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

INDEPENDENT PETROLEUM ASSOCIATION OF NEW MEXICO'S APPLICATION FOR REHEARING AND REOPENING THE RECORD

The Independent Petroleum Association of New Mexico ("IPANM"), by and through undersigned counsel, files this Motion for Rehearing pursuant to NMSA 1978, § 70-2-25, and NMAC 19.15.3.15(A), and renews its prior motion to reopen the record pursuant to NMAC 19.15.3.15(B) for the limited purpose of admitting additional economic testimony. Every rule adopted by the Commission "shall include in the order the reasons for the action taken" and must contain a "concise explanatory statement." NMAC 19.15.3.13(C); NMSA 1978, § 14-4-5.5(A)-(C) (requiring date of adoption, reference to authority, and any findings required by law for adoption). However, "no rule is valid or enforceable if it conflicts with statute" and any conflict is resolved in favor of the statute. NMSA 1978, § 14-4-5.7.

A. RELEVANT PROCEDURAL HISTORY

1. Western Environmental Law Center and other parties filed an Amended Application in Case No. 24683 to substantially revise regulations under the Oil and Gas Act in Parts 19.15.2, 19.15.8, 19.15.9, and 19.15.25, which was revised April 25, 2025.

2. The Revised Application was presented to the Oil Conservation Commission in a rulemaking hearing over a period of three weeks in which 32 expert, technical, and fact witnesses testified on behalf of Applicants, the Oil Conservation Division, Oxy USA, Inc., the New Mexico Oil and Gas Association, and the Independent Petroleum Association of New Mexico ("IPANM").

The combined transcript of the 14-day rulemaking hearing—exclusive of applications, exhibits, written testimony, and public comments—encompasses some 5,000 pages alone.

3. The participating parties' final submissions and any supplemental briefing were filed with the Commission on April 6, 2026. The Hearing Officer's Report was filed June 2, 2026.

4. The Commission heard closing summaries from the parties on May 13, 2026, and held 4 days of deliberations on June 3, June 5, June 11, and July 1, 2026.[1]

5. The Commission's *Rule Making Order and Reasons for the Action Taken* was filed as Order No. R-24486 in Case No. 24683 on July 16, 2026. Order No. 244-86 adopts wholesale Applicants' final submission, with the exception of five (5) enumerated paragraphs. *See* Order R-24486 at A(1)(iv)-(vi). The Order only sets for the Commission's reasoning where it elected to modify Applicants' proposal. *See id.* at B(1)-(6)

6. Pursuant to statute and regulation, a party of record adversely affected by an order or decision of the Commission may request a rehearing within twenty days after entry of the order. NSMA 1978, §70-2-25(A). Therefore, IPANM's Application for Rehearing is timely filed with the Commission.

B. STANDARD OF REVIEW AND PURPOSE OF REHEARING APPLICATION

An application for rehearing affords the Commission "an opportunity to reconsider and correct an erroneous decision." *Pubco Petro. Corp. v. Oil Conservation Comm'n,* 1965-NMSC-023, ¶ 7, 75 N.M. 36. A court reviews the Commission's actions for consistency with and within the scope of its statutory authority and whether the order is supported by substantial evidence.

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[1] The July 1, 2026 Transcript is not yet publicly available on the OCD Imaging website for Case No. 24683. However, the complete recording of the hearing is posted on the Commission's YouTube channel as "OCC Special Mtg Deliberations WELC Rulemaking Part 7 7 1 26," available at https://www.youtube.com/watch?v=70KeZl0CnfM; and "OCC Special Mtg Deliberations WELC Rulemaking Part 8 7 1 26", available at https://www.youtube.com/watch?v=Ow5e8kVNFjI.

Fasken v. Oil Conservation Comm'n, 1975-NMSC-009, ¶6, 87 N.M. 292. Therefore, an order lacking in any of the above grounds contains error, and the decision to grant or deny an application for rehearing is committed to the Commission's discretion in determining whether "sufficient reason" is apparent to do so. Sufficient reason generally includes new evidence, procedural irregularities, legal errors, or misconduct impacting fairness.

However, New Mexico courts consistently disfavor and caution against wholesale adoption of one party's findings and conclusions where statutes mandate that an agency or commission exercise its own independent judgment. *Reynolds v. Landau*, 2020-NMCA-036, ¶ 35, 468 P.3d 928, 939; *Nunez v. Smith's Mgmt. Corp.*, 1988-NMCA-109, ¶¶ 4 & 5, 108 N.M. 186, 188, 769 P.2d 99, 101; *see, e.g.*, NMAC 1.24.25.14(F)(5) & (F)(7) ("The concise explanatory statement shall include… reasons for adopting the rule, including any findings otherwise required by law of the agency, and a summary of any independent analysis done by the agency; ..and [ ] reasons for not accepting substantive arguments made through public comment."). Courts reviewing agency decisions, especially in complex cases, provide less deference where verbatim adoption indicates a lack of independent judgment, failure to fully consider the issues and evidence in the record, and ultimately precludes meaningful review. *Ramey Const. Co., Inc. v. Apache Tribe of Mescalero Reservation*, 616 F.2d 464, 466 (10th Cir. 1980; *see also Foutz v. Foutz,* 1990-NMCA-093, ¶ 21, 110 N.M. 642, 645, 798 P.2d 592, 595 (The lacuna in the findings, coupled with apparent inconsistencies, make it impossible for this court to engage in any meaningful review.").

Here, IPANM applies for rehearing based on the following grounds: (1) The Commission refusal to consider and reject contrary evidence and party positions, to include public comment; (2) The Commission's acceptance that premature plugging creates waste, yet finding that adoption of Applicants' proposed rules comports with the Commission's statutory mandates of the Oil and

Gas Act; (3) failure to afford temporary abandoned wells required protection under NSMA 1978, 70-2-14; (4) rejection of proffered economic evidence, and (5) confusion and procedural irregularities in deliberations which constrains or prevents meaningful judicial review.

C. IPANM'S GROUNDS IN FAVOR OF GRANTING REHEARING APPLICATION

(1) The Commission Refused to Consider and Independently Reject Contrary Evidence, Party Positions, and Public Comment.

In contrast to the reasoning provided by the Commission in adopting the "Pit Rule," which was litigated in *Earthworks' Oil & Gas Accountability Project v. New Mexico Oil Conservation Comm'n*, 2016-NMCA-055 Order No. R-24486 fails to provide "detailed explanations for the standards and requirements" creating the new bonding rules. *Compare* Rule Making Order *to Earthworks,* ¶¶ 17 & 18 (providing four separate bases as grounds to adopt rule changes and detailed findings for each reason). In short, by adopting Applicants' arguments without an independent weighing of the evidence, the Commission has abdicated its role in the process and leaves a reviewing court with a Rule Making Order which is devoid of both the "why"—being the reasons in support of the new rule changes— and the "how": how the rule changes will fix or alter oil and gas operations in New Mexico in furtherance of the Commission's mandates under the Oil and Gas Act.[2]

The Rule Making Order does not address or consider how a blanket $150,000 bond meets the statutory, individual well characteristics under Section 70-2-14,[3] how or *if* the surety market's capacity and appetite will respond and meet the rule changes,[4] how the rule will impact and affect

[2] *See,e.g.*, Testimony of WELC Expert Dwayne Purvis, who acknowledged that adoption of the Rule changes forces operators to prematurely plug wells, to increase production to avoid bonding, or to orphan the well. Tr. 386:20-387:3 (Oct. 21, 2025).
[3] IPANM FOF 34 & FOF 35; Ezzell Rebuttal, 6:2-4 & 6:15-18; Testimony of NMOGA Expert Dan Arthur at 29-30; Testimony of NMOGA Expert Harold McGowen, at 85 & 91.
[4] IPANM FOF 70, IPANM FOF 180-204.

availability and cost of plugging services, or whether the rule will accelerate the abandonment of wells as seen in neighboring states.[5] In addition, neither during the hearing nor in deliberations did the Commission consider at any time the ability of the Oil Conservation Division to actually implement the rule changes or the projected cost in man-hours or full time positions that the new rules will impose on OCD personnel. These two practical considerations are commonly performed with legislative changes, which is why IPANM has repeatedly advocated that the Commission is stepping outside its enabling act and into the Legislature's sphere. *See, e.g.,* Fiscal Impact Report for HB133, HB80, and SB189. The Commission is fully aware of existing funding and personnel shortages, indicated in deliberation discussions regarding the current overwhelmed OCD docket. *See, e.g.,* Tr. 34:15-16 (June 3, 2026) (OCD not staffed to call or forfeit existing bonds); Tr. 387:8-388:24 (June 11, 2026) (amending rule language to provide 60 days for OCD review and decision); *see also* Rule Making Order at B(3)(iv). Moreover, nowhere in the record have Applicants or the Commission set a final price tag on the foreseeable costs in terms of bonding, lost production, abandoned wells, operators driven out of New Mexico, and lost reservoir access imposed by the Rule Changes, previously considered by the Legislature at each juncture amending Section 70-2-14 and during the Commission's 2018 Rulemaking on bonding levels.

Additionally, the Commission appears to have ignored its ability to reject Applicants' changes outright, considering only alternate language proposals. *See generally* June 3, 2026 Transcript, *id. at* 94:24-95:11 & 110:11-18 (Commission considered alternate proposals, but did not deliberate or discuss whether amendment of original rule necessary or warranted—the position advocated by IPANM). A party should not have to re-propose an existing rule for the Commission to consider whether change to an existing rule is even warranted, especially where final closing

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[5] IPANM FOF 28-30; IPANM FOF 22 & 23.

submissions made such position clear. *See IPANM Proposed Alternative Language* filed April 3, 2026 ("The absence of specifical alternative language should not be interpreted as support or acceptance by IPANM of any proposed change by Applicants.").

(2) If Premature Plugging Creates Waste, Adoption of Applicants' Proposed Rules as Comporting with the Commission's Statutory Mandates under the Oil And Gas Act Is Untenable.

The Commission adopted Applicants' legal argument on the four legal issues identified by the Hearing Officer, including that the Amendments prevent waste under the Oil and Gas Act[6] as "persuasive." *See* Rule Making Order at A(1)(v). IPANM advanced the position throughout Case No. 24683 that increasing bonding levels will fundamentally alter operation of low producing and stripper wells by putting a regulatory thumb on the scale of economic viability, which will lead to premature plugging where the cost of plugging is significantly lower than the cost of continued operation at single well bonds of $150,000. During the rulemaking and during deliberations, Commissioner Ampomah advocated that subjecting approved temporary abandoned wells to additional bonding "would actually lead to the premature plugging of viable wells and considerable waste considering the amount of Permian oil that operators have been able to recover from oil recover projects." *See* Rule Making Order at B(4)(iii) (quoting Tr: 505:6-19 (Oct. 21, 2025)). In fact, the Commission itself adopted a modification based on this argument in support of retaining available active well bonding. *Id.* A prerequisite for any secondary or tertiary recovery project is existing access to the reservoir through previously drilled, unplugged wells.[7] If the Commission

[6] Waste, as defined under Section 2 of the 1935 Oil and Gas Act, includes underground waste resulting from dissipation of reservoir energy or lost recovery, loss of beneficial use of gas, crude, or any petroleum product, and production in excess of reasonable market demand. *See* Laws of 1935, Ch. 72, Section 2(a), (b), & (c).

[7] *See, e.g.*, IPANM FOF 137 (citing Rep. Murphy, Tr. 140:3-10 & 140:23-25 (Nov, 4, 2025).; IPANM FOF 138 (citing Murphy, Tr. 211:8-25 (Nov. 4, 2025)); IPANM FOF 239 (citing Alexander, Tr. 16117-162:13 (Oct. 20, 2025); Murphy, Tr. 136:1-7 & 137:20-24 (Nov. 4, 2025)), IPANM FOF 242 & 243 (citing Rep. Murphy, Tr.136:23-137:24 138:16-139:4 (Nov. 4, 2025)); *see also* IPANM FOF 250 & 252 (citing Justin Wrinkle, Tr. 195:4-6 (Oct. 24, 2025) &

can recognize that premature plugging of TA wells creates waste, it follows that plugging active wells also creates waste. The Rule Making Order does nothing to explain the Commission's reasoning in this logical inconsistency.

Moreover, to the extent that "leaking methane" was proposed by Applicants and adopted by Commissioners during deliberations as the necessary predicate for Commission action under the Oil and Gas Act, and therefore the plugging of abandoned wells prevents waste, the record is devoid of evidence or testimony in support that an increase in bonding will result in more plugged and abandoned wells. On the other hand, the Commission's Rule Making Order also fails to address the scales of magnitude difference between leaking, abandoned wells and a total loss of reservoir access.[8]

(3) Disparate Treatment of Temporary Abandoned wells Denies Statutory Protection under NSMA 1978, 70-2-14;

The Rule Making Order acknowledges that TA wells are entitled to certain protections under Section 70-2-14, which the Legislature has approved additional, increased levels of bonding after two years in temporary abandoned status. *See* NMSA 1978, §70-2-14(A); *see also* Rule Making Order at B(4(iv); Tr. 41:17-78:12 (June 11, 2026). However, because Applicants sought and the Commisssion adopted changes to the existing definition of temporary abandoned wells, the Rule changes now unnecessarily target approved temporary abandoned wells and the inclusion of TA wells in heightened financial assurance rules runs contrary to the special status afforded by

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Peltz, Tr. 41:4-10 (Oct. 23, 2025)).

[8] *See* Tr. 21:18-22, 23:12-17 (June 3, 2026) (unplugged, older wells leak methane); *but see* Tr. 25:13-15 (June3, 2026) (agreeing that Commission "should put any waste arguments in context as well,"); *compare to* IPANM FOF 263 (Water and Natural Resources Committee presentation from NMED on "Air Quality Around Oil and Gas Operations and Effectiveness on Methane and Ozone Rules reported methane levels from inactive wells so low as to not be graphed); *see also* Testimony of Rep. Murphy, Tr. 228:19-229:17 (Nov. 4, 2025); and IPANM COL 44 (demonstrated waste in lost70-90% of total reservoir recovery, Ezzell Rebuttal, 10:2-11:5).

the Legislature to TA wells in their first two years of approved temporary abandonment. *See* NMSA 1978, § 14-4-5.7. The Rule Changes unreasonably target Approved TA wells, which are in safe condition, pressure controlled and monitored status. Approved TA wells do not meaningfully contribute to the OCD's Master Orphan Well Spreadsheet, and only a handful of orphaned wells were previously in TA status prior to abandonment.

Further, the grouping of approved TA wells in heightened bonding scenarios conflates with the Oil and Gas Act, as discussed above, and the Commission recognized that allowance in the modification adopted under Part (B)(4) of the Rule Making Order, but neglected to incorporate parallel protections under NMAC 19.5.8.9(E)(1). *See* Rule Making Order at B(1)(v). Finally, as acknowledged by the Division during rulemaking, and during deliberations, there are differences between Section 70-2-14 and the NMAC 19.15.8.9(F) OCD application to temporary abandoned wells that have not been resolved. *See* Tr. 304:2-4 & 313:1-2 (June 5, 2026). IPANM has addressed the inconsistencies between the Rule Making Order and the Proposed Final Rule Amendments in its Response to Applicants' Motion for Rehearing and incorporates those arguments and analysis herein in full, to include that the fourth clause of 19.15.8.9(F) should remain struck in accordance with the Rule Making Order and reasons for modification.

(4) Rejection of proffered economic evidence on matter of Public Importance Constitutes Sufficient Reason to Grant Rehearing.

Although IPANM presented 16 witnesses during the Rulemaking hearing, a dozen with plugging experience and who presented evidence of industry plugging costs, the Commission implicitly rejected the entirety of that evidence or failed to recall said testimony during deliberation. *See* Tr. 39:20-25 (June 3, 2025). Instead, in adopting Applicants' $150,000 marker for single well bonding costs, the Commission held that OCD's rampantly escalating cost was "sufficient to *reasonably* pay the cost of plugging the wells covered by the financial assurance."

NMSA 1978, § 70-2-14(A) (emphasis added). However, outside of reliance on the LFC Report, neither Applicants nor OCD presented reliable evidence for the costs of plugging 95% of the state's wells. With the adoption of the Rule changes, the Commission has simultaneously admitted that "a well that is significantly more bonded than the cost to plug the well" is not "something the Commission could adopt."[9] and yet proceeding to do that very thing by ignoring Section 70-2-14's direction to consider individual well characteristics.

By Joint Motion, IPANM sought to introduce and supplement economic testimony regarding the effects of HB80: "to capture the statute's new revenue streams and updated projections, the effect of public funding on financial assurance needs, <u>and HB 80's impact on the $150,000 one-well financial assurance proposed by Applicants for all well types</u>, regardless of status or type." Joint Reply at 4 (emphasis added); *see also id* at 7 (explaining that adoption of HB80 alters evidence for single well financial assurance, to include OCD oversight of plugging costs, and proffering Dr. Arscott to do so, in addition to making Dr. Arscott available for cross-examination by the parties and for Commission questioning). IPANM asserts that the Legislative Finance Committee finding of a "liability gap" between total outstanding wells and the total balance of the Reclamation Fund tied OCD plugging costs to Applicants' $150,000 single well bond, such that HB80's revenue stream fundamentally alters Applicants' premise. The Commission adopted the Hearing Officer's recommendation and denied the Joint Motion to Reopen after brief questioning of counsel during the May 13, 2026 hearing. However, on the first day of deliberations, the Commission again took up the matter and expressed that it would have willingly entertained testimony from a credible witness as to how HB80 would affect individual

[9] *see* Tr.21:18-22:1 (June 11, 2026; *see also* Rule Making Order, (B)(1)(vii) (concluding that "overall goal of the applicable statutes and Applicants' rules changes is to have a single well financial assurance that is set at a dollar figure that reasonably approximates the cost of plugging a single well.")

well plugging costs, either through economy of scale or contractors plugging at a lower cost, but that no witness was presented. *See* Tr. 38:11-39: (June 3, 2026). This was just one of the areas which IPANM sought to supplement the record with analysis by Dr. Arscott, and had Dr. Arscott been able to testify on a reopened record, the Commission could have questioned him as to that exact issue thoroughly. Moreover, the Commission's adoption of "apples and oranges" well dichotomy between OCD and industry goes further to demonstrate that $150,000 itself does not reasonably represent plugging costs for 95% of similar wells. Thus, the economics of plugging wells is both a relevant fact and an important aspect of the Rule changes, *Atlixco Coalition v. Maggiore,* 1998-NMCA-134, ¶ 24, 125 N.M. 793-94, 965 P.2d 370, and warrants reliance on the best data and analysis available. Here, where many of the changes have a delayed effective date, the Commission's refusal to consider additional information as to the effect of HB80 on OCD's plugging costs would be unreasonable on review. *Mountain States Tel. & Tel. Co. v. New Mexico State Corp. Comm'n*, 1977-NMSC-032, ¶ 83, 90 N.M. 325, 563 P.2d 588; *In re Petition of PNM Gas Services*, 2000-NMSC-012, ¶ 87, 129 N.M. 1, 1 P.3d 383

(5) Confusion and Procedural irregularities in deliberations precludes meaningful judicial review.

At the Commissions' direction, the parties engaged in substantial post-hearing discussions, concluding with sixteen separate meetings. At various points in discussions, a "package" was presented, in which the parties agreed to waive substantial evidence challenges on appeal only as to discrete, specific changes in a set of proposals (the "blue language") as reflected in the parties' Joint Stipulation—but only as to such specific blue language—because the blue language was not originally present during the hearing such that evidence may or may not appear in the record.[10]

[10] Even on the last day of deliberations, it was still unclear if the Commission grasped that Applicants' proposal contained both stipulated language and non-stipulated language to which IPANM did not support or agree. *See*,*e.g.*, Tr. 1:01-103 (July 1, 2026).

The Joint Stipulation did not withdraw or waive IPANM's existing arguments, evidence, or position as to Applicants' proposals, and Applicants' Notice commented as to the same. Thus, to the extent the Joint Stipulation, reflected in Applicants' Exhibit 89 or 90 was interpreted by the Commission as a version of Applicants' rule changes that "industry can live with," Tr. 159:16-17 & 171:18-19 (June 3,2026). IPANM asserts emphatically that such a take-away or generalization is not supported by the express language of the Joint Stipulation, and the failure of the Commission to specifically reject the existing rule warrants rehearing.

Separately, the interjections, participation, and proposals by Commission counsel during deliberations puts the Commissions Rule Making Order at substantial risk and endangers the independence of the Commission on judicial review as to the existing deliberation record.[11]

[11] IPANM repeatedly observed substantive instruction, bordering on argument, from Commission counsel. *See See, e.g.,* Tr. 244:16-17 (June 5, 2026) ("I would also point out…."); Tr. 253:16-17 ("I would recommend…"); Tr. 270:12-24 (June 5, 2026) (evaluating NMOGA briefing instead of allowing Commissioners to do so); Tr. 272:2-8 (June 5, 2026) (using ctrl+F search function as post-hoc support for Commission decision); Tr. 283:16-17 (June 5, 2026) (asking for explanation of alternate proposals, but not Applicants); Tr. 283:1-295:20 (Counsel offering testimony and argument in debating Commissioner Ampomah and proffering argument against position, rather than advising on procedure alone); Tr. 29:11-16 (June 11, 2026) (advising Commission to defer to Applicants' proposed language rather than independently analyze issues); Tr. 58:21-59:20 & 62:4-25 (June 11, 2026) (offering opinion on Section 70-2-14 interpretation of parties); Part 7 Tr. 55:54-57:15 (July 1, 2026); Part 7 Tr: 1:05-1:07 (July 1, 2026) (Commission counsel instructing that Commission must adopt one of the parties Findings of Fact or draft its own 75-page Findings, "so the world you're living in is **you got to adopt one of theirs** and supplement unless you want your own 75 page one[ ]" in response to Commissioner Ampomah's concerns to narrow adoption of Applicants' statement of reasons); Part 8 Tr. 47:07-1:05 (advising Commission against finding witnesses credible or correct or tying findings to testimony outside of Applicants' findings and Applicants' witnesses, but admitting that the resulting order is "less strong"). However, in adopting Applicants' findings wholesale and verbatim without independent analysis, the Commission has found the testimony of a non-admitted lawyer who has no operational, industry, surety or financial assurance experience and was unaware of the Commissions paramount duty under law to be a credible expert. *See,e.g.*, Tr. 649:1-652:7 (Oct. 22, 2025); *see also* Tr. 663:4-664:8:

> Q: Would you agree that prevention of waste is the paramount duty of the Oil Conservation Commission?
> **MR. MORGAN: No.**
> Q: And you've also not reviewed any case law interpreting those statutes; is that fair?
> **MR. MORGAN: I have looked for case law interpreting those provisions of the statute, but I did not find anything that spoke directly to that issue.**
> Q:…[Y]ou've looked at case law in New Mexico controlling from the New Mexico Supreme Court or New Mexico Court of Appeals on what the primary or paramount duty of the Oil Conservation Commission. And it's your testimony that you could not find anything addressing that?
> **MR. MORGAN: I didn't find anything that spoke beyond the terms of the statute. No.**
> Q: [T]here's no opinion of the New Mexico Supreme Court directing the Commission to follow [prevention of waste as paramount duty]?
> **MR. MORGAN: Not that -- not that I saw. No**.

Further, it appears that Commission counsel drafted several of the statement of reasons but it is unclear how much, if any direction, the Commission provided counsel in doing so. *See, e.g.*, Part 7 Tr. 48:21-48:57 (July 1, 2026); Part 8 Tr. 28:08-28:58; Part 8 Tr. 32:46-32:59. Finally, there are areas of the final Rule Making Order which diverge from discussions during deliberations. *See* Part 7 Tr. 1:01-1:03 (July 1, 2026) (declining to adopt Applicant's findings regarding experts during discussion, but no carve out reflected in final order); Part 8 Tr. 39:39-40:35 & 43:38-44:44 (discussion to exclude Applicants' finding 57 and 126).

D. CONCLUSION

In Commission rulemakings under the Oil and Gas Act, the sufficiency of findings and substantial support require that (1) that commission made findings of ultimate facts which are material to the issues, having to do with such ultimate factors as whether a common source of supply exists, prevention of waste, protection of correlative rights and matters relative to net drainage, (2) that commission made sufficient findings to disclose reasoning of the commission in reaching its ultimate findings, and (3) findings must have substantial support in the record. *Fasken v. Oil Conservation Comm'n*, 1975-NMSC-009, 87 N.M. 292, 532 P.2d 588; *Continental Oil Co. v. Oil Conservation Comm'n*, 1962-NMSC-062, 70 N.M. 310, 373 P.2d 809 (1962). Here, as set forth above, the Commission's deliberative process and resulting *Rule Making Order* falls short of independently answering the important questions of "why" and "how," without considering the total impact on the state, its regulatory agency, and the industry which funds both. "Administrative bodies, however well intentioned, must comply with the law; and it is necessary that they be required to do so, to prevent any possible abuse." *Cont'l Oil Co*, ¶ 31, 326.

For the foregoing reasons, IPANM respectfully requests rehearing in Case No. 24683 because the Commissions' *Rule Making Order and Reasons for the Action Taken* fails to comport with the minimum requirements under the Oil and Gas Act, the State Rules Act, the New Mexico Administrative Procedures Act, and the fundamental guarantees of fairness, notice, and due process inherent in the rulemaking process under Article II, Section 18 of the New Mexico Constitution. Further, IPANM renews its Motion to Reopen the record to supplement based on economic analysis of HB80's effect on well plugging costs, both to industry and the Division, as provided by qualified expert Dr. Robert Arscott.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Joint Motion for Clarification was served to counsel of record by electronic mail this 5th day of August, 2026, as follows:

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