

Procedures for Placing and Maintaining a Salt Water Disposal Injection Well on State Trust Lands

- Salt Water Disposal Easements are covered under NMAC 19.2.11.
- Salt Water (Produced Water) is a byproduct of oil and gas production. Oil and gas reservoirs have a natural water layer (formation water) that lies under the hydrocarbons. Oil reservoirs frequently contain large volumes of water, while gas reservoirs tend to have smaller quantities. Salt water is disposed of by injecting it back into underground rock formations that are not productive of oil & gas or into the same reservoir it originated from for secondary oil recovery. The injection formation information for each disposal well easement is reviewed at the Land Office.
- Salt Water Easements are normally issued for five years, and up to 2.5 acres for the well site. Requires a \$250.00 non-refundable application fee.
- Tier One Salt Water Disposal Wells: Grantee represents and warrants that the operation of Salt Water Disposal wells is not Grantee's primary business.
- Tier Two Salt Water Disposal Wells: Grantee represents and warrants that the operation of Salt Water Disposal wells is Grantee's primary business.
- A Right of Entry Permit for Reclamation/Remediation/Revegetation is granted when the site is no longer accepting salt water for disposal and must be returned to its original condition. \$500.00 per year plus \$250.00 non-refundable application fee.

Salt Water Disposal Injection Well Easement Application Procedures

1. Submit to: Commissioner of Public Lands
Oil, Gas and Minerals Division
New Mexico State Land Office
P.O. Box 1148
310 Old Santa Fe Trail
Santa Fe, NM 87504-1148
2. Application Fees: \$250.00 non-refundable
3. Easement Rent: Tier 1 operation \$10,000.00 + \$0.05 per barrel per year
4. Easement Rent: Tier 2 operation \$10,000.00 + \$0.11 per barrel per year

Required with Application:

- Use only the current application on the website
- API# and Well Name and copy of C-102
- Survey plat of easement site
- Copy of OCD order and C-108
- Financial Assurance consists of two bonds:
 - – \$10,000 Contract Performance & Surface Damage Bond per well
 - – \$250,000 Reclamation Bond per well, due within 45 days of final signature on the easement
- Cultural Resources Acknowledgement

Other:

1. Assignment fee is \$50.00 per Salt Water Disposal Easement. Submit **three** originals. Assignee must have proper financial assurance on file with SLO before the assignment will be approved.

Standard processing time – Approximately 8-10 months.