



Stephanie Garcia Richard, State Land Commissioner
State of New Mexico

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Oil Conservation Commission to Officially Review Hilcorp Decision

SANTA FE, NM – Thanks to the commitment of Commissioner of Public Lands Stephanie Garcia Richard, Governor Michelle Lujan-Grisham, and her Secretary-designate Sarah Propst Cottrell in making citizens' and advocates' voices a part of government, the application for Texas-based Hilcorp Energy Co. to double its well density in the San Juan area will be reconsidered at a hearing on Tuesday, January 8, 2019.

On her first day in office, Commissioner Garcia Richard requested that the Oil Conservation Commission (OCC) review its previous decision regarding the Hilcorp application. The three-member state Oil Conservation Commission has agreed to review its decision to allow Hilcorp Energy Co. to increase the density of natural gas wells in New Mexico's San Juan Basin.

On December 31, 2018, departing OCD Director Heather Riley's final day in the position, former Commissioner Dunn received a letter from Director Riley stating that the OCC would not consider the State Land Office's (SLO) December 24, 2018 Application for Rehearing in Case No. 16403. In response, Commissioner Garcia Richard noted that Director Riley did not constitute a valid action of the OCC and violated Section 19.15.4.25 NMAC, which requires ten business days to pass before an application for rehearing is deemed denied without formal action by the OCC.

In her January 2, 2019 letter, Commissioner Garcia Richard further requested that the Secretary-designate, Sarah Cottrell Propst convene a special meeting of the OCC to consider the SLO's application. On January 3, 2019, Secretary Designate Cottrell Propst issued a notice of the January 8, 2019 hearing to consider the application.

"The original decision was not only in violation of the Open Meetings Act and OCC rules but it set a dangerous precedent," said Commissioner Garcia Richard. "It is imperative that we make a decision in the region that ensures long-term sustainability and production that is fair to every producer in the state," noted Commissioner Garcia Richard.



Oil, gas, and mineral production, ranching and farming, and commercial development on State Trust Lands support public schools, seven universities, New Mexico Military Institute, New Mexico School for the Deaf, New Mexico School for the Blind and Visually Impaired, three hospitals, correctional facilities, water conservation projects, and public building construction and repair. In fiscal year 2018, the State Land Office collected \$852 million from lease payments, oil and gas lease sale earnings, rights-of-way, permits, interest, fees, and oil, gas, and mineral royalties.