70-2-14 d'Requirement for financial assurancea, se in the prior to the control of A. Each person, firm, corporation or association who operates any oil! gas or service well as a servic within the state shall, as a condition precedent to drilling or producing the well, furnish financialassurance in the form of an irrevocable letter of credit or a cash on surety bond or a well-specific plugging insurance policy pursuant to the provisions of this section to the oil conservation of this section to the oil conservation. division of the energy, minerals and natural resources department running to the benefit of the state and conditioned that the well be plugged and abandoned in compliance with the rules of the oil conservation division. The foil conservation division shall restablish categories of financial assurance after notice and hearing. Such categories shall include a blanket plugging financial assurance in an amount not to exceed fifty thousand dollars (\$50,000), except for a blanket plugging financial rassurance for itemporarily rabandoned status; wells, which shall be set by rule at amounts greater than fifty thousand dollars (\$50,000); and one-well plugging financial assurance. in amounts determined sufficient to reasonably pay the cost of plugging the wells covered by the financial assurance. In establishing categories of financial assurance, the oil conservation was the conservation of the conse division shall consider the depth of the well involved the length of time since the well was produced, the cost of plugging similar wells and such other factors as the oil conservation division deems relevant. The oil conservation division shall require a one-well financial assurance on any well that has been held in a temporarily abandoned status for more than two years or, at the election of the operator, may allow an operator to increase its blanket plugging financial assurance to cover wells held in temporarily abandoned status. All financial assurance shall remain in force until released by the oil conservation division. The oil conservation division shall release financial assurance when it is satisfied the conditions of the financial assurance have been fully performed.

- B. If any of the requirements of the Oil and Gas Act or the rules promulgated pursuant to that act have not been complied with, the oil conservation division, after notice and hearing, may order any well plugged and abandoned by the operator or surety or both in accordance with division rules. If the order is not complied with in the time period set out in the order, the financial assurance shall be forfeited.
- C. When any financial assurance is forfeited pursuant to the provisions of the Oil and Gas Act or rules promulgated pursuant to that act, the director of the oil conservation division shall give notice to the attorney general, who shall collect the forfeiture without delay.
- D. All forfeitures shall be deposited in the state treasury in the oil and gas reclamation fund.
- E. When the financial assurance proves insufficient to cover the cost of plugging oil and gas wells on land other than federal land and funds must be expended from the oil and gas reclamation fund to meet the additional expenses, the oil conservation division is authorized to bring suit against the operator in the district court of the county in which the well is located for indemnification for all costs incurred by the oil conservation division in plugging the well. All funds collected pursuant to a judgment in a suit for indemnification brought under the provisions of this section shall be deposited in the oil and gas reclamation fund.
- F. An operator required to file financial assurance for a well pursuant to this section is considered to have met that requirement if the operator obtains a plugging insurance policy that includes the specific well and that:
- (1) is approved by the office of superintendent of insurance;
- (2) names the state of New Mexico as owner of the policy and contingent beneficiary;
- (3) names a primary beneficiary who agrees to plug the specified wellbore;
- (4) is fully prepaid and cannot be canceled or surrendered;
- (5) provides that the policy continues in effect until the specified wellbore has been plugged;

- (6) provides that benefits will be paid when, but not before, the specified wellbore has been to contain the specified well become the specified wellbore has been to contain the specified well been to contain the specified well be specified well be specified well as the specifi plugged in accordance with rules of the oil conservation division in effect at the time of the plugging; and remains and common many and affiliation managers are represented as their sections of the re-(7) i provides benefits that are not less than an amount equal to the one-well financial assurance. required by soil conservation division rules के अरखी अरुद्ध अस्ति । अस्ति प्रार्थिक प्रार्थिक अस्ति अस्ति । G. If: subsequent to an operator obtaining an insurance policy as provided in this section the . It one-well financial assurance requirement applicable to the operator's well is increased either as because the well is deepened on the rules of the oil conservation division are amended, the operator is considered to have met the revised requirement of the metabolic and the second of the se (1) the existing policy benefit equals or exceeds the revised requirement; and a second secon (2) the operator to btains an amendment increasing the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the amount of the animal and the policy benefit by the animal and the policy by the animal and the policy benefit by the animal and the policy benefit by the animal and the policy by the animal and t increase in the applicable financial assurance requirement for processors and applicable financial assurance and applicable financial assurance requirement for processors and applicable (3) the loperator obtains financial assurance equal to the amount if any by which the revised requirement exceeds the policy benefit, when the configuration is the state of the configuration of the configurat History: 1953 Comp.; § 65-3:11-2\tenacted by Laws: 1977; ch. 237; § 3; 1978; ch. 117; \(\) \(\) 1986; to make a the research of graphics must be under some whole was an expectation of a en court particular de concernant. El magion a promoto por las foundades no combaciones रहोत्रहर्वक क्रिकेटमार्ग में के अन्यान वे एते हैं अब के पार्च हुए हैं है। है agrantises of a complete of course between the properties of the forth was very reconstituted because about the regions of the compact by the all exposures in the colors with the colors of the colors of the colors. is a daily set to be at the control of the control thin soliton, eller armit practical seals of
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