

# CARLSBAD BRINE WELL REMEDIATION PROJECT

MANAGED WITHIN THE ENERGY, MINERALS AND NATURAL  
RESOURCES DEPARTMENT



## BACKGROUND

SINCE 2009 EMNRD HAS BEEN INVOLVED IN THE CHARACTERIZATION AND HOPEFUL PREVENTATIVE MITIGATION OF THE PROBABLE COLLAPSE OF AN UNSTABLE BRINE CAVERN LOCATED UNDERNEATH CARLSBAD. IN 2017 A STATUTE WAS ENACTED ESTABLISHING THE CARLSBAD BRINE WELL REMEDIATION AUTHORITY.

## WHAT IS A BRINE WELL

A BRINE WELL IN THE OIL AND GAS INDUSTRY IS A FACILITY FOR THE SOLUTION MINING OF SALT. WATER LOW IN DISSOLVED SOLIDS IS INJECTED INTO NATURAL UNDERGROUND SALT FORMATIONS TO DISSOLVE SALT TO PRODUCE BRINE, WHICH IS THEN EXTRACTED.

OPERATIONS ON THE CARLSBAD BRINE WELL WERE SUSPENDED IN 2008.

## TIMELINE

- **2017: REQUEST FOR PROPOSAL FOR DESIGN OF A BACKFILLING PROGRAM**
- **2018: EMNRD ENTERS INTO CONTRACT WITH WOOD ENVIRONMENT AND INFRASTRUCTURE SOLUTION TO UNDERTAKE THE DESIGN AND BUILD EFFORT**
- **2019: APPROVAL OF FINAL DESIGN, CONFIRMATION OF ACCESS AGREEMENTS AND DRILLING PHASE TO FACILITATE GROUTING BEGINS**

## BUDGET BREAKDOWN

- \$4,145,000: CITY OF CARLSBAD OVER 3 YEARS
- \$4,145,000: EDDY COUNTY OVER 3 YEARS
- \$30,000,000: NMDOT STATE ROAD FUND OVER 3 YEARS
- \$2,000,000: NMED CORRECTIVE ACTION FUN OVER 3 YEARS
- \$3,250,000: GENERAL FUND
- \$1,958,800: ESTIMATED BONDS
  - \$45,498,800: TOTAL FUNDING SECURED TO DATE

## CURRENT BUDGET ESTIMATE:

- \$47,928,706: WOOD COST ESTIMATE (WITH 10% CONTINGENCY)
- \$3,774,385.60: NMGRT
- \$2,289,514.75: PROPERTY ACCESS
- \$375,000: EMNRD OVERHEAD OVER 3 YEARS
  - \$54,367,606.35: TOTAL BUDGET ESTIMATE

## ANTICIPATED SHORTFALL:

- \$8,909,606.35

## EXPENDITURE TO DATE:

- \$13,128,777.56

