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Issuing agency name and address:

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Type of rule action:

(ALD Use) Recent filing date:

New ☐ Amendment ☒ Repeal ☐ Emergency ☐ Renumber ☐

Title number:

Title name:

Chapter number:

Chapter name:

Part number:

Part name:

Amendment description (If filing an amendment):

Amendment's NMAC citation (If filing an amendment):

Are there any materials incorporated by reference?

Please list attachments or Internet sites if applicable.

Yes ☐ No ☒

If materials are attached, has copyright permission been received?

Yes

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☐**Specific statutory or other authority authorizing rulemaking:**

Notice date(s):

Hearing date(s):

Rule adoption date:

Rule effective date:

Concise Explanatory Statement For Rulemaking Adoption:

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Findings required for rulemaking adoption:

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Findings MUST include:

- Reasons for adopting rule, including any findings otherwise required by law of the agency, and a summary of any independent analysis done by the agency;
- Reasons for any change between the published proposed rule and the final rule; and
- Reasons for not accepting substantive arguments made through public comment.

Please see attached Rule Making Order and Reasons for the Action Taken

Issuing authority (If delegated, authority letter must be on file with ALD):

Name:

Albert C.S. Chang

Check if authority has been delegated

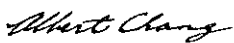
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Title:

Oil Conservation Division Director/Oil Conservation Commission Chair

Signature: (BLACK ink only OR Digital Signature)

Date signed:



Digitally signed by Albert Chang
Date: 2026.09.10 17:33:12 -06'00'

09/10/2026

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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
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. 24683
Order No. R-24486

Rule Making Order and Reasons for the Action Taken

This matter comes before the New Mexico Oil Conservation Commission (“Commission” or “OCC”) upon a Petition filed on June 24, 2024, by Western Environmental Law Center, Citizens Caring for the Future, Conservation Voters New Mexico Education Fund, Dine C.A.R.E., Earthworks, Naeva, New Mexico Interfaith Power and Light, Sierra Club, and WildEarth Guardians (collectively, Applicants), for the adoption of proposed amendments to 19.15.2, 19.15.5, 19.15.8, 19.15.9 and 19.15.25 NMAC. Public hearings were held October 20-24, October 27-21 and November 3-6, 2025, in Santa Fe, New Mexico and on a virtual platform. Applicants presented a final set of proposed rules in its “Notice of Filing Closing Argument and Proposed Statement of Reasons” in Exhibits 90A-90E on April 3, 2026. Public deliberations were held on June 3, 5 and 11, and July 1, 2026.

The Commission, having reviewed the submittals, testimony, evidence, the parties’ filed Joint Stipulation and accompanying materials, Hearing Officer’s Report and the Proposed Findings of Fact and Conclusions of Law hereby issues, as provided for in 19.15.3.12 NMAC and 19.15.3.13C NMAC, the following ORDER and REASONS FOR THE ACTION TAKEN. The Commission has the authority to adopt, refuse to adopt or adopt the proposed rule change in part pursuant to 19.15.3.13C NMAC. The Commission’s actions are the following:

A. Adoption of Applicants’ Proposed Language

1. 19.15.2, 19.15.5, 19.15.8, 19.15.9 and 19.15.25 NMAC

- i. The Commission adopts Applicants’ proposed rule changes in 19.15.2, 19.15.5, 19.15.8, 19.15.9 and 19.15.25 NMAC in Applicants’ 90A-90E.
- ii. Exhibits 89A-89E show the parties’ “Joint Stipulation” regarding language changes.
- iii. Exhibits 90A-90E incorporate the parties’ “Joint Stipulation” regarding language changes.
- iv. The Commission ADOPTS AND INCORPORATES Applicants’ “Notice of Filing Closing Argument and Proposed Statement of Reasons” as its own Findings of Fact and Conclusions of Law and its own REASONS FOR THE ACTION TAKEN, except paragraphs 53, 258 through 261, and except as modified by this Order.

- v. The Commission finds that Applicants' "Notice of Filing Closing Argument and Proposed Statement of Reasons" provided persuasive legal arguments in favor of Applicants' positions for the major questions posed in the Hearing Officer's Report: (1) The Commission's Statutory Authority; (2) Preventing Waste; (3) Regulating Operator Registration and Change of Operator; (4) House Bill 80.
- vi. The Commission finds that Applicants' "Notice of Filing Closing Argument and Proposed Statement of Reasons" provided a preponderance of evidence, including substantial evidence, to support the Applicants' proposed rule changes.
- vii. All of Applicants' rule changes are adopted except as modified in the following below:

B. Modifications to Applicants' Proposed Language.

1. **Part 8: 19.15.8.9(C) and (D)(1) and (D)(2) and (E) NMAC**

- i. The Commission adopts Applicants' language with a modification in the first sentence of 19.15.8.9(C) NMAC. (The underline and strikethrough show the Commission's modification to the Applicants' language.) It reads: "An operator shall provide financial assurance for wells that are not subject to Subsections D, ~~and E and F~~ of 19.15.8.9 NMAC ~~in~~ via one of the following ~~categories~~:"
- ii. The Commission adopts Applicants' language with a modification in 19.15.8.9(D)1 NMAC. It reads: "**Low producing wells.** As of [effective date of amendments], a transferee operator shall provide a one well plugging financial assurance of \$150,000 for each low producing well prior to transfer, unless the well being transferred is already covered by a one well financial assurance under Subsection D(2), E or F of 19.15.8.9 NMAC.
- iii. The Commission adopts Applicants' language with a modification in the first sentence in 19.15.8.9(D)2 NMAC. It reads: "Beginning May 1, 2029, an operator shall provide a one well plugging financial assurance for each low producing well that is not covered by a one well financial assurance under Subsection E or F of 19.15.8.9 NMAC."
- iv. The Commission adopts Applicants' language with a modification in the second sentence in 19.15.8.9(D)2 NMAC. It reads: "Each operator with a one or more low producing well or wells shall annually review the number of low producing wells registered to the operator and shall update the one well plugging financial assurance by May 1 of each year."
- v. The Commission adopts Applicants' language with a modification in the first sentence in 19.15.8.9(E)1 NMAC. It reads: "Beginning May 1, 2029, an operator with 20 percent or more of their wells in inactive status,

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approved temporarily status or expired temporarily abandoned status, or a combination thereof, shall provide a one well plugging financial assurance in the amount of \$150,000 for each well that is registered to the operator, but not covered by a one well financial assurance under Subsection D or F of 19.15.8.9 NMAC, until the percentage of the operator's wells in such statuses is decreased below 20 percent."

- vi. The reason for these modifications is because the Commission was concerned that the rules could be read such that two or three categories could be stacked upon each other where an operator would be forced to have multiple, overlapping \$150,000 bonds for a single well.
 - vii. The Commission concludes that the overall goal of the applicable statutes and Applicants' rule changes is to have a single well financial assurance that is set at a dollar figure that reasonably approximates the cost of plugging a single well. An overlapping bonding situation could result in a well being significantly more bonded than the Applicants' and OCD's estimate of the cost to plug a single well. The record did not support an overlapping bonding situation where a single well would have to be bonded to \$450,000 (e.g. stacking multiple \$150,000 bonds).
 - viii. The Commission adopts: "The overlapping structure of proposed 19.15.8.9(C) through (G) NMAC creates double-bonding obligations for certain well types under multiple Subsections (C)-(G) simultaneously, without a provision clarifying which obligation controls or when satisfaction of one discharges another." NMOGA, Closing Brief with Proposed Findings of Fact and Proposed Conclusions of Law, p. 63, Finding #65. "19.15.8.9(A) should be amended to clarify that ... the requirements are alternatives rather than cumulative obligations." NMOGA, Closing Brief with Proposed Findings of Fact and Proposed Conclusions of Law, p. 63, Finding #66.
 - ix. The Commission, during its deliberations, went through possible scenarios under 19.15.8.9 NMAC to make sure there were no gaps in coverage, and an operator would not have bonds stacked upon each other for a single well.
 - x. To the extent that there was discussion that other agencies may potentially also require oil and gas industry financial assurance in the future, the Commission finds that the issue is premature and outside of the scope of what the Commission can consider in this rulemaking.
 - xi. The Commission added some phrases to these subsections for grammatical purposes.
2. **19.15.8.9(D)(3) NMAC**
- i. The Commission adopts Applicants' language with a modification to the end of Applicants' first sentence and made several changes to the second

sentence. (The underline and strikethrough show the Commission's modification to the Applicants' language.) It reads: "An operator of a low producing well may request a variance to the one well plugging financial assurance requirement of \$150,000 upon a demonstration satisfactory to the division that there is a physical impediment limiting the well's midstream takeaway capacity or interference from nearby operations, stimulation or drilling impacting safe or prudent pressure practices. The demonstration shall include a certification from the operator detailing the nature of the physical impediment constraint explaining why the physical impediment constraint is outside the control of the operator, detailing the alternatives that were or are being explored to address the constraint ~~lack of takeaway capacity~~ and an estimated date when the constraint ~~lack of takeaway capacity~~ will be corrected.

- ii. NMOGA had proposed language include "a proximity operation or interference including nearby fracturing, stimulation, drilling or operations impacting safe or prudent pressure practices. NMOGA's Closing Package, Exhibit 3. NMOGA had proposed a modification to Applicants' language to replace the term "physical impediment" with "constraint" because the latter term is a more inclusive term.
- iii. NMOGA witness Mr. Arthur testified there was a need for exceptions beyond Applicants' "midstream takeaway capacity" exception, particularly for safety issues. NMOGA's Closing Package, Exhibit 3 (citing to Tr. 97:4-98:3 (Oct. 29, 2025); Tr. 202:6 (Oct. 30, 2025).
- iv. There are instances where production will cease on a well that is deemed to be too close for safety reasons to completion operations (e.g. fracture stimulation).
- v. The Commission adopts the modification to address this safety issue.

3. **19.15.8.9(D)(4) NMAC**

- i. The Commission adopts a new subsection 19.15.8.9(D)(4) NMAC. It reads: "(4) Upon receipt of an operator's written variance request, the division shall have 60 days to accept or deny the operator's variance. The division's failure to act on the variance request within such period shall be deemed a denial. If the division denies the operator's variance, the operator shall have 30 days in which to file a request for hearing with the division pursuant to 19.15.4 NMAC."
- ii. NMOGA proposed language in its "Closing Brief with Proposed Findings of Fact and Conclusions of Law" offered language explaining the mechanics of the variance process. NMOGA Closing Exhibit 3, p. 23 of 105; NMOGA's Finding of Fact #74.

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- iii. The Applicants agreed there should be a “variance” to the one well plugging financial assurance requirement as part of the final language in the Joint Stipulation. Applicants’ Finding of Fact #134.
- iv. Based on this agreement, Commission used NMOGA’s proposed language as its template but: (a) enlarged the Division’s review period from 30 to 60 days to ensure there would be enough administrative time for review and (b) added a new second sentence regarding the result of when the Division does not issue a decision. The Commission took judicial notice of its existing rules in 19.14.4.25 NMAC and 19.15.17.16 NMAC and the language for the new second sentence is modeled after these current administrative processes in these NMAC sections.
- v. Applicants’ 19.15.8.9(D)(4) NMAC is adopted and re-numbered as needed.

4. 19.15.8.9(F) NMAC

- i. The Commission adopts Applicants’ language with a modification in the title and first sentence in 19.15.8.9(F) NMAC. (The underline and strikethrough show the Commission’s modification to the Applicants’ language.) It reads: **“Wells that are in approved temporarily abandoned status for more than two years, inactive wells, and wells that are in expired temporarily abandoned status. 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, in approved temporarily abandoned status for more than two years, in inactive status, or in expired temporarily abandoned status or for which the operator is seeking approved temporary abandonment pursuant to 19.15.23.13 NMAC in one of the following categories:”**
- ii. The Commission made this modification because the Commission is focused on the fact pattern when an operator already has bond for an active well, and wants to retain that bond, and wants to transition the well to an approved temporarily abandoned well.
- iii. The Commission adopts NMOGA’s citation to the record when it wrote: “Commissioner Ampomah concluded by noting he thought the risk of not allowing operators to use their active well blanket bond to cover active wells in approved TA [temporarily abandoned] status for short time periods, i.e. 2 years or less, for example, before being transitioned to water flooding, etc., would actually lead to the premature plugging of viable wells and considerable waste considering the amount of Permian oil that operators have been able to recover from oil recovery projects.” NMOGA’s Closing Brief with Proposed Findings of Fact and Proposed Conclusions of Law, p. 12 (citing to Tr. 505:6-19 (Oct. 21, 2025)).

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- iv. The Commission's selection of a one-time two-year period is based on the time period referenced in NMSA 1978, Section 70-2-14 and 19.15.8.9D NMAC.

5. Part 25: 19.15.25.9(D) NMAC

- i. The Commission adopts a new sentence to 19.15.25.9(D) NMAC. It shall be added after the Applicants' first sentence in this subsection of Exhibit 89D. It reads: "Upon request by the operator, the division may use its discretion to grant an extension of the 30 day rebuttal period for good cause."
- ii. NMOGA proposed a new sentence to provide for an extension period in the rebuttal process. NMOGA Closing Exhibit 3, p. 32 of 105; NMOGA's Closing Brief with Proposed Findings of Fact and Conclusions of Law, Finding of Fact #81 ("Upon request by the operator, the division may use its discretion to grant an extension of the 30 day rebuttal period for good cause.")
- iii. The Applicants had stated an operator who submits an application should have a "full opportunity" to provide relevant information for rebuttal. Applicants' Finding of Fact #232.
- iv. The Commission concludes that the new sentence is a reasonable and logical extension of Applicants' language that called for a "full opportunity" in the rebuttal process.
- v. The Commission used NMOGA's proposed language as a template but added "an" to make clear it was a one-time opportunity for an extension.

6. 19.15.25.13C(2) NMAC

- i. The Commission adopted Applicants' proposed language for 19.15.25.13C(2) NMAC but with two sentence deletions and one modification. (The underline and strikethrough show the Commission's modification to the Applicants' language.) It reads: "(2) To obtain an extension, the operator shall apply to the division to extend temporary abandonment status. The division shall provide at least 30 days' notice of the application on its website and to the division mailing list ~~and the operator shall provide at least 30 days' notice of the application for extension in a newspaper of general circulation.~~ The operator, division or interested other person with standing may request a hearing on the application to extension before the division. Any such hearing shall be conducted 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.~~ If a hearing is not requested the division shall proceed with processing the application for extension."

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- ii. First, Applicant had proposed language at the end of the first sentence requiring the operator to provide 30 days' notice in a newspaper of general circulation. OXY USA (OXY) had proposed language to delete this sentence. OXY Closing Argument Exhibit D.
- iii. The Commission concludes that notice on the OCD website is a sufficient form of public notice considering the current digital world. The Commission agrees with OXY by a 2-1 vote.
- iv. Second, Applicant had proposed language in the beginning portion of the second sentence using the term "any interested person." Applicants' OXY had proposed language to change this term to "other person with standing." OXY Closing Argument Exhibit D. The Commission adopts OXY's finding that "Applicants' proposal that the Commission eliminate the requirement that an interested party demonstrate 'standing' to request a hearing or to intervene ... is unnecessary, inappropriate, and will further burden the Division's crowded hearing docket." OXY Finding of Fact #63.
- v. The Commission took judicial notice of its current rules and noted that the term "interested person" is not used as a term. 19.15.4.10 NMAC. The Commission agrees with OXY by a 2-1 vote and adopts OXY's language.
- vi. Third, Applicant had proposed a sentence regarding intervention by "any interested person" before the last sentence of the subsection. OXY had proposed language to delete this sentence. OXY Closing Argument Exhibit D.
- vii. The Commission took judicial notice of its current rules and noted that the term "interested person" is not used as a term. 19.15.4.10 NMAC. The Commission agrees with OXY by a 2-1 vote. N

Conclusion

The Commission is authorized to adopt regulations pursuant to the New Mexico Oil and Gas Act, NMSA 1978, Sections 70-2-11 and -12. The Commission concludes that the proposed changes to 19.15.2, 19.15.5, 19.15.8, 19.15.9 and 19.15.25 NMAC, as shown on Applicants' Exhibits 90A-E, and the above stated supplemental changes, are hereby approved.

This Order shall serve as the "concise explanatory statement" required by NMSA 1978, Section 14-4-5.5.

Based on the findings and reasons stated above and pursuant to this authority, this Order is ADOPTED.

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**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**



DATED: 7/16/2026

Albert Chang

Albert Chang, Chairman
New Mexico Oil Conservation Commission

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This is a short-form amendment to 19.15.2.7 NMAC, Subsections A, B, E, I, L and T, effective 9/22/2026.

Short form amendment explanatory statement. Subsections C, D, F-H, J-K, M-S, and U- through W were not shown as no changes were made to those subsections.

19.15.2.7 DEFINITIONS: These definitions apply to 19.15.2 NMAC through 19.15.39 NMAC.

A. Definitions beginning with the letter "A".

- (1) "Abate" means to investigate, contain, remove or mitigate water pollution.
- (2) "Abatement" means the investigation, containment, removal or other mitigation of water pollution.
- (3) "Abatement plan" means a description of operational, monitoring, contingency and closure requirements and conditions for water pollution's prevention, investigation and abatement.
- (4) "Act" or "Oil and Gas Act" means Chapter 70, Article 2 NMSA 1978, as it may be modified or amended.
- (5) "Adjoining spacing units" mean those existing or prospective spacing units in the same pool that are touching at a point or line on the subject spacing unit.
- (6) "Adjusted allowable" means the allowable production a well or proration unit receives after all adjustments are made.
- (7) "AFE" means authorization for expenditure.
- (8) "Affected persons" means the following persons owning interests in a spacing unit or other identified tract:
 - (a) the operator, as shown in division records, of a well on the tract, or, if the tract is included in a division-approved or federal unit, the designated unit operator;
 - (b) in the absence of an operator, or with respect to an application wherein the operator of the spacing unit or identified tract is the applicant, each working interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant files the application;
 - (c) as to any tract or interest therein that is not subject to an existing oil and gas lease, each mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant filed the application; and
 - (d) if the United States or state of New Mexico owns the mineral estate in the spacing unit or identified tract or any part thereof, the BLM or state land office, as applicable; or
 - (e) if the mineral estate in the spacing unit or identified tract or any part thereof is tribal land, the BLM, the United States department of the interior, bureau of Indian affairs, and the relevant tribe.
- (9) "Allocated pool" means a pool in which the total oil or gas production is restricted and is allocated to various wells in the pool in accordance with proration schedules.
- (10) "Allowable production" means that number of barrels of oil or cubic feet of gas the division authorizes to be produced from an allocated pool.
- (11) "APD" means application for permit to drill.
- (12) "API" means the American petroleum institute.
- (13) "Approved temporary abandonment," "temporary abandonment," or "temporarily abandoned status" means the status of a well that is inactive, has been approved in accordance with 19.15.25.13 NMAC and complies with 19.15.25.12 NMAC through 19.15.25.14 NMAC.
- (14) "Aquifer" means a geological formation, group of formations or a part of a formation that can yield a significant amount of water to a well or spring.
- (15) "ASTM" means ASTM International - an international standards developing organization that develops and publishes voluntary technical standards for a wide range of materials, products, systems and services.

B. Definitions beginning with the letter "B".

- (1) "Back allowable" means the authorization for production of an underproduction resulting from pipeline proration.
- (2) "Background" means, for purposes of ground water abatement plans only, the amount of ground water contaminants naturally occurring from undisturbed geologic sources or water contaminants occurring from a source other than the responsible person's facility. This definition does not prevent the director from requiring abatement of commingled plumes of pollution, does not prevent responsible persons from seeking contribution or other legal or equitable relief from other persons and does not preclude the director from exercising

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enforcement authority under any applicable statute, rule or common law.

(3) "Barrel" means 42 United States gallons measured at 60 degrees fahrenheit and atmospheric pressure at the sea level.

(4) "Barrel of oil" means 42 United States gallons of oil, after deductions for the full amount of basic sediment, water and other impurities present, ascertained by centrifugal or other recognized and customary test.

(5) "Barrel of oil equivalent" is determined by converting the volume of gas the well produced to barrels of oil by using a ratio of 6,000 cubic feet to one barrel of oil.

[(5)] (6) "Below-grade tank" means a vessel, excluding sumps and pressurized pipeline drip traps, where a portion of the tank's sidewalls is below the surrounding ground surface's elevation. Below-grade tank does not include an above ground storage tank that is located above or at the surrounding ground surface's elevation and is surrounded by berms.

(7) "Beneficial purposes" or "beneficial use" means an oil or gas well that is being used in a productive or beneficial manner including production, injection or monitoring.

[(6)] (8) "Berm" means an embankment or ridge constructed to prevent the movement of liquids, sludge, solids or other materials.

[(7)] (9) "Biopile", also known as biocell, bioheap, biomound or compost pile, means a pile of contaminated soils used to reduce concentrations of petroleum constituents in excavated soils through biodegradation. This technology involves heaping contaminated soils into piles or "cells" and stimulating aerobic microbial activity within the soils through the aeration or addition of minerals, nutrients and moisture.

[(8)](10) "BLM" means the United States department of the interior, bureau of land management.

[(9)](11) "Bottom hole pressure" means the gauge pressure in psi under conditions existing at or near the producing horizon.

[(10)](12) "Bradenhead gas well" means a well producing gas through wellhead connections from a gas reservoir that has been successfully cased off from an underlying oil or gas reservoir.

[(11)](13) "BS&W" means basic sediments and water.

[(12)](14) "BTEx" means benzene, toluene, ethylbenzene and xylene.

E. Definitions beginning with the letter "E".

(1) "EC" means electrical conductivity.

(2) "Enhanced oil recovery project" means the use or the expanded use of a process for the displacement of oil from an oil well or division-designated pool other than a primary recovery process, including but not limited to the use of a pressure maintenance process; a water flooding process; an immiscible, miscible, chemical, thermal or biological process; or any other related process.

(3) "EOR project" means an enhanced oil recovery project.

(4) "EPA" means the United States environmental protection agency.

(5) "Exempted aquifer" means an aquifer that does not currently serve as a source of drinking water, and that cannot now and will not in the foreseeable future serve as a source of drinking water because:

(a) it is hydrocarbon producing;

(b) it is situated at a depth or location that makes the recovery of water for drinking water purposes economically or technologically impractical; or

(c) it is so contaminated that it would be economically or technologically impractical to render that water fit for human consumption.

(6) "Exempt waste" means oil field waste exempted from regulation as hazardous waste pursuant to Subtitle C of RCRA and applicable regulations.

(7) "Existing spacing unit" means a spacing unit containing a producing well.

(8) "Expired temporary abandonment" or "expired temporary abandonment status" means the status of a well that is inactive and has been approved for temporary abandoned status in accordance with 19.15.25.13 NMAC, but that no longer complies with 19.15.25.12 NMAC through 19.15.25.14 NMAC.

I. Definitions beginning with the letter "I".

(1) "Illegal gas" means gas produced from a gas well exceeding the division-determined allowable.

(2) "Illegal oil" means oil produced exceeding the allowable the division fixes.

(3) "Illegal product" means a product of illegal gas or illegal oil.

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(4) "Inactive well" means a well that has had no production or injection for 12 consecutive months or is not being used for beneficial purposes [such as] including production, injection or monitoring and that is not being drilled, completed, repaired or worked over.

(5) "Injection well" means a well used for the injection of air, gas, water or other fluids into an underground stratum.

L. Definitions beginning with the letter "L".

(1) "Limiting gas-oil ratio" means the gas-oil ratio the division assigns to a particular oil pool to limit the volumes of casinghead gas that may be produced from the various oil producing units within that particular pool.

(2) "Liner" means a continuous, low-permeability layer constructed of natural or human-made materials that restricts the migration of liquid oil field wastes, gases or leachate.

(3) "LLDPE" means linear low-density polyethylene.

(4) "Load oil" means oil or liquid hydrocarbon that has been used in remedial operation in an oil or gas well.

(5) "Log" means a systematic detailed and correct record of formations encountered in drilling a well.

(6) "Low producing 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.

T. Definitions beginning with the letter "T".

(1) "Tank bottoms" means that accumulation of hydrocarbon material and other substances that settles naturally below oil in tanks and receptacles that are used in oil's handling and storing, and which accumulation contains more than two percent of BS&W; provided, however, that with respect to lease production and for lease storage tanks, a tank bottom shall be limited to that volume of the tank in which it is contained that lies below the bottom of the pipeline outlet to the tank.

(2) "TDS" means total dissolved solids.

~~[(3)]~~ "Temporary abandonment" or ~~"temporarily abandoned status"~~ means ~~the status of a well that is inactive.~~

~~[(4)]~~ (3) "Top proration unit allowable for gas" means the maximum number of cubic feet of gas, for the proration period, the division allocates to a gas producing unit in an allocated gas pool.

~~[(5)]~~ (4) "Top proration unit allowable for oil" means the maximum number of barrels for oil daily for each calendar month the division allocates on a proration unit basis in a pool to non-marginal units. The division shall determine the top proration unit allowable for a pool by multiplying the applicable depth bracket allowable by the market demand percentage factor in effect.

~~[(6)]~~ (5) "TPH" means total petroleum hydrocarbons.

~~[(7)]~~ (6) "Treating plant" means a plant constructed for wholly or partially or being used wholly or partially for reclaiming, treating, processing or in any manner making tank bottoms or other waste oil marketable.

~~[(8)]~~ (7) "Tribal lands" means those lands for which the United States government has a trust responsibility to a native American tribe or a member of a native American tribe. This includes reservations, pueblo land grants, tribal trust lands and individual trust allotments.

~~[(9)]~~ (8) "Tribal leases" means those leases of minerals or interests in or rights to minerals for which the United States government has a trust responsibility to a native American tribe or a member of a native American tribe.

~~[(10)]~~ (9) "Tribal minerals" means those minerals for which the United States government has a trust responsibility to a native American tribe or a member of a native American tribe.

~~[(11)]~~ (10) "True vertical depth" means the difference in elevation between the ground level at the surface location of the well and the deepest point in the well bore.

~~[(12)]~~ (11) "Tubingless completion" means a well completion in which the production string of casing has an outside diameter of 2.875 inches or less.

~~[(13)]~~ (12) "Tubingless multiple completion" means completion in which two or more common sources of supply are produced through an equal number of casing strings cemented in a common well bore, each such string of casing having an outside diameter of 2.875 inches or less, with the production from each common source of supply completely segregated by cement.

[19.15.2.7 NMAC - Rp, 19.15.1.7 NMAC, 12/1/2008; A, 3/31/2015; A, 6/30/2016; A, 6/26/2018; A, 1/15/2019; A,

10/13/2020; A, 8/23/2022; A, 7/29/2025; A, 9/22/2026]

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