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Volume: XXXVII **Issue:** 18 **Publication date:** 09/22/2026 **Number of pages:** 3 **(ALD Use Only) Sequence No.**

Issuing agency name and address: Energy, Minerals, Natural Resources Department

Agency DFA code: 521

Contact person's name: Sheila Apodaca

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Type of rule action:

New ☐ Amendment ☑ Repeal ☐ Emergency ☐ Renumber ☐

(ALD Use) Recent filing date:

Title number: 19 **Title name:** NATURAL RESOURCES AND WILDLIFE

Chapter number: 15 **Chapter name:** OIL AND GAS

Part number: 8 **Part name:** FINANCIAL ASSURANCE

Amendment description (If filing an amendment):
Amendment to three sections

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

Are there any materials incorporated by reference?
Yes ☐ No X

Please list attachments or Internet sites if applicable.

If materials are attached, has copyright permission been received? Yes ☐ No ☐ Public domain ☐

Specific statutory or other authority authorizing rulemaking:

Sections 70-2-11, 70-2-12.2, 70-2-25 NMSA 1978; 14-4-5 1978, NMSA

Notice date(s):	Hearing date(s):	Rule adoption date:	Rule effective date:
May 20, 2025	Oct. 20- Nov.7, 2025	September 10, 2026	September 22, 2026

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Concise Explanatory Statement For Rulemaking Adoption:

Findings required for rulemaking adoption:

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 ☐

Title:

Oil Conservation Division Director/Oil Conservation Commission Chair

Signature: (BLACK ink only OR Digital Signature)

Albert Chang
Digitally signed by Albert Chang
Date: 2026.09.10 17:35:54 -06'00'

Date signed:

9/10/2026

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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, 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-boding 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 <u>or interference from nearby operations, stimulation or drilling impacting safe or prudent pressure practices. The</u> demonstration shall include a certification from the operator detailing the nature of the ~~physical impediment~~ <u>constraint</u> explaining why the ~~physical impediment~~ <u>constraint</u> is outside the control of the operator, detailing the alternatives that were or are being explored to address the <u>constraint</u> ~~lack of takeaway capacity~~ and an estimated date when the <u>constraint</u> ~~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: <u>"(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."</u>

   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.

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).

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."

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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Albert Chang

DATED: 7/16/2026

Albert Chang, Chairman
New Mexico Oil Conservation Commission

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This is an amendment to 19.15.8 NMAC, Section 9, 10 and 12 effective 9/22/26.

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19.15.8.9 CATEGORIES AND AMOUNTS OF FINANCIAL ASSURANCE FOR WELL PLUGGING:

A. Applicability. An operator who has drilled or acquired operating authority under 19.15.9.9 NMAC, is drilling or proposes to drill or acquire operating authority under 19.15.9.9 NMAC of 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 of operating authority under 19.15.9.9 NMAC until the operator has furnished the required financial assurance. This Subsection A applies to Subsections B through H of this section.

B. A financial assurance shall be conditioned for well plugging and abandonment and location restoration and remediation only, and not to secure payment for damages to livestock, range, crops or tangible improvements or any other purpose.

C. Active wells. An operator shall provide financial assurance for wells that [~~are covered by Subsection A of 19.15.8.9 NMAC and~~] are not subject to Subsections D, E and F of 19.15.8.9 NMAC [~~in~~] via one of the following categories:

(1) a one well plugging financial assurance in the amount of [~~$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;~~] $150,000 per well; or

(2) a blanket plugging financial assurance in the [~~following amounts~~] amount of $250,000 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. Low producing wells. Notwithstanding the provisions in Paragraph (2) of Subsection C in this Section:

(1) As of September 22, 2026, 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 Paragraph (2) of Subsection D, Subsection E or Subsection F of 19.15.8.9 NMAC.

(2) 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. Each operator with 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.

(3) 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 constraint, explaining why the constraint is outside the control of the operator, detailing the alternatives that were or are being explored to address the constraint, and an estimated date when the constraint will be corrected. The demonstration shall also include the notification from the midstream operator required pursuant to Subsection D of 19.15.28.8 NMAC.

(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.

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

E. Operators with twenty percent or more of wells in inactive, approved temporarily abandoned or expired temporarily abandoned status.

(1) Beginning May 1, 2029, an operator with twenty percent or more of their wells in inactive status, approved temporarily abandoned 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 twenty percent. Each operator with wells in this financial assurance category shall annually review the number of wells in inactive status, approved temporarily abandoned status and expired temporarily abandoned status registered to the operator and shall update the one well plugging financial assurance by May 1 of each year.

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

[~~D~~] F. [~~**Inactive wells**~~] **Wells that are in approved temporarily abandoned status for more than two years, inactive wells, and wells that are in expired temporarily abandoned status.** [~~An operator shall provide financial assurance for wells that are covered by Subsection A of 19.15.8.9 NMAC that have been in temporarily abandoned status for more than two years~~] An operator shall provide financial assurance for wells that are 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 19.15.25.13 NMAC in one of the following categories:

(1) a one well plugging financial assurance in the amount of [~~$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~~] $150,000 per well; 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 D~~] Subsection F of 19.15.8.9 NMAC.

[~~E.~~] G. Operators who have on file with the division a blanket plugging financial assurance that does not cover additional wells shall file additional [~~single~~] one well [~~bond~~] plugging financial assurance for any wells not covered by the existing blanket [~~bond~~] plugging financial assurance in an amount as determined by 19.15.8.9 NMAC, subject to any limitations in Section 70-2-14 NMSA 1978 or, in the alternative, may file a [~~replacement blanket bond~~] financial assurance in the form of a single instrument.

H. Beginning January 1, 2032, the division may adjust the financial assurance amounts provided by Paragraph (1) of Subsections C, D, E and F of this section by multiplying the financial assurance as of January 1, 2031 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 2030; provided that any financial assurance shall not be adjusted below the minimum amounts required in Paragraph (1) of Subsection C, D, E and F of this section as a result of a decrease in the consumer producer price index. By November 1, 2031, and by November 1 of each successive year, the division shall post on its website the financial assurance requirements in Subsections 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. The division may adjust the applicable financial assurance amounts in accordance with this section but may not do so more frequently than three years from the date of the last adjustment.

[19.15.8.9 NMAC - Rp, 19.15.3.101 NMAC, 12/1/2008; A, 6/30/2015; A, 1/15/2019; A, 9/22/2026]

19.15.8.10 ADDITIONAL REQUIREMENTS FOR CASH AND SURETY BONDS:

A. Surety bonds shall be issued by a reputable corporate surety authorized by the office of the superintendent of insurance to do business in the state. The surety shall be listed on U.S. department of the treasury circular 570.

B. The operator shall deposit cash representing the full amount of the bond in an account in a federally-insured financial institution located within the state, such account to be held in trust for the division. Authorized representatives of the operator and the depository institution shall execute a document evidencing the cash bond's terms and conditions. The operator shall file the document with the division prior to the bond's effective date. If the operator's financial status or reliability is unknown to the director, the director may require the filing of a financial statement or such other information as may be necessary to evaluate the operator's ability to fulfill the bond's conditions. From time to time, any accrued interest over and above the bond's face amount may be paid to the operator.

[19.15.8.10 NMAC - Rp, 19.15.3.101 NMAC, 12/1/2008; A, 6/30/2015; A, 9/22/2026]

19.15.8.12 RELEASE OF FINANCIAL ASSURANCE:

A. The division shall release a financial assurance document upon the operator's or surety's written

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request if all wells drilled or acquired under that financial assurance have been plugged and abandoned and the location restored and remediated and released pursuant to 19.15.25.9 NMAC through 19.15.25.11 NMAC, or have been covered by another financial assurance the division has approved.

B. Transfer of a property or a change of operator does not of itself release a financial assurance. The division shall not approve a request for change of operator for a well until the new operator has the required financial assurance in place and is otherwise in compliance with the requirements of 19.15.9.9 NMAC.
[19.15.8.12 NMAC - Rp, 19.15.3.101 NMAC, 12/1/2008; A, 9/22/2026]