



Welcome!



JOIN OUR EDUCATIONAL WEBINAR:

MODERNIZING OIL & GAS BONDING & CLEANUP RULES IN NM

We're hosting a special educational webinar to help you:

- ✓ Understand the proposed bonding rule changes
- ✓ Learn how to submit a powerful public comment
- ✓ Get ready to speak at the upcoming public hearing

This is a chance to raise our voices and call for fair, moral, and common-sense protections for our land, water, and future.

RSVP Here:



Date

Mon, October 6, 2025



Time

6:00PM - 7:00PM (MT)



Hosted by New Mexico Interfaith Power and Light and
Citizens Caring for the Future



Interfaith Power & Light
New Mexico & El Paso Region

CCFF
CITIZENS CARING FOR THE FUTURE

Today's agenda

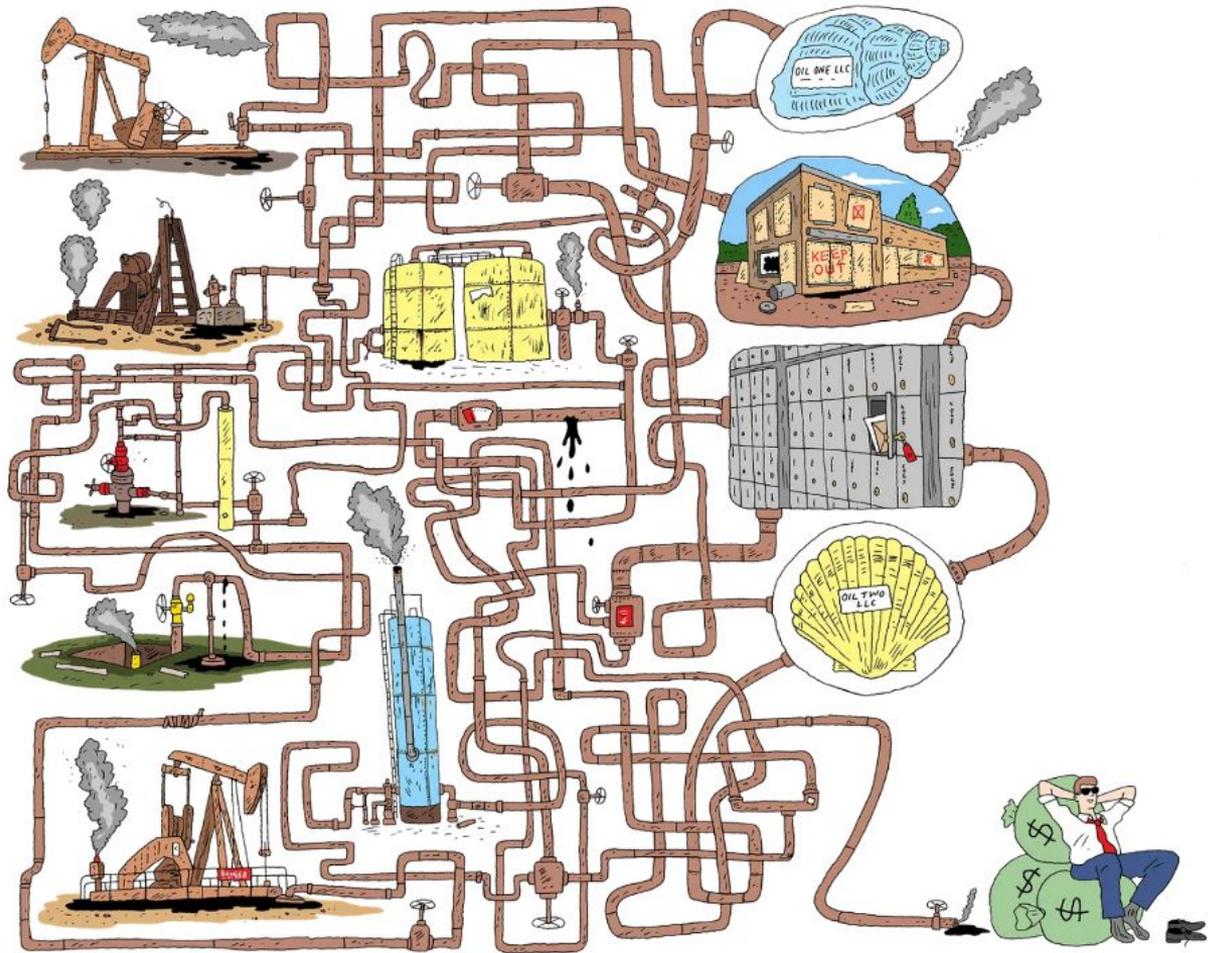
- Rulemaking overview
- Messaging overview
- How to craft your public comment
- How & when to give public comment
- Questions

Lifecycle of an Oil & Gas Well



Santa Rita No. 1 Discovery Well, Big Lake Oil Co.
Reagan Co. (Texas) Oil Field.





Current Rule Provisions

C. Active wells.

(2) a blanket plugging financial assurance in the following amounts covering all the wells of the operator subject to Subsection C of 19.15.8.9 NMAC:

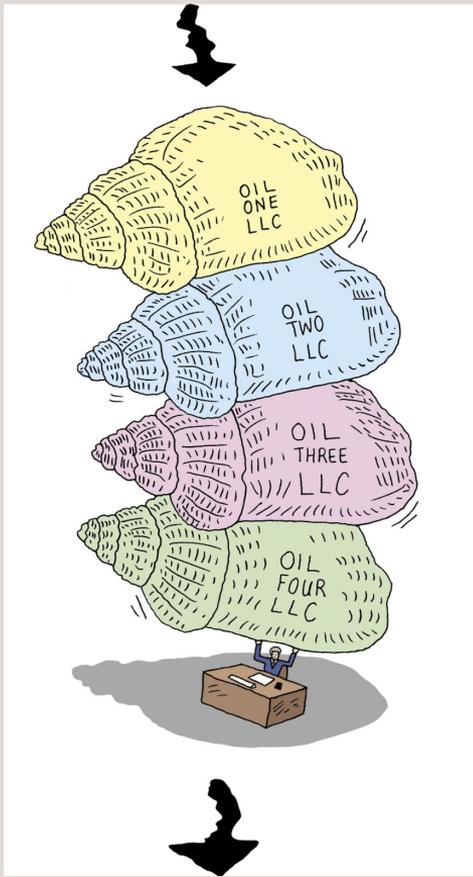
- (a) \$50,000 for one to 10 wells;
- (b) \$75,000 for 11 to 50 wells;
- (c) \$125,000 for 51 to 100 wells; and
- (d) \$250,000 for more than 100 wells.

D. Inactive wells.

(2) a blanket plugging financial assurance covering all wells of the operator subject to Subsection D of 19.15.8.9 NMAC:

- (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.





Proposed Rule Amendments

STATE OF NEW MEXICO
NEW MEXICO 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. _____

APPLICATION OF
WESTERN ENVIRONMENTAL LAW CENTER, CITIZENS CARING FOR THE
FUTURE, CONSERVATION VOTERS NEW MEXICO EDUCATION FUND, DINÉ
C.A.R.E., EARTHWORKS, NAEVA, NEW MEXICO INTERFAITH POWER AND
LIGHT, SAN JUAN CITIZENS ALLIANCE, AND SIERRA CLUB
FOR RULEMAKING

Pursuant to NMSA 1978, §§ 70-2-6, 70-2-12(B)(1), and 70-2-14(A) and 19.15.3.8.A NMAC, Applicants Western Environmental Law Center, Citizens Caring for the Future, Conservation Voters New Mexico Education Fund, Diné C.A.R.E., Earthworks, Naeva, New Mexico Interfaith Power and Light, San Juan Citizens Alliance, and Sierra Club (collectively “Applicants”) apply to the New Mexico Oil Conservation Commission (“Commission”) to amend 19.15.2 NMAC—*General Provisions for Oil and Gas Operations*, 19.15.5 NMAC—*Enforcement and Compliance*, 19.15.8 NMAC—*Financial Assurance*, 19.15.9 NMAC—*Well Operator Provisions*, and 19.15.25 NMAC—*Plugging and Abandonment of Wells*.

In accordance with 19.15.3.8.A NMAC, Applicants provide the following information:

1. Brief Summary of Proposed Amendments’ Intended Effect:

Commission rules currently allow oil and gas operators to discount financial assurance costs and to indefinitely defer well plugging and remediation—and to pass the associated costs

Financial Assurance for Active Wells:

- (1) a one well **plugging** financial assurance in the amount of **\$150,000 per well**; ~~\$25,000-~~ plus ~~\$2~~ per foot of the projected depth of a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells; or
- (2) a blanket plugging financial assurance in the **amount of \$250,000** following amounts covering all the wells of the operator subject to Subsection C of 19.15.8.9 NMAC, ~~÷~~

 - (a) — \$50,000 for one to 10 wells;
 - (b) — \$75,000 for 11 to 50 wells;
 - (c) — \$125,000 for 51 to 100 wells; and
 - (d) — \$250,000 for more than 100 wells.

Financial Assurance for Marginal & Inactive Wells:

(2) “Marginal well” means an oil or gas well that produced less than 180 days and less than 1,000 barrels of oil equivalent within a consecutive 12 month period.

D. Marginal wells and inactive wells. Notwithstanding the provisions in Subsection C(2) in this Section:

(1) As of the [effective date of amendments] a transferee operator shall provide a one well plugging financial assurance of \$150,000 for each marginal well prior to transfer.

(2) Beginning January 1, 2028, an operator shall provide a one well plugging financial assurance for each marginal well. Each operator with a marginal well or wells shall annually review the number of marginal wells registered to the operator and shall update the one well plugging financial assurance by May 1 of each year.

(3) An operator with 15 percent or more of their wells in marginal or inactive well status, or a combination thereof, shall provide a one well plugging financial assurance in the amount of \$150,000 for each well registered to the operator until the percentage of the operator’s marginal and inactive wells is decreased below 15 percent.

(4) An operator may furnish all necessary one well plugging financial assurance in the form of a single instrument.

Financial Assurance for Inactive Wells and Wells in Expired Temporarily Abandoned Status:

E.D. **Inactive wells and wells in approved and expired temporarily abandoned status.** An operator shall provide financial assurance for wells that are inactive and wells in approved and expired temporarily abandoned status, covered by Subsection A of 19.15.8.9 NMAC that have been in temporarily abandoned status for more than two years or for which the operator is seeking approved temporary abandonment pursuant to 19.15.25.13 NMAC in one of the following categories:

(1) a one well plugging financial assurance in the amount of \$150,000 per well; \$25,000 plus \$2 per foot of the projected depth of a proposed well or the depth of an existing well; the depth of a well is the true vertical depth for vertical and horizontal wells and the measured depth for deviated and directional wells; or

(2) a blanket plugging financial assurance equal to an average of \$150,000 per well covering all wells of the operator subject to Subsection **E.D.** of 19.15.8.9 NMAC.:

(e) — \$150,000 for one to five wells;

(f) — \$300,000 for six to 10 wells;

(g) — \$500,000 for 11 to 25 wells; and

(h) — \$1,000,000 for more than 25 wells.

Inflationary Adjustment:

G. On January 1, 2028 and on January 1 of each successive year, the division may adjust the financial assurance amounts provided by Subsections C(1), D, E and F of this Section by multiplying the financial assurance as of January 1, 2027 by a fraction, the numerator of which is the consumer price index ending in September of the previous year and the denominator of which is the consumer price index ending September 2026; provided that any financial assurance shall not be adjusted below the minimum amounts required in Subsections C(1), D, E and F of this Section as a result of a decrease in the consumer price index. By November 1, 2027 and by November 1 of each successive year, the division shall post on its website the financial assurance requirements in Subsection A through E of this Section for the next year. As used in this subsection, “consumer price index” means the consumer price index, not seasonally adjusted, for all urban consumers, United States city average for all items, or its successor index, as published by the United States department of labor for a 12 month period ending September 30.

Transfer:

A. Applicability. An operator who has drilled or acquired, is drilling or proposes to drill or acquire an oil, gas or injection or other service well within this state shall furnish a financial assurance acceptable to the division in accordance with 19.15.8.9 NMAC and 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 commission rules, unless the well is covered by federally required financial assurance. The division shall not approve and the operator shall not proceed with any proposed drilling or acquisition until the operator has furnished the required financial assurance.

Operator Registration:

B. Prior to commencing operations, an operator shall provide to the division a certification by an authorized official officer, director, or partner that the new operator is not subject to any forfeiture demands from any state or federal agency, has not forfeited financial assurance to any state or federal agency, and does not have unresolved adjudicated orders or unresolved settlement agreements for any state or federal violations in compliance with federal and state oil and gas laws and regulations in any domestic jurisdiction each state in which the new operator does business; a disclosure of any officer, director, partner in the new operator or person with an interest in the new operator exceeding 25 percent, who is or was within the past five years an officer, director, partner, or person with an interest exceeding 25 percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC; and a disclosure whether the new operator is or was within the past five years an officer, director, partner, or person with an interest exceeding 25 percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC.

B.C. The division may deny registration as an operator if:

- (1) the applicant is not in compliance with Subsection A of 19.15.5.9 NMAC;
- (2) the applicant has forfeiture demands from any state or federal agency, has forfeited financial assurance to any state or federal agency, or has unresolved adjudicated orders or unresolved settlement agreements for any state or federal violation is out of compliance with federal and state oil and gas laws and regulations in any domestic jurisdiction each state in which the applicant does business;

Change of Operator:

the division to the new operator's OGRID number.

B. The operator of record with the division and the new operator shall apply for a change of operator by jointly filing a form C-145 using the division's web-based online application. If the operator of record with the division is unavailable, the new operator shall apply to the division for approval of change of operator without a joint application. The **new** operator shall make such application in writing and provide documentary evidence of the applicant's right to assume operations; a certification by an authorized official officer, director, or partner of the new operator that the new operator is not subject to any forfeiture demands from any state or federal agency, has not forfeited financial assurance to any state or federal agency, and does not have unresolved adjudicated orders or unresolved settlement agreements for any state or federal violations in compliance with federal and state oil and gas laws and regulations in any domestic jurisdiction each state in which the new operator does business; a plugging and abandonment plan; a disclosure of any officer, director, partner in the new operator or person with an interest in the new operator exceeding 25 percent, who is or was within the past five years an officer, director, partner, or person with an interest exceeding 25 percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC; and a disclosure whether the new operator is or was within the past five years an officer, director, partner, or person with an interest exceeding 25 percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC. The new operator shall not commence operations until the division approves the application for change of operator. The plugging and abandonment plan shall be certified by an authorized representative officer, director, or partner of the new operator and shall demonstrate that the new operator has and will have the financial ability to meet the plugging and abandonment requirements of 19.15.25 NMAC for the well or wells to be transferred in light of all the operator's assets and liabilities. The division may request the operator to provide additional information including corporate credit rating, corporate financial statements, long-term liabilities, reserves and economics report, records of the operator's historical costs for decommissioning activities, estimate of the operator's decommissioning obligations, and history of inactive wells and returning wells to production.

Compliance:

19.15.5.9 COMPLIANCE:

- A. An operator is in compliance with Subsection A of 19.15.5.9 NMAC if the operator:
- (1) currently meets the financial assurance requirements of 19.15.8 NMAC;
 - (2) is not subject to a division or commission order, issued after notice and hearing, finding the operator to be in violation of an order requiring corrective action;
 - (3) does not have a penalty assessment that is unpaid more than 30 days after issuance of the order assessing the penalty; and
 - (4) ~~currently meets the requirements of 19.15.25.8 NMAC; and has no more than the following number of wells out of compliance with 19.15.25.8 NMAC that are not subject to an agreed compliance or final order setting a schedule for bringing the wells into compliance with 19.15.25.8 NMAC and imposing sanctions if the schedule is not met:~~
 - (a) ~~two wells or fifty percent of the wells the operator operates, whichever is less, if the operator operates 100 wells or less;~~
 - (b) ~~five wells if the operator operates between 101 and 500 wells;~~
 - (c) ~~seven wells if the operator operates between 501 and 1000 wells; and~~
 - (d) ~~10 wells if the operator operates more than 1000 wells.~~
 - (5) currently meets the requirements of 19.15.27.8.A NMAC.

E. No well, facility or site that is out of compliance with Subsection A of 19.15.5.9 NMAC, 19.15.29 NMAC, or 19.15.30 NMAC shall be transferred unless, prior to transfer, the current operator brings the associated well, facility or site into compliance or the new operator submits a schedule of compliance approved by the division.

Beneficial Use:

(7) “Beneficial purposes” or “beneficial use” means an oil or gas well that is being used in a productive or beneficial manner such as production, injection or monitoring, and does not include use of a well for speculative purposes.

Presumptions of Beneficial Use:

A. For oil and gas production wells, there is a rebuttable presumption that a well is not capable of beneficial use if, in a consecutive 12 month period, the well has not produced for at least 90 days and has not produced at least 90 barrels of oil equivalent.

B. For injection or salt water disposal wells, there is a rebuttable presumption that a well is not capable of beneficial use if, in a consecutive 12 month period, the well has not injected at least 90 days and at least 100 barrels of fluid.

C. The rebuttable presumptions in this Section do not apply to wells that have been drilled but not completed for less than 18 months and wells that have been completed but have not produced for less than 18 months.

D. Within 30 calendar days after notice of a preliminary determination from the division that a well or wells are not being used for beneficial purposes, a well operator may submit an application for administrative review of such determination through the division's electronic permitting portal. The division shall issue a final determination based on the application, and information available in division records, and any information requested by the division. The final determination may be appealed pursuant to 19.15.4 NMAC. Applications shall to demonstrate beneficial use of a well or wells and the operator shall provide any information requested by the division. Such documentation may shall include:

(1) Documentation demonstrating that the well is reasonably projected to produce in paying quantities; and

(2) Documentation demonstrating that the operator maintains adequate capitalization or reasonably projected revenue sufficient to meet all reasonably anticipated plugging and environmental liabilities of the well or wells and associated production facilities, not inclusive of any financial assurance associated with the well or wells; and

(3) Other relevant information requested by the division including a A plugging and abandonment plan as described in 19.15.9.9.B NMAC; and

(4) Other relevant information requested by the division.

Approved Temporarily Abandoned Status:

A. The division may place a well in approved temporary abandonment for a period of up to five years upon a demonstration from the operator that the well will be used for beneficial use within the approved period of temporary abandonment. The operator's demonstration shall include an explanation why the well should be placed in temporary abandonment, how the well will be put to beneficial use in the future including supporting technical and economic data, a plan that describes the ultimate disposition of the well, the time frame for that disposition, and any other information the division determines appropriate, including a current and complete well bore diagram; geological evidence; geophysical data; well casing information; waste removal and disposition; production engineering; geophysical logs, e.g., cement bond logs, caliper logs, and casing inspection logs; and health, safety, and environmental information. If the division denies a request, the operator shall return the well to beneficial use under a plan the division approves or permanently plug and abandon the well and restore and remediate the location.

B. 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~~ to the division to extend temporary abandonment status pursuant to the procedures for adjudicatory proceedings in 19.15.4 NMAC, except that in any such adjudicatory proceeding any interested person may intervene under 19.15.4.11.A NMAC. To continue in temporary abandonment, the operator must demonstrate to the division that the well will be returned to beneficial use within the requested period of temporary abandonment. The request shall include documentation demonstrating why the well should remain in temporary abandonment; documentation demonstrating why the well was not brought back to beneficial use or plugged and abandoned during the period of temporary abandonment; documentation demonstrating how the well will be put to beneficial use in the future and supporting technical and economic data; a plan that describes the ultimate disposition of the well, the time frame for that disposition; and a health and safety plan demonstrating the well's casing and cementing meet the requirements of Subsections B and C of Section 19.15.25.13 NMAC and the operator has adequate monitoring procedures in place to ensure such requirements will be met. An extended term shall not exceed two additional years, upon which time the operator shall return the well to beneficial use under a plan the division approves or permanently plug and abandon the well and restore and remediate the location.

—
Provide public comment virtually
or in person on:

Oct. 20 – Nov. 7

If you drill it,
you clean it



Modernizing Oil & Gas Clean Up Rules in New Mexico



Strategic Messaging Guidance

Core Problem

New Mexico faces between \$700 million and \$1.6 billion in well cleanup costs, largely because oil and gas corporations are not required to post sufficient bonds to cover cleanup costs. This exposes taxpayers, public funds, communities, and the environment to harm and contributes to a legacy of pollution in New Mexico. A bond is like a security deposit oil corporations pay to guarantee they'll clean up their mess when they're done drilling.

Progress

Our families' health matters. That's why we need to protect the air we breathe and the water we drink.

But today, the rules allow oil and gas corporations to sometimes abandon the wells they drill to save money rather than pay what they agreed to safely clean them up. Abandoned wells can leak toxins into drinking water and the air, kill wildlife, and lead to fires, explosions or other accidents. We need to make these wealthy corporations clean up the wells they dig to protect the health and safety of our communities.



Big Picture: If You Drill It, You Clean It

Every New Mexican knows: if you make a mess, you clean it up. No exceptions.

But right now, oil and gas corporations are drilling thousands of wells, making billions in profit—and walking away from the damage they leave behind. They take the resources. We're left with the risk, the pollution, and the bill. We need bonding rules that protect our land, water, and future—not corporate profits. If bonding isn't set high enough now, during the boom, there's often not enough money left to cover cleanup after the bust—shifting the cost to the public.

Bottom Line



If oil and gas corporations want to continue to drill in New Mexico, they need to clean up after themselves.

It's time to fix the rules so the people who make the mess are the ones who clean it up 100% of the time.

Messaging Building Blocks

The Problem

Right now, oil and gas corporations in New Mexico can drill dozens of wells while only putting up a tiny fraction of the money needed to clean them up. When they walk away, we – the public – get stuck with the bill and the toxins released into our air, land, and drinking water, harming our health. Some of the most at-risk wells are on or near Tribal and rural communities — but the companies profiting often aren't from here.

Unsealed or improperly sealed wells can allow pollutants to seep into underground and nearby water sources, posing risks to drinking water, local communities and people's health.

The Solution

It's time for common-sense updates that make sure corporations post realistic cleanup bonds before they drill so our communities, land, and drinking water are protected in the long run.

Moral Frame

This is about responsibility. About making sure everyone plays by the same rules and no one gets to profit while leaving others with the bill or mess.

→ Recommended Framing Principles

1

Human-first

Focus on people's health, land, and livelihoods – not policy details. Use emotional, values-driven storytelling.

2

Shared responsibility

Emphasize fairness:

"If you make a mess, you clean it up."

3

New Mexican pride

Ground message in shared love for land, water, and community – especially among rural, Tribal, & working families.

4

Prevention over reaction

Emphasize that stronger rules prevent crisis, pollution, and financial waste down the line, and will provide relief for ongoing harm in the short term.

5

Accountability over blame

Avoid "bad guys" framing. Emphasize smart, proactive reforms that ensure everyone plays by the same rules.

→ Sample Message

The oil and gas industry should cover the full cost of cleaning up after itself – not New Mexico families.

It's just common sense: if you drill a well, you should clean it up.

We need modern rules that match the reality of modern drilling.

Bonding & Cleanup By the Numbers

New Mexicans Support

89% of New Mexicans support requiring oil and gas corporations, rather than the state, to pay for all of the clean-up and land restoration costs after drilling is finished.

Successful Accountability

NM State Land Commissioner Stephanie Garcia Richard's Accountability & Enforcement Program compels corporations to clean up wells they have abandoned by plugging them. As of June 2025, the program has compelled operators to fill/clean up 692 abandoned wells on state trust lands and saved taxpayers at least \$69 million in clean up costs, using a conservative estimate of \$100,000 per well for plugging and surface clean up.

Public Funds Burden

Over the past five years alone, \$50 million in state public funding and nearly \$50 million in federal public funding have been used to plug abandoned wells.

Wells at Risk

The state's data show there are at least 600 abandoned oil and gas wells in New Mexico and the New Mexico Oil Conservation Division expects 4,400 to be abandoned soon without adequate corporate funding to plug them.

Costs Out of Balance

State data shows plugging wells cost an average cost of \$163,000 per well while state rules limit required clean up "insurance" at \$250,000 total per operator—even if they operate thousands of wells.

Providing Public Comment

- Write or speak clearly and briefly—identify yourself, your affiliation (if any), and your position (support or concern)
- Focus on how stronger bonding rules will protect New Mexico's land, water, health, and taxpayers
- Use value-based messaging: "If they drill it, they clean it. No exceptions."
- Reserve your spot and submit comments early to ensure your voice is heard
- Public comments can be provided in writing or in-person or virtually over Microsoft Teams during the hearing



Providing Public Comment

When

Monday through Friday, starting October 20, 2025 from 4-5 pm

After Oct. 20: Public comment will be accepted each day of the hearing from 9-10 am and 4-5 pm.

A Spanish language translator will be available at 4-5 pm on October 20, 21, 27, and November 3, 2025.

Each public comment will be limited to 3 minutes or about 350 words.

Recommended: Email or call Sheila Apodaca, Commission Clerk, at occ.hearings@emnrd.nm.gov or 505-699-8358 in advance to register. Reference the Case No. 24683 and provide the time you're available to speak.

Walk-in Option: You may also sign in on-site or online before the hearing begins

In-Person: Pecos Hall, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, NM 87505

Online: Join via Microsoft Teams or dial-in

Phone: +1 505-312-4308, phone conference ID: 951 093 07#

Written comment: Email: Sheila Apodaca, Commission Clerk, occ.hearings@emnrd.nm.gov

→ Thank you!

Questions?