

DISCUSSION DRAFT, 06-06-2002: RULE: 19.15.2.51 Hydrogen Sulfide Gas (Hydrogen Sulfide)

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19.15.2.51 Hydrogen Sulfide Gas (Hydrogen Sulfide)

A. In General. Hydrogen sulfide gas (known by its chemical abbreviation "H₂S" or as "sulfurated hydrogen" or "hydrosulfuric acid") is a flammable, poisonous gas that may occur naturally as a component of crude petroleum and natural gas. The gas has a distinct and characteristic odor of rotten eggs but due to olfactory fatigue may not be sensed by the human sense of smell.

B. Scope. This Section provides for public safety in areas where hydrogen sulfide gas (H₂S) exists in a potentially hazardous volume. This Section applies to any person, operator or facility subject to the jurisdiction of the Division, including, but not limited to, any person, operator or facility engaged in drilling, stimulating, injecting into, completing, working over or producing any oil or natural gas or carbon dioxide well or any person, operator or facility engaged in gathering, transporting, storing, processing or refining of crude oil, natural gas or carbon dioxide.

C. Definitions (specific to this Section).

1. ANSI. The acronym "ANSI" means the American National Standards Institute.
2. API. The acronym "API" means the American Petroleum Institute.
3. ASTM. The acronym "ASTM" means the American Society for Testing and Materials.
4. Dispersion Technique. A "dispersion technique" is a mathematical representation of

the physical and chemical transportation characteristics, dilution characteristics and transformation characteristics of H₂S gas in the atmosphere.

5. Escape Rate. The "escape rate" is the maximum volume (Q) that is used to designate the possible rate of escape of a gaseous mixture containing H₂S. The escape rate is calculated using the maximum daily rate of the gaseous mixture produced or the best estimate thereof. For a natural gas well, the escape rate shall be calculated by using the current daily absolute open flow rate against atmospheric pressure. For an oil well, the escape rate shall be calculated by multiplying the producing gas/oil ratio by the maximum daily production rate or best estimate thereof. For an oil or natural gas well drilled in an undeveloped area, a wildcat well, the escape rate may be determined by using offset wells completed in the interval in question, or using some other reasonable means to calculate the escape rate. For facilities or operations not mentioned, the escape rate shall be calculated using the actual flow of gaseous mixture through the facility or operation.

6. GPA. The acronym "GPA" means the Gas Processors Association.

7. LEPC. The acronym "LEPC" means the local emergency planning committee established pursuant to the emergency planning and community right-to-know act, 42 U.S.C. § 11001.

8. NACE. The acronym "NACE" refers to the National Association of Corrosion Engineers.

9. PPM. The acronym "ppm" means "parts per million" by volume.

10. Potentially Hazardous Volume (hereinafter referred to as a "potentially hazardous volume" or by the acronym "PHV") means the volume of hydrogen sulfide gas of such concentration that:

- a. the 100 ppm radius of exposure includes any public area as defined herein;
- b. the 300 ppm radius of exposure includes any public road as defined herein; or
- c. the 100 ppm radius of exposure is in excess of 3,000 feet.

11. Public Area. A "public area" is any dwelling, office, place of business, church, school, hospital, school bus stop, government building, or any portion of a park, city, town, village or other similar area where members of the public may reasonably be expected to be present.

12. Public Road. A "public road" is any federal, state, municipal or county road or highway or postal route.

13. Radius of Exposure. The radius of exposure (hereinafter referred to as "radius of exposure" or "ROE") is an imaginary circle constructed around a point of escape the radius of which is calculated using the following Pasquill-Gifford derived equation, or by such other method as may be approved by the division:

a. For determining the 100-ppm radius of exposure: $X = [(1.589)(\text{hydrogen sulfide concentration})(Q)]^{(0.625)}$, or

b. For determining the 300-ppm radius of exposure: $X = [(0.77)(\text{hydrogen sulfide concentration})(Q)]^{(0.6258)}$

Where: X= radius of exposure in feet; hydrogen sulfide concentration = decimal equivalent of the mole or volume fractions of hydrogen sulfide in the gaseous mixture; Q= maximum volume of gas determined to be available for escape in cubic feet per day (corrected for standard conditions of 14.73 psia and 60°F).

c. Where multiple sources of hydrogen sulfide are present (e.g. wells, treatment equipment, flow lines, etc.), the radius of exposure may encompass a larger area than would otherwise be calculated using a radius of exposure computation for each component part.

d. For a well being drilled in an area where insufficient data exists to calculate a radius of exposure, but where hydrogen sulfide could reasonably be expected to be present in concentrations in excess of 100 ppm in the gaseous mixture, a 100 ppm radius of exposure equal to 3,000 feet shall be assumed.

D. Determination of Hydrogen Sulfide Risk.

1. Determination of Hydrogen Sulfide Concentration.

a. Each person, operator or facility to which this Section applies shall determine the hydrogen sulfide concentration within each of its operations or systems. A representative sample for each system or operation may be used for testing provided that the person, operator or facility can demonstrate that the concentration derived from a test of the representative sample is reasonably representative of the hydrogen sulfide concentration within the operation or system.

b. The tests referred to in the previous Subparagraph shall be conducted in accordance with applicable ASTM or GPA standards or by other methods approved by the division.

c. If a representative sample from a system or operation was tested within one (1) year of the effective date of this Section, new testing shall not be required; provided, however, new testing shall not be required for a producing well that was tested prior to the effective date of this Section.

2. Tested Concentrations Below 100 ppm. If the testing described in the previous Paragraph determines that the hydrogen sulfide concentration in a given operation or system is less than 100 ppm, no further actions are required pursuant to this Section.

3. Tested Concentrations Above 100 ppm; Calculation of the Radius of Exposure.

a. If the testing described in Paragraph 1 of this Subsection determines that the concentration of hydrogen sulfide in a gaseous mixture is 100 ppm or greater, then the person, operator or facility must calculate the radius of exposure pursuant to this Section.

b. If calculation of the radius of exposure reveals that a potentially hazardous volume may be present, the person, operator or facility shall provide the results of the testing and the resulting radius of exposure determinations to the division electronically in a generally accepted electronic format within 180 days of commencing operations or, for existing facilities, within 180 days of the effective date of this Section. An Operator may petition the Division for an extension of the 180-day reporting period pursuant to subsection K of this Section. The Division may disapprove the test methodology and require additional testing if the testing methodology did not conform to the requirements of this Section.

4. Recalculation. If operational or production alterations are made that, through application of generally accepted engineering principles and generally accepted operating practices, indicate that a 25% or greater increase in the hydrogen sulfide concentration may occur in a given operation or facility, the person, operator or facility shall recalculate the radius of exposure and submit the results to the division electronically in a form that is compatible with the division's systems.

E. H₂S Contingency Plan.

1. In General. An H₂S contingency plan is a written document that provides a plan of action that will be used to alert and protect persons at risk in the event of a potentially significant release of hydrogen sulfide gas. The Plan must be developed in accordance with the following paragraphs.

2. When Required. An H₂S contingency plan must be prepared whenever a potentially hazardous volume of hydrogen sulfide may be present.

3. Input of Emergency Response Authorities and the Division. The person, operator or facility ^{shall seek} ~~may receive~~ input on the proposed H₂S contingency plan from the division, the New Mexico department of public safety (and as appropriate the New Mexico state police) the local emergency planning committee, the county sheriff, city or municipal police, and/or police and fire departments.

4. Elements.

a. Elements Required for Each Plan:

i. A detailed description of each action to be taken in the event of a release of a potentially hazardous volume of hydrogen sulfide, including an immediate action plan that substantially conforms to paragraph 7.6 of guidelines published by the API in its publication entitled "Recommended Practices for Oil and Gas Producing and Gas Processing Plant Operations Involving Hydrogen Sulfide," RP-55, most recent edition;

ii. A call list including the following as applicable:

- aa. local supervisory personnel;
- bb. county sheriff;
- cc. the department of public safety and state police;
- dd. city or municipal police;
- ee. the appropriate division district office; and
- ff. other public agencies as appropriate.

iii. A plat or map detailing the area within the radius of exposure of a potentially hazardous volume; and

iv. A list of the names and telephone numbers of all personnel to be contacted when a release is reported or suspected.

b. Where the 300-ppm radius of exposure encompasses any public road, the person, operator or facility shall include the following additional elements in the H₂S contingency plan:

i. Instructions and procedures for alerting and coordinating with emergency response authorities in the event of a release of a potentially hazardous volume of hydrogen sulfide at any public road;

ii. A plat or map detailing the area of exposure, including the locations of public roads within the radius of exposure of a potentially hazardous volume;

iii. A plan to divert traffic and safely get existing traffic off the road and out of danger.

c. Where the 100-ppm radius of exposure encompasses any public area, the following additional elements shall be included in the H₂S contingency plan:

i. detailed plans of action to alert and protect persons in the event of a release of a potentially hazardous volume of hydrogen sulfide, including instructions and procedures for alerting persons at risk and emergency response authorities in the event of a release of a potentially hazardous volume of hydrogen sulfide;

ii. a call list including all the persons set forth in Sub subparagraph E(4)(a)(ii), above, and the following:

- aa. ambulance services;
- bb. hospitals;
- cc. county and city fire departments;
- dd. doctors;
- ee. contractors for supplemental or emergency equipment; and
- ff. other public agencies as appropriate.

iii. a statement describing how emergency response actions will be coordinated with the division and the New Mexico state police, consistent with the New Mexico hazardous materials emergency response plan (HMER);

iv. a plat or map detailing the area of exposure, including the locations of private dwellings or residences, public facilities such as schools, businesses, public roads or other similar areas where the public may be reasonably expected to be present within the radius of exposure;

v. the names and telephone numbers of all persons living within the radius of exposure of 100 ppm hydrogen sulfide and contact persons for each public area, such as churches, schools and businesses;

vi. provisions for advance briefing of affected and responsible persons within the radius of exposure. Such advance briefing shall include the hazards and characteristics of

hydrogen sulfide, the necessity for an H₂S contingency plan, the possible sources of hydrogen sulfide within the radius of exposure, instructions for reporting a gas leak, the manner in which persons will be notified in the event of an emergency and steps to be taken in an emergency;

vii. in lieu of the previous subparagraph, a reaction-type plan may be prepared and submitted that provides for mass notification of a hydrogen sulfide leak and for an evacuation of affected areas; and

viii. additional support information, if applicable, such as the location of emergency evacuation routes, the location of safety and life support equipment, the location of hydrogen sulfide containing facilities, the location of nearby telephones or other means of communication and special instructions for conditions at a particular installation such as local terrain and the effect of various weather conditions.

d. Additional Requirements. The division may impose additional requirements or modify requirements based on site-specific conditions, population density or special circumstances.

5. Submission. The H₂S contingency plan shall be submitted to the division electronically in a form that is compatible with the division's systems and to the local emergency planning committee no later than 180 days following submission of the radius of exposure required in Subsection D of this Section. The H₂S contingency plan may be submitted separately or along with the application for permit to drill (APD) and may be submitted to the division electronically in a generally accepted format.

6. Failure to Submit Plan. Failure to submit an H₂S contingency plan when required may result in denial of an application for permit to drill that well, cancellation of an allowable or other appropriate enforcement action.

7. Annual Review, Amendment. The person, operator or facility shall review the H₂S contingency plan on an annual basis, if activation of a plan reveals a deficiency or, if changes to processes, concentrations of hydrogen sulfide or other circumstances occur. The person, operator or facility shall submit any amendments to the division electronically in a form that is compatible with the division's systems and to the local emergency planning committee. Reasonable efforts shall be taken to update on an annual basis the names and telephone numbers of persons living within the 100 ppm radius of exposure.

8. Retention and On-Site Inspection. An H₂S contingency plan shall be reasonably accessible in the event of a release and maintained on file at all times and shall be available for inspection by the Division.

9. Activation Levels. The H₂S contingency plan shall be activated in the event of a release of a potentially hazardous volume of H₂S above the respective thresholds (i.e. 300 ppm radius at any public road, 100 ppm radius at any public area, etc.) or if a sustained concentration of H₂S exceeds 50 ppm at the property line of any facility, well or operation.

F. Protection from Hydrogen Sulfide During Drilling, Workover and Servicing Operations.

1. API Standards. All drilling, completion, workover and well servicing operations shall be conducted with due consideration to the guidelines published by the API entitled "Recommended Practice for Oil and Gas Well Servicing and Workover Operations Involving Hydrogen Sulfide," RP-68, and "Recommended Practices for Safe Drilling of Wells Containing Hydrogen Sulfide," RP-49, most recent edition.

2. Minimum Standards. At a minimum, and possibly in addition to the foregoing API standards, each drilling, completion, workover and well servicing operation shall also be conducted in accordance with the following:

a. Before Commencing Operations. The person, operator or facility shall complete an H₂S contingency plan, where required, before commencement of operations. In addition, hydrogen sulfide training shall be completed and all related safety equipment and warning systems shall be operational before commencement of operations.

b. Egress Routes. The person, operator or facility shall maintain passable egress routes at all times during operations.

c. Safety, Detection and Monitoring Equipment. The person, operator or facility shall provide hydrogen sulfide detection and monitoring equipment as follows:

i. Each drilling and completion site shall have a hydrogen sulfide detection and monitoring system that automatically activates visible and audible alarms when the ambient air concentration of hydrogen sulfide reaches 20 ppm. There shall be a sensing point located at the shale shaker, rig floor and bell nipple for a drilling site and the cellar, rig floor and circulating tanks or shale shaker for a completion site.

ii. The detection system shall be calibrated, tested and the results recorded monthly. Each test of the hydrogen sulfide monitoring system shall be recorded on the driller's log or its equivalent.

iii. For workover and well servicing operations, one operational sensing point shall be located as close to the well bore as practical. Additional sensing points may be necessary for large or long-term operations.

iv. Hydrogen sulfide detection, safety and monitoring equipment must be provided and the prescribed safety equipment must be made operational during drilling when drilling is within 500 feet of the zone anticipated to contain hydrogen sulfide and continuously thereafter through all subsequent drilling. Detection and monitoring equipment is not required for drilling from the surface to within 500 feet of the zone anticipated to contain hydrogen sulfide.

d. Wind Indicators and Signs.

i. Equipment to indicate wind direction shall be present and visible at all times. At least two devices to indicate wind direction shall be installed at separate elevations and visible from all principal working areas at all times.

ii. Danger or caution signs shall be displayed along all accesses to the site. The signs shall read "DANGER - POISON GAS, HYDROGEN SULFIDE PRESENT" or, as appropriate, "CAUTION - POISON GAS - HYDROGEN SULFIDE MAY BE PRESENT" or equivalent language approved by the division, and in smaller lettering: "Do Not Approach If Red Flag is Flying" or equivalent language approved by the division. Each sign shall be painted in colors that satisfy Table 1 of ANSI standard Z53.1-1967 or regulations of the federal occupational safety and health administration. The signs shall be legible and large enough to be read by all persons entering the well site and shall be placed a minimum of 200 feet but no more than 300 feet from the well site and at a location which allows vehicles to turn around at a safe distance prior to reaching the site.

iii. When hydrogen sulfide is detected in excess of ~~20~~ 10 ppm at any detection point, red flags shall be displayed.

e. If Hydrogen Sulfide Encountered During Operations. If hydrogen sulfide was not anticipated at the time the division approved the APD but is encountered during drilling in excess of 100 ppm in the gaseous mixture, the operator shall immediately ensure control of the well, suspend drilling operations unless detrimental to well control, and obtain materials and safety equipment to bring the operations into compliance with this Section. The operator shall notify the division of the event and the mitigating steps that have or are being taken as soon as possible, but no later than 24 hours following discovery.

3. Operating Practices In Hydrogen Sulfide Concentrations of 100 ppm or Greater.

Operating practices in areas known to contain a concentration of hydrogen sulfide gas of 100 ppm or greater in the gaseous mixture shall be subject to the following requirements:

a. If Hydrogen Sulfide Is Encountered During Use of Air, Gas, Mist or Other Non-Mud Circulating Media. If hydrogen sulfide gas in excess of 100 ppm is encountered while drilling with air, gas, mist or other non-mud circulating mediums for aerated mud, the well shall be killed with a water- or oil-based mud, and mud shall be used thereafter as the circulating medium for continued drilling. An alternate drilling method may be used after encountering hydrogen sulfide in excess of 100 ppm, but only if the alternative method is specifically approved by the Division.

b. Flare System. For drilling and completion operations, the person, operator or facility shall install a flare system to safely gather and burn hydrogen sulfide-bearing gas, unless exempted pursuant to Subsection K. Flare outlets shall be located as far from the well bore as feasible but

not less than 150 feet from the well. Flare lines shall be as straight as practical. The flare system shall be equipped with a suitable and safe means of ignition. Where noncombustible gas is to be flared, the system shall be provided supplemental fuel to maintain ignition.

c. Remote Controlled Choke.

i. The person, operator or facility shall install a remote controlled choke during drilling and during completion and well servicing operations when the 100-ppm H₂S radius of exposure includes a public area, unless exempted pursuant to Subsection K.

ii. A remote controlled valve may be used in lieu of use of a remote controlled choke, but only for completion operations.

iii. For drilling operations, a remote controlled choke or remote controlled valve shall have, at a minimum, a pressure and hydrogen sulfide-rated well control choke and kill system including manifold and blowout preventer pursuant to specifications API-16C and API-RP 53. The blowout preventer stack shall have at least one spool for the kill and choke lines, two pipe rams, one blind ram, one annular device and a rotating head. Mud-gas separators shall also be used. These systems shall be tested and maintained pursuant to the specifications referenced or other division rules, if more stringent. Variations to blowout preventer stack arrangements may be granted by the division for good cause shown.

d. Mud Program. A mud program, including de-gassing and flaring, capable of handling H₂S conditions and well control shall be used.

e. Well Testing. Except with prior approval by the division, the drill-stem testing shall be conducted only during daylight hours and formation fluids shall not be permitted to flow to the surface (closed chamber only). An operator shall notify the division 24 hours in advance of a drill-stem test if an H₂S contingency plan is required pursuant to this Section.

G. Protection from Hydrogen Sulfide at Crude Oil Pump Stations, Producing Wells, Tank Batteries and Associated Production Facilities, Refineries, Gas Plants and Compressor Stations.

1. API Standards. Operations at crude oil pump stations and producing wells, tank batteries and associated production facilities shall be conducted according to the guidelines published by the API in its publication entitled "Recommended Practices for Oil and Gas Producing and Gas Processing Plant Operations Involving Hydrogen Sulfide," RP-55, latest edition.

2. Minimum Standards. At a minimum, production from crude oil pump stations and producing wells, tank batteries and associated production facilities shall also be conducted in accordance with the following Subparagraphs and Sub subparagraphs. Where API standards referred to in the previous paragraph are less stringent than the following, the more stringent standards shall apply.

a. Gaseous Mixtures Containing 100 ppm or more. Producing wells containing 100 ppm or more of hydrogen sulfide in the gaseous mixture, crude oil pump stations, tank batteries and associated production facilities, refineries, gas plants and compressor stations, shall be subject to the following:

i. H₂S Contingency Plan. If a potentially hazardous volume of H₂S exists, an H₂S contingency plan shall be required.

ii. Signage. A danger sign or signs shall be posted within 50 feet of each facility to alert the public of the potential hydrogen sulfide danger. If fenced, a danger sign at the gates shall suffice. Danger signs shall be posted at each flow line and gathering line on the well pad that contains hydrogen sulfide gas. The signs shall read "DANGER - POISON GAS - HYDROGEN SULFIDE PRESENT", or, as appropriate "CAUTION - POISON GAS - HYDROGEN SULFIDE MAY BE PRESENT" or equivalent language approved by the division. Each sign shall be painted in colors that satisfy Table 1 of ANSI standard Z53.1-1967 or regulations of the federal occupational safety and health administration. The signs shall be legible and large enough to be read by all persons entering the well site and shall be placed on or within 50 feet of the site. A sign shall be placed at each point where a flow line or gathering line crosses a public road. Each sign shall be legible and shall contain the name of the owner or operator and an emergency telephone number.

iii. Fencing. Fencing and gates shall be required when crude oil pump stations and producing wells, tank batteries and associated production facilities are located in a public

area or within a 1/4-mile of a residence, school, church, park, playground, school bus stop or place of business. The fence shall consist of a 5-foot chain link topped by two stands of barbed wire or other designs approved by the division. Gates shall be locked when unattended.

iv. Wind Direction Indicators. Wind direction indicators shall be required at every crude oil pump station, producing well, tank battery and associated production facility where the H₂S concentration in a gaseous state exceeds 100 PPM.

v. Secondary Well Control. Wells where the 100-ppm H₂S radius of exposure incorporates a public area shall possess a secondary means of immediate well control through the use of appropriate christmas tree or downhole completion equipment. Such equipment shall allow downhole accessibility (reentry) under pressure for permanent well control operations.

vi. Automatic Safety Valve or Shutdown. If the 100-ppm radius of exposure involves a public area, the person, operator or facility shall install an automatic safety valve or shutdown at the facility or wellhead or shall install other appropriate shut-in control. The automatic safety valve shall be set to activate upon a release of a potentially hazardous volume of hydrogen sulfide.

b. Tanks or vessels containing 300 ppm or more of hydrogen sulfide in the gaseous mixture shall be subject to the following additional requirements:

1. Each stair or ladder leading to the top of any storage tank shall be chained or marked to restrict entry. For any tank battery that requires fencing pursuant to this Section, a danger sign posted at the gates may be substituted for chaining and signs.

2. The person, operator or facility shall post a danger sign on or within 50 feet of any storage tank to alert persons of the potential hydrogen sulfide danger. For any storage tank for which fencing is required, a danger sign posted at the locked gates shall suffice. The signs shall read "DANGER - POISON GAS - HYDROGEN SULFIDE PRESENT", or, as appropriate "CAUTION - POISON GAS - HYDROGEN SULFIDE MAY BE PRESENT" or equivalent language approved by the division. Each sign shall be painted in colors that satisfy Table 1 of ANSI standard Z53.1-1967 or regulations of the federal occupational safety and health administration. The sign(s) shall be legible and large enough to be read by all persons entering the site and shall be placed on or within 50 feet of the site.

3. Compliance Schedule. Each existing crude oil pump station and producing well, tank battery and associated production facility not currently meeting the requirements and minimum standards set forth herein shall be brought into compliance within one year of the effective date of this Section. Each crude oil pump station and producing well, tank battery and associated production facility constructed following the effective date of this Section shall be designed, constructed and operated to meet the requirements set forth herein.

H. Personnel Protection and Training. All persons responsible for the implementation of any H₂S contingency plan shall be provided training in hydrogen sulfide hazards, detection, personal protection and contingency procedures.

I. Standards for Equipment That May Be Exposed to Hydrogen Sulfide. Persons, operators and facilities shall chose equipment with consideration for both the H₂S working environment and anticipated stresses. NACE Standard MR0175 (latest edition) shall be used for selection of metallic equipment or, if applicable, adequate protection by chemical inhibition or other methods that controls or limits the corrosive effects of H₂S shall be used.

J. Hydrogen Sulfide Injection. Injection of fluids containing hydrogen sulfide where the injection fluids are a gaseous mixture, or would be a gaseous mixture in the event of a release to the atmosphere, and where the 100-ppm radius of exposure from the injection point includes any public area shall not be permitted unless first approved by the division ~~after public hearing~~ as set forth in 19.15.9.701 NMAC through 19.15.9.708 NMAC.

eliminate?
JK. Exemptions. An exemption to the requirements of this Section may be granted by petitioning the director. Any such petition shall provide specific information as to the circumstances that warrant approval of the exemption requested and how the public safety will be protected. The director, after considering all relevant factors, may approve an exemption if the circumstances warrant an exemption, if the requirements of this Section are met, and public safety will be protected.

✓ L. Release. Upon a release of hydrogen sulfide the following actions must be taken:

1. Activation of the H₂S Contingency Plan. The person, operator or facility shall activate the H₂S contingency plan immediately upon an H₂S release where the potential exists for exposure to a potentially hazardous volume of H₂S, or where a concentration of H₂S greater than 50 ppm exists at the property line of any well, facility or operation.

2. Notification of the Division. The person, operator or facility shall notify the division upon a release of hydrogen sulfide requiring activation of the H₂S contingency plan as soon as practicable, preferably within one hour of discovery of the release or as soon as possible in cases where prompt response should supercede notification. The person, operator or facility shall submit a full report of the incident to the division on Form C-141 no later than fifteen (15) days following the release.

✓ M. Corrective Actions. The division may require corrective actions if necessary to maintain control of a well or any other facility or to safeguard public safety.

TITLE 19 NATURAL RESOURCES & WILDLIFE

CHAPTER 15 OIL AND GAS

**PART 9 SECONDARY OR OTHER ENHANCED RECOVERY,
PRESSURE MAINTENANCE, SALT WATER DISPOSAL, AND
UNDERGROUND STORAGE**

**19.15.9.1 ISSUING AGENCY: Energy, Minerals and Natural Resources
Department.**

[2-1-96; 19.15.9.1 NMAC - Rn, 19 NMAC 15.1.1, 11-30-00; A, 11-30-00]

**19.15.9.2 SCOPE: All persons/entities engaged in oil and gas development and
production within New Mexico.** [2-1-96; 19.15.9.2 NMAC - Rn, 19 NMAC 15.1.2, 11-30-00]

**19.15.9.3 STATUTORY AUTHORITY: Sections 70-2-1 through 70-2-38 NMSA 1978
sets forth the Oil and Gas Act which grants the Oil Conservation Division jurisdiction and
authority over all matters relating to the conservation of oil and gas, the prevention of waste of oil
and gas and of potash as a result of oil and gas operations, the protection of correlative rights, and
the disposition of wastes resulting from oil and gas operations.** [2-1-96; 19.15.9.3 NMAC - Rn, 19
NMAC 15.1.3, 11-30-00]

19.15.9.4 DURATION: Permanent. [2-1-96; 19.15.9.4 NMAC - Rn, 19 NMAC 15.1.4, 11-30-00]

**19.15.9.5 EFFECTIVE DATE: February 1, 1996, unless a later date is cited at the end of
a section.**
[2-1-96; 19.15.9.5 NMAC - Rn, 19 NMAC 15.1.5, 11-30-00; A, 11-30-00]

**19.15.9.6 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 and the environment pursuant to the Oil and Gas Act.** [2-1-96;
19.15.9.6 NMAC - Rn, 19 NMAC 15.1.6, 11-30-00]

19.15.9.7 DEFINITONS: Reserved. [2-1-96; 19.15.9.7 NMAC - Rn, 19 NMAC 15.1.7, 11-30-00]

19.15.9.8-700 RESERVED [2-1-96; 19.15.9.8-700 NMAC - Rn, 19 NMAC 15.1.7-700, 11-30-00]

19.15.9.701 INJECTION OF FLUIDS INTO RESERVOIRS

A. Permit for Injection Required - The injection of gas, liquefied petroleum gas, air, water,
or any other medium into any reservoir for the purpose of maintaining reservoir
pressure or for the purpose of secondary or other enhanced recovery or for storage or
the injection of water into any formation for the purpose of water disposal shall be
permitted only by order of the Division after notice and hearing, unless otherwise
provided herein.

B. Method of Making Application

- (1) Application for authority for the injection of gas, liquefied petroleum gas, air,
water or any other medium into any formation for any reason, including but not
necessarily limited to the establishment of or the expansion of water flood

projects, enhanced recovery projects, pressure maintenance projects, and salt water disposal, shall be by submittal of Division Form C-108 complete with all attachments.

- (2) The Applicant shall furnish, by certified or registered mail, a copy of the application to the owner of the surface of the land on which each injection or disposal well is to be located and to each leasehold operator within one-half mile of the well.

C. Administrative Approval

- (1) If the application is for administrative approval rather than for a hearing, it must also be accompanied by a copy of a legal publication published by the applicant in a newspaper of general circulation in the county in which the proposed injection well is located. (The details required in such legal notice are listed on Side 2 of Form C-108).
- (2) No application for administrative approval may be approved until 15 days following receipt by the Division of Form C-108 complete with all attachments including evidence of mailing as required under Subsection B, Paragraph (2) above of 19.15.9.701 NMAC and proof of publication as required by Subsection C, Paragraph (1) above of 19.15.9.701 NMAC.
- (3) If no objection is received within said 15-day period, and a hearing is not otherwise required, the application may be approved administratively.

D. Hearings - If a written objection to any application for administrative approval of an injection well is filed within 15 days after receipt of a complete application, if a hearing is required pursuant to the provisions of NMAC 19.15.2.51 (Hydrogen Sulfide Gas), or if a hearing is otherwise required by these rules or deemed advisable by the Division Director, the application shall be set for hearing and notice thereof given by the Division.

E. Salt Water Disposal Wells

- (1) The Division Director shall have authority to grant an exception to the requirements of Subsection A of 19.15.9.701 NMAC for water disposal wells only, without hearing, 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 said waters are to be disposed of into a formation older than Triassic (Lea County only) and provided no objections are received pursuant to Subsection C of 19.15.9.701 NMAC.
- (2) Disposal will not be permitted into zones containing waters having total dissolved solids concentrations of 10,000 mg/l or less except after notice and hearing, provided however, that the Division may establish exempted aquifers for such zones wherein such injection may be approved administratively.
- (3) Notwithstanding the provisions of Subsection E, Paragraph (2) above of 19.15.9.701 NMAC, the Division Director may authorize disposal into such

zones if the waters to be disposed of are of higher quality than the native water in the disposal zone.

F. Pressure Maintenance Projects

- (1) Pressure maintenance projects are defined as those projects in which fluids are injected into the producing horizon in an effort to build up and/or maintain the reservoir pressure in an area which has not reached the advanced or "stripper" state of depletion.
- (2) All applications for establishment of pressure maintenance projects shall be set for hearing. The project area and the allowable formula for any pressure maintenance project shall be fixed by the Division on an individual basis after notice and hearing.
- (3) Pressure maintenance projects may be expanded and additional wells placed on injection only upon authority from the Division after notice and hearing or by administrative approval.
- (4) The Division Director shall have authority to grant an exception to the hearing requirements of Subsection A of 19.15.9.701 NMAC for the conversion to injection of additional wells within a project area provided that any such well is necessary to develop or maintain efficient pressure maintenance within such project and provided that no objections are received pursuant to Subsection C of 19.15.9.701 NMAC.

G. Water Flood Projects

- (1) Water flood projects are defined as those projects in which water is injected into a producing horizon in sufficient quantities and under sufficient pressure to stimulate the production of oil from other wells in the area, and shall be 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.
- (2) All applications for establishment of water flood projects shall be set for hearing.
- (3) The project area of a water flood project shall comprise the proration units owned or operated by a given operator upon which injection wells are located plus all proration units owned or operated by the same operator which directly or diagonally offset the injection tracts and have producing wells completed on them in the same formation; provided however, that additional proration units not directly nor diagonally offsetting an injection tract may be included in the project area if, after notice and hearing, it has been established that such additional units have wells completed thereon which have experienced a substantial response to water injection.
- (4) The allowable assigned to wells in a water flood project area shall be equal to the ability of the wells to produce and shall not be subject to the depth bracket allowable for the pool nor to the market demand percentage factor.

- (5) Nothing herein contained shall be construed as prohibiting the assignment of special allowables to wells in buffer zones after notice and hearing. Special allowables may also be assigned in the limited instances where it is established at a hearing that it is imperative for the protection of correlative rights to do so.
- (6) Water flood projects may be expanded and additional wells placed on injection only upon authority from the Division after notice and hearing or by administrative approval.
- (7) The Division Director shall have authority to grant an exception to the hearing requirements of Subsection A of 19.15.9.701 NMAC for conversion to injection of additional wells provided that any such well is necessary to develop or maintain thorough and efficient water flood injection for any authorized project and provided that no objections are received pursuant to Subsection C of 19.15.9.701 NMAC.

H. Storage Wells

- (1) The Division Director shall have authority to grant an exception to the hearing requirements of Subsection A of 19.15.9.701 NMAC for the underground storage of liquefied petroleum gas or liquid hydrocarbons in secure caverns within massive salt beds, and provided no objections are received pursuant to Subsection C of 19.15.9.701 NMAC.
- (2) In addition to the filing requirements of Subsection B of 19.15.9.701 NMAC, the applicant for approval of a storage well under this rule shall file the following:
 - (a) With the Division Director, a plugging bond in accordance with the provisions of Rule 101;
 - (b) With the appropriate district office of the Division in TRIPLICATE:
 - (i) Form C-101, Application for Permit to Drill, Deepen, or Plug Back;
 - (ii) Form C-102, Well Location and Acreage Dedication Plat; and
 - (iii) Form C-105, Well Completion or Recompletion Report and Log.

[1-1-50...2-1-96; 19.15.9.701 NMAC - Rn, 19 NMAC 15.1.701, 11-30-00]