

**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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

ORDER DENYING NMOGA'S MOTION FOR REHEARING

THIS MATTER came before the New Mexico Oil Conservation Commission (“Commission”) pursuant to the New Mexico Oil and Gas Association’s (“NMOGA”) Motion for Rehearing. The Commission hereby FINDS and ORDERS as follows:

Procedural History:

1. A rule-making hearing on a 2024 petition submitted by the Western Environmental Law Center, et al. (“WELC” or “Applicants”) was held over the course of October and November 2025.
2. The parties submitted written closing briefings and made closing arguments.
3. On June 3, 5, 11 and July 1, 2026, the Commission deliberated on the matter in open session.
4. On July 16, 2026, the Commission entered its “Rule Making Order and Reasons for the Action Taken” (“Rule Making Order”).
5. On July 16, 2026, the Commission staff prepared a finalized copy of “Proposed Final Rule Amendments.”
6. Section 70-2-25(A) of the New Mexico Oil and Gas Act states: “A. Within twenty days after entry of an order or decision of the commission, a party of record adversely affected may file with the commission an application for rehearing in respect of any matter determined by the order or decision, setting forth the respect in which the order or

decision is believed to be erroneous. The commission shall grant or refuse the application in whole or in part within ten days after the application is filed, and failure to act on the application within that period shall be deemed a refusal and final disposition of that application.”

Motion for Rehearing:

7. On August 5, 2026, NMOGA filed “Application for Rehearing.”
8. On August 6, 2026, Independent Petroleum Association of New Mexico (“IPANM”) filed “Notice of Joinder in NMOGA Application for Rehearing.”
9. On August 11, 2026, Applicants and the New Mexico Oil Conservation Division (“OCD”) filed “Response in Opposition to the New Mexico Oil and Gas Association’s Application for Rehearing.”
10. On August 13, 2026, the Commission heard oral arguments on the Motion.
11. On August 13, 2026, the Commission denied the Motion for Rehearing.
12. Pursuant to Section 70-2-25(A), the Commission’s Rule Making Order was not erroneously decided because the parties’ written briefings, oral arguments, the transcripts of the Commission’s deliberations and Rule Making Order provide a fulsome record that will allow for meaningful judicial review of the Commission’s decision.
 - a. During the four days of deliberations, the Commission: (i) examined the Applicants’ proposed language for the rules, (ii) cross-referenced the parties’ “Joint Stipulation,” and (iii) conducted a side-by-side comparison of the parties’ final suggested language of the rules.

- b. The Commission deliberated on the Hearing Officer Report's four questions and the Commission stated in open session how and why they were persuaded by Applicants' and OCD's arguments on these points.
 - c. The Commission, during its deliberations and in its Rule Making Order, did assign weight to: (i) the Applicants' closing arguments that discussed why the proposed rules comply with Section 70-2-14; (ii) the Applicants' closing arguments on the need to increase bonding for high-risk wells and high-risk portfolios; (iii) the Applicants' evaluation of the concept of prevention of waste; and (iv) the OCD's closing arguments that discussed the OCD's jurisdiction over reclamation and the OCD's obligation to regulate and require the remediation of releases and environmental contamination.
13. Pursuant to Section 70-2-25(A), the Commission's Rule Making Order was not erroneously decided because the Commission considered and judged all sides' testimony and positions.
- a. The Commission did not wholesale adopt the Applicants' positions; the Commission did in fact adopt some language proposed or supported by IPANM, New Mexico Oil and Gas Association ("NMOGA") and OXY USA.
 - b. For example, the Commission adopted language that:
 - i. ensured that a well would not be bonded multiple times to prevent stacking of bonds in 19.15.8.9 NMAC as explained in the Rule Making Order, Section B(1);

- ii. adopted a variance process related to constraint to production in 19.15.8.9(D)(3) NMAC as explained in the Rule Making Order, Section B(2);
 - iii. agreed not to require certain changes in bonding requirements for approved temporary abandoned wells during the first two years in 19.15.8.9(F) NMAC as explained in the Rule Making Order, Section B(4);
 - iv. agreed not to require, over Applicants' objections, newspaper publication for extension of temporary abandonment status at 19.15.25.13(C) NMAC as explained in the Rule Making Order, Section B(6); and
 - v. adopted OXY USA's more restrictive language, over Applicants' objections, with respect to who can participate in the process for extension of temporary abandonment status at 19.15.25.13(C) NMAC as explained in the Rule Making Order, Section B(6).
 - c. The Commission took administrative notice of the passage and language of House Bill 80 as requested by IPANM.
 - d. The Commission, during its deliberations, concurred with the Hearing Officer's recommendation to exclude NMOGA's bonding company's letter exhibit because it was filed after the date for the closure of the record.
14. Typographical errors pointed out in the Motion for Rehearing will be addressed by the Commission clerk as scrivener corrections to the final rule language.

THEREFORE, NMOGA's Application for Rehearing is DENIED.

IT IS SO ORDERED.



DATED: 8/31/2026

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

A handwritten signature in cursive script that reads "Albert Chang".

Albert Chang, Chairman
New Mexico Oil Conservation Commission