

State of New Mexico
Energy, Minerals and Natural Resources Department

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Energy Conservation and Management Division



Energy, Minerals and Natural Resources Department



**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Energy Conservation and Management Division**

NOTICE OF GEOTHERMAL DRILLING ACTIVITY

Date: September 8, 2026

To: Mr. Phillip Goetze, New Mexico Oil Conservation Division, Underground Injection Control Group

From: Energy Conservation and Management Division (ECAM)

Subject: Notice of New Geothermal Drilling Activity – South Baldy Energy, LLC, a subsidiary of XGS Energy, Inc., Geothermal Exploration Well SBE-2

The New Mexico Energy, Minerals and Natural Resources Department, Energy Conservation and Management Division (ECAM), provides this notice of planned geothermal drilling activity in **unincorporated Socorro County, New Mexico**.

Operator: South Baldy Energy, LLC

Project: New Geothermal Exploration Well

Well Name/No.: SBE-2

Well Type: Exploration

Location: Latitude: N 33.734464°, Longitude: W 107.009765°

Surface Ownership: Private

Anticipated Spud Date: October 26, 2026

Proposed Total Depth: 7,500 ft measured depth (MD)

ECAM is providing this notice for interagency awareness and coordination regarding geothermal activities under its regulatory authority. Please distribute this notice to appropriate staff within your agency and advise ECAM if the proposed activity presents a potential regulatory, resource-management, infrastructure, or coordination concern within your agency's jurisdiction.

Questions or requests for additional information may be directed to:

Brittany Hollon

Geothermal Program Manager

Lisa LaFlame

Geothermal Program Coordinator

Energy Conservation and Management Division

New Mexico Energy, Minerals and Natural Resources Department

emnrd-geothermal@emnrd.nm.gov

Thank you for your continued coordination with ECAM.

PUBLIC NOTICE

Notice is hereby given in accordance with the terms of the provisions of NMAC

19.11.2.13 THAT:

South Baldy Energy, LLC, a subsidiary company of XGS Energy, Inc., located at 820 Gessner Road, Suite 1145 Houston, TX 77024, has filed an application for a:
Geothermal Exploration Well (SBE-2).

Said well is to be drilled in unincorporated Socorro County on private land at the coordinates Latitude: N 33.734464°, Longitude: W 107.009765°. The exploration well shall be drilled from surface to a maximum total vertical depth (TVD) of 7,500 feet below ground level. The 20" conductor casing shall be driven from surface to 150 feet TVD. The 13 3/8" surface casing shall be set from surface to 2,000 feet TVD in 17 1/2" open hole. The 9 5/8" intermediate casing shall be set from surface to 4,036 feet TVD in 12 1/4" open hole. The production section of the well shall be 8 1/2" open hole to 7,500 feet TVD. The well bore may deviate from vertical in any direction, but the well bore shall not extend outside the surface boundary of the surface lease property lines or the geothermal lease boundary.

The permit materials, including, but not limited to the draft permit and supporting analysis documentation, are available for review at 1220 S. Saint Francis Drive, Santa Fe, NM 87585 or may also be requested digitally at emnrd-geothermal@emnrd.nm.gov.

If any person wishes to protest this application, they must make their request in writing to Energy Conservation and Management (ECAM) within 30 days of the publication date. Any person who wishes to provide comments or submit evidence in support of such comments concerning the pending permits must also submit materials to ECAM within 30 days of the publication date. Protests, comments, and evidence may be sent to: Attn: Geothermal Program Manager, ECAM, Energy Minerals and Natural Resources Department, 1220 S. Saint Francis Drive, Santa Fe, NM 87585 OR emnrd-geothermal@emnrd.nm.gov.

The applicant or permittee, affected persons or interested persons may file a request with the division for a permit hearing. The person requesting a permit hearing or an attorney representing that person shall sign the hearing request. The director shall generally grant a permit hearing if the applicant or an affected person requests a hearing. However, the director has discretion to deny a hearing request if the issues are not substantial or have previously been heard. and decided before the Oil Conservation Division, the Oil Conservation Commission or]the division and the parties to the hearing, other than the division, would be the same as the parties to the original hearing. If the applicant or an

affected person does not request a hearing, the director may grant a hearing if there is significant public interest in the application; or if the director determines, in his or her discretion, that a hearing may clarify one or more substantial issues involved in the permit. Permit hearings shall be held in Santa Fe. The hearing request shall be submitted in writing to the division and be postmarked or e-mailed by the close of the 30-day public comment period in Paragraph (3) of Subsection A of 19.11.2.13 NMAC. The hearing request shall include:

- A. the requestor's name;
- B. the requestor's address, or the address of the requestor's attorney, including an e-mail address and phone number if available;
- C. the division's action that is disputed or a copy of the public notice referencing the division's action;
- D. the name or general description of the property interest that the division's action affects, if any;
- E. briefly, the general nature of the dispute with the division's action or proposed action; and
- F. any other matter division rules or a division order requires.

After 30 days and barring any substantive comments or new information or a permit hearing, ECAM's preliminary intent is to issue an exploration permit.

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 627771

CONDITIONS

Operator: NEW MEXICO ENERGY MINERALS & NATURAL RESOURCE 1220 S St Francis Dr Santa Fe , NM 87504	OGRID: 264235
	Action Number: 627771
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
pgoetze	None	9/24/2026