STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 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

OIL CONSERVATION DIVISION'S PRE-HEARING STATEMENT

The New Mexico Oil Conservation Division ("OCD") submits this Pre-Hearing Statement pursuant to 19.15.4.13(B) NMAC.

I. IDENTIFICATION OF PARTY AND COUNSEL

OCD has intervened in this matter and is represented by undersigned counsel.

II. STATEMENT OF THE CASE

The OCD supports the Revised Petition to amend 19.15.2 NMAC – General Provisions of Oil and Gas Operations, 19.15.5 NMAC – Enforcement and Compliance, 19.15.8 NMAC – Financial Assurance, 19.15.9 NMAC – Well Operator Provisions, and 19.15.25 NMAC – Plugging and Abandonment of Wells, pursuant to authority in NMSA 1978 Sec. 70-2-6, 70-2-12(B)(1), 70-2-14(A), and 19.15.3.8.A NMAC. The Revised Petition, inclusive of Petitioner's Notice of Errata, serves two primary objectives of the Division: first, require the responsible and timely plugging and abandonment of wells and associated production facilities by operators, and secondly, to revise the requirements for financial assurance so that the state may recover meaningful amounts of financial assurance when OCD performs the necessary plugging and abandonment of orphan wells and associated production facilities.

III. PROPOSED EVIDENCE

WITNESSES: All witnesses reserve the full 60-minutes for the summary of their direct testimony.

1. John Garcia

John Garcia is the Supervisor of OCD's Engineering Bureau Special Projects group. Mr. Garcia has served with OCD for more than five years, and holds a Bachelor of Science in Petroleum and Natural Gas Engineering and a Master of Engineering in Mechanical Engineering. Mr. Garcia provides his written direct testimony in support of the Revised Petition.

2. Justin Wrinkle, Engineering Bureau Chief

Mr. Wrinkle is the Engineering Bureau Chief, managing the OCD's Engineering Bureau, including the engineering group that reviews and approves sundries related to the plugging and abandonment of oil and gas production and injection wells. He has served with OCD since 2023. Prior to joining OCD, Mr. Wrinkle has 19 years of oil and gas experience in the roles of Production Supervisor and Lead Field Operator for oil and gas operators. Mr. Wrinkle provides his written direct testimony in support of the Revised Petition.

3. Loren Diede

Loren Diede is a Petroleum Specialist working with OCD's Engineering Special Projects group, specifically focused on reviewing and approving work plans related to the plugging of orphan wells. Mr. Diede brings more than 50 years of experience in the oil and gas industry, with a career focus on completions, drilling, workovers, and plugging and abandonment of wells. Mr. Diede provides his written direct testimony in support of the Revised Petition.

4. Rosa Romero, Environmental Bureau Chief

Ms. Romero is the Environmental Bureau Chief that oversees the environmental incidents program, including review and approval of site characterizations, remediation plans, and site closures. The Environmental Bureau includes the Environmental Special Projects Group which is responsible for the remediation and surface reclamation associated with orphaned wells and associated production facilities. Ms. Romero provides her written direct testimony in support of the Revised Petition.

5. Brandon Powell, Deputy Director

Mr. Powell is the Deputy Director that manages the OCD's Engineering and Environmental Bureaus. He has served with OCD in various positions for more than 18 years, including district supervisor, staff manager, inspection/enforcement supervisor, and environmental specialist. Prior to joining OCD, Mr. Powell was a facility manager and environmental technician for an environmental services company. Mr. Powell provides his written direct testimony in support of the Revised Petition.

EXHIBITS:

- 1. Direct Testimony of John Garcia
- 2. Resume of John Garcia
- 3. Visual Aid of John Garcia
- 4. Direct Testimony of Loren Diede
- 5. Curriculum Vitae of Loren Diede
- 6. Visual Aid of Loren Diede
- 7. Direct Testimony of Justin Wrinkle

- 8. Resume of Justin Wrinkle
- 9. Visual Aid of Justin Wrinkle
- 10. Direct Testimony or Rosa Romero
- 11. Resume of Rosa Romero
- 12. Visual Aid of Rosa Romero
- 13. Direct Testimony of Brandon Powell
- 14. Resume of Brandon Powell
- 15. Visual Aid of Brandon Powell
- 16. Active Well Production Report, Fiscal Year 2024
- 17. OCD Master Orphan Spreadsheet, July 2, 2025
- New Mexico Legislative Finance Committee ("LFC") Policy Spotlight: Orphaned
 Wells, June 24, 2025
- 19. Division Comparison of LFC Spotlight and Proposed Rule
- 20. Well Production and Incidents Data
- 21. Inactive Well Report, August 8, 2025
- Inactive Well Report with Wells Under Agreed Compliance Orders, August 8,
 2025
- Inactive Well Report with Wells in Approved Temporary Abandonment, August 8,
 2025
- 24. List of Agreed Compliance Orders for Inactive Wells
- 25. Plugging and Abandonment SR Report Calendar Year 2024
- 26. Revised Initial Grant Final Performance Technical Report, March 10, 2025

- 27. Notice: Implementation of Digital C-141 and Incident Statuses
- 28. Photographs of Remediation Projects, marked Ex. 28.A G.
- 29. Financial Assurance Report

IV. PROCEDURAL MATTERS

The OCD has not identified any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I certify that on August 8, 2025, I served this pleading by electronic mail only on:

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