

**TITLE 19        NATURAL RESOURCES AND WILDLIFE**  
**CHAPTER 2      STATE TRUST LANDS**  
**PART 4         RELATING TO LEASING OF STATE LANDS FOR SODIUM CHLORIDE OR**  
**COMMON SALT**

**19.2.4.1        ISSUING AGENCY:** Commissioner of Public Lands, New Mexico State Land Office, 310 Old Santa Fe Trail, P. O. Box 1148, Santa Fe, New Mexico 87501, Phone: (505) 827-5713  
[12/31/1999; 19.2.4.1 NMAC - Rn, 19 NMAC 3. SLO 4.1, 9/30/2002]

**19.2.4.2        SCOPE:** This rule pertains to all sodium chloride or common salt on those lands held in trust by the commissioner of public lands under the terms of the Enabling Act and subsequent legislation (trust lands). This Rule governs the lessees of such trust lands entered into subsequent to the date of this rule.  
[12/31/1999; 19.2.4.2 NMAC - Rn, 19 NMAC 3. SLO 4.2, 9/30/2002]

**19.2.4.3        STATUTORY AUTHORITY:** The commissioner's authority to manage the trust lands is found in N.M. Const., art. XIII, and in Section 19-1-1 NMSA 1978. The authority to promulgate this rule is found in Section 19-1-2 NMSA 1978.  
[12/31/1999; 19.2.4.3 NMAC - Rn, 19 NMAC 3. SLO 4.3, 9/30/2002]

**19.2.4.4        DURATION:** Permanent.  
[12/31/1999; 19.2.4.4 NMAC - Rn, 19 NMAC 3. SLO 4.4, 9/30/2002]

**19.2.4.5        EFFECTIVE DATE:** January 20, 1984, unless a later date is cited at the end of a section.  
[12/31/1999; 19.2.4.5 NMAC - Rn, 19 NMAC 3. SLO 4.5, 9/30/2002; A, 6/30/2016]

**19.2.4.6        OBJECTIVE:** The objective 19.2.4 NMAC is to provide for the orderly and lawful administration, and the appropriate development of sodium chloride or common salt resources on trust lands.  
[12/31/1999; 19.2.4.6 NMAC - Rn, 19 NMAC 3. SLO 4.6, 9/30/2002]

**19.2.4.7        DEFINITIONS:** “Schedule of fees” means a list of fees that must be paid for performance of certain administrative functions. The schedule of fees shall be published on the state land office website and is subject to change at the discretion of the commissioner. Unless otherwise noted in the schedule of fees or in this rule, the fee shall be non-refundable.  
[12/31/1999; 19.2.4.7 NMAC - Rn, 19 NMAC 3. SLO 4.7, 9/30/2002; A, 6/30/2016]

**19.2.4.8        LANDS SUBJECT TO LEASE:** Application to lease will be considered only for such lands as may be shown to be open for leasing upon the tract books of the New Mexico state land office and, although priority in time of filing ordinarily will determine the preference right to lease, the commissioner reserves the right to reject all applications at any time before lease issues, and to withhold from leasing or to offer the lease to the highest bidder therefor.  
[12/31/1999; 19.2.4.8 NMAC - Rn, 19 NMAC 3. SLO 4.8, 9/30/2002]

**19.2.4.9        APPLICATIONS:** Each application for lease shall be made with ink, or with typewriter, in duplicate, upon forms to be prescribed and furnished by the commissioner. The application shall be acknowledged, shall be accompanied by the fee as set forth in the schedule of fees (nonrefundable), and shall be accompanied by the first (1st) year's rental as prescribed by 19.2.4.12 NMAC. In addition, the application shall be accompanied by an appraisal of the land and minerals made under oath by some disinterested party familiar with the land upon forms prescribed and furnished by the New Mexico state land office.  
[12/31/1999; 19.2.4.9 NMAC - Rn, 19 NMAC 3. SLO 4.9, 9/30/2002; A, 6/30/2016]

**19.2.4.10       TERM:** Leases will be made upon forms prescribed and furnished by the commissioner and ordinarily will be for a term of 10 years and as long thereafter as salt in paying quantities shall be produced from the leased land. The commissioner reserves the right to issue leases for a primary or fixed term less than 10 years when under the circumstances the commissioner deems a shorter term to be in the best interest of the trust.  
[12/31/1999; 19.2.4.10 NMAC - Rn, 19 NMAC 3. SLO 4.10, 9/30/2002; A, 6/11/2019]

**19.2.4.11 ROYALTY:** Royalties shall be determined through negotiation, but shall not be less than ten (10) percent of the actual sale price of the salt at the place of extraction. The royalty shall be paid quarterly and the commissioner may prescribe advance royalty to be paid annually on or before the anniversary date of the lease in such sums as the commissioner may determine in each case before issuance of the lease. Royalty accruing for the lease year for which such advance royalty payments are made will be credited against the advance royalty payment made for that year.

[12/31/1999; 19.2.4.11 NMAC - Rn, 19 NMAC 3. SLO 4.11, 9/30/2002]

**19.2.4.12 RENTAL:** In lieu of advance royalty as provided in 19.2.4.11 NMAC, the lease may provide for payment of an annual payment at a negotiated rate, but not less than twenty-five dollars (\$25.00) for each legal subdivision of forty (40) acres, more or less.

[12/31/1999; 19.2.4.12 NMAC - Rn, 19 NMAC 3. SLO 4.12, 9/30/2002]

**19.2.4.13 REPORTS AND INSPECTION:** Quarterly reports of operation, production and sale of salt shall be filed by the lessee on or before the 20th day of the month following the last day of the reporting quarter. Such reports shall be upon forms prescribed and furnished by the commissioner. The records, books of account, and operations pertaining to mining, extraction, transportation, production, returns and sales of all salt shall be open and available for field audit and inspection by the commissioner or the commissioner's authorized agents at all reasonable times.

[12/31/1999; 19.2.4.13 NMAC - Rn, 19 NMAC 3. SLO 4.13, 9/30/2002; A, 6/11/2019]

**19.2.4.14 SURETY:**

**A.** A corporate surety, performance and improvement damage bond in such sum as the commissioner in each case may prescribe (minimum of five hundred dollars \$500.00 for a single lease bond and one thousand dollars \$1,000.00 for a multiple lease or blanket bond) executed by the lessee with satisfactory surety shall be executed by the lessee before a lease is issued.

**B.** With the approval of the commissioner, a twenty-five thousand dollar (\$25,000.00) bond or other surety may be used at the option of lessee for the use and benefit of the commissioner, to secure surface improvement damage and the performance of the lessee as lessee under one (1) or more state leases or permits for minerals, oil and gas, coal or geothermal resources or as holder under one (1) or more state rights of way or easements which the lessee or its successors or assigns has executed with the commissioner. The lessee will be obligated to perform and keep all terms, covenants, conditions and requirements of all state leases for minerals, oil and gas, coal, or geothermal resources and of all state rights of way and easements executed with the commissioner including the payment of royalties when due and compliance with all established mining plans and reclamation requirements.

[12/31/1999; 19.2.4.14 NMAC - Rn, 19 NMAC 3. SLO 4.14, 9/30/2002]

**19.2.4.15 ASSIGNMENT AND RELINQUISHMENT:** No lease may be assigned or relinquished without the written approval of the commissioner upon such terms and conditions as the commissioner may require and the payment of the fee as set forth in the schedule of fees. All assignments shall be upon forms prescribed by the commissioner and shall recite, among other things, the consideration received for the assignment.

[12/31/1999; 19.2.4.15 NMAC - Rn, 19 NMAC 3. SLO 4.15, 9/30/2002; A, 6/30/2016; A, 6/11/2019]

**19.2.4.16 CANCELLATION:** Leases may be canceled for breach or violation of any of the terms or conditions of the lease or of these rules; provided, however, that before any such cancellation shall be made, the commissioner shall mail to the lessee, by registered mail, addressed to the post office address of such lessee as shown by the New Mexico state land office records, a thirty (30) day notice of intention to cancel said lease, specifying the default for which the lease is subject to cancellation. Thirty (30) days after such mailing, the commissioner may enter cancellation unless the lessee shall have sooner remedied the default to the satisfaction of the commissioner.

[12/31/1999; 19.2.4.16 NMAC - Rn, 19 NMAC 3. SLO 4.16, 9/30/2002]

**19.2.4.17 RESERVATION OF RIGHT TO PURCHASE PRODUCTION:** The commissioner reserves a continuing option to purchase at any time, and from time to time, at the market price prevailing in the area on the date of purchase, all or part of the minerals that may be produced from the lands embraced in all leases issued on or

after June 11, 1973. The commissioner may waive this reservation by following the statutory procedure set out in Section 19-14-2 NMSA 1978.  
[12/31/1999; 19.2.4.17 NMAC - Rn, 19 NMAC 3. SLO 4.17, 9/30/2002]

**19.2.4.18 [RESERVED]**

[12/31/1999; 19.2.4.18 NMAC - Rn, 19 NMAC 3. SLO 4.18, 9/30/2002; Repealed, 6/30/2016]

**HISTORY OF 19.2.4 NMAC:**

**Pre-NMAC History:** The material in this part was derived from that previously filed with the State Records Center and Archives under:

CPL 69-5, Rules and Regulations Concerning the Sale, Lease, and Other Disposition of State Trust Lands, filed 09/02/69;

CPL 71-2, filed 12/16/1971;

CPL 77-1, filed 1/7/1977;

Rule 4, Rules and Regulations Relating to Leasing of State Lands For Sodium Chloride, or Common Salt, filed 3/11/1981;

SLO Rule 4, filed 1/20/1984;

SLO Rule 4, Amendment No. 1, filed 6/16/1995.

**History of Repealed Material: [Reserved]**