

# NEW MEXICO STATE LAND OFFICE



## FISCAL YEAR 2023 ANNUAL REPORT

Commissioner of Public Lands Stephanie Garcia Richard





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# NEW MEXICO STATE LAND OFFICE

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# New Mexico State Land Office

## Executive Team



Stephanie Garcia Richard  
Commissioner of Public Lands



Francesca DiPalma  
Director of Constituent  
Services



Chase Henzler  
Research & Policy  
Analyst



Sunalei Stewart  
Deputy Commissioner of Operations



Tarin Nix  
Deputy Commissioner of Public  
Affairs



Selena Romero  
Assistant Commissioner of  
Administrative Services



Rachael Lorenzo  
Assistant Commissioner of Cultural  
Resources



Ari Biernoff  
General Counsel



Joey Keefe  
Assistant Commissioner of  
Communications



Greg Bloom  
Assistant Commissioner of Mineral  
Resources



Dana Vackar Strang  
Assistant Commissioner of Surface  
Resources



Steve Vierck  
Assistant Commissioner of Special  
Projects



STATE LAND OFFICE ORGANIZATIONAL CHART





# A Message from Commissioner of Public Lands Stephanie Garcia Richard



The State Land Office is a constitutionally created land management agency with a dual mandate to raise revenue, while preserving the long-term health of the natural resources so vital to our quality of life here in New Mexico. Because of the money the State Land Office earns, the average New Mexico taxpaying household is saved \$3200 each year.



We reached new heights in fiscal year 2023, bringing in a record \$2.7 billion for New Mexico's public schools, universities, and hospitals. Our team has now crossed the \$1 billion threshold five years in a row, and has surpassed \$2 billion each of the last two years – significant considering the agency had never earned more than \$1 billion in a single year before 2019. And we did all that while holding industries accountable and cleaning up millions of acres of state land.



*Commissioner Garcia Richard celebrates with staff after the agency was named the #1 Midsize Employer by the Albuquerque Journal.*

This recent success is possible because we are committed to diversifying our revenue streams and we have a team of 180-plus employees who make our state their top priority every day. Their dedication to the cause is a huge reason why the State Land Office was named the #1 Midsize Employer in the state by the Albuquerque Journal.

We have quadrupled the amount of renewable energy under lease on state lands since 2019, with 1,955 megawatts of power being developed on state parcels now; enough to power roughly 390,000 homes. One of the projects being developed on our lands will be the largest wind farm in the Western Hemisphere when it is completed. We reached this goal while still bringing in historic oil and gas royalties throughout the year, including a single-month record of \$300 million in October 2022.





Meanwhile, a new affordable housing community for Albuquerque seniors is preparing to open on state land near Eubank and Central, across the street from the Luminaria Senior Community – another senior affordable housing community (also on state land) that opened in early 2023. Projects like these are just an example of the types of economic development opportunities our staff pursue every day to ensure long-term funding sources for our public schools, universities and hospitals.

While we are proud of all the money we've earned in recent years, we understand that none of the work we do matters if we don't also protect New Mexicans and the lands and resources we manage.

The Cultural Properties Protection Rule went into effect on December 1, 2022. This rule requires a cultural resource survey before any development can occur on state land. This approach is one of the first of its kind among land offices nationwide and is essential for protecting and stewarding the cultural resources we have in New Mexico from across millennia.

The Oil & Gas Accountability and Enforcement program continues to make incredible progress. The program has resulted in over 300 abandoned oil and gas wells on state land being plugged on the dime of the companies responsible, not New Mexico's taxpayers. This program is completely separate from federal efforts to plug abandoned wells, which rely on taxpayer dollars to clean up messes.



This year I established an Environmental Compliance Office within our Surface Resources Division. This new team is staffed with environmental experts charged with ensuring spills and other hazards on state land are properly cleaned up. They also oversee reclamation and remediation efforts. In just under ten months this team was able to help clean up spills or address other concerns from 114 reports!



I also issued a ban on new oil and gas leasing within one mile of schools and other educational institutions to protect students, teachers, and families from potential negative impacts from drilling operations. This session I'm calling on the legislature to create statutorily-required setbacks near schools so these protections will exist permanently throughout the state.



*Commissioner Garcia Richard signs the executive order banning new oil and gas leasing within one mile of schools and other educational facilities.*

At the State Land Office, we take very seriously our dual mandate to earn money for public institutions while maintaining our lands and natural resources so they can benefit New Mexicans in the decades to come.

It is our goal to keep delivering for New Mexicans in the next fiscal year and beyond!

A handwritten signature in black ink, reading "Stephanie Garcia Richard".

### Other FY23 Highlights Include:

- Achieved a clean fiscal year 2022 annual financial audit while processing over 16,000 payments and distributing a record \$2.7 billion.
- Exchanged 1,880 acres of traditional homelands to the Ft. Sill Apache Tribe for more commercially valuable lands.
- Conducted over 800 environmental reviews of oil and gas leases; identified approximately 200 spills or other environmental issues requiring lessees to clean up.
- Partnered with BLM on access through state trust land on the Continental Divide Trail.

# New Mexico State Land Office

## A Brief History



Since its inception over 100 years ago, the New Mexico State Land Office has remained one of the most vital, self-sustaining state agencies in the Land of Enchantment. Charged with managing 9 million surface acres and 13 million mineral acres, the State Land Office earns billions of dollars to fund public schools, universities, and hospitals. The State Land Office mission is to help finance public institutions, while also protecting the health of the lands for future generations, with recognition that state lands rest on the ancestral homelands of 22 Native American Tribes and Nations.

### Did you know?

The role of Commissioner of Public Lands was created before New Mexico was even a state!

The endowment of these public lands for educational purposes was established by the General Land Ordinance of 1785 and the Northwest Ordinance of 1787. The United States Congress recognized the importance of public schools to a developing nation, and although there was little money available to support the public needs of newly organizing states, the federal government had one resource in abundance – land. By granting land to newly organized states, the federal government could provide state governments with a source of revenue that could be used to fund public education and other essential public institutions.

Following the Treaty of Guadalupe Hidalgo in 1848, under which most of the lands constituting present-day New Mexico became part of the United States, Congress approved the Organic Act for the Territory of New Mexico, establishing New Mexico as a territory, authorizing its civil government, and reserving sections 16 and 36 in each township. Nearly 50 years later, after losing the battle for statehood, Congressman Harvey B. Fergusson



# New Mexico State Land Office

## A Brief History

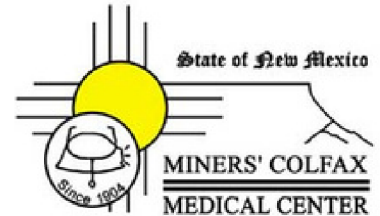


proposed legislation authorizing the granting of lands for certain purposes to the Territory of New Mexico.

The Ferguson Act of 1898 gave sections 16 and 36 in every township to the territory for public beneficiaries. In the event these sections were mineral lands or had otherwise been appropriated under the mining or homestead laws, the territory was entitled to make alternative (or “in lieu”) selections.

Other provisions of the Ferguson Act included land grants designated to support additional beneficiaries, which are known today as New Mexico Public Schools, University of New Mexico, New Mexico State University, Western New Mexico University, New Mexico Highlands University, New Mexico Institute of Mining and Technology, New Mexico Military Institute, New Mexico School for the Blind and Visually Impaired, New Mexico School for the Deaf, New Mexico Behavioral Health Institute, Miners Colfax Medical Center, Penitentiary of New Mexico, New Mexico Boys School, Water Reservoirs, Improvements to the Rio Grande, and Public Buildings.

### A few of our beneficiaries



In 1899, Territorial Governor Miguel A. Otero urged the Legislature to activate the federal land grants and appointed the first Commissioner of Public Lands, Alpheus A. Keen.

The Enabling Act, which provided for a Constitutional Convention, was passed by Congress on June 20, 1910. After delegates drafted a constitution, the document was submitted to the people for a vote. By presidential proclamation, the Territory of New Mexico officially became the State of New Mexico on January 6, 1912.

One of the articles of the new constitution provided that the Commissioner of Public Lands shall exercise custody, control, and the power of disposition of the trust lands as the agent for the state. The State Land Office issued its first oil and gas lease in 1916 and received its first royalty payment in 1924.

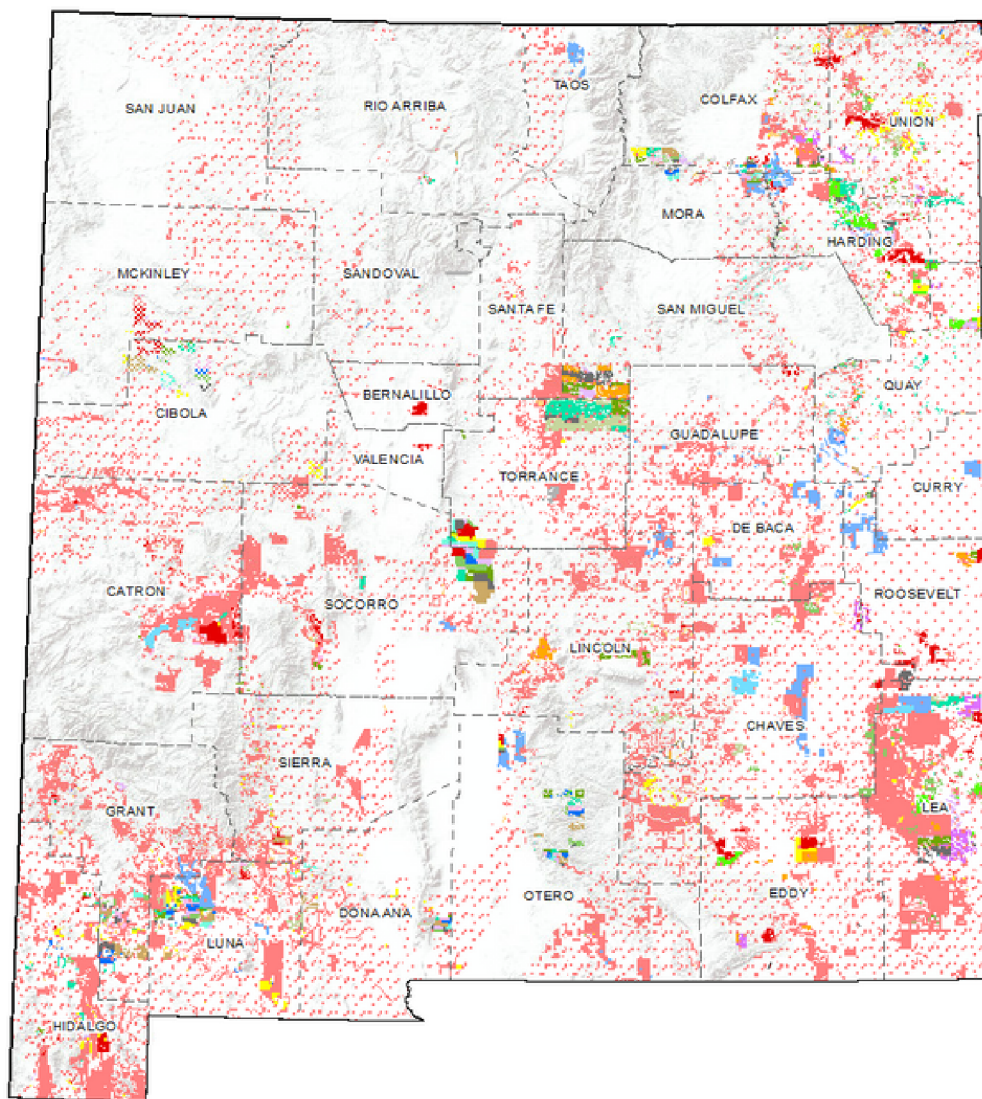
# New Mexico State Land Office

## State Land Trust Beneficiary Lands



### New Mexico Land Trust Beneficiaries

Common Schools	New Mexico State Hospital
Charitable, Penal and Reform	New Mexico State University
Carrie Tingley Hospital	New Mexico School for the Deaf
Eastern New Mexico University	New Mexico Schools for the Deaf / Blind and Visually Impaired
Improvements to the Rio Grande	New Mexico School for the Blind and Visually Impaired
New Mexico Miners Hospital	Public Buildings
New Mexico Military Institute	University of New Mexico
New Mexico Boys School	Water Reservoirs
Northern New Mexico College	Western New Mexico University
New Mexico Highlands University	Western New Mexico University/New Mexico Highlands University
New Mexico Institute of Mining Technology	
New Mexico Penitentiary	





# New Mexico State Land Office

## Beneficiary Acreage



Beneficiary	Surface Acreage	Mineral Acreage
Common Schools	6,803,453	9,767,525
University of New Mexico	253,140	344,864
Saline Lands	1,044	1,502
New Mexico State University	194,571	254,200
Western New Mexico University	77,500	118,642
New Mexico Highlands University	77,500	118,642
Northern New Mexico College	31,918	56,563
Eastern New Mexico University	82,802	104,039
New Mexico Tech	162,588	219,019
New Mexico Military Institute	135,578	160,011
New Mexico Boys School	50,814	62,331
Miners Colfax Medical Center	98,557	120,766
Behavioral Health Institute	101,242	164,024
State Penitentiary	113,509	159,695
School for the Deaf	87,079	107,022
School for the Blind	100,827	118,830
Charitable Penal & Reformatory	74,551	99,620
Water Reservoirs	341,626	470,417
Rio Grande Improvement	54,221	89,202
Public Buildings	88,846	132,112
Carrie Tingley Hospital	18,799	13,692
<b>TOTAL</b>	<b>8,950,165</b>	<b>12,682,718</b>

# New Mexico State Land Office

## Revenue Earned Per Beneficiary



Beneficiary	Monthly distribution through Land Maintenance Fund	Revenue invested in LGPF on behalf of beneficiaries *	FY23 Total
Common Schools	82,419,631	2,458,335,664	<b>2,540,755,295</b>
University of New Mexico	4,924,937	10,114,003	<b>15,038,941</b>
Saline Lands	269,895	41,548	<b>311,443</b>
New Mexico State University	1,473,186	3,260,123	<b>4,733,310</b>
Western New Mexico University	551,197	24,572	<b>575,769</b>
New Mexico Highlands University	576,149	24,572	<b>600,721</b>
Northern New Mexico College	484,776	24,640	<b>509,416</b>
Eastern New Mexico University	160,269	56,201	<b>216,470</b>
New Mexico Tech	918,747	280,614	<b>1,199,361</b>
New Mexico Military Institute	641,050	22,458,177	<b>23,099,227</b>
New Mexico Boys School	93,143		<b>93,143</b>
Miners Colfax Medical Center	1,397,668	1,390,212	<b>2,787,880</b>
Behavioral Health Institute	1,270,939	3,469,913	<b>4,740,852</b>
State Penitentiary	2,025,814	20,755,020	<b>22,780,834</b>
School for the Deaf	328,003	9,161,713	<b>9,489,716</b>
School for the Blind	374,102	9,178,582	<b>9,552,684</b>
Charitable Penal & Reformatory	762,657	1,335,202	<b>2,097,859</b>
Water Reservoirs	612,207	1,058,988	<b>1,671,195</b>
Rio Grande Improvement	147,093	194,158	<b>341,251</b>
Public Buildings	2,841,373	71,309,760	<b>74,151,133</b>
Carrie Tingley Hospital	39,537	1,925	<b>41,462</b>
<b>TOTAL</b>	<b>\$102,312,382</b>	<b>\$2,612,475,591*</b>	<b>\$2,714,787,972*</b>

*\*Note: Amounts shown above indicate total transfers after withholding for the agency's budgetary expenses and contributions to the Restoration and Remediation Fund.*



# New Mexico State Land Office

## Revenue Earned By Source (*RENTALS*)



Rentals	FY23 Total	Rentals (cont.)	FY23 Total
Sand & Gravel	20,737	Solar Energy	548,959
Special Use Agreements	1,679	Wind Energy	3,854,383
Potash	50,178	Energy Transmission	97,893
Grazing	9,991,66	Land Contracts Int.	2,849
Salt	1,198	Gas Storage Units	296,002
Coal Rental	12,905	Fuel wood	6,390
General Mining	32,647	Seed Harvesting	16,000
Shut-in-Royalty	15,776		
Oil & Gas Rental	1,801,583	<b>RENTAL SUBTOTAL</b>	<b>\$120,020,715</b>
Oil & Gas Bonuses	53,707,310		
Oil and Gas Int.	3,236,225		
Seismic Permits	-	<b>Other</b>	<b>FY23 Total</b>
Business Leases	12,035,850	Fees & Copies	3,276,876
Business Lease Options	-	Interest Earnings	14,445,207
Land Use Restrictions	2,406	Other	78,340
Billboards	108,947		
Geothermal Rental/Income	11,017	<b>OTHER INCOME</b>	<b>\$17,800,424</b>
Water	4,360,275	<b>SUBTOTAL</b>	
Salt Water Disposal	14,391,117		
Right-of-Way	15,405,152		
Caliche	11,560		





# New Mexico State Land Office

## Revenue Earned By Source (*ROYALTIES*)



Income Source	FY23 Total
Sand & Gravel	1,811,475
Potash	1,255,311
Salt	63,889
Caliche	2,910,658
Coal	3,299,626
Oil & Gas	2,602,679,657
Land Contracts	431,790
General Mining	23,186
Water	--
Business Lease Principle	--
Geothermal	--
<b>ROYALTY SUBTOTAL</b>	<b>\$2,612,475,591</b>
<b>RENTAL AND ROYALTY GRAND TOTAL</b>	<b>\$2,750,296,730</b>



# State Land Office Named Top Midsize Employer By Albuquerque Journal



In June 2023, the *Albuquerque Journal* named the State Land Office the #1 Midsize Employer in New Mexico, regardless of sector, as part of the annual Top Workplaces Awards! Additionally, the agency won a special “Values” award from the publication.

In the State Government category, the State Land Office ranked nationally: in the top 1% in work-life flexibility, meaningful work, employee appreciation, inclusion, and confidence in leadership; in the top 3% for managers caring about the concerns of employees; and in the top 5% for operating by strong values.

“We strive to provide our employees with meaningful work-life balance, knowing that they all have a life outside of their job. Our employees care for parents, children, spouses, grandparents and other loved ones. We want everyone at the agency to feel like they can reasonably fulfill their personal as well as professional responsibilities.”

~Commissioner Garcia Richard

Commissioner Garcia Richard has instituted agency-wide policies that invest in and support employees, including providing telework options that meet the needs of both employees and the agency. She has also implemented various programs to acknowledge the great work our employees accomplish, including a volunteer Celebrations Committee that organizes events as small as popcorn days or as large as our annual 4th of July picnic. Our employees enjoy working for the State Land Office and refer to it as their second family.



# State Land Office Named Top Midsize Employer By Albuquerque Journal (cont.)



These efforts have resulted in the State Land Office having one of the lowest vacancy rates among mid-to-large state government agencies, at about 8% compared to the statewide average of about 24%. Additionally, the agency's monthly turnover rate averages just 1% compared to a statewide rate of 4%.

The State Land Office's mission is to earn money for schools and other public institutions by responsibly leasing state lands for energy production, commercial development, and agriculture, among other uses. The State Land Office continued to earn record-breaking revenue every year since 2019, exceeding \$2 billion in 2023 alone, as these cultural changes were implemented. The agency has also diversified revenue streams during this time, quadrupling the amount of renewable energy under lease on state lands, providing affordable housing, and expanding access to outdoor recreation.



“  
**Our employees are the backbone of our agency and the record revenue we have earned in the past few years is due entirely to their amazing professionalism and hard work. Our team is truly the ‘Dream Team!’**  
”  
~Commissioner Garcia Richard

97.6% of State Land Office employees responded to the Top Workplaces survey, and 98% of respondents said they would recommend working for the agency.

This is the first time a New Mexico state agency has been selected for the award.

# New Mexico State Land Office

## Administrative Services



Assistant Commissioner Selena Romero oversees Administrative Services, which encompasses Accounting, Facilities Management, Human Resources, Information Technology, and Records Management.



### ACCOUNTING DIVISION

Division Director and CFO Antonio Medina leads the Accounting Division, which provides support services, financial control, and financial reporting activities. It is also responsible for ensuring compliance with the rules and policies of the Department of Finance and Administration, the State Treasurer's Office, and State Auditor's Office. In FY 2023, the Division managed a \$22.2 million budget and distributed a record-breaking \$2.75 billion to beneficiaries.

The Accounting Division receives, classifies, and records all revenue generated from over 35,000 active leases on state trust land. After paying operating expenses, the revenue recorded in the Land Maintenance Fund is directly disbursed to the assigned beneficiary. Revenue recorded in the Land Maintenance Fund comes from what are known as renewable sources, which includes renewable energy, agriculture, business development leases, rights-of-ways, rentals, and other income.

The revenue recorded in the Land Grant Permanent Fund is derived from non-renewable sources such as royalties earned from oil, gas, and minerals or the sale of state trust land. Revenue from non-renewable revenue sources is transferred monthly to the Land Grant Permanent Fund where it is invested by the State Investment Council.





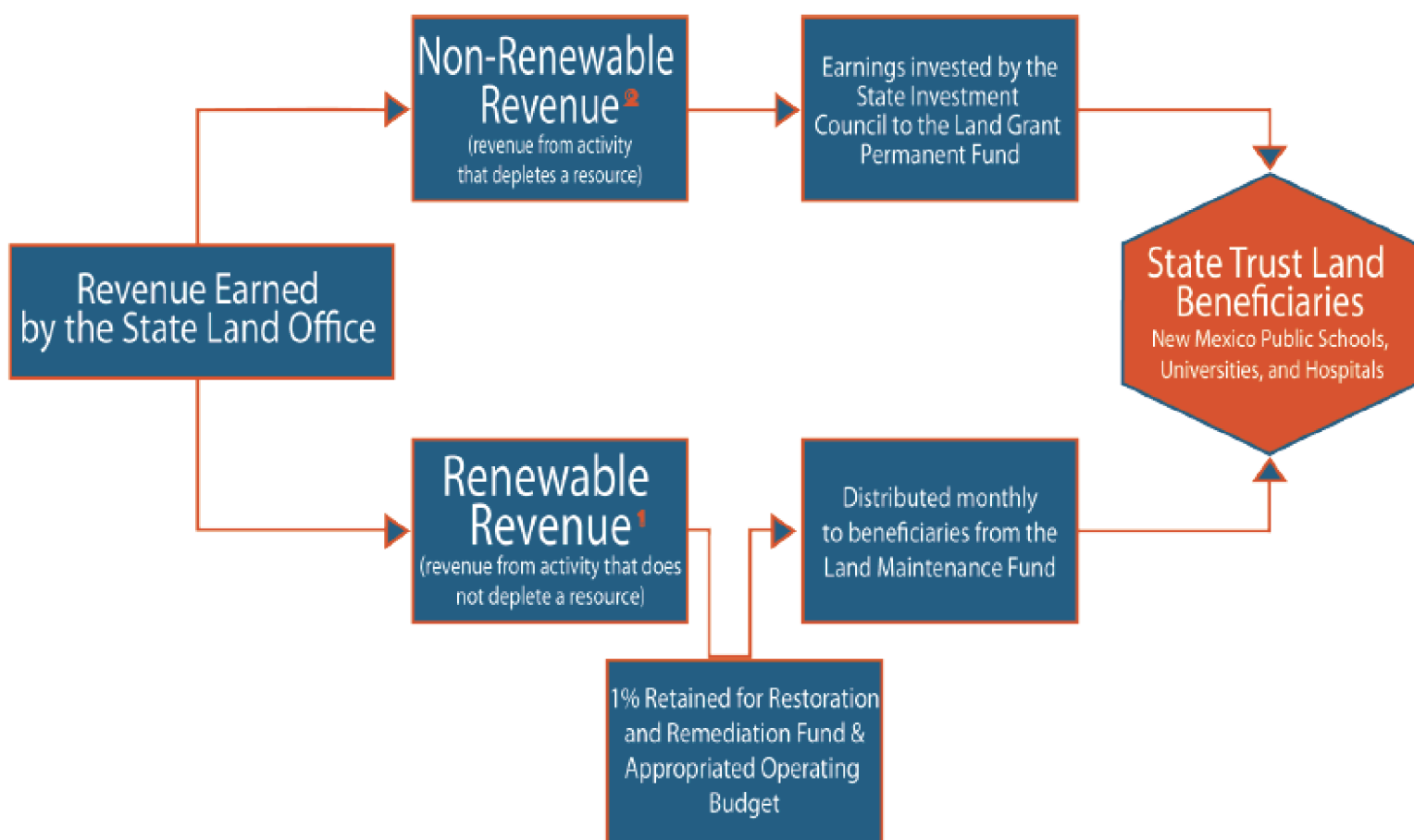
# New Mexico State Land Office

## Administrative Services



The Accounting Division generates monthly revenue reports and posts them on the State Land Office website. These revenue reports provide monthly and year-to-date earnings sorted by revenue source, as well as distributions from the Land Maintenance Fund and contributions to the Land Grant Permanent Fund for each beneficiary.

The work that the Accounting Division does is crucial, not just to keep the agency running smoothly, but in ensuring that the beneficiaries of our land receive what they are owed.



FOOTNOTE - IT'S IMPORTANT TO KNOW AS YOU READ THIS REPORT  
AT NMSLO, WE CHARACTERIZE REVENUE TWO WAYS.

**1. Renewable Revenue** - any revenue from activities that do not permanently deplete a resource. For example, renewable energy, oil and gas lease sales, grazing leases, commercial business leases. Renewable revenues are deposited in the Land Maintenance Fund (LMF).

**2. Non-Renewable Revenue** - any revenue from activities that deplete a resource. For example, oil and gas extraction, mineral extracting, royalties, land sales or exchanges. Non-renewable revenues are deposited and then invested in the Land Grant Permanent Fund (LGPF).

# New Mexico State Land Office

## Administrative Services



### FACILITIES MANAGEMENT DIVISION

State Land Office's Facilities Management Division operates and maintains the agency's primary office building in Santa Fe, which first opened in 1960. Bobby Gallegos heads the division, which covers all maintenance, custodial services, and security.

The Business Operations Center, which includes a print shop, graphic design, mail services, supply distribution, and agency fleet management, is also housed under Facilities Management. The print shop helps provide brochures and other materials to divisions throughout the year. Business Operations made 147,681 copies in the print shop in FY23. There are 41 vehicles total in the fleet managed by Business Operations, including 22 district office vehicles, seven utility task vehicles/all-terrain vehicles, and four trailers).

#### IN FY23, THE FACILITIES MANAGEMENT DIVISION:

- ✓ MAINTAINED A SAFE AND SECURE BUILDING AND INCURRED ZERO PROPERTY LOSSES
- ✓ COMPLETED DOOR LOCK SOFTWARE UPGRADES
- ✓ PERFORMED SECURITY CAMERA SOFTWARE UPGRADES
- ✓ INSTALLED AN ELECTRIC VEHICLE CHARGING STATION IN THE SANTA FE PARKING LOT
- ✓ PURCHASED SEVEN NEW TRUCKS FOR AGENCY'S VEHICLE FLEET



# New Mexico State Land Office

## Administrative Services



### HUMAN RESOURCES DIVISION

The State Land Office was recognized this year as the #1 Top Workplace in New Mexico for a midsize employer by the *Albuquerque Journal*, due to high scores in work-life balance and dedication to the agency's mission. This is the first time a New Mexico state government agency has placed in this competition. Commissioner Garcia Richard credits the hardworking, dedicated, and talented NMSLO staff for this honor.



Commissioner Garcia Richard created the new Environmental Compliance Office and added four additional positions to support growth in various divisions. The Commissioner continues to reduce the NMSLO vacancy rate, from a high of 25% in FY19, to an average of about 8% in FY23. The agency's rate remains much lower than the State's FY23 average of 23%.

The Human Resources Division is comprised of four staff: Director Shannell Townsend, two Human Resources Generalists, and a Human Resources Analyst. The Division assists the leadership team by providing counseling, guidance, and direction on agency and State Personnel Board policies and procedures, as well as state and federal laws. Human Resources manages all payroll and benefit transactions as well as personnel and position requests and approvals. Human Resources manages all recruitment efforts from advertising to overseeing the interview and hiring process. Recently, Human Resources purchased a Learning Management System (LMS) and is now creating in-house training for employees, ranging from civil rights and sexual harassment to training tailored to specific department functions.





# New Mexico State Land Office

## Administrative Services



### HUMAN RESOURCES DIVISION (CONTINUED)

The State Land Office values its employees and their work-life balance. NMSLO is one of the few agencies that has continued to allow telework up to three days each week. Teleworking has reduced expensive fuel costs from commuting, allows employees to care for children and/or elderly family members, and has increased productivity, job satisfaction, and work-life harmony. Commissioner Garcia Richard recognizes that our employees have responsibilities outside of their jobs.

The agency has a celebrations committee that is heavily involved in ensuring the employees feel valued and appreciated. Several times a month the committee will have employee appreciation days that consist of free popcorn, snow cones, or nachos. Care packages are sent to employees in NMSLO district offices. Commissioner Garcia Richard has continued to maintain employee morale via the monthly agency-wide meetings which are available in person and virtually for teleworkers. The Commissioner acknowledges staff work anniversaries, birthdays, and milestones that are noted in the newsletter and gives shout outs to employees who are recognized by their management or peers as going “above and beyond.”





# New Mexico State Land Office

## Administrative Services



### INFORMATION TECHNOLOGY DIVISION

At the State Land Office, Information Technology staff develop and maintain the technology and applications that deliver most of the information regarding state lands provided to the public. In addition to managing the agency's network, equipment, and software, the Division oversees projects to automate agency records and record-keeping systems.

CIO Tony Hoffman leads the IT Division, which is comprised of four main bureaus: Project Management; IT Operations, Network & Infrastructure; Web & Net Development; and GIS.



The Division accomplished the following in FY23:

- Completed development and implementation of an online portal to assist the agency's Cultural Resources Office in administering the new Cultural Properties Rule
- Automated interface to improve the efficiency of revenue collections in Accounting
- Maintained a leadership position in IT security within state government with ongoing focus on weekly vulnerability scans
- Reached 85% project completion on Phase 1 of the new Leasing, Invoicing, and Accounting (LIA) program to assist the Office of Renewable Energy with billing
- Initiated regular training for the Land Information Management System (LIMS) and Geographic Information Systems (GIS) to improve agency staff knowledge of these systems
- Made it easier for NMSLO divisions to access GIS imagery
- Supported agency efforts to identify, remediate and plug non-producing wells and supported efforts to reclaim leases and ensure adequate cleanup of plugged wells
- Continued satellite tasking activity that allows staff to identify and evaluate surface changes, spills, unauthorized activity, and trespass on state lands

# New Mexico State Land Office

## Administrative Services



### INFORMATION TECHNOLOGY DIVISION (CONTINUED)

- Continued to use GIS technology to track and analyze planned land exchanges with various tribes and the U.S. Bureau of Land Management
- Expanded usage of GIS imagery to track and manage wildfires and to support wildfire remediation on state land
- Implemented a public self-service web portal with information about oil and gas leases
- Replaced key software in the NMSLO Public Room to improve customer access

### RECORDS MANAGEMENT DIVISION

Director Lesley Schimoler oversees a team of six title examiners and abstractors, two scanning techs, and a digital records specialist in the Records Management Division. It plays a key role in identifying lands that may be available to generate new revenue sources while preserving historical records and ensuring the business continuity of the State Land Office.

The Division's work helps support Commissioner Garcia Richard's initiatives to expand renewable energy and find other potential leasing, sale, or exchange opportunities. In FY23, Records staff performed document searches covering almost 50,000 acres of state land.

These reports provide valuable information to assist the Commissioner and prospective lessees in selecting the most appropriate land for certain activities.

Access to State Land Office records is critical to enable potential lessees to make informed bids and/or proposals for new NMSLO leases. Due to COVID restrictions, our agency's public room access has been limited in recent years, but Records staff have stepped up to perform research and provide digital documents to the members of the public we serve. In FY23, Records staff delivered over 82,000 digital documents to remote clients.





# New Mexico State Land Office

## Administrative Services



### RECORDS MANAGEMENT DIVISION (CONTINUED)

In addition to supporting the agency's day-to-day activities, the Division is the repository for all original, legal documents relating to ownership, along with all leases, rights-of-way, easements, and any related procedural documents.

These original documents, dating as far back as the early 1900s, are held in a climate-controlled vault.



Each title document is recorded both manually in special ledgers or tract books, and electronically in the Agency's specialized Land Information and Management System (LIMS). In FY23, the Division recorded and processed over 3,000 title activities. All title documents, along with procedurally related documents, are also scanned and digitally preserved.

The Records Division also continues to audit and verify state trust land ownership in the LIMS program, which improves overall data integrity and availability; which, in turn, enables staff to verify the land and its current use to identify and secure new revenue sources.

# New Mexico State Land Office

## Commercial Resources Division (CRD)



The Commercial Resources Division (CRD) is responsible for business leasing, renewable energy, land exchanges, economic development, and rights-of-way. Jim Bordegaray, Director of the Commercial Resources Division, oversees commercial leases and rights of way; Craig Johnson, the Director of the Office of Renewable Energy, oversees renewable energy production on state trust lands; Steve Vierck, Assistant Commissioner for Special Projects, is responsible for economic development and other special projects.

Among other things, commercial leasing covers economic development, a variety of business leases, billboard leases, telecommunication site leases, affordable housing developments, battery energy storage, renewable energy leases, and surface activities associated with commercial development.

CRD often functions as a problem solver for New Mexico's communities. In 2022, the State Land Office partnered with the Greater Albuquerque Housing Partnership (GAHP) and the City of Albuquerque to open a new, affordable housing community called Luminaria for the city's senior citizens near Eubank and Central. The goal was to provide seniors with more affordable housing options while helping to revitalize the East Central corridor. The facility consists of 92 one- and two-bedroom units. This past year, we once again partnered with GAHP, awarding a lease for Luminaria's companion property, Farolito, which will provide an additional 86-units of affordable housing across the street from Luminaria.



*Photo courtesy of Luminaria Senior Community*

## RIGHTS-OF-WAY

Rights-of-way are a critical infrastructure provision for roads, pipelines, transmission lines, low voltage electric lines, telecommunications and other purposes. There are over 23,000 of these instruments currently in place on state trust lands. This past year, CRD completed negotiations for the SunZia Transmission Line project and issued a right of way for the project prior to the end of the fiscal year. The project will generate approximately \$50 million in revenue for trust beneficiaries over its term.



# New Mexico State Land Office

## Commercial Resources Division (CRD)



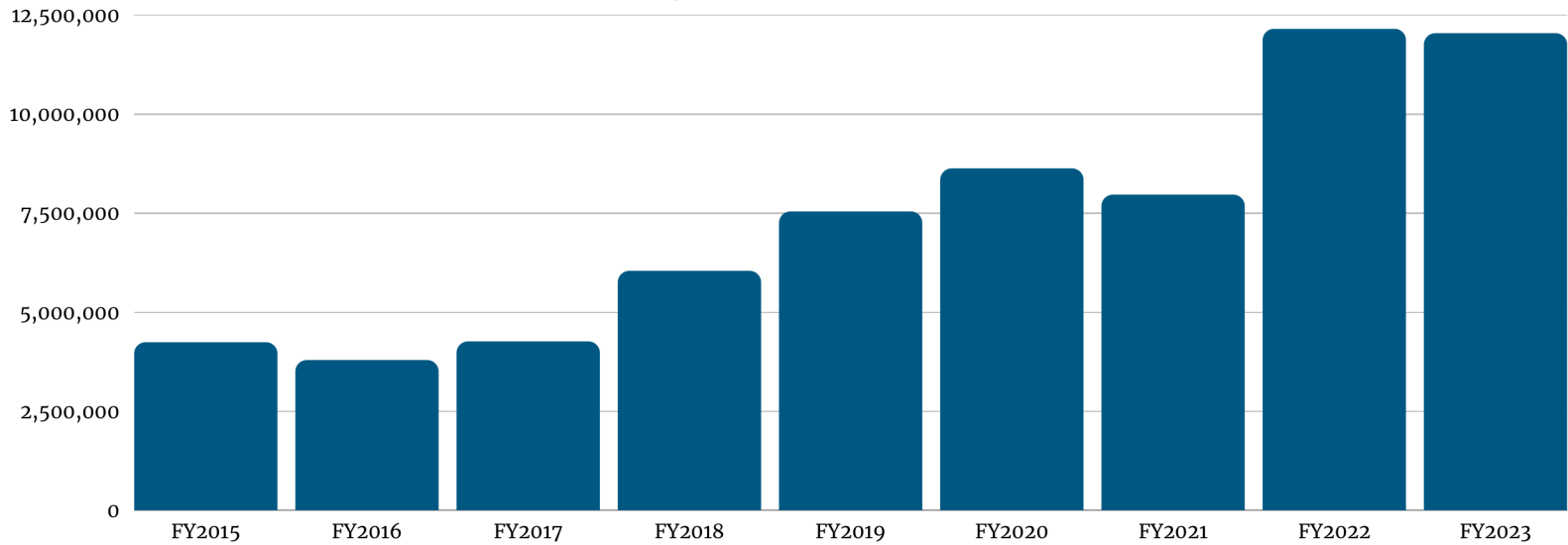
### RIGHTS-OF-WAY (CONTINUED)

A total of 1,026 rights-of-way and rights-of-entry were executed in FY23, generating over \$15 million in revenue for beneficiaries. Approximately one-third of rights-of-way issued were for pipeline easements, accounting for approximately 60% of revenues. Our team has continued to make significant progress in reducing the average process time to less than two months.

### BUSINESS LEASING

Business lease revenue exceeded \$12 million for the second year in a row. While continuing to increase revenues, the business leasing bureau has also continued progress to decrease the average turnaround time for applications for new leases and reissues. Business leases are used for a diverse range of purposes such as well pads, storage yards, and electrical substations. There are over 1,100 active business leases. Most are short-term leases of five years or less. However, an increasing number are long-term leases which address a similarly wide range of needs such as affordable housing options, retail operations, and truck stops.

Business Leasing Revenue, FY2015-FY2023



# New Mexico State Land Office

## Commercial Resources Division (CRD)



### OFFICE OF RENEWABLE ENERGY

The Office of Renewable Energy is a relatively new addition to the State Land Office, yet it has already achieved impressive success. Revenues exceeded \$4.4 million in FY23. Renewable energy leased on state trust land in New Mexico has more than quadrupled since 2019, bringing renewable energy production to approximately 1,955 total megawatts on state trust lands, up from approximately 400 megawatts when Commissioner Garcia Richard took office.



In FY23, the State Land Office awarded three wind leases totaling 16,200 acres of state trust land. In FY23, the State Land Office also awarded a long-term solar lease to ReVolve Afton Solar LLC for 640 acres. The State Land Office also awarded 14 short term Community Solar leases in FY23. A total of 12 Community Solar projects on state trust land were selected by the PRC to continue in the program.

State trust lands in New Mexico now host 440 megawatts of wind and solar power generation. An additional 1,515 megawatts of wind and solar power are in development or under contract. The Office of Renewable Energy lease application pool is strong with over 20 applicants seeking wind or solar leases on trust land.

### By the Numbers: Renewable Energy

1,955

Megawatts under  
lease on state lands

27

Active wind  
leases

13

Active solar  
leases



# New Mexico State Land Office

## Commercial Resources Division (CRD)



### ECONOMIC AND COMMUNITY DEVELOPMENT

Communities and beneficiaries both benefit economically from the leasing of state trust lands for enterprises, business parks and City and County infrastructure, including water, roads, parks, electricity, and telecommunications facilities. Examples of economic development lease include Spaceport America, significant portions of Sandia Science & Technology Park, Prewitt Business Park and Netflix.

Each acre of state trust land has an assigned beneficiary – meaning when revenue is raised on that land, it goes directly to the assigned beneficiary or public institution.

Examples of the diverse variety of projects of benefit to communities included completion of the sale of 120 acres just south of Hatch to the Dona Ana County Flood Commission for \$326,000. The land will be used by the Army Corps of Engineers to construct a flood control dam on a major arroyo. CRD also assisted in a land exchange to restore 1880 acres of culturally significant land in southwest New Mexico to the Ft. Sill Apache Tribe, receiving commercially valuable land to earn revenue for New Mexico's public institutions in return.



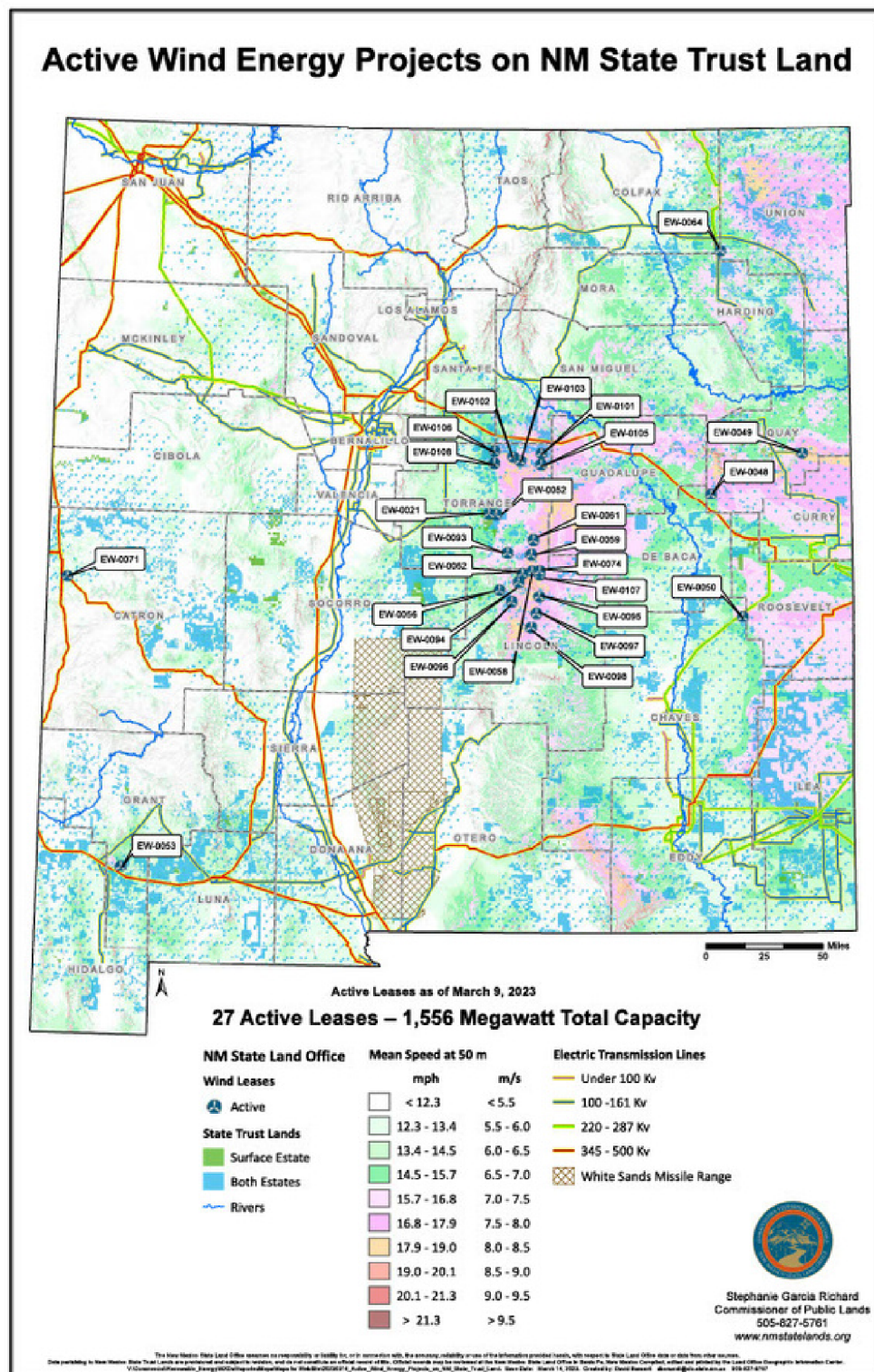
An important addition to recreational use leases were subleases with New Mexico United for practice fields and locker room facilities located on the 622-acre Bernalillo County Recreation Complex lease at Mesa del Sol.

# New Mexico State Land Office

## Commercial Resources Division (CRD)



## Wind Energy on State Trust Lands



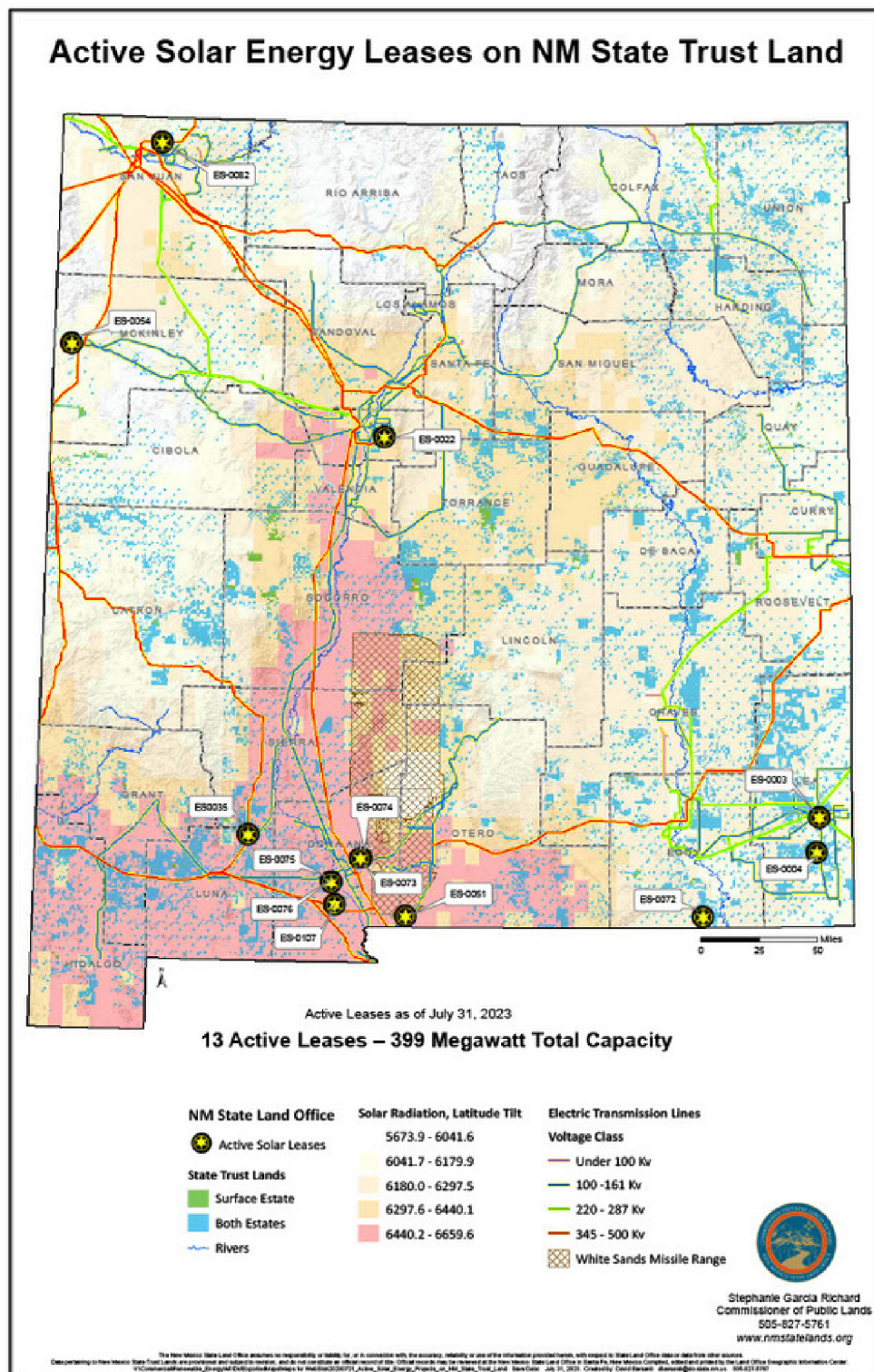


# New Mexico State Land Office

## Commercial Resources Division (CRD)



## Solar Energy on State Trust Lands



# New Mexico State Land Office

## Cultural Resources Office (CRO)



Commissioner of Public Lands Stephanie Garcia Richard established the Cultural Resources Office (CRO) to ensure appropriate attention is paid to the rich cultural legacy of New Mexico's lands. In fiscal year 2023, Assistant Commissioner of Cultural Resources and tribal liaison, Rachael Lorenzo (Mescalero, Laguna) continued to develop CRO and define its objectives. To date, over 600,000 acres (~7%) of state lands have been surveyed and over 11,190 cultural properties have been identified and documented.

The NMSLO implemented the Cultural Properties Protection Rule on December 1, 2022. This rule requires any applicants for leases for surface-disturbing projects to have a cultural resources survey conducted, reviewed, and cultural properties avoided prior to the issuance of the lease.

During FY23, Ethan Ortega and Anne Curry were approved by the New Mexico Cultural Properties Review Committee (CPRC) as Principal Investigators for archaeological work on state lands. The agency hired conservation archaeologists Carly Stewart and Adesbah Foguth during this period. Both Carly and Adesbah were approved as Crew Chiefs by the CPRC and will facilitate compliance reviews and archaeological fieldwork associated with implementation of the CPP Rule. Carly's specialty in public archaeology is valuable for cultural community engagement and the development of outreach programs. Adesbah made history as the NMSLO's first Indigenous archaeologist, providing thoughtful cultural perspective to compliance issues.



*Pottery fragments in northwest New Mexico.*

In May 2023, The NMSLO held its second Tribal Historic Preservation Officer Summit. Tribes, Nations, and Pueblos participated in the event to proactively discuss steps to protect cultural properties and develop useful policies. Conversations during the Summit have resulted in action-oriented plans to enhance the NMSLO Cultural Compliance Web Portal, develop policies related to tribal consultation regarding the treatment of sites, and the protection of traditional cultural properties. The summit concluded with a fieldtrip to a nearby archaeological site which prompted discussions of stewardship.



# New Mexico State Land Office

## Cultural Resources Office (CRO)



The fully-vetted CRO team also conducted in-house archaeological surveys covering over 786 acres and culminating in 11 reports. These surveys were to facilitate preservation, remediation, habitat improvement, and other projects initiated by the NMSLO.

### Projects of note include:

- A Sample Survey for the Fort Sill Apache Land Exchange near Akela
- Access Route Survey for the Twine House Stabilization Project
- Survey for a Prairie Chicken Habitat Restoration Area in Partnership with Eastern New Mexico University
- A Survey and Site Documentation for Well Pad and Road Remediation Near the Hogback in Northwestern New Mexico
- Cow Creek Survey for the Creation of Beaver Dam Analogs



### A Stabilization Example

*Photo: Navajo crews work to restore Twine House, a Navajo defensive structure located in northwest New Mexico near Bloomfield. The State Land Office coordinated with the Navajo Nation and the Salmon Ruins Museum to stabilize the structure while maintaining as much of its original appearance as possible.*



# New Mexico State Land Office

## Cultural Resources Office (CRO)



*From L-R: NMSLO archaeologists Adesbah Foguth, Ethan Ortega, Carly Stewart, and Anne Curry in the field.*

During FY23 the CRO completed reviews of 1,256 lease and improvement applications to ensure protection of cultural properties. The NMSLO CRO acted as the lead agency for cultural compliance review for 86% of the projects applied for, and the remaining 14% were led by federal or other state agencies. In addition to external applications, the CRO oversaw 7 internal contract cultural resource surveys that facilitated agency-led land improvement projects that covered over 3,340 acres. In total during FY23, the CRO reviewed over 669 cultural resource reports that covered over 28,932 acres.



*A piece of Ancestral Puebloan pottery in an archaeological site in northwest New Mexico.*



*NMSLO Conservation Archaeologist Adesbah Foguth collaborating with faculty and students from Boston University to conduct ground penetrating radar tests at an archaeological site.*





**Twine House before  
stabilization efforts**



**CRO Archaeologists  
surveying state trust  
land with students  
from Eastern New  
Mexico University**



# New Mexico State Land Office

## Legal Division



State Land Office General Counsel Ari Biernoff and the Legal Division advise the Commissioner and staff on hundreds of requests from every State Land Office division each year for legal advice, troubleshooting, and representation.



The Division's attorneys and staff draft and review leases, policy documents, contracts, memoranda of agreement, and other instruments; develop proposed State Land Office administrative rules; provide legal analysis, conduct business negotiations, and provide guidance on a variety of legal matters. Currently, the Division is handling more than 100 active matters.

State Land Office attorneys also appear in court and in administrative proceedings on behalf of the Commissioner and the State Land Office. The Division is presently representing the Commissioner and the agency in nearly two dozen active matters in New Mexico state district courts, the New Mexico Court of Appeals, the New Mexico Supreme Court, and federal court.

### **ACCOUNTABILITY AND ENFORCEMENT PROGRAM**

In the past, the State Land Office waited for environmental catastrophes to occur before taking legal action against bad actors. Commissioner Stephanie Garcia Richard changed that in November 2020 and directed staff to implement the agency's first-ever Accountability and Enforcement Program.

The Legal Division, in coordination with other agency divisions, reviews active and terminated leases to identify environmental risk and contact responsible parties for redress.



# New Mexico State Land Office

## Legal Division



**Since launching the Accountability and Enforcement program in 2020, over 300 wells have been plugged at the expense of legally responsible companies, not taxpayers!**

For the first time, the State Land Office is now taking systematic and regular action to collect on bonds where the lessee has failed to address inactive wells, spills, and other pervasive compliance problems.

Working with the Legal Division, the new Environmental Compliance Office that Commissioner Garcia Richard established within the agency's Surface Resources Division, is essential to the success of the Accountability and Enforcement Program to identify environmental harms on state trust lands and force violators to clean up or pay up.



To date, the agency has filed nearly 30 lawsuits against bad actors that refused to take action.

Through outreach, negotiation, and litigation the Accountability and Enforcement Program has obtained the plugging of more than 300 oil and gas wells and of the return of more than 7,000 acres to the trust. This program takes a different approach than federal plugging efforts as it compels the companies responsible for the poor conditions, rather than hardworking New Mexicans, to pay for the cost of cleanup.

The cost to clean up an oil and gas site varies, but even conservative estimates indicate the State Land Office's Accountability and Enforcement program has saved New Mexico taxpayers more than \$30 million and counting.

# New Mexico State Land Office

## Mineral Resources



Assistant Commissioner for Mineral Resources Greg Bloom oversees two divisions at the State Land Office: the Oil, Gas, and Minerals Division (OGM) and the Royalty Management Division (RMD). Collectively in FY23, these two divisions brought in over \$2.6 BILLION in revenue – a record year for the divisions and an increase in revenue of over 20% from the year prior.

### **OIL, GAS, & MINERALS DIVISION**

The Oil, Gas, and Minerals Division has three bureaus: Minerals, Water, and Oil and Gas. OGM administers the State Land Office monthly oil and gas lease sale and manages all leasing activity involving oil, natural gas, carbon dioxide, industrial aggregates, water, caliche, coal, potash, salt, geothermal energy, and other natural resources on state trust land.

In FY23, OGM oversaw some 6,800 oil and gas leases, approximately 255 mineral leases, and 556 fresh-water and saltwater disposal easements, together involving millions of acres of mineral estate.



### **MINERALS BUREAU**

The Minerals Bureau manages approximately 259 leases including for salt, industrial minerals, potash, general mining, geothermal resources, and special-use reclamation agreements covering more than 110,251 acres. The Bureau generated approximately \$9.7 million in rent and royalty income from these resources in FY23. The Minerals Bureau also processes special-use agreements, lease renewals, expirations, relinquishments, cancelations, reconciliations, and bonding and does regular site inspections.

For the first time ever, the bureau leased pozzolan, a more ecologically friendly construction material of volcanic origin, which can replace the coal-based fly ash commonly used in concrete. Located in Colfax County—and having received the support of the county—the lease should create millions of dollars in revenue to support education in New Mexico.



# New Mexico State Land Office

## Mineral Resources



### MINERALS BUREAU (CONTINUED)

The Minerals Bureau leases sand and gravel resources and has had great success with its Caliche Re-mining and Reclamation Initiative, which incentivizes mining for caliche on previously disturbed state trust lands. In FY23, over 237 acres of previously mined state trust land were reclaimed by industry for a total of some 467 acres over the past three years, which has saved the State Land Office over \$3.1 million in reclamation expenses. The Bureau also conducted 183 audits of mineral leases during FY23, which brought in \$179,000.

By the Numbers: Minerals Bureau	237	\$3.1M	183
	Acres of mined land reclaimed	Saved in reclamation costs	Audits of mineral leases

### OIL AND GAS BUREAU

The Oil and Gas Bureau administers oil and gas leases, lease sales, assignments, oil and gas compliance, and the unit and communitization agreements program.

Oil and gas lease sales are required monthly by statute and in FY23 were conducted online through EnergyNet, earning a total bonus (auction) income of nearly \$53.7 million. The vast majority of leases were sold at the 20% royalty rate and all leases, once in production, join the royalty revenue stream that are processed by our Royalty Management Division.



The Bureau regained 26 leases through compliance actions and then re-leased them at a higher royalty rate; these leases accounted for more than \$28 million of the lease sale bonuses for FY23. Compliance-related actions the Bureau took this year ranged from lease trespass, to non-payment of rentals, to failure to have a requisite bond, to failure to produce in paying quantities, and failure to produce minerals from a lease.

# New Mexico State Land Office

## Mineral Resources



### OIL AND GAS BUREAU (CONTINUED)

Also, in FY23, 92 communitizations terminated under the terms of their agreements. Further, the Division reviewed 115 communitization agreements (some carried forward from FY22) and deemed them to have been produced in trespass. As a result of these terminations, the State Land Office was able to reacquire 29 leases for future lease sales.

The Oil and Gas Bureau terminated four units and their corresponding leases for lack of production resulting in the return of 13,547 acres, which can also be released in the future.

The Bureau finished a comprehensive audit of all leases to ensure bonding compliance and identified some 800 leases with no bond. The Bureau worked with unbonded lessees to correct the issue and ultimately cancelled 22 of the 800 unbonded leases (some at the lessees' request). Thanks to this audit, the State Land Office has much more bond coverage and less financial exposure if a company can not meet its cleanup obligations. The Bureau also conducted over 800 environmental reviews of oil and gas leases, identifying approximately 200 spills or other environmental issues for lessees to clean up.



### WATER BUREAU

The Water Bureau increased revenue by \$1 million in FY23 to \$18.7 million and its efforts resulted in the plugging of 27 old saltwater disposal wells (SWDs) and the reclamation of the SWD sites.

The Bureau also issued 19 reclamation right-of-entry permits for additional saltwater-well closeouts and four new SWD well easements. In FY23, the Water Bureau processed one new water-monitoring easement, seven soil-boring permits and over 100 renewals of both freshwater and saltwater easements, a 100% increase over FY22.



# New Mexico State Land Office

## Mineral Resources



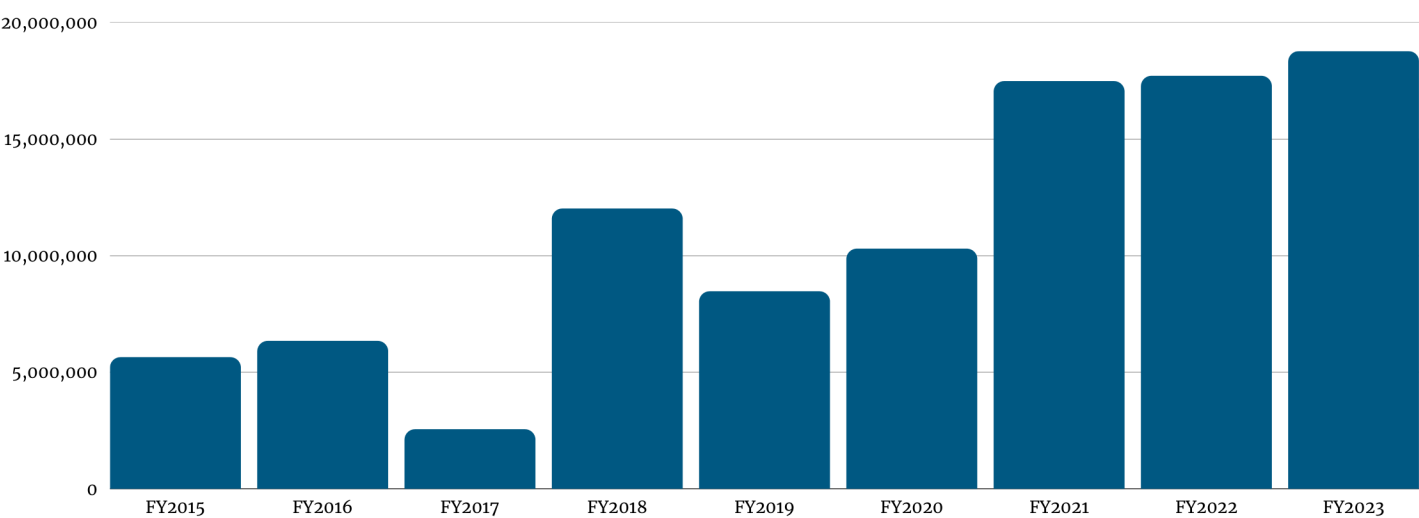
### WATER BUREAU (CONTINUED)

In December 2020, Commissioner Garcia Richard stopped issuing and renewing instruments that allow for the commercial sale of freshwater for oil and gas development. This represented a major shift in agency water policy and helped ensure the long-term stewardship of state trust lands and natural resources by saving millions of gallons of potable water every year. An early estimate of water saved to date is 200 million gallons. Looking back three years we see that the oil and gas industry’s use of freshwater has declined significantly despite production growth, illustrating that the State Land Office was at the forefront in protecting this important resource. The Bureau continued work in FY23 to close out seven water easements pursuant to the 2020 water policy.



The Water Bureau's compliance efforts increased revenues in FY23 due to audits of annual saltwater volume payments. Other compliance work resulted in eight additional saltwater well-site remediations for prior spills. The Bureau completed a major remediation of 13 pre-existing saltwater spills, and turned over more than a dozen active spill reclamations to the Surface Division’s new Environmental Compliance Office to follow to completion.

### Water Bureau Revenue, FY2015-FY2023



# New Mexico State Land Office

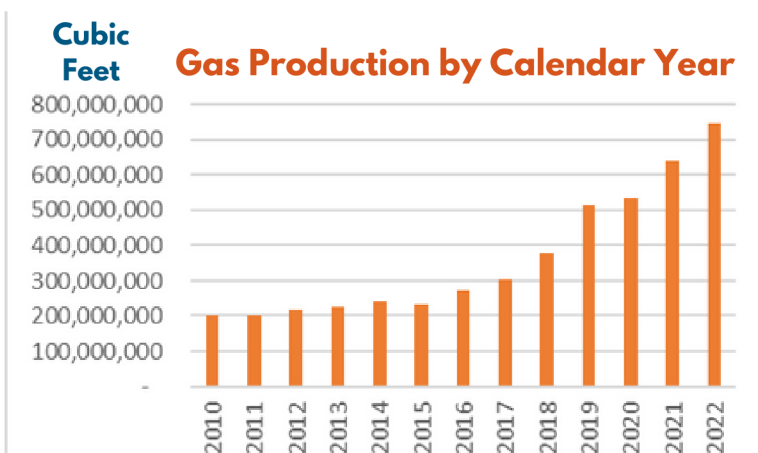
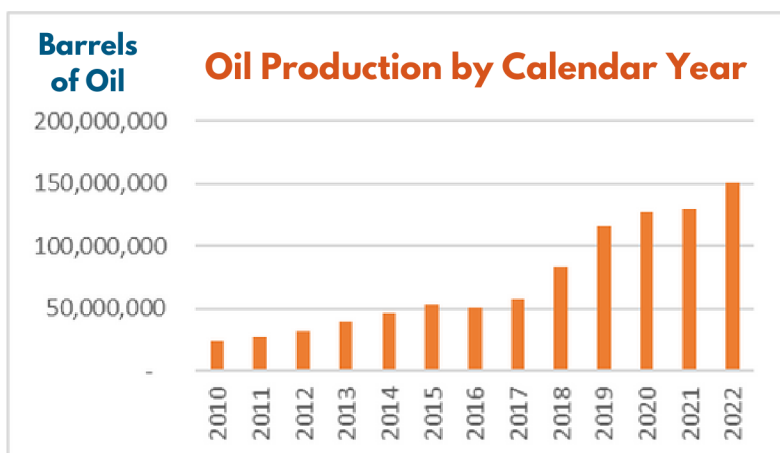
## Mineral Resources



### ROYALTY MANAGEMENT DIVISION

The Royalty Management Division is comprised of three bureaus – Revenue Processing, Compliance, and Audit – which are responsible for receiving, processing, and auditing royalties from primarily oil and gas leases. The division brought in and distributed to beneficiaries over \$2.5 billion in FY23, including a record \$300-plus million in October 2022. To put this in perspective, 10 years ago the division brought in “just” \$500 million in one year.

A significant rise in oil and gas production and solid prices are responsible for this record revenue. The tables below show increases over the past thirteen years.



The Revenue Bureau reviewed over 400,000 royalty detail lines (revenue receipts) in FY23. This is more than 33,000 lines per month.

To ensure that the State Land Office is receiving all the money which it is due from its oil and gas lessees, the division performed 51 account reviews and 27 audits.

The Audit and Compliance Bureaus collected \$3.6 million over the course of the year.

The division hosted a two-day, hybrid (in-person and Zoom) training conference for 130+ industry attendees offering presentations about the division’s three main functions (revenue processing, compliance and audits) and one-on-one counseling with individual companies regarding their specific issues. The conference was recorded and is available on our website. The division plans another conference next year to follow up on the success of the previous two years.



# New Mexico State Land Office

## Surface Resources Division (SRD)



Commissioner Stephanie Garcia Richard has increased the capacity of the Surface Resources Division (SRD), enabling it to take on new programs and initiatives. Assistant Commissioner Dana Vackar Strang leads the SRD, managing 39 personnel in field operations, environmental compliance, agricultural leasing, outdoor recreation, and stewardship. The SRD staff operate from Santa Fe as well as district offices around the state and serve as the primary point of contact for local communities, municipal and county governments, and NMSLO lessees. Their daily tasks may include addressing watershed and soil health, site remediation, illegal dumping, forest health, wildlife management, and leasing activity on state trust land.

### FIELD OPERATIONS

One of the SRD's primary responsibilities is to respond to requests from leasing divisions regarding proposed activities on state trust lands. The District Resource Managers and Technical Specialists conduct field inspections to provide land use recommendations and special leasing stipulations related to ecological and conservation issues. These can include stipulations regarding threatened or endangered plant and animal species or other resource concerns.

As the primary contact for their local communities, our District Resource Managers engage with lessees on a daily basis while conducting site inspections, new lessee orientations, or addressing questions and concerns. These individuals are very knowledgeable about the lands in their district and are a wonderful resource for those interested in learning about the NMSLO.

# New Mexico State Land Office

## Surface Resources Division (SRD)



### FIELD OPERATIONS (CONTINUED)

The field operations personnel and the stewardship staff also identify and implement projects to help conserve and manage state trust lands for future generations via the Land Maintenance Fund, Restoration and Remediation Fund, and partnership-funded projects. These projects not only benefit New Mexico institutions; they help restore New Mexico's lands as well.



Staff placed straw wattles throughout the Cook's Peak landscape as a post-fire erosion control measure.

### STEWARDSHIP PROJECTS

Throughout the past year, SRD staff and partners conducted a variety of projects to improve forest and watershed health, reduce risk of fire to communities, rehabilitate lands negatively impacted by fires, protect and restore wildlife habitat, provide fuelwood to communities throughout the state, clean up legacy pollution and public safety issues, and ensure cultural properties are protected.

### FY2023 Stewardship Projects

Project Type	Acres Treated	# of Projects	Total Cost
Archaeological Services	2,878	7	\$116,884
Community Fuelwood	414	2	\$86,878
Mechanical Thinning/Prescribed Fire	5,475	8	\$405,491
Landscape-scale Multi-use Planning	15,015	3	\$97,375
Legacy Remediation and Restoration	299	22	\$275,762
Monitoring	80,090	8	\$0
Noxious/Invasive Weeds	20,507	9	\$775,650
Research	3,840	1	\$29,749
Other	9.86	3	26,815
<b>Grand Total</b>	<b>128,527.22</b>	<b>63</b>	<b>\$1,814,606</b>



# New Mexico State Land Office

## Surface Resources Division (SRD)



### STEWARDSHIP PROJECTS (CONTINUED)

Each of these projects allows us to continue to develop trust resources responsibly. Partnering with local fire departments, municipal and county officials, other state agencies, soil and water conservation districts, non-governmental organizations and universities, and our lessees, we connect our stewardship with the larger landscape.

As we look to the future of New Mexico, it is important that NMSLO continues to address legacy issues that have impacted our landscapes. This fiscal year, SRD continued to make progress on the multi-year reclamation of an abandoned railroad ballast mining operation, Railrock, by completing the second of four phases in the project plan for this mine, which covers more than 200 acres.



*Pre-treatment area at Busters Acres where noxious invasive species prevented growth of native grasses.*



*Post-treatment recovery of native grasses at Busters Acres.*

We also responded to community concerns related to the legacy Nacimiento Mine near Cuba, and undertook a project to limit erosion and sedimentation impacts to the acequia adjacent to state trust land.

Our staff respond timely to immediate concerns in sensitive areas while simultaneously working toward long-term, landscape-scale rehabilitation for our restoration program. Our forestry program continues to focus on forest thinning and prescribed fire projects benefitting forest ecosystems and the communities that live within and around them.

# New Mexico State Land Office

## Surface Resources Division (SRD)



### STEWARDSHIP PROJECTS (CONTINUED)

Range ecology projects focus on grassland restoration in landscapes where juniper, mesquite, and creosote are present at densities far above historical levels and damage ecosystem function and rangeland productivity. Additional work reduces noxious weeds in forest systems and engages in fuelwood collection projects to provide this important resource to communities.

Habitat enhancement projects and monitoring for rare plants and animals on state trust lands are leading to important conservation opportunities including potential conservation leases. These projects are vital to the health of our forests, ecosystems, communities, and wildlife. The work is labor-intensive and often time sensitive, and requires significant resources, but is necessary to help ensure that state trust land is as resilient and productive as possible now and into the future.



*State trust land after hazard tree removal at Cook's Peak.*



*NMSLO staff, Claunch-Pinto SWCD, and Land Grant partners at Bearcat.*

### Bearcat: A Stewardship Example

The Bearcat Fuelwood Project is a multi-phase fuelwood area in southeastern Bernalillo County that provides wood to five Land Grants: the Tajique, Cañon de Carnuel, Torreon, Chilili, and Manzano Land Grants. This project's success was made possible through partnerships with the Edgewood and Claunch-Pinto Soil and Water Conservation Districts. In 2023, this project provided 158 cords of wood to communities from 50 acres of treatment. This project will expand to a new treatment area in the new fiscal year and continue to provide fuelwood to local Land Grants.



# New Mexico State Land Office

## Surface Resources Division (SRD)



### LAND GRANT PARTNERSHIPS AND TRADITIONAL USE PERMITS

The Commissioner remains committed to supporting traditional uses on state lands that benefit surrounding communities. The State Land Office continues to engage in discussions and projects with the Land Grant Council. The agency conducted land grant fuelwood projects at Bearcat and Villanueva. We also collected fuelwood in the Black Lake, Cebolla, and Cook's Peak areas as part of other land maintenance projects. The goal is to ensure traditional communities have the resources they need while simultaneously improving the fire resiliency of our forested lands.



*Golden, N.M. Open Space trail mapping area.*

### OFFICE OF OUTDOOR RECREATION

The Office of Outdoor Recreation closed out a number of projects in FY23 that had been priority items, made progress moving a few other projects forward, and planted the seeds for some new initiatives that will see completion in FY24.

# New Mexico State Land Office

## Surface Resources Division (SRD)



### Office of Outdoor Recreation Projects

**Socorro Box:** The City of Socorro entered into a 40-year lease for open space and non-motorized recreation. They will submit plans in early FY24 for development of improvements. Total revenue over the life of the lease will be \$292,550

**La Cueva Ridge:** Guadalupe Mountain Ridge Trail connector – The Carlsbad Soil and Water Conservation District obtained a right-of-way to connect these two trails in collaboration with BLM.

**Farmington Lake Recreation Area:** Staff are working with the City of Farmington to develop a master plan for primitive recreational use.

**Youth Conservation Corps Commission:** The NMSLO was awarded grant funding to complete projects in FY24.

**Capulin Volcano National Monument:** Mapping and alignment of proposed trail extension on adjacent state trust land.

**Golden Open Space:** Create trail report for existing trail conditions, proposal of trail extensions, and maintenance recommendations.

**Zuni Mountains:** Fuelwood staging and removal.

As we enter FY24, we are pursuing expansion of camping opportunities, broadening partnership projects, identifying locations that have an economic development nexus with outdoor recreation, and continuing to promote the recreational access permit to the public.



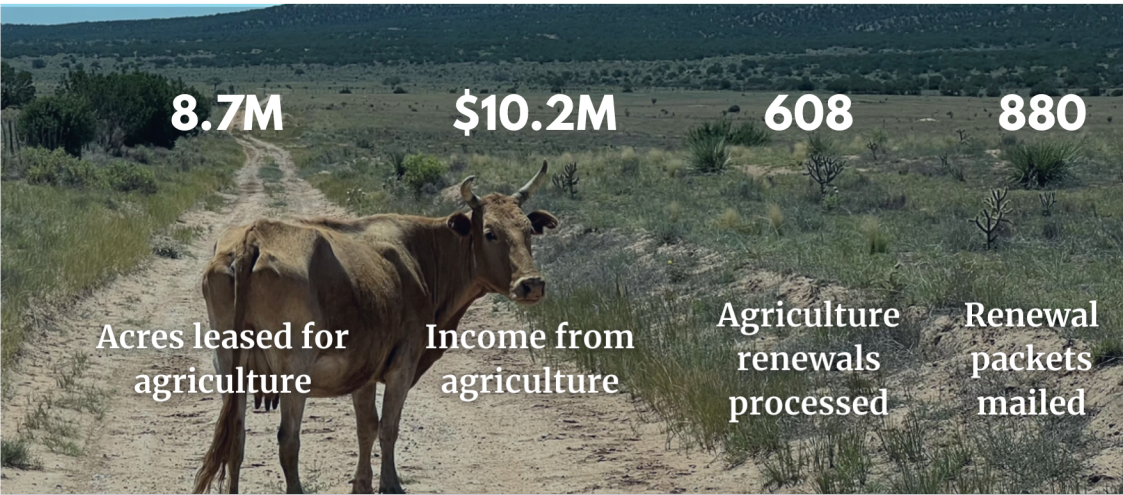
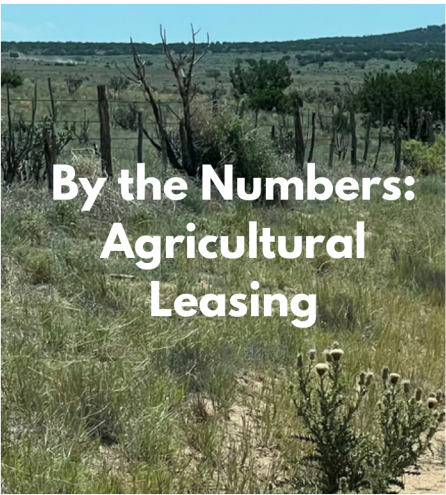
# New Mexico State Land Office

## Surface Resources Division (SRD)



### AGRICULTURAL LEASING

The Agricultural Leasing Bureau (ALB) processes lease applications for grazing, farming, and other agricultural uses. The Bureau issues leases for agricultural uses for a term of not more than five years and divides them into different series for processing purposes. The Bureau staff provide new and renewing lessees with excellent customer service as they navigate applications, requests for improvements, and other associated activities.



The lessees may make improvements to the leased land that benefits agricultural production as well as the health of the land. Through partnerships with the USDA’s National Resource Conservation Districts across the state as well as non-profits such as the New Mexico Healthy Soils Working Group, agricultural lessees have the opportunity to engage in activities that benefit their interests as well as learn new techniques that benefit the land itself.

To assist this community of lessees, the NMSLO has worked with partners to offer workshops across the state. These workshops were focused on healthy soil and regional production practices. A number of NMSLO lessees offered to host workshops on their ranches and share the work they are doing to promote healthy soil and a healthier ecosystem. Along with these lessees we held three workshops in the summer of 2023. The first focused on adaptive grazing within the Clines Corners region.

# New Mexico State Land Office

## Surface Resources Division (SRD)



### AGRICULTURAL LEASING (CONTINUED)

The second workshop was a funding opportunity and grant writing-focused workshop with hands-on training in soil health evaluation and resource concern identification in the San Juan region. The final 2023 workshop held just outside of Clayton focused on irrigated and dryland farming practices for healthy soil and different grass crops that are drought tolerant and suited to the region.

### ENVIRONMENTAL COMPLIANCE OFFICE

In fiscal year 2023, Commissioner Garcia Richard initiated the first ever NMSLO Environmental Compliance Office (ECO). With Remediation Specialists in Farmington and Hobbs, ECO is tracking all new spills and releases, conducting site inspections and overseeing reclamation and remediation efforts statewide. These specialists monitor for oil and gas issues, illegal dumping, mine reclamation, and legacy clean up.

The agency hired the first member of the ECO staff in September of 2022 to work in the Hobbs area, and quickly hired another to work in Farmington. We hope to add one more specialist in each location. In a little less than 10 months, ECO has been able to conduct site inspections, review remediation plans/activities, and close spills reports for 114 incidents on state trust lands. ECO is currently tracking over 350 active releases.



In collaboration with the Office of General Counsel and the Oil, Gas, and Minerals Division, ECO has provided an extraordinary boost to NMSLO's compliance and enforcement objectives.



# New Mexico State Land Office

## Surface Resources Division (SRD)



### ENVIRONMENTAL COMPLIANCE OFFICE (CONTINUED)

Throughout this initial period, they have met with operators and environmental contractors across New Mexico, as well as internal divisions, to develop standard operating procedures and guidance for remediation and restoration activities on state trust lands. These procedures will be published in FY24 to provide clear, consistent guidance for all lessees and operators that conduct business with the NMSLO.



### LANDSCAPE LEVEL PLANNING

The Landscape Scale Planning Program initiated in FY20 continues to grow and develop. The purpose of the program is to enhance the thoughtful use and long-term protection of NMSLO natural resources while also promoting sustainable economic growth to benefit both our beneficiaries and the ecological health of state lands. The Planner works both internally and externally to develop planning strategies, improve efficiencies, and develop land use plans.

# New Mexico State Land Office

## Surface Resources Division (SRD)



### LANDSCAPE LEVEL PLANNING (CONTINUED)

Current projects include the development of:

- A multi-use transportation plan for the White Peak area to address access and land management for forest health, recreation, hunting, and traditional uses in the area.
- Alternative leasing approaches to provide opportunities to generate revenue through conservation, soil carbon and ecosystem service markets, and through mitigation banking.
- Activity zones that will highlight areas of the state well-suited for certain types of development and incorporate policies and best management practices to mitigate habitat fragmentation and environmental impacts of development on state trust land.

### Other SRD Accomplishments Include:

- Partnered with the New Mexico Department of Game and Fish on the improvement of a road in the White Peak area to allow for post fire work and improved access for hunter and recreationists. This work contributed over \$500,000 in road maintenance to the area.
- Developed a Memorandum of Understanding between the NMSLO and the New Mexico Youth Conservation Corp Commission for funding to employ youth on projects conducted on state trust land. Three project plans were finalized and work will commence in FY24 with a focus on expanding recreation opportunities on state trust lands.
- Developed project plans that will use bond proceeds in FY24 to remediate and restore state trust lands that had been abandoned by former lessees. Claiming bonds for non-performance will be one method by which we are able to deal with legacy issues and restore state trust lands to productive health.



# New Mexico State Land Office

## Public Engagement



### PUBLIC MEETINGS

Public meetings provide the Commissioner and State Land Office staff with an opportunity to speak with New Mexico residents directly. This engagement is crucial, as it helps inform our staff about the needs and concerns of the public. Gathering this information firsthand allows us to improve our processes and increase our revenue-generating capabilities.

In addition, Commissioner Garcia Richard is committed to transparency and accessibility for all NMSLO public meetings. The Commissioner pushed for the passage of Senate Bill 458 in the 2019 New Mexico legislative session, which mandates that the State Land Office conduct public meetings in the communities of impact on such proposals as: land sales or exchanges, large transmission lines, and other impactful developments.



### MEDIA OUTREACH AND MORE

The State Land Office is also committed to providing the general public with as much information as possible. To that end, the State Land Office proactively contacts local media outlets about our numerous projects to keep New Mexico's residents up-to-date with the status of their state lands. When possible, Commissioner Garcia Richard meets with members of the press in-person for interviews to share more about our work.

To stay informed on everything happening at the State Land Office, visit [nmstatelands.org](https://nmstatelands.org).

# New Mexico State Land Office

## State Land Trusts Advisory Board



The State Land Trusts Advisory Board advises the Commissioner of Public Lands in the formulation of policies and programs at the State Land Office. The members are appointed by the Commissioner and confirmed by the New Mexico State Senate to serve six-year terms. By law, the Board must be politically and geographically diverse and represent the Trust's beneficiaries and key constituencies. Two members serve at large, two other members represent the beneficiary institutions and one each represents agriculture, extractive industries, and conservation interests.

### **CURRENT STATE LAND TRUSTS ADVISORY BOARD MEMBERS:**

Colonel David West (current Chair) served in the United States Army from 1985-1991 as a combat medic, and now serves as Chief of Staff to the President of the New Mexico Military Institute, a NMSLO beneficiary.

Paula Garcia (current Vice Chair) has fought for clean water and water and agricultural rights in her nearly two decades as Executive Director of the New Mexico Acequia Association.

Joanna Prukop has served both as a former Secretary of the New Mexico Energy, Minerals, and Natural Resources Department and a former Chair of the New Mexico Game Commission.

Mayane Barudin founded Sovereign Energy, a native-led nonprofit organization, to help center Tribal energy sovereignty and Indigenous voices within the renewable energy transition to enable energy reparations and sustainability for Indigenous people.

Dr. Heather Miller is the Special Education Administrator for the New Mexico School for the Blind and Visually Impaired, a beneficiary of state lands. She is also a small business owner in her spare time, operating a horse hotel near Tularosa.



# REPORT ENVIRONMENTAL INCIDENTS



Witness an environmental violation or other  
incident on state trust lands?

Visit [www.nmstatelands.org](http://www.nmstatelands.org) and click on  
“Report Environmental Incident” in the top  
right corner.

Help us keep our state lands beautiful!

Since 2019, YOUR State Land Office has earned over

**\$8 BILLION for our schools!**



New Mexico Commissioner of Public Lands Stephanie Garcia Richard