

NOTICE OF PUBLIC MEETING AND PUBLIC HEARING

The State of New Mexico through its Oil Conservation Commission (Commission) hereby gives notice of the following special meeting and public hearing to be held commencing at 9:00 a.m. on May 24, 2018, in Porter Hall, 1st floor, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. A preliminary agenda for the meeting 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. At the meeting, a public hearing will be held on the following case.

Case No. 16078: IN THE MATTER OF 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

The New Mexico Oil Conservation Division (OCD) proposes to amend 19.15.2, 19.15.8, and 19.15.25 NMAC to make changes concerning financial assurance and plugging and abandonment of wells and related matters. The proposed rule changes include:

19.15.2.7 NMAC. OCD proposes to amend 19.15.2.7 NMAC to add definitions of terms used in financial assurance provisions.

19.15.8 NMAC. OCD proposes to amend 19.15.8.9 NMAC to provide for the increase in blanket bond amounts authorized by the Legislature and to change the amount of single well bonds to conform to statutory requirements.

19.15.25 NMAC. OCD proposes to amend 19.15.25 NMAC to coordinate approved temporary abandonment with financial assurance requirements and to limit the use of approved temporary abandonment.

Purpose of Proposed Rule. The proposed changes will further the goals of the Oil and Gas Act to require proper plugging inactive wells and to protect natural resources by providing for financial assurance that more accurately reflects the actual cost of well plugging, by implementing the changes promulgated by the 2018 Legislature, and by limiting the overuse of approved temporary abandonment.

Legal Authority. These amendments are authorized by the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38, and specifically Section 70-2-11 (which authorizes the adoption of rules to carry out the purposes of the Act and to prevent waste), Section 70-2-12(B)(1) (which authorizes the adoption of rules on plugging and financial assurance), and Section 70-2-14 (which requires the agency to establish categories of financial assurance). The rulemaking proceeding will be governed by the Commission's rule on rulemaking, 19.15.3 NMAC.

The full text of the proposed rule amendments is available from Commission Clerk, Florene Davidson at (505) 476-3458 or can be viewed on the Rules page at the Oil Conservation Division's website at <http://www.emnrd.state.nm.us/oed>, or at Oil Conservation Division offices in Santa Fe, Hobbs, Artesia, or Aztec.

Public Hearing and Comment. The Commission will hold a **public hearing** on the proposed rules at the Commission meeting which will commence at 9:00 A.M. on May 24, 2018, in Porter Hall, 1st Floor, Wendell Chino Building, 1220 South St. Francis Drive, Santa Fe, New Mexico. The hearing may be continued to following days if not completed.

Written or electronic comments on the proposed rule may be hand delivered or mailed to the Commission Clerk, Florene Davidson, 3d floor, 1220 South St. Francis Drive, Santa Fe, NM 87505, or e-mailed to florene.davidson@state.nm.us. All written or electronic comments must be received by the Commission Clerk no later than 9:00 A.M. on May 24, 2018, unless the Commission or the Commission Chair extends this deadline.

Persons intending to submit proposed modifications to the proposed rule amendments, to present technical testimony at the hearing, or to cross-examine witnesses must file six copies of a Pre-hearing Statement conforming to the requirements of Subsection B of 19.15.3.11 NMAC, no later than 5:00 P.M. on May 10, 2018. Pre-hearing Statements must be hand-delivered, mailed, or e-mailed to the Commission Clerk at the above address.

Any person who has not submitted a pre-hearing statement may present non-technical testimony or make an unsworn statement at the hearing. A person may also offer exhibits with the testimony so long as the exhibits are relevant to

the proposed rule changes and do not unduly repeat the testimony. Any person who wishes to present non-technical testimony should indicate his or her intent on a sign-in sheet at the hearing. A person who testifies at the hearing is subject to cross-examination by the commissioners, commission counsel, or a party on the subject matter of the person's direct testimony.

If you are an individual with a disability who needs 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 through the New Mexico Relay Network at 1-800-659-1779 by May 10, 2018. 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 to use projection equipment at a hearing must contact Ms. Davidson seven business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the person requesting to use the wireless connection must provide a laptop computer.

Technical Information that served as a basis for the proposed rule includes:
OCD Well Plugging Costs FY2014-FY2018 (spreadsheet)

These materials can be viewed on the Rules page at the Oil Conservation Division's website at <http://www.emnrd.state.nm.us/oed>.