

NEW MEXICO STATE LAND OFFICE



Page 8

The Most
Successful Administration. Ever.



FISCAL YEAR 2025 ANNUAL REPORT

N.M. Land Commissioner Stephanie Garcia Richard



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

Visit www.nmstatelands.org and click on “Report Environmental Incident” in the top right corner.

Help us keep our state lands beautiful!

**REPORT
ENVIRONMENTAL
INCIDENTS**

CONTACT US

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@nm.land.office

NEW MEXICO STATE LAND OFFICE

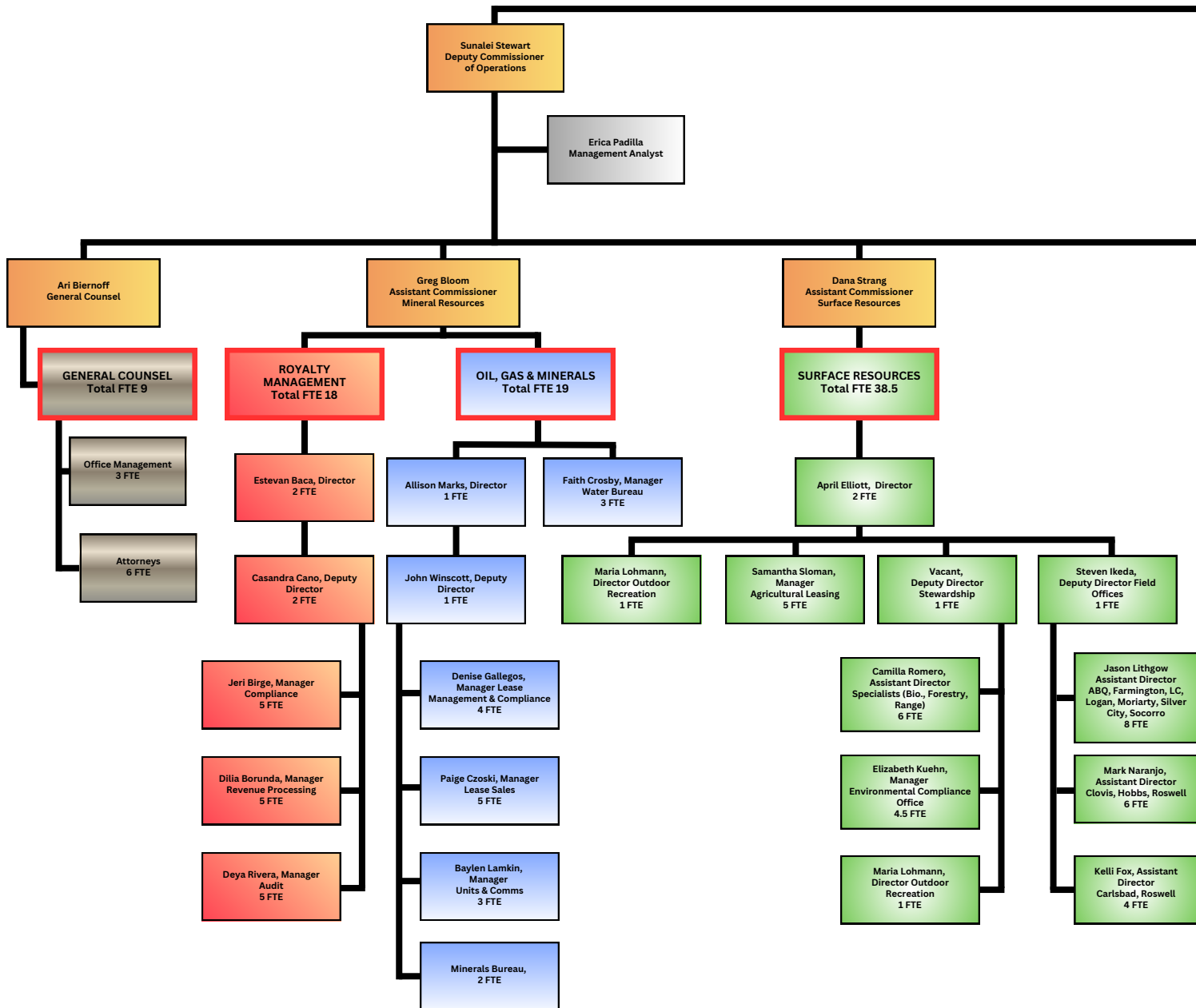
2025 ANNUAL REPORT TABLE OF CONTENTS

Organizational Chart	4 - 5
Executive Team	7
Commissioner Garcia Richard's Update	8 - 11
State Land Office History	12 - 13
Beneficiaries and Revenue Earned	14 - 18
Administrative Services	20 - 27
◦ Accounting Division	20 - 21
◦ Facilities Management Division	21
◦ Records Management Division	22 - 23
◦ Human Resources Division	23 - 24
◦ Information Technology Division	25
Commercial Resources Division	28 - 37
◦ Rights-of-Way	29 - 30
◦ Business Leasing	30
◦ Office of Renewable Energy	31
◦ Renewable Energy Maps	32 - 33
◦ Special Projects Team	34 - 35
Cultural Resources Office	38 - 41
Legal Division	42 - 45
Mineral Resources	46 - 53
◦ Royalty Management Division	46 - 47
◦ Oil, Gas, and Minerals Division	47 - 50
◦ Water Bureau	51
Rulemaking	54 - 55
Surface Resources Division	56 - 63
◦ Agricultural Leasing	56
◦ Field Operations	56 - 57
◦ Stewardship	57 - 58
◦ Environmental Compliance Office	59 - 60
◦ Landscape Scale Planning & Outdoor Recreation	60 - 61
Public Engagement	64 - 65
State Land Trusts Advisory Board	66 - 67



New Mexico State Land Office

Chase Henzler
Research & Policy
Analyst



Stephanie Garcia Richard
New Mexico's Land
Commissioner

State Land Trust
Advisory Board

Francesca Di Palma
Director of Constituent
Services/ Executive
Assistant

Tarin Nix
Deputy Commissioner of
Public Affairs

Michael Sage
Assistant Commissioner
Commercial Resources

Selena Romero
Assistant Commissioner
Administrative Services

Ethan Ortega
Assistant Commissioner
Cultural Resources

Joey Keefe
Assistant Commissioner
Communications

**COMMERCIAL
RESOURCES
Total FTE 21**

**INFORMATION
TECHNOLOGY
Total FTE 22**

**FACILITIES
MANAGEMENT
Total FTE 12**

**HUMAN RESOURCES
Total FTE 4**

**ACCOUNTING
Total FTE 9**

**CULTURAL RESOURCES
Total FTE 4**

Jim Bordegaray,
Director
2 FTE

Anthony Hoffman,
Director/ CIO
1 FTE

Bobby Gallegos,
Director
1 FTE

Shanell Townsend,
Director Human
Resources
4 FTE

Antonio Medina,
Director
1 FTE

Anne Curry, Director
4 FTE

Melissa Armijo,
Deputy Director
1 FTE

Tim Elsbrock, Deputy
CIO
1 FTE

Daniel Chavez, Deputy
Director
1 FTE

**RECORDS
MANAGEMENT
Total FTE 11**

Krystle Roybal, Deputy
Director
1 FTE

Conrad Kegal,
Manager Business
Leasing
6 FTE

Audrey Abeyta,
Manager Project
Management
3 FTE

Sean Matthews,
Manager
Maintenance
5 FTE

Lesley Schimoler,
Director
1 FTE

Mariah Solano,
Manager Accounts
Receivable
4 FTE

Amy Velasquez,
Manager Rights of
Way
8 FTE

Johnny Martinez,
Manager IT
Operations
5 FTE

Jacob Montoya,
Manager
Custodians
5 FTE

Erik Chavez, Deputy
Director
10 FTE

Accounts Payable
2 FTE

Vacant, Director
Renewable Energy
Office
1 FTE

Richard Byrne,
Manager Web & .Net
Development
4 FTE

Eric Armijo, Business
Operations Manager
3 FTE

Chris Montoya, Chief
Procurement Officer
1 FTE

Grady Barends,
Deputy Director
3 FTE

Chris Meyer, Manager
Network &
Infrastructure
4 FTE

Vacant,
Assistant Commissioner
Special Projects

Christian Smith,
Manager GIS
4 FTE

Economic
Development &
Special Projects
3 FTE

Total FTE 190.5

State Land Office Staff In Photos



New Mexico State Land Office

Executive Team



Stephanie Garcia Richard
New Mexico's Land Commissioner



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



Ethan Ortega
Assistant Commissioner of
Cultural Resources



Michael Sage
Assistant Commissioner of
Commercial Resources



Joey Keefe
Assistant Commissioner of
Communications



Ari Biernoff
General Counsel



Greg Bloom
Assistant Commissioner of Mineral
Resources



Dana Vackar Strang
Assistant Commissioner of
Surface Resources

The Most Successful Administration. Ever.



By **Stephanie Garcia Richard**
NEW MEXICO'S LAND COMMISSIONER



Credit: Eddie Moore,
Albuquerque Journal

Seven years in and it's safe to say this has been the most successful administration in the history of the New Mexico State Land Office. I had several goals for the agency when I first entered office in 2019. In most cases we have blown past our initial targets and achieved far more than we could have imagined.

I was motivated to find every dollar I could for our school kids and public institutions, and hit the ground running as we earned more than \$1 billion my first year in office. Now we are exceeding \$2 billion per year on a regular basis, bringing in around \$2.6 billion in the past fiscal year alone – the second highest total in the agency's history (after earning \$2.75 billion in FY23).



I set out to triple renewable energy on state lands, and we are now at sevenfold the amount of renewable energy under lease since I was sworn in. These projects will create hundreds of millions of dollars in new money for public schools, universities, and hospitals. We have also secured 11 community solar projects on state lands to bring clean, affordable energy directly to the homes of New Mexicans. Our Office of Renewable Energy (ORE) staff has done an amazing job since I established the office, and that work is guaranteed to continue into the future since the Legislature codified ORE into law in 2023 at my urging.

From day one, I committed to using state lands to help communities meet their needs. Our Commercial Resources Division (CRD) has taken my mandate to pursue affordable housing to heart, securing nearly 2,000 affordable housing units to help cities like Albuquerque, Las Cruces, and Rio Rancho address their housing shortages. CRD has contributed significantly to economic development in the state, earning a record \$58 million from commercial leasing activities in FY25, including a 19% increase in business leasing and a 44% increase in right-of-way revenue.



Commissioner Garcia Richard visiting a state land parcel near Las Cruces that will become the Mesa Vista housing development.

The successes we have had over the past several years will leave behind an impactful legacy. Our Oil, Gas, & Minerals Division and Royalty Management Division continue to ensure we get top dollar for our school kids, with a lot more to come. After years of pushing the Legislature to raise the top royalty rate to 25% so the State Land Office can charge a market rate for oil and gas development (and bring it in line with Texas' rate), lawmakers finally passed a bill that will result in at least a billion dollars for beneficiaries.

The Accountability & Enforcement program within our Legal Division is changing the culture of oil and gas compliance on state lands for the better. Since I established the program in 2020, this team has secured the plugging of more than 700 wells at the expense of the companies responsible, saving taxpayers at least \$90 million.



The Environmental Compliance Office I established within the Surface Resources Division has lent a huge helping hand to these efforts, concluding about 350 remediation projects in FY25. The work of both of these divisions will allow state lands to continue responsibly generating revenue for the school kids for many, many years to come.

In the past year I signed executive orders to protect over 5,000 acres of state land on the Caja del Rio Plateau and over 2,500 acres in the Upper Pecos Watershed. These landscapes have been important to Indigenous and Land Grant communities for centuries. I view it as my responsibility to protect the state lands in special places like this so traditional uses of the land may continue, especially given the Trump administration's repeated attacks on our public lands. I also signed agreements to protect state lands at Chupadera Mesa and enable the U.S. military to continue its testing and training programs that are vital to national security without large developments endangering the mission.



Commissioner Garcia Richard signing an agreement to protect lands at Chupadera Mesa.



The Cultural Resources Office continues to protect timeless cultural resources by reviewing over 1,000 State Land Office projects to ensure compliance with the Cultural Properties Protection Rule I implemented in 2022. Given that state lands are stolen lands, it is only right that we do everything we can to consult New Mexico's Nations, Pueblos, and Tribes on management of these lands. As an agency, we also continue to advocate for protections for the Greater Chaco region, by extending an order banning oil and gas and mineral development within ten miles of the park in 2023.

This work is possible because of the incredible support provided by the Administrative Services Divisions: Accounting, Facilities Management, Human Resources, Information Technology, and Records Management. These teams enable the agency to earn and process records amount of money. They help keep the morale high on a daily basis and they help keep the lights on and the bills paid – literally. They are also a huge reason why the agency has been named a Top Workplace by the *Albuquerque Journal* for the third year in a row.

I could not have asked for a better staff. They are so amazing at what they do, and they are the reason we have been able to exceed expectations at every turn during my administration. I hope every employee is proud of everything we have accomplished together these past seven years!

And here's to many more decades of record earnings to fund our public schools, universities, and hospitals!



Stephanie

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, impactful state agencies in the Land of Enchantment. Charged with managing nine 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 Land Commissioner 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 proposed legislation authorizing the granting of lands for certain purposes to the Territory of New Mexico.

New Mexico State Land Office

A Brief History



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.

Just 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.

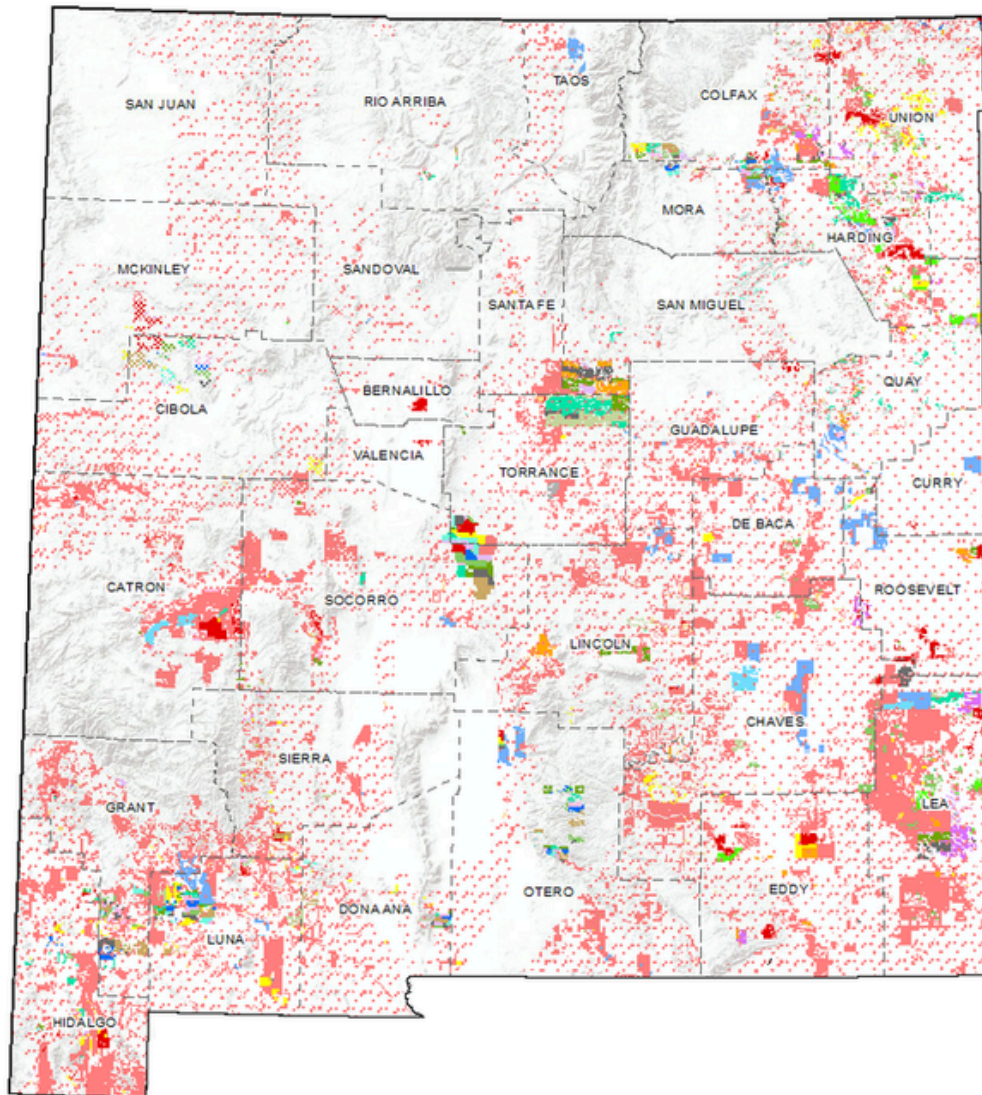
New Mexico State Land Office

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	6,802,297	9,768,518
University of New Mexico	253,219	344,005
Saline Lands	1,044	15,03
New Mexico State University	194,492	254,200
Western New Mexico University	186,956	293,846
New Mexico Highlands University	186,956	293,846
Northern New Mexico College	95,603	169,350
Eastern New Mexico University	82,802	104,039
New Mexico Tech	162,588	219,019
New Mexico Military Institute	135,577	160,010
New Mexico Boys School	50,815	62,331
Miners Colfax Medical Center	98,558	120,766
Behavioral Health Institute	101,241	164,024
State Penitentiary	113,266	159,694
School for the Deaf	129,365	156,912
School for the Blind	143,113	179
Charitable Penal & Reformatory	74,471	99,620
Water Reservoirs	341,781	470,418
Rio Grande Improvement	54,221	89,202
Public Buildings	88,806	132,072
Carrie Tingley Hospital	19,864	13,692
TOTAL	9,317,035	13,077,776

New Mexico State Land Office

Revenue Earned By Source (*RENTALS*)



Rentals	FY25 Total	Rentals (cont.)	FY25 Total
Sand & Gravel	14,758	Solar Energy	1,328,639
Special Use Agreements	1,217	Wind Energy	6,922,045
Potash	10,147	Gas Storage Units	465,315
Grazing	6,982,124	Fuel wood	9,545
Salt	1,145		
Coal Rental	9,650	RENTAL SUBTOTAL	\$130,145,539
General Mining	16,318		
Shut-in-Royalty	1,561		
Oil & Gas Rental	1,620,334		
Oil & Gas Bonuses	40,816,418		
Oil and Gas Int.	2,931,859		
Seismic Permits	62,760	Other	FY25 Total
Business Leases	17,578,337	Fees & Copies	3,786,764
Land Use Restrictions	2,959,379	Interest Earnings	26,700,197
Billboards	58,840	Other	24,781
Geothermal Rental/Income	11,018		
Water	2,796,072	OTHER INCOME	
Salt Water Disposal	15,922,345	SUBTOTAL	\$30,511,742
Right-of-Way	29,615,754		
Caliche	9,922		
		TOTAL	\$160,657,282



New Mexico State Land Office

Revenue Earned By Source (*ROYALTIES*)



Income Source	FY25 Total
Sand & Gravel	2,149,404
Potash	841,550
Salt	63,207
Caliche	3,131,034
Coal	114,221
Oil & Gas	2,420,433,228
Land Contracts	1,860,000
General Mining	3,200

ROYALTY SUBTOTAL **\$2,428,595,844**

**RENTAL AND ROYALTY
GRAND TOTAL** **\$2,589,253,125**



New Mexico State Land Office

Revenue Distributed Per Beneficiary



Beneficiary	Monthly Distribution to Beneficiaries	Revenue Invested in LGPF on Behalf of Beneficiaries	FY25 Total
Common Schools	101,374,814	2,238,849,171	2,340,223,985
University of New Mexico	1,767,242	17,246,120	19,013,362
Saline Lands	17,340	495,823	513,163
New Mexico State University	3,214,099	9,018,852	12,232,952
Western New Mexico University	378,369	25,663	404,032
New Mexico Highlands University	378,369	25,663	404,032
Northern New Mexico College	109,773	25,727	135,500
Eastern New Mexico University	400,167	29,363	429,530
New Mexico Tech	952,017	564,773	1,516,791
New Mexico Military Institute	1,135,802	19,466,395	20,602,197
New Mexico Boys School	82,992	0	82,992
Miners Colfax Medical Center	6,019,747	1,706,465	7,726,212
Behavioral Health Institute	6,605,401	9,498,960	16,104,361
State Penitentiary	4,838,307	43,928,202	48,766,509
School for the Deaf	908,332	7,438,517	8,346,850
School for the Blind	1,367,007	7,459,548	8,826,555
Charitable Penal & Reformatory	334,557	1,195,882	1,530,439
Water Reservoirs	537,352	755,671	1,293,024
Rio Grande Improvement	115,665	95,853	211,518
Public Buildings	2,439,351	70,769,189	73,208,541
Carrie Tingley Hospital	19,459	0	19,459
TOTAL	\$132,996,172*	\$2,428,595,843	\$2,561,592,015*

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

Lands We Manage

In Photos



**A BOX CANYON ON
STATE LANDS**



**A NAVAJO DEFENSIVE
STRUCTURE IN RIO ARRIBA
COUNTY**



STATE LAND AT WHITE LAKES



**PRONGHORN EXPLORING
STATE LANDS**

New Mexico State Land Office

Administrative Services



Assistant Commissioner Selena Romero oversees Administrative Services, in addition to serving as the agency’s Co-CFO. Administrative Services encompasses the Accounting, Human Resources, Facilities Management, Records Management, and Information Technology Divisions.

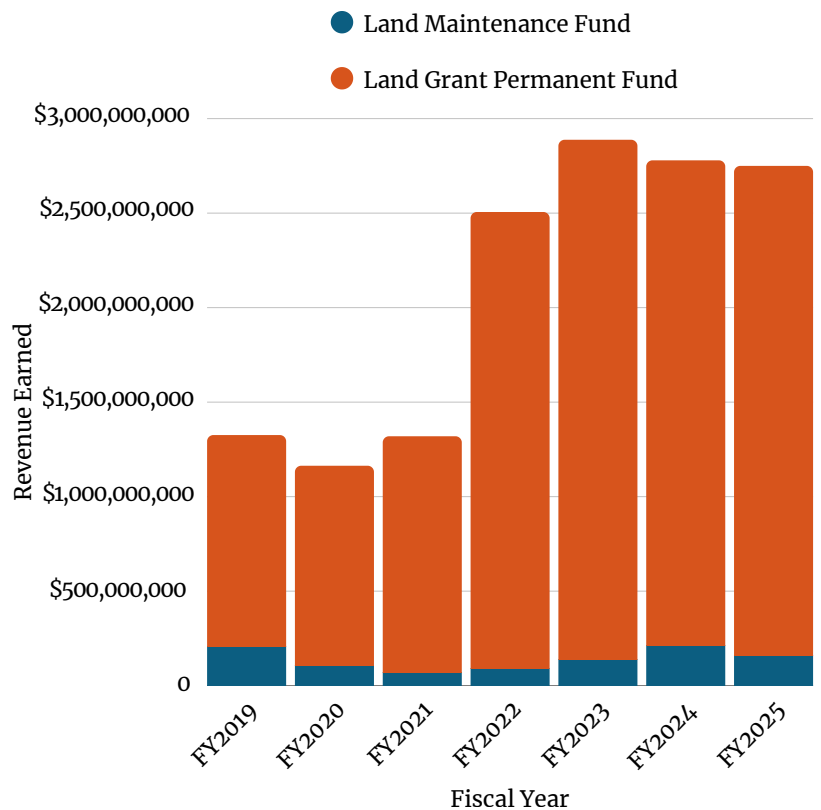
ACCOUNTING DIVISION

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, State Treasurer’s Office, and State Auditor’s Office. In FY25, the Division managed a \$27 million budget and distributed \$2.59 billion on behalf of 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-way, lease rentals, and other income.

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

Revenue Growth FY2019 through FY2025 (\$)



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 collection amounts 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 to ensure that the beneficiaries of our land receive what they are owed.

FACILITIES MANAGEMENT DIVISION

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



Credit: Eddie Moore, Albuquerque Journal

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. Business Operations made approximately 150,606 copies in the print shop in FY25. There are 43 vehicles total in the fleet managed by Business Operations, including 24 district office vehicles, seven utility task vehicles/all-terrain vehicles, and four trailers.

FACILITIES MANAGEMENT ACCOMPLISHED THE FOLLOWING IN FY25:

- ➔ Maintained a safe and secure building and incurred zero property losses.
- ➔ Completed Royalty & Commercial office reconfiguration/remodel.
- ➔ Initiated bathroom remodel design.
- ➔ Completed repairs to server room HVAC.
- ➔ Purchased one new hybrid truck.

New Mexico State Land Office

Administrative Services



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. Records 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 FY25, Records staff performed title searches and prepared encumbrance lists covering over 415,000 acres of state trust land (a 364% increase over the previous year).



The Public Records Room

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. In FY25, Records staff delivered over 140,000 digital documents to public room visitors and remote clients (a 68% increase over last year).

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.

New Mexico State Land Office

Administrative Services



These original documents, some 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 FY25, the Division recorded and processed over 3,600 title activities. All title documents, along with procedurally related documents, are also scanned and digitally preserved.

HUMAN RESOURCES DIVISION

The State Land Office received a 2025 Top Workplaces USA Award from *USA Today*, for the second year in a row. The agency also received a Top Workplaces Award from the *Albuquerque Journal* - ranking 3rd in 2025 in New Mexico for a midsize employer, for the third year in a row.

The agency was also the recipient of a national Top Workplaces Women-Led award for the second time, given to fewer than 200 organizations where the most senior leader is a woman. Commissioner Garcia Richard credits the continued hardworking, dedicated, and talented NMSLO staff for this honor.

The State Land Office created nine new positions to support the growth in several divisions including Oil and Gas, Royalty, and Commercial Resources. Commissioner Garcia Richard continues to support initiatives to reduce the NMSLO vacancy rate, from a high of 25% in FY19, to an average of 8% in FY25. The agency’s rate continues to remain much lower than the State’s FY25 average of about 22%. The NMSLO maintained a less than 2% monthly average turnover rate in comparison to the State’s average of over 4%.

New Mexico State Land Office

Administrative Services



The Human Resources Division consists of Director Shannell Townsend, a Deputy Director, and two Human Resources Generalists. 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, and manages all recruitment efforts from advertising to overseeing the interview and hiring process.



Recently, Human Resources successfully created new Royalty Compliance Auditor classifications that better describe the work of the Royalty Management Division staff, and created more structural career ladder opportunities.

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 a healthy work-life balance.

The celebrations committee (with volunteers from almost all divisions) ensures employees feel valued and appreciated. The committee hosts 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, where she acknowledges staff work anniversaries, birthdays, and milestones, 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, the Information Technology Staff develops and maintains 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 composed of five bureaus: Project Management; IT Operations, Network & Infrastructure; Web & Net Development; and GIS.

INFORMATION TECHNOLOGY ACCOMPLISHED THE FOLLOWING IN FY25:

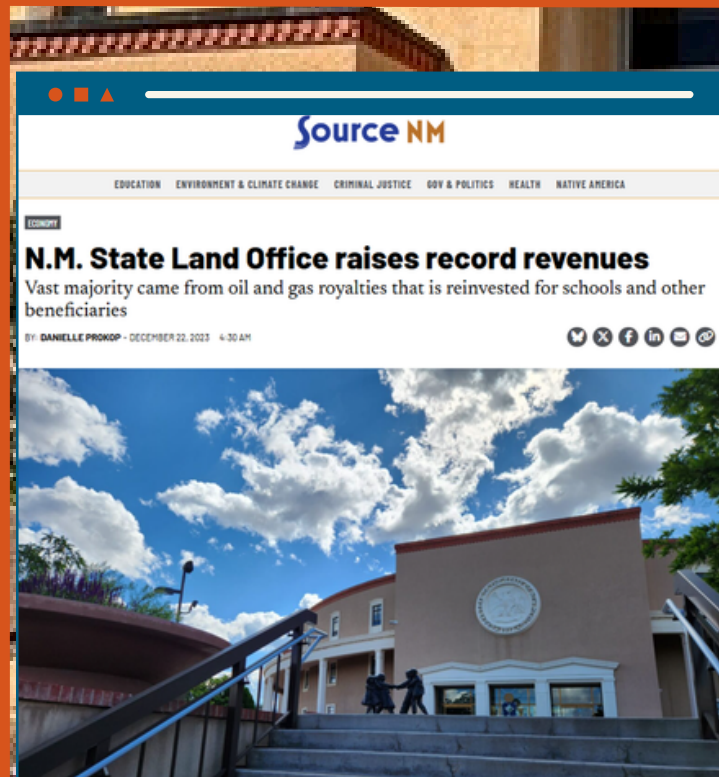
- ➔ Continued to strengthen IT security with ongoing dedicated remediation using Tenable software.
- ➔ Added and hired a dedicated security position for the IT team.
- ➔ Completed the Lease Invoice and Accounting (LIA) project, adding advanced accounting and invoicing system functionality.
- ➔ Completed all testing for a new system that improves royalty collection.
- ➔ Began work on a system for users involved in management and revenue collection for Oil and Gas leases and Royalty.
- ➔ Certified a project to update the agency's internal lease management system, LIMS.
- ➔ The passing of the Royalty rate increase (increased to 25%) in the 2025 Legislative session required NMSLO to complete changes to leases as well as to both the royalty processing and lease management systems.
- ➔ Acquired new audit management software to assist Royalty Management team in their audits of \$2.3 billion in Oil and Gas Royalty revenue.
- ➔ Upgraded hardware at disaster recovery site.
- ➔ Initiated portal development project to support collection of data for management efforts by the ECO team regarding trust land health, oil and gas spill tracking, and oil well pad restoration efforts.
- ➔ Completed upgrade of Cisco firewalls at all locations, including field offices.

ADMINISTRATIVE SERVICES ACCOMPLISHMENTS



State Land Office Record Revenue \$13 Billion +

The Administration Services Division – which includes Accounting, Facilities Management, Human Resources, Information Technology, and Records Management – keeps the lights on at the State Land Office, quite literally. These divisions process the billions of dollars that the agency has earned each year under Commissioner Garcia Richard and provides key support and services that enable the agency’s leasing divisions to continue bringing in money for New Mexico’s school kids. This team has also been critical to assisting the Commissioner in her commitment to overall employee morale.



2019

2

2020

1 State Land Office Named Top Workplace

In 2023, the New Mexico State Land Office was named a Top Workplace for the first time by the *Albuquerque Journal*, and has now won the award three years in a row. The agency has also been named a Top Workplace in the nation by *USA Today* for three consecutive years. Each year during that span the agency has also been awarded Culture Excellence Awards and the Women-Led Top Workplace, awarded to organizations whose most senior leader is a woman. Commissioner Garcia Richard has made great strides in bringing fairness to the State Land Office, prioritizing the rightsizing of salary and benefits while repeatedly recognizing the great work of the entire staff. The commitment to employee morale has paid off, as the agency's vacancy rate has consistently been far lower than that of the rest of state government.

2 Agency Earns First Billion!

In Commissioner Garcia Richard's first year in office in 2019, the State Land Office surpassed \$1 billion earned for the first time ever!

3 Good Governance

Each year under Commissioner Garcia Richard, the agency has had clean fiscal audits and no significant property losses or damages.

2026

3

2025

2024

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New Mexico State Land Office

Commercial Resources Division



The Commercial Resources Division (CRD) is comprised of four main teams: the Business Leasing and Rights-of-Way Bureaus, the Office of Renewable Energy, and Special Projects. Assistant Commissioner Michael Sage is responsible for general division oversight of 27 employees as well as overseeing the Special Projects Group. Jim Bordegaray, Director of the Commercial Resources Division, oversees Business Leasing and Rights-of-Way. Grady Barrens oversees renewable energy projects on state trust lands as Director of the Office of Renewable Energy.

CRD is responsible for the timely processing of project applications which seek to use state trust land for commercial leasing activities (retail, hospitality, billboards, etc.), surface activities associated with commercial development in the oil and gas industry, rights-of-way (roads, pipelines, transmission lines, telecommunication towers, fiber optic, etc.), and renewable energy projects (solar and wind generation, and battery energy storage systems).

In addition, through Special Projects, the State Land Office is growing New Mexico's supply of affordable housing. By leveraging its Planning and Development Lease, the State Land Office is laying the seeds for affordable housing development in areas across the state including Las Cruces, Rio Rancho, and Albuquerque.

In September 2024, Commissioner Garcia Richard spoke at a groundbreaking for the Farolito Senior Affordable Housing Community on state lands in Albuquerque, bringing 82 new affordable units to an area of the city in desperate need of more housing stock.



Commissioner Garcia Richard gives an interview to a local TV station at the Farolito groundbreaking ceremony.

New Mexico State Land Office

Commercial Resources Division



Photo courtesy of NMRETA.

For FY25, CRD continued its alignment with the State Land Office's dual mission of revenue generation and land stewardship. CRD completed rights-of-way for two additional high-voltage transmission lines, helping to add resiliency to the region's already stressed power grid, while at the same time ensuring protections for endangered species.

El Rio Sol is the second line of the SunZia transmission line project and mostly parallels the first SunZia Transmission Line. El Rio Sol is a 500 kV line stretching from Grant County to Torrance County. It will generate \$69 million dollars for our beneficiaries over its lifetime.

Crossroads Hobbs Roadrunner is a transmission line project located in the far eastern part of New Mexico. Much shorter in length than the projects mentioned above, it runs through Roosevelt and Lea counties and covers approximately 137 miles. Over its lifetime, it will generate almost \$35 million for public institutions. Working with the developer, NextEra Energy, the State Land Office was able to locate the line with the least impact to critical habitat for the endangered lesser prairie chicken and cultural resources, while at the same time securing agreements worth over \$4 million that will be used for habitat protection, and remove almost 20,000 acres from future transmission line development.

RIGHTS-OF-WAY BUREAU

Rights-of-way are a critical infrastructure component for roads, pipelines, transmission lines, low voltage electric lines, telecommunications and other purposes. In FY25, applications for rights-of-way and rights-of-entry were up almost 10% from the previous fiscal year, with corresponding revenue up about 44%. There are over 25,000 of these instruments currently active on state trust lands.

New Mexico State Land Office

Commercial Resources Division

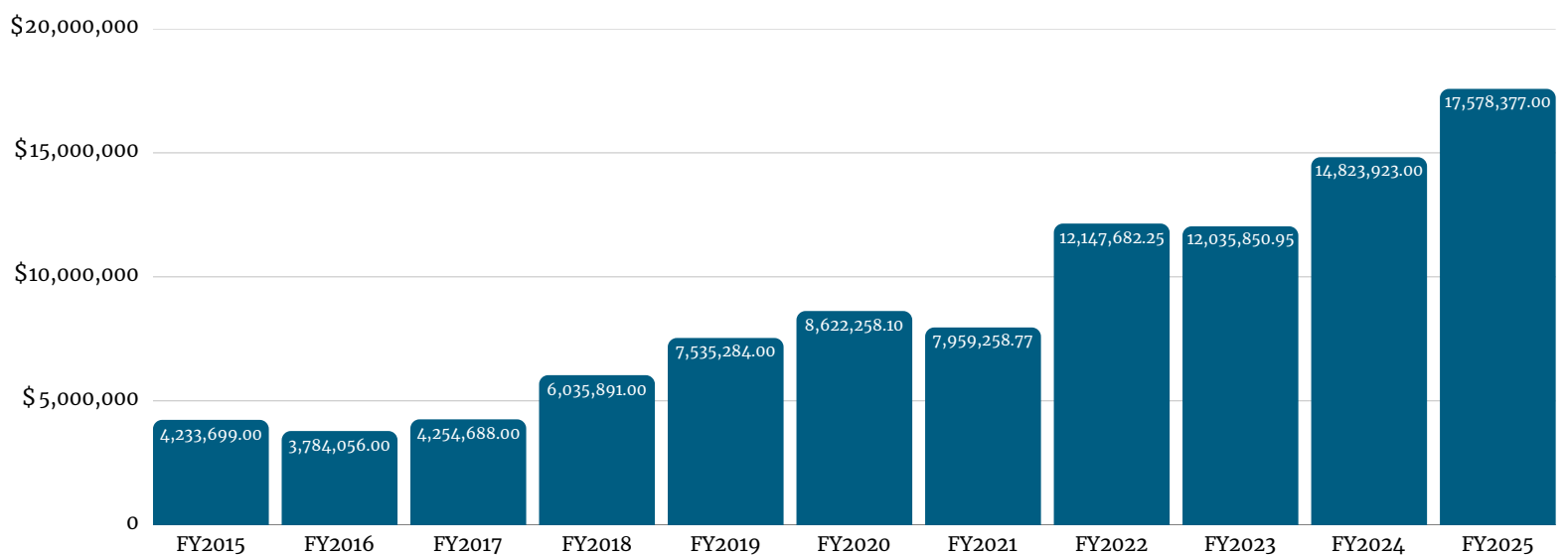


A total of 1,614 rights-of-way and rights-of-entry were executed in FY25, an increase of 26% over FY24, generating approximately \$30 million in revenue for beneficiaries, a 43% increase over FY24. Almost 2/3 of the rights-of-way issued were for pipeline easements, accounting for approximately 44% of rights-of-way revenue. CRD continues to prioritize the timely processing of instruments and has added additional staff to meet the demand. Working with various rural telecom companies, the Rights-of-Way Bureau also continues to expedite the rollout of broadband infrastructure in rural New Mexico communities and elsewhere.

BUSINESS LEASING BUREAU

In FY25, applications for business leases increased more than 100% over FY24. For the same period, revenue increased by about 19%. While continuing to increase revenues, the Business Leasing Bureau has also continued decreasing the average turnaround time for applications for new leases and reissues. Among other things, business leases are used for a diverse range of purposes such as well pads, storage yards, and electrical substations. There are approximately 1,100 active business leases on state trust land. Most are short-term leases of five years or fewer. However, an increasing number of these are long-term leases which address a similarly wide range of needs, such as retail operations, truck stops, and affordable housing projects.

Business Leasing Revenue: FY15 through FY25 (\$)



New Mexico State Land Office

Commercial Resources Division



OFFICE OF RENEWABLE ENERGY

Contributions from the Office of Renewable Energy (ORE) continue to grow during this administration. Revenue exceeded \$8 million in FY25, an increase of over \$3.5 million as compared to FY24. Renewable energy leased on state trust land in New Mexico has increased more than sevenfold since 2019, bringing renewable energy generation under lease to over 3,000 megawatts (MW), up from approximately 400 megawatts when Commissioner Garcia Richard took office.



*Commissioner Garcia Richard and ORE staff
at a community solar groundbreaking.*

In FY25, the State Land Office awarded three additional wind leases totaling over 63,000 acres of state trust land in southwestern New Mexico. These large wind projects brought multiple qualified bidders to the lease auction, a first for the ORE. The ORE also advanced 11 leases across the state that had received a megawatt allocation from the Public Regulation Commission's first Community Solar program. These community solar projects bring clean, affordable energy directly to the homes of New Mexicans who otherwise may not be able to access it.

Pattern Energy Group has begun construction of the 3,515 MW SunZia Wind facility, the largest wind project in the entire Western Hemisphere! ORE worked collaboratively with the developer to review and approve detailed project plans prior to construction. SunZia Transmission, which is now fully complete, will deliver the power generated from the project (as well as several other wind projects in the southwest part of the state). SunZia Wind and Transmission will employ more than 2,000 workers on-site during construction.

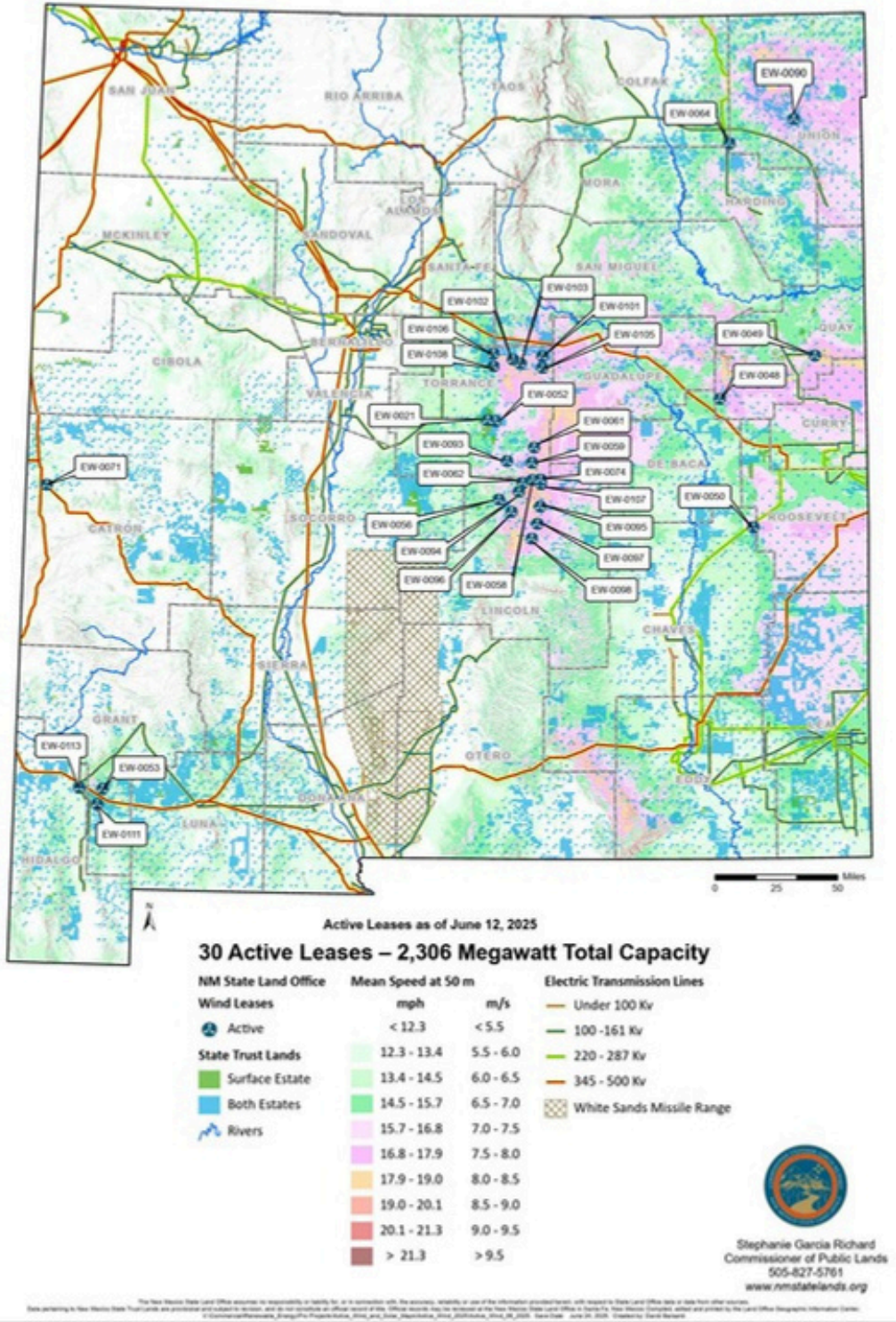
ORE continues to respond to increasing demand to lease state trust lands for renewable energy projects with several applications for large projects currently being evaluated. ORE also manages a growing portfolio of 23 active solar leases and 30 active wind leases.

New Mexico State Land Office

Commercial Resources Division



Active Wind Energy Projects on NM State Trust Land

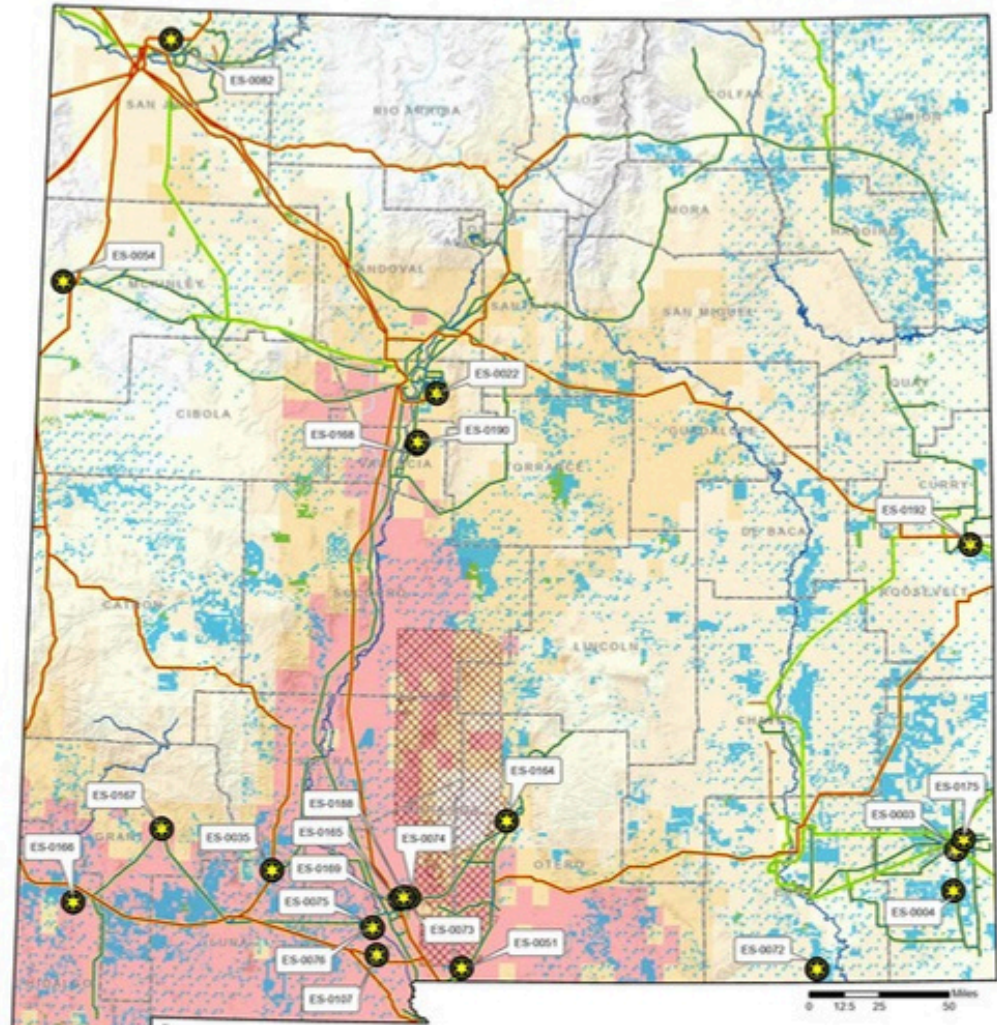


New Mexico State Land Office

Commercial Resources Division



Active Solar Energy Leases on NM State Trust Land



Active Leases as of June 12, 2025

23 Active Leases – 744 Megawatt Total Capacity

NM State Land Office	Solar Radiation, Latitude Tilt	Electric Transmission Lines
★ Active Solar Leases	5673.9 - 6041.6	Voltage Class
State Trust Lands	6041.7 - 6179.9	— Under 100 Kv
■ Surface Estate	6180.0 - 6297.5	— 100 - 161 Kv
■ Both Estates	6297.6 - 6440.1	— 220 - 287 Kv
■ Rivers	6440.2 - 6659.6	— 345 - 500 Kv
		■ White Sands Missile Range



Stephanie Garcia Richard
 Commissioner of Public Lands
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New Mexico State Land Office

Commercial Resources Division



SPECIAL PROJECTS

New Mexico communities and public institutions both benefit economically from the leasing of state trust lands for community needs including commercial enterprises, business parks, health care, and housing. Examples of economic development leases used to generate job creation include New Mexico Spaceport, Sandia Science and Technology Park, and Netflix at Mesa Del Sol. These projects align with Commissioner Garcia Richard's goals to use state lands to stimulate New Mexico's local economies.

In FY25, Special Projects completed a conservation agreement on approximately 60,000 acres in Torrance and Socorro Counties that netted the trust over \$2.8 million. The agreement will limit large-scale surface development as a means to support and sustain the military's training missions and help facilitate future testing and training requirements at White Sands Missile Range.

Special Projects also completed a conservation agreement for approximately 2,500 acres in San Miguel County that will protect the Upper Pecos River Watershed from any mineral leasing for the next 20 years; and another conservation agreement to protect over 5,000 acres of state land on the Caja del Rio Plateau. The agreement enables Indigenous and Land Grant communities that have accessed the watershed for years to continue their traditional practices.



Commissioner Garcia Richard with Brophy Toledo from the Pueblo of Jemez at a press conference to protect the Upper Pecos Watershed.

New Mexico State Land Office

Commercial Resources Division



Just as important, Special Projects successfully issued a new long-term lease for the New Mexico Spaceport. The 40-year lease covers over 18,000 acres in Sierra County. In addition to the new lease for the New Mexico Spaceport, three additional business subleases were approved including subleases for Sirius Technologies, UP Aerospace and Gravity Pad Towers.

The Special Projects team continues to leverage leases offered by the NMSLO to bring innovative solutions to the needs of communities across New Mexico and has laid much groundwork for new economic and community development.

The Special Projects team secured a deal in the Spring of 2025 that will bring 4,300 housing units (including 1,900 affordable housing units) to the Las Cruces area with the Mesa Vista Development.



Commissioner Garcia Richard speaks at the Farolito groundbreaking ceremony.



Commissioner Garcia Richard and staff tour the Pattern/SunZia wind farm.

COMMERCIAL RESOURCES ACCOMPLISHMENTS



State Land Office Signs Lease for Largest Wind Farm in the Western Hemisphere

In 2022, Commissioner Garcia Richard signed leases with Pattern Energy to construct a wind farm on state lands in Lincoln, San Miguel, and Torrance Counties that is expected to be the largest wind farm in the Western Hemisphere at completion! The agreement is part of Commissioner Garcia Richard's "Open for Business" ethos, which has helped the State Land Office find new and long-lasting sources of revenue. These projects and others taken on by the Commercial Resources Division do more than raise revenue for public schools, universities, and hospitals – they help New Mexico's communities solve their needs, from renewable energy to economic development to affordable housing and more.



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2020



Affordable Housing

Commissioner Garcia Richard has delivered new housing, particularly affordable housing, for New Mexicans all across the state! The Luminaria Senior Affordable Living Community kicked things off in 2022, followed by Farolito, which added roughly 180 affordable living units for seniors to Albuquerque's housing stock. In the Spring of 2025, Commissioner Garcia Richard paved the way for 1,900 new affordable units to the Las Cruces area when she signed an agreement for the Mesa Vista Development.

Community Solar

Commissioner Garcia Richard has added 11 community solar leases, bringing clean affordable energy directly to New Mexico homes.

Office of Renewable Energy Codified

Commissioner Garcia Richard pushed the legislature to codify the Office of Renewable Energy into law in 2023.

Netflix Expansion

In 2021, Commissioner Garcia Richard agreed to a lease that expanded Netflix's Albuquerque campus, creating good-paying jobs to build and operate the new studios.

Mesa Vista-Las Cruces

In all, the Mesa Vista Development will add 4,300 total housing units to the Las Cruces area, helping the community address a growing shortage.

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New Mexico State Land Office

Cultural Resources Office



Assistant Commissioner Ethan Ortega leads the Cultural Resources Office (CRO), which continued to make progress in identifying, documenting, and protecting cultural resources on State Trust Lands in FY25. The office, which Commissioner Garcia Richard established as its own division, is staffed with four additional archaeologists and a Tribal Liaison.

In FY25, CRO increased the acreage surveyed for cultural properties by 36,265 acres, bringing the total number of state lands surveyed to 715,917, with a total of 12,034 cultural properties identified. Overall, CRO has increased the amount of state land surveyed for cultural properties by 21% since Commissioner Garcia Richard implemented the Cultural Properties Protection Rule in December 2022. The rule requires cultural surveys to be performed before any significant surface disturbance can occur on state trust lands to ensure that cultural resources are protected before they are damaged.

The Cultural Resources team also reviewed over 1,000 projects in FY25 and initiated 21 formal consultations. CRO's reviews ensure that the leasing activities in other divisions comply with the Cultural Properties Protection Rule and that the state's Indigenous Nations, Pueblos, and Tribes are properly consulted before large developments take place. CRO also hosted its annual Tribal Historic Preservation Officer Summit, bringing together Tribal leaders from all over the state. During these summits, CRO holds discussions and workshop sessions to guide policy and procedural development with Tribal perspectives in mind. The Cultural Resources Office formalized standard operating procedures for Tribal engagement in FY25, paving the way for even better communication between the agency and Indigenous communities moving forward.



The Cultural Resources Office has partnered with the Navajo Nation to help restore defensive structures like this one.

New Mexico State Land Office

Cultural Resources Office



The Cultural Resources Office's work lends significant support to Commissioner Garcia Richard's conservation efforts, including agreements in FY25 to protect state lands in the Upper Pecos Watershed (more than 2,500 acres), on the Caja del Rio Plateau (more than 5,000 acres), and at Chupadera Mesa (60,000 acres). These agreements conserve cultural resources cherished by Nations, Pueblos, and Tribes and allow traditional values to persist.



HERITAGE PRESERVATION AWARD

The State Land Office received a 2025 Heritage Preservation Award from the New Mexico Department of Cultural Affairs (DCA) for the creation of the Cultural Resources Office, the implementation of the Cultural Properties Protection Rule, and the hiring of a full-time Tribal Liaison. The award is a significant recognition of the progress the State Land Office has made under Commissioner Garcia Richard to protect cultural resources and improve Tribal consultation.



DCA has presented Heritage Preservation Awards annually to individuals, organizations, and projects that the Committee wishes to recognize for their contribution to the preservation, interpretation, appreciation, and/or understanding of New Mexico's cultural heritage. CRO was very honored to receive this award and is motivated to build on the progress made so far.

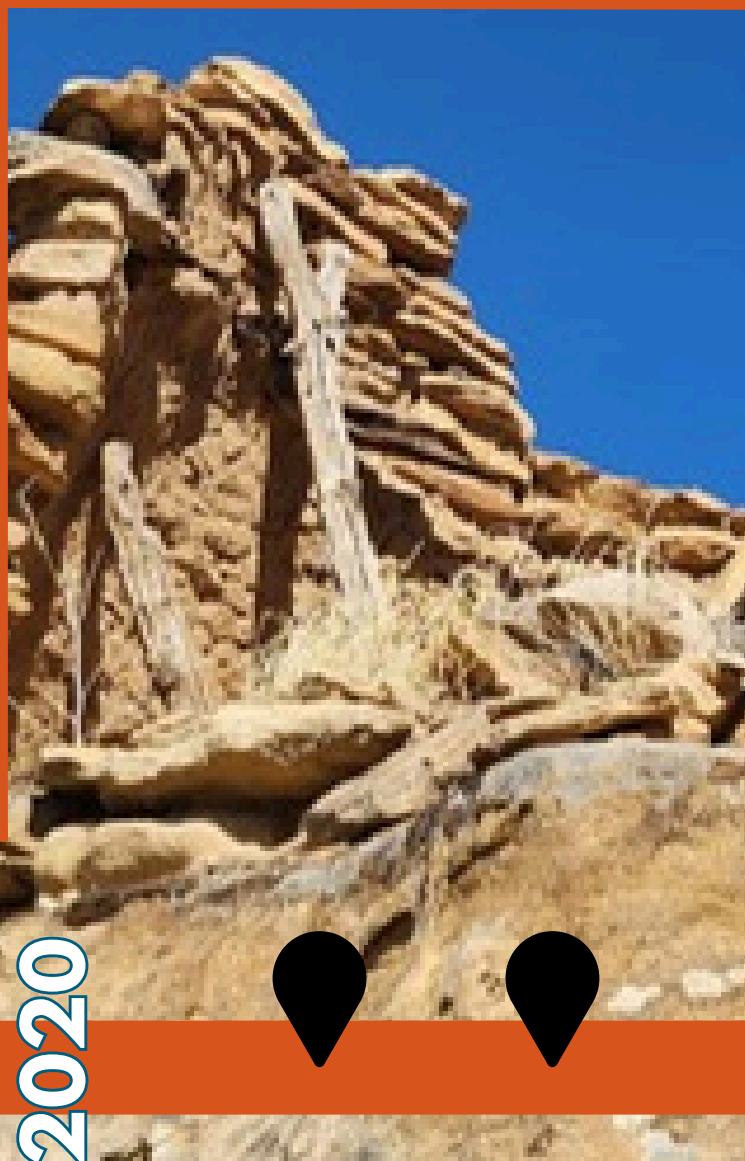
Top photo: CRO staff past and present accept the DCA Heritage Preservation Award; Bottom photo: CRO staff in the field.

CULTURAL RESOURCES OFFICE ACCOMPLISHMENTS



CULTURAL PROPERTIES PROTECTION RULE

On December 1, 2022, Commissioner Garcia Richard implemented the Cultural Properties Protection Rule, which requires cultural surveys to be conducted before significant disturbance can occur to the surface of state trust lands. Previously, the State Land Office took a “you break it, you buy it” approach to damage to cultural resources. The new rule the Commissioner implemented has revolutionized the agency’s approach to protecting cultural properties. The Cultural Resources Office is now heavily involved in evaluating large development projects from the beginning of the process to ensure the conservation of the state’s vast cultural resources is always top of mind.



2019



2020



Cultural Resources Office Established

Commissioner Garcia Richard established the Cultural Resource Office as its own division in 2021 to improve the stewardship of cultural resources on state lands. The division has been hugely successful since its inception, significantly increasing the number of state land acres that have been surveyed for cultural properties.

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Greater Chaco Area Protections

In 2019, Commissioner Garcia Richard issued an executive order to protect 72,776 acres of state trust land within ten miles of Chaco Culture National Historical Park from future oil and gas development. The Commissioner signed an updated order in 2023, extending the protections for the Greater Chaco Region through December 1, 2043.

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Tribal Land Exchanges and Consultation

Acknowledging that the lands the State Land Office currently stewards were once Indigenous lands, Commissioner Garcia Richard reached out to all Pueblos, Nations, and Tribes in New Mexico to gauge their interest in conducting exchanges that would return lands of importance to their communities. The Commissioner has completed two such exchanges so far: with the Fort Sill Apache Tribe and the Pueblo of Santa Ana. CRO has also successfully entered into consultation agreements with Tribes, including a Memorandum of Understanding with the Pueblos of Isleta.

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New Mexico State Land Office

Legal Division



State Land Office General Counsel Ari Biernoff and Division attorneys advise the Commissioner and staff on hundreds of requests each year from throughout the agency 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; work with colleagues in other divisions to develop proposed State Land Office administrative rules; provide legal analysis, conduct settlement negotiations, and provide guidance on a variety of legal matters.

Noteworthy projects in Fiscal Year 2025 include the development of a planning and development lease in Las Cruces with a historic affordable housing component; renegotiation of the base lease for Spaceport America; legal guidance and project management on several pending land exchanges; and ongoing assistance with the agency's record-shattering renewable energy leasing program.



Rendering of the Farolito community. Courtesy: Dekker.

State Land Office attorneys also appear in court and in administrative proceedings on behalf of the Commissioner and the State Land Office. Division attorneys are currently representing the Commissioner and agency in more than two dozen active matters in New Mexico state district courts, the New Mexico Court of Appeals, the New Mexico Supreme Court, and before various administrative tribunals including the Oil Conservation Commission and Water Quality Control Commission.



New Mexico State Land Office

Legal Division



ACCOUNTABILITY AND ENFORCEMENT PROGRAM

In the past, the State Land Office rarely took legal action against parties who caused environmental damage to state trust land and resources. That hands-off approach changed under Commissioner Garcia Richard, who in 2020 directed the Legal Division to develop the agency's first-ever Accountability and Enforcement Program. The State Land Office is now taking systematic and regular action to require lessees, well operators, and other responsible parties to plug inactive wells, remediate contamination, and restore state trust lands that have been damaged by oil and gas development. In close coordination with the Environmental Compliance Office, the Oil, Gas, & Minerals Division, the Legal Division manages hundreds of enforcement projects.



The Division proactively reviews active and terminated leases to identify environmental risk and contacts responsible parties to undertake required cleanup. When those initial efforts don't result in prompt performance, the Land Office takes further action such as filing bond claims and lawsuits against the companies that have damaged state land and resources.

To date, the agency has filed 40 lawsuits against bad actors to compel cleanup, and has obtained the plugging of around 700 inactive wells through the end of FY25 (around 200 in FY25 alone). The cost to clean up abandoned oil and gas sites varies, but by a conservative estimate the State Land Office's Accountability and Enforcement program has saved the beneficiaries – and taxpayers – more than \$90 million and counting.



LEGAL DIVISION ACCOMPLISHMENTS



IF YOU MADE THE MESS, CLEAN IT UP

In 2020, Commissioner Garcia Richard established the Accountability & Enforcement program within the agency's Legal Division. The program operates under a simple principle: "If you made the mess, clean it up." Prior to Commissioner Garcia Richard coming into office, there had never been a comprehensive approach to enforcing cleanup responsibilities on state trust lands. The program works by first trying to bring violators of state trust land leases into voluntary compliance. If that is not possible the Land Office then takes legal action to enforce the terms of leases or other legal obligations to the agency and the trust.



From left to right: Becky Griffin, Deon David, Ari Biernoff, and Will Barnes inspect a contaminated site on state lands. Photo: Eddie Moore, Albuquerque Journal.

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Well Plugging

Since the Accountability & Enforcement program was established, more than 700 abandoned oil and gas wells on state land have been plugged at no expense to New Mexico taxpayers. By conservative estimates, this has saved taxpayers at least \$90 million.

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Court Wins

The State Land Office's Legal Division has initiated 40 lawsuits to date regarding environmental cleanup. In one recent case, the State Land Office was awarded \$7.5 million in damages for contamination to state trust land in Lea County caused by negligent oil and gas operator Smith & Marrs.

The agency has not lost a compliance case yet.

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New Mexico State Land Office

Mineral Resources Divisions

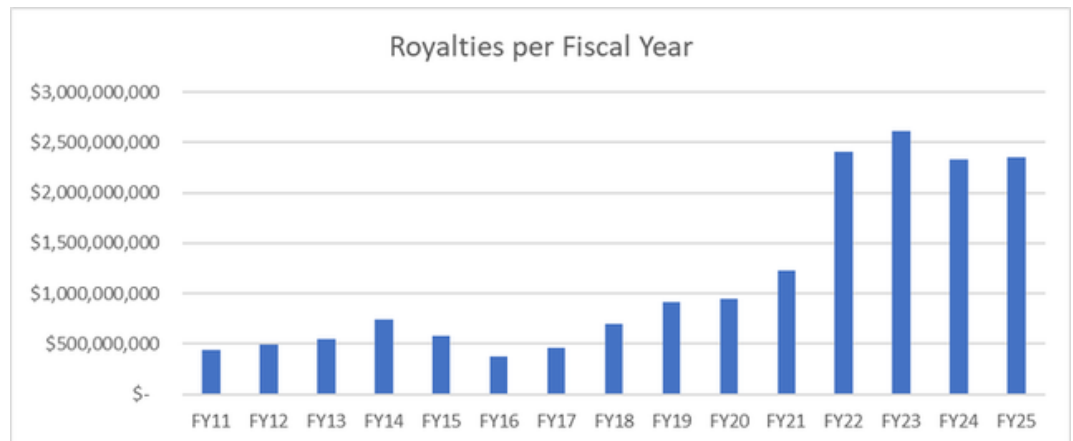


Assistant Commissioner for Mineral Resources Greg Bloom oversees two divisions at the State Land Office: The Royalty Management Division (RMD) and the Oil, Gas, and Minerals Division (OGM), which includes the agency's Water Bureau.

The divisions earn revenue for education and other Land Office beneficiaries through the leasing of state trust and ensure that all leases are in compliance with applicable rules and laws related to bonding and environmental and financial performance. Collectively in FY25, these two divisions brought in over \$2.49 BILLION in revenue and conducted environmental reviews of some 250,000 acres of state trust lands.

ROYALTY MANAGEMENT DIVISION

The Royalty Management Division is composed 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 \$2.3 billion in FY24. To put this in perspective, 13 years ago the division had yet to break the \$500 million mark.



To ensure that the State Land Office is receiving all the money it is due from its oil and gas lessees, the division performed 20 account reviews and 16 major audits. The Audit and Compliance Bureaus collected \$6.8 million from oil and gas companies over the course of the year.

The Revenue Processing Bureau reviewed over 1.4 million royalty detail lines (revenue receipts) in FY25—an increase of more than 500,000 from the previous year. This represents some 116,000 detail lines per month that the bureau must process.

New Mexico State Land Office

Mineral Resources Divisions



In September 2024 the division hosted its annual, two-day, hybrid (in-person and on Zoom) training conference for some 300 industry attendees (up from 218 in FY24 and 130 the year prior), offering presentations about the division's three main functions – revenue processing, compliance, and audit – and one-on-one counseling with any company that requested it.

The Oil, Gas and Minerals Division, the Land Office's Commercial Resources Division, the Land Office's General Counsel, the New Mexico Oil Conservation Division and the Bureau of Land Management presented on the second day of the conference. The division has another conference planned for FY26 to follow up on the success of the previous four years.

OIL, GAS, & MINERALS DIVISION

The Oil, Gas, and Minerals Division (OGM) has three bureaus: Minerals, Water, and Oil and Gas. OGM administers the State Land Office monthly oil and gas lease sale and manages all mineral leasing activity, including oil, natural gas, water, carbon dioxide, sand and gravel, caliche, coal, potash, salt, geothermal energy, and more.



In FY25, OGM oversaw some 5,700 oil and gas leases covering over 1.6 million acres, 205 mineral leases, and 487 fresh-water and saltwater disposal easements, together involving nearly 1.84 million acres of state trust mineral estate.

MINERALS BUREAU

The Minerals Bureau manages approximately 255 leases for materials such as coal, salt, potash, geothermal resources, sand and gravel, and caliche. These leases cover more than 109,000 acres. The bureau generated approximately \$9.1 million in rent and royalty income from these resources in FY25, with the three big earners being industrial aggregates (sand, gravel, and caliche/clay, etc), potash and coal.

The Minerals Bureau also processes special-use agreements, lease renewals, expirations, relinquishments, cancelations, and bonding and does regular site inspections.

New Mexico State Land Office

Mineral Resources Divisions



The Minerals Bureau has had great success with its Caliche Re-mining and Reclamation Initiative, which incentivizes mining for caliche on previously disturbed state trust lands. Over the past five years more than 700 acres of previously mined caliche have been reclaimed at industry expense, which has saved the State Land Office approximately \$5 million in reclamation expenses. The Bureau also conducted 170 audits of mineral leases during FY25, which brought in \$153,700.

BEFORE AND AFTER PHOTOS OF A MINERALS BUREAU CALICHE RECLAMATION PROJECT:



OIL AND GAS BUREAU

The Oil and Gas Bureau administers all oil and gas leases, lease sales, lease assignments, oil and gas compliance and the unit and communitization agreements program, including subsurface agreements. Oil and gas lease sales are required monthly by statute and in FY25 were conducted online through EnergyNet, earning a total bonus (auction) income of more than \$40 million for 119 leases encompassing 26,076 acres.

Notably, this number would have been much higher in FY25 but the Land Office paused leasing its best tracts until the state legislature increased the maximum allowable royalty rate on new leases from 20% to 25%, which is on par with neighboring Texas. Fortunately, the maximum royalty rate was raised in early 2025 and went into effect on June 20, 2025, in time for the first lease sale of FY26 in July 2025.

New Mexico State Land Office

Mineral Resources Divisions



The bureau regained 34 leases through compliance actions and then re-leased them at a higher royalty rate. These leases accounted for more than \$12 million of the lease sale bonuses for FY25. Compliance-related actions the bureau took this year included lease trespass, non-payment of rentals, failure to hold a requisite bond, and failure to produce minerals from a lease in a unit or under an extension. Additional leases were expired for non-production, per the terms of the lease.

The bureau reviewed 491 oil and gas lease assignments in FY25 and found that more than 5% of the assignments had royalty payment issues. The bureau also conducted environmental reviews of approximately 160,000 acres, identifying approximately 350 spills or other environmental issues that the bureau required lessees to clean up.

This work saved the state an estimated \$250 million in immediate costs and hundreds of millions of dollars more in potential long-term costs. Additional cost savings from identifying inactive wells requiring plugging or the resumption of production also proved to be a significant benefit of the environmental reviews.

A "SITE" TO BEHOLD: RECLAIMED OIL AND GAS SITE



New Mexico State Land Office

Mineral Resources Divisions



Also, in FY25, 94 communitizations terminated under the terms of their agreements. Further, the bureau reviewed other communitization agreements and deemed them to have been produced in trespass. As a result of these terminations, the State Land Office was able to reacquire 2 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 to the Land Office, which can be leased anew in the future.



Currently, OGM is assisting the State Land Office's effort to update its bonding rule and reduce the agency's exposure to orphaned wells and spills. A 2021 study by the Center for Advance Research found that the Land Office has some \$200 million in bonds to cover well plugging and site cleanup obligations of approximately \$8 billion. With inflation and the rising cost of environmental reclamation, it is now believed those obligations are in excess of \$12 billion.

Inadequate Bonding

There is nowhere near enough money available in bonding under current requirements to pay for cleanup of contaminated oil and gas sites. Updating the agency's bonding rule will ensure that New Mexico taxpayers are never on the hook for the bad behavior of certain oil and gas companies.

A site slated for cleanup on state land.

New Mexico State Land Office

Mineral Resources Divisions



WATER BUREAU

In FY25 the Water Bureau again increased its annual revenue, by \$1.5 million, to \$24.3 million. The bureau renewed a total of 92 freshwater and saltwater easements, keeping on par with FY23.



The bureau's work also resulted in the plugging of seven old saltwater disposal wells (SWDs) and the reclamation of those sites. Two new SWD well easements were added to the portfolio. The Water Bureau's efforts also increased revenues in FY25 due to audits of two large fresh water easements and 390 annual saltwater disposal volume payments.

The Water Bureau actively supports 10 municipalities with water easements for their well fields including Carlsbad, Portales and Eunice, along with a dozen small mutual-domestic water systems around the state.

In December 2020, Commissioner Garcia Richard stopped issuing and renewing instruments that allowed 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 estimate of water saved to date is 300 million gallons. Looking back almost five years we see that the oil and gas industry's use of freshwater has declined significantly despite production growth, demonstrating that the State Land Office was at the forefront in protecting this important resource.

MINERAL RESOURCES ACCOMPLISHMENTS



OIL AND GAS ROYALTY RATE INCREASED FOR THE FIRST TIME IN 50 YEARS

Years of hard work paid off during the 2025 legislative session when a bill to increase the top royalty rate offered for oil and gas development on state lands FINALLY passed and was signed into law. For years Commissioner Garcia Richard had urged the legislature to raise the royalty rate for oil and gas production on premium tracts of state trust land from 20% to 25%. The State Land Office will now be allowed to offer the same royalty rate offered on state lands in Texas and private lands in New Mexico. July 2025 will be the first oil and gas lease sale with the possibility of a tract going for 25%. The change is expected to earn about \$1.3 billion in new money for New Mexico's public schools, universities, and hospitals!



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1 Protecting Children's Health

In 2023, Commissioner Garcia Richard signed an executive order to end oil and gas leasing within one mile of schools.

As a former elementary school teacher, Commissioner Garcia Richard understands the importance of protecting children's health--especially in a place they spend much of their time growing up.

3 Uranium Mining Ban

Upon entering the State Land Office, Commissioner Garcia Richard made it clear that the agency would not be issuing ANY uranium mining leases. The toxic legacy of uranium mining in our state, and the impact it has had on real people, needs to be resolved before any mining operations should be considered.

2 Protecting New Mexico's Fresh Water

"Basically we asked ourselves, 'Why are we using drinking water to frack?' And that is at the basis of this policy change," Garcia Richard told the *Albuquerque Journal*.

Commissioner Garcia Richard banned the sale of freshwater from state trust lands for use in oil and gas development, protecting hundreds of millions of gallons of the irreplaceable resource.

4 Geothermal Rulemaking

In 2025, the New Mexico State Land Office began looking into modernizing its rules around issuing leases for geothermal energy.

With the perfect combination of prime geology, technical expertise and a supportive regulatory environment the New Mexico State Land Office will be ready for the expected increase in demand for geothermal energy.

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Oil Conservation Commission Rulemaking



A designee of the Commissioner of Public Lands serves on the three-member Oil Conservation Commission (OCC). The OCC is charged with protecting oil and gas resources, ensuring that resources are not wasted, and more importantly protecting public health and the environment. Part of its mission is considering changes to rules, which can be proposed by the Oil Conservation Division (OCD) or other agencies, the public, environmental organizations and/or the oil and gas industry.

During Commissioner Garcia Richard's tenure, her designees at the OCC have been part of important, successful rulemaking on the following issues:

Well Spacings and Public Notice (2019)

The State Land Office opposed efforts to double well density for certain wells and opposed the end of public notification for potentially impacted parties – including Native American communities. The defeat of this proposed rule change was in the best interest of Land Office beneficiary institutions and other lessees. It also ensures transparency and allows interested parties to receive notice of activity and the opportunity to protest.

Methane Waste Rule (2021)

As a result of this rulemaking, methane loss is now capped at 2% and routine flaring of natural gas was essentially prohibited. New industry reporting requirements to the NMSLO and the OCD, for wasted gas amounts, were implemented. This rule means much less methane (a powerful greenhouse gas) is released into the atmosphere, more natural gas gets to market, and industry and the NMSLO ultimately make more money. Since implementation of this rule, some companies have reduced their methane emissions to 10X less than the cap or more i.e. below a loss rate of 0.2%. New Mexico is also a world leader in the clean production of oil and gas, although the fossil fuels themselves are still a top contributor to carbon emissions.

Oil Conservation Commission Rulemaking



Spill Rule (2021)

Previously, oil and gas releases in New Mexico were not disallowed by the state. Instead, they were merely reported to the OCD. This rule change made spills illegal, increased reporting requirements, and specified spill remediation.

PFAS Rule (2024-25)

The OCC banned the use of PFAS “Forever Chemicals” in hydraulic fracturing in New Mexico. PFAS is a family of chemicals that can be toxic at the parts-per-trillion level. Companies must now also notify landowners, water-well owners, and nearby residents of hydraulic fracturing operations (“fracking”) for oil and gas production.

New Mexico State Land Office

Surface Resources Division



The Surface Resources Division (SRD) is headed by Assistant Commissioner Dana Vackar Strang and director April Elliott, and includes the Agricultural Leasing Bureau, Field Operations, Stewardship, and Outdoor Recreation. There are 42 remarkable and highly trained staff in the division with backgrounds in wildlife biology, ecology, forestry, education, environmental science, finance, geology, planning, remediation, business administration, and more. They collectively support leasing activity and steward the land for the benefit of trust in perpetuity.

AGRICULTURAL LEASING

Samantha Sloman leads the Agricultural Leasing Bureau (ALB), which supports leasing activity for the continued operations of producers across the state through maintenance of existing contracts, processing transactions for lessees, and review of applications for potential new leases.

BY THE NUMBERS: Agricultural Leasing Bureau in FY25

Total income from agricultural acres leased	\$6,982,124
GO Series renewals processed	592
Improvement applications	160
Applications for new leases on open acreage	25
Transactions (assignments, collaterals, misc. instruments)	353
Miscellaneous Instruments	286

The ALB is integrating with the range ecology program to promote stewardship, provide opportunities for peer-to-peer learning, and connect lessees with resources and programs through other agencies that could benefit their operations and the state trust land.

FIELD OPERATIONS

The Deputy Director of Field Operations, Steven Ikeda, leads a team of three Assistant Division Directors: Kelli Fox, Jason Lithgow, and Mark Naranjo. The Assistant Division Directors lead fifteen District Resource Managers located throughout the state in eleven separate district offices.

New Mexico State Land Office

Surface Resources Division



District Resource Managers are the primary point of contact with lessees, local agencies, and federal field staff in their geographic regions. They conduct all site inspections and evaluations for leasing activity on state trust lands, assist stewardship staff in planning and oversight of land maintenance projects, respond to lessee or public inquiries and represent the agency within their communities. During FY25, this staff completed 2,079 field report requests. Almost 80% of these requests are from activities in the southeast portion of the state and associated predominately with oil and gas development.



Field staff at work.

STEWARDSHIP

The Stewardship Program houses the agency's technical expert staff and project management team as well as the Environmental Compliance Office. The project management team and technical specialists oversee the land maintenance program and provide expert review of leasing applications when they involve sensitive ecosystems, threatened or endangered animals or plants, or impact a large landscape. The stewardship projects are planned to improve forest and watershed health, reduce risk of fire to communities, rehabilitate negatively impacted lands, protect and restore wildlife habitat, or provide fuelwood to communities throughout the state.

As a relatively small agency with a modest budget, the NMSLO depends upon partnerships to ensure our projects have the greatest impact to the largest landscape. These partners include local fire departments, municipal and county officials, other state agencies, soil and water conservation districts, non-governmental organizations and universities, and our lessees. This fiscal year, partnership funds totaled \$1,100,909 in contributions for treatment of noxious and invasive weeds, habitat enhancement and forest health projects.

New Mexico State Land Office

Surface Resources Division



Stewardship Projects in FY25



Moon Mountain Fuel Break

In partnership with the Village of Ruidoso, thinned fuels and created access for wildfire response along the western boundary of Moon Mountain.



Lesser Prairie Chicken Habitat Protection

Worked with The New Mexico Land Conservancy to secure an almost 20,000 acre conservation easement that limits high-voltage transmission and utility-scale renewable energy development across sensitive landscapes.



San Miguel de Bado Land Grant Fuelwood

Conducted a 200-acre forest thinning project in partnership with New Mexico Wild and the Land Grant Council that provided 100 cords of fire wood to the community of Villanueva.

The success of our projects and those of our partners depends upon applying the correct treatment at the correct time. No amount of planning can ensure the right conditions will be present when you have all the resources in place.

However, working together, we increase our ability to implement beneficial treatments, collect data and observations from past projects, and adapt to changing environments.

PROJECT TYPE	ACRES	# OF PROJECTS	TOTAL NMSLO EXPENDITURE	TOTAL PARTNER EXPENDITURE
Archaeological Services	2,393	3	\$131,393	N/A
Consulting	0	2	\$83,934	N/A
Forestry/Mechanical	1,902	9	\$743,381	\$959,588
Biological Services	4,900	1	\$24,998	N/A
Habitat Enhancement	25	4	\$20,312	\$63,322
Recreational Assessment	0	1	\$35,689	N/A
Commercial Nuisance	5	1	\$8,609	N/A
Legacy/Remediation	46	5	\$233,364	N/A
Noxious/Invasive Weeds	15,494	3	\$852,835	\$75,000
GRAND TOTAL	24,760	29	\$2,134,515	\$1,100,910

New Mexico State Land Office

Surface Resources Division



ENVIRONMENTAL COMPLIANCE OFFICE

The Environmental Compliance Office (ECO) is also housed under the Stewardship Program in the Surface Resources Division. Our small-but-mighty staff includes three environmental specialists, a part-time program assistant, and a program manager. ECO collaborates closely with staff across SRD as well as with the Legal Division and the Oil, Gas, and Minerals Division as part of the Commissioner's Accountability and Enforcement Program.

ECO provides both internal and external guidance for all remediation and reclamation projects on state trust lands. The office currently oversees more than 1,600 active incidents on state trust land. Each incident requires a different level of engagement from the ECO staff. In some cases, ECO may conduct site inspections and provide reports to leasing divisions or the Legal Division.

Daily activities include review and approval of spill and release reports, sampling and delineation plans, all remediation and reclamation plans, and all remediation and reclamation closure reports submitted by lessees and their operators.



A site on state lands assessed by ECO for cleanup.

This fiscal year, ECO has reviewed 1,345 workplans and reports for site assessment, remediation, and reclamation projects across the state. The office has successfully managed a contract to complete phase two of legacy site clean-up as well as a contract for additional testing for contaminants and delineation at a salt water disposal site, also a legacy project. Further, ECO is responsible for reviewing all waste management plans, spill prevention control and countermeasure plans, all Phase 1 and 2 environmental site assessment reports and all decommissioning plans.

New Mexico State Land Office

Surface Resources Division



ECO Accomplishments in FY25:

- Reviewed 1,345 workplans and reports for site assessment, remediation, and reclamation.
- Held 178 formal meetings with operators/consultants.
- Conducted 106 field inspections across the San Juan and Permian Basins.
- Inspected and reviewed 463 wells as part of lease transfers and legal actions.
- Processed 850 site sampling notifications.

LANDSCAPE SCALE PLANNING AND OUTDOOR RECREATION

In FY25, the Landscape Scale Planning Program gained a new planner with the hiring of Arthur “Art” Anaya. Art hit the ground running with a network of resources and a desire to engage in landscape scale planning both for development and conservation. Inventory and evaluation of existing leases has been completed and we are beginning to move leases with a conservation focus into stewardship contracts that support those activities. The program is developing tools to enhance application evaluations and direct development toward zones that offer the greatest return on investment while managing the long-term health of the resource. We are exploring opportunities such as mitigation banking, carbon capture markets, and healthy soils initiatives that have the ability to benefit the Trust, the land, and our lessees.

In FY25, the Outdoor Recreation Program continued to expand by broadening relationships with agency and community partners, taking inventory of areas with recreation opportunities, administering contracts for data gathering that will inform decisions about recreation on state trust land while developing plans and funding streams to bring Commissioner Garcia Richard’s vision to reality.



Mule Deer at
White Peak

New Mexico State Land Office

Surface Resources Division



Outdoor Recreation Highlights in FY25:



Comprehensive assessment of recreation activities on White Peak through data gathering, cultural assessments, and stakeholder engagement.



Conducting a recreation opportunity assessment of the northeast part of the state where there are areas of contiguous state trust lands or lands bordering existing areas of interest with recreational access.



Working with municipalities to develop recreational opportunities that include state trust lands in their planning.

The program also provides opportunities for the public to engage in recreation on state trust lands through our outdoor recreation permit program and the hunter backpacking and camping programs.

In FY25, the program issued 400 General Recreational Access Permits and 22 site-specific hunter backpacking permits for users to access state trust lands.



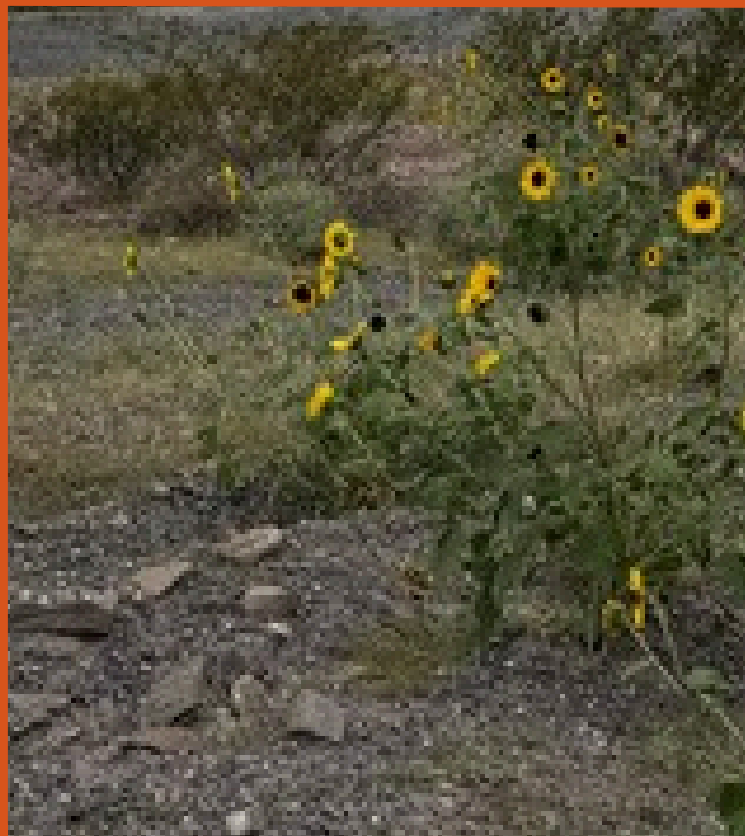
SURFACE RESOURCES ACCOMPLISHMENTS



ENSURING ENVIRONMENTAL COMPLIANCE

Commissioner Garcia Richard established the Environmental Compliance Office (ECO) to support the State Land Office Accountability & Enforcement Program. The Office has hired environmental specialists to advise the Commissioner and other staff on the best methods to address spills and other environmental hazards on state lands. ECO is responsible for overseeing remediation, reclamation, and restoration projects for the agency.

The goal of this office is to restore and maintain the health of state trust lands so they may support State Land Office beneficiaries in perpetuity.



2019



2020



Public Land Protections

1

In 2024, Commissioner Garcia Richard halted leasing for large transmission lines and mining on state trust lands in the Caja del Rio area of Santa Fe County. She followed that up in early 2025 by banning new mining development in the Upper Pecos Watershed, protecting both cherished landscapes for decades to come, and allowing timeless traditional uses of the land to continue.

2026

2

2

Wildlife Protections

Under Commissioner Garcia Richard, the Surface Resources Division has prioritized partnering with other entities when possible to protect wildlife species, including an agreement with the New Mexico Land Conservancy and the renewable energy company NextEra to protect 20,000 acres of lesser prairie chicken habitat in eastern New Mexico.

2025

1

3

Continental Divide Trail

In 2023, Commissioner Garcia Richard agreed to a deal with the Continental Divide Trail Coalition to allow hikers to cross state trust land along the trail without having to submit additional paperwork.

4

NM Game and Fish Hunting Agreement

Commissioner Garcia Richard and the NM Department of Game and Fish entered into an agreement that gives hunters and anglers more access to state lands.

2024

3

2023

2021

4

2022

New Mexico State Land Office

Public Engagement



PUBLIC MEETINGS

Public meetings are a critical part of the State Land Office’s work because they provide the Commissioner and State Land Office staff with an opportunity to speak with New Mexico residents directly. This engagement helps inform our staff about the needs and concerns of communities throughout the state. Employees are often working in their offices, so the opportunity to meet with constituents directly helps us to improve our processes and increase our revenue-generating capabilities.

Commissioner Garcia Richard has gone to great lengths to ensure 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.

The State Land Office conducted a number of public meetings in FY25 to gather feedback from constituents related to agency projects, including the Mesa Vista affordable housing development and the Crossroads-Hobbs-Roadrunner transmission line running along eastern New Mexico.

MEDIA RELATIONS

The State Land Office public affairs staff is responsible for communicating with the public about State Land Office projects, public engagement opportunities, and more. Staff spreads information through a variety of methods, including direct outreach to media outlets, responding to press inquiries, posting on social media, answering constituent questions, and more.

Commissioner Garcia Richard often makes herself available for press interviews in person or over the phone.



Commissioner Garcia Richard at a media event hosted by Axios. Photo courtesy of Axios.

New Mexico State Land Office

Public Engagement



The agency also hosts press conferences at the State Land Office building to share information about key projects with multiple members of the local media at one time. These events have been well attended and are a great way to disseminate critical information to a large number of New Mexicans quickly. In FY25, Commissioner Garcia Richard hosted press conferences regarding her executive orders to protect state lands in the Upper Pecos Watershed and the Caja del Rio Plateau.



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:

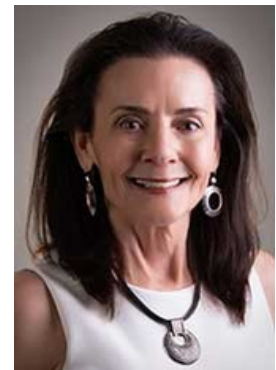
Colonel David West (current Chair) served in the United States Army from 1985-1991 as a combat medic, and now serves as **Chief of Staff to the President of the New Mexico Military Institute**, a NMSLO beneficiary.



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 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.



New Mexico State Land Office

State Land Trusts Advisory Board



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.



Beverly Allen is responsible for managing community and stakeholder relations, social investment, and communications for Chevron's operations of Permian assets across New Mexico.



Since 2019, YOUR State Land Office has earned

\$13+ BILLION for our schools!

New Mexico Land Commissioner Stephanie Garcia Richard

