

**STATE OF NEW MEXICO  
NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF OIL CONSERVATION DIVISION  
TO ADOPT 19.15.41, 19.15.42, AND 19.15.43 NMAC**

**No. 25875**

**DIRECT TESTIMONY OF MR. JUSTIN WRINKLE  
ON BEHALF OF THE OIL CONSERVATION DIVISION**

**JUNE 29, 2026**

## INTRODUCTION

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. Justin Wrinkle, 506 W. Texas, Artesia, New Mexico 88210

**Q. ON WHOSE BEHALF ARE YOU SUBMITTING DIRECT TESTIMONY?**

A. The New Mexico Oil Conservation Division

**Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?**

A. The New Mexico Oil Conservation Division, Engineering Bureau Chief

**Q. PLEASE DESCRIBE YOUR PAST EMPLOYMENT HISTORY.**

A. From January 2023 to the present, I have served as the Engineering Bureau Chief at the New Mexico Oil Conservation Division (OCD). I oversee the Engineering Bureau, which includes the Field Compliance Program, the Underground Injection Control (UIC) Program, the Administrative Permitting Program, the Engineering Special Projects Group, and the UIC Class VI Program.

From March 2022 to January 2023, I was the Administrative Permitting Group Supervisor at the OCD, leading the team responsible for reviewing oil and gas permitting sundries.

From November 2013 to August 2021, I worked in the oil and gas industry in North Dakota and New Mexico in roles including Production Superintendent, Production Supervisor, Control Room Supervisor, Lead Field Operator, Field Operator, Production Technician, and Well Watch.

From November 2010 to October 2013, I served as the Southern New Mexico Territory Manager for WECC (Wisconsin Energy Conservation Corporation), representing Xcel Energy and promoting rebate programs for energy efficient electronics and appliances across retail locations.

From February 2003 to August 2010, I was a Lead Field Operator for Rock Resources, overseeing approximately 450 shallow gas wells and supervising eight field operators north of Roswell, New Mexico.

From May 2021 to January 2023, I owned a small investigative firm in Northern New Mexico. I specialized in skip tracing, insurance fraud, process serving and general public services.

**Q. PLEASE SUMMARIZE YOUR EDUCATION EXPERIENCE.**

A. I obtained my High School Equivalency Degree from Eastern NM State University-Roswell Campus.

**Q. HAVE YOU PREVIOUSLY TESTIFIED IN STATE OR FEDERAL REGULATORY PROCEEDINGS?**

A. I was presented as a technical witness in an adjudication and a fact witness in rulemaking before the Oil Conservation Commission.

**Q. WHAT IS YOUR EXPERIENCE WITH THE FEDERAL CLASS VI INJECTION WELL PROCESS AND NEW MEXICO'S PATH TO GAINING PRIMACY OF THE CLASS VI PROGRAM?**

A. My involvement with the Class VI injection well program began at the onset of New Mexico's pursuit of Class VI primacy. I was entrusted with leading the operational and technical components of this statewide initiative, a role that requires strategic oversight, coordination, and long-range planning. I assist in managing contractors, guiding complex technical work products, and am building the internal regulatory team from the ground up by hiring and developing the specialized positions needed to review, permit, and regulate all Class VI activities in New Mexico. Through this effort, I am helping establish the foundational framework that enables the state to effectively oversee geologic sequestration.

### **PURPOSE OF TESTIMONY**

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. The purpose of my testimony is to outline the resources, expertise, and operational capability that the Oil Conservation Division has in place to effectively regulate Class VI activities once primacy is granted. My testimony is intended to demonstrate that the Division not only possesses the technical foundation and staffing structure necessary to administer the program, but is fully prepared to implement science-based oversight to ensure the safe and accountable development of geologic sequestration projects in New Mexico.

**Q. WHAT ARE THE AREAS THAT YOU ARE GOING TO BE ADDRESSING?**

A. I will be addressing the Division's technical readiness, staffing, resources, and operational capability to administer the proposed Class VI Underground Injection Control program upon primacy. This includes the State's regulatory experience, program implementation framework, staffing and technical expertise, funding and resource support, the permitting

and technical review process, and the information technology and data management systems that will support long-term oversight of Class VI activities.

### **STATE RESOURCES AND PROGRAM IMPLEMENTATION**

**Q. ARE YOU FAMILIAR WITH THE STATE'S EXISTING RESOURCES AND CAPABILITIES FOR IMPLEMENTING THE PROPOSED CLASS VI PROGRAM? WHAT IS THE TIMELINE FOR IMPLEMENTATION?**

**A.** Yes, New Mexico has an established history and strong technical capacity for managing Underground Injection Control (UIC) programs. The Division has administered an EPA approved Class II UIC program since 1982, supported by experienced geologists, engineers, regulatory staff, field inspectors, and data/IT personnel. The Division is also expanding staffing and resources specifically for Class VI permitting, technical review, compliance oversight, and long-term monitoring, including the use of specialized contractors when needed. Once New Mexico receives primacy, the state will assume responsibility for permitting, compliance, and enforcement of all Class VI wells.

**Q. HOW DOES THE STATE'S EXISTING REGULATORY EXPERIENCE SUPPORT ADMINISTRATION OF THE PROPOSED CLASS VI PROGRAM?**

**A.** The Division has successfully administered its EPA approved Class II UIC program since 1982, demonstrating more than four decades of experience regulating underground injection operations. This includes permitting, technical review, field inspections, enforcement, and data management. The Division already maintains geologists, engineers, regulatory staff, inspectors, and IT/data personnel with underground injection expertise. The Division's current UIC programs involve rigorous well construction requirements, mechanical integrity standards, monitoring, enforcement mechanisms, and corrective action processes. These existing systems align closely with the requirements of the Class VI program. These relationships are discussed further in the testimony of Mr. Eales.

### **STAFFING AND TECHNICAL EXPERTISE**

**Q. HOW IS THE STATE STAFFING THE PROPOSED CLASS VI PROGRAM?**

**A.** The Division is staffing the proposed Class VI program with a dedicated team of three full-time employees whose focus is Class VI permitting, technical review, compliance oversight, and long-term monitoring. This structure includes one supervisor and two direct report technical staff, all of whom were hired specifically to support the implementation and long-term administration of the Class VI program.

The team is currently led by a Project Management Professional (PMP) certified Senior Geoscientist and seasoned Operations Leader with more than 25 years of experience. Their expertise provides strong technical guidance, project management capability, and strategic oversight.

The other current Class VI team member has extensive experience in regulatory compliance and oilfield operations, progressing through roles with other state regulatory agencies, major operators, and service companies. Their work has included managing and submitting regulatory permits, ensuring adherence to state and local environmental rules, collaborating with cross-functional teams on well planning, resolving filing issues with agencies, and monitoring emerging regulations. They also have a strong background in field inspections, enforcement actions, pipeline oversight, plugging and abandonment design, and interpreting technical well data.

The Division is currently in the process of interviewing the third candidate.

**Q. WHAT TYPES OF TECHNICAL EXPERTISE WILL SUPPORT IMPLEMENTATION OF THE PROPOSED CLASS VI PROGRAM?**

- A.** OCD will rely on geologists for assessment of applicant's site characterization, confining zone integrity, fault analysis, proposed monitoring programs, and long-term CO<sub>2</sub> containment modeling. Engineers for well construction design, mechanical integrity evaluation, pressure testing, corrosion monitoring, and review of injection operations. OCD will rely on Regulatory and Compliance Professionals for managing the permitting processes, ensuring compliance with UIC requirements, review of monitoring reports, and enforcing corrective action and emergency response obligations. OCD will rely on Field Inspectors for conducting on-site inspections, verifying well construction and operational standards, monitoring field conditions, and ensuring safe injection and monitoring activities. Finally, OCD will rely on Specialized Technical Contractors for supplemental expertise for highly technical evaluations such as geologic modeling, seismic monitoring, risk assessment, and long-term CO<sub>2</sub> plume analysis.

This Division is also fortunate that in addition to the UIC-dedicated professionals, it employs several other professional positions which can be utilized as necessary to assist the group. These individuals bring extensive experience in engineering, environmental analysis, regulatory oversight, and oilfield operations, further strengthening the Division's ability to evaluate and oversee complex projects. When necessary, specialized contractors will provide advanced analytical support, including geologic and reservoir modeling, seismic and geophysical evaluations, risk assessments, and long-term CO<sub>2</sub> plume analysis.

**Q. HOW DOES THE STATE ENSURE THAT STAFF HAVE THE NECESSARY TRAINING AND TECHNICAL CAPABILITIES TO ADMINISTER THE PROGRAM?**

- A. The State ensures staff readiness by building on the Division's longstanding and well established UIC regulatory framework. The Division already administers a comprehensive UIC program with mature processes for site characterization, well construction oversight, mechanical integrity evaluation, corrective action, compliance monitoring, and enforcement.

To further strengthen our capabilities, the Division actively participates in multistate organizations (e.g., Ground Water Protection Council) and technical work groups that provide specialized Class VI training, courses, and seminars. These partnerships give staff direct access to nationally recognized experts, emerging best practices, and evolving federal guidance. Through this combination of a proven regulatory framework, targeted technical training, and continuous professional development, the Division ensures that staff possess the skills, knowledge, and confidence required to effectively administer the Class VI program. The Division is also fortunate that separate from the UIC dedicated professionals the Division employs several other professional positions which can be utilized as necessary to assist the group. This includes employees with vast knowledge in engineering, environmental, regulatory oversight, and oilfield operations.

**FUNDING AND PROGRAM RESOURCES**

**Q. HOW WILL THE STATE FUND IMPLEMENTATION OF THE CLASS VI PROGRAM?**

- A. The Division will rely on existing funding sources from the state general fund and pursue additional grant opportunities as they become available. The positions currently assigned to support and administer the Class VI program are permanent roles and are funded by the state's general fund as permanent positions. Contractor services required to supplement program activities will be financed through a combination of existing funds and grant awards, when such resources are accessible.

**Q. WHAT RESOURCES HAVE BEEN IDENTIFIED TO SUPPORT PROGRAM ADMINISTRATION AND OVERSIGHT?**

- A. As outlined in previous responses, three permanent positions have been established specifically to support the Class VI program. These dedicated roles form the core of the program's operational capacity, while existing infrastructure and personnel will continue to provide supplemental support as needs arise. In addition, the Division may engage contractors to address specialized tasks, including technical modeling and long-term data retention requirements, ensuring that the program has access to the expertise necessary for its continued success.

### **PERMITTING PROCESS**

**Q. PLEASE DESCRIBE THE STATE'S OVERALL PROCESS FOR REVIEWING AND ISSUING A CLASS VI PERMIT.**

- A. The State's overall process for reviewing and issuing a Class VI permit is designed to closely align with the existing U.S. EPA framework, with additional elements where New Mexico has chosen to adopt more stringent requirements as outlined in the proposed rule and Dr. Schnaar's testimony. The Division will rely on its established regulatory systems and longstanding UIC processes, ensuring that Class VI permit reviews follow the same structure described in the EPA's implementation manual.<sup>1</sup> Once the final rule is promulgated, it will allow for further development of internal review processes consistent with the final rule language. In this way, the State will ensure that its Class VI permitting process is both fully compliant with federal standards and state specific protections where appropriate.

**Q. HOW DOES THE PERMITTING PROCESS ENSURE TECHNICAL REVIEW OF CLASS VI APPLICATIONS?**

- A. The permitting process is designed to ensure a thorough and highly technical review of every Class VI application.<sup>2</sup> The Division's Preoperational review encompasses detailed evaluations of site characterization, well construction design, operational parameters, plugging plans, and post-injection site care—each of which requires specialized scientific and engineering expertise. These components form a multilayered assessment intended to confirm the safety, suitability, and long-term integrity of the proposed project.

To support this level of technical scrutiny, the Division will utilize both its internal technical team and, when appropriate, external contractors with advanced capabilities in areas such as geologic and reservoir modeling. This combination of in-house expertise and

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<sup>1</sup> See OCD Exhibit 16, Underground Injection Control (UIC) Program Class VI Implementation Manual for UIC Program Directors

<sup>2</sup> See OCD Exhibit 17

specialized contractor support ensures that every application undergoes a comprehensive, science-based technical review consistent with regulatory standards.

**Q. HOW DOES THE PROCESS INCORPORATE PUBLIC NOTICE AND OPPORTUNITIES FOR COMMENT?**

- A.** Proposed projects are subject to public notice requirements under the proposed rule.<sup>3</sup> These notice periods give the public an opportunity to review project information and provide input before a final determination is made. Public comments are a formal part of the permitting process and must be considered during decision making. The details of the public notice and public comment can be found at OCD Exhibit 1 at proposed section 19.15.41.8.E-I, however in summary the permitting process incorporates public notice and public comment by requiring formal public notices at all major decision points including preparation of a draft permit, tentative denial of a permit application, scheduling of a public hearing, and granting of an appeal.

There is a minimum 30-day public comment period, and public outreach including mailing, email distribution, and publication in a daily or weekly newspaper within the affected area, opportunities for any interested party to submit comments or request a hearing, formal review and written response to all significant public comments, and public hearings when requested or when the Director determines they are warranted. For a more in-depth discussion of public notice and public participation please refer to the testimony of Ms. Raney.

**Q. HOW DOES THE STATE COORDINATE REVIEW OF GEOLOGIC, ENGINEERING, MONITORING, AND FINANCIAL INFORMATION DURING PERMITTING?**

- A.** The Class VI Review Process would coordinate the review of geologic, engineering, monitoring, and financial information by structuring the permitting process as an integrated, multiphase workflow. Geological data gathered during site characterization serves as the foundation for evaluating the injection zone, confining zone, faults, fractures, and hydrogeologic conditions, which in turn feed directly into area of review (AoR) modeling. This modeling becomes the central mechanism that ties technical reviews together, since its inputs and outputs must reflect geologic conditions, engineering design choices, operational proposals, and monitoring requirements.

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<sup>3</sup> See OCD Exhibit 1 at section 19.15.41.8

For example, well construction plans must be compatible with geomechanical and geochemical data, monitoring plans must align with predicted plume and pressure front movement, and financial responsibility estimates must cover the corrective action, plugging, monitoring, and post-injection care needs identified through technical review. For a more detailed discussion of these concepts, please refer to the testimonies of Dr. Schnaar, Dr. Wang, Dr. Khaniani, and Mr. Eales.

**Q. HOW DOES THE STATE ENSURE THAT PERMIT CONDITIONS REMAIN PROTECTIVE OF UNDERGROUND SOURCES OF DRINKING WATER?**

**A.** The review process will ensure that permit conditions remain protective of underground sources of drinking water (USDWs) by requiring that all technical components of a Class VI application—geologic characterization, modeling, engineering design, monitoring, and operational plans—are evaluated together for consistency and adequacy. This includes assessment of the injection zone, confining zone, faults, fractures, hydrogeology, geochemistry, and geomechanical properties to confirm the site’s ability to safely contain injected CO<sub>2</sub> without risking migration into USDWs. Engineering design evaluations must demonstrate the use of CO<sub>2</sub> corrosion resistant casing and cement, along with operating parameters that ensure injection pressures remain within acceptable geomechanical limits, preventing any breach of CO<sub>2</sub> containment. The data must also support the Area of Review (AoR) model, which predicts CO<sub>2</sub> plume and pressure front behavior and underpins monitoring requirements, injection pressure limits, and corrective action decisions. For a more detailed discussion of these concepts, please refer to the testimonies of Dr. Schnaar, Dr. Wang, Dr. Khaniani, and Mr. Eales.

**Q. ONCE ISSUED, FOR HOW LONG IS A PERMIT VALID? WHAT HAPPENS IF THERE ARE DELAYS IN DRILLING OPERATIONS?**

**A.** Once issued, a permit to construct a Class VI well is valid for two years from the date of issuance.<sup>4</sup> If drilling operations have not begun within that two-year window, the permit automatically terminates without further action by the Division.<sup>5</sup> However, the proposed rule does allow an operator to request a one-time extension. This request must be submitted at least 30 days before the permit expires and must demonstrate good cause for the delay.<sup>6</sup> If approved, the extension allows the project to proceed without requiring a new permit application.<sup>7</sup>

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<sup>4</sup> OCD Exhibit 1 at section 19.15.41.8.H

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

**INFORMATION TECHNOLOGY AND DATA MANAGEMENT SYSTEMS****Q. WHAT INFORMATION TECHNOLOGY OR DATA MANAGEMENT SYSTEMS WILL SUPPORT THE PROPOSED CLASS VI PROGRAM?**

- A. The Division will rely on its existing information technology and data management infrastructure to support the Class VI Program. This includes established systems already used for oil and gas regulatory oversight, data retention, and electronic reporting. As the program develops, the Division has the flexibility to expand this infrastructure by building dedicated reporting portals in-house or by partnering with a qualified third party—such as a university or research institution—to host, manage, and archive Class VI data.

**Q. HOW WILL THE STATE RECEIVE, TRACK, AND REVIEW ELECTRONIC REPORTS AND MONITORING DATA?**

- A. The state will receive, track, and review electronic reports and monitoring data through a structured data management framework built on the Division's existing information technology systems. Operators will submit required reports—such as monitoring results, mechanical integrity tests, groundwater sampling data, plume tracking information, and emergency notifications—through secure electronic portals established by the Division.

To support the Class VI program, the Division may expand its current systems by developing custom in-house reporting portals or by partnering with a third-party host, such as a university or technical institution, to manage data intake and long-term storage.

**Q. HOW DOES THE STATE'S INFORMATION TECHNOLOGY SYSTEMS SUPPORT RECORDKEEPING, COMPLIANCE TRACKING, AND REGULATORY OVERSIGHT?**

- A. The Division relies on its established digital infrastructure—already used for oil and gas permitting and regulatory functions—and will expand as needed to meet the specialized requirements of Class VI wells. The system will house secure, long-term storage of all submitted reports, monitoring data, maps, modeling files, and permit documents. The system is already capable of handling thousands of submissions, including substantial permit applications in other areas, and is capable of handling the additional Class VI requirements.

**Q. HOW DO FINANCIAL ASSURANCE REQUIREMENTS SUPPORT WELL PLUGGING, CORRECTIVE ACTION, EMERGENCY RESPONSE, SITE CLOSURE, AND POST-INJECTION SITE CARE?**

**A:** Financial assurance requirements ensure that adequate funds are available to safely manage the well throughout its entire lifecycle—even if the operator is unable or unwilling to do so later. These financial instruments guarantee that resources are in place to cover:

- Well Plugging
- Corrective Action
- Emergency and Remedial Response
- Site Closure
- Post Injection Site Care (PISC).

**Q: HOW DOES THE STATE EVALUATE WHETHER AN OPERATOR HAS DEMONSTRATED ADEQUATE FINANCIAL RESPONSIBILITY?**

**A:** The state evaluates whether an operator has demonstrated adequate financial responsibility by conducting a detailed review of the financial instruments, cost estimates, and supporting documentation submitted with the Class VI permit application.<sup>8</sup> This evaluation ensures that the operator can fully cover the costs of corrective action, well plugging, post injection site care, site closure, and emergency response throughout the life of the project.

Operators must annually update financial information, adjust cost estimates, and demonstrate that financial instruments remain adequate.<sup>9</sup> The state reviews these updates to confirm continued compliance.<sup>10</sup>

Ultimately, no Class VI permit is issued until there is a determination that the financial responsibility demonstration fully satisfies regulatory requirements and sufficiently protects underground sources of drinking water.

**Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

**A.** Yes.

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<sup>8</sup> See OCD Exhibit 2 at section 19.15.42.12.B; OCD Exhibit 3 at section 19.15.43.9.F.

<sup>9</sup> OCD Exhibit 3 at section 19.15.43.9.F

<sup>10</sup> *Id.*

/s/ Justin Wrinkle  
Justin Wrinkle