b>\$5,508,121</b>			



TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	AMOUNTS	PRICE/ACR
VB-S-001	VB2927 00	32	15S	31E	N2	320.00	OSCURA RESOURCES, INC.	\$64,000.00	\$200.00
VB-S-002	VB2928 00	32	15S	31E	SE4	160.00	OSCURA RESOURCES, INC.	\$16,000.00	\$100.00
VB-S-003	VB2929 00	33	15S	31E	S2	320.00	OSCURA RESOURCES, INC.	\$32,000.00	\$100.00
VB-S-004	VB2930 00	33	15S	31E	S2NE4, NW4	240.00	OSCURA RESOURCES, INC.	\$24,000.00	\$100.00
VB-S-005		22	11S	38E	N2		WITHDRAWN		
VB-S-006		22	11S	38E	S2		WITHDRAWN		
VB-S-007	VB2931 00	35	15S	32E	N2	320.00	DAKOTA RESOURCES INC (I)	\$192,000.00	\$600.00
VB-S-008	VB2932 00	35	15S	32E	SW4, S2SE4	240.00	DAKOTA RESOURCES INC (I)	\$144,000.00	\$600.00
VB-S-009	VB2933 00	31	15S	33E	LOT(S) 1, 2, NE4, E2NW4	319.55	DAKOTA RESOURCES INC (I)	\$224,000.00	\$700.99
VB-S-010	VB2934 00	31	15S	33E	LOT(S) 3, 4, E2SW4, SE4	319.85	DAKOTA RESOURCES INC (I)	\$224,000.00	\$700.33
VB-S-011	VB2935 00	15	16S	33E	W2	320.00	DAKOTA RESOURCES INC (I)	\$192,000.00	\$600.00
VB-S-012	VB2936 00	4	16S	35E	NW4SE4	40.00	BRO ENERGY, LLC.	\$3,100.00	\$77.50
VB-S-013	VB2937 00	5	16S	35E	W2SE4	80.00	KASTLEFORD LAND COMPANY, LLC	\$5,500.00	\$68.75
VC-S-001	VC0580 00	2	17S	28E	W2SE4	80.00	ST. DEVOTE LLC	\$60,480.00	\$756.00
VC-S-002	VC0581 00	2	17S	28E	W2SW4	80.00	ST. DEVOTE LLC	\$60,481.00	\$756.01
VC-S-003	VC0582 00	13	17S	28E	NW4	160.00	ST. DEVOTE LLC	\$403,360.00	\$2,521.00
VC-S-004		32	17S	30E	SW4, N2SE4, SW4SE4		WITHDRAWN		
VC-S-005		35	18S	27E	N2NE4, SW4NE4, N2SE4		WITHDRAWN		
VC-S-006	VC0583 00	35	18S	27E	SW4	160.00	RIDGE RUNNER RESOURCES OPERA	\$32,160.00	\$201.00
VC-S-007	VC0584 00	36	18S	27E	N2NW4, SW4NW4, W2SW4, SE4SW4	240.00	FEATHERSTONE DEVELOPMENT COR	\$84,000.00	\$350.00
VC-S-008		17	19S	28E	W2NE4		WITHDRAWN		
VC-S-009	VC0585 00	25	20S	26E	W2	320.00	TASCOSA ENERGY PARTNERS, LLC	\$376,320.00	\$1,176.00
VC-S-010	VC0586 00	16	20S	27E	N2	320.00	TASCOSA ENERGY PARTNERS, LLC	\$376,320.00	\$1,176.00
VC-S-011	VC0587 00	16	20S	27E	S2	320.00	TASCOSA ENERGY PARTNERS, LLC	\$376,320.00	\$1,176.00
VC-S-012	VC0588 00	32	22S	25E	N2	320.00	DAKOTA RESOURCES INC (I)	\$352,000.00	\$1,100.00
VC-S-013	VC0589 00	32	22S	25E	S2	320.00	DAKOTA RESOURCES INC (I)	\$352,000.00	\$1,100.00

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	AMOUNTS	BID	PRICE/ACR
VC-S-014	VC0590 00	2	23S	25E	LOT(S) 3, 4, S2NW4, SW4	320.75	DAKOTA RESOURCES INC (I)	\$542,000.00	\$1,689.79	
VC-S-015	VC0591 00	10	23S	25E	SE4	150.00	DAKOTA RESOURCES INC (I)	\$304,000.00	\$1,900.00	
VC-S-016	VC0592 00	10	23S	25E	NE4	150.00	DAKOTA RESOURCES INC (I)	\$304,000.00	\$1,900.00	
VC-S-017	VC0593 00	10	23S	25E	W2SW4	80.00	DAKOTA RESOURCES INC (I)	\$152,000.00	\$1,900.00	
VC-S-018	VC0594 00	1	18S	33E	SE4SE4	40.00	ME-TEX OIL & GAS INC	\$5,000.00	\$125.00	
VC-S-019		1	18S	33E	LOT(S) 4, SW4NW4, SW4		WITHDRAWN			
VC-S-020	VC0595 00	28	18S	33E	W2SW4	80.00	PERCHERON PROFESSIONAL SERVI	\$504,080.00	\$6,301.00	
VC-S-021	VC0596 00	12	20S	35E	SW4	150.00	RIDGE RUNNER RESOURCES OPERA	\$1,056,000.00	\$6,600.00	
VC-S-022	VC0597 00	36	20S	35E	N2	320.00	RIDGE RUNNER RESOURCES OPERA	\$3,232,000.00	\$10,100.00	
VC-S-023	VC0598 00	36	20S	35E	S2	320.00	RIDGE RUNNER RESOURCES OPERA	\$3,008,000.00	\$9,400.00	
VC-S-024	VC0599 00	32	21S	34E	S2	320.00	CENTENNIAL RESOURCE PRODUCTI	\$9,600,000.00	\$30,000.00	
VC-S-025	VC0600 00	2	22S	35E	W2SE4	80.00	PLATFORM ENERGY III, LLC.	\$103,000.00	\$1,287.50	
VC-S-026		2	22S	35E	NW4SW4		WITHDRAWN			
VC-S-027		16	23S	36E	E2SE4		WITHDRAWN			
VC-O-001	VC0601 00	12	25S	29E	W2	320.00	PERCHERON PROFESSIONAL SERVI	\$12,931,300.00	\$40,410.31	

\*\*\*\* END OF REPORT \*\*\*\*



## **CONSERVATION EASEMENTS**

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).

## **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

**Units, Commingling**

Randolph Bayliss 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  
Maria Pruett 505-827-5746

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

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**

Allison Marks, Division Director 505-827-5745  
Jordan Kessler, Assistant Commissioner 505-827-5746