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FOR IMMEDIATE RELEASE:

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April 30, 2020



EMNRD Oil Conservation Division Announces Additional Guidance on Compliance

Santa Fe – Today the Energy, Minerals and Natural Resources Department (EMNRD) announces additional guidance for oil and gas operators and the public working with the Oil Conservation Division (OCD) in response to the Public Health Emergency on COVID-19. Today's guidance expands on the initial guidance that took effect on March 20, 2020. The OCD has taken prudent precautionary steps to ensure proper social distancing by transitioning the Division to telework. During this time, the agency has communicated with stakeholders, including industry groups, who have provided suggestions and support for the agency's actions. The OCD has implemented measures that continue to protect public health and the environment and provide the best customer service possible during this public health emergency while complying with the mandate to maintain social distance.

"This is an unprecedented time for our state, and the nation," said EMNRD Cabinet Secretary Sarah Cottrell Propst. "As the COVID-19 public health situation has changed and the global reality of energy demands has shifted in response to the pandemic, the OCD is in constant communication with stakeholders about new processes and the changing needs of industry."

Today's additional guidance provides more details on:

- **Working with the OCD:** The OCD remains open for business for the public and the oil and gas industry. However, all OCD offices are closed to the public and we request that communications be conducted electronically whenever possible to protect the public, the regulated community, and OCD staff. The OCD has developed several electronic processes to receive applications, fees, and other correspondence. The comprehensive "How To" document can be found here. If an operator is unable to submit paperwork electronically, applications can also be mailed to EMNRD at the Wendell Chino Building, 1220 S. St Francis Dr., Santa Fe, NM 87505.
- **Hearings:** OCD examiner hearings have transitioned to virtual hearings to prevent the spread of COVID-19. Procedures for participating in virtual hearings can be found here. The OCD will work with the Attorney General's Office to develop procedures for Oil Conservation Commission meetings.

• **Compliance:** The COVID-19 public health emergency has contributed to a sharp drop in oil prices that may cause operators to cease production at a number of their wells and may make compliance with certain reporting requirements difficult. OCD will work with operators on a case by case basis who come forward and seek extensions of time to achieve compliance. More details on extension requests and the process to shut-in wells is found in the <u>public notice</u> released today. The OCD has already begun issuing Agreed Compliance Orders so operators can shut-in wells due to economic hardship.

The policy of shutting in wells or receiving an extension on a compliance issue does not apply to violations of law resulting from incidents that may cause health, safety, waste, or environmental concerns.

The OCD continues to follow our statutory mandate to prevent waste, protect correlative rights, and protect public health and the environment during this changing situation.

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The Energy, Minerals and Natural Resources Department provides resource protection and renewable energy resource development services to the public and other state agencies.

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