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EMNRD's Oil Conservation Division completes compliance actions and well plugging

Santa Fe, NM – Today the Energy, Minerals and Natural Resources Department's (EMNRD) Oil Conservation Division (OCD) announces enforcement actions taken during the 2020-2021 fiscal year. Since the OCD regained authority to issue administrative compliance actions in February 2020, it has filed 23 complaints, of which 9 have been resolved, resulting in \$263,000 in civil penalties. These civil penalties went directly to the state's general fund.

Of OCD's complaints filed in this fiscal year, 13 involve operators who did not comply with the requirements for inactive wells and financial assurance for almost 200 wells. OCD's rules require an operator to either return inactive wells to production or plug and abandon them, which not only protects public health and the environment, but makes it less likely that the state will need to plug and abandon the wells down the road.

"In the past two years the OCD has reinforced its commitment to compliance and that has only accelerated in the past fiscal year," said OCD Director Adrienne Sandoval. "Compliance actions and orphan well plugging requires hours of work across the Division and I'm proud of the work done by our team to identify necessary actions and see them through to the end. Our continued work to modernize the Division and work efficiently is paying off."

Additionally, during this fiscal year, the OCD plugged 49 orphaned wells. A well is "orphaned" when an operator becomes insolvent, leaving the responsibility to plug the well and reclaim the site to the state. Wells and associated facilities that are orphaned can cause environmental damage by leaking methane and damaging groundwater. On average the cost to plug an orphaned well has risen to \$35,000 per well, and [EMNRD supports efforts](#) on the federal level to increase funding for plugging and remediation efforts nationwide.

The 23 complaints only represent formal enforcement actions that assess civil penalties. The OCD continues to issue field citations that require operators to follow-up and solve immediate problems in the field as they are identified.

The public is encouraged to notify the OCD about releases and other potential compliance incidents. Email OCD.ENVIRO@state.nm.us with as many details about the incident as possible so the OCD can investigate the matter.



An orphaned well before plugging.



The orphaned well after plugging and reclamation.

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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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