



U.S. Department of the Interior  
Bureau of Land Management

September 4, 2025

# 2025 NMSLO Industry Training Traversing Well





# Relevant Terminology

- 1) Trespass
- 2) Mineral Trespass
- 3) Drilling Without Approval
- 4) Traversing well



# What is Trespass?

Trespass of Federal oil and gas occurs when an operator drills into unleased Federal minerals, or into Federal minerals which is leased to another entity without permission from the lessee to operate on the lease. (OIG Report No. CR-IS-BLM-0004-2014)



# What is Mineral Trespass?

A mineral trespass occurs when an operator, either intentionally or unintentionally, completes and produces oil or gas (including drill stem testing) or removes drill cores from a well in leased mineral estate where the operator has no legally recognizable interest, or from a Federal or Indian mineral estate that is unleased (BLM IM 2020-028)

The regulation cited for Mineral Trespass is 43 CFR 9239.0-7 which states, “**extraction, severance, injury, or removal of ... mineral materials** from public lands under the jurisdiction of the Department of the Interior, except when authorized by law and the regulations of the Department, is an act of trespass.”



# What is Drilling Without Approval (DWOA)?

- DWOA cases include those where a Federal or Indian oil and gas lessee, working interest owner, or operator drills a well into the leasehold with the intent to produce oil and/or gas or to explore the mineral resources, or causes surface disturbance on Federal or Indian surface preliminary to drilling, before the BLM approves an APD. (BLM PIM 2016-001)
- **DWOA differs from mineral trespass.** Mineral trespass is where a party who is *not* the lessee, working interest owner, or operator, drills an oil and/or gas well into unleased Federal or Indian mineral estate, with the intent to produce oil and/or gas or to explore for mineral resources.



# DWOA vs. Trespass

In this diagram, Well A has been drilled from private land in Section 31 and penetrated Federal minerals in Section 20. If the operator of Well A did not lease the Federal minerals in Section 20, or if they are

leased to another entity, then Well A is in trespass.

If the operator of Well A has leased or has operating rights to the Federal minerals, but has not received approval to drill from BLM, the well is DWOA.

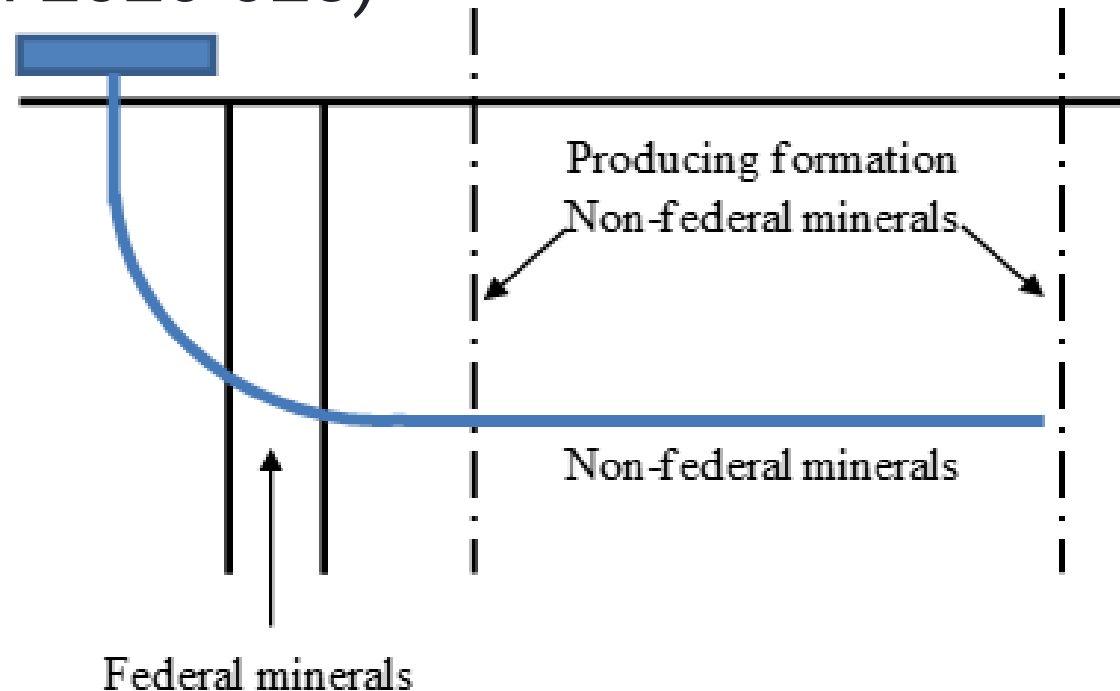
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# What is a Traversing Well?

A traversing well is a well that passes through Federal or Indian minerals without BLM approval or knowledge, but does not produce from those lands, whether those lands are leased or unleased (BLM IM 2020-028)





# Case Law

## **True Oil LLC and True Ranches LLC v. Bureau of Land Management (BLM), Case No. 2:22-CV-188-KHR**

### **Background**

- Concerns a split estate in Laramie County, Wyoming, where True Ranches owns the surface estate and the BLM manages the mineral estate.
- True Oil planned to drill horizontal wells that would traverse federal minerals beneath the surface estate.
- BLM required a federal Application for Permit to Drill (APD) before allowing such activity

### **Pore Space Controversy**

- The court acknowledges that under Wyoming law, pore space is generally owned by the surface estate holder.
- However, the court did not apply Wyoming law in this case because the dispute involved federal minerals and a split estate created by federal statute (the Stock Raising Homestead Act).
- Instead, the court applied federal law, particularly the Property Clause and the Mineral Leasing Act, which gave the BLM authority to regulate subsurface activity to protect federal mineral interests.





# Case Law

## Legal Framework

- The court analyzed the issue under the Stock Raising Homestead Act (SRHA) and the Mineral Leasing Act (MLA).
- It concluded that the SRHA reserves only extractable minerals to the federal government, not the entire subsurface.
- However, under the Property Clause of the U.S. Constitution, Congress retains broad authority to regulate and protect federal mineral interests. The court found that requiring an APD is consistent with the MLA's purpose of orderly development and protection of federal mineral resources.

## Conclusion

- The court held that the BLM acted within its statutory authority by requiring a federal APD to protect federal mineral interests.
- The regulation was deemed reasonable and necessary to prevent potential trespass and protect future mineral development.



# Back Building

A **back build well** is a type of directional well where the wellbore trajectory includes a **second build section**—after the initial build and hold—designed to curve the wellbore back toward a target zone. This is often used to access **federal minerals** from a **private surface location**, especially when surface access to federal land is restricted or unavailable.

## Example Scenario





# Back Building

## Common issues associated with back building:

- ❖ Mineral ownership
- ❖ Legal Rights
- ❖ Anti Collision

## BLM Carlsbad approach:

- ❖ Submit Application for Permit to Drill (APD)
- ❖ Self Certification
- ❖ Statement of Notification to the lessee



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# Reminder

LDAR plan is due **December 10, 2025.**

Send paper copy to BLM NM State Office and to all relevant field offices:

**Bureau of Land Management**

**Attn: Mustafa Haque**

**301 Dinosaur Trail**

**Santa Fe, NM 87508**

Send electronic copy to: **BLM\_NM\_LDAR@BLM.GOV**



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# QUESTIONS/ COMMENTS

**THANK YOU FOR YOUR TIME!!**

**Mustafa Haque**

Oil and Gas Program Lead

Bureau of Land Management

New Mexico State Office- Minerals Division

301 Dinosaur Trail

Santa Fe, NM 87508

**Cell: 505-270-7064**

**e-mail: [mhaque@blm.gov](mailto:mhaque@blm.gov)**