J. Daniel Arthur, PE, SPEC, CPG, FGS, QMS, CCML

NMOGA Lead Technical Expert

Surrebuttal in OCC Case No. 24683 | October 2025

BEATTY & WOZNIAK
ENERGY IN THE LAW

Received by OCD: 10/28/2025

Plugging & Requirements

Purvis

- "Zombie" Wells in West Texas
  - Subject wells were plugged in the 1950s
  - Regulations and standards were very different at the time, and wells were plugged in accordance with typical industry standards for that time
  - Lumping old historic wells and standards into far newer wells and standards is wrong and inapplicable
- Claim that plugging costs have increased – yet pluggers are complaining about the opposite
  - One large plugging company, based in the mid-continent plugged ~1,000-1,200 wells in one year at an average costs of less than $10k per well

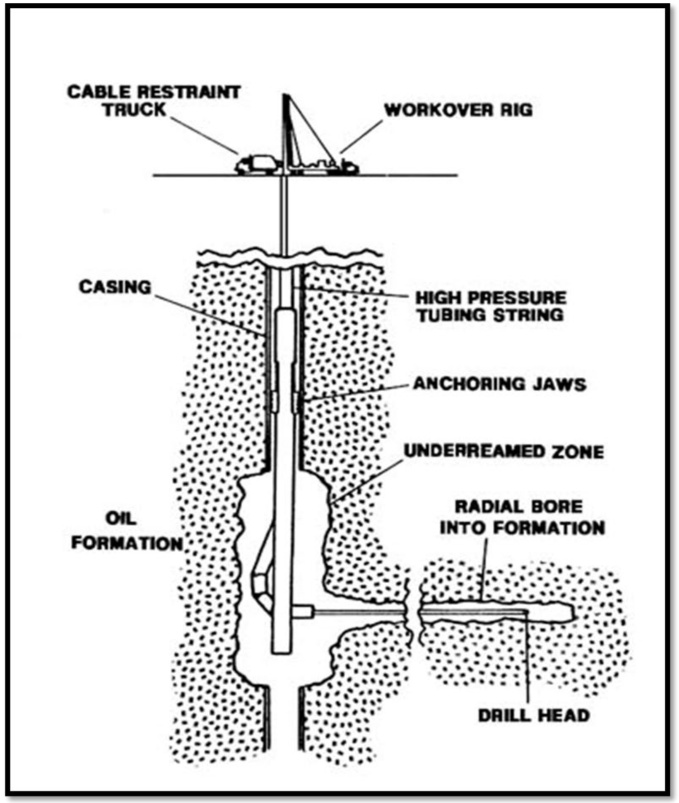
BEATTY & WOZNIAK
ENERGY IN THE LAW

Received by OCD: 10/28/2025

Available Options to Plug & Utilize OIAM Wells

OIAM

- State and Federally Funded Plugging & Reclamation Programs
- Industry Groups
- Private Sector Incentives
- Return to Production or Re-Complete for improved production
  - Recompletions (Short-Radius Horizontals): cost-effective technique extends the life of mature fields by accessing bypassed oil that would otherwise be left behind
- Options for OIAM Wells are diverse and hold potential significant benefits, **plugging isn't the ONLY option** in all cases



BEATTY & WOZNIAK
ENERGY IN THE LAW

Received by OCD: 10/28/2025

Innovation and Speculation

Alexander

- ***Dismissal of the Fracking Boom discounts innovations made in industry, especially within the last 20 years***
  - *Akin to comparing Nitro dropping to high volume hydraulic fracturing*
  - *Started as single stage jobs of much lower volumes around 2010*
  - *Shale Revolution was new and followed the issue of "Peak Oil"*
- ***Cannot use rigid definition of "speculative" in this context***
  - *There is more future potential for older conventional wells in today's age*
  - *Technology is advancing at an exponential pace*
  - *If Industry didn't take risks and be somewhat speculative, there wouldn't be oil & gas in the world today*
  - *Assumptions presented are highly generalized and lack real-world credibility*

BEATTY & WOZNIAK
ENERGY IN THE LAW

Received by OCD: 10/28/2025

Failing to Consider Technology & Creativity

OIAM

- Unfortunately, the creativity of the energy industry and technology advancements are often overlooked by many
- Before the "Fracking Boom", the key predictions were that oil production had "Peaked" and we would run out. Then curiosity, creativity, and technology advancements led to one of the biggest oil & gas booms in history
- It is common for professionals to assess economics based only on a limited data set that primarily relies on selective history and general data without considering how much technology has advanced or actual details
- Failing to account for creative alternatives to the norm through things like applying technological advancements *can yield findings that are simply misleading and short-sited*

BEATTY & WOZNIAK
ENERGY IN THE LAW

BEATTY & WOZNIAK
ENERGY IN THE LAW

Miguel Suazo | Shareholder
Santa Fe, New Mexico