

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



October 6, 2021

Sarah Chapman
9655 Katy Freeway, Suite 500
Houston, TX 77024

Re: Operator Request for Agreed Compliance Order

Dear Sarah Chapman,

This letter outlines how oil and gas operators with excessive non-compliant wells may request to enter into an Agreed Compliance Order (ACO) with the New Mexico Oil Conservation Division (OCD).

Operators with excessive non-compliant wells per rule **19.15.5.9(B) NMAC** may choose to enter into an ACO with the OCD.

Before entering into an ACO, operators must provide the OCD with a plan of well development activities. The plan requirements include the following information in Excel spreadsheet format:

- A list of all non-compliant wells
- The number of wells per month to be completed (brought into production or plugged)
- For each well, identify if it is to be plugged or produced, and by what date
- For each well, the average production per month of the well before it stopped producing
- What type of financial assurance each well is covered by
- A summary of all prior ACO's with detail on what has been done and needs to still be completed pursuant to that ACO.

Attached, is the OCD's ACO form for operator review and use. This form may not be altered in any way.

If you choose to enter into the ACO, please email the ACO and well development plan to OCDAdminComp@state.nm.us.

If you have any questions, please contact, Karen Collins at karen.collins@state.nm.us

Sincerely,

Karen Collins