Due to the Co[illegible]s, State Land Office facilities are closed to the public until further notice. Business
[illegible]tions remain open and our staff can be reached at (505) 827-5760

ANNOUNCEMENTS

DO YOU NEED SOME HELP?

The quickest way to reach us is to contact us through the contact form on the website.

Address:
310 Old Santa Fe Trail,
Santa Fe NM 87501

Phone:
505-827-5760

Check this page periodically to see any new announcements that the State Land Office wants you to know about!

May 12, 2020

Stephanie Garcia Richard, Land Commissioner State of New Mexico

FOR IMMEDIATE RELEASE

May 12, 2020

Contact:Angie Poss, Assistant Commissioner of Communications

505.470.2965

aposs@slo.state.nm.us

Morgan Pitts, Communications Manager

Avangrid Renewables

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Avangrid Renewables Breaks Ground on 35,000 Acres of State Trust Land At La Joya Wind Farm

State Land Office dedicated to building New Mexico's renewable energy future

SANTA FE, NM – Construction has begun on 35,000 acres of state trust land for the La Joya Wind Farm in Torrance County, located about 10 miles west of the Village of Encino. The project includes a mix of private land and state trust land, the latter was awarded to Avangrid Renewables by Commissioner Stephanie Garcia Richard through an open bid process in September of 2019. When completed, the project will consist of 111 turbines and have a total generating capacity of 306 megawatts (MW). The portion sited on state trust land will include 74 new wind turbines capable of generating a total of 207 MW.

The project is expected to be in operation by the end of 2020. Once operational, the output of the La Joya Wind Farm will be delivered to the Public Service Company of New Mexico (PNM). The wind farm will help PNM and other voluntary companies meet their climate and sustainability goals. As work proceeds on site, crews are practicing social distancing and other recommended best practices to reduce risks associated with COVID-19.

"There are hundreds of thousands of acres of state trust land prime for renewable energy generation, and this project in partnership with Avangrid Renewables, PNM, and their customers really highlights our potential as a state to

become a powerhouse for America's renewable energy future," Commissioner Garcia Richard said. "Over the lifetime of the La Joya project, we will raise over $41 million for New Mexico public schools. We are meeting our charge of supporting our beneficiaries with an eye toward diversifying our state's revenue streams, and renewable energy can play an important role in that diversification."

The La Joya Wind Farm is the second Avangrid Renewables project in New Mexico. The adjacent El Cabo Wind Farm, which has a capacity of 298 MW and consists of 142 Gamesa 2.0 and 2.1 MW turbines became operational in December of 2017.

"We are excited by the progress at La Joya and our growing footprint in New Mexico," said Alejandro de Hoz, President and CEO of Avangrid Renewables. "We have enjoyed a long and positive relationship with the New Mexico State Land Office and are pleased to partner with them on this project to build more clean energy capacity and support New Mexico's public priorities."

"PNM is excited that construction started at the La Joya Wind Farm. This wind resource amplifies the great renewable potentials in New Mexico. When integrated with our wind, solar and battery storage, PNM is well underway to not only meet the state's emissions-free mandate but well positions us on the path to 100% carbon free by 2040," said Tom Fallgren, Vice President PNM Generation.

Commissioner Garcia Richard's commitment to renewable energy includes her creation last year of the first ever Office of Renewable Energy at the State Land Office. That office is currently working to process over 40 applications

for new solar and wind energy projects. When processed, these applications will help the Land Office exceed its goals of tripling the amount of energy generated on state trust land through renewable projects.

Support for the La Joya Wind Farm project includes New Mexico's Governor and members of the Federal Delegation.

U.S. Senator Tom Udall

"I applaud Commissioner Garcia Richard and Avangrid Renewables for their leadership in moving this important project forward that will create jobs, support our communities, and help diversify New Mexico's economy. The Southwest is rich in renewable resources like wind and solar, and New Mexico has the potential to be at the epicenter of America's clean energy economy. We can get there by harnessing the potential of our state's lands to be part of the transition to a more sustainable energy future. The start of construction on the La Joya Wind Farm is an important example of what can be achieved when states, elected officials, local communities, and the broader business community step up and come together to build a better future and safeguard the planet for the next generation."

U.S. Senator Martin Heinrich

"This major wind project is yet another example of how the clean energy industry will continue to be one of the fastest growing parts of New Mexico's economy for years to come. I commend State Land Commissioner Stephanie Garcia Richard, PNM, and Avangrid Renewables for all the hard work that led to this historic groundbreaking. Especially in

these challenging economic times, the jobs this project will create will make an enormous impact. I will keep doing everything in my power to support the growth of our state's clean energy economy. Continuing our momentum and cementing New Mexico status as a world leader in clean energy is one of the surest ways to attract private capital and create good paying careers in communities all across our state."

Congresswoman Deb Haaland, New Mexico's 1st District

"New Mexico is home to incredible renewable resources including a vast amount of wind in Torrance County, but like many New Mexicans, I'm baffled about why we haven't seen this area developed until now. Under the leadership of Commissioner Stephanie Garcia Richards, our Land Office is investing in renewable energy, which is something I've been advocating for in Congress. I'm pleased to announce this new job creator is coming to Torrance County and I'll continue working to ensure New Mexicans are prepared for the good paying jobs that come with the renewable energy revolution that we're bringing to our state."

Governor Michelle Lujan Grisham

"This project exemplifies New Mexico's smart use of public resources to create a sustainable economy and move us down the path toward a clean energy future. The lease negotiated by the State Land Office is a win-win for the people of New Mexico: It puts our public lands to work raising money for schools and helps diversify our economic portfolio."

Oil, gas and mineral production, ranching and farming, and commercial development on State Trust Lands support public schools, seven universities, New Mexico Military Institute, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, water conservation projects, and public building construction and repair. In fiscal year 2019, the State Land Office collected $1 billion from lease payments, oil and gas lease sale earnings, rights-of-way, permits, interest, fees, and oil, gas and mineral royalties.

The State Land Office is closed to the public while remaining open for business following Governor Michelle Lujan Grisham's orders for employees to work from home and adhere to social distancing of six feet or more if working in an office setting. Essential operations that continue include royalty collection and distribution, leasing needs including renewable energy, rights of way, agriculture, and oil and gas. In these uncertain times, the beneficiaries of state trust land – our public schools, hospitals, colleges, and other vital institutions – rely on the Land Office to continue raising revenue for their operational budgets.

About Avangrid Renewables: Avangrid Renewables, LLC is a subsidiary of AVANGRID, Inc. and part of the IBERDROLA Group. It is a leading renewable energy company in the United States, owning and operating a portfolio of renewable energy generation facilities primarily using wind power. IBERDROLA, S.A., is an energy pioneer with the largest renewable asset base of any company in the world. Avangrid Renewables is headquartered in Portland,

Oreg… For more information, visit ww… gridrenewables.com.

About AVANGRID: AVANGRID, Inc. (NYSE: AGR) is a leading, sustainable energy company with approximately $35 billion in assets and operations in 24 U.S. states. With headquarters in Orange, Connecticut, AVANGRID has two primary lines of business: Avangrid Networks and Avangrid Renewables. Avangrid Networks owns eight electric and natural gas utilities, serving more than 3.3 million customers in New York and New England. Avangrid Renewables owns and operates a portfolio of renewable energy generation facilities across the United States. AVANGRID employs approximately 6,600 people. AVANGRID supports the U.N.'s Sustainable Development Goals and was named among the World's Most Ethical Companies in 2019 and 2020 by the Ethisphere Institute. For more information, visit www.avangrid.com.

May 7, 2020

Contact: Angie Poss, Assistant Commissioner of Communications, aposs@slo.state.nm.us

The State Land Office will hold a tele-hearing to discuss consideration of temporary change to rule 19.2.100.71 and to hear testimony from the public:

TEMPORARY SHUT-IN OF OIL WELLS DUE TO SEVERE REDUCTION IN THE PRICE OF OIL

TELE-HEARING INFO

WHEN: Friday, June 12th from 1:00 PM to 2:30 PM

WHERE: LIVESTREAM – https://www.facebook.com/NMLandOffice

WHO: State Land Office Office of General Counsel, Assistant Commissioner of Oil Gas and Minerals, and YOU, members of the public that would like to provide testimony on rulemaking.

PARTICIPANTS ARE ENCOURAGED TO SUBMIT QUESTIONS OR COMMENTS AHEAD OF TIME AT https://www.nmstatelands.org/public-comment/

Click here to view the rule change in advance of the hearing.

Notice of rulemaking.

Apr 21, 2020

FOR IMMEDIATE RELEASE

April 21, 2020

Contact:

Angie Poss, Assistant Commissioner of Communications

505.470.2965

aposs@slo.state.nm.us

Commissioner Stephanie Garcia Richard Issues Emergency Rule Allowing Operators to Apply for Temporary Shut-In of Oil Wells

SANTA FE, NM – The New Mexico State Land Office has finalized emergency rulemaking to allow oil and gas lessees to temporarily stop production of oil wells for at least thirty days, with longer-term relief coming through the statutory rule change process. Operators can find the shut-in application here.

Shut-ins have been deemed necessary by the State Land Office based on plunging oil prices and storage capacity challenges, including the first-ever negative value of oil seen in the U.S. yesterday. Prices began to drop in February as a result of a contentious price war between Russia and Saudi Arabia. Prices continue to drop and remain unstable as the country confronts the COVID-19 crisis.

The State Land Office manages over 13 million mineral acres for the benefit of New Mexico public schools, hospitals, and universities.

“It is in the best interest of the vital public institutions we serve that the State Land Office allow the temporary oil well shut-ins to assure we get the best value for the resources that they rely on in order to operate. If oil is sold at $8 a barrel, our public schools don’t get their fair share,” Commissioner Garcia Richard said. “Last week we held an online public meeting during which we heard from operators as well as environmental groups supporting our efforts. From the feedback given at that meeting, we’ve also decided to move forward with a rule change that will allow longer-term shut-ins. In that process, we will require that operators who are approved to shut-in wells be bound to comply with future bonding increases.”

The State Land Office in February announced its intention to conduct a statewide review of the environmental risk posed by oil and gas operations on state trust land. That review, once completed, will inform increases in the amount of bonding companies will be required to have on oil and gas leases held for state trust land operations. Currently, the State Land Office requires “mega-bonds” of only $25,000. These can be used by a company to cover hundreds of wells, unlimited miles of pipe, and other infrastructure.

“I have not been silent when it comes to New Mexico’s need for adequate bonding to remediate our land when the boom goes bust,” Commissioner Garcia Richard added. “By including this provision in our next round of shut-in rule changes, we are taking a step to protect New Mexico

taxpayers and state trust land beneficiaries because they can be left holding the bag to clean up our lands if companies go out of business or if the current price crisis does not ease up."

The next steps for a longer-term shut-in rule and language to make operators comply with future bonding increases will be announced soon. By statute, the State Land Office must provide the public with 30 days of notice and opportunity to provide public comment. After that period, a hearing will be held on the consideration of the rule change. Members of the public will be able to provide testimony.

View the emergency rule: 19.2.100.71 Temporary Shut-In Of Oil Wells Due To Severe Reduction In The Price Of Oil

Oil, gas, and mineral production, ranching and farming, and commercial development on State Trust Lands support public schools, seven universities, New Mexico Military Institute, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, water conservation projects, and public building construction and repair. In fiscal year 2019, the State Land Office collected $1 billion from lease payments, oil and gas lease sale earnings, rights-of-way, permits, interest, fees, and oil, gas and mineral royalties.

***The State Land Office is closed to the public while remaining open for business following Governor Michelle Lujan Grisham's orders for employees to work from home and adhere to social distancing of six feet or more if working in an office setting. Essential operations

that continue include royalty collection and distribution, leasing needs including renewable energy, rights of way, agriculture, and oil and gas. In these uncertain times, the beneficiaries of state trust land – our public schools, hospitals, colleges, and other vital institutions – rely on the Land Office to continue raising revenue for their operational budgets.***

Apr 3, 2020

Re: Emergency Amendment of New Mexico State Land Office Rule 19.2.100.71 NMAC, "Temporary Shut-In of Oil Wells Due to Severe Reduction in the Price of Oil"

The Commissioner of Public Lands intends to file an emergency amendment to a New Mexico State Land Office Rule pertaining to oil and gas leases, 19.2.100.71, New Mexico Administrative Code (NMAC). Previously, the rule expired automatically pursuant to Section 19-10-6 NMSA 1978, but remains codified in the NMAC. This amendment will be filed on an emergency basis, in accordance with Section 14-4-5.6 NMSA 1978 and 19.2.16.14 NMAC, in order to avoid imminent peril to the public health, safety or welfare in light of the public health emergency declared by the Governor and Department of Health, and other circumstances related to the COVID-19 global pandemic. Specifically, the Commissioner intends to exercise her authority to allow the temporary shut-in of oil wells in response to a severe reduction in the price of oil and is doing so on an emergency basis to (i) respond to a sudden, severe and unexpected drop in price; and (ii) allow lessees under State Land Office oil and gas leases to shut in wells temporarily without expiring their leases, thereby

disco uing operations that might endanger public hea ety or welfare.

1. The Commissioner's authority to allow temporary shut-in of oil wells.

Under statutory State Land Office oil and gas leases, the lease remains in effect for a certain term to allow the lessee time to explore for oil and gas and bring the lease into production. After the expiration of the "primary" and "secondary" terms of the lease, the lease remains in effect so long as oil and/or gas is produced in paying quantities from the lands covered by the lease. *See* Sections 19-10-4.1 through 19-10-4.3, NMSA 1978.

Under Section 19-10-6, NMSA 1978, if, after notice and public hearing, the Commissioner finds that because of a severe reduction in the price of oil the beneficiaries of state trust lands are ultimately better served if oil wells are allowed to be temporarily shut in rather than produced at a low price, the Commissioner may promulgate a regulation which allows such wells to be shut in without expiring the lease where the well is located. (The lease includes an analogous provision allowing the lease to remain in effect where there is a gas well capable of producing in commercial quantities which is shut in due to the inability of the lessee to obtain a pipeline connection or to market the gas.).

- Sudden, severe and unexpected drop in the price of oil.

Under statutory State Land Office oil and gas leases, the lessee/operator pays as royalty the cash value of the oil or gas produced and saved from the leased premises and marketed or utilized, such value being the net proceeds

derived from the sale of such gas in the field. The benchmark price for the sale of oil produced under State Land Office oil and gas leases is the price for West Texas Intermediate Crude Oil (WTI).

When markets closed on December 30, 2019, the WTI price was $63.05/barrel. The WTI price dropped throughout the month of January, so that the closing price on February 3, 2020 was $50.32/barrel. After a slight uptick in the price in the first half of February, the WTI price began a sudden, severe and unexpected drop that largely has continued to the present. On March 30, 2020, the WTI price closed at $20.09/barrel, roughly one-third of the price just a few months before on December 30, 2019. The drop in the price has been attributed to a price war between the Organization of Petroleum Exporting Countries (OPEC) and Russia, exacerbated by a significant decline in demand associated with the worldwide outbreak of COVID-19 and a severe slowdown in economic activity associated with efforts to contain the disease. It is unknown how long the price war and the decline in demand will persist.

The sudden, severe and unexpected drop in the price of oil presents a situation where lessees/operators under State Land Office oil and gas leases may wish to act quickly to temporarily shut in oil wells without causing the expiration of their lease. The Commissioner has determined that the beneficiaries of state trust lands will be better served by allowing oil wells to be temporarily shut in on an emergency basis rather than producing at the currently prevailing extremely low price.

- COVID-19 public health emergency.

On March 11, 2020, the Governor of the State of New Mexico declared an Executive Order 2020-004 ("EO 2020-004") that a Public Health Emergency exists in New Mexico under the Public Health Emergency Response Act in response to the COVID-19 pandemic. On March 12, 2020, the Secretary of the Department of Health issued a Public Health Emergency Order to Limit Mass Gatherings Due to COVID-19, which limited certain public gatherings. On March 23, 2020, the DOH Secretary, declaring that the further spread of COVID-19 in the State of New Mexico poses a threat to the health, safety, wellbeing and property of the residents in the State due to, among other things, illness from COVID-19, illness-related absenteeism from employment (particularly among public safety and law enforcement personnel and persons engaged in activities and businesses critical to the economy and infrastructure of the State), potential displacement of persons, and closures of schools or other places of public gathering, issued an amended order further limiting public gatherings and directing that businesses, except those entities identified as "essential businesses", to reduce the in-person workforce at each business or business location by 100%. The amended order allows "essential businesses" to remain open provided they, among other things, (i) minimize their operations and staff to the greatest extent possible; and (ii) adhere to social distancing protocols and maintain at least six-foot social distancing from other individuals, avoid person-to-person contact, and direct employees to wash their hands frequently.

While the amended public health emergency order identifies oil drilling, oil refining, and natural resources extraction or mining operations as "essential businesses,"

those operations are still subject to the restrictions set forth [illegible] result, lessees/operators under State Land Office oil and gas leases are subject to certain restrictions that may impair their ability to explore for and produce oil and thereby cause their leases to expire. For example, the labor-intensive work of drilling of an oil well involves more than 10 people working at times in close proximity, as does hydraulic fracturing of the well and other well completions and recompletions. On-site work as part of day-to-day production includes inspection of centralized tank batteries and well maintenance.

Recognizing the public health restrictions on lessees/operators and wanting to encourage compliance with them, the Commissioner is exercising her authority under Section 19-10-6 NMSA 1978 on an emergency basis to allow the temporary shut-in of oil wells to allow lessees/operators under State Land Office oil and gas leases to shut in oil wells temporarily without expiring their lease and thereby discontinue operations that might endanger public health, safety or welfare.

For the reasons addressed above, the Commissioner intends to amends Rule 19.2.100.71 NMAC via emergency rulemaking, in accordance with NMSA 1978, § 14-4-5.6 and 19.2.16.14 NMAC. This emergency amendment is temporary, and will remain in effect for 30 days, unless within that time the Commissioner commences proceedings to adopt the rule under the normal rulemaking process, in which case the emergency rule will remain in effect for up to 120 days.

Apr 3, 2020

Stephanie Garcia Richard, Land Commissioner

State of New Mexico

FOR IMMEDIATE RELEASE:

April 3, 2020

Contact:

Angie Poss, Assistant Commissioner of Communications

505.470.2965

aposs@slo.state.nm.us

State Land Office Initiates Emergency Rulemaking Process to Allow Temporary Shut-In of Oil Wells

SANTA FE, NM – Today the State Land Office announced that it would initiate emergency rulemaking processes to allow oil lessees to temporarily stop producing without penalty for at least thirty days, with a possible extension up to 120 days when Commissioner Garcia Richard initiates a longer-term rule change process.

“The COVID-19 pandemic brought home, almost overnight, the risks of our dependence on oil and gas. This was compounded by Russia and Saudi Arabia’s relentless price war intended to bankrupt American producers. Here in

New Mexico, the ripples of this situation hits hard, not only when talking about the state budget, but within communities where people rely on the boom for jobs to support their families," Commissioner Garcia Richard said. "Due to these factors, I've determined that it is in the best interest of the beneficiaries of state trust land – our public schools, hospitals, and universities – as well as the employees dependent on this industry, that we allow companies to apply for these temporary shut-ins until we can better predict the future of the Permian Basin."

The overproduction of oil in the world market has not only drastically reduced the price of oil, but it has also created a situation where some U.S. companies are being forced to scale back production because pipelines and storage facilities are at holding capacity.

Public comment is encouraged and will be accepted for two business weeks, until Friday, April 17, 2020.

A tele-hearing to discuss the rule and hear further public comment will take place Friday, April 17, 2020 at 1:00 pm.

Click here for details of the tele-hearing and to read the emergency rule draft.

Oil, gas, and mineral production, ranching and farming, and commercial development on State Trust Lands support public schools, seven universities, New Mexico Military Institute, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, water conservation projects, and public building construction and repair. In fiscal year 2019, the State Land Office collected $1 billion

from lease payments, oil and gas lease sale earnings, right-of-way, permits, interest, fees, and oil, gas and mineral royalties.

Apr 3, 2020

Contact: Angie Poss, Assistant Commissioner of Communications, aposs@slo.state.nm.us

The State Land Office will hold a tele-hearing to discuss consideration of Emergency Rule 19.2100.71 and to hear comments from the public:

TEMPORARY SHUT-IN OF OIL WELLS DUE TO SEVERE REDUCTION IN THE PRICE OF OIL

TELE-HEARING INFO

WHEN: Friday, April 17th from 1:00 PM to 2:30 PM

WHERE: ONLINE

Please join my meeting from your computer, tablet or smartphone.
https://global.gotomeeting.com/join/294630917

You can also dial in using your phone.
United States: +1 (571) 317-3122

Access Code: 294-630-917

New to GoToMeeting? Get the app now and be ready when your first meeting starts:
https://global.gotomeeting.com/install/294630917

WHO: State Land Office Office of General Counsel, Assistant Commissioner of Oil Gas and Minerals, and YOU, members of the public that would like to provide comment on the emergency rule.

PARTICIPANTS ARE ENCOURAGED TO SUBMIT QUESTIONS OR COMMENTS AHEAD OF TIME AT https://www.nmstatelands.org/public-comment/

View the draft emergency rule change in advance of the hearing:

https://www.nmstatelands.org/wp-content/uploads/2020/04/Rule-100.71_-2020-04-03.pdf

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