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FOR IMMEDIATE RELEASE:

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EMNRD's Oil Conservation Division issues civil penalties to Five Operators for Failure to File Methane Waste Rule Quarterly Report

Santa Fe, NM – Today the Energy, Minerals and Natural Resources Department's (EMNRD) Oil Conservation Division (OCD) announces that it issued five notices of violation (NOV) and associated administrative civil penalties to the following operators for failure to file C-115b data as required by 19.15.27 and 19.15.28 NMAC. The operators issued NOVs today produce the highest volume of natural gas among operators who have not reported and who have not contacted OCD to attempt to file as of March 9, 2022.

| Operator | Operator ID | Reported Gas Produced During Reporting Period (mcf) | Penalty Amount |
|---------------------------|----------------|---|-------------------|
| Great Western Drilling Co | 9338 | 199,686 | \$55 <i>,</i> 000 |
| V-F Petroleum, Inc | 240101 | 80,609 | \$55 <i>,</i> 000 |
| H-L Brown Operating, LLC | 213179 | 94,925 | \$55 <i>,</i> 000 |
| Parallel Petroleum, LLC | 230287 | 94,071 | \$55 <i>,</i> 000 |
| Southbound Gas Company | 373483 | 61,252 | \$55 <i>,</i> 000 |

All operators were required to file C-115b data using the division's web-based online application on or before the 15th day of February 2022. On February 18, 2022, the OCD notified 408 operators of their failure to comply and published the list of operators on the <u>OCD Compliance</u> <u>webpage</u>. OCD has since worked with operators who reached out to rectify problems, answer questions, and ultimately assisted many operators in successful filing. As a result of the OCD's actions 158 additional operators were able to file and come into compliance. 250 operators remain out of reporting compliance, and were sent a second notification today. Lists of those operators failing to file, those who have filed, and those still being investigated can be found on the OCD Compliance <u>webpage</u>. While there are still companies that need to come into compliance, the reporting operators represent 98.6% of the produced gas and 88% of the wells in the state.



The operators issued NOVs today now have the opportunity to discuss an informal resolution with OCD. If an informal resolution is not reached, OCD will hold a hearing on the violations.

OCD encourages operators to continue reaching out if they have complications with submissions or with any questions or feedback by emailing <u>EMNRD.Wasterule@state.nm.us</u>.