

STATE OF NEW MEXICO  
COMMISSIONER OF PUBLIC LANDS  
P. O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148



**October 20, 2020**

**STATE OF NEW MEXICO  
OIL AND GAS LEASE  
SALE NOTICE**



**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 20 October 2020, for the tracts of land herein described.

The sale will be held online in sealed bidding format. The sealed bid portion will close at 8:30 am MDT on October 20<sup>th</sup>. 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.

**Prior to development, use, or occupation of the lease area, an oil and gas lessee must have a sufficient bond on file with the State Land Office.**

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, plus the minimum initial charge for any lease pursuant to 19.2.100.15 NMAC 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/ss*  
STEPHANIE GARCIA RICHARD  
COMMISSIONER OF PUBLIC LANDS

## **LEASE NOMINATIONS**

Please note the State Land Office's previous restriction requiring nominators to ensure at least a minimum bid is submitted, is suspended until further notice. If a nominated tract receives no bids, the nominator may still nominate tracts for subsequent lease sales.

## October Oil & Gas Lease Sale

The New Mexico State Land Office Oil & Gas lease sale for October will be held online in sealed bidding format. Online bidding will commence October 13<sup>th</sup> 2020, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MDT on October 20<sup>th</sup> 2020.

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(B) 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 [msena@slo.state.nm.us](mailto:msena@slo.state.nm.us) and [ssandoval@slo.state.nm.us](mailto:ssandoval@slo.state.nm.us) by COB of the State Land Office on the day of the sale. General contact and inquiries should be directed to [amarks@slo.state.nm.us](mailto:amarks@slo.state.nm.us).

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. All invoices will, pursuant to 19.2.100.15 NMAC, include the minimum initial charge for any lease for minimum rental (which shall be no less than \$100.00 or the annual rental, whichever is greater), plus the application fee, plus the winning bid for the lease tract.

**Prior to development, use, or occupation of the lease area, an oil and gas lessee must have a sufficient bond on file with the State Land Office.**

NEW MEXICO STATE LAND OFFICE  
LEASE SALE NOTICE  
\*\*\*\*\* SEALED TRACTS \*\*\*\*\*

Regular Sale - ONLINE SEALED BIDDING COMMENCES 13 OCTOBER 2020. BIDDING FOR THE SEALED TRACTS WILL CLOSE 8:30 AM MDT ON 20 OCTOBER 2020. 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	Chaves	34 14S 31E	E2	320.00	\$1.00	\$5,000.00
002 VC-002	Chaves	27 15S 31E	N2	320.00	\$1.00	\$7,500.00
003 VC-003	Chaves	27 15S 31E	SW4, W2SE4, SE4SE4	280.00	\$1.00	\$6,000.00
004 VC-004	Eddy	36 16S 29E	SW4SW4	40.00	\$1.00	\$16,000.00
005 VC-005 (E)	Eddy	36 17S 30E	N2NE4, NE4NW4, S2NW4	200.00	\$1.00	\$19,000.00
006 VC-006 (D)	Eddy	36 19S 27E	SE4	160.00	\$1.00	\$30,000.00
007 VC-007	Lea	28 16S 36E	SW4	160.00	\$1.00	\$19,000.00
008 VC-008	Lea	28 16S 36E	SE4	160.00	\$1.00	\$19,000.00
009 VC-009	Lea	32 16S 36E	E2	320.00	\$1.00	\$38,000.00
010 VC-010	Lea	25 18S 34E	SW4	160.00	\$1.00	\$27,000.00
011 VC-011	Lea	29 18S 36E	SW4	160.00	\$1.00	\$9,750.00
012 VC-012	Lea	32 18S 36E	NW4	160.00	\$1.00	\$16,000.00
013 VC-013	Lea	32 18S 36E	SW4	160.00	\$1.00	\$16,000.00
014 VC-014	Lea	17 19S 35E	SE4SE4	40.00	\$1.00	\$160,000.00

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

## **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 does not 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 [amarks@slo.state.nm.us](mailto:amarks@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.

## September 2020 Oil & Gas Lease Sale

The September lease sale was held online, in sealed bidding format.

There were 12 tracts offered, for a total of 2,858 acres, in Lea and Eddy Counties and ten tracts were sold.

Total high bids: \$284,968.00 for a per-acre average of \$131.30. There were 15 registered bidders from six states.

<b>Sale Month</b>	<b>Total Sale</b>	<b>High Tracts</b>	<b>Bid Type</b>	<b>Rest</b>	<b>S</b>	<b>T</b>	<b>R</b>
18 August, 2020	\$583,740.00	\$68,000.00	S		32	16S	36E
		\$59,500.00	S		34	16S	36E
		\$32,768.00	S		19	18S	36E
<b>Total</b>		\$160,268.00		\$124,700.00			
	<b>% Total</b>	<b>56%</b>		\$284,968.00			

TRACT #	LEASE #	SEC TWP RGE	DESCRIPTION	ACRES	BIDDER	BID AMOUNTS	PRICE/ACR
VC-S-001	VC0791 00	32 16S 36E	W2	320.00	DGP ENERGY LLC	\$68,000.00	\$212.50
VC-S-002	VC0792 00	33 16S 36E	E2E2	160.00	DGP ENERGY LLC	\$33,200.00	\$207.50
VC-S-003	VC0793 00	34 16S 36E	NW4, W2SW4, SE4SW4	280.00	DGP ENERGY LLC	\$59,500.00	\$212.50
VC-S-004	VC0794 00	30 17S 36E	LOT(S) 4	37.49	LEVI SAP NEI THANG, LLC	\$10,000.00	\$266.74
VC-S-005	VC0795 00	19 18S 36E	LOT(S) 1, 2, 3, 4, E2W2	309.60	SLASH EXPLORATION LP	\$32,768.00	\$105.84
VC-S-006	VC0796 00	19 18S 36E	NE4	160.00	YUCCA RANCH DEVELOPMENT, LLC	\$6,500.00	\$40.63
VC-S-007	VC0797 00	30 18S 36E	LOT(S) 1, 2, 3, 4, E2W2	311.00	LEVI SAP NEI THANG, LLC	\$15,000.00	\$48.23
VC-S-008	VC0798 00	30 18S 36E	SE4	160.00	LEVI SAP NEI THANG, LLC	\$10,000.00	\$62.50
VC-S-009	VC0799 00	4 19S 36E	LOT(S) 3, 4, S2NW4, SW4	318.79	LEVI SAP NEI THANG, LLC	\$25,000.00	\$78.42
VC-S-010	VC0800 00	9 19S 36E	W2	320.00	LEVI SAP NEI THANG, LLC	\$25,000.00	\$78.13
VC-S-011		1 22S 35E	LOT(S) 3, 4, S2NW4, SW4		WITHDRAWN		
VC-S-012		32 23S 36E	S2S2		WITHDRAWN		

\*\*\*\* 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**

Allison Marks, 505-827-5745  
amarks@slo.state.nm.us

**Reduced Royalty, Engineering,**  
**Reservoir Analysis**

Anchor Holm 505-827-5759

**Communitization,**  
**Units, Commingling**

Niranjana Khalsa 505-827-6628  
Maria Pruett 505-827-5746  
Scott Dawson 505-827-5791

**Water Easements, SWD**

Faith Crosby 505-827-5849  
Mike McMillan 505-827-5788  
David Gallegos 505-476-0378

**Bonds, Shut-In Royalty, OGRIDS,**  
**Lease Expirations, Cancellations,**  
**Rentals, Assignments,**  
**Miscellaneous Instruments**

Kenda Montoya 505-827-5749  
Rubel Salazar 505-827-5730  
Veronica Gonzales 505-476-4538

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

Jason Smith 505-827-5743  
Chris Gonzales 505-827-5783

**OGMD Office Procedures, Division Administration**

Allison Marks, Division Director 505-827-5745  
Jordan Kessler, Assistant Commissioner 505-827-5746  
Jack Yates, Deputy Director 505-827-5750  
Samantha Romero 505-827-5744



OUR MISSION IN THE  
OIL, GAS AND MINERALS DIVISION

*OPTIMIZE REVENUES WHILE PROTECTING  
OUR HERITAGE AND OUR FUTURE*

