

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

**RECEIVED**

JUL 11 1995

APPLICATION OF THE NEW MEXICO OIL  
CONSERVATION DIVISION TO AMEND RULE 116  
OF THE DIVISION RULES AND REGULATIONS  
RELATING TO NOTIFICATION OF FIRES, BREAKS, LEAKS,  
SPILLS AND BLOWOUTS.

Oil Conservation Division

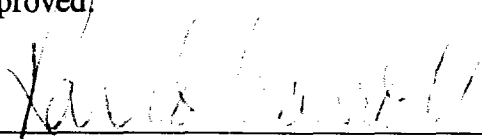
CASE: 11352

APPLICATION

COMES NOW the New Mexico Oil Conservation Division and applies to the New Mexico Oil Conservation Commission to amend Rule 116 relating to the Notification of Fires, Breaks, Leaks, Spills and Blowouts and in support thereof states:

- (1) The New Mexico Oil Conservation Division has had substantial experience with Rule 116 in its present form.
- (2) The New Mexico Oil Conservation Division has determined that Rule 116 is in need of amendment to include and/or exclude certain situations from its coverage.
- (3) These situations were not occurring or were not contemplated at the time Rule 116 was enacted in its present form.
- (4) Based upon its experience, Applicant recommends that the Commission adopt a new Rule 116, which is attached as Exhibit "A".

WHEREFORE, Applicant requests that this application be set for hearing before the New Mexico Oil Conservation Commission on this 3rd day of August, 1995, and that after notice and hearing the application be approved.

  
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## DRAFT

### RULE 116 - NOTIFICATION OF FIRES, BREAKS, LEAKS, SPILLS, RELEASES AND BLOWOUTS

#### A. Notification

The Division shall be notified of any fire, break, leak, spill, release or blowout occurring at any injection or disposal facility or at any oil or gas drilling, producing, transporting, servicing, or processing facility in the State of New Mexico by the person operating or controlling such facility in accordance with the requirements of this rule.

~~B. "Facility," for the purpose of this rule, shall include any oil or gas well, any injection or disposal well, and any drilling or workover well; any pipe line through which crude oil, condensate, casinghead or natural gas, or injection or disposal fluid (gaseous or liquid) is gathered, piped, or transported (including field flow lines and lead lines but not including natural gas distribution systems); any receiving tank, holding tank, or storage tank, or receiving and storing receptacle into which crude oil, condensate, injection or disposal fluid, or casinghead or natural gas is produced, received, or stored; any injection or disposal pumping or compression station including related equipment; any processing or refining plant in which crude oil, condensate, or casinghead or natural gas is processed or refined; and any tank or drilling pit or slush pit associated with oil or gas well or injection or disposal well drilling operations or any tank, storage pit, or pond associated with oil or gas production or processing operations or with injection or disposal operations and containing hydrocarbons or hydrocarbon waste or residue, salt water, strong caustics or strong acids, or other deleterious chemicals or harmful contaminants~~

~~B.C. Timing of Notification of such fire, break, leak, spill, or blowout shall be in accordance with the provisions set forth below:~~

~~1.(7) Immediate Notification~~ IMMEDIATE NOTIFICATION.  
"Immediate Notification" Notification of the following incidents shall be given as soon as possible after discovery, and shall be either in person or by telephone to the appropriate district office at any time but in no event more than 24 hours thereafter, followed

up by "subsequent notification" pursuant to Section B.2: of the Division district in which the incident occurs, or if the incident occurs after normal business hours, to the District Supervisor, the Oil and Gas Inspector, or the Deputy Oil and Gas Inspector. A complete written report ("Subsequent Notification") of the incident shall also be submitted in DUPLICATE to the appropriate district office of the Division within ten days after discovery of the incident.

(1) (a) Well Blowouts. Well Blowouts - Notification of well blowouts and/or fires shall be "immediate notification" described below. ("Well blowout" is defined as being loss of control over and subsequent eruption of any drilling or workover well, or the rupture of the casing, casinghead, or wellhead or any oil or gas well or injection or disposal well, whether active or inactive, accompanied by the sudden emission of fluids, gaseous or liquid, from the well.)

(2) (b) "Major" Breaks, Spills, or Leaks. Major Spills, leaks or releases

(i) Notification of breaks, spills, leaks or releases of 25 or more barrels of crude oil, or produced water, or condensate or any combination thereof; none of which reaches a watercourse; or 500 or more MCF of gases, or 100 barrels or more of salt water, none of which reaches a watercourse or enters a stream or lake;

(ii) breaks, spills, leaks or releases in which any quantity of one or more barrels of crude oil, produced water, or condensate, or other chemicals or contaminants or 25 barrels or more of salt water does reaches a watercourse. or enters a stream or lake;

(iii) and breaks, spills, leaks or releases of hydrocarbons or hydrocarbon waste or residue, salt produced water, strong caustics or strong acids, gases, or other deleterious chemicals or harmful contaminants of any magnitude which

may with reasonable probability endanger human health or result in substantial damage to property or the environment., shall be "immediate notification" described below.

~~(4) "Gas Leaks and Gas Line Breaks. Notification of gas leaks from any source or of gas pipe line breaks in which natural or casinghead gas of any quantity has escaped or is escaping which may with reasonable probability endanger human health or result in substantial damage to property shall be "immediate notification" described below. Notification of gas pipe line breaks or leaks in which the loss is estimated to be 1000 or more MCF of natural or casinghead gas but in which there is no danger to human health nor of substantial damage to property shall be "subsequent notification" described below.~~

~~(5)(c) Tank Fires. Fires Notification of fFires in tanks or other receptacles caused by lightning or any other cause, if the loss is, or it appears that the loss will be, in quantities set forth in Section B.1.(b) 25 or more barrels of crude oil or condensate, or fires which may with reasonable probability endanger human health or result in substantial damage to property or the environment., shall be "immediate notification" as described below. If the loss is, or it appears that the loss will be at least 5 barrels but less than 25 barrels, notification shall be "subsequent notification" described below.~~

~~(6) Drilling Pits, Slush Pits, and Storage Pits and Ponds. Notification of breaks and spills from any drilling pit, slush pit, or storage pit or pond in which any hydrocarbon or hydrocarbon waste or residue, strong caustic or strong acid, or other deleterious chemical or harmful contaminant endangers human health or does substantial surface damage, or reaches a watercourse or enters a stream or lake in such quantity as may with reasonable probability endanger human health or result in substantial damage to such watercourse, stream, or lake, or the contents thereof, shall be "immediate notification" as described below. Notification of breaks or spills of such magnitude as to not endanger human health, cause substantial surface damage, or result in substantial damage to any watercourse, stream, or lake, or the contents thereof, shall be "subsequent notification" described below, provided however, no notification shall be required where there is no threat of any damage resulting from the break or spill.~~

~~2.(8) Subsequent Notification SUBSEQUENT NOTIFICATION. "Subsequent Notification" shall be aA complete written report of the following incident and shall be submitted in DUPLICATE on OCD~~

Form C-139, pursuant to OCD guidelines, to the appropriate district office of the Division district in which the incident occurred for approval within ten days after discovery of the incident-;

(3) (a) ~~"Minor" Breaks, Spills, or Leaks.~~ Minor Spills, Leaks or Releases Notification of breaks, spills, or leaks of 1 barrel 5-barrels or more but less than 25 barrels of crude oil, or produced water, or condensate, or any combination thereof,; or 25-barrels or more but less than 100 barrels of salt water, none of which reaches a watercourse or enters a stream or lake,; or at least 50 but less than 500 MCF of gas; and in which there is no danger to human health nor of substantial damage to property or the environment shall be "subsequent notification".

(b) Fires Fires, if the loss is, or it appears that the loss will be in quantities set forth in Section B.2.(a).

(9) ~~CONTENT OF NOTIFICATION.~~ All reports of fires, breaks, leaks, spills, or blowouts, whether verbal or written, shall identify the location of the incident by quarter-quarter, section, township, and range, and by distance and direction from the nearest town or prominent landmark so that the exact site of the incident can be readily located on the ground. The report shall specify the nature and quantity of the loss and also the general conditions prevailing in the area, including precipitation, temperature, and soil conditions. The report shall also detail the measures that have been taken and are being taken to remedy the situation reported.

(10) ~~WATERCOURSE,~~ for the purpose of this rule, is defined as any lake bed or gully, draw, stream bed, wash, arroyo, or natural or man-made channel through which water flows or has flowed.

### C. Corrective Actions

The owner and/or operator must complete corrective actions in accordance with OCD Guidelines.