

# **FEDERAL ABSTRACT COMPANY**



**STATE \*\*\* FEDERAL \*\*\* INDIAN LANDS  
POST OFFICE BOX 2288  
SANTA FE, NEW MEXICO 87504-2288  
PHONE (505)982-5537 \*\*\* FAX (505)982-2584**

**E-MAIL ADDRESS \*\*\* office@federalabstractco.com**

**WEEKLY REPORT OF THE OIL AND GAS LEASING ACTIVITIES IN THE STATE OF NEW MEXICO, TEXAS, OKLAHOMA AND KANSAS AS TAKEN FROM THE RECORDS IN THE UNITED STATES DEPARTMENT OF THE INTERIOR, BUREAU OF LAND MANAGEMENT, STATE OFFICE, AND THE NEW MEXICO STATE LAND OFFICE, IN SANTA FE, NEW MEXICO.**

**Report No. 2704**

**April 1, 2016 thru April 8, 2016**

*The following State of New Mexico leases have been canceled for non-payment of rental:*

# *County to Partner with NM Tech on Oil, Gas Drilling*

**By Antonio Sanchez / Rio Rancho Observer staff writer**

**Saturday, April 2nd, 2016**

Sandoval County plans to enter into a professional services agreement with the New Mexico Institute of Mining and Technology in Socorro to tap its expertise on oil and gas drilling applications, county officials announced during a county commission workshop this week.

The commission and officials met for more than four hours in the transit facility conference room in Bernalillo to discuss preliminary projected revenues for the 2017 fiscal year, progress on and oil and gas ordinance, and the next steps for the county's collaboration summit.

Commissioners and members of the county's planning and zoning board and department were joined for the discussion about the oil and gas ordinance by NM Tech officials, as well as representatives of the New Mexico Oil Conservation division.

Michael Springfield, director of the county's planning and zoning department, said a professional services agreement with NM Tech is in development. Once it is completed and signed, county officials would be able to direct questions regarding oil and gas drilling applications to the university.

Applicants would pay for those services if the county's questions needed to be answered by NM Tech. Applicants for cell towers similarly pay when the county seeks outside consultation on a technical matter.

"As you've noticed, there's a lot of issues and questions that come up at these hearings and staff or the county doesn't have the expertise in-house to provide you those answers," Springfield said. "So we need someone to provide (that) to us and I think it's important that it's a third party that does that for us."

Van Romero, vice president for research and economic development at NM Tech, said the university is ready to respond to any question.

"We want to help you solve the right problems," Romero said.

A zone change request last fall by SandRidge Energy to explore for oil west of Rio Rancho drew considerable opposition during public hearings before the county's planning and zoning commission and the county commission, including calls for the county to create an oil and gas ordinance to deal with such applications. SandRidge withdrew the request in February.

A rough draft of the oil and gas ordinance has been sent to NM Tech, Springfield said, where it will be reviewed and returned with notes once the professional services agreement is finalized.

Springfield said language in the ordinance is based on oil and gas ordinances for Rio Arriba, San Miguel and Santa Fe counties.

"One of the biggest things we found when we got the SandRidge application was that our zoning ordinances were lacking proper guidance when it gives us, the staff, information about what we're supposed to ask of an applicant in order to protect the health, safety and welfare of the general population," he said.

Springfield said the staff has drawn heavily on Rio Arriba's ordinance, saying that county's two-tiered approach to accepting applications "made sense for our county."

Under the draft ordinance, drilling applications would fall into either the San Juan Basin or the Middle Rio Grande Basin, the latter being near 90 percent of the county's population, Springfield said.

"Most of the issues from public comment that we got were about protecting the water supply," he said. "We don't know how to do that, so we need to rely on the state (oil conservation division) to help us through that and we also need to rely on New Mexico Tech to help us through that."

The ordinance would be expected to receive at least three separate meetings for public comment, as well as revisions based on notes from NM Tech, before being enacted, Springfield said.

**Moratorium undecided**

Halfway through the hour-long discussion about a oil and gas ordinance, commission Vice Chair Nora Scherzinger asked the commission to consider a proposal to enact at its next meeting a moratorium on oil and gas well applications until the ordinance had been enacted.

Not all her colleagues agreed that would be a good idea.

Springfield said the SandRidge application was the first the county has received in his 17 years of working with the county.

“The fact that we’ve had one application in 17 years tells me that I don’t think we’re in any danger of someone coming along here and turning in an application next week,” said Commissioner Don Chapman. “I think instead we’ll get an ordinance done in time for whatever may come down the pike.”

Scherzinger and Commissioner James Dominguez disagreed, saying enacting a moratorium was the safe thing to do.

“I think a moratorium would keep us safe in the meantime while the ordinance is being placed. Even though we haven’t had anything, it doesn’t mean tomorrow [we won’t] get a knock on our door,” Dominguez said.

Discussion ended there.

Rios and county public information officer Sidney Hill said that, as a result, there are no plans to put a moratorium on the next commission meeting agenda.

Eleanor Bravo, county resident and senior organizer for Food & Water Watch, said she and members of her organization expect the county to enact a moratorium. “I’m hopeful that they will,” she said.

She said environmental groups like Food & Water Watch should have been considered when the county staff began working on creating an oil and gas ordinance.

“The environmental groups had no place at the table – we were not invited to provide information, we were not invited to comment on any ordinances that came through. We will not have an opportunity to look at the ordinance until after its presented,” she said. “It’s all New Mexico Tech, which is an educational institution; they have different concerns than environmental groups.”

\*\*\*\*\*

***The following Assignments of Record Title have been approved by the BLM:***

NMNM 128367 Charles D. Ray and wife, Lynne Ray, to EOG Resources, Inc., P.O. Box 2267, Midland, TX 79702 (100%)  
T. 20 S. – R. 34 E.  
Section 29 – W2NE, SENE, W2, NWSE  
Lea County, NM  
480.00 Acres

NMNM 128368 Bluestem Energy Assets, LLC to COG Operating LLC, 600 W. Illinois Ave., Midland, TX 79701 (100%)  
T. 20 S. – R. 34 E.  
Section 33 – N2, SW  
Section 34 - W2SW, SWNW  
Lea County, NM  
600.00 Acres

NMNM 128833 Charles D. Ray and wife, Lynne Ray, to EOG Resources, Inc., P.O. Box 2267, Midland, TX 79702 (100%)  
T. 20 S. – R. 33 E.  
Section 24 – SW  
Section 25 – All  
Lea County, NM  
800.00 Acres

NMNM 128372 Bill Barrett Corporation to Koch Exploration Company, LLC, 950 17<sup>th</sup> Street, Suite 1900, Denver, CO 80202 (50%)  
T. 24 N. – R. 2 W.  
Section 14 – N2, SE  
Rio Arriba County, NM  
480.00 Acres

NMNM 129273 KHL, Inc., a New Mexico Corporation, to Energen Resources Corporation, 605 Richard Arrington, Jr. Blvd. North, Birmingham, AL 35203 (100%)  
T. 22 N. – R. 1 W.  
Section 4 – Lots 3, 4, S2NW, N2SE, S2S2SW, N2NESW, N2SWNESW, SESWNESEW, SENESW, N2N2NWSW, SENENWSW, NESENWSW, NESESW, NENWSESW  
Section 5 – N2N2N2SE, S2NWNWSE, SWNWSE, NWSWSE, S2S2SE  
Section 9 – S2NE, NW, SESW, SE  
Section 16 – N2  
Sandoval County, NM  
1, 189.010 Acres

NMNM 129274 KHL, Inc., a New Mexico Corporation, to Energen Resources Corporation, 605 Richard Arrington, Jr. Blvd. North, Birmingham, AL 35203 (100%)  
T. 22 N. – R. 1 W.  
Section 5 – Lots 4, SWNW, W2SW  
Section 6 – Lots 1, 2, 3, 4, 5, 6, 7, S2NE, SENW, E2SW, SE  
Section 7 – W2NE, NENW, N2NESW, N2S2NESW, SESENESEW, N2N2NESE, NENWSE, W2NWSE, N2SENEWSE, SWSENEWSE, N2NWSWSE, SWSWSESE, E2SWSESE, SESESE  
Section 8 – NE, E2NW, NWNWNWSW, E2W2NWSW, E2NWSW, N2SE  
Sandoval County, NM  
1,352.880 Acres

NMNM 129275 KHL, Inc., a New Mexico Corporation, to Energen Resources Corporation, 605 Richard Arrington, Jr. Blvd. North, Birmingham, AL 35203 (100%)  
T. 22 N. – R. 1 W.  
Section 17 – E2NE, NWNE, NENW, N2NESW, N2SWNESW, SENESW, S2NWSWSW, S2SWSW, N2SESE, SWSESE, N2SESESE  
Section 20 – SWNESE, W2NESENE, W2SENE, SESENE  
Sandoval County, NM  
300.00 Acres

NMNM 129276 KHL, Inc., a New Mexico Corporation, to Energen Resources Corporation, 605 Richard Arrington, Jr. Blvd. North, Birmingham, AL 35203 (100%)  
T. 22 N. – R. 1 W.  
Section 21 – Lots 1, 2 N2SE  
Section 28 – Lots 1, 2, 3, S2NW  
Section 29 – Lots 2, 3 SENE, N2NW, W2SW  
Sandoval County, NM  
533.890 Acres

NMNM 129277 KHL, Inc., a New Mexico Corporation, to Energen Resources Corporation, 605 Richard Arrington, Jr. Blvd. North, Birmingham, AL 35203 (100%)  
T. 22 N. – R. 1 W.  
Section 33 – Lots 5, 6, SESW, W2SE, SESE  
Sandoval County, NM  
213.900 Acres

NMNM 129278 KHL, Inc., a New Mexico Corporation, to Energen Resources Corporation, 605 Richard Arrington, Jr. Blvd. North, Birmingham, AL 35203 (100%)  
T. 23 N. – R. 1 W.  
Section 18 – NESE  
Sandoval County, NM  
40.00 Acres