

New Mexico State Land Office

Aubrey Dunn, State Land Commissioner

NMSLO

January - March
INSIDE THIS ISSUE:

Border Trespass	2
Paseo Gateway Lease	3
Tarr Joins Advisory Board	4

ENCHANTED LANDS

Dunn seeks to recoup lost funds from Military

State Trust Land beneficiaries, including public schools, have been losing big bucks due to military restrictions on the use of 300,000 acres of State Trust Lands adjacent to White Sands Missile Range (WSMR) and State Land Commissioner Aubrey Dunn is asking for compensation.

In a letter to Armed Services Committee Chairman William M. "Mac" Thornberry, Commissioner Dunn wrote that while he recognizes the importance of protecting airspace, WSMR operations should not deprive public schools and other Trust beneficiaries of much needed revenue.

"These State Trust Lands have revenue generating potential from many uses including wind and solar energy development, telecommunications, rights-of-way, oil and gas development, and recreation," said Commissioner Dunn. "If the DoD is going to prevent the State Land Office from leasing these lands, the Trust beneficiaries should be compensated."

In 2004, a temporary withdrawal order restricting

See MILITARY on Page 4

O&G lease sale revenues on track to break record

With three months still to go, the New Mexico State Land Office (NMSLO) remains on track to break the all-time record for revenues generated from oil and gas lease sales in a single year.

The March 2018 sale saw 20 bidders representing eight states vie for 15 tracts of State Trust Lands in Lea and Sandoval counties. When the dust settled on the sale, nearly \$1.5 million was collected; Public School (\$469,880) and Charitable, Penal and Reform Institutions (\$1,026,282) were the designated beneficiaries of the sale.

Houston-based Grey Wolf Oil and Gas was the top bidder in both the sealed and open-bid formats, bidding \$442,000 for 160 acres and \$330,050 for 157 acres all located in Lea County.

The monthly lease sales, which are held on the third Tuesday of every month, are held online in sealed and open bidding formats. March's sealed bids generated \$1,073,412 and open bids brought in \$422,750 for an average price per acre of \$533.

See REVENUES on Page 3



New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148



State Land Commissioner Aubrey Dunn is interviewed for television after posting a no trespassing sign on State Trust Lands where a portion of the U.S.-Mexico border wall was illegally constructed.

Dunn targets resolution to Border Patrol trespass

New Mexico State Land Commissioner Aubrey Dunn is confident that beneficiaries will finally get their just rewards after calling out the federal government for illegally constructing a stretch of the U.S.-Mexico border wall and a road on State Trust Lands.

Dunn traveled to the border in early March to block Border Patrol access to the one-mile long section of State Trust Lands land, located east of the Santa Teresa Port of Entry in Dona Ana County.

“These federal land grabs will not go unchecked,” Dunn quipped, “My repeated requests for compensation are ignored, therefore I’m shutting down the federal government just as I would shut down any business trespassing on State Trust Lands. Border security is important, but so are our kids and they have a right to collect the money earned from the lands they own.”

The disputed section of land was conveyed to the Territory of New Mexico under the 1898 Ferguson Act and continues to be held in trust solely for public schools.

A State Land Office investigation revealed that the construction of the wall and road on State Trust Lands was done without first acquiring the necessary right-of-way. A one-mile long, 60-foot wide easement is priced at \$19,200. To the west of the contested construction federal officials installed electric lights and a structure, and are maintaining a road outside of the proclamation area. A right-of-way to continue operations on this section is \$9,600.

Dunn’s bold move prompted officials with the U.S. Customs and Border Protection to review its efforts with an eye toward resolving the conflict. CBP officials said they hoped the parties could resolve the conflict in a timely fashion,

“I appreciate CBP’s effort to address our concerns and begin a dialogue with the State Land Office,” Commissioner Dunn said. “I’m confident that we can agree upon terms that will enable us to collect revenue for New Mexico school children and them to manage their national security operations.”

State Trust Lands in Rio Rancho Offered for Residential Development

A 50-acre tract of State Trust Lands within the Paseo Gateway master-planned community located in Rio Rancho east of Unser Boulevard and adjacent to Sue Cleveland High School has been sold to Cleveland Heights, LLC for residential development.

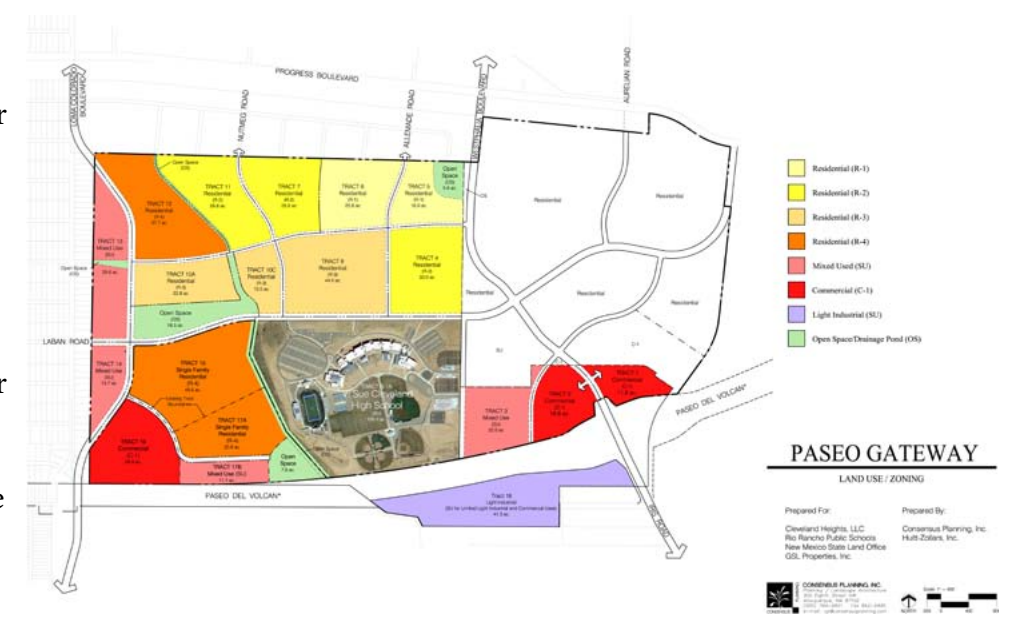
Paseo Gateway encompasses a total of 592 acres of State Trust Lands and is currently held under a planning and development lease by Paseo Gateway, LLC, which has installed infrastructure and increased the value of the land substantially.

The State Land Office cannot spend trust assets to pay for the necessary infrastructure to increase the value of State Trust Lands. As a result, planning and development leases are issued which allow developers to lease the raw land, then at their own expense prepare the property to become an integral part of the community.

Upon completion, the State Land Office and the developer share the “improvement value credit” (IVC), which is the value attributed to the land after roads, water, and utilities have been added and the zoning and project plans have been approved, creating a build-able residential or mixed-use community.

The 50 acres sold for \$2.525 million, of which \$831,559 will be disbursed to Paseo Gateway, LLC as improvement value credit in accordance with a planning and development lease.

The net proceeds of \$1,639,440 will be distributed



to the Land Grant Permanent Fund. Proceeds from the sale of State Trust Lands, as well as royalties earned from oil, gas and mineral production, flow into the Land Grant Permanent Fund, a percentage of which is distributed monthly to public schools, universities, and other trust beneficiaries.

Over the last decade, several large tracts of State Trust Lands have been leased, sold, or exchanged to the City of Rio Rancho, and are now the site of City Hall, Santa Ana Star Center, Hewlett-Packard, UNM West, CNM Rio Rancho, UNM Sandoval Regional Medical Center, and residential districts.

“This land sale will trigger development in the Paseo Gateway master plan area thus increasing the value of adjacent State Trust Lands, enhancing the city’s quality of life, and generating revenue for education,” Commissioner Dunn said.

REVENUES Continued from Page 1

With March’s tally, NMSLO has collected \$95 million from lease sales in FY18– that’s just \$7 million shy of FY2012’s record haul of nearly \$102 million.

“Last fiscal year 55.5 million barrels of oil were extracted from State Trust Lands, which is 25 percent of state production,” said State Land Commissioner Aubrey Dunn. “We expect output will equal or exceed last year’s production levels, which is good news for education since oil and gas generates 92 percent of revenues earned by the

State Land Office.”

Oil and gas lease sale earnings are paid into the Land Maintenance Fund, which covers the SLO’s operating expenses. The agency is entirely self-funded and spends about three cents of every dollar it earns. The balance 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.

Conservationist Tarr joins SLTAB

Mountainair conservationist Dierdre “Dee” Tarr is the newest member of the State Land Office’s State Lands Trust Advisory Board.

Tarr, a native New Mexican and graduate of Roswell High School, will represent conservation interests on the seven-member board.

“Range, forest, and watershed restoration are my administration’s top priorities and Dee will play a fundamental role in identifying and implementing land management projects,” said State Land Commissioner Aubrey Dunn. “I welcome her to the State Lands Trust Advisory Board and look forward to working with her.”

She currently serves as district manager for the Claunch-Pinto Soil & Water Conservation District, collaborating with local, state, federal, and tribal partners on conservation projects.

Dee began her career in Mountainair as operations manager and later branch manager of First National Bank of Belen’s Mountainair branch, which has a large agricultural base.

Currently, she serves as district manager for the Claunch-Pinto Soil & Water Conservation District (CPSWCD) collaborating with local, state, federal, and tribal partners on conservation projects.

Ms. Tarr manages \$3 million in grants for various projects within the district, including the Greater Rio Grande Watershed Alliance and the Estancia Basin Watershed Health Restoration and Monitoring Project. There are 30 partners, including the State Land Office Field Operations Division, working cooperatively with CPSWCD on conservation efforts in north-central New Mexico.

As a member of several professional associations, Dee has served as state president of the New Mexico Association of Conservation District Employees, recording secretary of the Estancia Basin Planning Committee, and president of the Mountainair Chamber of Commerce.

She currently represents the Town of Mountainair on the Estancia Basin Resource Association and she is president of the Mountainair Rotary Club.



Dee Tarr, far left facing away from the camera, shares a thought with State Land Commissioner Aubrey Dunn at her confirmation hearing.

MILITARY *Continued from Page 1*

uses in the northern and western call up areas was implemented, however no compensation was received. Since its expiration there has been an ongoing effort to negotiate and execute a Land Use Restrictions or Conditions (LURC) policy which would restrict uses to those compatible with WSMR operations and mission. A study, paid for by the State Land Office, estimated the fair market value of restrictions contained in the negotiated LURC to be approximately \$7.5 million.

“National security is important, but so are New Mexico’s school-children and my fiduciary responsibility is to protect the interests of the beneficiaries and generate income for them,” Commissioner Dunn said. “I will explore other revenue producing uses if WSMR and other military installations continually refuse to compensate the beneficiaries for the land use restrictions they are imposing by their operations.”

**New Mexico State Land Office
Aubrey Dunn
State Land Commissioner**

**310 Old Santa Fe Trail
P.O. Box 1148
Santa Fe, NM 87504-1148
(505) 827-5760**

**www.nmstatelands.org
www.facebook.com/NMSLO
Twitter: @NMLandoffice
LinkedIn: NM State Land Office**

**Oil, Gas and Minerals Division
(505) 827-5746
Royalty Management
(505) 827-5757
Commercial Resources
(505) 827-3809
Field Operations
(505) 827-5768
Agricultural Leasing
(505) 827-5732
Communications
(505) 827-5762**

