



# **SLO Industry day - OCD**

## **APD Submission Best Practices and OCD Announcements**

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Presented by  
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09/04/2025

# Application for Permit to Drill (APD)

- APD's must be submitted for all mineral types
  - Federal, State, Private, Tribal
- December 11, 2023, OCD posted a notice reiterating OCD's concurrent jurisdiction for federal lands.

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Dylan M. Fuge**  
Deputy Secretary

**Dylan M. Fuge**, Division Director (Acting)  
**Oil Conservation Division**



## **NOTICE**

### **Title 19- Clarification of State of New Mexico Authority Regarding Federal Minerals 12-11-2023**

Given several recent incidents, the New Mexico Oil Conservation Division ("OCD") wishes to remind operators regarding the administrative requirements related to wells on federal lands or minerals in the State of New Mexico. OCD has concurrent jurisdiction with the federal government over those wells/facilities. OCD's authority is referenced under 19.15.7.9.(C) NMAC which states:

**C. All such forms filed with the BLM involving federal lands or minerals are subject to division approval in the same manner and to the same extent as the corresponding division forms.** All forms approved or processed to completion by the BLM for wells on federal lands or accessing federal minerals shall be filed with division for approval using the online application process on the division's website no later than the time period in the rules for the equivalent division form or five business days after the BLM approves or processes to completion if no deadline is provided, except:

- (1) for subsequent reports of work performed that are first reported to the BLM on a C-103 or a C-105 equivalent, if within 30 days of submittal, the BLM has not approved or processed to completion such submittal, the operator shall within 10 days file the state equivalent form with the division; and
- (2) once the BLM processes to completion or approves the federal submittal, the operator shall file within ten business days the submittal processed to completion or approved by the BLM.

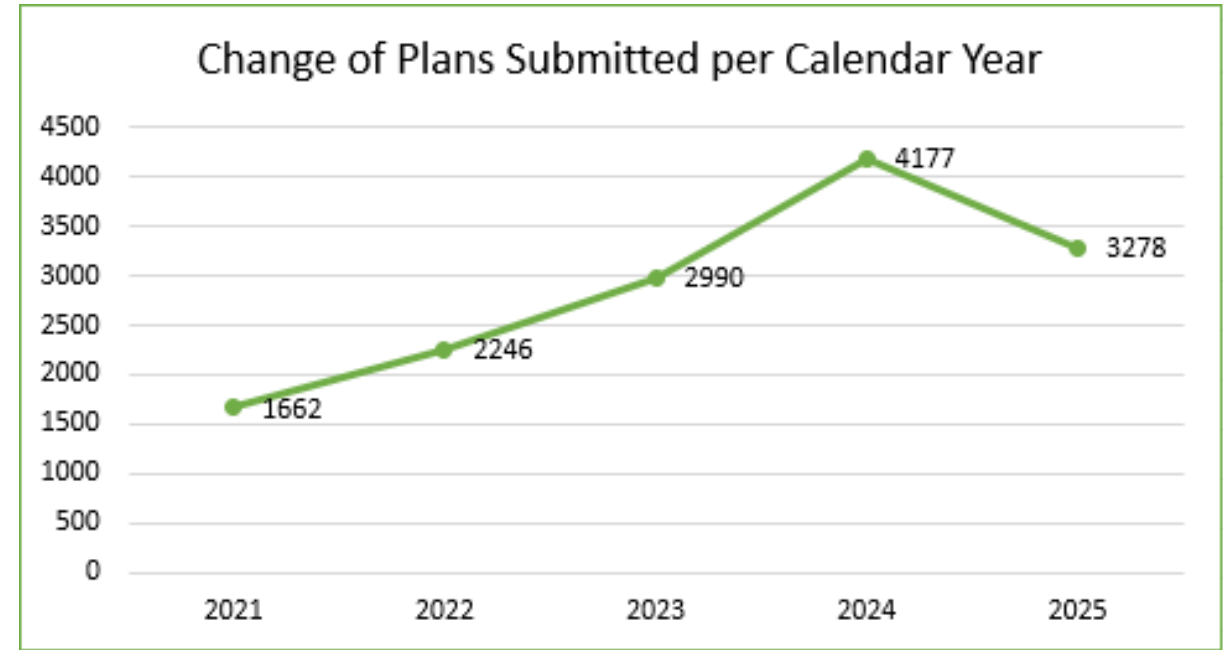
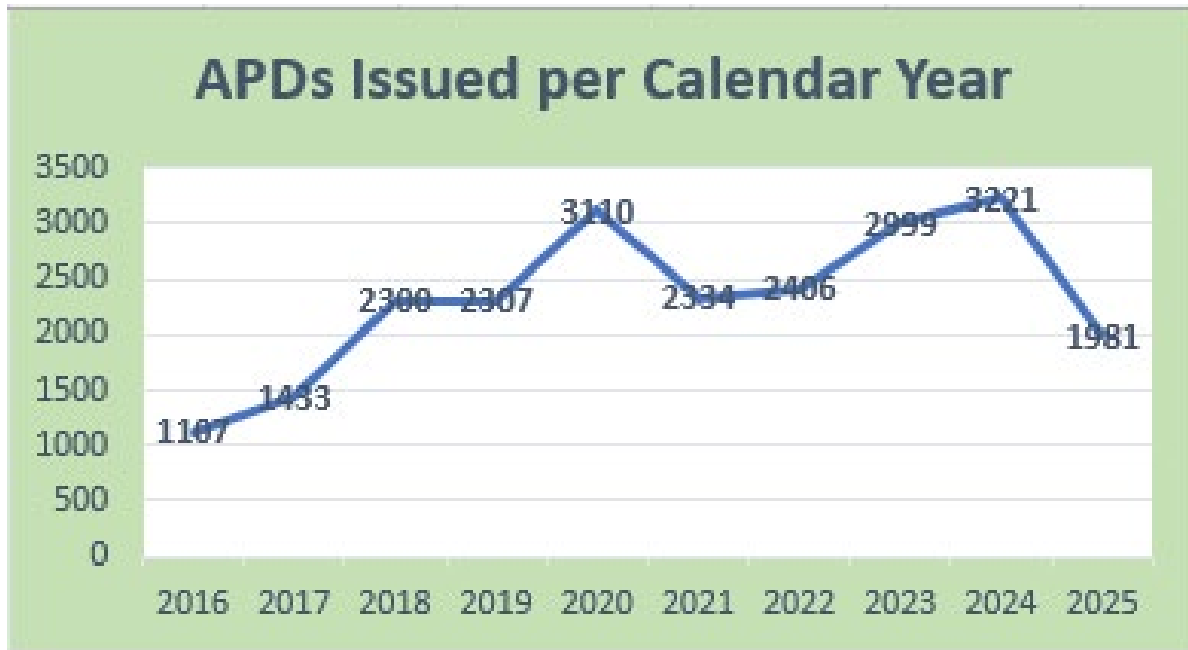
Prior to any work commencing on federal land or minerals, the Operator must have a Notice of Intent or APD approved by both BLM and OCD. For State and Private land and minerals the operator must have an approved Notice of intent or APD from OCD prior to commencing work. Failure to comply may result in issuance of sanctions to the operator, including but not limited to civil penalties or requirements to take corrective actions prior to continued production of the well(s). OCD considers the disregard of those requirements and obligations a serious violation of its rules.

# APD Required Items

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- C-101 for State/Fee Minerals or BLM **Approved** 3160-3 for Federal minerals
- C-102
- Drilling plan (mud details)
- Casing/Cement plan details
- Proposed Directional Survey
- Proposed wellbore diagram
- Natural Gas Management Plan (NGMP)
- Change of plans (if applicable)

# New Mexico APDs and Change of Plans (Yearly)



| Year   | Total Permits | Drilled | Overage |
|--|---------------|---------|---------|
| 2021   | 3996          | 1534    | 2462    |
| 2022   | 4652          | 1690    | 2962    |
| 2023   | 5989          | 1603    | 4386    |
| 2024   | 7398          | **      | **      |
| 2025   | 5259          | **      | **      |
| ** due to backlog accurate #s can't be shown |               |         |         |

# Best Practices

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- C-101
  - State APDs are submitted electronically
  - Well name must comply with well naming convention
  - Lat and Long need to have minimum of 5 decimal places
- 3160-03
  - Must be approved by BLM
- C-102
  - **All boxes must be populated**
  - If the pool is unknown prior to submittal of the C-102, at minimum please report the target formation of the well
  - Surface and mineral owner must always be marked
  - Overlapping spacing unit as well as setbacks under common ownership must always be answered either yes or no.
  - Order numbers must but reported if available (CP, NSL, NSP, other as applicable)
  - Must be signed and stamped by certified surveyor
    - Surveyors signature date must match data entry from the Operator for EP APDs

# Best Practices Cont.

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- Drilling plan
  - Must include mud program details such as base fluid type
- Casing/Cement plan details
  - Casing and Cement information to ensure aquifer and zonal isolation as per OCD regulations
  - Surface casing shall be set to be protective of surface waters and above the first occurrence of salt and/or hydrocarbons
- NGMP (Natural Gas Management Plan)
  - Complete necessary information for your Operator only
- Proposed Directional Survey
  - Ensure the proposed production depth is within the correct formation
- Proposed wellbore diagram shall include
  - Casing information such as size, grade, weight, and depths
  - Cement information such as class/type, sacks, and yield
  - Tools, packers, and other items list depth and type



# OCD Announcements

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- Effective April 2025, OCD has officially started an Environmental Field Compliance team
  - Supervisor: Brittany Hall (Aztec)
  - Phone: (505) 517-5333
  - Email: [Brittany.Hall@emnrd.nm.gov](mailto:Brittany.Hall@emnrd.nm.gov)
- Effective June 2025, OCD has officially started a Class VI UIC team
  - Supervisor: Basker Murugappan
  - Phone: (505) 607-4624
  - Email: [Basker.Murugappan@emnrd.nm.gov](mailto:Basker.Murugappan@emnrd.nm.gov)

# Field Compliance Teams

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## ENGINEERING

- New Drill cement operations
- Plugging operations
- Bradenhead tests
- Mechanical Integrity Tests

## ENVIRONMENTAL

- Confirmation/final sampling witnessing
- Facility inspections
- Initial incident inspections
- Public complaint inspections

Engineering and Environmental will also work in unison with each other and may perform dual site inspections depending on field situations and/or work being performed.



# Field Compliance Cont.

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- As soon as practical, but no later than one year after the completion of plugging operations, the operator shall:
  - level the location;
  - remove deadmen and other junk; and
  - take other measures necessary or required by the division to restore the location to a safe and clean condition.
- The operator shall close all pits and below-grade tanks pursuant to 19.15.17 NMAC.
- Upon completion of plugging and clean up restoration operations as required, the operator shall contact the appropriate division district office to arrange for an inspection of the well and location.

**Note:** Any item that the landowner has agreed to leave in place must have a signed letter from the landowner accompanying the C-103Q submission specifically addressing the site, item, and API number.

# Location 1 (30-021-20377)



1/7/2025

Sign removed, fence  
around the well pad  
in place.

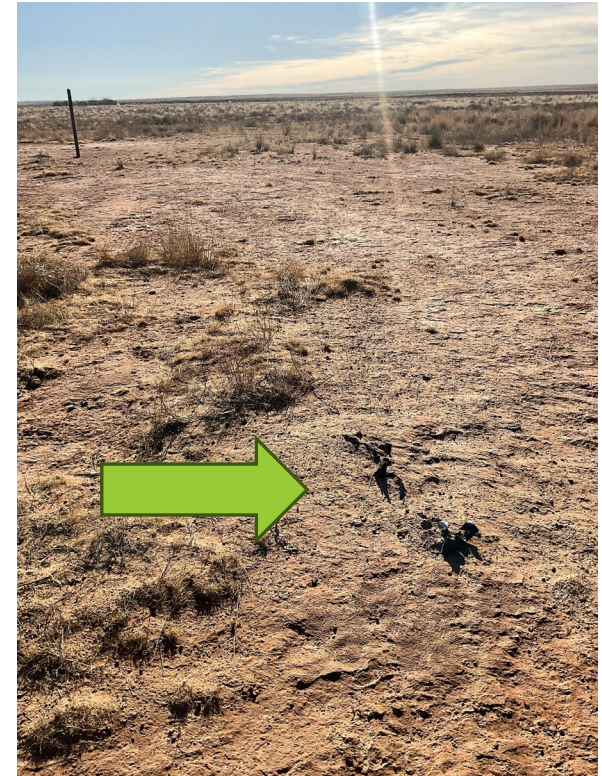
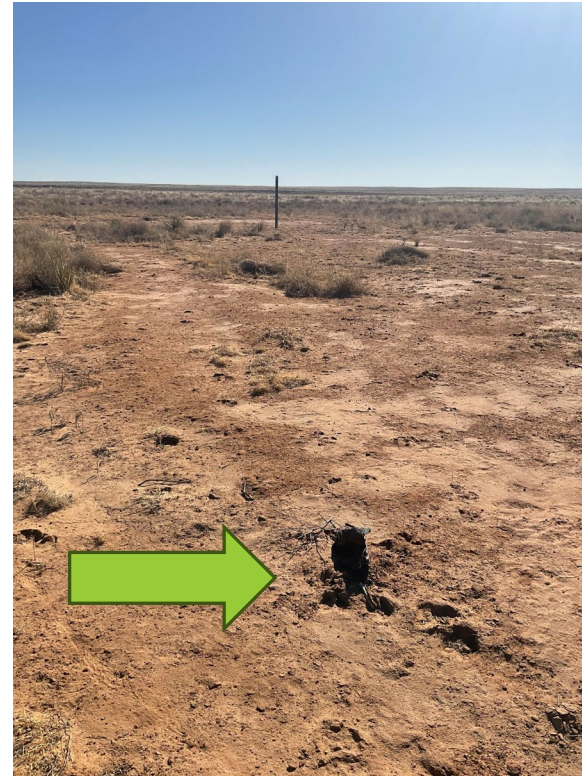
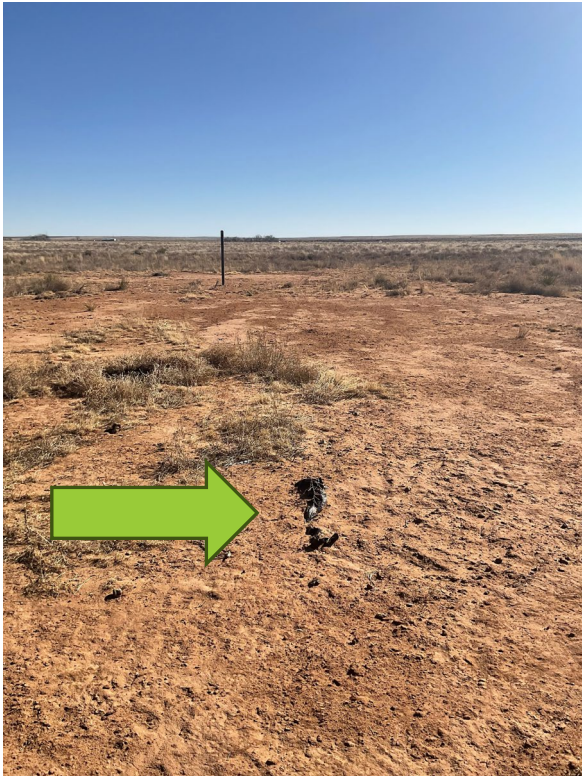


3/12/2025



# Location 2 (30-021-20425)

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Exposed PIT liner



# Location 3 (30-021-20517)



2/20/2025

Rig anchor  
left in place



3/13/2025

