

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 February 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 February 19. The open bidding portion closes sequentially by tract beginning at 10:30 am MST on February 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.



STEPHANIE GARCIA RICHARD
COMMISSIONER OF PUBLIC LANDS

February oil & gas lease sale

The New Mexico State Land Office Oil & Gas lease sale for 19 February 2019 will be held online in sealed and open bidding formats. Online bidding will commence February 12, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MST on February 19. Open bidding closes sequentially by tract, with bidding for the first tract closing at 10:30 am MST on February 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; 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 FEBRUARY 2019. BIDDING FOR THE SEALED TRACTS WILL
CLOSE 8:30am MST ON 19 FEBRUARY 2019. 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, 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	Chaves	32 15S 31E	N2	320.00	\$0.50	\$10,000.00
002 VB-002	Chaves	32 15S 31E	SE4	160.00	\$0.50	\$5,000.00
003 VB-003 (D)	Chaves	33 15S 31E	S2	320.00	\$0.50	\$10,000.00
004 VB-004 (D)	Chaves	33 15S 31E	S2NE4, NW4	240.00	\$0.50	\$8,000.00
005 VB-005 (D)	Lea	22 11S 38E	N2	320.00	\$0.50	\$10,000.00
006 VB-006 (D)	Lea	22 11S 38E	S2	320.00	\$0.50	\$10,000.00
007 VB-007	Lea	35 15S 32E	N2	320.00	\$0.50	\$10,000.00
008 VB-008	Lea	35 15S 32E	SW4, S2SE4	240.00	\$0.50	\$8,000.00
009 VB-009	Lea	31 15S 33E	LOT(S) 1, 2, NE4, E2NW4	319.55	\$0.50	\$10,000.00
010 VB-010	Lea	31 15S 33E	LOT(S) 3, 4, E2SW4, SE4	319.85	\$0.50	\$10,000.00
011 VB-011	Lea	15 16S 33E	W2	320.00	\$1.00	\$10,000.00
012 VB-012 (D)	Lea	04 16S 35E	NW4SE4	40.00	\$1.00	\$2,000.00
013 VB-013 (D)	Lea	05 16S 35E	W2SE4	80.00	\$1.00	\$3,000.00

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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
014 VC-001	Eddy	02 17S 28E	W2SE4	80.00	\$1.00	\$3,000.00
015 VC-002	Eddy	02 17S 28E	W2SW4	80.00	\$1.00	\$3,000.00
016 VC-003	Eddy	13 17S 28E	NW4	160.00	\$1.00	\$5,000.00
017 VC-004 (E)	Eddy	32 17S 30E	SW4, N2SE4, SW4SE4	280.00	\$1.00	\$9,000.00
018 VC-005	Eddy	35 18S 27E	N2NE4, SW4NE4, N2SE4	200.00	\$1.00	\$7,000.00
019 VC-006	Eddy	35 18S 27E	SW4	160.00	\$1.00	\$5,000.00

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

www.nmstatelands.org

Regular Sale - ONLINE SEALED BIDDING COMMENCES 12 FEBRUARY 2019. BIDDING FOR THE SEALED TRACTS WILL
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NOTE : THE FOLLOWING TRACTS WILL BE OFFERED FOR SEALED BID PURSUANT TO THE NOTICES. LEASES FOR THE FOLLOWING TRACTS WILL
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 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
020 VC-007	Eddy	36 18S 27E	N2NW4, SW4NW4, W2SW4, SE4SW4	240.00	\$1.00	\$8,000.00
021 VC-008	Eddy	17 19S 28E	W2NE4	80.00	\$1.00	\$3,000.00
022 VC-009	Eddy	25 20S 26E	W2	320.00	\$1.00	\$10,000.00
023 VC-010	Eddy	16 20S 27E	N2	320.00	\$1.00	\$10,000.00
024 VC-011	Eddy	16 20S 27E	S2	320.00	\$1.00	\$10,000.00
025 VC-012	Eddy	32 22S 25E	N2	320.00	\$1.00	\$10,000.00
026 VC-013	Eddy	32 22S 25E	S2	320.00	\$1.00	\$10,000.00
027 VC-014	Eddy	02 23S 25E	LOT(S) 3, 4, S2NW4, SW4	320.75	\$1.00	\$10,000.00
028 VC-015	Eddy	10 23S 25E	SE4	160.00	\$1.00	\$5,000.00
029 VC-016	Eddy	10 23S 25E	NE4	160.00	\$1.00	\$5,000.00
030 VC-017	Eddy	10 23S 25E	W2SW4	80.00	\$1.00	\$3,000.00
031 VC-018	Lea	01 18S 33E	SE4SE4	40.00	\$1.00	\$2,000.00
032 VC-019	Lea	01 18S 33E	LOT(S) 4, SW4NW4, SW4	240.12	\$1.00	\$8,000.00
033 VC-020 (E)	Lea	28 18S 33E	W2SW4	80.00	\$1.00	\$3,000.00
034 VC-021 (D, E)	Lea	12 20S 35E	SW4	160.00	\$1.00	\$5,000.00
035 VC-022 (D)	Lea	36 20S 35E	N2	320.00	\$1.00	\$10,000.00
036 VC-023 (D)	Lea	36 20S 35E	S2	320.00	\$1.00	\$10,000.00
037 VC-024 (D)	Lea	36 21S 34E	S2	320.00	\$1.00	\$10,000.00
038 VC-025 (D)	Lea	32 21S 35E	W2SE4	80.00	\$1.00	\$3,000.00
039 VC-026 (D)	Lea	02 22S 35E	NW4SW4	40.00	\$1.00	\$2,000.00
040 VC-027	Lea	16 23S 36E	E2SE4	80.00	\$1.00	\$3,000.00

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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 FEBRUARY 2019. BIDDING FOR THE ONLINE OPEN BIDDING TRACTS WILL CLOSE SEQUENTIALLY ON 19 FEBRUARY 2019, WITH BIDDING FOR THE FIRST TRACT CLOSING AT 10:30 AM MST. THE ONLINE AUCTION WILL BE CONDUCTED BY THE SLO CONTRACTOR ENERGINET.

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
041 VC-O-001	Eddy	12 25S 29E	W2	320.00	\$1.00	\$10,000.00

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 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.

TRACT #	LEASE #	SEC	TWP	RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VB-S-001	VB2924 00	2	23S	37E	SE4NE4	40.00	SLASH EXPLORATION LP	\$4,040.00	\$101.00
VB-S-002	VB2925 00	30	25S	38E	N2NE4	80.00	SLASH EXPLORATION LP	\$3,080.00	\$38.50
VC-S-001	VC0559 00	16	21S	25E	S2	320.00	FEATHERSTONE DEVELOPMENT CORP	\$131,800.00	\$411.88
VC-S-002	VC0560 00	9	17S	37E	NE4	160.00	SLASH EXPLORATION LP	\$88,160.00	\$551.00
VC-S-003	VC0561 00	18	17S	37E	LOT(S) 3, 4, E2SW4, SE4	315.59	SLASH EXPLORATION LP	\$173,800.00	\$550.71
VC-S-004	VC0562 00	32	17S	38E	N2NE4, SE4NE4, NE4NW4	160.00	BRO ENERGY, LLC.	\$5,500.00	\$34.38
VC-S-005	VC0563 00	23	18S	34E	NW4	150.00	RIDGE RUNNER RESOURCES OPERAT	\$323,200.00	\$2,020.00
VC-S-006	VC0564 00	12	18S	36E	S2NE4	80.00	BRO ENERGY, LLC.	\$3,500.00	\$43.75
VC-S-007	VC0565 00	33	18S	36E	S2S2	160.00	CATENA RESOURCES OPERATING, L	\$120,000.00	\$750.00
VC-S-008	VC0566 00	8	18S	37E	NE4, S2NW4	240.00	FEDERAL ABSTRACT COMPANY	\$66,481.00	\$277.00
VC-S-009	VC0567 00	16	18S	37E	SW4, N2SE4, SW4SE4	280.00	FEDERAL ABSTRACT COMPANY	\$77,002.00	\$275.01
VC-S-010	VC0568 00	17	18S	37E	N2	320.00	FEDERAL ABSTRACT COMPANY	\$98,242.00	\$307.01
VC-S-011	VC0569 00	15	19S	37E	SE4	160.00	FEDERAL ABSTRACT COMPANY	\$40,960.00	\$256.00
VC-S-012	VC0570 00	22	19S	37E	E2NE4	80.00	FEDERAL ABSTRACT COMPANY	\$23,681.23	\$296.02
VC-S-013	VC0571 00	16	20S	38E	SW4NW4, W2SW4	120.00	SLASH EXPLORATION LP	\$4,120.00	\$34.33
VC-S-014	VC0572 00	15	22S	35E	SE4	160.00	DUDLEY LAND COMPANY	\$338,080.00	\$2,113.00
VC-S-015	VC0573 00	36	05S	32E	N2	320.00	SLASH EXPLORATION LP	\$25,760.00	\$80.50
VC-S-016	VC0574 00	36	05S	32E	S2	320.00	SLASH EXPLORATION LP	\$22,560.00	\$70.50
VB-O-001	VB2926 00	2	23S	37E	SW4NW4	40.00	SLASH EXPLORATION LP	\$3,050.00	\$76.25
VC-O-001	VC0575 00	16	21S	25E	N2	320.00	FEATHERSTONE DEVELOPMENT CORP	\$10,500.00	\$32.81
VC-O-002	VC0576 00	15	17S	37E	NW4	160.00	SLASH EXPLORATION LP	\$35,100.00	\$219.38
VC-O-003	VC0577 00	33	18S	36E	N2NW4, SW4NW4	120.00	CATENA RESOURCES OPERATING, L	\$31,350.00	\$261.25
VC-O-004	VC0578 00	17	18S	37E	SE4	160.00	FEDERAL ABSTRACT COMPANY	\$13,450.00	\$84.06
VC-O-005	VC0579 00	15	22S	35E	E2NE4	80.00	DUDLEY LAND COMPANY	\$51,050.00	\$638.13

**** 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.

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

**Communitization, Reduced  
Royalty, Engineering**

Niranjan Khalsa 505-827-6628  
Anchor Holm 505-827-5759  
Maria Pruett 505-827-5746

**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

**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**

Allison Marks, Division Director 505-827-5745