

**STATE OF NEW MEXICO  
NEW MEXICO OIL CONSERVATION COMMISSION**

**IN THE MATTER OF PROPOSED  
AMENDMENTS TO 19.15.2, 19.15.5,  
19.15.8, 19.15.9, AND 19.15.25 NMAC**

**CASE NO. 24683**

**COMMISSIONER OF PUBLIC LANDS' AND NEW MEXICO STATE LAND OFFICE'S  
ENTRY OF APPEARANCE, PRE-HEARING STATEMENT,  
AND PRE-FILED DIRECT TESTIMONY**

Stephanie Garcia Richard, Commissioner of Public Lands of the State of New Mexico, and the New Mexico State Land Office ("State Land Office"), through undersigned counsel, enter their appearance in this matter and submit this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC and the Amended Prehearing Procedural Order entered in this matter on July 17, 2025.

**1. Identification of Party and Counsel**

Commissioner of Public Lands Stephanie Garcia Richard and the New Mexico State Land Office.

**2. Statement of the Case**

The Commissioner strongly supports the proposed rule amendments and offers a limited number of proposed clarifying edits, identified in the attached testimony.

**3. Proposed Evidence**

Witness:

1. Allison Marks, Director, Oil, Gas, and Minerals Division, New Mexico State Land Office  
Approximate time to present testimony: 10 minutes  
Exhibits: None

Undersigned counsel will serve as counsel for the Commissioner and hereby enter their appearance in this matter.

Respectfully submitted,

/s/ Ari Biernoff

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Certificate of Service

I certify that on August 8, 2025, I served a copy of the foregoing pleading on all parties/counsel of record via electronic mail.

## **DIRECT TESTIMONY OF ALLISON MARKS**

My name is Allison Marks. I currently serve as Director of the Oil, Gas, and Minerals Division of the New Mexico State Land Office (“State Land Office”). I present my direct testimony regarding the matter of the proposed amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9, and 19.15.25 NMAC.

The Commissioner, through the State Land Office, manages approximately 9 million acres of surface estate and 13 million acres of mineral estate owned by the State of New Mexico (“state trust lands”) on behalf of the state lands trust to generate support for New Mexico public schools, hospitals, universities, and other public institutions.

The Oil, Gas, and Minerals Division is responsible for managing the agency’s extensive portfolio of oil and gas leases and related instruments, such as unitization and communitization agreements. The State Land Office has approximately 5,700 active oil and gas leases, with tens of thousands of wells located on those leases. The State of New Mexico/State Land Office is the largest landowner of wells under the jurisdiction of the New Mexico Oil Conservation Division (“OCD”) and therefore has a direct interest in the proposed rule amendments.

Among numerous other responsibilities, I, and the staff I supervise, review applications for the assignments of state oil and gas leases from one lessee to another. Under Commissioner Garcia Richard, the Oil, Gas, and Minerals Division has instituted a much more robust review process to determine if leases are in good standing; the Commissioner may deny a request for lease assignment if a lease is determined to not be in good standing. *See* NMSA 1978, § 19-10-13; 19.2.100.41(H) NMAC. Site conditions, such as the presence of inactive wells, or unremediated

spills or other environmental damage, are among the factors that determine whether a lease is in good standing. While the State Land Office exercises authority over the transfer of state oil and gas leases, the transfer of operatorship of individual wells is within the purview of OCD. The State Land Office and the lands it manages have suffered the consequences of insufficient oversight of well operator transfers in the past; the Commissioner and State Land Office welcome the proposed rule revisions to provide OCD with additional tools to ensure that wells are properly operated and to put in place stronger safeguards against high-risk or irresponsible individuals or entities acquiring operatorship of additional wells.

The Commissioner offers the following modest proposed changes to the proposed rule amendments to strengthen and clarify those amendments:

#### 19.15.9.8 NMAC

- C.2 Replace the word “each” with “any”
- C.5 This definition should include limited liability limited partnerships
- E. This definition should include members and managers of limited liability companies, as applicable

#### 19.15.9.9 NMAC

- B. The category of representatives of an operator that is an entity should also include members and managers
- C.2 Replace the word “each” with “any”
- C.3&4 Include members and managers in the list of covered representatives
- C.5 Include limited liability limited partnerships.

19.15.12.13(B) NMAC

References to “temporary abandonment” should have the adjective “approved” inserted before the word “temporary”

19.15.25.15.A(4) NMAC

Add the word “approved” before “temporary abandonment”

Crucially, the proposed amendments would help protect landowners like the State of New Mexico/State Land Office, as well as private landowners, from the risk that non-compliant oil and gas operators will simply reconstitute under a different corporate form or a new name to evade compliance scrutiny from OCD. *See* Proposed Amendments, 19.15.9.9(B) NMAC, 19.15.9.9(E) NMAC. The Commissioner supports the proposed amendments to provide OCD, landowners, and New Mexicans greater protection against wells being transferred from one non-compliant company to another, or shifted from responsible operators to irresponsible operators.