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Volume: Issue: Publication date: Number of pages: (ALD Use Only) Sequence No.

Issuing agency name and address:

Agency DFA code:

Contact person's name:

Phone number:

E-mail address:

Type of rule action:

New Amendment Repeal Emergency Renumber

(ALD Use Only)
Most recent filing date:

Title number:

Title name:

Chapter number:

Chapter name:

Part number:

Part name:

Amendment description (If filing an amendment):

Amendment's NMAC citation (If filing an amendment):

Are there any materials incorporated by reference?

Yes No

Please list attachments or Internet sites if applicable.

If materials are attached, has copyright permission been received?

Yes No Public domain

Concise Explanatory Statement For Rulemaking Adoption:

Specific statutory or other authority authorizing rulemaking:

Notice date(s):

Hearing date(s):

Rule adoption date:

Rule effective date:

Findings required for rulemaking adoption:

Findings MUST include:

- Reasons for adopting rule, including any findings otherwise required by law of the agency, and a summary of any independent analysis done by the agency;
- Reasons for any change between the published proposed rule and the final rule; and
- Reasons for not accepting substantive arguments made through public comment.

Continued on next page

7/1/2018

Findings required for rulemaking adoption:
continued



2018 DEC 10 AM 10:07

[Empty rectangular box for findings]

Issuing authority (If delegated, authority letter must be on file with ALD):

Name:

Heather Riley

Check if authority has been delegated

Title:

Oil Conservation Commission Chair

Signature: (BLACK ink only)

Heather Riley

Date signed:

12/6/18

2018 DEC 10 AM 10:07

STATE OF NEW MEXICO
ENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION
TO AMEND RULES OF THE COMMISSION FOR PERMITTING OF WELLS
FOR UNDERGROUND INJECTION BY AMENDING CERTAIN SECTIONS OF
RULE 19.15.26 NMAC; STATEWIDE

CASE NO. 16377
ORDER NO. R-20231

ORDER OF THE COMMISSION

THIS MATTER came before the New Mexico Oil Conservation Commission ("Commission") on the application of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department ("OCD") to amend Rule 19.15.26 NMAC. The Commission, having conducted a hearing on October 11, 2018 and deliberated in open session following the hearing, and having considered the testimony, the record, and the arguments of the parties, and being otherwise fully advised, enters the following findings, conclusions, and order.

THE COMMISSION FINDS THAT:

1. Statutory Authority. The Commission is authorized to adopt rules, after a hearing, under the Oil and Gas Act, NMSA 1978, §§ 70-2-1 to -38 (1935, as amended through 2018). NMSA 1978, § 70-2-12.2 (2015) ("Act"). The Commission and OCD are given "authority over all matters relating to the conservation of oil and gas," and are given the duty to prevent waste and protect correlative rights. NMSA 1978, §§ 70-2-6 and 70-2-11. In addition, the Commission and OCD are authorized to adopt rules of procedures for proceedings under the Oil and Gas Act, NMSA 1978, § 70-2-7, and to adopt rules for a number of specific purposes ("Rules"), including as relevant to this proceeding:

- to prevent crude petroleum oil, natural gas or water from escaping from strata in which it is found into other strata;
- to require wells to be drilled, operated and produced in such manner as to prevent injury to neighboring leases or properties; and
- to regulate the methods and devices employed for storage in this state of oil or natural gas or any product of either, including subsurface storage;
- to permit the injection of natural gas or of any other substance into any pool in this state for the purpose of repressuring, cycling, pressure maintenance, secondary or any other enhanced recovery operations;
- to regulate the disposition of water produced or used in connection with the drilling for or producing of oil or gas or both and to direct surface or subsurface disposal of the water, including disposition by use in drilling for or production of oil or gas, in road construction or maintenance or other construction, in the generation of electricity or in other industrial processes, in a manner that will afford reasonable protection against

contamination of fresh water supplies designated by the state engineer; to fix the spacing of wells.

NMSA 1978, § 70-2-12(B).

2. UIC Program Approval. The Underground Injection Control (“UIC”) program for Class II wells in New Mexico is the program administered by OCD and was approved by the U.S. Environmental Protection Agency (“EPA”) pursuant to section 1425 of the Safe Drinking Water Act. 40 CFR 147.1600. The Act and the Commission rules are part of the program approved by EPA. Id. The State rules must be at least as stringent as the corresponding federal provisions. 40 CFR 145.11(b)(1). Any revisions to the State program must be submitted to EPA for approval. 40 CFR 145.32.

3. Application and Notice. OCD filed an Application on August 3, 2018, to amend specific portions of 19.15.26 NMAC “to clarify the scope of the rule, the notice provisions, and the type of fluids that may be injected into Class II wells pursuant to the federal Underground Injection Control program regulations” (“proposed rule change”). The Application included a draft of the proposed rule change and a proposed legal notice. 19.15.3.8(A) NMAC.

4. At a public meeting on August 20, 2018, the Commission determined to hold a hearing on the proposed rule change and scheduled the hearing for October 11, 2018. 19.15.3.8(C) NMAC.

5. Notice of the rulemaking and of the date, time, and place of the hearing was provided as required by NMSA 1978, § 14-4-5.2 (2017) and 19.15.3.9 NMAC, including publication in the New Mexico Register on September 11, 2018. (OCD Exhibit 1). A copy of the notice is attached to OCD Exhibit 1.

6. Pre-hearing statements were submitted by OCD and the New Mexico Oil and Gas Association (“NMOGA”), NMOGA proposed modifications to the proposed rule change but did not offer technical witnesses.

7. Proposed Rule Change. The proposed rule involves modifications to several sections in 19.15.26 NMAC which purport to eliminate inconsistent and duplicative language and to clarify the scope of the rule, in particular to better coincide with the scope with the federal rules on Class II underground injection wells. (OCD Exhibit 2).

8. Public hearing. The Commission conducted a public hearing on the proposed rule changes on October 11, 2018. OCD appeared through its attorney, David Brooks, and presented Philip Goetze as a witness. NMOGA appeared at the hearing through its attorney, Michael Feldewert, but did not present any witnesses. No other witnesses testified at the hearing. The Commission deliberated at the close of the hearing.

9. Mr. Goetze testified in support of the proposed rule changes and on the modifications offered by NMOGA. The changes, described below, are designed to clarify

the scope of the Part and to harmonize the Commission's injection rule with the federal injection rules under the Safe Drinking Water Act.

a) 19.15.26.1 NMAC ("Issuing Agency") is modified to clarify that the Commission, and not OCD, enacts the rules under the Act. NMSA 1978, §70-2-12.2(A) ("No rule shall be adopted pursuant to the Oil and Gas Act until after a hearing by the commission.")

b) In Sections 2, 3, 6 and 8 of 19.15.26 NMAC, duplicative and inconsistent descriptions of (1) the categories of wells covered by this Part, and (2) the substances that may be injected into those wells are deleted. New language in Sections 7 and 8 provide

c) 19.15.26.2 NMAC ("Scope") is also modified to clarify that the scope of this Part applies to injection wells regulated under the Act and not to injection wells regulated under other state laws.

d) 19.15.26.3 NMAC ("Statutory Authority") is also modified to specify sections of the Act that authorize this Part.

e) 19.15.26.6 NMAC ("Objective") is also modified to explicitly provide that one objective of this Part is to maintain primary enforcement authority for the State for Class II underground injection control wells under the Safe Drinking Water Act.

f) 19.15.26.7 NMAC ("Definitions") is modified to delete the definition of "affected persons", to add the definition of "fluid" and to modify the definition of "water flood project". The definition for "affected persons" is no longer needed because the term is now defined in the general definitions section, 19.15.2.7(A)(8) NMAC. The definition of "fluid" is taken from the federal UIC rules, 40 CFR 144.3, and is necessary to authorize the State to regulate the same materials that EPA allows to be injected into an injection well. (See EPA definition of "injection well": "means a well into which fluids are being injected". 40 CFR 144.3). "Water flood project" is modified to remove certain limits that are no longer relevant.

g) 19.15.26.8 NMAC ("Injection of Fluids into Reservoirs") is modified to establish the categories of injection wells that are regulated under this Part. The categories in 19.15.26.8(A)(1) NMAC are taken from the classification of UIC Class II wells in the federal regulations. 40 CFR 144.6(b).

h) In 19.15.26.8 and 19.15.26.12 NMAC, the term "salt water disposal well" is replaced with the term "produced water disposal well". Produced water is a defined term in both the Act and the Rules, while salt water is not defined. NMSA 1978, §70-2-33(K); 19.15.2.7(P)(10) NMAC. Produced water is also broadly defined, which better coordinates with the intent of the federal UIC rules.

i) Mr. Goetze also expressed some concerns with the proposed modifications offered by NMOGA in its pre-hearing statement. OCD felt that these proposals could be better addressed in a separate rulemaking.

10. NMOGA amendments. NMOGA proposed to amend several sections of 19.15.26 NMAC to delete unnecessary definitions, to use terms that are already defined in the Rules, and to revise the procedural provisions in 19.15.26.8 NMAC to cover the categories of injection wells that are commonly used.

a) The definitions for "pressure maintenance project" and "waterflood project" in 19.15.26.7 NMAC are proposed to be deleted because "pressure maintenance" is defined elsewhere in the Commission rules, 19.15.2.7(P)(9) NMAC, and both terms are included in the definition of "enhanced oil recovery project". 19.15.2.7(E)(2) NMAC.

b) In 19.15.26.8 NMAC, the current approval processes for pressure maintenance and waterflood projects (in subsections F and G) are proposed to be merged into a single approval process for pressure maintenance, secondary recovery and enhanced oil recovery projects. The steps in the approval process remain largely the same. (NMOGA pre-hearing statement).

11. Deliberation and Action. The Commission deliberated on the proposed rule changes at the close of the hearing on October 11, 2018. The Commission reached a tentative decision on the proposed rule changes and requested a proposed order be drafted. At the Commission meeting on November 15, 2018, the Commission reviewed the proposed rule changes and the proposed order and adopted the rule changes as provided in attached Exhibit A for the reasons set forth below.

12. The Commission finds that the OCD proposed rule change provides for a scope of the injection rule in 19.15.26.8(A)(1) NMAC that closely follows, and is no less stringent than, the EPA classification of Class II wells in 40 CFR 144.6(b). The proposed rule change deletes several other descriptions of categories of wells, and types of injected materials, covered by the rule that are not consistent with each other or consistent with the EPA Class II description. 19.15.26.2, .3, .6 and .8(B) NMAC. The OCD rule changes remove ambiguity and potential conflict with federal law. The proposed rule change further adds a definition of "fluid" which is taken directly from an EPA definition, 40 CFR 144.3, and is necessary to clarify the materials that can be injected into a Class II well. 19.15.26.7(A) NMAC.

13. The Commission finds that other OCD proposed rule changes to sections 1, 2, 3, 6 and 12 of 19.15.26 NMAC provide greater clarity and consistency. These include clarifying the issuing agency, the scope, the statutory authority and the objectives of 19.15.26 NMAC. Also, replacing the term "salt water disposal well" with "produced water disposal well" removes uncertainty. "Produced water" is defined in both the Act and the rules and therefore is the more accurate and precise term for injection wells. NMSA 1978, §70-2-33(K); 19.15.2.7(P)(10) NMAC.

14. The Commission finds that the NMOGA proposed rule changes, including amendments to the OCD proposed rule changes, further improve the clarity of the rule. Eliminating definitions for terms that are defined elsewhere removes inconsistency, and using terms that are defined elsewhere such as enhanced oil recovery project and secondary recovery provide consistency. The NMOGA proposed changes to subsections F and G of 19.15.26.8 NMAC help ensure that the procedures in those sections apply to categories of injection wells commonly used in New Mexico.

15. Commission Action. The Commission found that the proposed rule changes from both OCD and NMOGA are necessary to correct inconsistencies in the

current rule, to provide a clear scope of the rule, to maintain consistency with the requirements of the federal UIC program requirements, and to provide an approval process to cover enhanced recovery projects. The Commission adopted the following proposed changes:

- a) The OCD proposed changes to 19.15.26.1, 19.15.26.2, 19.15.26.3, 19.15.26.6, and 19.15.26.12 NMAC.
- b) For 19.15.26.7 NMAC, the Commission adopts the OCD proposal to delete "affected persons" and to add the definition of "fluid", and adopts the NMOGA proposal to delete the definitions of "pressure maintenance project" and "water flood project".
- c) For 19.15.26.8 NMAC, the Commission adopts the NMOGA proposals for subsections F and G, and adopts the OCD proposals for all other sections of 19.15.26.8 NMAC.

THE COMMISSION CONCLUDES THAT:

1. The Commission has jurisdiction, under the Oil and Gas Act, NMSA 1978, §§ 70-2-1 to -38, over the parties and subject matter of this case.
2. The Commission has legal authority, under the Oil and Gas Act, to enact the proposed rule changes.
3. The Commission provided due public notice and an opportunity for the public to provide comments regarding the proposed rule change. A public hearing was held and reasonable opportunity was provided for all persons present to provide testimony, evidence and exhibits.
4. All Commissioners were present at the public hearing and considered all the evidence presented during the hearing including the proposed amendments submitted by the parties. The Commission deliberated after the hearing and adopted the rule changes.
5. The Commission concludes that there is substantial evidence in the record to support the proposed rule changes, that these rule changes are within the authority of the Commission under the Oil and Gas Act and that these rule changes are reasonable and further the goals of the Oil and Gas Act.

IT IS THEREFORE ORDERED THAT: The proposed changes to 19.15.26 NMAC, as shown on attached Exhibit A, are hereby approved by the Commission. The adoption of the rule changes will be final upon the later of (a) the action, or deemed action, of the Commission on a rehearing application filed pursuant to NMSA 1978, § 70-2-25, or (b) 20 days from the date of this order if no rehearing application is filed. The rule change shall not be filed with the state records administrator until the rule change is adopted and then must be filed within 15 days after the adoption. If no rehearing is required by the Commission, this Order shall serve as the "concise explanatory statement" required by NMSA 1978, § 14-4-5.5 (2017).

DONE at Santa Fe, New Mexico, on November 15, 2018.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


ROBERT BALCH, Member


ED MARTIN, Member


HEATHER RILEY, Chair

SEAL

Exhibit A

This is an amendment to 19.15.26 NMAC, amending Sections 1 through 3, 6 through 8 and 12 and 13, effective //XXXX.

19.15.26.1 ISSUING AGENCY: ~~[Energy, Minerals and Natural Resources Department, Oil Conservation Division]~~ Oil Conservation Commission.

[19.15.26.1 NMAC - Rp, 19.15.9.1 NMAC, 12/1/2008; A, X/X/XXXX]

19.15.26.2 SCOPE: 19.15.26 NMAC applies to persons ~~(engaged for secondary or other enhanced recovery of oil or gas; pressure maintenance; salt water disposal and underground storage of oil or gas;)~~ constructing, operating or closing an injection well under the Oil and Gas Act. 19.15.26 NMAC does not apply to other classes of injection wells regulated under the Water Quality Act, the Geothermal Resources Development Act or the Surface Mining Act.

[19.15.26.2 NMAC - Rp, 19.15.9.2 NMAC, 12/1/2008; A, //]

19.15.26.3 STATUTORY AUTHORITY: 19.15.26 NMAC is adopted pursuant to the Oil and Gas Act, ~~(NMSA 1978,)~~ Section 70-2-6, Section 70-2-11 and ~~[Section 70-2-12 which authorizes the division to permit the injection of gas or other substances into a pool for repressuring, cycling, pressure maintenance, secondary or other enhanced recovering operations; and to regulate the disposition of water produced or used in connection with drilling for or producing oil or gas and to direct subsurface disposal of the water]~~ Paragraphs (13), (14), (15), (21) and (22) of Subsection B of Section 70-2-12 NMSA 1978.

[19.15.26.3 NMAC - Rp, 19.15.9.3 NMAC, 12/1/2008; A, //]

19.15.26.6 OBJECTIVE: To regulate ~~[secondary or other enhanced recovery, pressure maintenance, salt water disposal and underground storage to prevent waste, protect correlative rights and protect public health, fresh water and the environment]~~ injection wells under the Oil and Gas Act and to maintain primary enforcement authority for the Safe Drinking Water Act (42 U.S.C. 300f et seq.) Underground Injection Control (UIC) program for UIC Class II wells.

[19.15.26.6 NMAC - Rp, 19.15.9.6 NMAC, 12/1/2008; A, //]

19.15.26.7 DEFINITIONS: [

~~A. "Affected person" means the division designated operator; in the absence of an operator, a lessee whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant files the application; or in the~~

absence of an operator or lessee, a mineral interest owner whose interest is evidenced by a written conveyance document either of record or known to the applicant as of the date the applicant filed the application for permit to inject.

~~B. "Pressure maintenance project" means a project in which an operator injects fluids into the producing horizon in an effort to build up or maintain the reservoir pressure in an area that has not reached the advanced or stripper state of depletion.~~

~~C. "Water flood project" means a project in which an operator injects water into a producing horizon in sufficient quantities and under sufficient pressure to stimulate oil production from other wells in the area, and is limited to those areas in which the wells have reached an advanced state of depletion and are regarded as what is commonly referred to as stripper wells].~~

"Fluid" means any material or substance which flows or moves whether in a semisolid, liquid, sludge, gas or any other form or state.

19.15.26.7 NMAC - Rp, 19.15.9.701 NMAC, 12/1/2008; A, / /]

19.15.26.8 INJECTION OF FLUIDS INTO RESERVOIRS:

A. Permit for injection required. ~~(An operator shall not inject gas, liquefied petroleum gas, air, water or other fluid into a reservoir or formation to maintain reservoir pressure or for secondary or other enhanced recovery or for storage or inject water into a formation for disposal except pursuant to a permit the division has granted after notice and hearing, or that the division has granted by administrative order as authorized in 19.15.26.8 NMAC. The division shall grant a permit for injection under 19.15.26.8 NMAC only to an operator who is in compliance with Subsection A of 19.15.5.9 NMAC. The division may revoke a permit for injection issued under 19.15.26.8 NMAC after notice and hearing if the operator is not in compliance with Subsection A of 19.15.5.9 NMAC.)~~

(1) A permit is required under 19.15.26 NMAC for any injection wells that inject:

(a) produced water or other fluids that are brought to the surface in connection with natural gas storage operations or conventional oil or natural gas production and may be commingled with waste waters from gas plants that are an integral part of production operations, unless those waters are classified as a hazardous waste at the time of injection;

(b) fluids for enhanced recovery of oil or natural gas; and

(c) fluids for storage of hydrocarbons that are liquid at standard temperature and pressure.

(2) The division shall grant a permit for injection under 19.15.26.8 NMAC only to an operator who is in compliance with Subsection A of 19.15.5.9 NMAC. The division

may revoke a permit for injection issued under 19.15.26.8 NMAC after notice and hearing if the operator is not in compliance with Subsection A of 19.15.5.9 NMAC.

B. Method of making application.

(1) The operator shall apply for authority to ~~inject gas, liquefied petroleum gas, air, water or other medium into a formation for any reason, including the establishment of or the expansion of water flood projects, enhanced recovery projects, pressure maintenance projects or salt water disposal,~~ construct and operate an injection well by submitting form C-108 complete with all attachments to the division.

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the land surface on which each injection or disposal well is to be located and to each leasehold operator ~~(or)~~ and other affected ~~(person)~~ persons, as defined in Subsection A of 19.15.2.7 NMAC, within any tract wholly or partially contained within one-half mile of the well.

C. Administrative approval.

(1) If the application is for administrative approval rather than for a hearing, it shall be accompanied by a copy of a legal notice the applicant published in a newspaper of general circulation in the county in which the proposed injection well is located. The legal notice shall include:

- (a) the applicant's name, address, phone number and contact party;
- (b) the injection well's intended purpose, with the exact location of single wells or the section, township and range location of multiple wells;
- (c) the formation name and depth with expected maximum injection rates and pressures; and
- (d) a notation that interested parties shall file objections or requests for hearing with the division within 15 days.

(2) The division shall not approve an application for administrative approval until 15 days following the division's receipt of form C-108 complete with all attachments including evidence of mailing as required under Paragraph (2) of Subsection B of 19.15.26.8 NMAC and proof of publication as required by Paragraph (1) of Subsection C of 19.15.26.8 NMAC.

(3) If the division does not receive an objection within the 15-day period, and a hearing is not otherwise required, the division may approve the application administratively.

D. Hearings. If a written objection to an application for administrative approval of an injection well is filed within 15 days after receipt of a complete application, if 19.15.26.8 NMAC requires a hearing or if the director deems a hearing advisable, the division shall set the application for hearing and give notice of the hearing.

E. Produced water disposal wells.

(1) The director may grant an application for a produced water disposal well administratively, without hearing, only when the waters to be disposed of are mineralized to such a degree as to be unfit for domestic, stock, irrigation or other general use and when the waters are to be disposed of into a formation older than Triassic (Lea county only) and the division receives no objections pursuant to Subsection C of 19.15.26.8 NMAC.

(2) The division shall not permit disposal into zones containing waters having total dissolved solids concentrations of 10,000 mg/1 or less except after public notice and hearing, provided that the division may, by order issued after public notice and hearing, establish exempted aquifers for such zones where the division may administratively approve the injection.

(3) Notwithstanding the provisions of Paragraph (2) of Subsection E of 19.15.26.8 NMAC, the director may authorize disposal into such zones administratively if the waters to be disposed of are of higher quality than the native water in the disposal zone.

F. ~~Pressure maintenance projects.~~

~~(1) The division shall set applications for establishment of pressure maintenance projects for hearing. The division shall fix the project area and the allowable formula for a pressure maintenance project on an individual basis after notice and hearing.~~

~~(2) The division may authorize an operator to expand a pressure maintenance project and place additional wells on injection after hearing or administratively, subject to the notice requirements of Subsection B of 19.15.26.8 NMAC.~~

~~(3) The director may grant an exception to the hearing requirements of Subsection A of 19.15.26.8 NMAC for the conversion to injection of additional wells within a project area provided that the wells are necessary to develop or maintain efficient pressure maintenance within the project and provided that the division receives no objections pursuant to Subsection C of 19.15.26.8 NMAC.~~

~~(4) An established pressure maintenance project shall have only one designated operator. The division shall set an application for exception for hearing.~~

G. Water flood projects. ~~Pressure maintenance, secondary recovery and enhanced oil recovery injection projects.~~

(1) The division shall set applications for establishment of ~~[water flood]~~ pressure maintenance, secondary recovery and enhanced oil recovery injection projects for hearing. The division shall fix the project area and the allowable formula for an injection project on an individual basis after notice and hearing.

(2) The project area of ~~[a water flood]~~ an injection project shall comprise the spacing or proration units a given operator owns or operates upon which injection wells are located plus spacing or proration units the same operator owns or operates that directly or diagonally offset the injection tracts and have producing wells completed on them in the same

formation; provided however, that the division may include in the project area additional spacing or proration units not directly or diagonally offsetting an injection tract if, after notice and hearing, the operator establishes that the additional units have wells completed on the unit that have experienced a substantial response to water injection.

(3) The allowable the division assigns to wells in ~~(a water-flood)~~ an injection project area shall equal the wells' ability to produce and is not subject to the depth bracket allowable for the pool or to the market demand percentage factor.

(4) Nothing in Subsection ~~[G] F~~ of 19.15.26.8 NMAC shall prohibit the division's assignment of special allowables to wells in buffer zones after notice and hearing. The division may assign special allowables in the limited instances where it is established at a hearing that it is imperative for the protection of correlative rights to do so.

(5) The division ~~(shall)~~ may authorize the expansion of ~~(water-flood)~~ injection projects and the placement of additional wells on injection after hearing or administratively, subject to the notice requirements of Subsection B of 19.15.26.8 NMAC.

(6) The director may grant an exception to the hearing requirements of Subsection A of 19.15.26.8 NMAC for conversion to injection of additional wells provided that the ~~(well-is)~~ wells are necessary to develop or maintain thorough and efficient ~~(water-flood)~~ injection operations for an authorized project and provided that the division does not receive an objection pursuant to Subsection C of 19.15.26.8 NMAC.

(7) An established ~~(water-flood)~~ injection project shall have only one designated operator. The division shall set for hearing an application for exception.

~~(H.)~~ G. Storage wells.

(1) The director may grant administratively, without hearing, an application for the underground storage of liquefied petroleum gas or liquid hydrocarbons in secure caverns within massive salt beds, ~~(and)~~ provided the applicant has complied with the notice provisions of Subsection B of 19.15.26.8 NMAC and the division receives no objections pursuant to Subsection C of 19.15.26.8 NMAC.

(2) In addition to the filing requirements of Subsection B of 19.15.26.8 NMAC, the applicant for approval of a storage well under Subsection ~~(H)~~ G of 19.15.26.8 NMAC shall file the following:

(a) with the director, financial assurance in accordance with the provisions of 19.5.8 NMAC; and

(b) with the appropriate division district office:

(i) form C-101;

(ii) form C-102; and

(iii) form C-105.

[19.15.26.8 NMAC - Rp, 19.15.9.701 NMAC, 12/1/2008; A, / /]

19.15.26.12 COMMENCEMENT, DISCONTINUANCE AND ABANDONMENT OF INJECTION OPERATIONS:

A. The following provisions apply to injection projects, storage projects, ~~[salt]~~ produced water disposal wells and special purpose injection wells.

B. Notice of commencement and discontinuance.

(1) Immediately upon the commencement of injection operations in a well, the operator shall notify the division of the date the operations began.

(2) Within 30 days after permanent cessation of gas or liquefied petroleum gas storage operations or within 30 days after discontinuance of injection operations into any other well, the operator shall notify the division of the date of the discontinuance and the reasons for the discontinuance.

(3) Before temporarily abandoning or plugging an injection well, the operator shall obtain approval from the appropriate division district office in the same manner as when temporarily abandoning or plugging oil and gas wells or dry holes.

C. Abandonment of injection operations.

(1) Whenever there is a continuous ~~[one-year]~~ one-year period of non-injection into all wells in an injection or storage project or into a ~~[salt]~~ produced water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.

(2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or continuous non-injection, or during the term of a previously granted extension.

[19.15.26.12 NMAC - Rp, 19.15.9.705 NMAC, 12/1/2008; A, / /]

19.15.26.13 RECORDS AND REPORTS:

A. The operator of an injection well or project for secondary or other enhanced recovery, pressure maintenance, gas storage, ~~[salt]~~ produced water disposal or injection of other fluids shall keep accurate records and shall report monthly to the division gas or fluid volumes injected, stored or produced as required on the appropriate form listed below:

(1) secondary or other enhanced recovery on form C-115;

(2) pressure maintenance on form C-115 and as otherwise prescribed by the division;

(3) [salt] produced water disposal not regulated by 19.15.36 NMAC on form C-115;

(4) [salt] produced water disposal at surface waste management facilities regulated by 19.15.36 NMAC on form C-120-A;

(5) gas storage on form C-131-A; and

(6) injection of other fluids on a division-prescribed form.

B. The operator of a liquefied petroleum gas storage project shall report to the division annually on form C-131-B.

[19.15.26.13 NMAC - Rp, 19.15.9.706 NMAC, 12/1/2008; A, / /]