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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.

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Specific statutory or other authority authorizing rulemaking:

Notice date(s): Hearing date(s): Rule adoption date: Rule effective date:

Concise Explanatory Statement For Rulemaking Adoption:

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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.

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See attached 48 page document titled Oil Conservation Commission Order No. R-21540-G Order of the Commission.

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

Name:

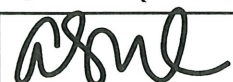
Adrienne Sandoval

Check if authority has been delegated

Title:

Oil Conservation Commission Chair

Signature: (BLACK ink only)



Date signed:

4/28/2021

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This is an amendment to 19.15.7 NMAC, adding a new Section 25 and amending Sections 1, 8, 24, and 26 through 44, effective May 25, 2021.

19.15.7.1 ISSUING AGENCY: [Energy, Minerals and Natural Resources Department, Oil Conservation Division] Oil Conservation Commission.
[19.15.7.1 NMAC - Rp, 19.15.13.1 NMAC, 12/1/2008; A, 05/25/2021]

19.15.7.8 GENERAL:

A. Where to file reports. Unless otherwise specifically provided for in a division rule or order, the operator shall file forms and reports 19.15.7 NMAC requires with the appropriate division district office as provided in 19.15.2.17 NMAC and 19.15.7.10 NMAC.

B. Additional data. 19.15.7 NMAC does not limit or restrict the division's authority to require the furnishing of additional reports, data or other information relative to the production, transportation, storing, refining, processing or handling of oil, gas or products in the state as may appear to the division to be necessary or desirable, either generally or specifically, for the prevention of waste and the conservation of the state's natural resources.

C. Books and records. A producer, injector, transporter, storer, refiner, gasoline or extraction plant operator, treating plant operator and initial purchaser of gas within the state shall make and keep appropriate books and records for a period of not less than five years, covering operations in New Mexico, in order to make and substantiate the reports the division requires.

D. Written notices, requests, permits and reports. A person required to file notices, requests, permits or reports shall use the forms listed below for the purpose shown in accordance with the instructions printed on the form and the rule covering the form's use or special order pertaining to its use:

- (1) form C-101 - application for permit to drill, deepen or plug back;
- (2) form C-102 - well location and acreage dedication plat;
- (3) form C-103 - sundry notices and reports on wells;
- (4) form C-104 - request for allowable and authorization to transport oil and gas;
- (5) form C-105 - well completion or recompletion report and log;
- (6) form C-106 - notice of intention to utilize automatic custody transfer equipment;
- (7) form C-107 - application for multiple completion;
- (8) form C-107-A - application for downhole commingling;
- (9) form C-107-B - application for surface commingling (diverse ownership);
- (10) form C-108 - application to dispose of [salt] produced water by injection into a porous formation;
- (11) form C-109 - application for discovery allowable and creation of a new pool;
- (12) form C-111 - gas transporter's monthly report (sheet 1 and sheet 2);
- (13) form C-112 - transporter's and storer's monthly report;
- (14) form C-112-A - receipts continuation sheet;
- (15) form C-112-B - deliveries continuation sheet;
- (16) form C-113 - refiner's monthly report (sheet 1 and sheet 2);
- (17) form C-115 - operator's monthly report;
- (18) form C-115B - volume of vented and flared natural gas;
- [~~(18)~~] (19) form C-115-EDP - operator's monthly report (electronic data processing);
- [~~(19)~~] (20) form C-116 - gas-oil ratio tests;
- [~~(20)~~] (21) form C-117-A - tank cleaning, sediment oil removal, transportation of miscellaneous hydrocarbons and disposal permit;
- [~~(21)~~] (22) form C-117-B - monthly sediment oil disposal statement;
- [~~(22)~~] (23) form C-118 - treating plant operator's monthly report (sheet 1 and sheet 2);
- [~~(23)~~] (24) form C-120-A - monthly water disposal report;
- [~~(24)~~] (25) form C-121 - oil purchaser's nomination;
- [~~(25)~~] (26) form C-121-A - purchaser's gas nomination;
- [~~(26)~~] (27) form C-122 - multi-point and one point back pressure test for gas wells;
- [~~(27)~~] (28) form C-122-A - gas well test data sheet-San Juan basin (initial deliverability test, blue paper; annual deliverability test, white);
- [~~(28)~~] (29) form C-122-B - initial potential test data sheet;
- [~~(29)~~] (30) form C-122-C - deliverability test report;
- [~~(30)~~] (31) form C-122-D - worksheet for calculation of static column wellhead pressure

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(P_w);
 [(31)] (32) form C-122-E - worksheet for stepwise calculation of (surface) (subsurface)
 pressure (P_c and P_w);
 [(32)] (33) form C-122-F - worksheet for calculation of wellhead pressures (P_c or P_w) from
 known bottom hole pressure (P_f or P_s);
 [(33)] (34) form C-122-G - worksheet for calculation of static column pressure at gas liquid
 interface;
 [(34)] (35) form C-123 - request for the creation of a new pool;
 [(35)] (36) form C-124 - reservoir pressure report;
 [(36)] (37) form C-125 - gas well shut-in pressure report;
 [(37)] (38) form C-126 - permit to transport recovered load oil;
 [(38)] (39) form C-127 - request for allowable change;
 [(39)] (40) form C-129 - [application for exception to no-flare] report of vented or flared
natural gas;
 [(40)] (41) form C-130 - notice of disconnection;
 [(41)] (42) form C-131-A - monthly gas storage report;
 [(42)] (43) form C-131-B - annual LPG storage report;
 [(43)] (44) form C-133 - authorization to move produced water exhibit "A";
 [(44)] (45) form C-134 - application for exception to division order R-8952, 19.15.18.18
 NMAC or 19.15.36 NMAC;
 [(45)] (46) form C-135 - gas well connection, reconnection or disconnection notice;
 [(46)] (47) form C-136 - application for approval to use an alternate gas measurement
 method;
 [(47)] (48) form C-137 - application for waste management facility;
 [(48)] (49) form C-137-EZ - registration/final closure report for small landfarm;
 [(49)] (50) form C-138 - request for approval to accept solid waste;
 [(50)] (51) form C-139 - application for qualification of production restoration project and
 certification of approval;
 [(51)] (52) form C-140 - application for qualification of well workover project and
 certification of approval;
 [(52)] (53) form C-141 - release notification and corrective action;
 [(53)] (54) form C-144 - pit, closed-loop system, below-grade tank or proposed alternative
 method permit or closure plan application;
 [(54)] (55) form C-145 - change of operator; [and]
 [(55)] (56) form C-146 - change of operator name;
 (57) form C-147 - permit or registration for recycling and re-use of produced water, drilling
fluids and liquid oil field waste; and
 (58) form C-148 - reporting for recycling and re-use of produced water, drilling fluids and
liquid oil field waste.
 [19.15.7.8 NMAC - Rp, 19.15.13.1100 NMAC, 12/1/2008; A, 05/25/2021]

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

B. An operator shall file ~~the reports 19.15.7.24 NMAC requires~~ form C-115 using the division's web-based online application on or before the 15th day of the second month following the month of production ~~[or if such day falls on a weekend or holiday, the first workday following the 15th]~~. An operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would ~~operate as~~ be an economic or other hardship.

C. If an operator fails to file a form C-115 that the division accepts, the division shall, within 30 days of the appropriate filing date, notify the operator by electronic mail or letter of its intent to cancel the operator's authorization to transport or inject if the operator does not file an acceptable and complete form C-115. The notice shall inform the operator of the right to request a hearing pursuant to 19.15.4.8 NMAC. If the operator does not

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either file an acceptable and complete form C-115 or request a hearing on the proposed cancellation within 60 days of the original due date of the form C-115, the division may cancel the operator's authority to transport from or inject into all wells it operates.

[19.15.7.24 NMAC - Rp, 19.15.13.1115 NMAC, 12/1/2008; A, 11/14/2017; A, 05/25/2021]

19.15.7.25 VENTED AND FLARED NATURAL GAS (Form C-115B):

A. An operator shall file form C-115B in accordance with 19.15.27 NMAC and 19.15.28 NMAC.

B. An operator shall file form C-115B using the division's web-based online application on or before the 15th day of the second month following the month in which venting or flaring occurred. An operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would be an economic or other hardship.

[19.15.7 NMAC - N, 05/25/2021]

[19.15.7.25] 19.15.7.26 GAS-OIL RATIO TESTS (Form C-116): An operator shall make and report gas-oil ratio tests on form C-116 as prescribed in 19.15.18.8 NMAC and applicable special pool orders. The operator shall file the form C-116.

[19.15.7.26 NMAC - Rn, 19.15.7.25 NMAC, 05/25/2021]

[19.15.7.26] 19.15.7.27 TANK CLEANING, SEDIMENT OIL REMOVAL, TRANSPORTATION OF MISCELLANEOUS HYDROCARBONS AND DISPOSAL PERMIT (Form C-117-A) AND MONTHLY SEDIMENT OIL DISPOSAL STATEMENT (Form C-117-B):

A. An operator shall file form C-117-A with the appropriate division district office in accordance with Subsections B, C and H of 19.15.18.17 NMAC.

B. An operator shall file form C-117-B with the division's Santa Fe office and the appropriate division district office in accordance with Subsection D of 19.15.18.17 NMAC.

[19.15.7.27 NMAC - Rn, 19.15.7.26 NMAC, 05/25/2021]

[19.15.7.27] 19.15.7.28 TREATING PLANT OPERATOR'S MONTHLY REPORT (Form C-118): A treating plant operator shall file on a monthly basis form C-118 with the appropriate division district office. The form C-118 shall contain all the information the form requires. Column 1 of sheet 1-A of form C-118 entitled permit number, references form C-117-A, for each lot of oil the operator picked up for processing.

[19.15.7.28 NMAC - Rn, 19.15.7.27 NMAC, 05/25/2021]

[19.15.7.28] 19.15.7.29 MONTHLY WATER DISPOSAL REPORT (Form C-120-A): An operator of a [salt] produced water disposal system shall report its operations on form C-120-A. The operator shall file form C-120-A in duplicate, with one copy to the division's Santa Fe office and one copy to the appropriate division district office, and shall postmark the form no later than the 15th day of the second succeeding month.

[19.15.7.29 NMAC - Rn & A, 19.15.7.28 NMAC, 05/25/2021]

[19.15.7.29] 19.15.7.30 PURCHASER'S NOMINATION FORMS (Form C-121 and Form C-121-A):

A. Unless the director requests otherwise, a person expecting to purchase oil from producing wells in New Mexico during the second and third succeeding two months shall file form C-121 with the division's Santa Fe office not later than the 20th day of each odd-numbered month. As an example, nominations submitted by the 20th day of July shall indicate the amount of oil the purchaser desires to purchase daily during September and October.

B. The person shall file form C-121-A with the division's Santa Fe office by the first day of the month during which the division will consider at the gas allowable hearing the nominations for the purchase of gas from producing wells in New Mexico during the succeeding month. As an example, purchaser's nominations to take gas from a pool during the month of August would be considered by the division at a hearing during July, and should be submitted to the Santa Fe office of the division by July 1.

C. In addition to the monthly gas nominations, the purchaser shall file 12-month nominations in accordance with the appropriate special pool orders.

[19.15.7.30 NMAC - Rn, 19.15.7.31 NMAC, 05/25/2021]

[19.15.7.30] 19.15.7.31 MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL (Form C-122):

A. Gas well test data sheet - San Juan basin (form C-122-A)

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- B. Initial potential test data sheet (form C-122-B)
- C. Deliverability test report (form C-122-C)
- D. Worksheet for calculation of static column wellhead pressure (P_w) (form C- 122-D)
- E. Worksheet for stepwise calculation of (surface) (subsurface) pressure (P_c & P_w) (P_f & P_s) (form C-122-E)
- F. Worksheet for calculation of wellhead pressures (P_c or P_w) from known bottom hole pressure (P_f or P_s) (form C-122-F)
- G. Worksheet for calculation of status column pressure at gas liquid interface (form C-122-G). The operator shall file the forms listed in Subsections A through F of 19.15.7.30 NMAC with the appropriate division district office in accordance with the provisions of the *manual for back-pressure testing of natural gas wells or gas well testing manual for northwest New Mexico*, 19.15.19.8 NMAC and applicable special pool orders and proration orders.
[19.15.7.31 NMAC – Rn, 19.15.7.30 NMAC, 05/25/2021]

[19.15.7.31] 19.15.7.32 REQUEST FOR THE CREATION OF A NEW POOL (Form C-123): The appropriate division district office shall provide the operator of a well that requires the creation of a pool written instructions regarding the filing of form C-123.
[19.15.7.32 NMAC – Rn, 19.15.7.31 NMAC, 05/25/2021]

[19.15.7.32] 19.15.7.33 RESERVOIR PRESSURE REPORT (Form C-124):

- A. An operator shall file form C-124 to report bottom hole pressures as required under the provisions of 19.15.18.9 NMAC and applicable special pool orders.
- B. An operator shall state the name of the pool; the pool datum, if established; the name of the operator and lease; the well number; the wellhead elevation above sea level; the date of the test; the total time the well was shut in prior to the test, the subsurface temperature in degrees fahrenheit at the test depth; the depth in feet at which the operator made the subsurface pressure test; the observed pressure in psi gauge corrected for calibration and temperature; the corrected pressure computed from applying to the observed pressure the appropriate correction for difference in test depth and reservoir datum plane; and any other information required on form C-124.
[19.15.7.33 NMAC – Rn, 19.15.7.32 NMAC, 05/25/2021]

[19.15.7.33] 19.15.7.34 GAS WELL SHUT-IN PRESSURE TESTS (Form C-125): An operator shall file form C-125 to report shut-in pressure tests on gas wells as required under the provisions of special pool orders.
[19.15.7.34 NMAC – Rn, 19.15.7.33 NMAC, 05/25/2021]

[19.15.7.34] 19.15.7.35 PERMIT TO TRANSPORT RECOVERED LOAD OIL (Form C-126): An applicant to transport recovered load oil shall file form C-126 with the appropriate division district office in conformance with 19.15.20.15 NMAC.
[19.15.7.35 NMAC – Rn, 19.15.7.34 NMAC, 05/25/2021]

[19.15.7.35] 19.15.7.36 REQUEST FOR ALLOWABLE CHANGE (Form C-127): An oil producer shall file form C-127 with the appropriate division district office not later than the 10th day of the month preceding the month for which an oil producer is requesting oil well allowable changes.
[19.15.7.36 NMAC – Rn, 19.15.7.35 NMAC, 05/25/2021]

[19.15.7.36] 19.15.7.37 FORMS REQUIRED ON FEDERAL LAND:

A. An operator shall use federal forms in lieu of state forms when filing application for permit to drill, deepen or plug back and sundry notices and reports on wells and well completion or recompletion report and log for wells on federal lands in New Mexico. However, the operator shall submit two extra copies of each of the forms to the BLM, which, upon approval, will transmit the forms to the division. An operator of a well on federal land shall use the following BLM forms in lieu of division forms:

<u>BLM Form No.</u>	<u>Title of Form</u> (Same for both agencies)	<u>Form No.</u>
3160-3 (Nov. 1993)	Application for Permit to Drill, Deepen or Plug Back	C-101
3160-5 (Nov. 1983)	Sundry Notices and Reports on Wells	C-103
3160-4 (Nov. 1983)	Well Completion or Recompletion Report and Log	C-105

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B. The above forms as the BLM may revise are the only forms that an operator may file in place of division forms.

C. After a well is completed and ready for pipeline connection, the operator shall file form C-104 along with a copy of form C-105 or BLM form No. 3160-4, whichever is applicable, with the division on wells drilled in the state, regardless of land status. Further, the operator shall file production reports using division forms; the division will not accept federal forms for reporting production.

D. An operator's failure to comply with 19.15.7.36 NMAC shall result in the division's cancellation of form C-104 for the affected well or wells.
[19.15.7.37 NMAC – Rn, 19.15.7.36 NMAC, 05/25/2021]

~~[19.15.7.37]~~ **APPLICATION FOR EXCEPTION TO NO-FLARE (Form C-129):** **19.15.7.38**
REPORT OF VENTED OR FLARED NATURAL GAS (Form C-129): An operator shall file form C-129 when applicable, in accordance with ~~[19.15.18.12]~~ 19.15.27 NMAC and 19.15.28 NMAC.
[19.15.7.38 NMAC – Rn & A, 19.15.7.37 NMAC, 05/25/2021]

~~[19.15.7.38]~~ **19.15.7.39 NOTICE OF DISCONNECTION (Form C-130):**

- A.** An operator shall file form C-130 with the division as provided in 19.15.19.13 NMAC.
B. An operator shall state to the best of its knowledge the reasons for disconnecting a gas well from gas transportation facilities.
C. The division shall furnish the New Mexico public regulation commission with a form C-130 indicating that a disconnected gas well may or will be reconnected to a gas transportation facility for ultimate distribution to consumers outside of the state.
[19.15.7.39 NMAC – Rn, 19.15.7.38 NMAC, 05/25/2021]

~~[19.15.7.39]~~ **19.15.7.40 MONTHLY GAS STORAGE REPORT (Form C-131-A); ANNUAL LPG STORAGE REPORT (Form C-131-B):**

- A.** An operator of an underground gas storage project shall report its operation monthly on form C-131-A. The operator shall file form C-131-A with the division's Santa Fe office with a copy to the appropriate division district office and shall postmark it not later than the 24th day of the next succeeding month.
B. An operator of underground liquefied petroleum gas storage projects approved by the division shall report its operations annually on form C-131-B.
[19.15.7.40 NMAC – Rn, 19.15.7.39 NMAC, 05/25/2021]

~~[19.15.7.40]~~ **19.15.7.41 AUTHORIZATION TO MOVE PRODUCED WATER:**

- A.** A transporter of produced water shall obtain the division's approval of form C-133 in accordance with 19.15.34 NMAC prior to transportation.
B. Approval of a single form C-133 is valid for leases the transporter serves.
[19.15.7.41 NMAC – Rn, 19.15.7.40 NMAC, 05/25/2021]

~~[19.15.7.41]~~ **19.15.7.42 GAS WELL CONNECTION, RECONNECTION OR DISCONNECTION NOTICE:** A gas transporter accepting gas for delivery from a wellhead or central point of delivery shall notify the division within 30 days of a new connection or reconnection to or disconnection from the gathering or transportation system by filing form C-135 with the appropriate division district office.
[19.15.7.42 NMAC – Rn, 19.15.7.41 NMAC, 05/25/2021]

~~[19.15.7.42]~~ **19.15.7.43 APPLICATION FOR APPROVAL TO USE AN ALTERNATE GAS MEASUREMENT METHOD (Form C-136):**

- A.** An operator shall use form C-136 to request and obtain division approval for use of an alternate procedure for measuring gas production from a well that is not capable of producing more than 15 MCFD (Paragraph (1) of Subsection B of 19.15.19.9 NMAC) or for a well that has a producing capacity of 100 MCFD or less and is on a multi-well lease (Paragraph (2) of Subsection B of 19.15.19.9 NMAC).
B. An operator shall fill out the applicable information required on form C-136 with the required supplemental information attached, and file it with the appropriate division district office.
[19.15.7.43 NMAC – Rn, 19.15.7.42 NMAC, 05/25/2021]

~~[19.15.7.43]~~ **19.15.7.44 APPLICATION FOR PRODUCTION RESTORATION PROJECT (C-139):**

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A. An operator shall use the division's web-based online application to apply for the production restoration tax incentive.

B. An operator shall enter a user identification number and password that it has obtained from the division and select the well for which the operator is requesting the production restoration tax incentive. The operator shall then enter the date it began the production restoration, the date the well returned to production and the process the operator used to return the well to production. The operator shall certify that the information is complete and correct.

[19.15.7.44 NMAC – Rn, 19.15.7.43 NMAC, 05/25/2021]

[19.15.7.44] 19.15.7.45 APPLICATION FOR WELL WORKOVER PROJECT (C-140):

A. An operator shall use the division's web-based online application to apply for the well workover tax incentive.

B. An operator shall enter a user identification number and password that it has obtained from the division and select the well for which the operator is requesting the well workover tax incentive. The operator shall enter the date that it commenced the well workover and the date it completed the well workover. The operator shall attach a description of the workover procedure it performed to increase production and a production curve or data tabulation showing at least 12 months of production prior to the well workover and at least three months of production following the well workover to reflect a positive production increase.

[19.15.7.45 NMAC – Rn, 19.15.7.44 NMAC, 05/25/2021]