



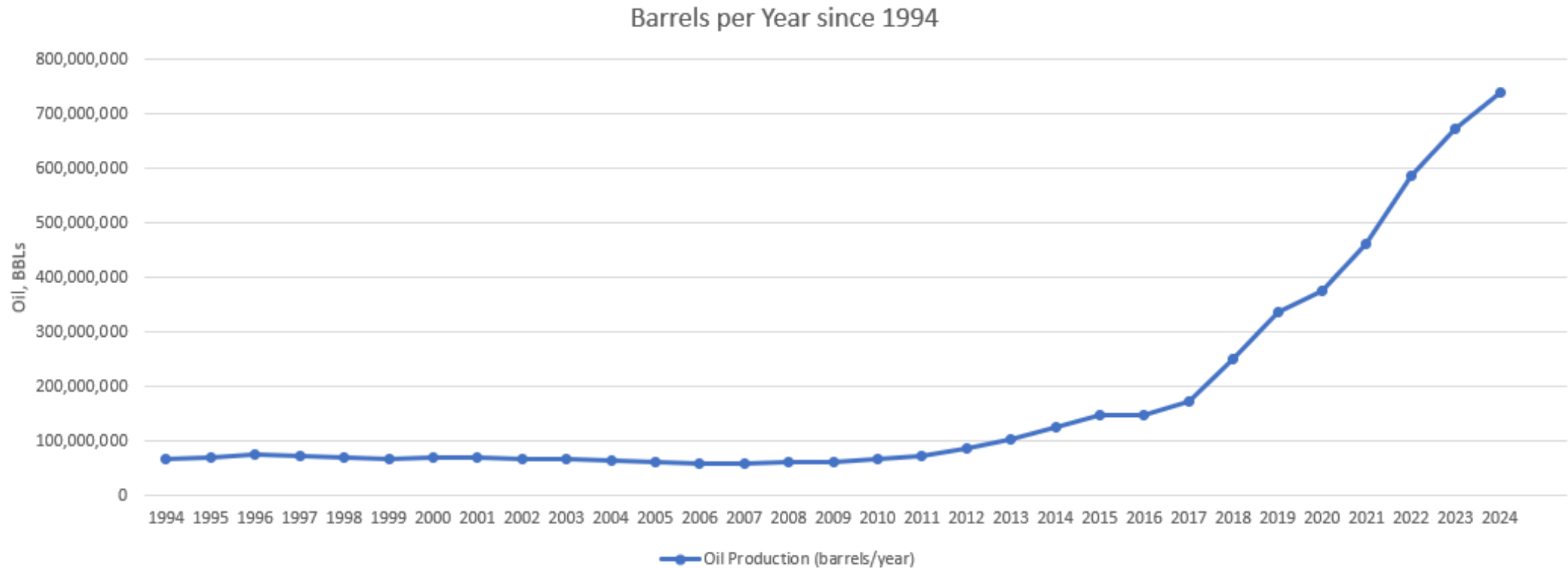
Oil Conservation Division & Oil and Gas Act Update

October 30, 2025

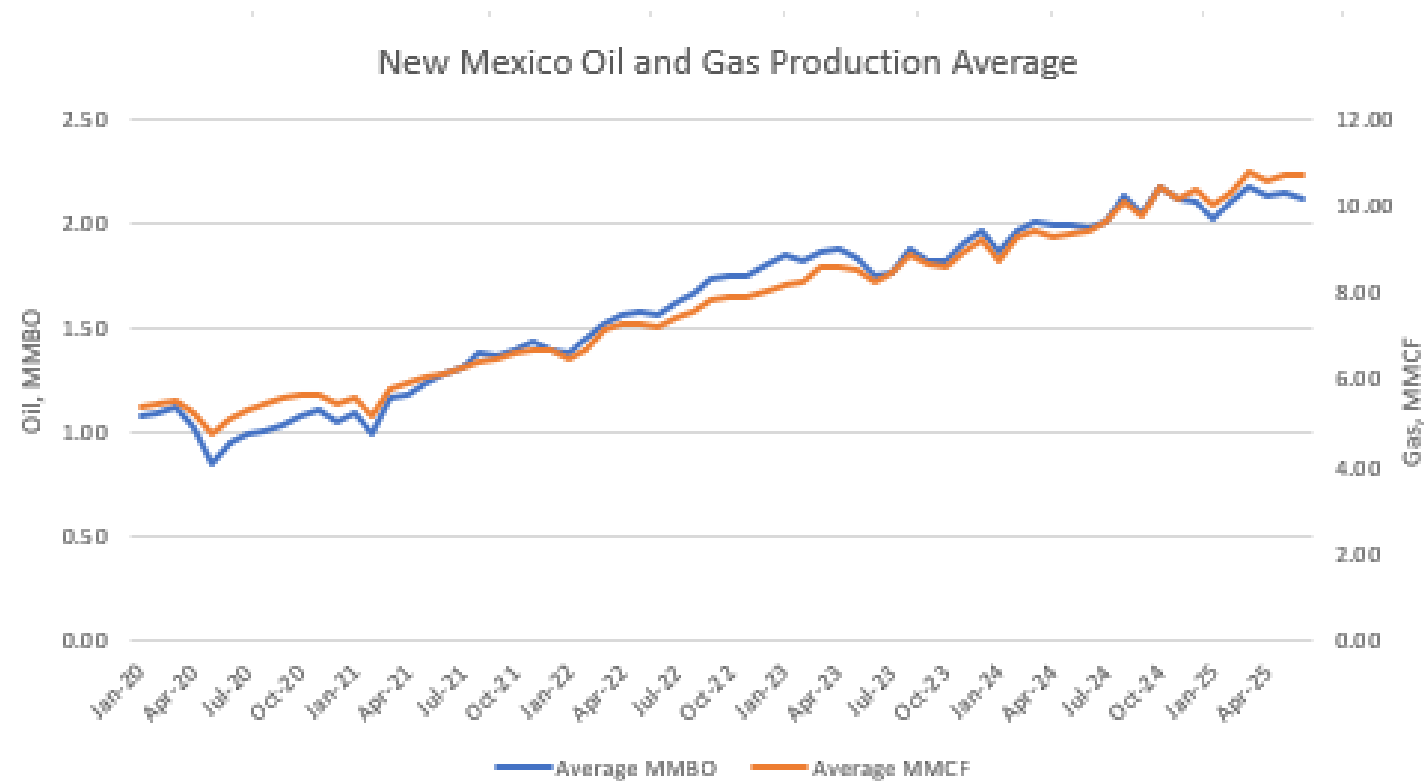
WNRC

Ben Shelton, Deputy Secretary, EMNRD

Yearly Production Volumes

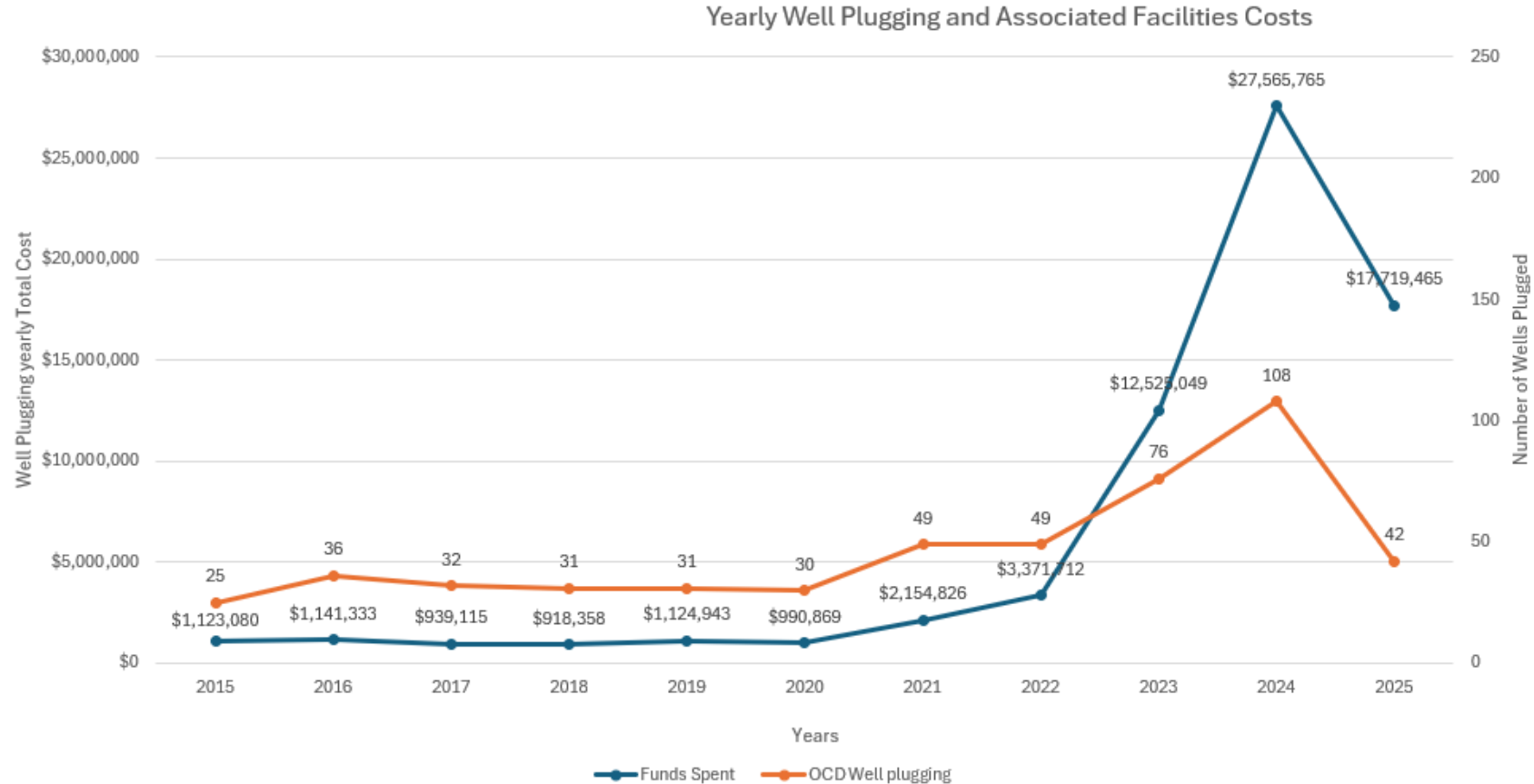


Daily Production Volume Averages



****NM reached the 2 Million bbls/day threshold April of 2024**

Abandoned Well Plugging Activity Report



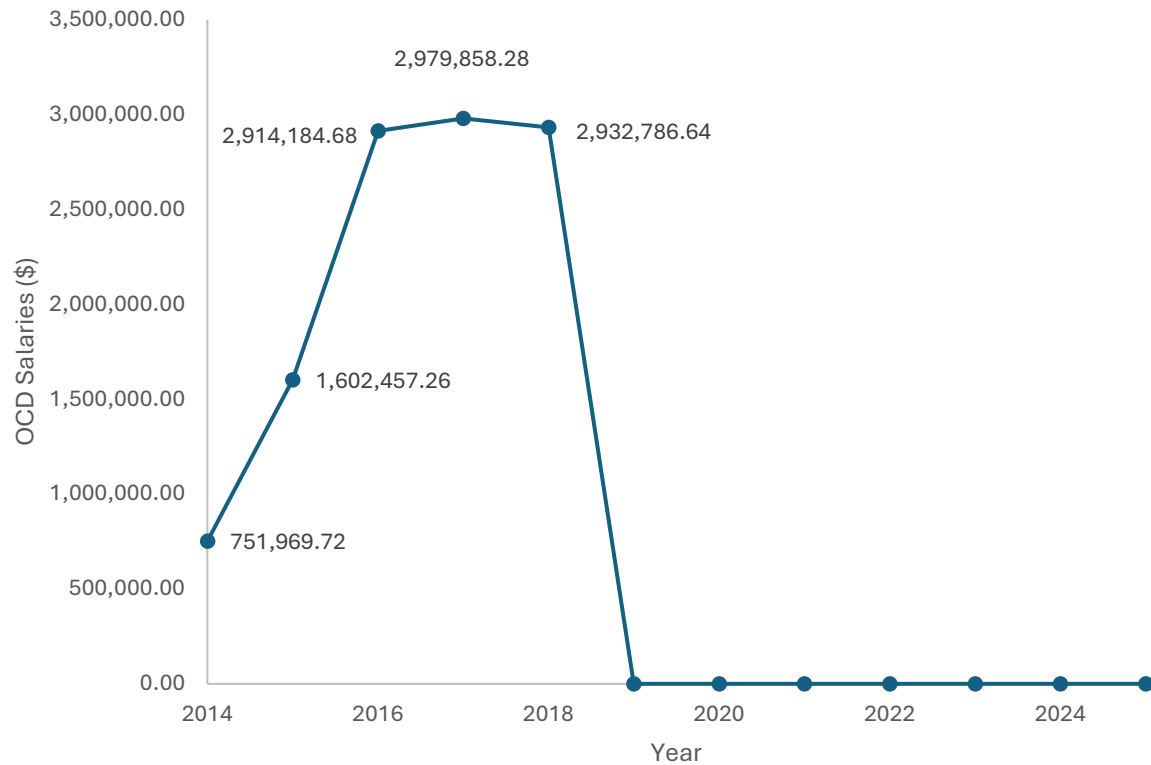
- In FY 25 Federal funding delays connected to environmental and cultural reviews held up plugging of an addition 60-70 planned wells
- OCD has implemented several ITO upgrades regarding orphaned wells that will provide better oversight and more efficient processes.

Reclamation Fund

- Current Balance: \$75,906,566
- Recent LFC analysis indicates the state may be exposed to over \$1 billion in reclamation liability
- Reclamation fund was OCD's main source of Orphan well plugging funds in FY26 \$21,648,600
 - Requested spend authority for FY27: \$21,648,600
- Eligible uses:
 - Plugging orphaned wells
 - Site reclamation
 - Environmental monitoring
 - Administrative and personnel costs (FY 25: 2 FTE)

Reclamation Fund Cont.

Year Over Year Draw for Salaries Against the Reclamation Fund (2014-2025)



Class VI Primacy Rulemaking

- Currently reviewing public comments on the rule and crosswalk.
- Drafting MOU between EPA and the state
- Should be petitioning the OCC soon for rulemaking
- Internally mapping out permitting processes

OCD Budget Needs

- Flat budget request
- 3 FTE in UIC if/when Class VI primacy approved by EPA

Thank You

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