

State of New Mexico
Office of the Commissioner of Public Lands
Oil, Gas and Minerals Division

P.O. Box 1148
Santa Fe, NM 87504-1148

310 Old Santa Fe Trail
Santa Fe, NM 87501-2708

ONLINE VERSION

APPLICATION AND RENEWAL FOR
REDUCED ROYALTY RATE FOR OIL WELLS

NMSA 19-10-5.1 (1994 Repl. Pamp.)

All requested information is mandatory for considerations of this application.

I. Record Title Owner(s) _____
Address: _____
Contact Person: _____ **Ph:** _____
E-Mail Address: _____ **Fx:** _____

II. Lease(s) Information

Record Title information for well(s) within a single oil and gas lease, unit or communization. Attach additional sheets, if necessary, within information requested below.

A. Record Title

Owner(s): _____

Lease Number: _____ **Assignment Number(s)** _____

Legal Description(s):

Subdivisions _____ Sec _____ Twp _____ Rge _____

Subdivisions _____ Sec _____ Twp _____ Rge _____

Subdivisions _____ Sec _____ Twp _____ Rge _____

Subdivisions _____ Sec _____ Twp _____ Rge _____

Subdivisions _____ Sec _____ Twp _____ Rge _____

Subdivisions _____ Sec _____ Twp _____ Rge _____

III. Well Information

- A. Complete the following for each well applied for under this application. If there is more than one well, attach additional sheets for each Well with the same info as requested for the first.**

1. Well Name:

Operator:

2. Record Title Owner of State and Gas Lease:**

** If communitized or unitized leases are involved with this application, list Record Title Owner(s) for the acreage that is pertinent to each qualified well.

3. State Lease Number and Assignment Number:

4. API Number:

5. Legal Description – Subdivisions:

Sec_____Twp_____Rge_____NMPM_____County, NM.

6. Completion Formation and Dedicated Acreage as Per OCD Form C-102:

7. Pool:

8. Please indicate gross perforation interval:

- B. Operator Monthly Reports: Attach either copies of actual OCD C-115 reports or a spreadsheet showing oil production for a minimum of the preceding twelve (12) months prior to the application date.**

IV. Additional Information

- A. Detail all efforts and successes in negotiating lower rates paid to other royalty and overriding royalty owners specific to each oil well. A listing of all owners, data, and evidence of negotiation must be attached.**

- B. Detail steps taken to minimize the costs of operating the oil well and provide data of steps, including any reworking.**

- C. A statement that, to the best of the applicant's knowledge and experience, the well is not capable of sustained production over the production limits specified in the rule.**

- D. Any other facts that may help to justify a reduction in the State Royalty Rate from the current rate to 5.0%**

- E. Please provide a descriptions of each unreported or open spill with as much information as available (date or time frame of spill, nature and volume of spill, location of spill and any action taken to address spill). Please provide and associated API/facility:**

F. Lease Standing

1. Please list all inactive wells per 19.15.25.8 NMAC on the lease.

2. List any other compliance issues on the lease.

V. Application Fees:

- 1. Initial Application:** (See Schedule of Fees). Must be remitted with the initial application for oil royalty rate reduction per lease or unit.
- 2. Request for Renewal:** A formal letter and this form are required in order to request an extension/renewal of the reduced royalty rate for an additional three-year period. Please reference the initial application number and remit the renewal fee of _____. (See Schedule of Fees)

NOTE: THE ABOVE-MENTIONED FEES ARE NON-REFUNDABLE.

SCHEDULE OF FEES CAN BE FOUND AT: <https://www.nmstatelands.org/fees-mineral-resources/>

VI. Certification:

The information above is submitted to the Commissioner of Public Lands as an application for a lower royalty rate under NMSA 19-10-5.1 (1994 Repl. Pamp.).

As applicant, I, _____, representing _____
hereby certify that the information submitted with this application is true and correct to the best of my
knowledge and belief.

Signature _____ **Title** _____ **Date** _____

NOTE: Complete Item VI (next page) for each lease or unit, and submit it along with this initial application. Please, place this application form and Item VI in front of all other information you are submitting.

VII. Record Title Ratification:

I/We, _____

Representing _____

Record Title Owner(s) of the above-mentioned lease, do hereby certify the information submitted with this application to be true and correct to the best of my knowledge. The oil well(s) applied for in this application do meet the criteria as set forth regarding a lower royalty rate. Therefore, I/we request a lower royalty rate pursuant to NMSA 19-10-5.1 (1994 Repl. Pamp.) and the rules and regulations of the State Land Office, as may apply to the oil well(s) production from the subject lease.

Record Title Owner Signature: _____ Title _____

Date _____

Record Title Owner Signature: _____ Title _____

Date _____