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EMNRD's Oil Conservation Division Issues Civil Penalties to XTO Permian Operating, LLC and Mewbourne Oil Company

Penalties include operating under expired permits and not meeting the written operational and reporting conditions of approval at five injection wells

Santa Fe, NM – The Energy, Minerals and Natural Resources Department's (EMNRD) Oil Conservation Division (OCD) announces that it issued a notice of violation (NOV) and cumulative associated administrative civil penalties of \$2,247,100 to XTO Permian Operating, LLC (XTO) and \$7,200 to Mewbourne Oil Company (Mewbourne), for failing to comply with the operational and reporting conditions of approval at a total of five Underground Injection Control (UIC) class II Well facilities. Failure to comply with the required terms, conditions, and provisions of a permit, administrative order, authorization, or approval undermines the OCD's ability to ensure that SWDs are properly constructed and puts human health and the environment at risk of seismic events or other impacts.

The OCD takes the risk of induced seismicity from oil and gas operations very seriously. On November 23, 2021 the OCD [announced new guidelines](#) for operators in an effort to prevent, mitigate, and reduce seismic activity caused by UIC class II injection disposal wells for produced water and other fluids generated during oil and gas production. The guidelines came in response to increased seismic activity in the southeast close to the Texas border and in the north-central region. Data suggests this activity is associated with UIC disposal operations. The guidelines include immediate response protocols for UIC disposal well operators to follow, including reporting and operational requirements and the next steps the OCD will take if seismic activity continues in each area.

As part of the development of the protocol, OCD conducted a compliance review of all UIC wells in the County Line Seismic Response Area. During the investigation, OCD staff discovered that the injection permit conditions at four wells operated by XTO and one well operated by Mewbourne were out of compliance with their approved plans and written conditions of approval. The NOV's cumulatively address thirty-six separate violations, including failure to perform tests such as Mechanical Integrity Tests (MIT) or bottom-hole pressure measurement, and failure to comply with operational requirements such as cement circulation among other things. Both XTO and Mewbourne also failed to submit necessary documentation to comply with the outlined terms, conditions, and provisions of the permits.

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The operators 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.

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