

DIRECT TESTIMONY OF JOHN GARCIA

1 Non Orphan wells plugged by industry were those who had SR submitted by the Operator of record
2 of the well in OCD's data system.

3 OCD Exhibit 16, includes all reported production for New Mexico fiscal year 2024. This
4 data was compiled by exporting all 2024 production data and then calculating a total Barrels of
5 Oil Equivalent ("BOE") using a ratio of 6 Mcf to 1 BBL. Next a simple if/or script was programed
6 into the excel sheet to return the category title based on the parameters set in the Petition. Those
7 parameters are defined by the Petition as "Marginal well", which means an oil or gas well that
8 produced less than 180 days and less than 1,000 barrels of oil equivalent within a consecutive 12-
9 month period. For "No Beneficial Use" oil and gas production wells, there is a rebuttable
10 presumption that a well is not capable of beneficial use if, in a consecutive 12-month period, the
11 well has not produced for at least 90 days and has not produced at least 90 barrels of oil equivalent.
12 Lastly for "Inactive" it is defined as a period of one year in which a well has been inactive. Looking
13 at the data for 2024, it shows that, based on the Petition, OCD would have 33,211 wells deemed
14 Productive (which are wells who do not fit in any of the Petition Categories), 11,449 wells deemed
15 Marginal, 6,400 deemed Inactive, and 4,380 wells deemed as No Beneficial Use.

16 OCD Exhibit 3 shows a few examples of wells which would be deemed either Marginal or
17 No Beneficial Use under the Petition. These graphs all display total BOE vs New Mexico's Fiscal
18 Year. These exhibits were built by exporting production data from OCD Permitting for each well
19 and then converting oil and gas production into total BOE using the method as discussed by the
20 Petition. I then categorized each well's production into the New Mexico's Fiscal Year time period.
21 Looking at the Electra Federal #022 (API: 30-015-36317), this well would be deemed a Marginal
22 well under the Petition. The Electra Federal #022 is a vertical well which was drilled in 2008 to a
23 total depth of 6,027 feet. This well had peak production in 2009 and has steadily declined since

Charley Good

From: Hall, Michael, EMNRD <Michael.Hall@emnrd.nm.gov>
Sent: Monday, October 20, 2025 11:12 AM
To: Drew Cloutier
Cc: Tremaine, Jesse, EMNRD
Subject: Code for Exhibit 16

Dear Drew,

Per your request, I believe this is the code you were asking about relating to the WELC rulemaking hearing.

=IFS(ORH2=0,L2=0),"Inactive",(OR(H2<90,L2<90)),"No Beneficial Use", (OR(AND(90<=H2,H2<180),AND(90<=L2,L2<1000))), "Marginal", (OR(H2>180,L2>1000)), "Productive")

Sincerely,
Michael Hall
Assistant General Counsel
New Mexico Energy, Minerals & Natural Resources Department
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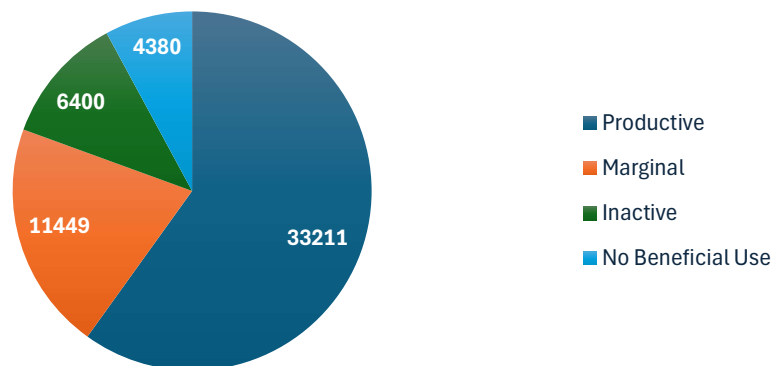
Reported Formula

=IFS(OR(H2=0,L2=0),"Inactive",(OR(H2<90,L2<90)),"No Beneficial Use",
 (OR(AND(90<=H2,H2<180),AND(90<=L2,L2<1000))),"Marginal",
 (OR(H2>180,L2>1000)),"Productive")

OCD Exhibit 16

Row Labels	Count of Category
Productive	33211
Marginal	11449
Inactive	6400
No Beneficial Use	4380
Grand Total	55440

**Number of Wells for Each Category
 (OCD Ex. 16)**



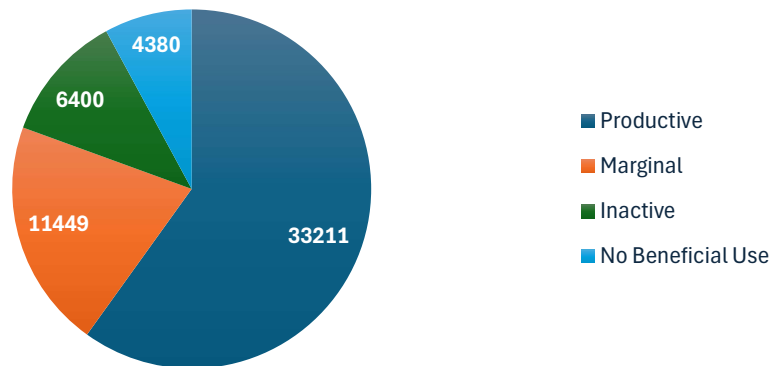
Correction 1 Formula

=IFS(OR(H2=0,L2=0),"Inactive",(OR(H2<90,L2<90)),"No Beneficial Use",
 (OR(AND(90<=H2,H2<180),AND(90<=L2,L2<1000))),
 "Marginal",
 (OR(H2>=180,L2>=1000)),"Productive")

Correction 1 - Syntax and 180/1000 for "Productive"

Row Labels	Count of Category
Productive	33211
Marginal	11449
Inactive	6400
No Beneficial Use	4380
Grand Total	55440

**Number of Wells for Each Category
(Correction 1)**



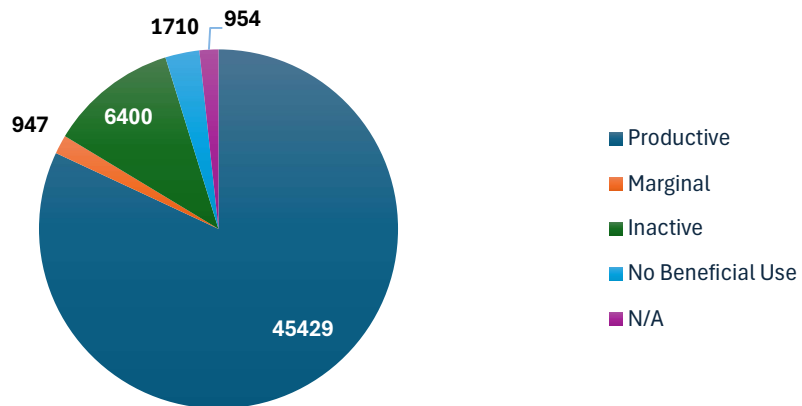
Corrections 1 & 2 Formula

=IFS(OR(H2=0,L2=0),"Inactive",(AND(H2<90,L2<90)),"No Beneficial Use",
 (AND(AND(90<=H2,H2<180),AND(90<=L2,L2<1000))),"Marginal",
 (OR(H2>=180,L2>=1000)),"Productive")

Corrections 1 & 2 - OR to AND for "No Beneficial Use" and "Marginal"

Row Labels	Count of Category
Productive	45429
Marginal	947
Inactive	6400
No Beneficial Use	1710
N/A	954
Grand Total	55440

**Number of Wells for Each Category
 (Corrections 1 & 2)**



Corrections 1, 2 & 3 Formula

=IFS(OR(H2=0,L2=0),"Inactive",(AND(H2<90,L2<90)),"No Beneficial Use", (AND(H2<180,L2<1000)),"Marginal", (OR(H2>=180,L2>=1000)),"Productive")

Corrections 1, 2 & 3 - 90/90 "Marginal" Floor Removed

Row Labels	Count of Category
Productive	45429
Marginal	1901
Inactive	6400
No Beneficial Use	1710
N/A	0
Grand Total	55440

**Number of Wells for Each Category
(Corrections 1, 2, & 3)**

