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State Engineer Threatens Licenses over Unauthorized Wells

Unauthorized drilling found within Mimbres, Hachita, and Lower Rio Grande Basins

SANTA FE — The New Mexico Office of the State Engineer (OSE) has issued formal Notices of Violation against two drilling companies operating near the U.S.-Mexico border on behalf of a contractor constructing the border wall, citing repeated unauthorized well drilling in protected underground water basins without state permits.

OSE staff documented **Wyatt Drilling Arizona, LLC** and **Cascade Drilling, LP** drilling wells at multiple sites within the Mimbres, Hachita, and Lower Rio Grande Underground Water Basins without the required State Engineer authorization. This includes some locations inside the Roosevelt Reservation along the border, where OSE staff reported encountering limited cooperation while attempting to inspect the site.

"Our permitting process exists to protect the groundwater New Mexico families and farmers depend on — and we enforce it rigorously," said State Engineer **Elizabeth K. Anderson**. "When outside operators show up in New Mexico and drill without a permit on federal land, it can threaten the livelihoods of New Mexicans, and we're not going to tolerate it."

During its investigation, the Office of the State Engineer found:

- Unauthorized drilling of new wells at multiple coordinates within the Mimbres, Hachita, and Lower Rio Grande Underground Water Basins, documented across site visits in March and July 2026.
- Failure to adhere to proper well construction and plugging requirements, creating an imminent risk of groundwater contamination.
- A borehole collapse left unaddressed without a required plugging plan.

Both companies face civil penalties of up to \$3,400 per violation, per day, accruing from the date each company receives its notice. OSE has also notified both companies of its intent to revoke their New Mexico well driller's licenses if the violations are not corrected within 30 days.



State of New Mexico
Office of the State Engineer
Interstate Stream Commission

OSE has demanded that both companies submit corrective plugging plans within 30 days and remediate the wells to the state's satisfaction. The investigation remains open and OSE reserves the right to pursue additional violations as new information develops.

The Office of the State Engineer administers New Mexico's water rights and groundwater basins under NMSA 1978, Chapter 72, and related state regulations.

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The Office of the State Engineer is charged with administering the state's water resources. The State Engineer has power over the supervision, measurement, appropriation, and distribution of all surface and groundwater in New Mexico, including streams and rivers that cross state boundaries. The State Engineer is also Secretary of the Interstate Stream Commission.

The nine-member Interstate Stream Commission is charged with separate duties including protecting New Mexico's right to water under eight interstate stream compacts, ensuring the state complies with each of those compacts as well as investigating, conserving and protecting the waters of the State, in addition to water planning.
<https://www.ose.state.nm.us>