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Energy, Minerals and Natural Resources Department

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NOTICE
MECHANICAL INTEGRITY TEST CLARIFICATION
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The New Mexico Oil Conservation Division (“OCD”) is announcing the release of these clarifications regarding Mechanical Integrity Tests (MITs). MITs are required to be performed in various situations during the life of a well to ensure the mechanical integrity of the well bore in a production or injection well. These tests are crucial to ensuring groundwater and other strata are properly protected as required by the Oil and Gas Act.

The purpose of this notice is to clarify a potential misconception in the implementation of the 10% pressure variance that OCD’s rules and orders allow. The 10% variance allowance is for the stabilization of the well bore for situations such as fluid top off and agitation of the fluid caused by the initial pressuring up of the well. The 10% is not to allow a continuous leak off over the course of an MIT, as a continuous leak off over the course of an MIT suggest that the well in question may not be in compliance with 19.15.16.9 NMAC (Sealing Off Strata), 19.15.16.11 NMAC (Defective Casing or Cementing), or 19.15.26.9 NMAC (Casing and Cementing of Injection Wells). Similarly, tests that are within the 10% allowance but do not stabilize over the course of a test are inconclusive in verifying compliance with the above rules, as the test may indicate leaks in the wells which, if left unaddressed, may continue to degrade over time jeopardizing groundwater or other strata.

To ensure compliance with the applicable rules and consistent with the explanation above, OCD is clarifying that it will going forward evaluate MITs in the following manner:

- **Passing Tests.**
 - A successful test is a 30-minute test that stays within the 10% of applied pressure allowance and stabilizes within the last 10 minutes of the test.
 - Complies with all other conditions of approval or applicable requirements as defined by rule for pressure limits, test protocols, calibrations, chart requirements, etc.

- Be advised, a test can extend longer than 30 minutes as needed if it can be captured clearly on the chart to get a passing 30-minute interval including the required stabilization period.

- Inconclusive Tests:
 - If the test loses less than 10% of the applied pressure but does not stabilize for the last 10 minutes, it will be viewed as inconclusive as they do not show an absence of leaks, that there is strata isolation or competent casing.
 - An inconclusive test that is not retested or addressed in 5 days will be considered a failed test that must be reported to the OCD. Following a failed test continued operation of a well cannot occur until implementation of appropriate mitigation measures approved by the OCD.

- Failed Tests:
 - A failed test is one where the applied pressure losses are greater than 10% within the 30-minute interval or failure to address an inconclusive test.
 - Any failed tests must be reported to the OCD within 5 days and the operator shall propose a path forward to the division in accordance with the above-mentioned rules before retesting.
 - Following a failed test continued operation of a well requires OCD approval and potential implementation of corrective measures.