

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

CASE NO. 16078

IN THE MATTER OF THE:

PROPOSED AMENDMENTS TO THE COMMISSION'S RULES ON FINANCIAL
ASSURANCE AND PLUGGING AND ABANDONMENT OF WELLS, 19.15.2, 19.15.8,
AND 19.15.25 NMAC

OIL CONSERVATION DIVISION'S
PRE-HEARING STATEMENT

The Oil Conservation Division through its counsel files the following Pre-hearing Statement.

PARTIES AND ATTORNEYS

Oil Conservation Division

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Independent Petroleum Association of
New Mexico

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STATEMENT OF THE CASE

The Oil Conservation Division (Division) filed an application on March 28, 2018, proposing amendments to the rules concerning operator financial assurance and related matters, amending various sections of rules 19.15.2, 19.15.8, and 19.15.25 NMAC. The purposes of the proposed amendments are to further the goals of the Oil and Gas Act to require proper plugging of inactive wells, to protect natural resources by providing for financial assurance that more accurately reflects the actual cost of well plugging, to implement the changes enacted by the 2018 Legislature, and to prevent the overuse of approved temporary abandonment.

WITNESSES

Allison Marks, Deputy Director, Oil Conservation Division of the Energy, Minerals and Natural Resources Department: Ms. Marks has practiced law for approximately twelve years, with experience in oil and gas, environmental, business and corporate, banking, and governmental law. In her capacity as Deputy Director, Ms. Marks oversees the financial assurance program for the Oil Conservation Division and has worked on the Division's budget, compliance, and other programs. Ms. Marks has extensive experience drafting rules, played a significant role in drafting the proposed amendments to 19.15.2, 19.15.8, and 19.15.25 NMAC, and will discuss the proposed amendments.

Ms. Marks' testimony may include a review of the proposed rule amendments and other legal and/or administrative matters related to the proposed rule amendments. Ms. Marks' testimony is expected to last 45 minutes.

Phillip Goetze, Geologic Specialist, Oil Conservation Division of the Energy, Minerals and Natural Resources Department: Mr. Goetze has over 36 years of experience developing and implementing projects with environmental, hydrologic, mineral extraction, and regulatory application. Mr. Goetze's duties include the review of Class II Injection wells, along with serving as a hearing examiner for the Division in cases such as compulsory pooling applications and protested well locations that require review of project area geology, competing reservoir characterizations and proposed wells designs offered in these cases.

Mr. Goetze's testimony may include a review of certain proposed amendments to 19.15.2 NMAC, along with additional supplemental testimony, as may be needed, to proposed amendments to 19.15.8 and 19.15.25 NMAC. Mr. Goetze's testimony is expected to last 15 minutes.

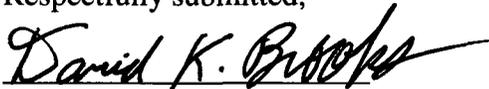
EXHIBITS

- [1] Proposed Rule Amendments
- [2] Certificate of Compliance with Notice Requirements from Florene Davidson
- [3] Historical OCD Plugging Costs 2014 to Present
- [4] Historical OCD Plugging Costs 2014 to Present (excluding 13 wells)
- [5] Fixed Plus Variable Costs
- [6] List of Wells Plugged
- [7] Rule 5.9 Compliance List
- [8] Figure Showing Changes to Definitions

PROCEDURAL MATTERS

The Division's counsel knows of no procedural matters that the Commission needs to address.

Respectfully submitted,

A handwritten signature in black ink that reads "David K. Brooks". The signature is written in a cursive style with a long horizontal flourish extending to the right.

David K. Brooks
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Attorney for the Oil Conservation Division

Certificate of Service

I hereby certify that the Oil Conservation Division's Pre-Hearing Statement was served by e-mail on July 3, 2018 to:

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Cheryl L. Bada
Deputy General Counsel, EMNRD

PROPOSED AMENDMENTS TO RULES 19.15.2, 19.15.8, AND 19.15.25 NMAC

A. Proposed amendments to 19.15.2.7 NMAC (subsections M and T only)

19.15.2.7 DEFINITIONS:

M. Definitions beginning with the letter "M".

(1) "Marginal unit" means a proration unit that is incapable of producing top proration unit allowable for the pool in which it is located.

(2) "Market demand percentage factor" means that percentage factor of 100 percent or less as the division determines at an oil allowable hearing, which, when multiplied by the depth bracket allowable applicable to each pool, determines that pool's top proration unit allowable.

(3) "MCF" means a thousand cubic feet.

(4) "MCFD" means a thousand cubic feet per day.

(5) "MCFGPD" means a thousand cubic feet of gas per day.

(6) "Measured depth" means the total length of the well bore.

(7) "Mg/l" means milligrams per liter.

(8) (7) "Mg/kg" means milligrams per kilogram.

(9) (8) "Mineral estate" is the most complete ownership of oil and gas recognized in law and includes the mineral interests and the royalty interests.

(10) (9) "Mineral interest owners" means owners of an interest in the executive rights, which are the rights to explore and develop, including oil and gas lessees (*i.e.*, "working interest owners") and mineral interest owners who have not signed an oil and gas lease.

(11) (10) "Minimum allowable" means the minimum amount of production from an oil or gas well that may be advisable from time to time to the end that production will repay reasonable lifting cost and thus prevent premature abandonment and resulting waste.

(12) (11) "Miscellaneous hydrocarbons" means tank bottoms occurring at pipeline stations; oil storage terminals or refineries; pipeline break oil; catchings collected in traps, drips or scrubbers by gasoline plant operators in the plants or in the gathering lines serving the plants; the catchings collected in private, community or commercial salt water disposal systems; or other liquid hydrocarbon that is not lease crude or condensate.

T. Definitions beginning with the letter "T".

(1) "Tank bottoms" means that accumulation of hydrocarbon material and other substances that settles naturally below oil in tanks and receptacles that are used in oil's handling and storing, and which accumulation contains in excess of two percent of BS&W; provided, however, that with respect to lease production and for lease storage tanks, a tank bottom shall be limited to that volume of the tank in which it is contained that lies below the bottom of the pipeline outlet to the tank.

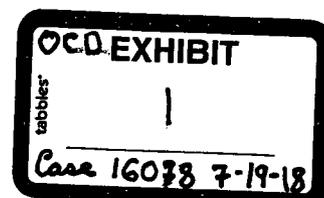
(2) "TDS" means total dissolved solids.

(3) "Temporary abandonment" or "temporarily abandoned status" means the status of a well that is inactive.

(4) "Top proration unit allowable for gas" means the maximum number of cubic feet of gas, for the proration period, the division allocates to a gas producing unit in an allocated gas pool.

(5) "Top proration unit allowable for oil" means the maximum number of barrels for oil daily for each calendar month the division allocates on a proration unit basis in a pool to non-marginal units. The division shall determine the top proration unit allowable for a pool by multiplying the applicable depth bracket allowable by the market demand percentage factor in effect.

(6) "TPH" means total petroleum hydrocarbons.



(7) "Treating plant" means a plant constructed for the purpose of wholly or partially or being used wholly or partially for reclaiming, treating, processing or in any manner making tank bottoms or other waste oil marketable.

(8) "Tribal lands" means those lands for which the United States government has a trust responsibility to a native American tribe or a member of a native American tribe. This includes reservations, pueblo land grants, tribal trust lands and individual trust allotments.

(9) "Tribal leases" means those leases of minerals or interests in or rights to minerals for which the United States government has a trust responsibility to a native American tribe or a member of a native American tribe.

(10) "Tribal minerals" means those minerals for which the United States government has a trust responsibility to a native American tribe or a member of a native American tribe.

(11) "True vertical depth" means the distance from the surface to a point in the well bore which is the deepest subsurface depth drilled. True vertical depth is measured by using a straight line perpendicular to the surface.

(12) (11) "Tubingless completion" means a well completion in which the production string of casing has an outside diameter of 2.875 inches or less.

(13) (12) "Tubingless multiple completion" means completion in which two or more common sources of supply are produced through an equal number of casing strings cemented in a common wellbore, each such string of casing having an outside diameter of 2.875 inches or less, with the production from each common source of supply completely segregated by cement.

B. Proposed amendments to 19.15.8.9 and .14 NMAC

19.15.8.9 CATEGORIES AND AMOUNTS OF FINANCIAL ASSURANCE FOR WELL PLUGGING:

A. A person who has drilled or acquired, is drilling or proposes to drill or acquire an oil, gas or injection or other service well on privately-owned or state-owned lands within this state shall furnish a financial assurance acceptable to the division in the form of an irrevocable letter of credit, plugging insurance policy, or cash or surety bond running to the state of New Mexico conditioned that the well be plugged and abandoned and the location restored and remediated in compliance with division rules.

B. A financial assurance shall be conditioned for well plugging and abandonment and location restoration and remediation only, and not to secure payment for damages to livestock, range, crops or tangible improvements or any other purpose.

C. ~~[The division accepts three forms of financial assurance: a one well financial assurance that covers a single well, a blanket financial assurance that covers multiple wells, and a blanket plugging financial assurance for wells in temporarily abandoned status. The operator shall cover a well that has been in temporary abandonment for more than two years by either a one well financial assurance or a blanket plugging financial assurance for wells in temporarily abandoned status, except that the division may waive the requirement of a one well financial assurance for a well that is shut in because of the lack of a pipeline connection. The division may release the one well financial assurance upon the operator's or surety's written request after the well is returned to production if a blanket financial assurance covers the well. The division may release a blanket plugging financial assurance for wells in temporarily abandoned status upon the operator's or surety's written request after the wells are plugged and abandoned in accordance with 19.15.25 NMAC or are returned to production if a blanket financial assurance covers the wells or if the operator files a one well financial assurance for each well of the operator's wells in temporarily abandoned status; upon the operator's or surety's written request, the amount of the operator's blanket financial assurance for wells held in temporarily abandoned status may be reduced in accordance with the number of wells the operator elects to cover by said financial assurance.]~~ The division accepts the following categories of financial assurance for wells that are not required to provide financial assurance under Subsection D of 19.15.8.9 NMAC:

- (1) a one well financial assurance in the amount of \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; or
- (2) a blanket plugging financial assurance in the following amounts covering all oil, gas or service wells drilled, acquired or operated in this state by the principal on the bond:
 - (a) \$50,000 for one to 10 wells;
 - (b) \$75,000 for 11 to 50 wells;
 - (c) \$125,000 for 51 to 100 wells;
 - (d) \$250,000 for more than 100 wells.

- D. [Amounts:
- (1) A blanket financial assurance shall be in the amount of \$50,000 covering all oil, gas or service wells drilled, acquired or operated in this state by the principal on the bond.
 - (2) A one well financial assurance shall be in the amounts stated below in accordance with the well's depth and location:
 - (a) Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval and San Juan counties, New Mexico: \$5000 plus \$1 per foot of projected depth of proposed well or measured depth of existing well.
 - (b) All other counties in the state: \$10,000 plus \$1 per foot of projected depth of proposed well or measured depth of existing well.

~~(3) The appropriate division district office may approve revised plans for an actively drilling well for drilling as much as 500 feet deeper than the depth stated on the well's financial assurance. A well to be drilled more than 500 feet deeper than the depth stated on the well's financial assurance shall be covered by a new financial assurance in the amount prescribed for the new projected depth.~~

~~(4) The amount of the one well financial assurance required for an intentionally deviated well shall be determined by the well's measured depth, and not its true vertical depth.~~

~~(5) If an operator elects to cover wells held, or which may be held, in temporary abandonment by a blanket plugging financial assurance for wells in temporarily abandoned status, the operator shall do so in the amounts stated below in accordance with the number of wells covered by the blanket plugging financial assurance for wells in temporarily abandoned status.~~

~~(a) A blanket financial assurance for the first five wells shall be in the amount of \$150,000.~~

~~(b) A blanket financial assurance for the six to 10 wells shall be in the amount of \$300,000.~~

~~(c) A blanket financial assurance for the 11 to 25 wells shall be in the amount of \$500,000.~~

~~(d) A blanket financial assurance for more than 25 wells shall be in the amount of \$1,000,000.] An operator shall provide financial assurance with one of the following categories for a well that has been in temporarily abandoned status for more than two years or for a well that the operator is seeking approved temporary abandonment pursuant to 19.15.25.13 NMAC:~~

~~(1) a one well financial assurance in the amount of \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; or~~

~~(2) a blanket plugging financial assurance for temporarily abandoned status wells in the following amounts covering all oil, gas or service wells drilled, acquired or operated in this state by the principal on the bond:~~

~~(a) \$150,000 for one to five wells;~~

~~(b) \$300,000 for six to 10 wells;~~

~~(c) \$500,000 for 11 to 25 wells; and~~

~~(d) \$1,000,000 for more than 25 wells.~~

~~E. For the purposes of calculating the one well financial assurance, the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells.~~

~~F. Operators who have on file with the division a blanket financial assurance that does not cover additional wells shall file additional one well bond financial assurance for any wells not covered by the existing blanket bond or, in the alternative, may file a replacement blanket bond.~~

19.15.8.14 EFFECTIVE DATES.

A. 19.15.8 NMAC applies to wells drilled or acquired after December 15, 2005.

B. As to all other wells, 19.15.8 NMAC is effective January 1, 2008.

C. The 2018 amendments to 19.15.8.9 NMAC apply to applications for permit to drill, deepen or plug back and applications for approved temporary abandonment filed on or after July 24, 2018, and for all other wells, on October 31, 2018.

C. Proposed amendments to 19.15.25.12 and .13 NMAC

19.15.25.12 APPROVED TEMPORARY ABANDONMENT: The division may place a well in approved temporary abandonment for a period of up to five years. Prior to the expiration of an approved temporary abandonment the operator shall return the well to beneficial use under a plan the division approves, permanently plug and abandon the well and restore and remediate the location or apply for a new approval to temporarily abandon the well. For an operator who seeks approval to place more than one well in approved temporary abandonment, the operator is limited to placing no more than thirty-three and a third percent of the wells the operator operates in approved temporary abandonment.

19.15.25.13 REQUEST FOR APPROVAL AND PERMIT FOR APPROVED TEMPORARY ABANDONMENT:

A. An operator seeking approval for approved temporary abandonment shall submit on form C-103 a notice of intent to seek approved temporary abandonment for the well describing the proposed temporary abandonment procedure the operator will use. The operator shall not commence work until the division has approved the request. The operator shall give 24 hours' notice to the appropriate division district office before beginning work.

B. The division shall not approve a permit for approved temporary abandonment until the operator furnishes evidence demonstrating that the well's casing and cementing are mechanically and physically sound and in such condition as to prevent:

- (1) damage to the producing zone;
- (2) migration of hydrocarbons or water;
- (3) the contamination of fresh water or other natural resources; and
- (4) the leakage of a substance at the surface.

C. The operator shall demonstrate both internal and external mechanical integrity pursuant to Subsection A of 19.15.25.14 NMAC.

D. Upon successful completion of the work on the temporarily abandoned well, the operator shall submit a request for approved temporary abandonment to the appropriate division district office on form C-103 together with other information Subsection E of 19.15.7.14 NMAC requires.

E. The division shall not approve a permit for approved temporary abandonment until the operator provides financial assurance for the well that complies with Subsection D of 19.15.8.9 NMAC.

F. The division shall specify the permit's expiration date, which shall be not more than five years from the date of approval.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION COMMISSION**

**IN THE MATTER OF PROPOSED AMENDMENTS TO THE COMMISSION'S RULES
ON FINACIAL ASSURANCE AND PLUGGING AND ABANDONMENT OF WELLS,
19.15.2, 19.15.8, AND 19.15.25 NMAC**

CASE NO. 16078

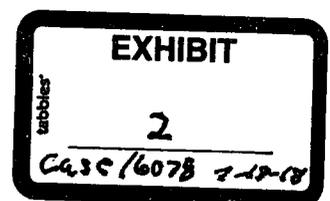
CERTIFICATE OF COMPLIANCE WITH NOTICE REQUIREMENTS

As Clerk to the New Mexico Oil Conservation Commission, I hereby certify that notice of this matter has been provided as follows:

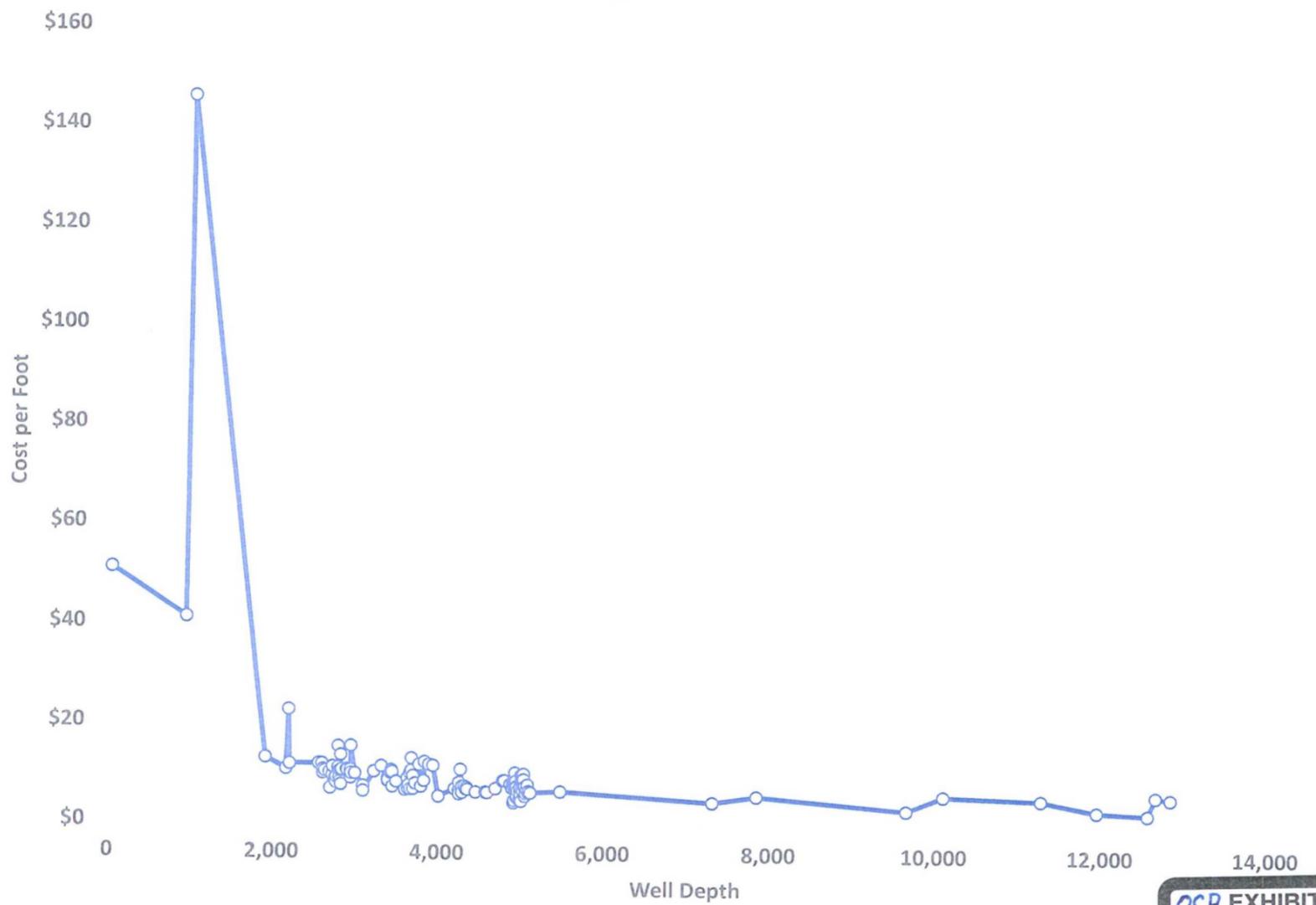
- 1. The Notice of Proposed Rulemaking for this Case ("Notice") was sent to the State Records Center and Archives and was published in the New Mexico Register on April 24, 2018. (Attachment A)**
- 2. A copy of the Notice was sent to the Albuquerque Journal and was published on May 20, 2018. (Attachment B)**
- 3. On April 23, 2018, a copy of the Notice was posted on the Oil Conservation Division website and remained posted though the date of the public hearing.**
- 4. On May 23, 2018, a copy of the Notice was sent to the Oil Conservation Division field offices in Hobbs, Artesia, and Aztec to be available to the public.**
- 5. By June 4, 2018, a copy of the Notice had been mailed or e-mailed to all persons on the Commission mailing list for rulemakings.**
- 6. On May 23, 2018, a copy of the Notice was e-mailed to the New Mexico Legislative Council for distribution to committees.**
- 7. On May 11, 2018, a copy of the Notice was posted to the New Mexico Department of Information Technology's Sunshine Portal.**

NEW MEXICO OIL CONSERVATION COMMISSION

Florene Davidson
Florene Davidson, Commission Clerk

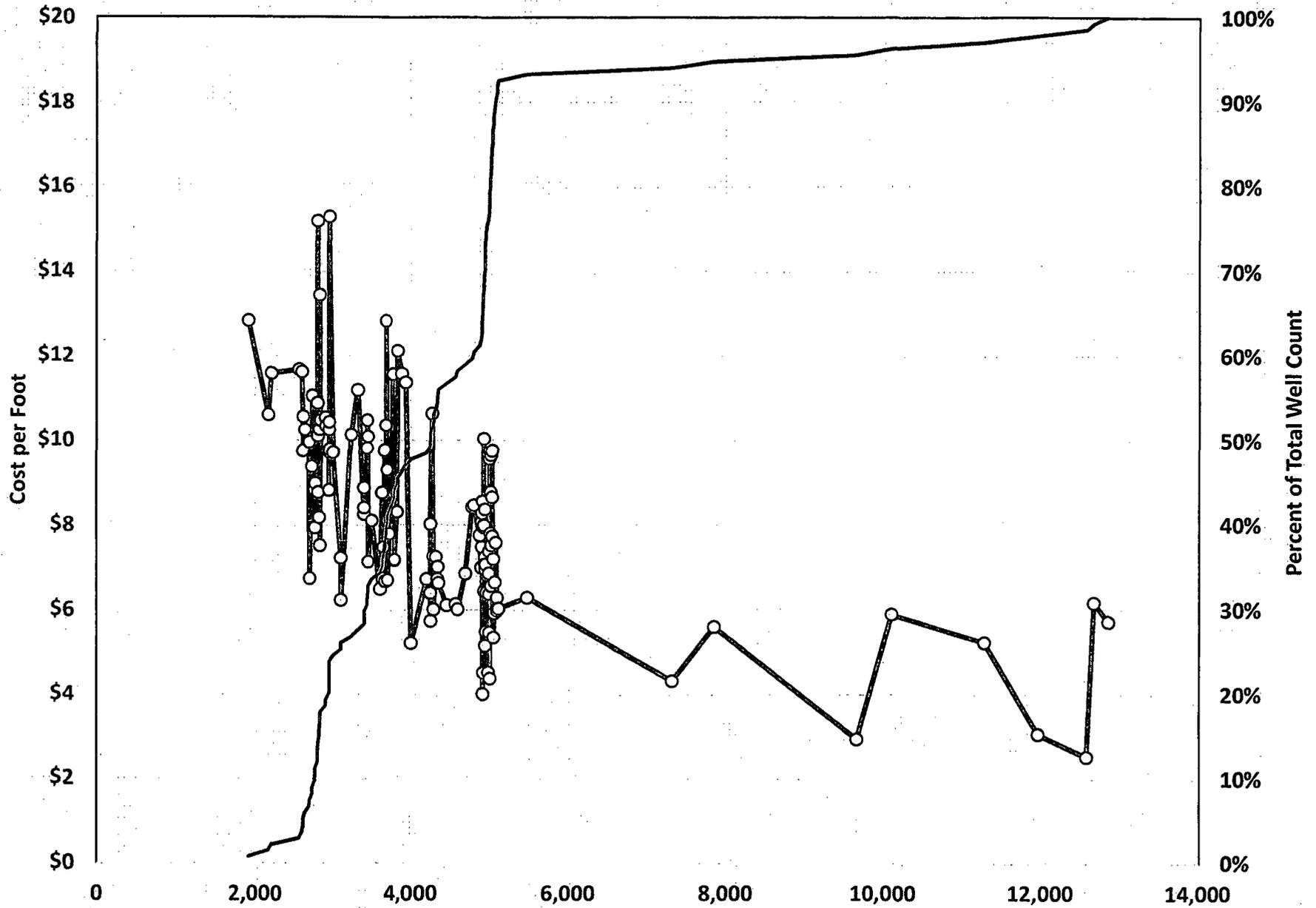


Historical OCD Plugging Costs 2014 to Present

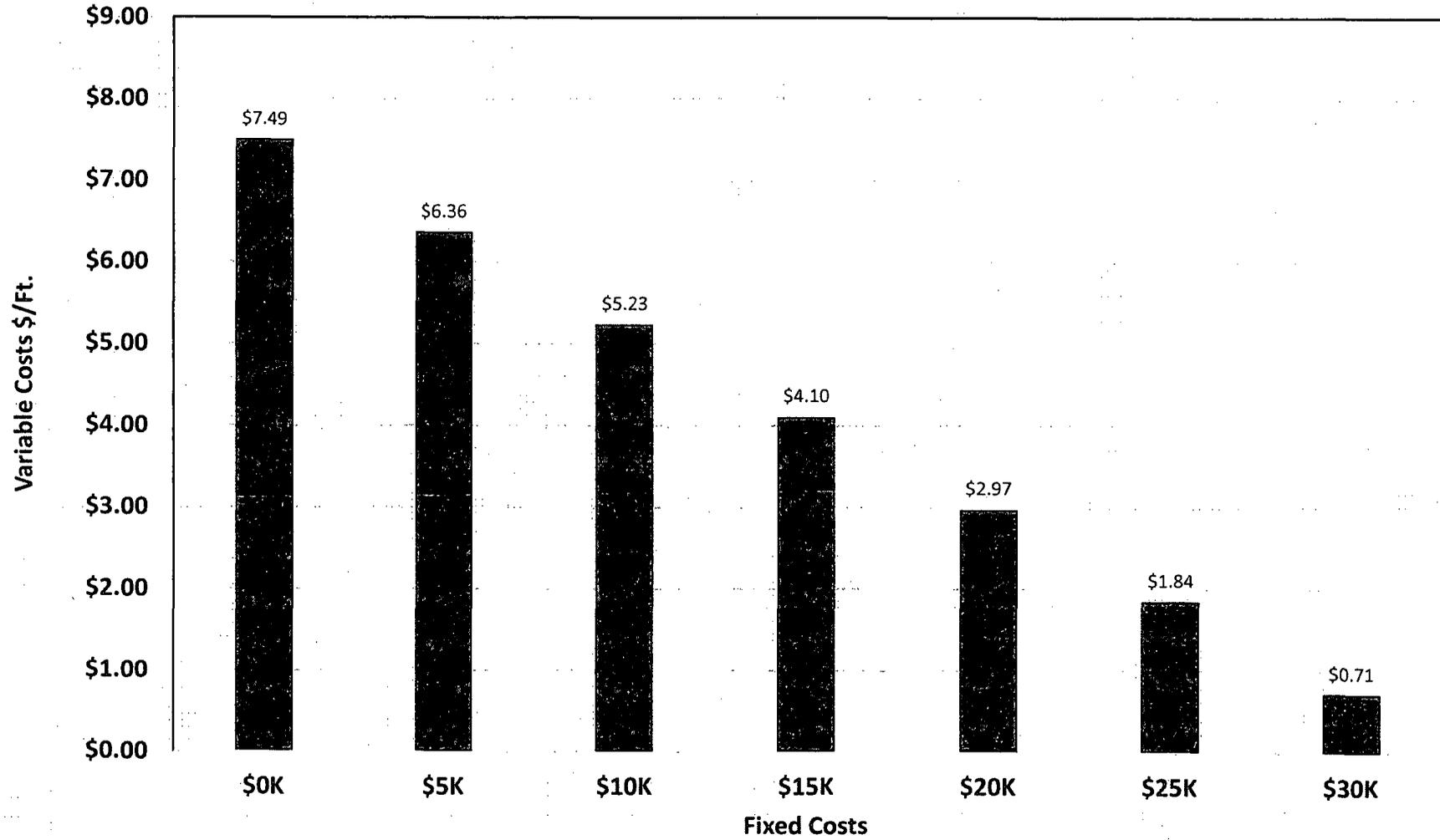


OCD EXHIBIT
3
Case 16078 7-19-18

Historical OCD Plugging Costs 2014 to Present (excluding 13 wells)



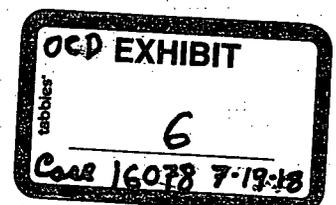
Fixed plus Variable Costs



oed EXHIBIT
5
Case 16078 7-19-15

List of Wells Plugged

API	Depth	Cost	Price/Ft	
30-025-22994	45	\$ 2,290.06	\$ 50.89	FY15
30-025-22995	45	\$ 2,290.06	\$ 50.89	FY15
30-025-22996	45	\$ 2,290.06	\$ 50.89	FY15
30025-22998	45	\$ 2,290.06	\$ 50.89	FY15
30-025-22319	45	\$ 2,290.06	\$ 50.89	FY15
30-025-22320	45	\$ 2,290.06	\$ 50.89	FY15
30-025-22321	45	\$ 2,290.06	\$ 50.89	FY15
30-025-22322	45	\$ 2,290.06	\$ 50.89	FY15
30-045-08185	950	\$ 39,022.21	\$ 41.08	FY15
30-045-08043	1003	\$ 146,023.60	\$ 145.59	FY15
30-059-20486	1916	\$ 24,580.43	\$ 12.83	FY17
30-059-20488	2166	\$ 22,952.39	\$ 10.60	FY17
30-059-20485	2195	\$ 49,523.36	\$ 22.56	FY17
30-005-60982	2210	\$ 25,591.66	\$ 11.58	FY17
30-005-60492	2563	\$ 29,925.28	\$ 11.68	FY16
30-005-60039	2602	\$ 30,229.06	\$ 11.62	FY16
30-005-60026	2615	\$ 25,517.65	\$ 9.76	FY16
30-005-60297	2617	\$ 27,638.51	\$ 10.56	FY17
30-005-60469	2638	\$ 27,044.21	\$ 10.25	FY17
30-005-62070	2691	\$ 26,793.64	\$ 9.96	FY16
30-005-63191	2700	\$ 18,201.39	\$ 6.74	FY16
30-005-60809	2730	\$ 25,614.45	\$ 9.38	FY17
30-005-60558	2733	\$ 30,195.39	\$ 11.05	FY16
30-005-60598	2763	\$ 24,429.35	\$ 8.84	FY16
30-005-60648	2770	\$ 21,969.48	\$ 7.93	FY16
30-005-61030	2774	\$ 24,937.56	\$ 8.99	FY17
30-005-61655	2800	\$ 30,465.92	\$ 10.88	FY17
30-005-61333	2800	\$ 42,505.05	\$ 15.18	FY16
30-005-61736	2805	\$ 28,338.21	\$ 10.10	FY17
30-005-60790	2810	\$ 24,669.41	\$ 8.78	FY17
30-005-63139	2821	\$ 23,072.85	\$ 8.18	FY17
30-005-60579	2825	\$ 28,971.13	\$ 10.26	FY16
30-005-60601	2830	\$ 38,040.58	\$ 13.44	FY16
30-005-63193	2830	\$ 21,271.44	\$ 7.52	FY16
30-005-61022	2840	\$ 29,738.03	\$ 10.47	FY17
30-005-61623	2900	\$ 30,560.81	\$ 10.54	FY16
30-005-60658	2907	\$ 30,045.33	\$ 10.34	FY16
30-005-60810	2950	\$ 30,232.40	\$ 10.25	FY17
30-005-60961	2950	\$ 26,036.26	\$ 8.83	FY17
30-005-60824	2950	\$ 28,707.34	\$ 9.73	FY17
30-005-60965	2950	\$ 30,766.99	\$ 10.43	FY16
30-005-60802	2951	\$ 28,862.16	\$ 9.78	FY18
30-005-60802	2951	\$ 45,105.13	\$ 15.28	FY17
30-005-60829	3000	\$ 29,135.15	\$ 9.71	FY17
30-005-62563	3100	\$ 22,389.74	\$ 7.22	FY17
30-005-62819	3100	\$ 19,330.24	\$ 6.24	FY17



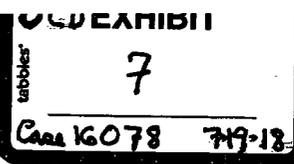
30-005-61278	3233	\$	32,744.56	10.13	FY18		
30-025-32297	3320	\$	37,131.36	\$	11.18	FY15	
30-005-62821	3400	\$	28,045.28	8.25	FY18		
30-005-62204	3400	\$	30,215.20	8.89	FY18		
30-005-62221	3400	\$	28,588.92	8.41	FY18		
30-025-11970	3436	\$	33,719.91	\$	9.81	FY17	federal
30-025-09721	3441	\$	36,021.81	\$	10.47	FY16	
30-025-11971	3450	\$	34,780.85	\$	10.08	FY17	federal
30-025-11985	3453	\$	24,628.98	\$	7.13	FY17	federal
30-005-62189	3500	\$	28,342.58	8.10	FY18		
30-025-25578	3608	\$	23,426.28	\$	6.49	FY17	federal
30-025-28258	3635	\$	31,868.64	\$	8.77	FY16	
30-025-25837	3640	\$	24,496.05	\$	6.73	FY17	federal
30-005-61446	3650	\$	27,266.54	7.47	FY18		
30-025-27825	3666	\$	35,798.51	\$	9.77	FY16	
30-025-25833	3671	\$	24,479.57	\$	6.67	FY17	federal
30-025-28256	3681	\$	38,111.50	\$	10.35	FY16	
30-025-02578	3686	\$	47,258.02	\$	12.82	FY15	
30-025-25855	3702	\$	34,436.26	\$	9.30	FY17	federal
30-025-25861	3705	\$	24,827.00	\$	6.70	FY17	federal
30-025-32048	3730	\$	29,049.96	\$	7.79	FY15	
30-025-02579	3778	\$	43,668.45	\$	11.56	FY15	
30-005-61766	3800	\$	27,213.73	7.16	FY18		
30-005-61661	3800	\$	27,269.11	7.18	FY18		
30-025-02543	3836	\$	31,860.81	\$	8.31	FY15	
30-025-02572	3844	\$	46,547.38	\$	12.11	FY15	
30-025-02541	3894	\$	45,043.75	\$	11.57	FY15	
30-025-02539	3944	\$	44,796.74	\$	11.36	FY15	
30-005-62161	4010	\$	20,931.20	5.22	FY18		
30-005-62389	4208	\$	28,289.83	6.72	FY18		
30-005-62382	4255	\$	27,226.91	6.40	FY18		
30-005-63740	4260	\$	24,446.99	5.74	FY18		
30-005-62851	4260	\$	34,137.16	8.01	FY18		
30-025-25162	4277	\$	45,439.64	\$	10.62	FY17	federal
30-005-63601	4295	\$	31,154.15	7.25	FY18		
30-005-62551	4296	\$	25,817.00	\$	6.01	FY18	
30-041-20798	4325	\$	31,330.00	\$	7.24	FY16	
30-005-62482	4343	\$	29,181.30	6.72	FY18		
30-041-20787	4350	\$	30,485.92	\$	7.01	FY16	
30-041-20791	4360	\$	28,910.79	\$	6.63	FY16	
30-025-20451	4461	\$	27,247.29	\$	6.11	FY16	
30-005-62625	4578	\$	28,073.27	6.13	FY18		
30-005-61744	4600	\$	27,662.10	6.01	FY18		
30-025-29326	4700	\$	32,188.09	\$	6.85	FY14	
30-025-03261	4790	\$	40,360.25	\$	8.43	FY14	
30-025-03189	4811	\$	40,730.80	\$	8.47	FY14	
30-025-03185	4880	\$	37,826.61	\$	7.75	FY14	

30-025-03181	4900	\$	34,242.50	\$	6.99	FY 14
30-025-03186	4910	\$	36,720.21	\$	7.48	FY 14
30-025-03183	4910	\$	39,616.50	\$	8.07	FY 14
30-025-03182	4912	\$	40,651.69	\$	8.28	FY 14
30-025-03254	4920	\$	19,765.43	\$	4.02	FY 14
30-025-03225	4921	\$	42,157.15	\$	8.57	FY 14
30-025-03262	4924	\$	39,157.13	\$	7.95	FY 14
30-025-03235	4925	\$	22,262.50	\$	4.52	FY 14
30-025-03265	4936	\$	49,557.91	\$	10.04	FY 14
30-025-03229	4939	\$	39,466.90	\$	7.99	FY 14
30-025-03237	4940	\$	31,819.93	\$	6.44	FY 14
30-025-03227	4949	\$	41,439.92	\$	8.37	FY 14
30-025-03174	4950	\$	35,887.34	\$	7.25	FY 14
30-025-03219	4950	\$	25,546.50	\$	5.16	FY 14
30-025-03250	4950	\$	35,012.18	\$	7.07	FY 14
30-025-03283	4954	\$	34,418.12	\$	6.95	FY 14
30-025-03236	4955	\$	35,014.78	\$	7.07	FY 14
30-025-03175	4960	\$	27,252.73	\$	5.49	FY 14
30-025-03243	4967	\$	31,874.19	\$	6.42	FY 14
30-025-03249	4989	\$	22,613.93	\$	4.53	FY 14
30-025-03240	4998	\$	34,295.41	\$	6.86	FY 14
30-025-31022	5000	\$	31,885.40	\$	6.38	FY 14
30-025-03231	5000	\$	36,909.24	\$	7.38	FY 14
30-025-03184	5002	\$	27,391.40	\$	5.48	FY 14
30-025-03248	5010	\$	21,978.50	\$	4.39	FY 14
30-025-07061	5011	\$	47,970.84	\$	9.57	FY17
30-025-22870	5020	\$	39,161.42	\$	7.80	FY 14
30-025-21703	5021	\$	44,128.80	\$	8.79	FY17
30-025-31106	5025	\$	33,009.13	\$	6.57	FY 14
30-025-03266	5029	\$	48,576.02	\$	9.66	FY 14
30-025-03244	5030	\$	37,834.30	\$	7.52	FY 14
30-025-21772	5040	\$	38,988.42	\$	7.74	FY 14
30-025-03315	5040	\$	49,175.96	\$	9.76	FY 14
30-025-03316	5040	\$	43,676.73	\$	8.67	FY 14
30-025-23083	5055	\$	36,384.25	\$	7.20	FY 14
30-025-31121	5056	\$	27,084.81	\$	5.36	FY 14
30-025-03241	5065	\$	30,045.77	\$	5.93	FY 14
30-025-30861	5075	\$	33,777.71	\$	6.66	FY 14
30-025-32256	5087	\$	38,584.65	\$	7.58	FY 14
30-025-09534	5100	\$	30,559.16	\$	5.99	FY16
30-025-31125	5100	\$	32,110.48	\$	6.30	FY 14
30-025-36791	5120	\$	30,912.04	\$	6.04	FY 14
30-025-03180	5483	\$	34,529.87	\$	6.30	FY 14
30-005-60248	7316	\$	31,617.58	\$	4.32	FY17
30-041-20601	7851	\$	44,016.75	\$	5.61	FY17
30-025-10820	9661	\$	28,361.71	\$	2.94	FY15
30-025-28139	10105	\$	59,646.42	\$	5.90	FY16

30-025-33021
30-025-07202
30-025-07290
30-025-27936
30-025-07258

11283	\$	59,078.21	\$
11960	\$	36,559.97	\$
12575	\$	31,693.81	\$
12668	\$	78,223.25	\$
12848	\$	73,624.60	\$
		\$ 4,696,101.47	

5.24	FY15
3.06	FY17
2.52	FY15
6.17	FY15
5.73	FY15



Rule 5.9 Compliance List

Printed On: Thursday, June 28 2018

Ogrid	Operator	Total Wells	Inactive Wells	Inactive Well Compliance
25872	ACTION OIL CO INC	7	5	N
228051	AMERICO ENERGY RESOURCES LLC	20	4	N
280671	BILL G TAYLOR AND HARVEY R TAYLOR	2	2	N
2336	BILL L MILLER	5	5	N
224717	BIYA OPERATORS INC.	58	13	N
370767	BLACKBEARD OPERATING, LLC	181	7	N
300825	BLUE SKY NM, INC.	42	38	N
2612	BOBBY F ABERNATHY	1	1	N
193484	BRADLEY MCINROE DBA BIG AL OIL & GAS	6	3	N
2799	BRECK OPERATING CORP	127	8	N
3044	BURGUNDY OIL & GAS OF N M INC	99	4	N
231382	C&D MANAGEMENT COMPANY DBA FREEDOM VENTURES	8	6	N
198688	CAMBRIAN MANAGEMENT LTD	29	8	N
248802	CANO PETRO OF NEW MEXICO, INC.	323	271	N
269864	CANYON E & P COMPANY	210	157	N
3675	CAPROCK EXPLORATION INC	1	1	N
4378	CHI OPERATING INC	69	5	N
279508	CHUZA OIL COMPANY	30	22	N
286255	COBALT OPERATING, LLC	8	3	N
217955	COG PRODUCTION, LLC	186	6	N
4863	COLLIER PET CORP	1	1	N
5337	COULTHURST MGT & INV INC	3	2	N
286614	CROSS BORDER RESOURCES, INC.	64	6	N
298299	CROSS TIMBERS ENERGY, LLC	556	13	N
213190	CROWNQUEST OPERATING, LLC	17	3	N
5578	D J SIMMONS INC	60	17	N
156206	DAVID G HAMMOND	2	2	N
5898	DAVID H ARRINGTON OIL & GAS INC	37	12	N
243356	DB&G GAS & OIL, LLC	3	3	N
268370	DC ENERGY LLC	6	6	N
258950	DELONG, LC	1	1	N
371838	DJR OPERATING, LLC	795	33	N
261405	DLJ EQUIPMENT LEASING LTD. CO.	1	1	N
291567	DOMINION PRODUCTION COMPANY, LLC	163	126	N
6742	ECHO PRODUCTION INC	1	1	N
190595	ENDEAVOR ENERGY RESOURCES, LP	116	6	N
143199	ENERVEST OPERATING L.L.C.	750	11	N
7899	FLARE OIL INC	5	5	N
370740	FOUNDATION ENERGY MANAGEMENT, LLC	41	3	N
141402	FULFER OIL & CATTLE LLC	151	19	N
8672	GENERAL MINERALS CORP	9	9	N
8807	GEORGE A DENTON	1	1	N
271769	GIANT OPERATING LLC	5	5	N
240787	GOLDEN OIL HOLDING CORPORATION	42	7	N
8359	GP II ENERGY INC	24	3	N
155471	GRAND BANKS ENERGY CO	14	4	N
9338	GREAT WESTERN DRILLING CO	84	3	N
264953	HERMAN L. LOEB LLC	31	4	N
370234	HEYCO DEVELOPMENT CORPORATION	2	2	N
371698	HPPC, INC.	68	13	N
208706	HUNTINGTON ENERGY, LLC	102	12	N
99439	JIM PIERCE	9	9	N
122912	KC RESOURCES INC	1	1	N

12627	KEVIN O BUTLER & ASSOC INC	25	3	N
278293	KEYSTONE EXPLORATION, LLC	1	1	N
12683	KIMBELL OIL CO OF TEXAS	26	3	N
169864	KRYSTAL ENERGY INC	1	1	N
262637	LAGUNA GRANDE, LLC	1	1	N
370260	LAN MA'S OIL AND GAS LLC	70	70	N
13046	LANEXCO INC	38	35	N
372728	LANEXCO INC. DBA LANEXCO NEW MEXICO	12	9	N
372878	LEASE HOLDERS ACQUISITIONS, INCORPORATED	13	6	N
372279	LLJ VENTURES, LLC DBA MARKER OIL & GAS	178	21	N
249351	LODESTONE OPERATING, INC.	1	1	N
13673	M & M PRODUCTION & OPERATION	61	7	N
13998	MARALEX RESOURCES INC	34	11	N
14070	MARKS AND GARNER PRODUCTION LTD CO	27	4	N
290708	MCCAW ENTERPRISE LLC	5	4	N
14372	MCDONNOLD OPERATING INC	29	4	N
299027	MCI OPERATING OF NM, LLC	24	18	N
148981	MIDLAND OPERATING INC.	59	20	N
196069	MOMENTUM OPERATING CO INC	30	4	N
15501	NANCY WILCOX E QUALLS	4	4	N
292875	NNOGC EXPLORATION AND PRODUCTION, LLC	38	7	N
15991	NORMAN L GILBREATH	10	6	N
127535	OIL & GAS OPERATIONS	1	1	N
370732	PATRICK HEGARTY	1	1	N
188566	PATTERSON OPERATING & PUMPING INC DBA/PENERGY	20	20	N
17081	PECOS RIVER OP INC	39	6	N
26316	PERMOK OIL INC	3	2	N
236452	PETRO MEX LLC	5	5	N
372000	POGO OIL & GAS OPERATING, INC	1243	137	N
154303	PRIMAL ENERGY CORPORATION	10	10	N
18099	PRIME OPERATING CO	14	4	N
271475	PRIORITY ENERGY LLC	5	5	N
296278	PROBITY SWD, LLC	1	1	N
236435	PURE ENERGY OPERATING, INC.	1	1	N
262232	QUALITY TRANSPORT, INC.	1	1	N
372241	QUATRO OSOS E&P, LLC	64	3	N
18364	R C BENNETT CO	1	1	N
309777	RAM ENERGY LLC	98	37	N
370922	REMNANT OIL OPERATING, LLC	494	45	N
265625	RHCJ ENTERPRISES, LLC	3	3	N
372497	RIM OPERATING, INC.	154	10	N
281085	RMR OPERATING, LLC	9	7	N
19340	ROBERT D CHENAULT	1	1	N
37636	ROBINSON OIL INC	19	19	N
228270	ROGER SLAYTON DBA ESCUDILLA OIL COMPANY	29	10	N
259618	ROGERS, INCORPORATED	1	1	N
19801	ROY E KIMSEY JR	2	2	N
260702	RUTH OIL CO, LLC	5	5	N
19914	S & D PARTNERSHIP	1	1	N
25836	SAGEBRUSH OIL INC.	9	4	N
20077	SAHARA OPERATING CO	98	4	N
154329	SANDLOTT ENERGY (JACKIE BREWER DBA)	40	3	N
226927	SAXET OIL CORPORATION	8	3	N
150917	SCHMIDT PRODUCTION	2	2	N
371978	SELLERS&FULTON OIL LLC	38	7	N
20572	SG INTERESTS I LTD	54	4	N
252496	SHERIDAN PRODUCTION COMPANY, LLC	14	3	N

168687	SIANA OPERATING LLC	11	11	N
20989	SMITH & MARRS INC	11	5	N
370292	SOUTHLAND ROYALTY COMPANY LLC	1003	12	N
21386	SOUTHWESTERN INC	3	2	N
263940	SOVEREIGN EAGLE, LLC	8	8	N
21448	SPENCE ENERGY CO	2	2	N
212092	SPINDLETOP OIL & GAS CO.	13	3	N
238619	STAR ACQUISITION VII, LLC	34	34	N
19958	STEPHENS & JOHNSON OP CO	243	6	N
37277	SUMMIT RESOURCES MANAGEMENT LLC	6	4	N
276240	T.J.G. ENERGY CO LLC	1	1	N
370776	TACTICAL OIL & GAS, LLC	1	1	N
236183	TANDEM ENERGY CORPORATION	206	65	N
22154	TASCO	1	1	N
22223	TEMPO ENERGY INC	2	2	N
188152	TOM R CONE	15	15	N
281652	UNIFIED OPERATING LLC	1	1	N
258350	VANGUARD OPERATING, LLC	905	15	N
283489	VINSON EXPLORATION, INC.	1	1	N
24164	VINTAGE DRILLING LLC	49	3	N
24188	VISION ENERGY INC	3	2	N
260245	WESPAC ENERGY, LLC	10	5	N
209564	WILDCAT ENERGY LLC	6	4	N
370256	WISHBONE TEXAS OPERATING COMPANY LLC	49	6	N
289424	WOO RESOURCES LLC	1	1	N
25504	YARBROUGH OIL LP	14	6	N

136 operators

10351

1738

WHERE Operator:All, Out of Compliance



CASE NO. 16078 Division Exhibit No. 8: Proposed Changes to Definitions

