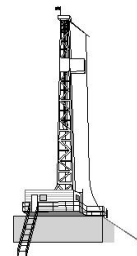


STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P. O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148



March 21, 2023

**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 21 March 2023, 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 March 21st. 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.

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.

DocuSigned by:

Stephanie Garcia Richard

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**STEPHANIE GARCIA RICHARD
COMMISSIONER OF PUBLIC LANDS**

March Oil & Gas Lease Sale

The New Mexico State Land Office Oil & Gas lease sale for January will be held Online in sealed bidding format. Online bidding will commence March 14th 2023, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MDT on March 21st 2023.

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(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 amedina@slo.state.nm.us and 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.

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 14 MARCH 2023. BIDDING FOR THE SEALED TRACTS WILL CLOSE

8:30 AM MDT ON 21 MARCH 2023. 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	15S 28E SW4	160.00	\$1.00	\$25,000.00
002 VC-002	(D)	Eddy	36	16S 26E E2	320.00	\$1.00	\$16,000.00
003 VC-003	(D)	Eddy	27	18S 24E E2NW4, NE4SW4	120.00	\$1.00	\$21,000.00
004 VC-004	(D)	Eddy	27	18S 24E NE4, N2SE4	240.00	\$1.00	\$42,000.00
005 VC-005		Eddy	32	18S 24E N2S2	160.00	\$1.00	\$28,000.00
006 VC-006		Eddy	32	18S 24E N2	320.00	\$1.00	\$57,000.00
007 VC-007	(D, E)	Lea	27	10S 36E SE4	160.00	\$1.00	\$10,500.00
008 VC-008		Lea	05	17S 36E LOT(S) 2, SW4NE4	79.47	\$1.00	\$6,000.00
009 VC-009	(D)	Lea	06	17S 36E SE4	160.00	\$1.00	\$11,000.00
010 VC-010	(D)	Lea	17	17S 36E E2	320.00	\$1.00	\$25,000.00
011 VC-011		Lea	21	18S 34E W2	320.00	\$1.00	\$33,000.00
012 VC-012		Lea	23	18S 35E E2SW4, SE4	240.00	\$1.00	\$39,000.00

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 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 a 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 and pczoski@slo.state.nm.us. To be considered for the next month's lease sale, nominations must be submitted as early as possible. If a tract is not included in the following month's lease sale, the nomination will be rolled over to the next available 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 no minimum bid is submitted, future nominations may not be accepted.

Cultural Properties Protection Rule

The State Land Office has adopted a new administrative rule, the Cultural Properties Protection Rule (19.2.24 NMAC) to protect cultural properties on state trust lands, which will take effect on December 1, 2022. The purpose of the new Rule is to proactively identify archaeological sites and other cultural properties on state trust lands and protect them before they are damaged. The Rule requires lessees of state trust lands to conduct informational reviews and cultural resource surveys before engaging in new surface disturbing activities.

The Rule provides for important exceptions, including repairs and maintenance of existing improvements, and for surface disturbing activities that are located entirely within an area of pre-existing disturbance (for example, a new well drilled within the confines of an extant well pad, or remediation and reclamation of a contaminated well pad).

The State Land Office's recently launched Cultural Resources Office will manage implementation of the Rule, along with the agency's leasing divisions. The text of the new Rule is available on the State Land Office's website at <https://www.nmstatelands.org/culturalproperties/>. For questions about the Rule including what steps lessees need to take and at what stage of the leasing process in order to be in compliance with the Rule, please contact croinfo@slo.state.nm.us.

CONSERVATION EASEMENTS (CCAA)

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 and is still open for entry for new leases despite the recent listing of the LPC as endangered. Information on the program can be found at the CEHMM website: 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 cation 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 ACERAGE.

The commissioner shall make no charge for caliche necessarily moved within 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 distributed 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.
- D. [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

www.nmstatelands.org

Leasing Royalty management agency for State Trust Lands

SLO Lease Portal

<https://secure.slo.state.nm.us/Applications/SLOConnect>

The ONGARD (Oil and Natural Gas Administration and Revenue Database) computer system tracks oil and gas production, taxes, and royalties in a relational database. It provides the most accurate information to date about statewide oil and natural gas production, royalties, and taxes.

NM Bureau of Geology and Mineral Resources

<https://geoinfo.nmt.edu/>

Subsurface geology for the state.

New Mexico Oil Conservation Division

<http://emnrd.state.nm.us/ocd/>

ONGARD database for open acres and a wealth of other state data.



How may our Oil, Gas, and Minerals Division help you?

Lease Sales ▪ Nominations ▪ Potash Enclave ▪ Geophysical Permitting

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

Paige Czoski pczoski@slo.state.nm.us **505-827-5774**

Office Procedures ▪ Division Administration

Greg Bloom **Assistant Commissioner** **505-827-5746**

Allison Marks **Division Director** **505-827-5745**

John Winscott **Deputy Director** **505-827-5759**

Meghan Bransford **Office Manager** **505-827-5744**

**Bonds ▪ Shut-In Royalty ▪ OGRID ▪ Lease Expirations
Cancellation ▪ Rentals ▪ Assignments
Miscellaneous Instruments**

Denise Gallegos **505-827-5749**

Rubel Salazar **505-827-5730**

Veronica Gonzales **505-827-4538**

Brian McLoughlin **505-827-5711**

Reduced Royalty ▪ Engineering ▪ Reservoir Analysis

Paige Czoski **505-827-5774**

Communitization ▪ Units ▪ Commingling

Scott Dawson **505-827-5791**

Baylin Lamkin **505-827-5791**

Joseph Thompson **505-827-5750**

Water Easements ▪ Salt Water Disposal

Faith Crosby **505-827-5849**

Mike McMillan **505-827-5788**

David Gallegos **505-476-0378**

Sand and Gravel ▪ Caliche ▪ General Mining

Bryan Victor **505-827-5743**

Chris Gonzales **505-827-5783**



OUR MISSION IN THE
OIL, GAS AND MINERALS DIVISION

*OPTIMIZE REVENUES WHILE PROTECTING
OUR HERITAGE AND OUR FUTURE*

