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NOTICE OF PUBLIC HEARING FOR PROPOSED RULEMAKING

The New Mexico Oil Conservation Commission (Commission) hereby gives notice that the Commission will hold a public hearing to consider proposed amendments to Commission rules at 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC. Western Environmental Law Center, Citizens Concerned for the Future, Conservation Voters New Mexico Education Fund, Diné C.A.R.E., Earthworks, Naeva, New Mexico Interfaith Power and Light, San Juan Citizens Alliance, and Sierra Club propose the amendments. The public hearing will held in-person, online, and by telephone commencing October 20, 2025 at 9:00 am and continuing each weekday thereafter as necessary.

<u>Purpose of Proposed Amendments.</u> The purpose of the proposed amendments is to require financial assurance from oil and gas operators that better reflects the actual costs to plug and abandon oil and gas wells in the state to better protect the State of New Mexico against the risks of wells becoming orphaned; to require that wells placed in temporary abandonment will be returned to beneficial use within a reasonable period or will be plugged and abandoned; and to set forth requirements for transfer of wells to better protect the state against transfer of wells that could become orphaned.

Summary of Proposed Amendments. The proposed amendments would add meeting the waste prevention requirements at Subsection A of 19.15.27.8 NMAC as a requirement for an operator to be in compliance at Subsection A of 19.15.5.9 NMAC and to eliminate the allowance that a certain number of wells may be out of compliance with 19.15.25.8 NMAC to be considered in compliance for purposes of Subsection A of 19.15.5.9 NMAC; modify financial assurance requirements for wells at 19.15.8 NMAC to better reflect actual well plugging and abandonment costs and risks to the state and add a new category of marginal wells for financial assurance based on their risk; modify well transfer requirements at 19.15.9 NMAC to better protect against risks to the state against wells becoming orphaned; modify requirements at 19.15.25 NMAC for presumptively determining whether wells are being used for beneficial purposes and placing wells in approved temporary abandonment status, maintaining wells in that status, and renewing that status; and modify certain definitions at 19.15.2 NMAC to reflect the other proposed amendments.

<u>Legal Authority.</u> The proposed rule is authorized by the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, including Section 70-2-6 (authorizing Commission to exercise jurisdiction, authority, and control over all persons, matters, and things necessary or proper to enforce the statute), Section 70-2-11 (authorizing Commission to make rules to prevent waste, protect correlative rights, and to do whatever may be reasonably necessary to implement the statute), Section 70-2-12 (enumerating powers of Commission and Oil Conservation Division (OCD)), and Section 70-2-14 (authorizing Commission to establish categories of financial assurance). The public hearing is governed by the Commission's rule on rulemaking proceedings at 19.15.3 NMAC.

<u>Availability of Proposed Amendments.</u> The full text of the proposed amendments are available on OCD's website at http://www.emnrd.nm.gov/OCD/rules.html or may be obtained from Commission Clerk Sheila Apodaca at occ.hearings@emnrd.nm.gov.

Written Comments. Any person may submit written comments on the proposed amendments no later than 5:00 pm on the final day of the evidentiary hearing unless extended by the Commission, by mail or delivery to Sheila Apodaca, Commission Clerk, Wendell Chino Building, 1220 S. St. Francis Dr., Santa Fe, NM 87505, or by email to the Commission Clerk at occ.hearings@emnrd.nm.gov.

<u>Public Hearing.</u> The public hearing will be held in-person, online, and by telephone commencing on October 20, 2025 at 9:00 am and continuing each weekday thereafter as necessary. The hearing will be held in Pecos Hall on the first floor in the Wendell Chino Building at the address above. To access the public hearing online via Microsoft Teams or by telephone:

Join the meeting now

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The meeting is also accessible at the following web address: https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting

Meeting ID: 257 871 029 212 2

Passcode: QD2eM2vG

Dial in by phone

+1 505-312-4308,,95109307# United States, Albuquerque (888) 506-1357,,95109307# United States (Toll-free) Phone conference ID: 951 093 07#

For any questions about how to participate in the hearing, please contact the Commission Clerk at occ.hearings@emnrd.nm.gov or 505-699-8358, or visit the Hearings page on OCD's website at http://www.emnrd.nm.gov/OCD/hearings.html. Public comment will be accepted each day of the hearing beginning at 4:00 p.m. on October 20, 2025, and at 9:00 am and 4:00 pm on each subsequent day of the hearing. A Spanish language translator will be available at 4:00 p.m. on October 20, 21, 27, and November 3, 2025. The translator will only be made available until the close of the evidentiary hearing. If the evidentiary hearing closes before any of these dates, public comments will no longer be taken and a translator will not be available.

Proposed Modifications, Technical Testimony, and Cross-Examination. Any person intending to propose a modification to the proposed amendments, to present technical testimony at the hearing, or to cross-examine witnesses must file a Pre-hearing Statement conforming to the requirements of Subsection B of 19.15.3.11 NMAC, except that instead of filing a concise statement of each witness's testimony as required by Paragraph 2 of Subsection B of 19.15.3.11NMAC, the person shall file each witness's full testimony. Full direct testimony and exhibits shall be filed no later than 5:00 pm on July 25, 2025. Full rebuttal testimony and exhibits shall be filed no later than 5:00 pm on September 5, 2025. Filing may be accomplished by mail or delivery to Sheila Apodaca, Commission Clerk, Wendell Chino Building, 1220 S. St. Francis Dr., Santa Fe, NM 87505, or by email to the Commission Clerk at occ.hearings@emnrd.nm.gov. Any person who presents technical testimony will be subject to cross-examination by the members of the Commission, the Commission's counsel, or another person who filed a Pre-hearing Statement.

<u>Oral Comments.</u> Any person who did not file a Pre-hearing Statement may present non-technical testimony or make an unsworn statement at the hearing, and may offer exhibits at the hearing so long as the exhibits are relevant to the proposed rule and do not unduly repeat testimony. Any person who presents sworn, non-technical testimony is subject to cross-examination by the Commission, the Commission's counsel, or another person who has filed a Pre-hearing Statement.

<u>Persons with Disabilities.</u> If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, including a summary or other accessible form of document, please contact the Commission Clerk at occ.hearings@emnrd.nm.gov or 505-699-8358 or through the New Mexico Relay Network at 1-800-659-1779, no later than 5:00 pm on October 1, 2025.

<u>Technical Information.</u> Technical information that may be provided through Pre-hearing Statements will be made publicly available on the OCD Imaging, Case File Search portal on OCD's website at http://ocdimage.emnrd.nm.gov/imaging/CaseFileCriteria.aspx, and may be accessed by searching for Case File No.24683.