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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: 9 Part name: WELL OPERATOR PROVISIONS

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

Amendment's NMAC citation (If filing an amendment):
19.15.9.8 NMAC
19.15.9.9 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

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 17:37:03 -06'00'

Date signed:

9/10/2026

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Received by OCD: 07/16/2026

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 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.

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.

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Received by OCD: 07/16/2026

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Albert Chang

DATED: 7/16/2026

Albert Chang, Chairman
New Mexico Oil Conservation Commission

This is an amendment to 19.15.9 NMAC, Sections 8 and 9, effective 9/22/2026.

19.15.9.8 OPERATOR REGISTRATION:

A. Prior to commencing operations, an operator of a well or wells in New Mexico shall register with the division as an operator. Applicants shall provide the following to the financial assurance administrator in the division's Santa Fe office:

(1) an oil and gas registration identification (OGRID) number obtained from the division, the state land office or the taxation and revenue department;

(2) a current address of record to be used for notice and a current emergency contact name and telephone number for each district in which the operator operates wells; and

(3) the financial assurance 19.15.8 NMAC requires.

B. Prior to commencing operations, an operator shall provide to the division a certification by a representative designated by the operator that within the past 10 years the new operator has not been subject to any final administrative forfeiture demand from any state or federal agency, has not forfeited financial assurance to any state or federal agency, and has not been out of compliance with an adjudicated order or settlement agreement with a state or federal agency for any state or federal violation related to oil and gas laws or regulations in any domestic jurisdiction 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 twenty-five percent, who is or was within the past five years an officer, director, partner, or person with an interest exceeding twenty-five 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 twenty-five 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 within the past 10 years has had a final administrative forfeiture demand from any state or federal agency, has forfeited financial assurance to any state or federal agency, or has been out of compliance with an adjudicated order or settlement agreement with a state or federal agency for any state or federal violation related to oil and gas laws or regulations in any domestic jurisdiction in which the applicant does business;

[~~(2)~~] (3) an officer, director, partner in the applicant or person with an interest in the applicant exceeding twenty-five percent, is or was within the past five years an officer, director, partner or person with an interest exceeding twenty-five percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC;

[~~(3)~~] (4) the applicant is or was within the past five years an officer, director, partner or person with an interest exceeding twenty-five percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC; or

[~~(4)~~] (5) the applicant is a corporation, [~~or~~] limited liability company, limited liability limited partnership, or limited partnership and is not registered or is not in good standing with the [~~**public regulation commission**~~] New Mexico secretary of state to do business in New Mexico.

[~~**(5) the applicant is a limited partnership and is not registered with the New Mexico secretary of state to do business in New Mexico.**~~]

[~~C~~] D. An operator shall inform the division of its current address of record and emergency contact names and telephone numbers by submitting changes in writing to the division's financial assurance administrator in the division's Santa Fe office within 30 days of the change.

[~~D~~] E. [~~The division may require an~~] A representative designated by the operator [~~or applicant to~~] [~~identify~~] shall certify compliance annually of its current and past officers, directors and partners and its current and past ownership interest in other operators consistent with Paragraphs (2) and (3) of Subsection C of 19.15.9.8 NMAC.

[19.15.9.8 NMAC - Rp, 19.15.3.100 NMAC, 12/01/2008; A, 9/22/2026]

19.15.9.9 CHANGE OF OPERATOR:

A. A change of operator occurs when the entity responsible for a well or a group of wells changes. A change of operator may result from a sale, assignment by a court, a change in operating agreement or other transaction. Under a change of operator, wells are moved from the OGRID number of the operator of record with 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 a representative designated by the operator of the new operator that within the past 10 years the new operator has not been subject to any final administrative forfeiture demand from any state or federal agency, has not forfeited financial assurance to any state or federal agency, and has not been out of compliance with an adjudicated order or settlement agreement with a state or federal agency for any state or federal violation related to oil and gas laws or regulations in any domestic jurisdiction 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 twenty-five percent, who is or was within the past five years an officer, director, partner, or person with an interest exceeding twenty-five 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 twenty-five 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 a representative designated by 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.

C. The director or the director's designee may deny a change of operator if:

(1) the new operator is not in compliance with Subsection A of 19.15.5.9 NMAC [~~or~~]

[~~(2) the new operator is acquiring wells, facilities or sites subject to a compliance order requiring remediation or abatement of contamination, or compliance with 19.15.25.8 NMAC, and the new operator has not entered into an agreed compliance order setting a schedule for compliance with the existing order~~].

(2) within the past 10 years the new operator has had a final administrative forfeiture demand from any state or federal agency, has forfeited financial assurance to any state or federal agency, or has been out of compliance with an adjudicated order or settlement agreement with a state or federal agency for any state or federal violation related to oil and gas laws or regulations in any domestic jurisdiction in which the new operator does business;

(3) any officer, director, partner in the new operator or person with an interest in the new operator exceeding twenty-five percent, who is or was within the past five years an officer, director, partner, or person with an interest exceeding twenty-five percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC;

(4) the new operator is or was within the past five years an officer, director, partner, or person with an interest exceeding twenty-five percent in another entity that is not currently in compliance with Subsection A of 19.15.5.9 NMAC;

(5) the applicant is a corporation, limited liability company, limited liability limited partnership, or limited partnership and is not registered or is not in good standing with the New Mexico secretary of state to do business in New Mexico; or

(6) the certification or disclosure requirements set forth in Subsection B of this section disclose a substantial risk that the new operator would be unable to satisfy the plugging and abandonment requirements of 19.15.25 NMAC for the well or wells the new operator intends to take over.

D. In determining whether to grant or deny a change of operator when the new operator is not in compliance with Subsection A of 19.15.5.9 NMAC, the director or the director's designee shall consider such factors as whether the non-compliance with Subsection A of 19.15.5.9 NMAC is caused by the operator not meeting the financial assurance requirements of 19.15.8 NMAC, being subject to a division or commission order finding the operator to be in violation of an order requiring corrective action, having a penalty assessment that has been unpaid for more than 70 days since the issuance of the order assessing the penalty or having [~~more than the allowed number of~~] wells out of compliance with 19.15.25.8 NMAC]. If the non-compliance is caused by the operator having [~~more than the allowed number of~~] wells not in compliance with 19.15.25.8 NMAC, the director or director's designee shall consider the number of wells not in compliance, the length of time the wells have been out of compliance and the operator's efforts to bring the wells into compliance.

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.
[19.15.9.9 NMAC - Rp, 19.15.3.100 NMAC, 12/01/2008; A, 9/22/2026]