## What Risk Did the Legislation Intend to Be Covered?

- Geologic Risk?
- Operational Risk?

Reservoir Risk?

Risk that targeted zone doesn't occur at the well's location

Risk that the hole will be lost by equipment malfunctions or by mistakes

Risk that even though the targeted zone is there & even though well is successfully drilled, the zone is unproductive

NMOCD Case No. 15363 Hearing: SEP 29, 2015

Jalapeno EX