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Orphan well clean-up work begins

EMNRD's Oil Conservation Division targets Lea County well as first plugging site 30 days after receiving \$25 million federal grant

SANTA FE, NM – The Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) has begun plugging orphaned wells with grant funds awarded through the federal Bipartisan Infrastructure Law.

On October 1, 2022, New Mexico received a \$25 million Initial Grant to address orphaned oil and gas wells and associated facilities on state and private lands across the state. The first plugging operation under this initiative started October 31, 2022, on a well located just east of Hobbs in Lea County.

There are approximately 1,700 orphaned wells on state and private land in New Mexico. The OCD has an existing orphan well program and has been able to plug about 50 wells each year using the Reclamation Fund created by the state legislature years ago for this purpose. In 2018, the state updated its well bonding requirements so more funding would be available for plugging and remediation when a company goes bankrupt. In addition, the Lujan Grisham administration's focus on compliance and reporting is preventing the creation of more orphan wells.

Two hundred wells in twelve months

The additional federal funding allows the OCD to plug and reclaim orphaned sites at a faster pace, protect the environment and help reclaim sites for other uses while employing oilfield workers and others. It is anticipated that in the next twelve months 200 wells can be plugged along with the cleanup and surface restoration of 50 to 60 locations.

As part of its ongoing clean-up efforts, OCD regularly inspects well sites, reviews historical records and employs new technology to measure emissions of methane (a potent greenhouse gas) and other harmful gases at a large number of orphaned wells. This data is combined with other factors to determine which sites should be prioritized for remediation.

The well in Lea County rose to the top of the priority list because it was recently discovered to be releasing a significant amount of methane and hydrogen sulfide gas in an agricultural area within approximately 1,000 feet of local residences.

“This site clearly met our criteria for warranting swift remediation actions, since it is releasing substances that are potentially harmful both to the local environment and local residents,” said OCD Division Director Adrienne Sandoval. “Funds from the Bipartisan Infrastructure Law will help us move through our priority list and address more of these sites much faster than we would have otherwise.”

New Mexico is one of 26 oil-producing states using the Bipartisan Infrastructure Law to address orphaned oil and gas wells and associated facilities. New Mexico is in an advantageous position to benefit compared to other states given our established program and expertise, allowing us to begin plugging almost immediately after receiving the funding on October 1, 2022. Additional federal funding through Formula Grants will become available to New Mexico in mid-2023 to continue enhancing the orphan well program for years in the future.



This leaking orphaned well, last operated by Robinson Oil of Eunice, NM, was placed at the top of OCD’s priority list and is scheduled to be plugged with federal funds beginning on October 31, 2022.

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