

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR  
THE AMENDMENTS OF 19.15.8 NMAC.**

**CASE NO. 15314**

**AFFIDAVIT OF NOTICE**

My name is Marlene Salvarez, I am a Management Analyst with the Energy, Minerals and Natural Resources Department (EMNRD). I hereby certify that notice of Case 15314 was given as follows:

1. On May 1, 2015, the Oil Conservation Commission (OCC) issued a notice for hearing in Case No. 15314 to be conducted on June 4, 2015 for the purpose of amending 19.15.8 NMAC intended to incorporate changes made by the Legislature to the New Mexico Oil and Gas Act and to make other changes including:

- (1) Establish amounts of blanket plugging financial assurance for wells in temporarily abandoned status;
- (2) Clarify and codify that, if a blanket bond no longer covers certain wells, additional financial assurance for the non-covered wells is required;
- (3) Codify requirements for operators who elect to maintain financial assurance through a plugging insurance policy;
- (4) Codify the requirement to notify the Division of any bankruptcy proceeding as required under rules of the United States bankruptcy court;
- (5) Require operators to update financial assurance documents when certain changes occur to existing financial assurance documents on file with the Division; and
- (6) Otherwise amend rule 19.15.8 NMAC to protect water, public health and the environment, prevent waste of oil and gas, and to protect correlative rights.

2. Paragraph (1) of Subsection A of 19.15.3.9 NMAC requires that the notice be published one time in a newspaper of general circulation in the state, no less than 20 days prior to the scheduled hearing date. The proposed amendments in Case 15314 affect the state of New Mexico.

- The Albuquerque Journal is a newspaper of general circulation in New Mexico. Exhibit 1 is a copy of the publication from the Albuquerque Journal, showing publication of the Notice on May 6, 2015.

3. Paragraph (2) of Subsection A of 19.15.3.9 NMAC requires that the notice be published on the applicable OCC docket and that the clerk send the docket by regular or electronic mail not less than 20 days prior to the hearing to all who have requested such notice. The notice was posted on May 4, 2015 and the Preliminary Agenda and Docket was posted on May 15, 2015 and sent the same days by electronic mail to those individuals who requested such notice, and to those individuals who requested notice of rulemaking. See Exhibits 2 (the Notice) and 3 (the Preliminary Agenda and Docket), attached.

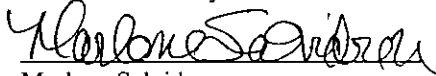
4. Paragraph (3) of Subsection A of 19.15.3.9 NMAC requires that the notice be published one time in the New Mexico Register, with the publication date not less than 10 business days prior to the scheduled hearing date. The notice was published in the New Mexico Register on May 14, 2015. See Exhibit 4, attached.

5. Paragraph (4) of Subsection A of 19.15.3.9 NMAC requires that the notice be published by posting on the Oil Conservation Division's (OCD) website not less than 20 days prior to the scheduled hearing date. The notice was scanned and posted on May 4, 2015. See Exhibit 5, attached.

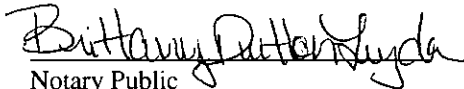


6. **Section 14-4A-4, NMSA 1978** provides that prior to the adoption of a proposed rule that may have an adverse effect on small business, an agency shall provide a copy of the proposed rule to the commission at the same time as persons who have requested advance notice of rulemaking. On May 21, 2015, Allison Marks, EMNRD Assistant General Counsel and Counsel for the OCD, sent via electronic mail, a letter of the proposed rulemaking to the Small Business Regulatory Commission. See Exhibit 6, attached.

This concludes my affidavit.

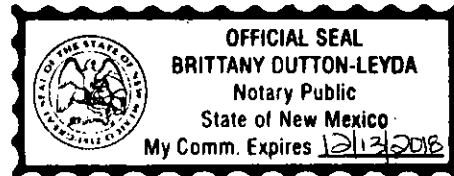
  
Marlene Salvidrez

SUBSCRIBED AND SWORN to before me this 20 day of May 2015.

  
Notary Public

My Commission Expires:

December 13, 2018



# AFFI DAVIT OF PUBL CAT ON

New Mexico Energy, Mineral and  
Natural Resources Department

Notice of Public Meeting and  
Public Hearing  
STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION  
SANTA FE, NEW MEXICO

The State of New Mexico, through its Oil Conservation Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on June 4, 2015, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 72 hours preceding the meeting. CASE 15314: Application of the Oil Conservation Division to Amend Title 19, Chapter 15, Part 8 Of The New Mexico Administrative Code ("Financial Assurance"). The proposed rule amendments are intended to incorporate changes made by the Legislature to the New Mexico Oil and Gas Act and to make other changes including: (1) Establish amounts of blanket plugging financial assurance for wells in temporarily abandoned status; (2) Clarify and codify that, if a blanket bond no longer covers certain wells, additional financial assurance for the non-covered wells is required; (3) Codify requirements for operators who elect to maintain financial assurance through a plugging insurance policy; (4) Codify the requirement to notify the Division of any bankruptcy proceeding as required under rules of the United States bankruptcy court; (5) Require operators to update financial assurance documents when certain changes occur to existing financial assurance documents on file with the Division; and (6) Otherwise amend rule 19.15.8 NMAC to protect water, public health and the environment, prevent waste of oil and gas, and to protect correlative rights. The proposed rule amendment and the meeting agenda are available from Commission Clerk Florence Davidson at (505) 476-3458 or can be viewed on the Hearings Page at Division's web site at: <http://www.oilandgas.state.nm.us/ocd>. Modifications to the proposed rule or amendment must be received by the Division no later than 5:00 P.M. on May 21, 2015. Persons intending to provide written comments on the proposed rule change must submit their written comments no later than 5:00 p.m. on May 28, 2015 to the Division's Administrator. Persons intending to offer technical testimony at the hearing must file six copies of a Pre-hearing Statement conforming to the requirements of 19.15.3.11 NMAC, and six copies of all exhibits the person will offer in evidence at the hearing, no later than May 28, 2015. Proposed modifications and written comments may be hand-delivered or mailed to Ms. Davidson at 1200 South Saint Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at (505) 476-3462. Pre-hearing Statements must be hand-delivered or mailed to Ms. Davidson at the above address. If you are an individual with disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Davidson at (505) 476-3458 or the New Mexico Relay Network at 1-800-655-1778. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A party who plans on using projection equipment at a hearing must contact Florence Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 1st day of May, 2015.

## STATE OF NEW MEXICO

County of Bernalillo

SS

Linda MacEachen, being duly sworn, declares and says that she is Classified Advertising Manager of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost, that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 times on the following dates:

May 6, 2015

Linda MacEachen

Sworn and subscribed before me, a Notary Public, in and

for the County of Bernalillo and State of New Mexico this

6 day of May

of 2015

PRICE \$88.31

Statement to come at end of month.

ACCOUNT NUMBER 1009556



OFFICIAL SEAL  
Sandra B. Gutierrez

NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: 2-18-17

Sandra B. Gutierrez

documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A party who plans on using projection equipment at a hearing must contact Florence Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 1st day of May, 2015.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
David R. Catanzich  
Director, Oil Conservation Division  
SEAL  
Journal: May 6, 2015

RECEIVED OGD  
2015 MAY 26 P 3:28

EXHIBIT

1

## Notice of Public Meeting and Public Hearing

### STATE OF NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

The State of New Mexico, through its Oil Conservation Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on **June 4, 2015**, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 72 hours preceding the meeting.

***CASE 15314: Application of the Oil Conservation Division to Amend Title 19, Chapter 15, Part 8 Of The New Mexico Administrative Code ("Financial Assurance")***. The proposed rule amendments are intended to incorporate changes made by the Legislature to the New Mexico Oil and Gas Act and to make other changes including:

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- (5) Require operators to update financial assurance documents when certain changes occur to existing financial assurance documents on file with the Division; and
- (6) Otherwise amend rule 19.15.8 NMAC to protect water, public health and the environment, prevent waste of oil and gas, and to protect correlative rights.

The proposed rule amendment and the meeting agenda are available from Commission Clerk Florene Davidson at (505) 476-3458 or can be viewed on the Hearings Page at Division's web site at <http://www.emnrd.state.nm.us/ocd>. **Modifications** to the proposed rule or amendment must be received by the Division no later than 5:00 P.M. on **May 21, 2015**. Persons intending to provide **written comments** on the proposed rule change must submit their written comments no later than 5:00 p.m. on **May 28, 2015** to the Division's Administrator. Persons intending to offer technical testimony at the hearing must file six copies of a **Pre-hearing Statement** conforming to the requirements of 19.15.3.11 NMAC, and six copies of all exhibits the person will offer in evidence at the hearing, no later than **May 28, 2015**. Proposed modifications and written comments may be hand-delivered or mailed to Ms. Davidson at 1200 South Saint Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at (505) 476-3462. Pre-hearing Statements must be hand-delivered or mailed to Ms. Davidson at the above address.

If you are an individual with disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Davidson at (505) 476-3458 or the New Mexico Relay Network at 1-800-659-1779. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 1st day of May, 2015.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

David Catanach  
Director, Oil Conservation Division

S E A L



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PRELIMINARY AGENDA AND DOCKET  
NEW MEXICO OIL CONSERVATION COMMISSION MEETING

June 4, 2015

9:00 A.M.

Wendell Chino Building

Porter Hall

1220 S. St. Francis Drive

Santa Fe, New Mexico 87501

The following items are for discussion and possible action:

1. Roll Call.
2. Approve the Agenda.
3. Approve minutes of May 7, 2015 meeting.
4. **CASE 15314: Application of the Oil Conservation Division to Amend Title 19, Chapter 15, Part 8 Of The New Mexico Administrative Code ("Financial Assurance")**. The proposed rule amendments are intended to incorporate changes made by the Legislature to the New Mexico Oil and Gas Act and to make other changes including:
  - (1) Establish amounts of blanket plugging financial assurance for wells in temporarily abandoned status;
  - (2) Clarify and codify that, if a blanket bond no longer covers certain wells, additional financial assurance for the non-covered wells is required;
  - (3) Codify requirements for operators who elect to maintain financial assurance through a plugging insurance policy;
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  - (5) Require operators to update financial assurance documents when certain changes occur to existing financial assurance documents on file with the Division; and
  - (6) Otherwise amend rule 19.15.8 NMAC to protect water, public health and the environment, prevent waste of oil and gas, and to protect correlative rights.
5. Next meeting: July 16, 2015.
6. Adjournment.



If you are an individual with disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Davidson as soon as possible at (505) 476-3458 or [florene.davidson@state.nm.us](mailto:florene.davidson@state.nm.us). Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer.

New Mexico Register / Volume XXVI, Issue 9 / May 14, 2015

**Notice of Public Meeting and Public Hearing**

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***CASE 15314: Application of the Oil Conservation Division to Amend Title 19, Chapter 15, Part 8 of the New Mexico Administrative Code ("Financial Assurance")***. The proposed rule amendments are intended to incorporate changes made by the Legislature to the New Mexico Oil and Gas Act and to make other changes including:

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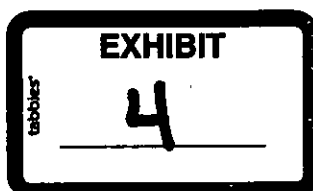
**Modifications** to the proposed rule or amendment must be received by the Division no later than 5:00 P.M. on **May 21, 2015**. Persons intending to provide **written comments** on the proposed rule change must submit their written comments no later than 5:00 p.m. on **May 28, 2015** to the Division's Administrator. Persons intending to offer technical testimony at the hearing must file six copies of a **Pre-hearing Statement** conforming to the requirements of 19.15.3.11 NMAC, and six copies of all exhibits the person will offer in evidence at the hearing, no later than **May 28, 2015**. Proposed modifications and written comments may be hand-delivered or mailed to Ms. Davidson at 1200 South Saint Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at (505) 476-3462. Pre-hearing Statements must be hand-delivered or mailed to Ms. Davidson at the above address.

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Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 1st day of May, 2015.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
David Catanach  
Director, Oil Conservation Division

S E A L





**New Mexico Commission of Public Records  
Administrative Law Division**

1205 Camino Carlos Rey  
Santa Fe, NM 87507  
505-476-7907

**Affidavit of Publication in the *New Mexico Register***

I, Matthew Ortiz, certify that the agency noted below has published legal notices or rules in the New Mexico Register, and that payment has been assessed by invoice for said legal notice or publication, which appeared on the date and in the volume and issue number noted below.

**Date of Publication:** 5/14/2015

**Volume:** XXVI **Issue #:** 9

**Invoice #:** NMR-2015- 203

**Amount:** \$45.00

**Agency:**

EMNRD - Oil Conservation Commission

Contact: Florene Davidson

1220 S St Francis Dr

Santa Fe, NM 87505-

**Description:**

Notice

Notice of Public Meeting and Public Hearing

RECEIVED OGD  
2015 MAY 26 P 3:35

State of New Mexico, County of Santa Fe

Signed and affirmed before me on Thursday, May 14, 2015

by Matthew Ortiz

**Notary Public:**

Pamela Lujan y Vigil [My commission expires: 2/19/2016]

**Affiant:**

Publisher, *New Mexico Register*

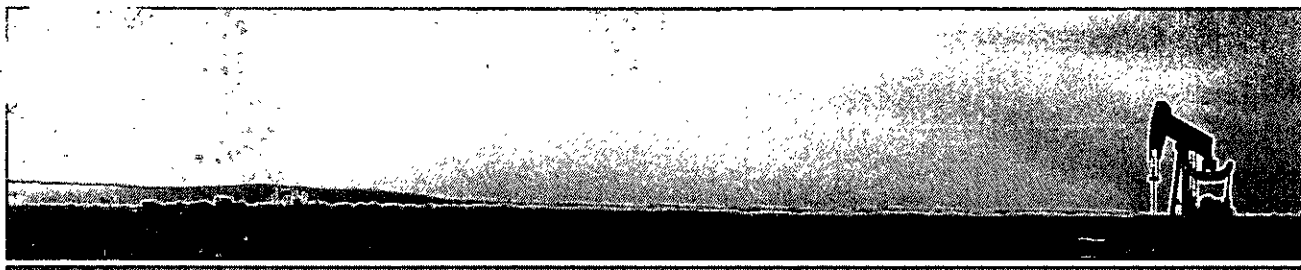
**Date:** 5/14/2015

~Copies of the published material documented in this affidavit are enclosed~

Form SRC-2002-04 Revised July 2007

(seal)



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## Hearings

### ***The Hearing Process:***

Two hearings are conducted by a Division examiner each month (OCD Hearings), and one hearing is held each month by the Oil Conservation Commission (OCC Hearings). Examiner hearings consist of applications for exceptions to the Division's rules that cannot be approved administratively. The Commission hears cases on appeals from the examiners' decisions, rulemaking, and precedent-setting cases. Both types of hearings begin with an application to bring the matter to hearing. The application is set to a specific hearing date, and a docket of the cases scheduled for the hearing is prepared. Each case is resolved by the issuance of an order which may be viewed in the [OCD Online Imaging System](#). The public may attend these hearings.

## Oil Conservation Division

### ***Hearing Date Notices and Dockets for 2015:***

#### **NOTICES: (Division) (pdf format)**

[June 11 amended](#) (5/20/15)

[June 11](#) (5/14/15)

[May 28](#) (5/4/15)

[May 14 amended](#) (4/16/15)

[May 14](#) (4/15/15)

[April 30](#) (4/1/15)

[April 16](#) (3/18/15)

[April 2](#) (3/5/15)

[March 19](#) (2/19/15)

[March 5](#) (2/9/15)

[February 19](#) (1/21/15)

[February 5](#) (1/7/15)

[January 22](#) (12/31/14)

[January 8](#) (12/11/14)

#### **DOCKETS: (Division) (pdf format)**

[May 28 amended](#) (5/15/15)

[May 28](#) (5/15/15)

[May 14 amended](#) (5/1/15)

[EMNRD Home](#) [Administration](#) [Contact EMNRD](#)

[May 14 \(5/1/15\)](#)  
[April 30 \(4/16/15\)](#)  
[April 16 amended \(4/8/15\)](#)  
[April 16 \(4/3/15\)](#)  
[April 2 \(3/20/15\)](#)  
[March 19 \(3/6/15\)](#)  
[March 5 \(2/19/15\)](#)  
[February 19 \(2/06/15\)](#)  
[February 5 \(1/22/15\)](#)  
[January 22 amended \(1/12/15\)](#)  
[January 22 \(1/8/15\)](#)  
[January 8 \(12/19/14\)](#)

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## Oil Conservation Commission

**THE OIL CONSERVATION COMMISSION MEETING SCHEDULED TO BE HEARD ON APRIL 9, 2015, HAS BEEN CONTINUED TO MAY 7, 2015.**

ORDER NO. R-13964, DATED MARCH 4, 2015, VACATES THE APRIL 9, 2015 HEARING DATE SCHEDULED FOR THE HEARING OF CASE 14974 (REOPENED), THE APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR AMENDMENT OF CERTAIN PROVISIONS OF TITLE 19, CHAPTER 15, PART 26 OF THE NEW MEXICO ADMINISTRATIVE CODE CONCERNING PERSONS ENGAGED IN SECONDARY OR OTHER ENHANCED RECOVERY OF OIL OR GAS, PRESSURE MAINTENANCE, SALT WATER DISPOSAL, ACID GAS DISPOSAL, AND UNDERGROUND STORAGE OF OIL OR GAS, AND CONTINUES THE CASE INDEFINITELY.

### **Hearing Date Notices and Dockets for 2015:**

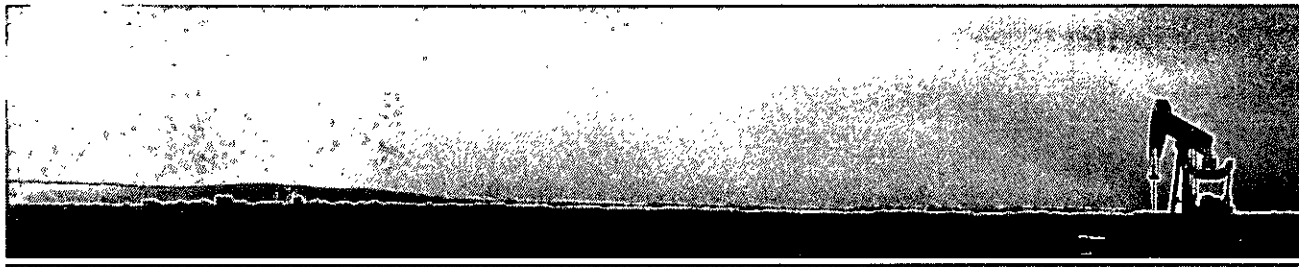
#### **NOTICES: (Commission) (pdf format)**

[June 4 \(5/4/15\)](#)  
[May 7 \(4/8/15\)](#)  
[April 9 \(3/11/15\)](#)  
[March 12 \(2/18/15\)](#)  
[February 13 \(1/15/15\)](#)

#### **DOCKETS: (Commission) (pdf format)**

[June 4 preliminary \(5/15/15\)](#)  
[May 7 final \(4/24/15\)](#)  
[May 7 preliminary \(4/16/15\)](#)  
[April 9 final \(3/31/15\)](#)  
[April 9 preliminary \(3/20/15\)](#)  
[March 12 final \(3/6/15\)](#)  
[March 12 preliminary \(2/24/15\)](#)  
[February 13 final \(2/9/15\)](#)  
[February 13 preliminary \(1/23/15\)](#)



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## Announcements and Notifications

**CASE 15314: Application of the Oil Conservation Division to Amend Title 19, Chapter 15, Part 8 Of The New Mexico Administrative Code ("Financial Assurance").** The proposed rule amendments are intended to incorporate changes made by the Legislature to the New Mexico Oil and Gas Act and to make other changes including:

- (1) Establish amounts of blanket plugging financial assurance for wells in temporarily abandoned status;
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- (6) Otherwise amend rule 19.15.8 NMAC to protect water, public health and the environment, prevent waste of oil and gas, and to protect correlative rights.

Copies of the text for the proposed rules are available from Division Administrator Florene Davidson at (505) 476-3458 or from the Division's rules web page at [http://www.emnrd.state.us/ocd\\_rules](http://www.emnrd.state.us/ocd_rules)

**Administrative Compliance Order** - Enterprise Products Operating, LLC, WQA-OCD-CO-2015-1: (posted: 05/04/2015)

**THE OIL CONSERVATION COMMISSION MEETING SCHEDULED TO BE HEARD ON APRIL 9, 2015, HAS BEEN CONTINUED TO MAY 7, 2015.**

**Request for Information:** (posted 3/23/15)

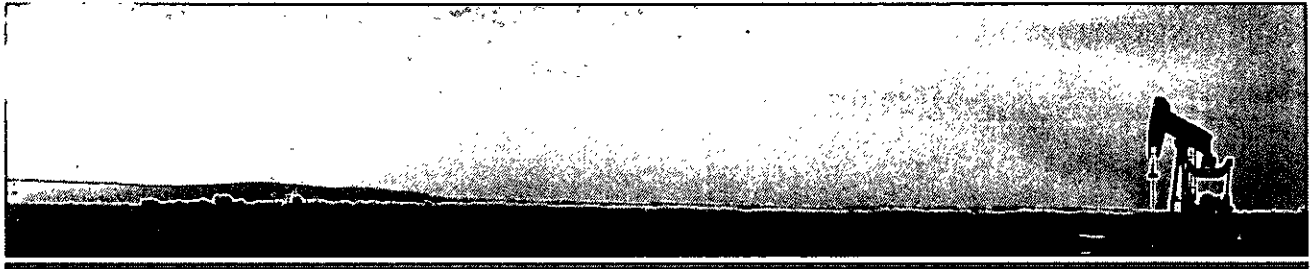
The Oil Conservation Division is requiring all operators to provide information relating to wellbore(s) that have communicated with another wellbore(s) to the appropriate OCD District Office within thirty (30) days of this request.

**OCD EXAMINER HEARING REQUIREMENTS:** In order to streamline and expedite hearings and applications before the Oil Conservation Division (OCD), OCD reminds applicants that, ten business days prior to any examiner hearing after November 15, 2014, all applications and exhibits, should be submitted in their entirety. OCD reminds applicants to submit a proposed draft order with their applications. Any delay in the submittal of materials to OCD may result in the continuance of an applicant's hearing. By providing OCD with all hearing materials and complete applications prior to hearing, including a copy of any proposed affidavits and return receipts of notice, OCD anticipates greater efficiency in the application, hearing, and decision processes.

**Notice:** (posted 3/26/15) Tentative Decision Regarding Commercial Surface Waste Management Facility Permit NMI-60 for a Produced Water Treatment Facility in Unit Letter F of Section 27, Township 20 South, Range 32 East NMPM; Lea County, New Mexico.

**Aztec District III - Request for information** The Oil Conservation Division's District III Aztec office is requesting operators to provide them with information relating to wellbore(s) that have communicated with another wellbore(s) to the OCD District III Office within thirty (30) days of this request. (posted 10-22-13)

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## OCD Rules

### ***Proposed Rules:***

PROPOSED AMENDMENT: Proposed rule amendment to 19.15.8 NMAC.

NOTICE: The Oil Conservation Commission Notice of Public Meeting and Public Hearing scheduled on June 4, 2015.

### ***Current Rules:***

OCD Rules, found in Parts 1 thru 39 of Title 19, Chapter 15 of the New Mexico Administrative Code, are periodically compiled and posted into this searchable PDF document for your convenience.

OCD Rules Index: The Oil Conservation Division (OCD) provides this index as a courtesy.

For the most up-to-date version of OCD's rules or to investigate the rules of other New Mexico state agencies, please visit the New Mexico Commission of Public Records' official website via the links below:

New Mexico Administrative Code (indexed)

New Mexico Administrative Code (searchable)

OCD Rule Cross Walks:

Old Rules to Current Rules

Current Rules to Old Rules

Rules

### ***New Mexico Statutes:***

Oil and Gas Act, NMSA 1978

Questions ? - Contact Pagermaster.

EMNRD Home

State Parks

State Forestry

Mining & Minerals

Energy Conservation

Oil & Gas



-2757

505-476-3325

505-476-3400

505-476-3315

505-476-3441

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State of New Mexico  
Energy, Minerals and Natural Resources Department

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Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David Catanach, Division Director  
Oil Conservation Division



May 21, 2015

Via Electronic Mail

Small Business Regulatory Advisory Commission  
Economic Development Department  
Attn: Wade Jackson, General Counsel  
Wade.Jackson@state.nm.us

*Re: Application of the Oil Conservation Division ("OCD") for Rule Amendment*

Dear Mr. Jackson:

As follow-up to the electronic mail notification of the OCD's proposed rule amendment sent earlier this month, the OCD is proposing to amend 19.15.8 NMAC (the "Financial Assurance Rule") addressing financial assurance requirements under the Oil and Gas Act. The proposed rule amendments are intended to incorporate changes required by the New Mexico Legislature in House Bill 383 and Senate Bill 442, said legislation having been signed into law on April 8, 2015, by Governor Martinez, with said legislation containing an emergency clause thereby making the legislation effective immediately. In addition to the legislatively mandated changes to the Oil and Gas Act pursuant to said legislation, the OCD seeks additional changes to the Financial Assurance Rule. The proposed rule amendments include:

1. Establish amounts of blanket plugging financial assurance for wells in temporarily abandoned status;
2. Clarify and codify that, if a blanket bond no longer covers certain wells, additional financial assurance for the non-covered wells is required;
3. Codify requirements for operators who elect to maintain financial assurance through a plugging insurance policy;
4. Codify the requirement to notify the Division of any bankruptcy proceeding as required under rules of the United States bankruptcy court;
5. Require operators to update financial assurance documents when certain changes occur to existing financial assurance documents on file with the Division; and
6. Otherwise amend rule 19.15.8 NMAC to protect water, public health and the environment, prevent waste of oil and gas, and to protect correlative rights.

A copy of the exact text of the proposed rule may be found at:  
<http://www.emnrd.state.nm.us/OCD/documents/19.15.8NMACAmendmentapprovedAL.pdf>



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The OCD does not believe that these rules will adversely affect small businesses. However, in order to insure compliance with the Small Business Regulatory Relief Act, this additional notice description is being provided.

The Oil Conservation Commission has scheduled a hearing on the OCD's application for June 4, 2015 in Porter Hall at the Wendell Chino Building, 1220 S. St. Francis Drive in Santa Fe. If you have any questions, please do not hesitate to call.

Kind regards,

A handwritten signature in black ink, appearing to read 'Allison R. Marks', with a stylized flourish at the end.

Allison R. Marks  
Counsel for the Oil Conservation Division  
505-476-3206