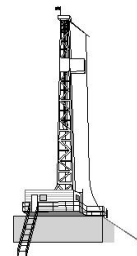


STATE OF NEW MEXICO
COMMISSIONER OF PUBLIC LANDS
P. O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148



October 17, 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 17 October 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 October 17th. 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/SS

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**STEPHANIE GARCIA RICHARD
COMMISSIONER OF PUBLIC LANDS**

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 10, 2023, one week prior to the lease sale date. Sealed bidding will close at 8:30 am MDT on October 17th, 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 10 OCTOBER 2023. BIDDING FOR THE SEALED TRACTS WILL CLOSE 8:30 AM MDT ON 17 OCTOBER 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	19 10S 27E	LOT(S) 3, 4, E2SW4	159.39	\$1.00	\$5,500.00
002 VC-002	Chaves	19 10S 27E	E2	320.00	\$1.00	\$10,000.00
003 VC-003	Chaves	21 15S 28E	W2NW4, SW4	240.00	\$1.00	\$28,000.00
004 VC-004 (D, E)	Lea	16 10S 34E	E2	320.00	\$1.00	\$40,000.00
005 VC-005	Lea	23 14S 33E	W2	320.00	\$1.00	\$23,000.00
006 VC-006	Lea	23 14S 33E	E2	320.00	\$1.00	\$23,000.00
007 VC-007	Lea	25 18S 34E	SE4	160.00	\$1.00	\$47,000.00
008 VC-008	Lea	15 19S 35E	SE4SW4, S2SE4	120.00	\$1.00	\$270,000.00
009 VC-009	Lea	23 19S 35E	S2NW4	80.00	\$1.00	\$122,000.00

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.

To nominate, submit a location description of the nominated tract to amarks@slo.state.nm.us and pczoski@slo.state.nm.us. To be considered for an upcoming 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 took 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 Cultural Resources Office at 505-827-5781.

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 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.

New Mexico State Land Office Oil and Gas Manual

<https://www.nmstatelands.org/divisions/oil-gas-and-minerals/oil-and-gas/notices/>
2023 Oil and Gas Manual

NM Bureau of Geology and Mineral Resources

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

Geologic information 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
Jeanette Salazar	505-827-5786

Water Easements ▪ Salt Water Disposal

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

Reduced Royalty ▪ Engineering ▪ Reservoir Analysis

Paige Czoski	505-827-5774
Brian McLoughlin	505-827-5711

Communitization ▪ Units ▪ Commingling

Scott Dawson	505-827-5791
Baylen Lamkin	505-827-5791
Joseph Thompson	505-827-5750

Sand and Gravel ▪ Caliche ▪ General Mining

Bryan Victor	505-827-5743
Chris Gonzales	505-827-5783

Environmental Compliance (Surface Division)

Becky Griffin	575-392-3697
Tami Knight	505-326-5716



OUR MISSION IN THE
OIL, GAS AND MINERALS DIVISION

*OPTIMIZE REVENUES WHILE PROTECTING
OUR HERITAGE AND OUR FUTURE*

