

FINAL DOCKET: COMMISSION MEETING – FRIDAY – FEBRUARY 13, 2015

9:00 A.M. – Porter Hall
1220 South St. Francis
Santa Fe, New Mexico

Notice: The minutes of the November 19, 2014 Commission Meeting will be adopted.

Notice: During this meeting, the Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with Commission counsel under the attorney-client privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

The Oil Conservation Commission will adopt its annual resolution setting forth reasonable notice standards for Commission Public Meetings, pursuant to the New Mexico Open Meetings Act, 10-15-1.D NMSA 1978.

CASE 15239: *Application Of The New Mexico Oil And Gas Association To Repeal And Replace Title 19, Chapter 15, Part 34 Of The New Mexico Administrative Code Addressing Produced Water, Drilling Fluids And Other Liquid Oil Field Waste; And To Amend The Definition Of Produced Water In Title 19, Chapter 15, Part 2, Of The New Mexico Administrative Code.* Applicant seeks an order repealing Title 19, Chapter 15, Part 34 of the New Mexico Administrative Code ("NMAC") and replacing it with a new proposed rule. Applicant also seeks to amend the definition of "produced water" in Title 19, Chapter 15, Part 2, NMAC. The proposed rule and amendment are intended to:

- (1) Encourage and promote the recycling or re-use of produced water in the production of oil and gas in a manner that provides reasonable protection to fresh waters, the public health, and the environment;
- (2) Clarify and codify when the disposition by use of produced water requires prior approval by the New Mexico Oil Conservation Division and when registration is sufficient;
- (3) Require produced water recycling facilities subject to the proposed rule to either be permitted or registered with the Division;
- (4) Permit by rule produced water recycling containments for a limited period of time to store, treat and recycle produced water for use in the drilling, completion, production or plugging of oil and gas wells;
- (5) Prevent any use of recycling containments for the disposal of produced water or other oilfield wastes;
- (6) Adopt for the proposed produced water recycling containments applicable siting, design, construction, operation, closure and site reclamation provisions;
- (7) Establish when and what type of financial assurance is required for operators of produced water recycling containments and when that financial assurance can be released;
- (8) Adopt provisions for seeking a variance from the requirements of the proposed rule;
- (9) Retain the current provisions of 19.15.34.8 through 19.15.34.12 addressing and regulating the transportation of produced water, drilling fluids and other liquid oilfield wastes;
- (10) Adopt provisions for the immediate enforcement of the proposed rule by the New Mexico Oil Conservation Division; and
- (11) Modify the definition of "produced water" in Title 19, Chapter 15, Part 2, NMAC, to match the definition of "produced water" in Section 70-2-33(K) of the Oil and Gas Act.

The proposed rule and amendment are available from Division Administrator Florene Davidson at (505) 476-3458 or can be viewed on the Division's web site at <http://www.emnrd.state.nm.us/ocd/rules.htm>. **Modifications** to the proposed rule or amendment must be received by the Division no later than 5:00 P.M. on **January 30, 2015**. Persons intending to provide **written comments** on the proposed rule change must submit their written comments no later than 5:00 p.m. on **February 6, 2015** to the Division's Administrator. Persons intending to offer technical testimony at the hearing must file six copies of a **Pre-hearing Statement** conforming to the requirements of 19.15.3.11 NMAC, and six copies of all exhibits the person will offer in evidence at the hearing, no later than **February 6, 2015**. Proposed modifications and written comments may be hand-delivered or mailed to Ms. Davidson at 1200 South Saint Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at (505) 476-3462. Pre-hearing Statements must be hand-delivered or mailed to Ms. Davidson at the above address. If you are an individual with disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Davidson at (505) 476-3458 or the New Mexico Relay Network at 1-800-659-1779.