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Independent Petroleum Association of New Mexico

UIC Guidelines – Injection Well Update

Case Number 16337

September 17, 2018

Our thanks to Kevin Burns of 3Bear Energy who represented IPANM during four recent workgroup meetings to try to define better regulatory guidelines for large volume deep disposal wells.

As a result of his efforts through the workgroup, the Oil Conservation Division (OCD) is currently considering coming out with some new Underground Injection Control Guidelines for industry. Based on the preliminary discussions that came out of the workgroup, there may be three main points for the new guidelines.

Three main points to the new potential guidelines:

1. New disposal wells should include the need to initiate a 1-mile AOR (Area of Review Notification), whereby all operators/lease holders/mineral right holders in that radius would have to be notified of the new well to be drilled.
2. The new disposal well should have bottom-hole pressure test (in addition to all other tests).
3. The operator should file a statement from a “qualified person” to specific the volume of space the well will take. The OCD would be looking for data from a geologist or geophysicist to support the volume estimates. The level of detail to be included in this statement should be proportional to the injection volume/day. (For example, if a well is less than 30,000 barrels, a brief, one-page letter of explanation and data may be adequate vs. a more detailed analysis that may be needed for greater volumes.)

Please keep in mind that the three points listed above are very preliminary and may not necessarily be reflected in the final guidelines. The OCD is looking to phrase the above points as “guidelines” and not rules. In other words, if you follow the guidelines and demonstrate compliance, you will have a greater chance to get a quicker approval. If OCD thinks your APD doesn’t adequately address these guidelines, you will be more likely to be bogged down in delays for approval due to back-and-forth between you and OCD.

The OCD and the industry working group agree that updating guidelines is a better, more efficient option vs. holding a new rulemaking hearing. However, the Oil Conservation Commission (OCC) will consider making some minor language and definitions for underground injection wells for the state record at an Oct. 11, 2018 OCC meeting in Santa Fe. F

For members who wish to get further into the details and all hearing documents, please go to the OCD Online Case File Search Page:

<Link with Button: “OCD Online Case File Search Page”>

<http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>

Under “**ENTER CASE NUMBER**”, enter Case Number “**16377**” for a full list of imaging documents.