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OCD UNDERGROUND INJECTION CONTROL PROGRAM MANUAL

BRINE WELL WORK GROUP

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OIL CONSERVATION DIVISION

UNDERGROUND INJECTION CONTROL

PROGRAM MANUAL

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NEW MEXICO OIL CONSERVATION DIVISION

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New Mexico Energy, Minerals and Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505

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NEW MEXICO OIL CONSERVATION DIVISION
UNDERGROUND INJECTION CONTROL PROGRAM MANUAL

This manual is intended to help operators comply with the New Mexico Oil Conservation Division's Underground Injection Control Program requirements.

I. INTRODUCTION

A. Regulatory Authority

Although New Mexico has regulated underground injection practices in connection with oil and natural gas production since injection began in the state, the Underground Injection Control (UIC) program is now authorized under the federal Safe Drinking Water Act (SDWA) of 1974. The U.S. Environmental Protection Agency (EPA) was given authority and responsibility for enforcing the provisions of the SDWA.

The SDWA also provides that states that meet certain requirements may receive enforcement authority over injection operations within their state boundaries. New Mexico was granted "primacy" authority by the EPA in 1982 and has since exercised regulatory authority over all underground injection operations within New Mexico. The EPA exercises oversight authority over New Mexico's UIC program, and the EPA funds a portion of its costs.

Injection operations related to oil and natural gas production in New Mexico are regulated under the provisions of the Oil and Gas Act, NMSA 1978, Sections 70-2-1 *et seq.* and the Water Quality Act, NMSA 1978, Sections 74-6-1 *et seq.* These Acts delegate authority for enforcement of their provisions relating to oil and natural gas drilling, production, processing, and transportation to the Oil Conservation Division (OCD) of the New Mexico Energy, Minerals and Natural Resources Department, and to the Oil Conservation Commission (OCC) and the Water Quality Control Commission (WQCC). To carry out its authority, the OCC has promulgated rules (19 NMAC) and numerous orders. The WQCC has promulgated rules (20.6.2 NMAC) to carry out its authority.

The OCD administers the UIC program for all injection wells that are related to oil and natural gas production on state, fee, and federal lands within the state. On Indian lands, the EPA exercises this authority and OCD exercises parallel authority. The New Mexico Environmental Department (NMED) administers the UIC program for all injection wells that are not related to oil and natural gas

production within the state. The EPA considers the OCD as the lead agency in New Mexico for purposes of administering the UIC program.

B. Protection of Underground Sources of Drinking Water (USDW)

The UIC program under the SDWA is designed to protect Underground Sources of Drinking Water (USDW) from being contaminated by faulty injection practices. Such sources of water are also referred to as "protectable waters." Section 144.3 of Title 40 of the Code of Federal Regulations (CFR) defines a USDW as:

> Underground Source of Drinking Water (USDW) means an aquifer or its portion:
> *(1) Which supplies any public water system; or*
> *(2) Which contains a sufficient quantity of ground water to supply a public water system; and*
> *(i) Currently supplies drinking water for human consumption; or*
> *(ii) Contains fewer than 10,000 mg/l total dissolved solids; and*
> *(iii) Which is not an exempted aquifer.*

A state can request approval from the EPA to exempt certain aquifers that meet the criteria for USDW from protection under the program if they don't serve as a source of drinking water and they will never serve as a source in the future. Operators may apply to the OCD to exempt an aquifer that will never serve as a source of drinking water. The EPA makes the final determination on all exemptions.

C. Classes of Injection Wells

The UIC program defines an injection well as any bored, drilled or driven shaft or a dug hole, where the depth is greater than the largest surface dimension, that is used for the subsurface emplacement of fluids. The EPA defines five classes of injection wells according to the type of fluid they inject and where the fluid is injected. The following are the five UIC classes of wells defined as they relate to oil and gas operations.

Class I — Industrial disposal wells that dispose of non-exempt, non-hazardous oilfield waste.

Class II — Injection wells used to dispose of oil and gas production wastes and/or to enhance recovery of oil and gas. Typically these wells inject salt water, fresh water, CO2, acid gas, or mixtures of any of these.

Class III — Mineral extraction wells that inject water to produce salt brine used in oil and gas operations.

Class IV — Shallow wells that inject hazardous or radioactive wastes into or above USDWs. These wells are banned under the UIC program because they directly threaten public health. They are closed when discovered by OCD.

Class V — Other categories of wells. Most are shallow and depend on gravity to drain or inject liquid wastes into the ground above or in USDWs. Some examples are commercial septic tank systems, dry wells, and geothermal wells.

The vast majority of injection wells in New Mexico are Class II wells utilized for secondary recovery, pressure maintenance, or salt water disposal. There are also a number of gas storage wells in the state, which are regulated by the OCD as Class II wells although they are no longer covered by the federal UIC program. Other types of injection wells related to oil and gas production in the state and regulated by the OCD include Class I wells that dispose of non-exempt, non-hazardous oilfield waste, Class III brine extraction wells and Class V and oilfield service industry wells.

The Engineering Bureau of the OCD reviews and processes applications for all Class II injection projects and for some Class V geothermal injection projects. These projects are regulated under the provisions of the OCD rules. Injection wells at geothermal sites with a bottom hole temperature greater than 250 degrees Fahrenheit are regulated by the OCD as prescribed in the OCD geothermal resources rules and regulations.

The Environmental Bureau of OCD reviews and processes applications for Class I non-exempt, non-hazardous oilfield waste disposal projects, for Class III brine extraction projects, and for all Class V wells except geothermal. These wells are regulated under the provisions of the Water Quality Control Commission (WQCC) regulations as well as under provisions of the OCD rules.

Class V wells discovered at oilfield service industry sites are generally closed because of the potential for serious ground water contamination by oilfield chemicals and wastes. Applications for such wells are accepted by OCD. However, to be approved, the applicant must demonstrate conclusively that there will be no threat to any USDW, as defined above, for the foreseeable future.

The New Mexico Environmental Department (NMED) regulates the UIC classes of injection wells as they are not related to oil and gas operations and regulates geothermal wells with bottom hole temperatures less than 250 degrees Fahrenheit.

D. Other Sources of Information

Copies of all OCD forms, OCD rules, and WQCC regulations most relevant to underground injection control are found in the appendices of this manual. The most updated version of the OCD rules, which contains all rules relating to oil and gas operations, including injection, and all OCD forms are available on the OCD website at www.emnrd.state.nm.us/ocd. The WQCC regulations are also on the OCD website under the label WQCC Ground Water Regulations 20 NMAC 6.2. An Environmental Handbook produced by the Environmental Bureau is also available on the OCD web site. A printed copy of the WQCC regulations can be obtained from the Ground Water Quality Bureau of the NMED.

The rules directly addressing underground injection control are found in Chapter 15, Part 9, of the OCD rules as well as in Appendix A of this manual. Other rules apply to injection well construction and operation.

Note: The WQCC delegates the regulation of all injection projects related to oil and gas operations to the OCD. In the WQCC regulations, as they relate to injection projects regulated by the OCD, references to the "secretary" should be considered to mean the "OCD Division Director". Division Director is substituted throughout this manual where the regulations refer to the secretary.

Nothing presented in this manual supersedes or negates any provisions of the OCD rules or the WQCC regulations.

II. INJECTION WELL PERMIT PROCEDURES

A. Permitting Class II Wells

1. Application

A **Form C-108 (Application for Authorization to Inject)** must be filed with the Division Director for any Class II well or multiple well project as specified in **Rule 701**. **Form C-108** with all required attachments must be sent to the Division Director, Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, NM 87505.

A copy of the application must be furnished, by certified or registered mail, to the owner of the surface of the land on which each injection well is located and to each leasehold operator within one-half mile of each well.

2. Approval of an Application after Hearing

Any application to establish a new pressure maintenance or water flood project requires a hearing before a Division Examiner, or, if determined by the Division Director, before the Oil Conservation Commission. Other applications that do not qualify for administrative approval will also require a hearing.

Rule 1203 specifies the information that must be included in an application to initiate a hearing. Applications for hearing must be received by the Division Director at least 23 days in advance of the hearing.

3. Administrative Approval of an Application

Rule 701.C grants authority to the Division Director to approve certain injection well applications administratively without a hearing if no objection is received after public notice as required by the rule.

a. An application for expansion of any approved pressure maintenance or water flood project may be approved administratively unless an objection to the application is received by the Division, or the Division Director determines that circumstances warrant a hearing on the matter.

b. Salt water disposal wells may be approved administratively if they meet the requirements of **Rule 701.E** and no objection is received.

c. Wells for the underground storage of liquefied petroleum gas or liquid hydrocarbons in secure caverns within massive salt beds may be approved administratively by following the requirements of **Rule 701.H**, provided that no objection is received.

d. **Rule 701.C** requires an applicant for administrative approval to provide the OCD with a copy of a legal notice published by the applicant in a newspaper of general circulation in the county in which the proposed injection well is located. This notice shall be published for at least one printing. If no objection is received within 15 days from the receipt of **Form C-108** with all necessary attachments, including proof of publication, and a hearing is not otherwise required, the application may be approved administratively.

4. Plugging Bond Requirements

The operator of an injection well must furnish a plugging bond to the Division as required by **Rule 101**. However, if the well is a producing well to be converted to injection, and a bond already covers the well, no action regarding the bond is required.

a. If there is to be a transfer of ownership of wells, or of authority to inject, the provisions of **Rule 708** and **Rule 1104.E** must be followed. Form **C-104A (Change of Operator)** must be filed.

b. Injection wells on federal land must have a federal plugging bond rather than a state bond.

5. Area of Review

As specified in **Form C-108**, paragraphs V and VI, an applicant must submit data on every well that penetrates the proposed injection zone within one-half mile of each proposed injection well. This one-half mile radius around each proposed injection well constitutes the well's area of review.

a. The Division will examine the data submitted in the application on each existing well within the area of review, as well as other relevant data. Based on the data, it will determine whether corrective action must be taken on any

of the wells in the area of review to prevent the possible migration of fluids out of the proposed injection zone.

b. If the Division determines that corrective action must be performed on one or more wells in the area of review, the Division will nonetheless issue the applicant a permit. This permit will generally require that the operator, prior to commencing injection operations into the proposed injection well(s), perform all mandated corrective action on area-of-review wells. The appropriate Division district office will closely monitor this remedial activity.

6. Injection Well Construction Requirements

Any injection well, whether newly drilled or converted to injection, must meet the general casing and cementing requirements of **Rule 702**, as follows: "Wells used for injection of gas, air, water, or any other medium into any formation shall be cased with safe and adequate casing or tubing so as to prevent leakage, and such casing or tubing shall be so set and cemented as to prevent the movement of formation or injected fluid from the injection zone into any other zone or to the surface around the outside of any casing string."

a. All wells must meet the specific cementing, casing and tubing requirements in **Rule 107** as well as the requirements specified by other rules in Part 3, Drilling, of the OCD rules.

b. Unless an exception from the Division is obtained, all injection wells shall be equipped with lined tubing (*e.g.,* plastic, fiberglass, cement).

c. The packer shall be set within 100 feet of the uppermost injection perforation or casing shoe. The Division must approve any exception to the packer setting depth.

d. As specified in **Rule 704.A**, all injection wells shall be pressure tested prior to the commencement of injection to assure the integrity of the casing, tubing and packer.

7. Drilling A New Injection Well

To apply to drill a new injection well, an operator must follow the procedures contained in Part 3, Drilling, of the OCD rules. **Rule 102** requires the operator to

submit a notice of intention to drill on **Form C-101**, and obtain Division approval before starting drilling operations.

a. **Rule 1103.C** specifies that an operator drilling a new injection well must file **Form C-103 (Sundry Notices and Reports on Wells)** as a subsequent report within ten days after the commencement of drilling operations. Such report shall indicate the hour and the date the well was spudded.

b. **Form C-103** must be filed and approved by the Division before the operator may effect a change of plans from those previously approved on **Form C-101** or alter a well's casing program **(Rule 1103.A)**.

c. A report of a casing and cement test shall be filed on **Form C-103** within ten days following the setting of each string of casing or liner **(Rule 1103.D)**.

8. Permit Conditions

Each permit to inject issued by the Division will contain provisions for operation, maintenance and reporting. Conditions are also contained within **Rules 703, 704, and 705**. Among the provisions specified by permit or rule are the following:

a. The type of fluid authorized to be injected.

b. The tubing size and lining material.

c. The packer setting depth.

d. The maximum surface injection pressure.

In addition, injection wells shall be equipped to facilitate periodic testing to assure continued mechanical integrity. The casing-tubing annulus shall be loaded with an inert corrosion-inhibiting fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer. Prior to the commencement of injection and any time the tubing is pulled or the packer is reseated, the well shall be pressure tested for mechanical integrity.

The operator shall notify the Division of the date injection commenced in any well.

9. Permit Duration

Each permit for a Class II injection well contains a provision whereby the permit expires one year from the date of issuance if the operator has not commenced injection operations into the well. The operator may apply to the Division Director for an extension based on valid reasons.

As specified in **Rule 705.C**, whenever there is a continuous one-year period of non-injection into any injection, storage, or salt water disposal well, the authority to inject shall automatically terminate; however, injection wells within an active secondary or tertiary recovery project or storage project shall not be subject to the provisions of this rule.

10. Permit Modification

On occasion, it may become necessary to amend an existing injection permit. Permit modifications may include, but are not necessarily limited to:

a. Changing the well tubulars.

b. Expanding the injection interval to include additional perforations within the permitted injection formation.

c. Expanding the injection interval to include an additional formation.

d. Changing the source and/or nature of the injection fluid. (**Form C-108** requires that the applicant identify and provide an analysis of all sources of water to be injected into the well. If fluids from additional sources are to be injected, the applicant must identify and provide an appropriate analysis of these fluids.)

e. Increasing the maximum surface injection pressure.

All permit modification applications must be submitted to the Division Director and will be processed by the Engineering Bureau.

f. Some permit modifications, such as changing the tubing, changing the source and/or nature of the injection fluid, or increasing the maximum surface injection pressure, are considered minor permit modifications. These types of permit modifications may be applied for by a letter to the Division that details the proposed changes, and includes supporting data, if necessary.

g. Some permit modifications, such as adding additional perforations within the permitted injection formation or adding additional injection formations, are considered major permit modifications. Generally, major permit modifications require that the operator file a new **Form C-108**, complete with the applicable attachments, and that the operator provide notice, both by publication and by mail, as required by **Form C-108**.

h. All permit modifications are generally approved administratively. However, upon receipt of an objection from an affected person or if the Division Director deems it necessary, the permit modification request may be set for hearing before a Division Examiner.

11. Transfer of Authority to Inject

As specified in **Rule 708**, authority to inject granted under any order of the Division is not transferable except upon approval by the Division. Approval of transfer of authority to inject may be obtained by filing **Form C-104A** in accordance with **Rule 1104.E**.

B. Permitting Class I Non-hazardous Waste Disposal Wells, and Class III Brine Extraction Wells

Regulations referenced are of the New Mexico Water Quality Control Commission.

1. Discharge Permit Required

No person may operate a Class I Non-hazardous Waste Disposal Well or a Class III Brine Extraction Well without first obtaining an approved discharge permit from the Oil Conservation Division.

2. Discharge Permit Application

To obtain approval of a discharge permit for a Class I or a Class III injection well, an operator must submit a completed application with all required attachments to the Division Director, Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, N.M. 87505.

a. An applicant for a Class I well must submit a completed **Discharge Permit Application For Class I Non-Hazardous Waste Disposal Wells**. An

applicant for a Class III well must submit a completed **Discharge Permit Application for Brine Extraction Facilities**. Guidance documents to assist in completion of application forms may be found on the OCD website, www.emnrd.state.nm.us/ocd.

b. A completed OCD **Form C-108 (Application for Authorization to Inject)**, with all necessary attachments, is to be included with all applications for Class I and Class III wells. A **Form C-101 (Application for Permit to Drill, Re-enter, Deepen, Plug Back, or Add a Zone)** is required if the injection well is to be newly constructed, or a **Form C-103 (Sundry Notices and Reports on Wells)**, is required if an existing well is to be converted to injection.

Note: Form C-108 specifies a one-half mile radius area of review, however a one-mile radius area of review is required on all Class I and Class III wells.

c. **Regulation 5101** specifies additional requirements for making application or for renewing a discharge permit for a Class I or Class III well. **Regulation 5102** specifies additional application requirements, including a plugging and abandonment plan. Special requirements specified in **Regulation 5101** for Class III applications include the following:

(1) **Regulation 5101.C.2** specifies that Class III applicants must address the methods to be used to restore ground water following final termination of operations.

(2) **Regulation 5101.E** specifies requirements for applications for multiple well Class III projects.

d. **Regulation 5210** specifies information, diagrams and maps which must be submitted as part of the application for a Class I or Class III well(s) discharge permit.

e. **Regulation 3108** specifies public notice requirements for discharge permit applicants.

3. Public Notice Requirements; Discharge Permit Approval after a Hearing

As specified in **Regulation 3108.A**, within 30 days of submission of an application for a discharge permit, modification, or renewal, the applicant shall provide notice to the general public in the locale of the proposed discharge in a form provided by

the Division by each of three methods (or specified alternative methods of notification) listed in **Regulation 3108.A**.

a. **Regulation 3108.E** specifies the information that must be provided in the public notice.

b. **Regulation 3108.B** specifies that, within 15 days of completion of the above public notice requirements, the applicant must submit to the Division proof of notice, including certified mail receipts and an affidavit of posting, as appropriate.

c. **Regulation 3108.C** specifies that, within 30 days of receipt of an application, the Division shall review the application for administrative completeness. Should the Division deem the application incomplete, additional information will be requested. The Division will notify the applicant in writing when the application is deemed to be administratively complete.

d. **Regulation 3108.G** specifies that, within 60 days after the Division makes its administrative completeness decision and all required technical information is available, the Division shall make available a proposed approval or disapproval of the application, including conditions for approval proposed by the Division or the reasons for the disapproval. The Division shall mail a copy of the proposed approval or disapproval to the applicant and carry out the public notice requirements of this section of the regulation.

e. **Regulation 3108. J** specifies that, for a period of at least 30 days following public notice of the application, including the proposed approval or disapproval of the application, written comments may be submitted to the Division and any interested parties may request a public hearing in writing. Requests for a hearing must set forth the reasons why a hearing should be held. The Division will consider all comments.

f. A public hearing will be held if the Division Director determines there is significant public interest. Notice of a hearing must be given at least 30 days before it is held.

g. **Regulation 3110** specifies rules for conducting hearings. The Division Director may appoint an impartial hearing officer to preside over the hearing. The hearing officer will issue a report within 30 days after the hearing record is complete. The Division Director shall issue a decision in the matter no later than 30 days after receiving the hearing report.

h. **Regulation 3109** requires that the Division Director shall, within 30 days after the administrative record is complete approve, approve with conditions, or disapprove the proposed discharge permit. If a public hearing has been held, the administrative record will include, in addition to all other information regarding the application, all of the documents filed with the hearing clerk, all exhibits offered into evidence at the hearing, the written report of the hearing examiner, and the written transcript or tape recording of the hearing.

i. **Regulations 3112 and 3113** specify procedures for filing an appeal of the Division Director's decision to the Water Quality Control Commission (WQCC) and, subsequently, to the courts.

4. Administrative Approval of an Application

If, after the mandated 30-day public comment period, the Division Director determines that the administrative record is complete and there is insufficient public interest to warrant a hearing, **Regulation 3109** requires the Director, within 30 days, to approve, approve with conditions, or disapprove the proposed discharge permit administratively.

As in the case of decisions rendered after hearing, appeals of the Division Director's administrative decisions may be made to the Water Quality Control Commission (WQCC) and, subsequently, to the courts, as specified in **Regulations 3112 and 3113**.

5. Financial Assurance Requirements

As specified by **Regulation 5210.B.17**, applicants must submit to the Division Director information demonstrating the financial ability of the prospective discharger to undertake measures necessary to prevent contamination of ground water, including the proper closing, plugging and abandonment of the well(s), as well as ground water restoration, if applicable. Acceptable measures for making the required demonstration, such as a surety bond, are described in this regulation.

As specified in OCD **Rule 101**, a plugging bond is required prior to the commencement of any new well drilling operations.

6. Area of Review and Corrective Action

Regulation 5202 describes the area of review around the proposed injection well for which detailed information on all wells which penetrate the injection zone within that area must be supplied to the Division by the applicant.

a. In practice, the radius of the area of review is determined on a site-specific basis, based on geologic and other conditions at the site and its surrounding area.

b. The applicant must assume that a radius of one mile for the area of review will be required unless the Division requires a larger or smaller radius. Determination of the required size of the area of review will be based on justification provided by the applicant and all other information available to the Division.

c. **Regulation 5203** requires that the Discharge Permit Application include proposed corrective actions that the applicant will undertake to repair improperly sealed, completed, or abandoned wells in the area of review, in order to prevent the migration of contaminants into ground water (USDW) having 10,000 mg/l TDS or less. The Division Director will determine if the proposed corrective actions are sufficient.

d. All required corrective action to wells in the area of review must have been completed prior to the operation or continued operation of these well(s) unless the injection pressure of the injection well(s) is limited so as to prevent any migration of fluids into a USDW in the area of review. This pressure limitation may be removed after all required corrective action has been taken.

7. Injection Well Construction Requirements

Regulation 5205 specifies construction requirements for Class I non-hazardous waste injection wells and for Class III brine wells.

a. **Regulation 5205.B** specifies that Class I wells must inject into a formation beneath the lower-most formation containing, within one quarter mile of the well bore, water containing 10,000 mg/l TDS (USDW).

b. **Regulation 5207.B.2** specifies that Class I wells must be equipped with continuous monitoring devices to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the long string of casing.

c. **Regulation 5205.C** requires that Class III well applications include monitoring wells should injection take place into a USDW.

d. **Regulation 5102** specifies pre-construction requirements for Class I and Class III wells, including notification in writing to the Division Director prior to the commencement of drilling or construction.

e. In addition to following the requirements of the WQCC regulations, operators drilling a well must meet the specific cementing, casing, and tubing requirements of **Rule 107** in Part 3, Drilling of the OCD rules as well as the requirements of other rules in Part 3.

   (1) Unless an exception from the Division is obtained, all disposal and injection wells shall be equipped with lined tubing (*e.g.*, plastic, fiberglass, cement).

   (2) The packer shall be set within 100 feet of the uppermost injection perforation or casing shoe. The Division must approve any exception the packer setting depth.

f. **Regulation 5102.B** requires that all plans, specifications and pertinent documents listed in that section for Class III applications be filed 90 days prior to the planned commencement of construction or conversion.

g. Within 30 days after completion of construction, the Division must be notified in writing that construction or conversion of a Class III well(s) was completed in accordance with submitted plans, or as-built plans must be submitted detailing changes from the originally submitted plans and specifications.

h. **Regulation 5204** specifies that an injection well must have an initial pressure test with liquid or gas to demonstrate mechanical integrity prior to the commencement of injection.

8. Permit Conditions

As specified in **Regulation 3109**, the Division Director shall approve, approve with conditions, or disapprove a proposed discharge permit within 60 days after the Director deems the administrative record to be complete. The applicant must agree in writing to the conditions imposed. All commitments contained in the discharge permit, itself, must also be carried out.

a. Conditions may include production method, mechanical integrity tests, maximum injection pressure, surface conditions, spill reporting requirements, waste disposal and others.

b. **Regulation 5206** specifies general operating conditions for Class I and Class III wells relating to maximum injection pressures and the initiation of new fractures.

9. Permit Duration

Regulation 3109.H. (4) specifies that a discharge permit shall not be approved for a period longer than five years from the date the discharge began in the case of a new injection well.

Regulation 3106 specifies that, if the holder of a discharge permit submits an application for renewal at least 120 days before the discharge permit expires, and the discharger is not in violation of the discharge permit on the date of its expiration, then the existing discharge permit for the same activity shall not expire until the application for renewal has been approved or disapproved.

Permit Modification

Applications for modification of a discharge permit may be submitted to the Division Director as specified in **Regulations 3106, 3107, and 3109**.

a. Permit modification applications will be evaluated under the provisions of **Regulation 3109**. Within 60 days after the Director judges the administrative record to be complete, and all required information is available, the Director will approve, approve with conditions, or disapprove the permit modification application.

b. **Regulations 5101 and 5102** authorize the Division Director to require modification (or termination) of permits if further information before, during,

or after construction establishes that the approved conditions of construction or operation of a well(s) may result in adverse impacts on ground water quality.

10. Transfer of Authority to Inject

Regulation 5101.H specifies the requirements for transferring a discharge permit for a Class I or Class III well to another operator.

The Division Director must receive written notice at least 30 days before the proposed transfer date. The Director may require modification of the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility.

11. Permit Fees

Regulation 3114 specifies the amounts and procedures for paying the fees required when submitting a Discharge Permit Application for a Class I or Class III well.

C. Permitting Class V Wells

1. Restrictions on Class V Wells

The OCD regulates Class V wells of any kind at all oil and gas-related facilities. Most such wells are shallow, industrial disposal wells using gravity to dispose of waste fluid into the ground above or into underground sources of drinking water (USDW).

No Class V industrial waste disposal well will be permitted unless the operator can demonstrate to the satisfaction of the Division that the contaminants in the waste will not migrate in the reasonably foreseeable future and cause surface or ground water containing 10,000 mg/l TDS concentration or less (USDW) to exceed any of the Human Health Standards listed in **Regulation 3103.A**.

2. Discharge Permit Application

A completed Discharge Permit Application, with all required attachments, including documentation demonstrating that the waste to be discharged into the well will not cause surface or ground water to exceed any Human Health Standard

listed in **Regulation 3103.A**, must be submitted to the Division Director, Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, N.M. 87505.

As stated in **Regulation 5006**, applicants for a Class V well discharge permit must meet the requirements of **Regulations 3000 through 3999** which specify information that must be contained in the Discharge Permit Application. Applicants also must meet the requirements of **Regulations 5000 through 5006** regarding underground injection.

Additional guidance in preparing a Class V well Discharge Permit Application may be obtained from the Environmental Bureau of the Division.

3. Public Notice Requirements; Discharge Permit Approval after a Hearing and Administrative Approval of an Application

Public notice requirements, hearing requirements, and permit approval requirements for Class V well applications are identical to Class I and Class III well application requirements.

4. Permit Conditions

As specified in **Regulation 3109**, the Division Director shall approve, approve with conditions, or disapprove a proposed discharge permit within 60 days after the Director deems the administrative record to be complete. The applicant must agree in writing to the conditions imposed. All commitments contained in the Discharge Permit Application must also be carried out.

Conditions may include ground water monitoring, waste analysis, spill reporting, and others.

5. Permit Duration and Modification

Permit duration and modification requirements for Class V well permits are identical to those for Class I and Class III well permits.

6. Transfer of Authority to Inject

Regulation 3111 specifies requirements for transferring the authority to inject granted by a Class V well discharge permit to another operator.

III. WELL OPERATIONS

A. Class II Well Operational Requirements

1. General Requirements

As specified in **Rule 703**, injection projects, including injection wells and producing wells and all related surface facilities, shall be operated and maintained at all times in such a manner that will confine the injected fluids to the interval or intervals approved. Operation and monitoring of wells must assure continued mechanical integrity which will result in no significant leak in tubular goods and packing materials used, and no significant fluid movement through vertical channels adjacent to the well bore.

2. Injection Pressure

All injection wells permitted by the Division are subject to a surface injection pressure limitation. Wells are required to be equipped with a pressure-limiting device, which will ensure that the maximum surface injection pressure is not exceeded.

The initial permitted injection pressure is limited to 0.2 psi/ft. to the uppermost perforation, or to that pressure specified in the Division Order authorizing injection. Wells may be permitted at a higher initial injection pressure at the time of application if adequate step-rate test information is provided as part of the C-108 application package, as described in Section III.A.3 below.

3. Pressure Increases

The Division may authorize an increase in injection pressure upon a proper showing by the operator that such higher pressure will not fracture the formation and will not result in migration of injected fluids from the authorized injection zone.

Such proper showing shall consist at least of a valid step-rate test run in a manner acceptable to the Division; provided however, in granting injection pressure increases, the Division may accept certain other engineering or geologic data that will show the formation parting pressure, or that will show that fractures within the injection interval will not extend into the confining strata.

As specified in **Rule 704.C**, advance notice must be given to the appropriate Division district office of the date and time of any step-rate test scheduled for the purpose of seeking an increase in the authorized pressure in a disposal or injection well.

Copies of all injection or disposal well pressure-limit increase applications and supporting documentation shall be submitted to the Division Director and to the appropriate Division district office.

4. Fluids Authorized for Injection into Class II Wells

In general all fluid waste associated with the exploration, development and production of crude oil or natural gas is authorized to be injected into Class II wells. Some examples of these fluid types include produced water, drilling fluids, drill cuttings, well completion fluids, treatment and stimulation fluids.

a. If the operator of a Class II well is not certain whether a type of fluid can be placed within a Class II well, he is advised to consult with the Division Director.

b. **Form C-108** requires that the operator identify the fluids to be injected within the Class II well and provide an appropriate analysis of these various fluids.

c. Operators should make every attempt to advise the Division if fluids from additional sources other than those identified in their initial permit application are accepted for injection.

d. Enforcement action by the Division or by the Environmental Protection Agency shall be taken against any Class II well operator if it is determined that such operator is receiving and injecting fluids not authorized to be injected into a Class II well.

5. Monitoring

As specified in **Rule 704.B**, injection wells shall be equipped so that the injection pressure and annulus pressure may be determined at the well head, and the injection volume may be determined and reported at the prescribed interval.

a. Operators must regularly monitor the casing/tubing annulus of all wells for leaks and make immediate repairs if leaks are discovered.

b. As specified in **Rule 703.C**, the failure of any injection well or surface facility which may endanger underground sources of drinking water shall be reported under the "Immediate Notification" procedure of Rule 116. The failed well must be shut-in.

B. Class I and Class III Well Operational Requirements

1. General Requirements

Class I Non-hazardous Waste and Class III Brine Extraction Wells, including all related surface facilities, shall be operated and maintained at all times in such a manner as will confine the injected fluids to the interval or intervals approved. The operator shall monitor the mechanical integrity of all wells in order to prevent leaks and fluid movement through vertical channels adjacent to the well bore.

2. Injection Pressure

As specified in **Regulation 5206**, the maximum injection pressure at the wellhead for Class I and Class III wells shall not initiate new fractures or propagate existing fractures in the confining zone, or cause the movement of injection or formation fluid into a USDW except into a designated aquifer approved under the requirements of **Regulation 5103**.

a. The operator shall be required to demonstrate that the maximum injection pressure proposed will not cause fractures as specified above. The maximum injection pressure will be specified in the discharge permit.

b. In a Class I well, an injection pressure which will initiate new fractures or propagate existing fractures will be permitted only during well stimulation if approved by the Division Director.

c. In a Class III well, initiation of new fractures or propagation of existing fractures in the injection zone shall not be approved.

3. Authorized Injection Fluids

a. Class I wells are authorized to inject the following:

(1) any fluids authorized for Class II wells (see Section II.A.4, above), or
(2) any oil and gas associated wastes that are not classified hazardous by the Environmental Protection Agency under 40 CFR Part 261.

b. Class III wells are authorized to inject fresh or saline water.

4. Pressure Increases

A permit modification application requesting a pressure increase for Class I or Class III wells may be submitted to the Division Director as described in Section II.B.10, above.

Pressure increases will be approved only if they meet the requirements described in Section III.A.3, above.

5. Monitoring

Requirements for monitoring the operation of Class I and Class III wells are specified in **Regulation 5206**. Among the requirements are the following:

a. Operators of Class I wells shall equip the well(s) with continuous monitoring devices to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the long string of casing.

b. Class I well operators shall provide analysis of the injected fluids at least quarterly.

c. As required by the discharge permit, Class I well operators shall provide wells in the area of review to monitor pressure in and possible fluid movement into USDWs.

d. Class III well operators shall provide appropriate monitoring of injected and produced fluid volumes by whichever of the following two methods the discharge permit requires:

(1) recording injection pressure and either flow rate or volume every two weeks, or
(2) metering and daily recording of fluid volumes.

e. Class III well operators shall provide an analysis or description of the injected fluids, whichever the discharge permit requires.

f. If monitor wells are required, they shall be monitored for:

(1) water chemistry parameters used to detect any migration of fluids from the injection zone, and
(2) fluid levels adjacent to the injection zone.

6. Well Workover Operations

OCD approval must be obtained prior to performing remedial work or any other workover. Approval will be requested on OCD **Form C-103 (Sundry Notices and Reports on Wells)**, as described in **Rule 1103.A**).

7. Notification When Injection is Discontinued

The OCD must be notified when operations of a well are discontinued for a period in excess of six months.

Prior to closure of the well and associated facilities, a closure plan must be submitted to the Division and approved by the Director. More information is provided in Section VIII.B.1.

C. Class V Well Operational Requirements

1. General Requirements

Permitted Class V industrial waste disposal wells must be operated in compliance with the conditions specified in the discharge permit.

2. Authorized Injection Fluids

Only wastes containing the contaminants listed in the Discharge Permit Application may be injected in a permitted Class V well.

Operators desiring to inject other wastes must apply for a discharge permit modification as described in Section II.B.10, above.

IV. INSPECTION PROCEDURES

A. Class II Well Inspections

1. General Inspection

District office compliance officers periodically inspect wells and surface facilities to assure that all wells and related surface equipment are in good repair and leak-free, and that all aspects of the site and equipment conform with Division rules and permit conditions. Required gauges and other monitoring devices are inspected and/or tested to determine if they are in good operating condition.

The inspector reads all pressure gauges and flow meters to determine if the well is injecting at or below the permitted injection pressure, and to determine if the well is properly equipped to measure injected volumes. The inspector ascertains that the required casing-tubing annulus monitoring equipment is installed on the well and is in good working condition.

2. Well Construction and Repair

District office compliance officers may be present on site to witness the construction or repair of injection wells in order to verify that casing, cementing, tubing and packer setting requirements, as well as all other requirements of the permit and the rules, are being followed by the operator.

Operators are required to notify the district office before commencing drilling, well construction or repair operations.

3. Internal Mechanical Integrity Tests (IMIT)

As specified in **Rule 704.A**, prior to commencement of injection and any time the tubing is pulled or the packer is reseated, wells shall be pressure tested to assure the mechanical integrity of the casing, tubing and packer. At least once every five years following the initial test, wells shall be pressure tested again to assure continued mechanical integrity.

a. The operator shall advise the district office of the date and time of any initial, five year or special tests in order that such tests may be witnessed by a compliance officer.

b. An IMIT shall be conducted by pressure testing the casing/tubing annulus to a minimum pressure of 300 psi for 30 minutes or such other pressure and duration as may be specified by the District Supervisor.

c. All casing/tubing pressure tests shall be recorded using a strip chart recorder or other acceptable device.

d. In the event a 10% reduction in pressure is recorded during a 30-minute test, the test shall be considered a failure and the well must be shut-in until the leak is found and repaired.

4. External Mechanical Integrity Test (EMIT)

A well is considered to have external mechanical integrity if the well is constructed and cemented so as to preclude the migration of injected fluid, behind the casing, to any USDW or to other formations.

In determining whether a well has external mechanical integrity, the Division will generally examine the casing and cementing records of the well.

If the casing and cementing records are not sufficient to make this determination, the Division may require an operator to conduct a Radioactive Tracer Survey, or other test, to confirm that injected fluid is being confined to the injection interval.

5. Bradenhead Test

In addition to the pressure testing of all wells every five years, an annual bradenhead test of each injection well, except for those cemented to the surface, will be scheduled and witnessed by district compliance officers to assure the integrity of the casing/tubing and casing/casing annuli.

a. Bradenhead tests are simply an examination of a well at such time as the surface, intermediate and production casing valves at the surface are opened to the atmosphere. Any recorded pressure and fluid flow from any casing string may constitute a well failure.

b. Operators are generally required to shut-in all casing valves at the surface a minimum of 24 hours prior to testing.

c. District offices will notify the operators of the bradenhead test schedule and inform them of what is required at the well site, including company personnel to conduct the test.

B. Class I and III Well Inspections

1. Mechanical Integrity Test (MIT)

As specified in **Regulation 5204**, Class I and Class III wells must have mechanical integrity. There must be no significant, detectable leak in the casing, tubing or packer at maximum operating temperature and pressure; and no detectable conduit for fluid movement out of the injection zone through the well bore or vertical channels adjacent to the well bore.

a. Prior to the start of well injection and at least once every five years, each Class I Non-hazardous Waste Disposal Well and each Class III Brine Extraction Well must be tested for mechanical integrity as follows:

(1) For evaluation of leaks,

(a) Monitoring of annulus pressure (after an initial pressure test with liquid or gas before operation commences), or
(b) Pressure test with liquid or gas.

(2) For determination of conduits for fluid movement,

(a) The results of a temperature or noise log, or
(b) Where the nature of the casing used for Class III wells precludes use of these logs, demonstrate the presence of adequate cement to prevent such movement.

b. Requirements for the tests are specified in the discharge plan permit and the operator is asked to submit a proposed mechanical integrity testing program to the Division. Further guidance will be provided by the Environmental Bureau.

c. The operator shall advise the Environmental Bureau, using **Form 103 (Sundry Notices and Reports on Wells)** of the date and time of any initial, five year or special MIT in order that such tests may be witnessed by bureau or district office personnel.

d. Should an MIT indicate a leak in the well, the well must be shut-in until the leak is repaired.

e. In addition, for Class III wells, the Division requires an annual open hole cavern formation pressure test. The Environmental Bureau will determine a schedule for these tests and notify the operators of the time and the requirements for the tests. The tests will be witnessed by bureau or district office personnel.

2. Surface Inspections

At least once a year, Environmental Bureau personnel will make a detailed surface inspection of every Class I and Class II well site.

a. The inspector shall verify that all discharge permit conditions are being met.

b. Inspections shall include all areas of the site, including drum storage, process areas, above ground tanks, above ground saddle tanks, proper labeling of all containers, and all other site facilities.

3. Testing of Below Grade Tanks/Sumps

All below grade tanks, sumps and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design.

a. All sumps and below-grade tanks must be tested to demonstrate their mechanical integrity and every year thereafter they must be re-tested. Operators may propose various methods for testing.

b. The OCD must be notified at least 72 hours prior to any test so that the test may be witnessed by Division personnel.

4. Testing of Underground Process/Wastewater Lines

a. All underground process/wastewater pipelines must be tested to demonstrate their mechanical integrity and every five years from the tested date thereafter. Operators may propose various methods for testing.

b. The OCD must be notified at least 72 hours prior to any test so that the test may be witnessed by Division personnel.

C. Class V Well Inspections

At least annually, the Environmental Bureau will inspect permitted Class V well sites to determine whether all discharge permit conditions are being met. The waste being discharged must be analyzed to determine that it does not contain contaminants other than those approved in the discharge permit.

V. REPORTING REQUIREMENTS

A. Class II Well Reporting Requirements

1. General Requirements

As specified in **Rule 706**, operators of injection wells of any kind must keep accurate records and report monthly to the Division gas or fluid volumes injected, stored, and/or produced. As specified in **Rule 1100.C**, all records used to make and substantiate these reports must be kept for a period of not less than five years. **Rules 1100 – 1136** in Part M – Reports specify reporting requirements and the forms required for all oil and gas operations. Most reports may be filed either on paper or electronically.

2. Form C-115

All operators of pressure maintenance injection wells, secondary recovery injection wells and salt water disposal wells are required to report monthly injection volumes utilizing **Form C-115** as specified in **Rule 1115**.

Note: Rule 706.A specifies that salt water disposal well volumes are to be reported on **Form C-120-A**. These volumes are now to be reported using **Form C-115** instead.

3. Form C-131-A

All operators of natural gas storage wells are required to report monthly injection/withdrawal volumes utilizing **Form C-131-A** as specified in **Rule 1131**. Gas storage wells are not part of the UIC program.

4. Form C-131-B

All operators of liquefied petroleum gas storage projects are required to report annual injection/withdrawal volumes utilizing **Form C-131-B** as specified in **Rule 1131**.

5. Form C-103

Form C-103 must be filed as a Notice of Intention and a Subsequent Report as specified in **Rule 1103**.

a. **Form C-103** must be filed as a Notice of Intention, and Division approval obtained, in order to change any previously approved construction or remedial work, or to temporarily abandon or plug and abandon well(s).

b. **Form C-103** must be filed as a Subsequent Report of operations after completing drilling, remedial work, tests of casing and cement, temporary abandonment, plugging and abandonment, deepening or plugging back, or change of operator of a drilling well.

6. Electronic Filing of Reports

Form C-115 monthly volume reports may be filed electronically or on paper. Operators of 100 or more wells must file Form C-115 electronically as specified in **Rule 1115.B**.

Instructions for filing electronically may be found on the OCD website www.state.nm.us/ocd under Frequently Asked Questions (FAQ).

B. Class I and Class III Well Reporting Requirements

1. Class I Well Quarterly Reports

As specified in **Regulation 5208.A**, operators of Class I Non-hazardous Waste Injection Wells shall report quarterly to the Division Director.

a. Quarterly reports shall include the following:

(1) The physical, chemical and other relevant characteristics of injection fluids;
(2) Monthly average, maximum and minimum values for injection pressure, flow rate and volume, and annular pressure; and
(3) The results of required monitoring, mechanical integrity tests, and any other tests conducted during the quarter.

b. Operators of Class I wells shall submit required reports using OCD **Form C-115 (Rule 1115)**.

2. Class III Well Quarterly Reports

As specified in **Regulation 5208.B**, operators of Class III Brine Extraction wells shall report quarterly to the Division Director.

a. Quarterly reports shall include the following:

(1) Results of required monitoring and
(2) Results of mechanical integrity tests, open hole cavern formation tests, and any other tests conducted during the quarter.

3. Class III Well Annual Report

The volumes of fluids injected (fresh water) and produced (brine) shall be recorded monthly and submitted to the OCD Santa Fe Office in an annual report due on the 31st day of January.

a. Each annual report shall also provide information on the size and extent of the solution cavern and geologic/engineering data demonstrating that continued brine extraction will not cause surface subsidence, collapse or damage to property, or become a threat to public health and the environment.

b. An analysis of the injected fluid and produced brine shall be provided with each annual report.

4. Reporting Unauthorized Discharges

All spills or leaks from a Class I or Class III well shall be reported to the Division as specified in OCD **Rule 116** and WQCC **Regulation 5208**.

a. Definitions of a major and a minor release, and the differing requirements for reporting them are contained in **Rule 116.B**.

b. **Rule 116** requires immediate verbal notification to the OCD district office of any unauthorized release of fluid within 24 hours of discovery.

c. **Regulation 5208.A.(1)** specifies that, if a Class I Non-hazardous Waste injection well is found to be discharging or is suspected of discharging fluids into a zone or zones other than the permitted or authorized injection zone, the operator shall within 24 hours notify the Division Director of the

circumstances and action taken. The operator shall provide subsequent written reports as required by the Director.

d. **Regulation 5208.B.(1)** specifies that the operator of Class III wells shall notify the Division Director within 48 hours of the detection or suspected detection of a leachate excursion, and provide subsequent written reports as required by the Director.

C. Class V Well Reporting Requirements

The discharge permit for any Class V Industrial Waste Disposal Well will include conditions regarding reports required to be submitted to the Division Director.

VI. VIOLATIONS

A. Class II Well Violations

1. General Policy

All permit, rule, or statute violations detected by OCD personnel or reported by third parties or operators are subject to the enforcement policies described in the following Section VII, Enforcement/Compliance.

2. Types of Violations

Class II well violations may be categorized as Significant Non-Compliance (SNC) violations and non-SNC violations. In general, SNC violations are considered major violations that may result in much more severe enforcement action than non-SNC violations. Generally, SNC violations are those violations that have the potential to contaminate USDWs. SNC violations must be reported directly to the Environmental Protection Agency, Region VI in Dallas, TX.

Examples of SNC violations include injecting into a well without a permit, injecting into a well without mechanical integrity or injecting at a higher-than-authorized injection pressure if such injection has the potential to contaminate a USDW.

3. Examples of Violations

a. Injection without an approved permit (SNC violation) .

b. Injection into a well lacking mechanical integrity as determined by a pressure test or other means (may be SNC or non-SNC violation).

c. Injection at a pressure higher than the permitted pressure (may be SNC or non-SNC violation).

d. Reporting violations:

(1) Failure to submit reports in a timely manner.
(2) Submitting reports containing inaccurate well pressures or injection volumes or other inaccurate data.
(3) Submitting reports which lack required data.

e. Failure to report or remediate leaks detected in equipment or hose lines at well sites.

f. Missing signs or other required equipment and structures at well sites.

g. Failure to properly plug and abandon or temporarily abandon wells.

h. Failure to take prompt remedial action when ordered to do so.

i. A violation of any formal enforcement order.

j. Operating violations.

B. Class I and Class III Well Violations

Regulation 1220 specifies that, failure to comply with the Water Quality Act, or any regulation or standard promulgated pursuant to the Water Quality Act is a prohibited act. If the Division Director determines that a person has violated or is violating a requirement of the Water Quality Act or any regulation promulgated thereunder or is exceeding any water quality standard or ground water standard contained in Commission regulations, or is not complying with a condition or provision of an approved or modified discharge plan or permit issued pursuant to the Water Quality Act, the Division Director may issue a compliance order, assess a penalty, commence a civil action in district court, or accept an assurance of discontinuance in accordance with NMSA 1978, Section 74-6-10 of the Water Quality Act.

All permit, rule, regulation, or statute violations detected by OCD personnel, or reported by operators or third parties are subject to the enforcement policies described for Class I and Class III wells in the following Section VII. Enforcement/Compliance.

C. Class V Well Violations

Class V well violations will be treated in the same manner as Class I and Class III well violations as specified above.

VII. ENFORCEMENT/COMPLIANCE

A. Class II Well Enforcement/Compliance

1. General Enforcement Policy

It is the intention of the OCD to achieve prompt, voluntary compliance by the operators when any violation of statutes, rules, or Division orders is detected. In most cases, district office personnel will inform the operator verbally and in writing what action is required to correct a detected violation. A timetable for returning to compliance is usually specified. In most cases, when the violation is corrected in the specified time, no further action is necessary.

a. If an operator's response to the district's request for action is unduly delayed or is deemed to be inadequate, the violation is referred to the Division Director and/or the OCD legal staff for further enforcement action.

b. Additionally, more detailed information regarding OCD enforcement policies will be found in the OCD Enforcement Guidelines, a document which is contained in Appendix C and on the OCD website, www.emnrd.state.nm.us/ocd.

2. The OCD Enforcement Program – Six Levels of Action

a. Direct Action by District Office Compliance Monitors – Telephone calls or personal contact on site with operators requesting correction of minor rule violations.

b. District Office Action – Letters are sent to operators detailing corrective actions that must be taken on defective wells detected by mechanical integrity tests or routine field inspections. Wells shall be shut-in until required corrective action is taken. Ninety days may be allowed after a failed MIT for corrective action to be completed. Subsequent follow-up, including an MIT, shall be conducted to ensure that wells have been fixed.

c. Division Director Action – Letters, notices of violation or compliance orders to operators order compliance in cases of serious or persistent violations, which have not been satisfactorily resolved by district office enforcement actions.

d. OCD Hearings – Cases may be brought to an OCD Examiner Show Cause Hearing for a full review of the facts and evidence surrounding an incident with subsequent issuance of a Division Order requiring compliance and imposing fines when called for. The case may subsequently be set for a Commission Hearing for further resolution.

e. Court Action – The Division shall seek court-ordered compliance or fines in cases of willful violations or serious negligence possibly endangering public health or contaminating a USDW.

f. EPA Action – In accordance with the OCD Enforcement Agreement with the Environmental Protection Agency, certain cases of Significant Non-compliance (SNC) will be referred to EPA for further enforcement action.

3. Emergency Enforcement Action

In response to an emergency discharge of oil, gas, or other contaminants, or in response to any other well site emergency requiring immediate action, district office personnel shall take appropriate action following OCD emergency response procedures.

As specified in **Rule 1202**, if an emergency is found to exist that requires issuance of an order without a hearing, the OCD or OCC may promulgate an emergency order. An order issued pursuant to **Rule 1202** shall remain in force no longer than fifteen days from its effective date.

B. Class I and Class III Well Enforcement/Compliance

1. WQCC Enforcement Policy

As specified in **Regulation 1220**, if the Division Director determines that a person has violated or is violating a requirement of the Water Quality Act or any regulation promulgated thereunder, or is exceeding any water quality standard or ground water standard contained in Commission regulations, or is not complying with a condition or provision of an approved or modified discharge plan, or permit

issued pursuant to the Water Quality Act, the Division Director may issue a compliance order, assess a penalty, commence a civil action in district court, or accept an assurance of discontinuance in accordance with NMSA 1978, Section 74-6-10 of the Water Quality Act.

2. General OCD Enforcement Policy

It is the intention of the OCD to achieve prompt, voluntary compliance by the operators when any violation of permit conditions, statutes, OCD rules, WQCC regulations, or Division orders is detected. In most cases Environmental Bureau or district office personnel shall inform the operator verbally and in writing what action is required to correct a detected violation. A timetable for returning to compliance is usually specified. In most cases, when the violation is corrected in the specified time, no further action is necessary.

If an operator's response to the request for action is unduly delayed or is deemed to be inadequate, the violation is referred to the Division Director and/or the OCD legal staff for further corrective action.

Additional, more detailed information regarding OCD's enforcement policies and procedures, can be found in the OCD Enforcement Guidelines, a document which is contained in Appendix C and on the OCD web site, www.emnrd.state.nm.us/ocd.

3. The OCD Enforcement Program – Six Levels of Action

a. Direct Action by Environmental Bureau or District Office Personnel – Telephone calls or personal contact with operators requesting correction of minor rule violations.

b. Environmental Bureau Action – Letters are sent to operators detailing corrective actions that must be taken on defective wells detected by mechanical integrity tests or routine field inspections. Wells shall be shut-in until required corrective action is taken. Ninety days may be allowed after a failed MIT for corrective action to be completed. Subsequent follow-up, including an MIT, shall be conducted to ensure that wells have been fixed.

c. Division Director Action – Letters, notices of violation or compliance orders to operators order compliance in cases of serious or persistent violations which have not been satisfactorily resolved by Environmental Bureau enforcement actions.

d. Water Quality Control Commission (WQCC) / OCD Hearings – Unresolved cases may be referred to the WQCC. The WQCC may appoint an OCD or independent examiner to conduct a hearing to review all of the facts and circumstances of the case. The hearing examiner prepares a report for the WQCC which makes a final determination of what further enforcement action to take. The case may subsequently be set for a WQCC Hearing for further resolution.

e. Court Action – The Division shall seek court-ordered compliance or fines in cases of willful violations or serious negligence possibly endangering public health or contaminating a USDW.

f. EPA Action – In accordance with the OCD Enforcement Agreement with the Environmental Protection Agency, certain cases of significant non-compliance will be referred to EPA for further enforcement action.

4. Emergency Enforcement Action

In response to an emergency, unauthorized discharge of contaminants or in response to any other well site emergency requiring immediate action, Environmental Bureau or district office personnel will take appropriate action following OCD emergency response procedures.

72-Hour Orders Pursuant to the Water Quality Act – If a pollution source or combination of sources poses an immediate and substantial danger to public health, a 72-hour emergency order requiring immediate corrective action may be issued by the Division Director or the Oil Conservation Commission, as appropriate.

C. Class V Well Enforcement/Compliance

Class V well enforcement policies and procedures are identical to those for Class I and Class III wells.

VIII. PLUGGING AND ABANDONMENT PROCEDURES

A. Class II Well Plugging and Abandonment Requirements

1. General Requirements

Operators are responsible for properly plugging and abandoning all injection wells, as well as other wells, when injection ceases.

Part 4, **Rules 201 – 204** of the OCD rules, contains the rules governing the plugging and abandonment of all types of oil and gas related wells, including injection wells.

Part 9, **Rule 705**, gives specific requirements for injection wells.

2. Discontinuance of Injection

Rule 705 B (2) specifies that the Division must be notified within 30 days after injection into a well has been discontinued.

3. Temporary Abandonment

Rule 705 B (2) specifies that no injection well may be abandoned for more than one year unless the injection interval has been isolated by use of cement or a bridge plug. The Division Director may delay this requirement if a continuing need for the well is demonstrated by the operator.

4. Plugging and Abandonment

Rule 705 B (3) specifies that operators must obtain approval of a well plugging program from the district office before plugging is carried out. **Rule 202** specifies that a Notice of Intention to Plug must be filed on **Form C-103**. The rule specifies the information that must be provided, including a well-bore diagram showing the proposed plugging method.

a. **Rule 202** describes acceptable plugging methods, requirements for site restoration after plugging, and reporting requirements.

b. Following approval of the plugging plan, 24 hour notice must be given to the appropriate district office prior to commencing any plugging operation.

c. Following plugging, **Form C-105 (Well Completion or Re-completion Report and Log)** must be filed as provided in **Rule 1105**.

B. Class I and Class III Well Plugging and Abandonment/Well Closure Requirements

1. Plugging and Abandonment Plan Requirements

As specified in **Regulation 5209**, operators shall submit as part of the Discharge Permit Application for a Class I or Class III injection well, a plan for plugging and abandonment of the well which will not allow the movement of fluids through the well bore out of the injection zone or between other zones of ground water. If requested, a revised or updated plan shall be submitted for approval prior to closure.

a. **Regulation 5209** specifies methods required for plugging, and what information will be considered by the Director in determining the adequacy of a plugging and abandonment plan.

b. For Class III wells only, **Regulation 5101.C** requires the Discharge Permit Application to address the methods or techniques to be used to restore ground water so that upon final termination of operations, including restoration efforts, ground water at any place of withdrawal for present or reasonably foreseeable future use will not contain either concentrations of contaminants in excess of the Human Health Standards specified in **Regulation 3103.A** or any toxic pollutant.

2. Pre-closure Notification Requirements

As specified in **Regulation 5005**, an operator must submit a pre-closure notification to the Division at least 30 days prior to closure.

a. The Division must also be notified when injection is discontinued into any well for a period in excess of six months.

b. **Regulation 5005** specifies the information that must be submitted in the pre-closure notification.

c. Well closure procedures must be approved by the Division prior to being implemented.

C. Class V Well Plugging and Abandonment/Well Closure Requirements

Operators shall consult with the Environmental Bureau regarding methods for closing Class V wells. Division approval of planned closure procedures is required prior to implementation.

a. As specified in **Regulation 5005**, an operator must submit a pre-closure notification to the Division at least 30 days prior to closure.

b. **Regulation 5005** specifies the information that must be submitted in the pre-closure notification.

APPENDIX A

New Mexico
Oil Conservation Division Underground Injection Control

Rules and Forms

Appendix A Table of Contents

OCD RULES Title 19 Chapter 15

The OCD rules included in this Appendix are those most directly related to underground injection projects. Consult the OCD rules for additional rules covering all oil and gas operations.

OCD FORMS

Please check the Oil Conservation Division's web site for the most current forms and rules:

www.emnrd.state.nm.us/ocd

TITLE 19 NATURAL RESOURCES & WILDLIFE
CHAPTER 15 OIL AND GAS
PART 3 DRILLING

19.15.3.101 PLUGGING BOND

A. Any person, firm, corporation, or association who has drilled or acquired, is drilling, or proposes to drill or acquire any oil, gas, or service well on privately owned or state owned lands within this state shall furnish to the Division, and obtain approval thereof, a surety bond running to the State of New Mexico, in a form prescribed by the Division, and conditioned that the well be plugged and abandoned in compliance with the rules and regulations of the Division. Such bond may be a one-well plugging bond or a blanket plugging bond. All bonds shall be executed by a responsible surety company authorized to do business in the State of New Mexico.

B. Blanket plugging bonds shall be in the amount of fifty thousand dollars ($50,000) conditioned as above provided, covering all oil, gas, or service wells drilled, acquired or operated in this state by the principal on the bond.

C. One-well plugging bonds shall be in the amounts stated below in accordance with the depth and location of the well:

(1) Chaves, Eddy, Lea, McKinley, Rio Arriba, Roosevelt, Sandoval, and San Juan Counties, New Mexico:

Projected Depth of Proposed Well or Actual Depth of Existing Well	Amount of Bond
Less than 5,000 feet	$ 5,000
5,000 feet to 10,000 feet	$ 7,500
More than 10,000 feet	$ 10,000

(2) All other Counties in the State:

Projected Depth of Proposed Well or Actual Depth of Existing Well	Amount of Bond
Less than 5,000 feet	$ 7,500
5,000 feet to 10,000 feet	$ 10,000
More than 10,000 feet	$ 12,500

D. Revised plans for an actively drilling well may be approved by the appropriate District Office of the Division for drilling as much as 500 feet deeper than the normal maximum depth allowed on the well's bond. Any well to be drilled more than 500 feet deeper than the normal depth bracket must be covered by a new bond in the amount prescribed for the deeper depth bracket.

E. The bond requirement for any intentionally deviated well shall be determined by the well's measured depth, and not its true vertical depth.

F. A cash bond may be accepted by the Division pursuant to the conditions set forth hereinafter. Cash representing the full amount of the bond shall be deposited by the operator in an account in a federally-insured financial institution located within the State of New Mexico, such account to be held in trust for the Division. Both one well and blanket cash bonds shall be in the amount specified for surety bonds. A document, approved by the Division, evidencing the terms and conditions of the cash bond shall be executed by an authorized representative of the operator and the depository institution and filed with the Division prior to the effective date of the bond. No cash bond will be authorized by the Director and no wells may be drilled or acquired under a blanket cash bond unless the operator/applicant is in good standing with the Division. If the financial status or reliability of the applicant is unknown to the Director he may require the filing of a financial statement or such other information as may be necessary to evaluate the ability of the applicant/operator to fulfill the conditions of the bond.

G. From time to time any accrued interest over and above the face amount of the bond may be paid to the operator. Upon satisfactory plugging by the operator of any well(s) covered by a cash bond, the Director shall issue an order authorizing the release of said bond.

H. Any bond required by Section 101 of 19.15.3 NMAC is a plugging bond, not a drilling bond, and shall endure until any well drilled or acquired under such bond has been plugged and abandoned and such plugging and abandonment has been approved by the Division, or has been covered by another bond approved by

the Division.

I. Transfer of a property does not of itself release a bond. In the event of transfer of ownership of a well, the appropriate form, C-103 or C-104, properly executed, shall be filed with the District Office of the Division in accordance with Rule 1103 or Rule 1104 by the new owner of the well. The District Office may approve the transfer providing that a new one-well bond covering the well or a blanket bond in the name of the new owner has been approved by the Santa Fe office of the Division.

J. Upon approval of the bond and the Form C-103 or C-104, the transferror is released of plugging responsibility for the well, and upon request, the original bond will be released. No blanket bond will be released, however, until all wells covered by the bond have been plugged and abandoned or transferred in accordance with the provisions of Section 101 of 19.15.3 NMAC.

K. All bonds shall be filed with the Santa Fe office of the Division, and approval of such bonds, as well as releases thereof, obtained from said office.

L. All bonds required by these rules shall be conditioned for well plugging and location cleanup only, and not to secure payment for damages to livestock, range, water, crops, tangible improvements, nor any other purpose.

M. Upon failure of the operator to properly plug and abandon the well(s) covered by a bond, the Division shall give notice to the operator and surety, if applicable, and hold a hearing as to whether the well(s) should be plugged in accordance with a Division-approved plugging program. If, at the hearing, it is determined that the operator has failed to plug the well as provided for in the bond conditions and Division Rules, the Division Director shall issue an order directing the well(s) to be plugged in a time certain. Such an order may also direct the forfeiture of the bond upon the failure or refusal of the operator, surety, or other responsible party to properly plug the well(s). If the proceeds of the bond(s) are not sufficient to cover all of the costs incurred by the Division in plugging the well(s) covered by the bond, the Division shall take such legal action as is necessary to recover such additional costs. Any monies recovered through bond forfeiture or legal actions shall be placed in the Oil & Gas Reclamation Fund.

[1-1-50, 6-17-77, 6-5-86, 2-1-96; 19.15.3.101 NMAC - Rn, 19 NMAC 15.C.101, 11-15-01]

19.15.3.102 NOTICE OF INTENTION TO DRILL

A. Prior to the commencement of operations, notice shall be delivered to the Division of intention to drill any well for oil or gas or for injection purposes and approval obtained on Form C-101. A copy of the approved Form C-101 must be kept at the well site during drilling operations.

B. No permit shall be approved for the drilling of any well within the corporate limits of any city, town, or village of this state unless notice of intention to drill such well has been given to the duly constituted governing body of such city, town or village or its duly authorized agent. Evidence of such notification shall accompany the application for a permit to drill (Form C-101).

C. When filing a permit to drill in any quarter-quarter section containing an existing well or wells, the applicant shall concurrently file a plat or other acceptable document locating and identifying such well(s) and a statement that the operator(s) of such well(s) have been furnished a copy of the permit.

[1-1-50, 5-22-73...2-1-96; 19.15.3.102 NMAC - Rn, 19 NMAC 15.C.102, 11-15-01]

19.15.3.103 SIGN ON WELLS

A. All wells and related facilities regulated by the Division shall be identified by a sign, which sign shall remain in place until the well is plugged and abandoned and the related facilities are closed.
For drilling wells, the sign shall be posted on the derrick or not more than 20 feet from the well.
The sign shall be of durable construction and the lettering shall be legible and large enough to be read under normal conditions at a distance of 50 feet.

D. The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence.

E. An operator will have 90 days from the effective date of an operator name change to change the operator name on the well sign unless an extension of time, for good cause shown along with a schedule for making the changes, is granted.

F. Each sign shall show the:

(1) number of well;
(2) name of property;
(3) name of operator;
(4) location by footage, quarter-quarter section, township and range (or Unit Letter can be substituted for the quarter-quarter section); and
(5) API number.

[1-1-50, 2-1-96, 6-30-97, 3-31-00; 19.15.3.103 NMAC - Rn, 19 NMAC 15.C.103, 11-15-01; A, 01-31-03]

19.15.3.105 PIT FOR CLAY, SHALE, DRILL FLUID AND DRILL CUTTINGS

A. In order to assure a supply of proper material for mud-laden fluid to confine oil, gas, or water to their native strata during the drilling of any well, operators shall provide before drilling is commenced an adequate pit for the accumulation of drill cuttings. Drilling fluids and drill cuttings must be disposed of at the well site in a manner to prevent contamination to surface or subsurface waters. Removal of drilling fluids or drill cuttings for offsite disposal will be permitted only by approval of the appropriate Division district supervisor.

B. To protect migratory birds, pits used for drilling, completion, blowdown, workover or an emergency immediately after cessation of the activity must have oil removed from their surface or be screened, netted or covered.

[1-1-50, 9-1-89...2-1-96; 19.15.3.105 NMAC - Rn, 19 NMAC 15.C.105, 11-15-01]

19.15.3.106 SEALING OFF STRATA

A. During the drilling of any oil well, injection well or any other service well, all oil, gas, and water strata above the producing and/or injection horizon shall be sealed or separated in order to prevent their contents from passing into other strata.

B. All fresh waters and waters of present or probable value for domestic, commercial, or stock purposes shall be confined to their respective strata and shall be adequately protected by methods approved by the Division. Special precautions by methods satisfactory to the Division shall be taken in drilling and abandoning wells to guard against any loss of artesian water from the strata in which it occurs, and the contamination of artesian water by objectionable water, oil, or gas.

C. All water shall be shut off and excluded from the various oil- and gas-bearing strata which are penetrated. Water shut-offs shall ordinarily be made by cementing casing.

[1-1-50, 3-1-91...2-1-96; 19.15.3.106 NMAC - Rn, 19 NMAC 15.C.106, 11-15-01]

19.15.3.107 CASING AND TUBING REQUIREMENTS

A. Any well drilled for oil or natural gas shall be equipped with such surface and intermediate casing strings and cement as may be necessary to effectively seal off and isolate all water-, oil-, and gas-bearing strata and other strata encountered in the well down to the casing point. In addition thereto, any well completed for the production of oil or natural gas shall be equipped with a string of properly cemented production casing at sufficient depth to ensure protection of oil- and gas-bearing strata encountered in the well, including the one(s) to be produced.

B. Sufficient cement shall be used on surface casing to fill the annular space behind the casing to the top of the hole, provided however, that authorized field personnel of the Division may, at their discretion, allow exceptions to the foregoing requirement when known conditions in a given area render compliance impracticable.

C. All cementing shall be by pump and plug method unless some other method is expressly authorized by the Division.

D. All cementing shall be with conventional-type hard-setting cements to which such additives (lighteners, densifiers, extenders, accelerators, retarders, etc.) have been added to suit conditions in the well.

E. Authorized field personnel of the Division may, when conditions warrant, allow exceptions to the above paragraph and permit the use of oil-base casing packing material in lieu of hard-setting cements on intermediate and production casing strings; provided however, that when such materials are used on the intermediate casing string, conventional-type hard-setting cements shall be placed throughout all oil- and gas-

bearing zones and throughout at least the lowermost 300 feet of the intermediate casing string. When such materials are used on the production casing string, conventional-type hard-setting cements shall be placed throughout all oil- and gas-bearing zones and shall extend upward a minimum of 500 feet above the uppermost perforation or, in the case of an open-hole completion, 500 feet above the production casing shoe.

F. All casing strings shall be tested and proved satisfactory as provided in Subsection I. below.

G. After cementing, but before commencing tests required in Subsection I. below, all casing strings shall stand cemented in accordance with Option 1 or 2 below. Regardless of which option is taken, the casing shall remain stationary and under pressure for at least eight hours after the cement has been placed. Casing shall be "under pressure" if some acceptable means of holding pressure is used or if one or more float valves are employed to hold the cement in place.

(1) Option 1 Allow all casing strings to stand cemented a minimum of eighteen (18) hours prior to commencing tests. Operators using this option shall report on Form C-103 the actual time the cement was in place before initiating tests.

(2) Option 2 (May be used in the counties of San Juan, Rio Arriba, McKinley, Sandoval, Lea, Eddy, Chaves, and Roosevelt only.) Allow all casing strings to stand cemented until the cement has reached a compressive strength of at least 500 pounds per square inch in the "zone of interest" before commencing tests, provided however, that no tests shall be commenced until the cement has been in place for at least eight (8) hours.

(a) The "zone of interest" for surface and intermediate casing strings shall be the bottom 20 percent of the casing string, but shall be no more than 1000 feet nor less than 300 feet of the bottom-part of the casing unless the casing is set at less than 300 feet. The "zone of interest" for production casing strings shall include the interval or intervals where immediate completion is contemplated.

(b) To determine that a minimum compressive strength of 500 pounds per square inch has been attained, operators shall use the typical performance data for the particular cement mix used in the well, at the minimum temperature indicated for the zone of interest by Figure 107-A, Temperature Gradient Curves. Typical performance data used shall be that data furnished by the cement manufacturer or by a competent materials testing agency, as determined in accordance with the latest edition of API Code RP 10 B "Recommended Practice for Testing Oil-Well Cements."

(See Temperature Gradient - Page 17A)

H. Operators using the compressive strength criterion (Option 2) shall report the following information on Form C-103:

(1) Volume of cement slurry (cubic feet) and brand name of cement and additives, percent additives used, and sequence of placement if more than one type cement slurry is used.

(2) Approximate temperature of cement slurry when mixed.

(3) Estimated minimum formation temperature in zone of interest.

(4) Estimate of cement strength at time of casing test.

(5) Actual time cement in place prior to starting test.

I. All casing strings except conductor pipe shall be tested after cementing and before commencing any other operations on the well. Form C-103 shall be filed for each casing string reporting the grade and weight of pipe used. In the case of combination strings utilizing pipe of varied grades or weights, the footage of each grade and weight used shall be reported. The results of the casing test, including actual pressure held on pipe and the pressure drop observed shall also be reported on the same Form C-103.

(1) Casing strings in wells drilled with rotary tools shall be pressure tested. Minimum casing test pressure shall be approximately one-third of the manufacturer's rated internal yield pressure except that the test pressure shall not be less than 600 pounds per square inch and need not be greater than 1500 pounds per square inch. In cases where combination strings are involved, the above test pressure shall apply to the lowest pressure rated casing used. Test pressures shall be applied for a period of 30 minutes. If a drop of more than 10 percent of the test pressure should occur, the casing shall be considered defective and corrective measures shall be applied.

(2) Casing strings in wells drilled with cable tools may be tested as outlined in Subsection I, Paragraph (1) above, or by bailing the well dry in which case the hole must remain satisfactorily dry for a period of at least one (1) hour before commencing any further operations on the well.

J. Well Tubing Requirements

(1) All flowing oil wells equipped with casing larger in size than 2 7/8-inch OD shall be tubed.

(2) All gas wells equipped with casing larger in size than 3 ½-inch OD shall be tubed.

(3) Tubing shall be set as near the bottom as practical and tubing perforations shall not be more than 250 feet above top of pay zone.

(4) The supervisor of the appropriate Division district office, upon application, may grant exceptions to these requirements, provided waste will not be caused.

(5) The supervisor may request that an application be reviewed by the Director. The operator shall submit information and give notice as requested by the Director. Unprotested applications may be approved after 20 days of receipt of the application and supporting information. If the application is protested, or the Director so decides, the application shall be set for hearing.

K. Repealed.

[1-1-50, 5-5-58, 6-26-59, 2-29-64, 2-1-96, 2-26-99; 19.15.3.107 NMAC - Rn, 19 NMAC 15.C.107, 11-15-01]

19.15.3.108 DEFECTIVE CASING OR CEMENTING:

If any well appears to have a defective casing program or faultily cemented or corroded casing which will permit or may create underground waste or contamination of fresh waters, the operator shall give written notice to the Division within five (5) working days and proceed with diligence to use the appropriate method and means to eliminate such hazard. If such hazard of waste or contamination of fresh water cannot be eliminated, the well shall be properly plugged and abandoned.

[1-1-50...2-1-96; 19.15.3.108 NMAC - Rn, 19 NMAC 15.C.108, 11-15-01]

19.15.3.109 BLOWOUT PREVENTION: (See Section 114, Subsection B of 19.15.3 NMAC also)

A. Blowout preventers shall be installed and maintained in good working order on all drilling rigs operating in areas of known high pressures at or above the projected depth of the well and in all areas where pressures which will be encountered are unknown, and on all workover rigs working on wells in which high pressures are known to exist.

B. Blowout preventers shall be installed and maintained in good working order on all drilling rigs and workover rigs operating within the corporate limits of any city, town, or village, or within 1320 feet of habitation, school, or church, wherever located.

C. All operators, when filing Form C-101, Application for Permit to Drill, Deepen, or Plug Back, or Form C-103, Sundry Notices, for any operation requiring blowout prevention equipment in accordance with Subsections A and B above, shall submit a proposed blowout prevention program for the well. The program as submitted may be modified by the District Supervisor if, in his judgement, such modification is necessary.

[10-22-74...2-1-96; 19.15.3.109 NMAC - Rn, 19 NMAC 15.C.109, 11-15-01]

19.15.3.110 PULLING OUTSIDE STRINGS OF CASING:

In pulling outside strings of casing from any oil or gas well, the space outside the casing left in the hole shall be kept and left full of mud-laden fluid or cement of adequate specific gravity to seal off all fresh and salt water strata and any strata bearing oil or gas not producing.

[1-1-50...2-1-96; 19.15.3.110 NMAC - Rn, 19 NMAC 15.C.110, 11-15-01]

19.15.3.113 SHOOTING AND CHEMICAL TREATMENT OF WELLS:

If injury results to the producing formation, injection interval, casing or casing seat from shooting, fracturing, or treating a well and which injury may create underground waste or contamination of fresh water, the operator shall give written notice to the Division within five (5) working days and proceed with diligence to use the appropriate method and means for rectifying such damage. If shooting, fracturing, or chemical treating results in irreparable injury to the well the Division may require the operator to properly plug and abandon the well.

[1-1-50...2-1-96; 19.15.3.113 NMAC - Rn, 19 NMAC 15.C.113, 11-15-01]

19.15.3.114 SAFETY REGULATIONS

A. All oil wells shall be cleaned into a pit or tank, not less than 40 feet from the derrick floor and

150 feet from any fire hazard. All flowing oil wells must be produced through an oil and gas separator of ample capacity and in good working order. No boiler or portable electric lighting generator shall be placed or remain nearer than 150 feet to any producing well or oil tank. Any rubbish or debris that might constitute a fire hazard shall be removed to a distance of at least 150 feet from the vicinity of wells and tanks. All waste shall be burned or disposed of in such manner as to avoid creating a fire hazard.

B. When coming out of the hole with drill pipe, drilling fluid shall be circulated until equalized and subsequently drilling fluid level shall be maintained at a height sufficient to control subsurface pressures. During course of drilling blowout preventers shall be tested at least once each 24-hour period.

[1-1-50...2-1-96; 19.15.3.114 NMAC - Rn, 19 NMAC 15.C.114, 11-15-01]

19.15.3.116 RELEASE NOTIFICATION AND CORRECTIVE ACTION

A. Notification

(1) The Division shall be notified of any unauthorized release occurring during the drilling, producing, storing, disposing, injecting, transporting, servicing or processing of crude oil, natural gases, produced water, condensate or oil field waste including Regulated NORM, or other oil field related chemicals, contaminants or mixture thereof, in the State of New Mexico in accordance with the requirements of Section 116 of 19.15.3 NMAC.

(2) The Division shall be notified in accordance with Section 116 of 19.15.3 NMAC with respect to any release from any facility of oil or other water contaminant, in such quantity as may with reasonable probability be detrimental to water or cause an exceedance of the standards in Section 19, Subsection B, Paragraphs (1) and (2) or (3) of 19.15.1 NMAC.

B. Reporting Requirements. Notification of the above releases shall be made by the person operating or controlling either the release or the location of the release in accordance with the following requirements:

(1) A Major Release shall be reported by giving both immediate verbal notice and timely written notice pursuant to Subsection C, Paragraphs (1) and (2) of 19.15.3.116 NMAC. A Major Release is:

(a) an unauthorized release of a volume, excluding natural gases, in excess of 25 barrels;

(b) an unauthorized release of any volume which:

(i) results in a fire;

(ii) will reach a water course;

(iii) may with reasonable probability endanger public health; or

(iv) results in substantial damage to property or the environment;

(c) an unauthorized release of natural gases in excess of 500 mcf; or

(d) a release of any volume which may with reasonable probability be detrimental to water or cause an exceedance of the standards in Section 19, Subsection B, Paragraphs (1) and (2) or (3) of 19.15.1 NMAC.

(2) A Minor Release shall be reported by giving timely written notice pursuant to Subsection C, Paragraph (2) of 19.15.3.116 NMAC. A Minor Release is an unauthorized release of a volume, greater than 5 barrels but not more than 25 barrels; or greater than 50 mcf but less than 500 mcf of natural gases.

C. Contents Of Notification

(1) Immediate verbal notification required pursuant to Subsection B of 19.15.3.116 NMAC shall be reported within twenty-four (24) hours of discovery to the Division District Office for the area within which the release takes place. In addition, immediate verbal notification pursuant to Subsection B, Paragraph (1), Subparagraph (d) of 19.15.3.116 NMAC shall be reported to the Division's Environmental Bureau Chief. This notification shall provide the information required on Division Form C-141.

(2) Timely written notification is required to be reported pursuant to Subsection B of 19.15.3.116 NMAC within fifteen (15) days to the Division District Office for the area within which the release takes place by completing and filing Division Form C-141. In addition, timely written notification required pursuant to Subsection B, Paragraph (1), Subparagraph (d) of 19.15.3.116 NMAC shall also be reported to the Division's Environmental Bureau Chief within fifteen (15) days after the release is discovered. The written notification shall verify the prior verbal notification and provide any appropriate additions or corrections to the information contained in the prior verbal notification.

D. Corrective Action. The responsible person must complete Division approved corrective action for releases which endanger public health or the environment. Releases will be addressed in accordance with a remediation plan submitted to and approved by the Division or with an abatement plan submitted in accordance with Section 19 of 19.15.1 NMAC.
[1-1-50...5-22-73...2-1-96; A, 3-15-97; 19.15.3.116 NMAC - Rn, 19 NMAC 15.C.116, 11-15-01]

19.15.3.117 WELL LOG, COMPLETION AND WORKOVER REPORTS:
Within 20 days after the completion of a well drilled for oil or gas, or the recompletion of a well into a different common source of supply, a completion report shall be filed with the Division on Form C-105. For the purpose of Section 117 of 19.15.3 NMAC, any hole drilled or cored below fresh water or which penetrates oil- or gas-bearing formations or which is drilled by an "owner" as defined herein shall be presumed to be a well drilled for oil or gas.
[1-1-50...2-1-96; 19.15.3.117 NMAC - Rn, 19 NMAC 15.C.117, 11-15-01]

19.15.3.118 HYDROGEN SULFIDE GAS (HYDROGEN SULFIDE)
A. Applicability. 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, 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 (referred to herein as "person, operator or facility" or "well, facility or operation"). This section shall not act to exempt or otherwise excuse surface waste management facilities permitted by the division pursuant to 19.15.9.711 NMAC from more stringent conditions on the handling of hydrogen sulfide required of such facilities by 19.15.9.711 NMAC or more stringent conditions in permits issued thereunder, nor shall such facilities be exempt or otherwise excused from the requirements set forth in this section by virtue of permitting under 19.15.9.711 NMAC.
B. 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) Area of Exposure. The phrase "area of exposure" means the area within a circle constructed with a point of escape at its center and the radius of exposure as its radius.
(4) ASTM. The acronym "ASTM" means the american society for testing and materials.
(5) Dispersion Technique. A "dispersion technique" is a mathematical representation of the physical and chemical transportation characteristics, dilution characteristics and transformation characteristics of hydrogen sulfide gas in the atmosphere.
(6) 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 hydrogen sulfide, as set forth herein.
(a) For existing gas facilities or operations, the escape rate shall be calculated using the maximum daily rate of the gaseous mixture produced or handled or the best estimate thereof. For an existing gas well, the escape rate shall be calculated using the current daily absolute open flow rate against atmospheric pressure or the best estimate of that rate.
(b) For new gas operations or facilities, the escape rate shall be calculated as the maximum anticipated flow rate through the system. For a new gas well, the escape rate shall be calculated using the maximum open-flow rate of offset wells in the pool or reservoir, or the pool or reservoir average of maximum open-flow rates.
(c) For existing oil wells, the escape rate shall be calculated by multiplying the producing gas/oil ratio by the maximum daily production rate or the best estimate thereof.
(d) For new oil wells, the escape rate shall be calculated by multiplying the producing gas/oil ratio by the maximum daily production rate of offset wells in the pool or reservoir, or the pool or reservoir average of the producing gas/oil ratio multiplied by the maximum daily production rate.
(e) For facilities or operations not mentioned, the escape rate shall be calculated using the actual flow of the gaseous mixture through the system or the best estimate thereof.
(7) GPA. The acronym "GPA" means the gas processors association.

(8) 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. Section 11001.

(9) NACE. The acronym "NACE" refers to the national association of corrosion engineers.

(10) PPM. The acronym "ppm" means "parts per million" by volume.

(11) Potentially Hazardous Volume means the volume of hydrogen sulfide gas of such concentration that:

(a) the 100-ppm radius of exposure includes any public area;

(b) the 500-ppm radius of exposure includes any public road; or

(c) the 100-ppm radius of exposure exceeds 3,000 feet.

(12) Public Area. A "public area" is any building or structure that is not associated with the well, facility or operation for which the radius of exposure is being calculated and that is used as a dwelling, office, place of business, church, school, hospital, or government building, or any portion of a park, city, town, village or designated school bus stop or other similar area where members of the public may reasonably be expected to be present.

(13) Public Road. A "public road" is any federal, state, municipal or county road or highway.

(14) Radius of Exposure. The radius of exposure is that radius constructed with the point of escape as its starting point and its length 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: $X= [(1.589)(\text{hydrogen sulfide concentration})(Q)] (0.6258)$, where "X" is the radius of exposure in feet, the "hydrogen sulfide concentration" is the decimal equivalent of the mole or volume fraction of hydrogen sulfide in the gaseous mixture, and "Q" is the escape rate expressed in cubic feet per day (corrected for standard conditions of 14.73 psia and 60 degrees F).

(b) For determining the 500-ppm radius of exposure: $X=[(0.4546)(\text{hydrogen sulfide concentration})(Q)](0.6258)$, where "X" is the radius of exposure in feet, the "hydrogen sulfide concentration" is the decimal equivalent of the mole or volume fraction of hydrogen sulfide in the gaseous mixture, and "Q" is the escape rate expressed in cubic feet per day (corrected for standard conditions of 14.73 psia and 60 degrees F).

(c) For a well being drilled, completed, recompleted, worked over or serviced 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.

C. Regulatory Threshold.

(1) Determination of Hydrogen Sulfide Concentration.

(a) Each person, operator or facility shall determine the hydrogen sulfide concentration in the gaseous mixture within each of its wells, facilities or operations either by testing (using a sample from each well, facility or operation), testing a representative sample, or using process knowledge in lieu of testing. If a representative sample or process knowledge is used, the concentration derived from the representative sample or process knowledge must be reasonably representative of the hydrogen sulfide concentration within the well, facility or operation.

(b) The tests used to make the determination referred to in the previous subparagraph shall be conducted in accordance with applicable ASTM or GPA standards or by another method approved by the division.

(c) If a test was conducted prior to the effective date of this section that otherwise meets the requirements of the previous subparagraphs, new testing shall not be required.

(d) If any change or alteration may materially increase the concentration of hydrogen sulfide in a well, facility or operation, a new determination shall be required in accordance with this section.

(2) Concentrations Determined to be Below 100 ppm. If the concentration of hydrogen sulfide in a given well, facility or operation is less than 100 ppm, no further actions shall be required pursuant to this section.

(3) Concentrations Determined to be Above 100 ppm.

(a) If the concentration of hydrogen sulfide in a given well, facility or operation is determined to be 100 ppm or greater, then the person, operator or facility must calculate the radius of exposure and comply with applicable requirements of this section.

(b) If calculation of the radius of exposure reveals that a potentially hazardous volume is

present, the results of the determination of the hydrogen sulfide concentration and the calculation of the radius of exposure shall be provided to the division. For a well, facility or operation existing on the effective date of this section, the determination, calculation and submission required herein shall be accomplished within 180 days of the effective date of this section; for any well, facility or operation that commences operations after the effective date of this section, the determination, calculation and submission required herein shall be accomplished before operations begin.

(4) Recalculation. The person, operator or facility shall calculate the radius of exposure if the hydrogen sulfide concentration in a well, facility or operation increases to 100 ppm or greater. The person, operator or facility shall also recalculate the radius of exposure if the actual volume fraction of hydrogen sulfide increases by a factor of twenty-five percent in a well, facility or operation that previously had a hydrogen sulfide concentration of 100 ppm or greater. If calculation or recalculation of the radius of exposure reveals that a potentially hazardous volume is present, the results shall be provided to the division within sixty (60) days.

D. Hydrogen Sulfide Contingency Plan.

(1) When Required. If a well, facility or operation involves a potentially hazardous volume of hydrogen sulfide, a hydrogen sulfide contingency plan that will be used to alert and protect the public must be developed in accordance with the following paragraphs.

(2) Plan Contents.

(a) API Guidelines. The hydrogen sulfide contingency plan shall be developed with due consideration of paragraph 7.6 of 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, most recent edition, or with due consideration to another standard approved by the division.

(b) Required Contents. The hydrogen sulfide contingency plan shall contain, but shall not be limited to, information on the following subjects, as appropriate to the well, facility or operation to which it applies:

(i) Emergency procedures. The hydrogen sulfide contingency plan shall contain information on emergency procedures to be followed in the event of a release and shall include, at a minimum, information concerning the responsibilities and duties of personnel during the emergency, an immediate action plan as described in the API document referenced in the previous subsubparagraph, and telephone numbers of emergency responders, public agencies, local government and other appropriate public authorities. The plan shall also include the locations of potentially affected public areas and public roads and shall describe proposed evacuation routes, locations of any road blocks and procedures for notifying the public, either through direct telephone notification using telephone number lists or by means of mass notification and reaction plans. The plan shall include information on the availability and location of necessary safety equipment and supplies.

(ii) Characteristics of hydrogen sulfide and sulfur dioxide. The hydrogen sulfide contingency plan shall include a discussion of the characteristics of hydrogen sulfide and sulfur dioxide.

(iii) Maps and drawings. The hydrogen sulfide contingency plan shall include maps and drawings that depict the area of exposure and public areas and public roads within the area of exposure.

(iv) Training and Drills. The hydrogen sulfide contingency plan shall provide for training and drills, including training in the responsibilities and duties of essential personnel and periodic on-site or classroom drills or exercises that simulate a release, and shall describe how the training, drills and attendance will be documented. The hydrogen sulfide contingency plan shall also provide for training of residents as appropriate on the proper protective measures to be taken in the event of a release, and shall provide for briefing of public officials on issues such as evacuation or shelter-in-place plans.

(v) Coordination with State Emergency Plans. The hydrogen sulfide contingency plan shall describe how emergency response actions under the plan will be coordinated with the division and with the New Mexico state police consistent with the New Mexico hazardous materials emergency response plan (HMER).

(vi) Activation Levels. The hydrogen sulfide contingency plan shall include the activation level and a description of events that could lead to a release of hydrogen sulfide sufficient to create a concentration in excess of the activation level.

(3) Plan Activation. The hydrogen sulfide contingency plan shall be activated when a release creates a concentration of hydrogen sulfide greater than the activation level set forth in the hydrogen sulfide

contingency plan. At a minimum, the plan must be activated whenever a release may create a concentration of hydrogen sulfide of more than 100 ppm in any public area, 500 ppm at any public road or 100 ppm 3,000 feet from the site of release.

(4) Submission.

(a) Where Submitted. The hydrogen sulfide contingency plan shall be submitted to the division.

(b) When Submitted. A hydrogen sulfide contingency plan for a well, facility or operation existing on the effective date of this section shall be submitted within one year of the effective date of this section. A hydrogen sulfide contingency plan for a new well, facility or operation shall be submitted before operations commence. The hydrogen sulfide contingency plan for a drilling, completion, workover or well servicing operation must be on file with the division before operations commence and may be submitted separately or along with the application for permit to drill (APD) or may be on file from a previous submission. A hydrogen sulfide contingency plan shall also be submitted within 180 days after the person, operator or facility becomes aware or should have become aware that a public area or public road is established that creates a potentially hazardous volume where none previously existed.

(c) Electronic Submission. Any filer who operates more than one hundred wells or who operates a crude oil pump station, compressor station, refinery or gas plant must submit each hydrogen sulfide contingency plan in electronic format. The hydrogen sulfide contingency plan may be submitted through electronic mail, through an Internet filing or by delivering electronic media to the division, so long as the electronic submission is compatible with the division's systems.

(5) Failure to Submit Plan. Failure to submit a hydrogen sulfide contingency plan when required may result in denial of an application for permit to drill, cancellation of an allowable for the subject well or other enforcement action appropriate to the well, facility or operation.

(6) Review, Amendment. The person, operator or facility shall review the hydrogen sulfide contingency plan any time a subject addressed in the plan materially changes and make appropriate amendments. If the division determines that a hydrogen sulfide contingency plan is inadequate to protect public safety, the division may require the person, operator or facility to add provisions to the plan or amend the plan as necessary to protect public safety.

(7) Retention and Inspection. The hydrogen sulfide contingency plan shall be reasonably accessible in the event of a release, maintained on file at all times, and available for inspection by the division.

(8) Annual Inventory of Contingency Plans. On an annual basis, each person, operator or facility required to prepare one or more hydrogen sulfide contingency plans pursuant to this section shall file with the appropriate local emergency planning committee and the state emergency response commission an inventory of the wells, facilities and operations for which plans are on file with the division and the name, address and telephone number of a point of contact.

(9) Plans Required by Other Jurisdictions. A hydrogen sulfide contingency plan required by the Bureau of Land Management or other jurisdiction that meets the requirements of this subsection may be submitted to the division in satisfaction of this subsection.

E. Signage, Markers. For each well, facility or operation involving a concentration of hydrogen sulfide of 100 ppm or greater, signs and/or markers shall be installed and maintained. Each sign or marker shall conform with the current ANSI standard Z535.1-2002 ("Safety Color Code"), or some other standard approved by the division, shall be readily readable, and shall contain the words "poison gas" and other information sufficient to warn the public that a potential danger exists. Signs or markers shall be prominently posted at locations, including but not limited to entrance points and road crossings, sufficient to alert the public that a potential danger exists. Signs and/or markers that conform with this subsection shall be installed no later than one year from the effective date of this section.

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

(1) API Standards. All drilling, completion, workover and well servicing operations involving a hydrogen sulfide concentration of 100 ppm or greater 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 Drilling and Well Servicing Operations

Involving Wells Containing Hydrogen Sulfide," RP-49, most recent editions, or some other standard approved by the division.

(2) Detection and Monitoring Equipment. Drilling, completion, workover and well servicing operations involving a hydrogen sulfide concentration of 100 ppm or greater shall include hydrogen sulfide detection and monitoring equipment as follows:

(a) Each drilling and completion site shall have an accurate and precise hydrogen sulfide detection and monitoring system that will automatically activate visible and audible alarms when the ambient air concentration of hydrogen sulfide reaches a predetermined value set by the operator, not to exceed 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.

(b) 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.

(c) Hydrogen sulfide detection and monitoring equipment must be provided and must be made operational during drilling when drilling is within 500 feet of a zone anticipated to contain hydrogen sulfide and continuously thereafter through all subsequent drilling.

(3) Wind Indicators. All drilling, completion, workover and well servicing operations involving a hydrogen sulfide concentration of 100 ppm or greater shall include wind indicators. 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. When a sustained concentration of hydrogen sulfide is detected in excess of 20 ppm at any detection point, red flags shall be displayed.

(4) Flare System. For drilling and completion operations in an area where it is reasonably expected that a potentially hazardous volume of hydrogen sulfide will be encountered, the person, operator or facility shall install a flare system to safely gather and burn hydrogen-sulfide-bearing gas. Flare outlets shall be located at least 150 feet from the well bore. 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 provide supplemental fuel to maintain ignition.

(5) Well Control Equipment. When the 100 ppm radius of exposure includes a public area, the following well control equipment shall be required:

(a) Drilling. A remote-controlled well control system shall be installed and operational at all times beginning when drilling is within 500 feet of the formation believed to contain hydrogen sulfide and continuously thereafter during drilling. The well control system must include, at a minimum, a pressure and hydrogen-sulfide-rated well control choke and kill system including manifold and blowout preventer that meets or exceeds the specifications API-16C and API-RP 53 or other specifications approved by the division. Mud-gas separators shall be used. These systems shall be tested and maintained pursuant to the specifications referenced, according to the requirements of this part, or otherwise as approved by the division.

(b) Completion, Workover and Well Servicing. A remote controlled pressure and hydrogen-sulfide-rated well control system that meets or exceeds API specifications or other specifications approved by the division shall be installed and shall be operational at all times during completion, workover and servicing of a well.

(6) Mud Program. All drilling, completion, workover and well servicing operations involving a hydrogen sulfide concentration of 100 ppm or greater shall use a hydrogen sulfide mud program capable of handling hydrogen sulfide conditions and well control, including de-gassing.

(7) Well Testing. Except with prior approval of the division, drill-stem testing of a zone that contains hydrogen sulfide in a concentration of 100 ppm or greater shall be conducted only during daylight hours and formation fluids shall not be permitted to flow to the surface.

(8) If Hydrogen Sulfide Encountered During Operations. If hydrogen sulfide was not anticipated at the time the division issued a permit to drill but is encountered during drilling in a concentration of 100 ppm or greater, the operator must satisfy the requirements of this section before continuing drilling operations. The operator shall notify the division of the event and the mitigating steps that have been or are being taken as soon as possible, but no later than 24 hours following discovery. The division may grant verbal approval to continue

drilling operations pending preparation of any required hydrogen sulfide contingency plan.

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

(1) API Standards. Operations at crude oil pump stations and producing wells, tank batteries and associated production facilities, refineries, gas plants and compressor stations involving a concentration of hydrogen sulfide of 100 ppm or greater shall be conducted with due consideration 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 or some other standard approved by the division.

(2) Security. Well sites and other unattended, fixed surface facilities involving a concentration of hydrogen sulfide of 100 ppm or greater shall be protected from public access by fencing with locking gates when the location is within 1/4 mile of a public area. A surface pipeline shall not be considered a fixed surface facility for purposes of this paragraph.

(3) Wind Direction Indicators. All crude oil pump stations, producing wells, tank batteries and associated production facilities, pipelines, refineries, gas plants and compressor stations involving a concentration of hydrogen sulfide of 100 ppm or greater shall have equipment to indicate wind direction. The wind direction equipment shall be installed and visible from all principal working areas at all times.

(4) Control Equipment. When the 100 ppm radius of exposure includes a public area, the following additional measures are required:

(a) Safety devices, such as automatic shut-down devices, shall be installed and maintained in good operating condition to prevent the escape of hydrogen sulfide. Alternatively, safety procedures shall be established to achieve the same purpose.

(b) Any well shall possess a secondary means of immediate well control through the use of an appropriate christmas tree or downhole completion equipment. Such equipment shall allow downhole accessibility (reentry) under pressure for permanent well control.

(5) Tanks or vessels. Each stair or ladder leading to the top of any tank or vessel containing 300 ppm or more of hydrogen sulfide in the gaseous mixture shall be chained or marked to restrict entry.

(6) Compliance Schedule. Each existing crude oil pump station, producing well, tank battery and associated production facility, pipeline, refinery, gas plant and compressor station not currently meeting the requirements of this subsection shall be brought into compliance within one year of the effective date of this section.

H. Personnel Protection and Training. All persons responsible for the implementation of any hydrogen sulfide 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. Whenever a well, facility or operation involves a potentially hazardous volume of hydrogen sulfide, equipment shall be selected with consideration for both the hydrogen sulfide working environment and anticipated stresses and NACE Standard MR0175 (latest edition) or some other standard approved by the division shall be used for selection of metallic equipment or, if applicable, adequate protection by chemical inhibition or other methods that control or limit the corrosive effects of hydrogen sulfide shall be used.

J. Exemptions. Any person, operator or facility may petition the director or the director's designee for an exemption to any requirement of this section. 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 or the director's designee, after considering all relevant factors, may approve an exemption if the circumstances warrant and so long as the public safety will be protected.

K. Notification of the Division. The person, operator or facility shall notify the division upon a release of hydrogen sulfide requiring activation of the hydrogen sulfide contingency plan as soon as possible, but no more than four hours after plan activation, recognizing that a 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.

[5-22-73...1-1-87...2-1-96; A 3-15-97; 19.15.3.118 NMAC - Rn, 19 NMAC 15.C.118, 11-15-2001; A, 01-31-03]

TITLE 19 NATURAL RESOURCES & WILDLIFE
CHAPTER 15 OIL AND GAS
PART 4 PLUGGING AND ABANDONMENT OF WELLS

19.15.4.201 WELLS TO BE PROPERLY ABANDONED

A. The operator of any well drilled for oil, gas or injection; for seismic, core or other exploration, or for a service well, whether cased or uncased, shall be responsible for the plugging thereof.

B. A well shall be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within ninety (90) days after:

(1) a sixty (60) day period following suspension of drilling operations, or

(2) a determination that a well is no longer usable for beneficial purposes, or

(3) a period of one (1) year in which a well has been continuously inactive.

[7-12-90...2-1-96; 19.15.4.201 NMAC - Rn, 19 NMAC 15.D.201, 12-14-01]

19.15.4.202 PLUGGING AND PERMANENT ABANDONMENT

A. Notice of Plugging

(1) Notice of intention to plug must be filed with the Division on Form C-103, Sundry Notices and Reports on Wells, by the operator prior to the commencement of plugging operations, which notice must provide all of the information required by Rule 1103 including operator and well identification and proposed procedures for plugging said well, and in addition the operator shall provide a well-bore diagram showing the proposed plugging procedure. Twenty-four hours notice shall be given prior to commencing any plugging operations. In the case of a newly drilled dry hole, the operator may obtain verbal approval from the appropriate District Supervisor or his representative of the method of plugging and time operations are to begin. Written notice in accordance with this rule shall be filed with the Division ten (10) days after such verbal approval has been given.

B. Plugging

(1) Before any well is abandoned, it shall be plugged in a manner which will permanently confine all oil, gas and water in the separate strata in which they are originally found. This may be accomplished by using mud-laden fluid, cement and plugs singly or in combination as approved by the Division on the notice of intention to plug.

(2) The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches (4") in diameter set in cement and extending at least four feet (4') above mean ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, shall be welded, stamped or otherwise permanently engraved into the metal of the marker. No permanent structures preventing access to the wellhead shall be built over a plugged and abandoned well without written approval of the OCD. No plugged and abandonment marker shall be removed without the written permission of the OCD.

(3) As soon as practical but no later than one year after the completion of plugging operations, the operator shall:

(a) fill all pits;

(b) level the location;

(c) remove deadmen and all other junk; and

(d) take such other measures as are necessary or required by the Division to restore the location to a safe and clean condition.

(4) Upon completion of plugging and clean up restoration operations as required, the operator shall contact the appropriate district office to arrange for an inspection of the well and location.

(5) Below-ground plugged and abandonment markers can be used only with written permission of the OCD when an above-ground marker would interfere with agricultural endeavors. The below-ground marker shall have a steel plate welded onto the surface or conductor pipe of the abandoned well and shall be at least 3 feet below the ground surface and of sufficient size so that all the information required by Section 103 of 19.15.3 NMAC can be stenciled into the steel or welded onto the surface of the steel plate. The OCD may

require a re-survey of the well location.

C. Reports

(1) The operator shall file Form C-105, Well Completion or Recompletion Report and Log as provided in Rule 1105.

(2) Within thirty (30) days after completing all required restoration work, the operator shall file with the Division, in triplicate, a record of the work done on Form C-103 as provided in Rule 1103.

(3) The Division shall not approve the record of plugging or release any bonds until all necessary reports have been file and the location has been inspected and approved by the Division.

[1-1-50, 7-12-90...2-1-96; A, 3-31-00; 19.15.4.202 NMAC - Rn, 19 NMAC 15.D.202, 12-14-01]

19.15.4.203 TEMPORARY ABANDONMENT

A. Wells Which May Be Temporarily Abandoned

(1) The Division may permit any well which is required to be properly abandoned under these rules but which has potential for future beneficial use for enhanced recovery or injection, and any other well for which an operator requests temporary abandonment, to be temporarily abandoned for a period of up to five (5) years. Prior to the expiration of any approved temporary abandonment the operator shall return the well to beneficial use under a plan approved by the Division, permanently plug and abandon said well or apply for a new approval to temporarily abandon the well.

B. Request For Approval And Permit

(1) Any operator seeking approval for temporary abandonment shall submit on Form C-103, Sundry Notices and Reports on Wells, a notice of intent to temporarily abandon the well describing the proposed temporary abandonment procedure to be used. No work shall be commenced until approved by the Division and the operator shall give 24 hours notice to the appropriate District office of the Division before work actually begins.

(2) No temporary abandonment shall be approved unless evidence is furnished to show that the casing of such well is mechanically sound and in such condition as to prevent:

(a) damage to the producing zone;

(b) migration of hydrocarbons or water;

(c) the contamination of fresh water or other natural resources; and

(d) the leakage of any substance at the surface.

(3) If the well fails the mechanical integrity test required herein, the well shall be plugged and abandoned in accordance with these rules or the casing problem corrected and the casing retested within ninety (90) days.

(4) Upon successful completion of the work on the temporarily abandoned well, the operator will submit a request for Temporary Abandonment to the appropriate district office on Form C-103 together with such other information as is required by Rule 1103 E.(1).

(5) The Division may require the operator to post with the Division a one-well plugging bond for the well in an amount to be determined by the Division to be satisfactory to meet the particular requirements of the well.

(6) The Division shall specify the expiration date of the permit, which shall be not more than five (5) years from the date of approval.

C. Tests Required

(1) The following methods of demonstrating casing integrity may be approved for temporarily abandoning a well:

(a) a cast iron bridge plug will be set within one hundred (100) feet of uppermost perforations or production casing shoe and the casing loaded with inert fluid and pressure tested to 500 pounds per square inch with a pressure drop of not more than 10% for thirty (30) minutes; or

(b) a retrievable bridge plug or packer will be run to within one hundred (100) feet of uppermost perforations or production casing shoe and the well tested to 500 pounds per square inch for thirty minutes with a pressure drop of not greater than 10% for thirty (30) minutes; or

(c) for a gas well in southeast New Mexico completed above the San Andres formation, if the operator can demonstrate that the fluid level is below the base of the salt and that a Bradenhead test shows no

casing leaks, the Division may exempt the well from the requirement for a bridge plug or packer; or

(d) a casing inspection log confirming the mechanical integrity of the production casing may be submitted.

(2) Any such test which is submitted must have been conducted within the previous twelve (12) months.

(3) The Division may approve other casing tests submitted on Form C-103 on an individual basis.
[7-12-90...7-12-90, 2-1-96; 19.15.4.203 NMAC - Rn, 19 NMAC 15.D.203, 12-14-01]

19.15.4.204 WELLS TO BE USED FOR FRESH WATER

A. When a well to be plugged may safely be used as a fresh water well and the landowner agrees to take over said well for such purpose, the well need not be plugged above the sealing plug set below the fresh water formation.

B. The operator must comply with all other requirements contained in Section 202 of 19.15.3 NMAC regarding plugging, including surface restoration and reporting requirements.

C. Upon completion of plugging operations, the operator must file with the Division a written agreement signed by the landowner whereby the landowner agrees to assume responsibility for such well. Upon the filing of this agreement and approval by the Division of well abandonment operations, the operator shall no longer be responsible for such well, and any bonds thereon may be released.
[1-1-50...7-12-1-96; 19.15.4.204 NMAC - Rn, 19 NMAC 15.D.204, 12-14-01]

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

19.15.9.701 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 f 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, or if a hearing is 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.I.701, 11-30-00]

19.15.9.702 CASING AND CEMENTING OF INJECTION WELLS:

Wells used for injection of gas, air, water, or any other medium into any formation shall be cased with safe and adequate casing or tubing so as to prevent leakage, and such casing or tubing shall be so set and cemented as to prevent the movement of formation or injected fluid from the injection zone into any other zone or to the surface around the outside of any casing string. [1-1-50...2-1-96; 19.15.9.702 NMAC - Rn, 19 NMAC 15.I.702, 11-30-00]

19.15.9.703 OPERATION AND MAINTENANCE

A. Injection wells shall be equipped, operated, monitored, and maintained to facilitate periodic testing and to assure continued mechanical integrity which will result in no significant leak in the tubular goods and packing materials used and no significant fluid movement through vertical channels adjacent to the well bore.

B. Injection project, including injection wells and producing wells and all related surface facilities shall be operated and maintained at all times in such a manner as will confine the injected fluids to the interval or intervals approved and prevent surface damage or pollution resulting from leaks, breaks, or spills.

C. Failure of any injection well, producing well, or surface facility, which failure may endanger underground sources of drinking water, shall be reported under the "Immediate Notification" procedure of Rule 116.

D. Injection well or producing well failures requiring casing repair or cementing are to be reported to the Division prior to commencement of workover operations.

E. Injection wells or projects which have exhibited failure to confine injected fluids to the authorized injection zone or zones may be subject to restriction of injection volume and pressure, or shut-in, until the failure has been identified and corrected.

[7-1-81...2-1-96; 19.15.9.703 NMAC - Rn, 19 NMAC 15.I.703, 11-30-00]

19.15.9.704 TESTING, MONITORING, STEP-RATE TESTS, NOTICE TO THE DIVISION, REQUESTS FOR PRESSURE INCREASES

A. Testing

(1) Prior to commencement of injection and any time tubing is pulled or the packer is reseated, wells shall be tested to assure the integrity of the casing and the tubing and packer, if used, including pressure testing of the casing-tubing annulus to a minimum of 300 psi for 30 minutes or such other pressure and/or time as may be approved by the appropriate district supervisor. A pressure recorder shall be used and copies of the chart shall be submitted to the appropriate Division district office within 30 days following the test date.

(2) At least once every five years thereafter, injection wells shall be tested to assure their continued mechanical integrity. Tests demonstrating continued mechanical integrity shall include the following:

(a) measurement of annular pressures in wells injecting at positive pressure under a packer or a balanced fluid seal; or,

(b) pressure testing of the casing-tubing annulus for wells injecting under vacuum conditions; or,

(c) such other tests which are demonstrably effective and which may be approved for use by the Division.

(3) Notwithstanding the test procedures outlined above, the Division may require more comprehensive testing of the injection wells when deemed advisable, including the use of tracer surveys, noise logs, temperature logs, or other test procedures or devices.

(4) In addition, the Division may order special tests to be conducted prior to the expiration of five years if conditions are believed to so warrant. Any such special test which demonstrates continued mechanical integrity of a well shall be considered the equivalent of an initial test for test scheduling purposes, and the regular five-year testing schedule shall be applicable thereafter.

(5) The injection well operator shall advise the Division of the date and time any initial, five-year, or special tests are to be commenced in order that such tests may be witnessed.

B. Monitoring - Injection wells shall be so equipped that the injection pressure and annular pressure may be determined at the wellhead and the injected volume may be determined at least monthly.

C. Step-Rate Tests, Notice to the Division, Requests for Injection Pressure Limit Increases

(1) Whenever an operator shall conduct a step-rate test for the purpose of increasing an authorized injection or disposal well pressure limit, notice of the date and time of such test shall be given in advance to the appropriate Division district office.

(2) Copies of all injection or disposal well pressure-limit increase applications and supporting documentation shall be submitted to the Division Director and to the appropriate district office.

[7-1-81...2-1-96; 19.15.9.704 NMAC - Rn, 19 NMAC 15.I.704, 11-30-00]

19.15.9.705 COMMENCEMENT, DISCONTINUANCE, AND ABANDONMENT OF INJECTION OPERATIONS:

A. The following provisions apply to all injection projects, storage projects, salt water disposal wells and special purpose injection wells:

B. Notice of Commencement and Discontinuance

(1) Immediately upon the commencement of injection operations in any well, the operator shall notify the Division of the date such 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 such discontinuance and the reasons therefore.

(3) Before any injection well is temporarily abandoned or plugged, the operator shall obtain approval from the appropriate District Office of the Division 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 period of non-injection into any injection project, storage project, salt water disposal well, or special purpose injection well, such project or well shall be considered abandoned, and the authority for injection shall automatically terminate ipso facto.

(2) For good cause shown, the Division Director may grant an administrative extension or extensions of injection authority as an exception to Subsection C, Paragraph (1) above of 19.15.9.705 NMAC.
[1-1-50...2-1-96; 19.15.9.705 NMAC - Rn, 19 NMAC 15.I.705, 11-30-00; A, 11-30-00; A, 07-15-03]

19.15.9.706 RECORDS AND REPORTS

A. The operator of an injection well or project for secondary or other enhanced recovery, pressure maintenance, natural gas storage, salt water disposal, or injection of any other fluids shall keep accurate records and shall report monthly to the Division gas or fluid volumes injected, stored, and/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 Water Disposal on Form C-120-A;

(4) Natural Gas Storage on Form C-131-A; and

(5) Injection of other fluids on a form prescribed by the Division.

B. The operator of a liquefied petroleum gas storage project shall report annually on Form C-131-B, Annual LPG Storage Report.

[1-1-50...2-1-96; 19.15.9.706 NMAC - Rn, 19 NMAC 15.I.706, 11-30-00]

19.15.9.707 RECLASSIFICATION OF WELLS:

The Division Director shall have authority to reclassify an injection well from any category defined in Subsection B of 19.15.9.701 NMAC to any other category without notice and hearing upon request and proper showing by the operator thereof.

[7-1-81...2-1-96; 19.15.9.707 NMAC - Rn, 19 NMAC 15.I.707, 11-30-00]

19.15.9.708 TRANSFER OF AUTHORITY TO INJECT

A. Authority to inject granted under any order of the Division is not transferable except upon approval of the Division. Approval of transfer of authority to inject may be obtained by filing Form C-104 in accordance with Rule 1104 E.

B. The Division may require a demonstration of mechanical integrity prior to approving transfer of authority to inject.

[1-1-50...2-1-96; 19.15.9.708 NMAC - Rn, 19 NMAC 15.I.708, 11-30-00]

19.15.9.709 REMOVAL OF PRODUCED WATER FROM LEASES AND FIELD FACILITIES

A. Transportation of any produced water by motor vehicle from any lease, central tank battery, or other facility, without an approved Form C-133 (Authorization to Move Produced Water) is prohibited.

B. Authorization to transport produced water may be obtained by filing three copies of Form C-133 with the Director of the Division in Santa Fe.

C. No owner or operator shall permit produced water to be removed from its leases or field facilities by motor vehicle except by a person possessing an approved Form C-133.

[1-1-50...2-1-96; 19.15.9.709 NMAC - Rn, 19 NMAC 15.I.709, 11-30-00]

19.15.9.710 DISPOSITION OF TRANSPORTED PRODUCED WATER

A. No person, including any transporter, may dispose of produced water on the surface of the ground, or in any pit, pond, lake, depression, draw, streambed, or arroyo, or in any watercourse, or in any other place or in any manner which will constitute a hazard to any fresh water supplies.

B. Delivery of produced water to approved salt water disposal facilities, secondary recovery or pressure maintenance injection facilities, or to a drill site for use in drilling fluid will not be construed as constituting a hazard to fresh water supplies provided the produced waters are placed in tanks or other impermeable storage at such facilities.

C. The supervisor of the appropriate district office of the Division may grant temporary exceptions to Paragraph A. above for emergency situations, for use of produced water in road construction or maintenance, or for use of produced waters for other construction purposes upon request and a proper showing by a holder of an approved Form C-133 (Authorization to Move Produced Water).

D. Vehicular movement or disposition of produced water in any manner contrary to these rules shall be considered cause, after notice and hearing, for cancellation of Form C-133.

[2-1-82...2-1-96; 19.15.9.710 NMAC - Rn, 19 NMAC 15.I.710, 11-30-00]

19.15.9.714 DISPOSAL OF REGULATED NATURALLY OCCURRING RADIOACTIVE MATERIAL (REGULATED NORM)

A. Purpose - This rule establishes procedures for the disposal of regulated naturally occurring radioactive material (Regulated NORM) associated with the oil and gas industry. Any person disposing of Regulated NORM, as defined at 19 NMAC 15.A.7, is subject to this rule and to the New Mexico Environmental Improvement Board regulations at 20 NMAC 3.1, Subpart 14.

B. Nonretrieved Flowlines and Pipelines

(1) The Division will consider a proposal for leaving flowlines and pipelines (hereinafter "pipeline") that contain Regulated NORM in the ground provided such abandonment procedures are performed in a manner to protect the environment, public health, and fresh waters. Division approval is contingent on the applicant meeting the following requirements as a minimum:

(2) An application submitted to the Division must contain the following as a minimum:

(a) The pipeline layout over its entire length on an OCD Form C-102 (Well Location and Acreage Dedication Plat) including the legal description of the location of both ends and all surface ownership along the pipeline.

(b) Results of a radiation survey conducted at all accessible points and a surface radiation survey along the complete pipeline route in a form approved by the Division. All surveys are to be conducted consistent with procedures approved by the Division.

(c) The type of material for which the pipeline had been used.

(d) The procedure to be used for flushing hydrocarbons and/or produced water from the pipeline.

(e) An explanation as to why it is more beneficial to leave the pipeline in the ground than to retrieve it.

(f) Proof of notice of the proposed abandonment to all surface owners where the pipeline is located. Additional notification may be required as described in Subsection F of 19.15.9.714 NMAC.

(3) Procedure

(a) Upon approval of the application by the Division, the operator must notify the OCD District office at least 24 hours prior to beginning any work on the pipeline abandonment.

(b) As a condition of completion of the pipeline abandonment, all accessible points must be permanently capped.

(4) General

(a) No additional Regulated NORM may be placed in any pipeline to be abandoned under this section other than that which accumulated in the pipeline under normal operation of the pipeline.

(b) Any pipeline that does not exhibit Regulated NORM pursuant to required surveys may be abandoned without application under this section in accordance with the operator's applicable lease agreements.

(c) If an appurtenance of a pipeline contains Regulated NORM, but upon removal of the appurtenance, no accessible point or surface above the pipeline exhibits the presence of Regulated NORM, then the applicant must submit to the Division the information regarding the Regulated NORM in the appurtenance and a statement concerning management of that Regulated NORM. With respect to the pipeline left in the ground, the applicant will be subject to the requirements under Subsection B of 19.15.9.714 NMAC with the exception of Subsection B, Paragraph (2), Subparagraph (f) of 19.15.9.714 NMAC.

C. Commercial or Centralized Surface Waste Management Facilities

(1) The Division will consider proposals for the disposal of Regulated NORM in commercial or centralized surface waste management facilities, provided such disposal is performed in a manner to protect the environment, public health, and fresh waters. Division approval is contingent on the applicant obtaining a permit in accordance with Section 19.15.9.711 NMAC for the facility and complying with additional requirements specifically related to Regulated NORM disposal as described below.

(2) Application - All requests for authority to receive and dispose of Regulated NORM in commercial or centralized surface waste management facilities must be set for hearing by the Division in order for the operator of the facility to obtain or modify a permit in accordance with Section 19.15.9.711 NMAC. A request to dispose of Regulated NORM at a facility previously permitted under Section 19.15.9.711 NMAC will be considered a major modification to that facility. The hearing request must be submitted to the Division and must contain the following at a minimum:

(a) Complete plans for the facility, including the sources of Regulated NORM, radiation survey readings, quantities of Regulated NORM to be disposed, and monitoring proposals;

(b) A copy of this permit for the facility, if one has been issued by the Division;

(c) Proof of public notice of the application as required by Section 19.15.9.711 NMAC; and

(d) Evidence of issuance of a specific license pursuant to 20 NMAC 3.1, Subpart 14, a license pursuant to 20 NMAC 3.1, Subpart 13, and any other authorizations required by law.

(3) Procedures

(a) Operating procedures that are protective of the environment, public health, and fresh waters will be established in the Division's order.

(b) Any person desiring to dispose of Regulated NORM in an approved commercial or centralized surface waste management facility must furnish Regulated NORM information to the facility operator sufficient for the operator to submit Form C-138 (Request for Approval to Accept Solid Waste) for approval to the Division. The facility operator must receive Division approval prior to receiving the Regulated NORM at the disposal facility.

D. Downhole Disposal in Wells to be Plugged and Abandoned

(1) The Division will consider proposals for downhole disposal of Regulated NORM in wells that are to be plugged and abandoned, provided such plugging and abandonment procedures are performed in a manner to protect the environment, public health and fresh waters and in accordance with Division Rules pertaining to well plugging and abandonment.

(2) Application

(a) A plugging and abandonment (P&A) Form C-103 must be completed by the applicant and submitted to the Division for approval.

(b) In addition to all other information required for P&A submittal, the form must specifically state that Regulated NORM will be placed in the wellbore. The abandonment procedure contained in the application must identify depths at which the Regulated NORM will be placed, radiation survey results conducted on the Regulated NORM to be disposed, the procedure to be used to place the Regulated NORM in the wellbore, and the specific form of Regulated NORM being placed in the wellbore (e.g. scale, pipe, dirt, etc).

(c) Notice of the submittal of an application to dispose of Regulated NORM in a P&A well must be sent to

the surface owner and the mineral lessor. Additional notification may be required as described in Subsection F of 19.15.9.714 NMAC.

(3) Procedures

(a) All P&A procedures routinely required by the Division must be followed unless specifically superseded at the instruction of the Division to facilitate the Regulated NORM disposal.

(b) No work will be commenced until the application for Regulated NORM disposal in a P&A well has been approved by the Division.

(c) The cement plug located directly above the Regulated NORM and the surface plug must be color-dyed with red iron oxide.

(4) General

(a) Regulated NORM must be disposed at a depth of at least 100 feet below the lower most known Underground Source of Drinking Water (USDW) zone. There must be evidence that there is cement across the known USDW zones.

(b) Abnormally pressured zone(s) in the wellbore that might result in migration of the Regulated NORM after it has been placed in the P&A well must be addressed in the application.

E. Injection

(1) The Division will consider proposals for injecting Regulated NORM into injection wells provided such injection is performed in a manner to protect the environment, public health, and fresh waters and such injection is in compliance with Division Rules pertaining to injection. Division approval is contingent on the applicant meeting the following requirements at a minimum:

(2) Disposal wells

(a) An application submitted to the Division must contain the following information at a minimum:

(i) For both existing and newly permitted disposal wells, a completed Form C-108 (Application for Authorization to Inject) with proof of required notification and a statement that Regulated NORM will be injected;
(ii) Description of Regulated NORM to be disposed including its source, radiation levels, and quantity; and

(iii) Description of any process used on the material to improve injectivity;

(b) Procedures

(i) Regulated NORM to be injected may only be from the applicant's operations.
(ii) Each time Regulated NORM is injected, a Form C-103 (Subsequent Report Form) must be submitted to the Division and District offices. This form must be submitted within five (5) working days following the injection and must contain the following information: source of Regulated NORM; NORM radiation level; quantity of material injected; description of any process used on the material to improve injectivity; the injection pressure while injecting; and date(s) of injection.
(iii) Failures and repairs - All mechanical failures must be reported to the appropriate District office within 24 hours of the occurrence. A description of the failure and immediate measures taken in response to the failure must be submitted no later than 15 days following the occurrence. The operator must notify the District office of

proposed repair plans. Approval of repair plans must be received prior to any work commencing, and notice of commencement must be given to the District office such that the repairs may be witnessed and/or inspected. All well repairs must be monitored by the operator to ensure Regulated NORM does not escape the wellbore or is completely contained in the repair operations.
(iv) At the time of abandonment of the disposal well, the injection interval that was used for Regulated NORM injection must be squeezed with cement or a cement plug must be located directly above the injection interval. Cement in either case must contain red iron oxide.
(v) The injection zone must be at a depth of at least 100 feet below the lower most known USDW zone.

(3) Injection in Enhanced Oil Recovery (EOR) Injection Wells - The Division will consider issuing a permit for the disposal of Regulated NORM into injection wells within an approved Enhanced Oil Recovery (EOR) Project only after notice and hearing and upon a minimum demonstration that:

(a) such injection will not reduce the efficiency of the project or otherwise cause a reduction in the ultimate recovery of hydrocarbons from the project;

(b) such injection will not cause an increase in the radiation level of Regulated NORM produced from the EOR interval in any producing well located either within or offsetting the project area; and

(c) the operations will be in conformance with provisions of Subsection E, Paragraph (2) of 19.15.9.714 NMAC above.

(4) Injection Above Fracture Pressure

(a) The Division will consider issuing a permit for the disposal of Regulated NORM in a disposal well above fracture pressure only after notice and hearing and upon receiving the following minimum information from the applicant:

(i) A completed Form C-108 clearly stating that disposal of Regulated NORM at or above fracture pressure is proposed.
(ii) Information required under Subsection E, Paragraph (2) of 19.15.9.714 NMAC above.
(iii) Model results predicting the fracture propagation including the expected height, extension, direction, and any other evidence sufficient to demonstrate that the fracture will not extend beyond the injection interval or into the confining zones. The application must include the procedure, the anticipated pressures and the type and pressure rating of equipment that will be used. The current or potential utilization of zones immediately above and below the zone of interest may be considered by the Division in the acceptance or rejection of model predictions.
(iv) A contingency plan of the procedures, including containment plans, that will be employed if a mechanical failure occurs.

(b) Procedures

(i) 24 hour notice that injection will commence must be given to the District office.
(ii) Upon completion of the injection, the disposal interval must be squeezed with cement or a cement plug must be located directly above the injection interval (cement in either case must contain red iron oxide), and a Form C-103 (Subsequent Report Form) must be submitted to the Division and the District office within five working days of the injection. If the operator desires to return the well to injection below fracture pressure, such plans must be contained in the application.

(5) Injection in Commercial Disposal Facilities - The Division will consider issuing a permit for the commercial disposal of Regulated NORM by injection only after notice and hearing, and provided a specific license has been obtained pursuant to 20 NMAC 3.1, Subpart 14 and a license has been obtained pursuant to 20

NMAC 3.1, Subpart 13. In addition to obtaining these licenses the operator must also comply with Subsection E, Paragraph (2), Subparagraph (b), Sub-subparagraph (i) above of 19.15.9.714 NMAC.

F. Additional Notification

(1) The Director may, at his discretion, require additional notice for any application under this rule.

(2) Any notified party seeking to comment or request a public hearing on such an application must file comments or a hearing request with the Division within 20 days of notice. A request for a hearing must be in writing and must set forth the reasons why a hearing should be held.

(3) A public hearing will be held as required in 19.15.9.714 NMAC or if the Director determines there is sufficient cause.
[7-15-96; 19.15.9.714 NMAC - Rn, 19 NMAC 15.I.714, 11-30-00]

TITLE 19 NATURAL RESOURCES & WILDLIFE
CHAPTER 15 OIL AND GAS
PART M REPORTS

1100 GENERAL

1100.A. Where to File Reports

Unless otherwise specifically provided for in any rule or order of the Division, all forms and reports required by these rules shall be filed with the appropriate District Office of the Division as provided in Rules 1301 and 1302. [1-1-65...2-1-96]

1100.B. Additional Data

These rules shall not be construed to limit or restrict the authority of the Oil Conservation Division to require the furnishing of such additional reports, data, or other information relative to the production, transportation, storing, refining, processing, or handling of crude petroleum oil, natural gas, or products in the State of New Mexico as may appear to it to be necessary or desirable, either generally or specifically, for the prevention of waste and the conservation of natural resources of the State of New Mexico. [1-1-50...2-1-96]

1100.C. Books and Records

All producers, injectors, transporters, storers, refiners, gasoline or extraction plant operators, treating plant operators, and initial purchasers of natural gas within the State of New Mexico shall make and keep appropriate books and records for a period of not less than five years, covering their operations in New Mexico, from which they may be able to make and substantiate the reports required by these rules. [1-1-50...2-1-96]

1100.D. Written Notices, Requests, Permits, and Reports

The forms listed below shall be used for the purpose shown in accordance with the instructions printed thereon and the rule covering the use of the form, or any special rule or order pertaining to its use. [1-1-50...2-1-96]

Form C-101 Application for Permit to Drill, Deepen, or Plug Back
Form C-102 Well Location and Acreage Dedication Plat
Form C-103 Sundry Notices and Reports on Wells
Form C-104 Request for Allowable and Authorization to Transport Oil and Natural Gas
Form C-105 Well Completion or Recompletion Report and Log
Form C-106 Notice of Intention to Utilize Automatic Custody Transfer Equipment
Form C-107 Application for Multiple Completion
Form C-108 Application to Dispose of Salt Water by Injection into a Porous Formation
Form C-109 Application for Discovery Allowable and Creation of a New Pool
Form C-111 Gas Transporter's Monthly Report (Sheet 1 and Sheet 2)
Form C-112 Transporter's and Storer's Monthly Report
Form C-113 Refiner's Monthly Report (Sheet 1 and Sheet 2)
Form C-115 Operators Monthly Report
Form C-115-EDP Operator's Monthly Report (electronic data processing)
Form C-116 Gas-Oil Ratio Tests
Form C-117-A Tank Cleaning, Sediment Oil Removal, Transportation of Miscellaneous Hydrocarbons and Disposal Permit
Form C-117-B Monthly Sediment Oil Disposal Statement
Form C-118 Treating Plant Operator's Monthly Report (Sheet 1 and Sheet 2)

Form C-119 Carbon Black Plant Monthly Report
Form C-120-A Monthly Water Disposal Report
Form C-121 Crude Oil Purchaser's Nomination
Form C-121-A Purchaser's Gas Nomination
Form C-122 Multi-Point and One Point Back Pressure Test for Gas wells
Form C-122-A Gas Well Test Data Sheet-San Juan Basin (Initial Deliverability Test, blue paper; Annual Deliverability Test, white)
Form C-122-B Initial Potential Test Data Sheet
Form C-122-C Deliverability Test Report
Form C-122-D Worksheet for Calculation of Static Column Wellhead Pressure (Pw).
Form C-122-E Worksheet for Stepwise Calculation of (Surface) (Subsurface) Pressure (Pc & Pw)
Form C-122-F Worksheet for Calculation of Wellhead Pressures (Pc or Pw) from Known Bottomhole Pressure (Pf or Ps)
Form C-122-G Worksheet for Calculation of Static Column Pressure at Gas Liquid Interface
Form C-123 Request for the Creation of a New Pool
Form C-124 Reservoir Pressure Report
Form C-125 Gas Well Shut-in Pressure Report
Form C-126 Permit to Transport Recovered Load Oil
Form C-127 Request for Allowable Change
Form C-129 Application for Exception to No-Flare Rule 306
Form C-130 Notice of Disconnection
Form C-131-A Monthly Gas Storage Report
Form C-131-B Annual LPG Storage Report
Form C-133 Authorization to Move Produced Water Exhibit "A"
Form C-134 Application for Exception to Division Order R-8952, (Protection of Migratory Birds Rule 8(b), Rule 105(b), Rule 312(h), Rule 313, or Rule 711(l)
Form C-135 Gas Well Connection, Reconnection, or Disconnection Notice
Form C-136 Application for Approval To Use An Alternate Gas Measurement Method
Form C-137 Application for Waste Management Facility
Form C-138 Request for Approval to Accept Solid Waste
Form C-139 Application For Qualification of Production Restoration Project and Certification of Approval
Form C-140 Application For Qualification of Well Workover Project and Certification of Approval

[1-1-50...2-1-96]

1101 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK (Form C-101)

1101.A. Before commencing drilling or deepening operations, or before plugging a well back to another zone, the operator of the well must obtain a permit to do so. To obtain such permit, the operator shall submit to the Division FIVE copies of Form C-101, Application for Permit to Drill, Deepen, or Plug Back, completely filled out. If the operator has an approved bond in accordance with Rule 101, one copy of the Drilling Permit will be returned to him on which will be noted the Division's approval, with any modification deemed advisable. If the proposal cannot be approved for any reason, the Forms C-101 will be returned with the cause for rejection stated thereon. [1-1-50...2-1-96]

1101.B. Form C-101 must be accompanied by THREE copies of Form C-102, Well Location and Acreage Dedication Plat. (See Rule 1102.) [1-1-65...2-1-96]

1101.C. If the well is to be drilled on state land, submit SIX copies of Form C-101 and FOUR copies of Form C-102, the extra copy of each form being for the State Land Office. [1-1-64...2-1-96]

1102 WELL LOCATION AND ACREAGE DEDICATION PLAT (Form C-102)

1102.A. Form C-102 is a dual purpose form used to show the exact location of the well and the acreage dedicated thereto. The form is also used to show the ownership and status of each lease contained within the dedicated acreage. When there is more than one working interest or royalty owner on a given lease, designation of the majority owner et. al. will be sufficient. [1-1-65...2-1-96]

1102.B. All information required on Form C-102 shall be filled out and certified by the operator of the well except the well location on the plat. This is to be plotted from the outer boundaries of the section and certified by a professional surveyor, registered in the State of New Mexico, or surveyor approved by the Division. [1-1-65...2-1-96]

1102.C. Form C-102 shall be submitted in TRIPLICATE or QUADRUPLICATE as provided in Rule 1101. [1-1-65...2-1-96]

1102.D. Amended Form C-102 (in TRIPLICATE or QUADRUPLICATE) shall be filed in the event there is a change in any of the information previously submitted. The well location need not be certified when filing amended Form C-102. [1-1-65...2-1-96]

1103 SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

Form C-103 is a dual purpose form to be filed with the appropriate District Office of the Division to obtain Division approval prior to commencing certain operations and also to report various completed operations. [1-1-65...2-1-96]

1103.A. Form C-103 as a Notice of Intention

(1) Form C-103 shall be filed in TRIPLICATE by the operator and approval obtain from the Division prior to:

(a) Effecting a change of plans from those previously approved on Form C-101 or Form C-103.

(b) Altering a drilling well's casing program or pulling casing or otherwise altering an existing well's casing installation.

(c) Temporarily abandoning a well.

(d) Plugging and abandoning a well.

(e) Performing remedial work on a well which, when completed, will affect the original status of the well. (This shall include making new perforations in existing wells or squeezing old perforations in existing wells, but is not applicable to new wells in the process of being completed nor to old wells being deepened or plugged back to another zone when such recompletion has been authorized by an approved Form C-101, Application for Permit to Drill, Deepen, or Plug Back, nor to acidizing, fracturing, or cleaning out previously completed wells, nor to installing artificial lift equipment.)

[1-1-65...2-1-96]

(2) In the case of well plugging operations, the Notice of Intention shall include a detailed statement of the proposed work, including plans for shooting and pulling casing, plans for mudding, including weight of mud, plans for cementing, including number of sacks of cement and depths of plugs, and the time and date of the proposed plugging operations. If not previously filed, a complete log of the well on Form C-105 (See Rule 1105) shall accompany the Notice of Intention to plug the well; the bond will not be released until this is complied

with. [1-1-65...2-1-96]

1103.B. Form C-103 as a Subsequent Report

(1) Form C-103 as a subsequent report of operations shall be filed in accordance with the section of this rule applicable to the particular operation being reported. [1-1-65...2-1-96]

(2) Form C-103 is to be used in reporting such completed operations as:

(a) Commencement of drilling operations
(b) Casing and cement test
(c) Altering a well's casing installation
(d) Temporary abandonment
(e) Plug and Abandon
(f) Plugging back or deepening
(g) Remedial work
(h) Installation of artificial lifting equipment
(i) Change of operator of a drilling well
(j) Such other operations which affect the original status of the well but which are not specifically covered herein.

[1-1-65]

1103.C. Information to be entered on Form C-103, Subsequent Report, for a particular operation is as follows:

Report of Commencement of Drilling Operations. Within ten days following the commencement of drilling operations, the operator of the well shall file a report thereof on Form C-103 in TRIPLICATE. Such report shall indicate the hour and the date the well was spudded. [1-1-65...2-1-96]

1103.D. Report of Results of Test of Casing and Cement Job; Report of Casing Alteration

A report of casing and cement test shall be filed by the operator of the well within ten days following the setting of each string of casing or liner. Said report shall be filed in TRIPLICATE on Form C-103 and shall present a detailed description of the test method employed and the results obtained by such test, and any other pertinent information required by Rule 107. The report shall also indicate the top of the cement and the means by which such top was determined. It shall also indicate any changes from the casing program previously authorized for the well. [1-1-65...2-1-96]

1103.E. Report of Temporary Abandonment

A report of temporary abandonment of a well shall be filed by the operator of the well within thirty days following completion of the work. The report shall be filed in TRIPLICATE and shall present a detailed account of the work done on the well, including location and type of plugs used, if any, and status of surface and downhole equipment, and any other pertinent information relative to the overall status of the well. [1-1-65...2-1-96]

1103.F. Report on Plugging of Well

A report of plugging operations shall be filed by the operator of the well within 30 days following completion of plugging operations on any well. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the date the plugging operations were begun and the date the work was completed, a detailed account of the manner in which the work was performed including the depths and lengths of the various plugs set, the nature and

quantities of materials employed in the plugging operations including the weight of the mud used, the size and depth of all casing left in the hole, and any other pertinent information. (See Rules 201-204 regarding plugging operations.) [1-1-65...2-1-96]

No plugging report will be approved by the Division until the pits have been filled and the location levelled and cleared of junk. It shall be the responsibility of the operator to contact the appropriate district office of the Division when the location has been so restored in order to arrange for an inspection of the plugged well and the location by a Division representative. [1-1-65...2-1-96]

1103.G. Report of Remedial Work

A report of remedial work performed on a well shall be filed by the operator of the well within 30 days following completion of such work. Said report shall be filed in QUADRUPLICATE on Form C-103 and shall present a detailed account of the work done and the manner in which such work was performed; the daily production of oil, gas, and water both prior to and after the remedial operation; the size and depth of shots; the quantity of and, crude, chemical or other materials employed in the operation, and any other pertinent information. Among the remedial work to be reported on Form C-103 are the following:

(a) Report on shooting, fluid fracturing or chemical treatment of a previously completed well
(b) Report of squeeze job
(c) Report on setting of liner or packer
(d) Report of installation of pumping equipment or gas lift facilities
(e) Report of any other remedial operations which are not specifically covered herein.

[1-1-65...2-1-96]

1103.H. Report on Deepening or Plugging Back Within the Same Pool

A report of deepening or plugging back shall be filed by the operator of the well within 30 days following completion of such operations on any well. Said report shall be filed in QUADRUPLICATE on Form C-103 and shall present a detailed account of work done and the manner in which such work was performed. If the well is recompleted in the same pool, it shall also report the daily production of oil, gas, and water both prior to and after recompletion. If the well is recompleted in another pool, Forms C-101, C-102, C-104 and C-105 must be filed in accordance with Rules 1101, 1102, 1104 and 1105. [1-1-65...2-1-96]

1103.I. Report of Change of Operator of a Drilling Well

A report of change of ownership shall be filed by the new operator of any drilling well within ten days following actual transfer of ownership or responsibility. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the name and address of both the new operator and the previous operator, the effective date of the change of ownership or responsibility, and any other pertinent information. No change in the operator of a drilling well will be approved by the Division unless the new operator has an approved bond in accordance with Rule 101. (Form C-104 shall be used to report transfer of operator of a completed well; see Rule 1104.) [1-1-65...2-1-96]

1103.J. Other Reports on Wells

Reports on any other operations which affect the original status of the well but which are not specifically covered herein shall be submitted to the Division on Form C-103, in TRIPLICATE, by the operator of the well ten days following the completion of such operation. [1-1-65...2-1-96]

1104 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL

GAS (Form C-104)

1104.A. Form C-104 completely filled out by the operator of the well must be filed in QUINTUPLICATE before an allowable will be assigned to any newly completed or recompleted well. (A recompleted well shall be considered one which has been deepened or plugged back to produce from a different pool than previously.) Form C-104 must be accompanied by a tabulation of all deviation tests taken on the well as provided by Rule 111. [1-1-65...2-1-96]

1104.B. The allowable assigned to an oil well shall be effective at 7:00 o'clock a.m. on the date of completion, provided the Form C-104 is received by the Division during the month of completion. Date of completion shall be that date when new oil is delivered into the stock tanks. Unless otherwise specified by special pool rules, the allowable assigned to a gas well shall be effective at 7:00 o'clock a.m. on the date of connection to a gas transportation facility, as evidenced by an affidavit of connection from the transporter to the Division, or the date of receipt of Form C-104 by the Division, whichever date is later. [1-1-65...2-1-96]

1104.C. No allowable will be assigned to any well until a standard unit for the pool in which the well is completed has been dedicated by the operator, or a non-standard unit has been approved by the Division, or a standard unit has been communitized or pooled and dedicated to the well. [1-1-65...2-1-96]

1104.D. No allowable will be assigned to any well until all forms and reports due have been received by the Division and the well is otherwise in full compliance with these rules. [1-1-65...2-1-96]

1104.E. Form C-104 with Sections I, II, III, and VI, completely filled out shall be filed in QUINTUPLICATE by the operator of the well in the event there is a change of operator of any producing well, injection well, or disposal well, a change in pool designation, lease name, or well number, or any other pertinent change in condition of any such well. When filing Form C-104 for change of operator, the new operator shall file the form in the above manner, and shall give the name and address of the previous as well as the present operator. The Form C-104 will not be approved by the Division unless the new operator has an approved bond in compliance with Rule 101. [1-1-65...2-1-96; A, 7-31-97]

1104.F. [Repealed 1-1-65...2-1-96; R, 7-31-97]

1105 WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

1105.A. Within 20 days following the completion or recompletion of any well, the operator shall file Form C-105 with the Division. It must be filed in QUINTUPLICATE and each copy accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radio-activity logs run on the well must be filed with Form C-105. If the Form C-105 with attached log(s) and summaries is not received by the Division within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with. [1-1-65...2-1-96]

1105.B. In the case of a dry hole, a complete record of the well on Form C-105 with the above attachments shall accompany the notice of intention to plug the well, unless previously filed. The plugging report will not be approved nor the bond released until this rule has been complied with. [1-1-65...2-1-96]

1105.C. Form C-105 and accompanying attachments will not be kept confidential by the Division unless so requested in writing by the owner of the well. Upon such request, the Division will keep these data confidential for 90 days from the date of completion of the well, provided, however, that the report, log(s), and other attached data may, when pertinent, be introduced in any public hearing before the Division or its examiners or in any court of law, regardless of the request that they be kept confidential. [1-1-65...2-1-96]

1108 APPLICATION FOR AUTHORIZATION TO INJECT (Form C-108)

Form C-108 shall be filed in accordance with Rule 701-B. [1-1-65...2-1-96]

1115 OPERATOR'S MONTHLY REPORT (Form C-115)

1115.A. Operator's Monthly Report, Form C-115 or Form C-115-EDP, shall be filed on each producing lease and each secondary or other enhanced recovery project or pressure maintenance project injection well within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said forms in the order, format, and style prescribed by the Division Director. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests. [1-1-65...2-1-96]

1115.B. The reports required to be filed by this rule shall be filed by the operator as follows:

(1) Any operator which operates fewer than one hundred (100) wells in the State of New Mexico shall file a C-115 either electronically or by delivery of a printed copy of the report to the Oil Conservation Division at its Santa Fe office on or before the Fifteenth (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 Fifteenth. [1-1-65...2-1-96; 12-31-96]

(2) Any operator which operates one hundred (100) or more wells in the State of New Mexico shall file a C-115 electronically, either by physical delivery of electronically readable media or by electronic transfer of data, to the Oil Conservation Division at its Santa Fe Office on or before the Fifteenth 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 Fifteenth. [12-31-96]

Any operator otherwise required to file electronically may apply to the Division for exemption from this requirement based upon a demonstration that such electronic filing requirement would operate as an economic or other hardship. [12-31-96]

(3) If an operator fails to file a C-115 or if the Division finds errors in any C-115, the Division shall, within thirty (30) days of the appropriate filing date, prepare and send to the operator an error/omission message which identifies the specific well as to which the report has not been filed or is in error and a statement of the error. The operator to whom the error/omission message is addressed shall respond to the Division within thirty (30) days acknowledging receipt of the error/omission message and informing the Division of the operator's schedule to file the report or correct the error. If the Division does not receive the operator's response within thirty (30) days, the Division shall send notice to the operator that operator has failed to comply with the provisions of this rule and may be subjected to loss of authority to produce from the affected well if the operator does not respond to the Division. [12-31-96]

Willful failure of the operator to respond to the notice and to correct the error or omission may result in the Division informing the operator by certified return receipt letter that thirty (30) days from the date of such letter the Division will cancel the C-104 authority of operator to produce or inject into the well. Any operator which receives such notice may contact the Division and request that the matter of the cancellation of authority to produce or inject be set for hearing before a hearing officer duly appointed by the Division. If the Division sends certified return receipt correspondence informing the operator of cancellation of authority to produce and the operator does not request a hearing, the Division may cancel the authority of the operator to produce the well on the date set forth in the letter. [12-31-96]

(4) The electronic filing requirements set forth in subparagraph (2) above shall be phased in with all operators of three hundred (300) or more wells being required to file electronically for January 1997 production, all operators of two hundred (200) or more wells being required to file electronically for July 1997 production

and all operators of one hundred (100) or more wells being required to file electronically for January 1998 production. [12-31-96]

1120 MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

Each operator of a salt water disposal system shall report such operations on Form C-120-A. Form C-120-A shall be filed in DUPLICATE (one copy with the Santa Fe Office and one copy with the appropriate district office) and shall be postmarked no later than the 15th day of the second succeeding month. [1-1-65...2-1-96]

1128 FORMS REQUIRED ON FEDERAL LAND

1128.A. Federal forms shall be used 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, it shall be the duty of the operator to submit two extra copies of each of such forms to the BLM, which, upon approval, will transmit same to the Division. The following BLM forms will be used in lieu of Division forms by operators of wells on Federal land:

BLM Form No. (Same for both agencies)	Title of Form	Form No.
3160-3 (Nov. 1983)	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

[1-1-65...2-1-96]

1128.B. The above forms as may be revised are the only forms that may be submitted in place of Division forms. [1-1-65...2-1-96]

1128.C. After a well is completed and ready for pipeline connection, Division Form C-104 shall be filed along with a copy of Form C-105 or BLM Form No. 3160-4, whichever is applicable, with the Division on any and all wells drilled in the State, regardless of land status. Further, all reports and forms as required under the preceding rules of this section of the Rules and Regulations that pertain to production must be filed on the proper Oil Conservation Division form as set out in said rule - no other forms will be accepted. [1-1-65...2-1-96]

1128.D. Failure to comply with the provisions of this rule will result in the cancellation of Form C-104 for the affected well or wells. [1-1-65...2-1-96]

1133 AUTHORIZATION TO MOVE PRODUCED WATER

1133.A. Each person who is a transporter of produced water shall obtain approval of Form C-133, Authorization to Move Produced Water, in accordance with Rule 709 C. prior to any such transportation. [2-1-82...2-1-96]

1133.B. Approval of a single Form C-133 is valid for all leases served by such transporter. [2-1-82...2-1-96]

TITLE 19 NATURAL RESOURCES AND WILDLIFE
CHAPTER 15 OIL AND GAS
PART 14 PROCEDURE

19.15.14.1201 RULEMAKING PROCEEDINGS:

A. Before any rule, including revocation or amendment thereof, shall be made by the division or commission, a public hearing before the commission or a duly appointed division examiner shall be held at such time and place as may be prescribed by the commission in accordance with Section 10-15-1 NMSA 1978.

B. When the commission, the division, an operator or any interested person applies to adopt, amend or rescind any rule, such application shall constitute a request for rulemaking for which the following notice requirements apply:

(1) the division shall publish notice of the proposed rule in a newspaper of general circulation in the counties in New Mexico affected by the proposed rule with the publication date not less than 20 days prior to the date set for the public hearing; and

(2) the division shall publish notice of the proposed rule on the commission docket and shall send the docket to all who have requested such notice not less than 20 days prior to the public hearing.

[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1201, 8-29-03]

19.15.14.1202 EMERGENCY ORDERS AND RULES:

Notwithstanding any other provision of these rules, in the event an emergency is found to exist by the division or commission, which requires adoption of a rule or the issuance of an order without a hearing, such emergency rule or order shall have the same validity as if a hearing had been held before the division or commission after due notice. Such emergency rule or order shall remain in force no longer than 15 days from its effective date.

[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1201, 8-29-03]

19.15.14.1203 INITIATING A HEARING:

A. The division, the attorney general, any operator or producer or any other person may apply for a hearing. The application shall be signed by the person seeking the hearing or by an attorney representing that person. Two copies of the application must be filed and shall state:

(1) the name of the applicant;

(2) the name or general description of the common source or sources of supply or the area affected by the order sought;

(3) briefly, the general nature of the order or rule sought;

(4) a list of the names and addresses of persons to whom notice has been sent;

(5) a proposed notice advertisement for publication; and

(6) any other matter required by these rules or order of the division.

B. Applications for hearing before the division or commission must be in writing and received by the division at least 23 days in advance of the hearing on that application.

[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1203, 8-29-03]

19.15.14.1204 PUBLICATION OF NOTICE OF HEARING:

The division shall give notice of each hearing before the commission or a division examiner by publication once in accordance with the requirements of Chapter 14, Article 11 NMSA 1978, in a newspaper of general circulation in the counties that are affected by the application. [1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1204, 8-29-03]

19.15.14.1205 CONTENTS OF NOTICE OF HEARING:

A. Published notices shall be issued in the name of "The State of New Mexico" and signed by the director of the division, and the seal of the commission shall be impressed thereon.

B. The notice shall specify: whether the case is set for hearing before the commission or a division examiner; the number and style of the case; the time and place of hearing; and the general nature of the

application. The notice shall also state the name of the applicant, and unless the contemplated order or rule is intended to apply to and affect the entire state, it shall specify or generally describe the common source or sources of supply that may be affected if the application is granted.
[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1205, 8-29-03]

19.15.14.1206 [RESERVED] [Formerly "PREPARATION OF NOTICES"]

19.15.14.1207 NOTICE REQUIREMENTS FOR SPECIFIC ADJUDICATIONS:

A. Applicants for the following ad judicatory hearings before the division or commission shall give notice in addition to that required by 19.15.14.1204 NMAC as set forth below:

(1) Compulsory Pooling and Statutory Unitization:

(a) Notice shall be given to any owner of an interest in the mineral estate whose interest is evidenced by a written document of conveyance either of record or known to the applicant at the time of filing the application and whose interest has not been voluntarily committed to the area proposed to be pooled or unitized (other than a royalty interest subject to a pooling or unitization clause).

(b) When an applicant is unable to locate all the owners of interests to be pooled and the application is unopposed by those located, the applicant may file under the following alternate procedure if notice is given as required in (a) above. The application shall include the following:

(i) a statement that no opposition for hearing is expected and why;

(ii) a map outlining the spacing unit(s) to be pooled showing the nature and percentage of the ownership interests and location of the proposed well;

(iii) the names and last known addresses of the interest owners to be pooled and the nature and percent of their interests and an attestation that a diligent search has been conducted of all public records in the county where the well is located and of phone directories, including computer searches;

(iv) the names of the formations and pools to be pooled (Note: the division cannot pool a spacing unit larger in size than provided in these rules or applicable special pool orders);

(v) a statement as to whether the pooled unit is for gas and/or oil production (see note under iv, above);

(vi) written evidence of attempts made to gain voluntary agreement including but not limited to copies of relevant correspondence;

(vii) geological map(s) of the formation(s) to be tested and a geological and engineering assessment of the risk involved in the drilling of the well and a proposed risk penalty to be assessed against any working interest owner who does not pay its share of estimated well costs;

(viii) proposed overhead charges (combined fixed rates) to be applied during drilling and production operations along with the basis for such charges;

(ix) the location and proposed depth of the well to be drilled on the pooled units; and

(x) a copy of the authorization for expenditure (AFE) to be submitted to the interest owners in the well.

(c) All submittals required shall be accompanied by sworn and notarized statements by those persons who prepared the submittals attesting that the information is correct and complete to the best of their knowledge and belief.

(d) All unopposed pooling applications will be set for hearing. If the division finds the application complete, the information submitted with the application will constitute the record in the case and an order will be issued based on the record.

(e) At the request of any interested person or upon the division's own initiative, any pooling application submitted shall be set for full hearing with oral testimony by the applicant.

(2) Unorthodox Well Locations:

(a) Definition: "affected persons" are the following persons owning interests in the adjoining spacing units:

(i) the division-designated operator;

(ii) in the absence of an operator, any lessee whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application is filed; and

(iii) in the absence of an operator or lessee, any mineral interest owner whose interest is evidenced by a written document of conveyance either of record or known to the applicant as of the date the application was filed. In the event the operator of the proposed unorthodox well is also the operator of an existing adjoining spacing unit and ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well, then "affected persons" include all working interest owners in that spacing unit.

(b) If the proposed location is unorthodox by being located closer to the outer boundary of the spacing unit than permitted by Rule, notice shall be given to the affected persons in the adjoining spacing units towards which the unorthodox location encroaches.

(c) If the proposed location is unorthodox by being located in a different quarter-quarter section or quarter section than provided in special pool orders, notice shall be given to all affected persons.

(3) Non-Standard Proration Unit: Notice shall be given to all owners of interests in the mineral estate to be excluded from the proration unit in the quarter-quarter section (for 40-acre pools or formations), the one-half quarter section (for 80-acre pools or formations), the quarter section (for 160-acre pools or formations), the half section (for 320-acre pools or formations), or section (for 640-acre pools or formations) in which the non-standard unit is located and to such other persons as required by the division.

(4) Special Pool Orders Regulating or Affecting a Specific Pool:

(a) Except for non-standard proration unit applications, if the application involves changing the amount of acreage to be dedicated to a well, notice shall be given to:

(i) all division-designated operators in the pool; and

(ii) all owners of interests in the mineral estate in existing spacing units with producing wells.

(b) If the application involves other matters, notice shall be given to:

(i) all division-designated operators in the pool; and

(ii) all division-designated operators of wells within the same formation as the pool and within one (1) mile of the outer boundary of the pool which have not been assigned to another pool.

(5) Special Orders Regarding any Division-Designated Potash Area: Notice shall be given to all potash lessees, oil and gas operators, oil and gas lessees and unleased mineral interest owners within the designated potash area. (a) through (d). The material on unorthodox locations was moved to Paragraph (2) of Subsection A of 19.15.14.1207 NMAC.

(6) Downhole Commingling: Notice shall be given to all owners of interests in the mineral estate in the spacing unit if ownership is not common for all commingled zones within the spacing unit.

(7) Surface Disposal of Produced Water or Other Fluids: Notice shall be given to any surface owner within one-half mile of the site.

(8) Adjudications not listed above: Notice shall be given as required by the division.

(9) This paragraph has been moved and renumbered to Paragraph (6) of Subsection A of 19.15.14.1207 NMAC.

(10) This paragraph has been moved and renumbered to Paragraph (7) of Subsection A of 19.15.14.1207 NMAC.

(11) This paragraph has been moved and renumbered to Paragraph (8) of Subsection A of 19.15.14.1207 NMAC.

B. Type and Content of Notice. Any notice required by this rule shall be sent by certified mail, return receipt requested, to the last known address of the person to whom notice is to be given at least 20 days prior to the date of hearing of the application and shall include: a copy of the application; the date, time and place of the hearing; and the means by which protests may be made.

C. At the hearing, the applicant shall make a record, either by testimony or affidavit signed by the applicant or its authorized representative, that: (a) the notice provisions of this rule have been complied with; (b) the applicant has conducted a good-faith diligent effort to find the correct address of all persons entitled to notice; and (c) pursuant to this rule, notice has been given at that correct address as required by this rule. In addition, the record shall contain the name and address of each person to whom notice was sent and, where proof of receipt is available, a copy of the proof.

D. Evidence of failure to provide notice as required in this rule may, upon proper showing, be

considered cause for reopening the case.

E. In the case of an administrative application where the required notice was sent and a timely filed protest was made, the division shall notify the applicant and the protesting party in writing that the case has been set for hearing and the date of the hearing. No further notice is required.

[1-1-86...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1207, 8-29-03]

19.15.14.1208 PLEADINGS: COPIES:

A. For pleadings and correspondence filed in cases pending before a division examiner, two copies must be filed with the division. For pleadings and correspondence filed in cases pending before the commission, five copies must be filed with the division. The division will disseminate copies to the members of the commission. The party filing the pleading or correspondence shall at the same time either hand deliver or transmit by facsimile or electronic mail to any party who has entered an appearance therein or the attorneys of record, a copy of the pleading or correspondence. An appearance of any interested party shall be made either by letter addressed to the division or in person at any proceeding before the commission or before a division examiner, with notice of such appearance to the parties of record.

B. Parties to an adjudicatory proceeding must file a pre-hearing statement three days in advance of a scheduled hearing before the division or the commission. The statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1208, 8-29-03]

19.15.14.1209 CONTINUANCE OF HEARING WITHOUT NEW SERVICE:

Any hearing before the commission or a division examiner held after due notice may be continued by the person presiding at such hearing to a specified time and place without the necessity of notice of the same being again served or published. In the event of any continuance, a statement thereof shall be made in the record of the hearing that is continued.

[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1209, 8-29-03]

19.15.14.1210 CONDUCT OF HEARINGS:

A. Hearings before the commission or a division examiner shall be conducted without rigid formality. A transcript of testimony shall be taken and preserved as a part of the permanent records of the division. Any person testifying shall do so under oath. However, relevant unsworn comments and observations by any interested party will be designated as such and included in the record.

B. The division director may order the parties to file prepared written testimony in advance of the hearing for cases pending before the commission. The witness must be present at the hearing and shall adopt, under oath, the prepared written testimony, subject to cross-examination and motions to strike unless the presence of the witness at hearing is waived upon notice to and without objection of the parties. Pages of the prepared written testimony shall be numbered and contain line numbers on the left-hand side.

[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1210, 8-29-03]

19.15.14.1211 POWER TO REQUIRE ATTENDANCE OF WITNESSES AND PRODUCTION OF EVIDENCE:

A. The commission or any member thereof and the division director or the division director's authorized representative have statutory power to subpoena witnesses and to require the production of books, papers, and records in any proceeding before the commission or division. A subpoena will be issued for attendance at a hearing upon the written request of any party. In case of the failure of a person to comply with the subpoena issued, an attachment of the person may be issued by the district court of any district in the state. Any person found guilty of testifying falsely at any hearing may be punished for contempt.

B. A pre-hearing conference may be held prior to the hearing on the merits in cases pending before the division or the commission either upon request of a party or upon notice by the division director or a division examiner. The pre-hearing conference will be to narrow issues, eliminate or resolve other preliminary matters

and to encourage settlement. The division director or the division examiner may issue a pre-hearing order following the pre-hearing conference.
[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1211, 8-29-03]

19.15.14.1212 RULES OF EVIDENCE AND EXHIBITS:

A. Full opportunity shall be afforded all interested parties at a hearing before the commission or division examiner to present evidence and to cross-examine witnesses. In general, the rules of evidence applicable in a trial before a court without a jury shall be applicable, provided that such rules may be relaxed, where, by so doing, the ends of justice will be better served. No order shall be made that is not supported by competent legal evidence.

B. Parties introducing exhibits at hearings before the commission or a division examiner must provide a complete set of exhibits for the court reporter, each commissioner or division examiner and other parties of record.
[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1212, 8-29-03]

19.15.14.1213 DIVISION EXAMINERS' QUALIFICATIONS AND APPOINTMENT:

The division director shall appoint division examiners. Each division examiner so appointed shall be a member of the staff of the division. Each individual appointed as a division examiner must have at least six years of experience as a geologist, petroleum engineer or licensed lawyer, or at least two years of such experience and a college degree in geology, engineering or law; provided however, that nothing herein shall prevent any member of the commission from serving as a division examiner.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1213, 8-29-03]

19.15.14.1214 REFERRAL OF CASES TO DIVISION EXAMINERS:

The division director may refer any matter or proceeding to a division examiner for hearing in accordance with these rules. The division examiner appointed to hear any specific case shall be designated by name.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1214, 8-29-03]

19.15.14.1215 DIVISION EXAMINER'S POWER AND AUTHORITY:

The division director may limit the powers and duties of the division examiner in any particular case to such issues or to the performance of such acts as the director deems expedient; however, subject only to such limitations as may be ordered by the director, the division examiner to whom any matter is referred under these rules shall have full authority to hold hearings on such matter in accordance with these rules. The division examiner shall have the power to perform all acts and take all measures necessary or proper for the efficient and orderly conduct of such hearing, including administering oaths to witnesses and receiving testimony and exhibits offered in evidence subject to such objections as may be imposed. The division examiner shall cause a complete record of the proceedings to be made and transcribed and shall certify same to the director as hereinafter provided.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1215, 8-29-03]

19.15.14.1216 HEARINGS THAT MUST BE HELD BEFORE COMMISSION:

Notwithstanding any other provisions of these rules, the hearing on any matter shall be held before the commission if:

A. it is a hearing pursuant to Section 70-2-13 NMSA 1978; or

B. the division director desires the commission to hear the matter.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1216, 8-29-03]

19.15.14.1217 [RESERVED]
[9-15-55...2-1-96; Repealed 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1217, 8-29-03]

19.15.14.1218 REPORT AND RECOMMENDATIONS FROM DIVISION EXAMINER'S HEARING:

Upon the conclusion of any hearing before a division examiner, the division examiner shall promptly consider

the proceedings in such hearing, and based upon the record of such hearing the division examiner shall prepare a written report with recommendations for the disposition of the matter or proceeding by the division. Such report shall either be accompanied by a proposed order or shall be in the form of a proposed order and shall be submitted to the division director with the certified record of the hearing.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1218, 8-29-03]

19.15.14.1219 DISPOSITION OF CASES HEARD BY DIVISION EXAMINERS:
After receipt of the report of the division examiner, the division director shall enter the division's order disposing of the matter.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1219, 8-29-03]

19.15.14.1220 HEARING BEFORE COMMISSION AND STAYS OF DIVISION ORDERS:
A. When an order has been entered by the division pursuant to a hearing held by a division examiner, a party of record adversely affected by the order has the right to have the matter heard de novo before the commission, provided that within 30 days from the date the order is issued the party files with the division a written application for such hearing. If an application is filed, the matter or proceeding shall be set for hearing before the commission.

B. Any party requesting a stay of a division order must file the request with the division and provide copies of the request to the parties of record or their attorneys in the case at the time the request is filed. The request must have attached a proposed stay order. The director may grant stays under other circumstances if such a stay is necessary to prevent waste, protect correlative rights, protect public health and the environment or prevent gross negative consequences to any affected party.

C. Any party of record adversely affected by the order issued by the commission after hearing may apply for rehearing pursuant to 19.15.14.1222 NMAC.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1220, 8-29-03]

19.15.14.1221 COPIES OF COMMISSION AND DIVISION ORDERS:
Within 10 days after an order, including any order granting or refusing rehearing or order following rehearing, has been issued, a copy of such order shall be mailed by the division to each party or its attorney of record.
[9-15-55...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1221, 8-29-03]

19.15.14.1222 REHEARINGS:
Within 20 days after entry of any order of the commission any party of record adversely affected thereby may file with the division an application for rehearing on any matter determined by such order, setting forth the respect in which the order is believed to be erroneous. The commission shall grant or refuse any such application in whole or in part within 10 days after it is filed and failure to act within such period shall be deemed a refusal and a final disposition of such application. In the event the rehearing is granted, the commission may enter a new order after rehearing as may be required under the circumstances.
[1-1-50...2-1-96; A, 7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1222, 8-29-03]

19.15.14.1223 EX PARTE COMMUNICATIONS:
A. In an adjudicatory proceeding, except for filed pleadings, at no time after the filing of an application for hearing shall any party, interested participant or their representatives communicate regarding the issues involved in the application with any commissioner or the division examiner appointed to hear the case when all other parties of record to the proceedings have not had the opportunity to be present.

B. The prohibition in A, above, does not apply to those applications that are believed by the applicant to be unopposed. However, in the event that an objection is filed in a case previously believed to be unopposed, the prohibition in A, above, is immediately applicable.
[7-15-99; 19.15.14 NMAC - Rn, 19 NMAC 15.N.1223, 8-29-03]

TITLE 19 NATURAL RESOURCES & WILDLIFE
CHAPTER 15 OIL AND GAS
PART O ADMINISTRATION

1 ISSUING AGENCY: Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505
(505) 476-3440. [2-1-96]

2 SCOPE: All persons/entities engaged in oil and gas development and production within New Mexico. [2-1-96]

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]

4 DURATION: Permanent [2-1-96]

5 EFFECTIVE DATE: February 1, 1996. [2-1-96]

6 OBJECTIVE: The objective of this Part is to provide for administration of the authority granted to the Oil Conservation Division under the Oil and Gas Act. [2-1-96]

7-1300 RESERVED

1301 DISTRICT OFFICES

1301.A. To expedite administration of the work of the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department and the enforcement of its rules and regulations, the state shall be divided into four districts as follows:

DISTRICT 1 Lea, Roosevelt, and Curry Counties, and that portion of Chaves County lying east of the North-South line dividing Ranges 29 and 30 East, NMPM.
The District office shall be in Hobbs, New Mexico.

DISTRICT 2 Eddy, Otero, Dona Ana, Luna, Hidalgo, Grant, Sierra, Lincoln, and De Baca Counties, and that portion of Chaves County lying west of the North-South line dividing Ranges 29 and 30 East, NMPM.
The District office shall be in Artesia, New Mexico.

DISTRICT 3 San Juan, Rio Arriba, McKinley, and Sandoval Counties.
The District office shall be in Aztec, New Mexico.

DISTRICT 4 Remainder of State.

The District office shall be in Santa Fe, New Mexico. [1-1-50...2-1-96]]

1301.B. Each district office shall be under the charge of a district supervisor, an oil and gas inspector, or a deputy oil and gas inspector. Unless otherwise specifically required, all matters pertaining to the Division shall be taken care of through the district office of the district in which the affected land is located. [1-1-50...2-1-96]

1302 WHERE TO FILE REPORTS AND FORMS

All reports and forms required by the rules to be filed with the Division shall be filed in the number and at the time specified on the form or report or by the applicable rules in Section M, Reports, of these rules. Unless otherwise specified, all such reports and forms shall be filed at the district office of the district in which the land that is the subject matter of the report is located. All plugging bonds shall be filed directly with the Santa Fe Office of the Division. A list of all plugging bonds approved and in force shall be kept in each district office. [1-1-50...2-1-96]

1303 DUTIES AND AUTHORITY OF FIELD PERSONNEL

Oil and gas inspectors, deputy oil and gas inspectors, scouts, engineers and geologists duly appointed by the Division have the authority and duty to enforce the rules and regulations of the Division. Only oil and gas inspectors and their deputies shall have discretion to allow minor deviations from requirements of the rules as to field practices where, by so doing, waste will be prevented or burdensome delay or expenses on the part of the operator will be avoided. [1-1-50...2-1-96]

1304 NUMBERING OF DIVISION ORDERS

1304.A. All orders of the Division made after January 1, 1950, pertaining to the allocation of production of oil and gas are prefixed with the letter "A" or "AG" in the case of gas pools and are numbered consecutively, commencing with the number 1, i.e., the first allocation order issued after January 1, 1950, is No. A-1, the next A-1, etc or AG-1 and AG-2. [1-1-50...2-1-96]

1304.B. All other orders of the Division made after January 1, 1950, are prefixed with the letter "R" and are numbered consecutively, commencing with the number 1, i.e., the first such order issued after January 1, 1950, is No. R-1, the next R-2, etc. [1-1-50...2-1-96]

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-101 Revised June 10, 2003 Submit to appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
	[3] API Number 30 -

[4] Property Code	[5] Property Name	[6] Well No.

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[8] Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[9] Proposed Pool1	[10] Proposed Pool2

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:	OIL CONSERVATION DIVISION Approved by:
Printed name:	Title:
Title:	Approval Date: / Expiration Date:
E-mail Address:	
Date: / Phone:	Conditions of Approval: Attached ☐

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

1 Operator's name and address.

2 *Operator's OGRID number. If you do not have one, it will be assigned and filled in by the District office.*

3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.

4 Property code. If this is a new property the OCD will assign the number and fill it in.

5 Property name that used to be called 'well name'.

6 The number of this well on the property.

7 The surveyed location of this well New Mexico Principal Meridian. NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.

8 The proposed bottom hole location of this well at TD.

9 and 10 The proposed pool(s) to which this well is being drilled.

11 Work type code from the following table:
- N New well
- E Re-entry
- D Drill deeper
- P Plugback
- A Add a zone

12 Well type code from the following table:
- O *Single oil completion*
- G Single gas completion
- M Miscellaneous
- I Injection well
- S SWD well
- W Water supply well
- C Carbon dioxide well

13 Cable or rotary drilling code
- C Propose to cable tool drill
- R Propose to rotary drill

14 Lease type code from the following table:
- S State
- P Private

15 Ground level elevation above sea level.

16 Intend to multiple complete? Yes or No. Attach intended wellbore diagram.

17 Proposed total depth of this well.

18 Geologic formation at TD.

19 Name of the intended drilling company if known.

20 Anticipated spud date.

21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement.

22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.

23 The signature, printed name, title, and e-mail address of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
[4] Property Code	[5] Property Name	[6] Well Number
[7] OGRID No.	[8] Operator Name	[9] Elevation

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

[16]

[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Title and E-mail Address

Date

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

New Mexico Oil Conservation Division

C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well.

2. The pool code for this (proposed) completion.

3. The pool name for this (proposed) completion.

4. The property code for this (proposed) completion.

5. The property name (well name) for this (proposed) completion.

6. The well number for this (proposed) completion.

7. Operator's OGRID number.

8. The operator's name.

9. The ground level elevation of this well.

10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD unit letter.

11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.

12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre.

13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage.

14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:
    - C Communitization
    - U Unitization
    - F Forced pooling
    - O Other
    - P Consolidation pending

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling.

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole, show that portion of the well bore that is open within this pool.

    Show all lots, lot numbers, and their respective acreage.

    If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, e-mail address, and title of the person authorized to make this report, and the date this document was signed.

18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

Submit 3 Copies To Appropriate District Office District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Ave., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-103 Revised June 10, 2003
		WELL API NO.
		5. Indicate Type of Lease STATE ☐ FEE ☐
		6. State Oil & Gas Lease No.
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) 1. Type of Well: Oil Well ☐ Gas Well ☐ Other		7. Lease Name or Unit Agreement Name 8. Well Number
2. Name of Operator		9. OGRID Number
3. Address of Operator		10. Pool name or Wildcat
4. Well Location Unit Letter_____:_____feet from the _____ line and _____feet from the _____ line Section Township Range NMPM County		
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS ☐	PLUG AND ABANDONMENT ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPLETION ☐	CASING TEST AND CEMENT JOB ☐	
OTHER: ☐		OTHER: ☐	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE_____ TITLE_____ DATE_____

Type or print name_____ E-mail address:_____ Telephone No._____

(This space for State use)

APPPROVED BY_____ TITLE_____ DATE_____

Conditions of approval, if any:

Submit To Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised June 10, 2003

WELL API NO.

5. Indicate Type of Lease
STATE ☐ FEE ☐

State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER_____

b. Type of Completion:
NEW WELL ☐ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER

7. Lease Name or Unit Agreement Name

2. Name of Operator

8. Well No.

3. Address of Operator

9. Pool name or Wildcat

4. Well Location
Unit Letter _____ : _____ Feet From The _____ Line and _____ Feet From The _____ Line
Section Township Range NMPM County

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	13. Elevations (DF& RKB, RT, GR, etc.)	14. Elev. Casinghead

15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

20. Was Directional Survey Made

21. Type Electric and Other Logs Run

22. Was Well Cored

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26. Perforation record (interval, size, and number)

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28 **PRODUCTION**

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - (Corr.)

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Test Witnessed By

30. List Attachments

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature Printed Name Title Date

E-mail Address

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn. "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs	T. Entrada	T.
T. Abo	T.	T. Wingate	T.
T. Wolfcamp	T.	T. Chinle	T.
T. Penn	T.	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....

No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

No. 2, from.....to.....feet.....

No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology		From	To	Thickness In Feet	Lithology

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT	**Oil Conservation Division** **1220 South St. Francis Dr.** **Santa Fe, New Mexico 87505**	FORM C-108 Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance _____Disposal _____Storage
Application qualifies for administrative approval? _____Yes _____No

II. OPERATOR: _____

ADDRESS: _____

CONTACT PARTY: _____ PHONE: _____

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____Yes _____No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: _____ TITLE: _____

SIGNATURE: _____ DATE: _____

E-MAIL ADDRESS: _____

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

Side 2

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: _____

WELL NAME & NUMBER: _____

WELL LOCATION: _____

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing	
Hole Size: _____	Casing Size: _____
Cemented with: _____ sx.	*or* _____ ft^3
Top of Cement: _____	Method Determined: _____
Intermediate Casing	
Hole Size: _____	Casing Size: _____
Cemented with: _____ sx.	*or* _____ ft^3
Top of Cement: _____	Method Determined: _____
Production Casing	
Hole Size: _____	Casing Size: _____
Cemented with: _____ sx.	*or* _____ ft^3
Top of Cement: _____	Method Determined: _____
Total Depth: _____	
Injection Interval	
_____ feet	to _____
(Perforated or Open Hole; indicate which)	

Side 2

INJECTION WELL DATA SHEET

Tubing Size: _____ Lining Material: _____

Type of Packer: _____

Packer Setting Depth: _____

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____Yes _____No

   If no, for what purpose was the well originally drilled? _____

   _____

2. Name of the Injection Formation: _____

3. Name of Field or Pool (if applicable): _____

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____

   _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

   _____

   _____

   _____

District I
1625 North French, Hobbs, NM 88241
District II
1301 West Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos, Aztec, NM 84710

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South Saint Francis Drive
Santa Fe, NM 87505

OPERATOR'S MONTHLY REPORT

Form C-115 First Page
Revised January 22, 2004
Instruction on Reverse Side
1 ☐ Amended Report

2 Operator	3 OGRID:	4 Month/Year
5 Address:		6 Page 1 of 4

		INJECTION			PRODUCTION					DISPOSITION OF OIL, GAS, AND WATER						
7 . AND NAME No. and Name & U-L-S-T-R Pt No.	8 CODE 1	9 Volume	10 Pressure	11 CODE 2	12 Barrels of Oil/condensate produced	13 Barrels of water produced	14 MCF Gas Produced	15 Days Produced	16 CODE 3	17 Point of Disposition	18 Gas BTU or Oil API Gravity	19 Oil on hand at beginning of month	20 Volume (Bbls/mcf)	21 Transporter Ogrid	22 CODE 4	23 Oil on hand at end of month

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.
24

Signature	Printed Name & Title	E-mail Address	Date	Phone Number

GENERAL C-115 INSTRUCTIONS

All original C-115's must be sent to the Oil Conservation Division office at 1220 South Saint Francis Drive, Santa Fe, NM 87505. All pages for one month should be stapled.

Box or Column Number

1. Check this box if this report amends a previously submitted report.
2. Operator's OGRID name
3. Operator's OGRID number
4. Month and year of report (format: 5/02)
5. Operator's OGRID address
6. Total pages
7. Use the following example:

   55555 GOOD OIL POOL
   333333 Jones-Smith A Com
   123 R-B-12-24N-12W
   30-045-12345

   Do not repeat the pool number and name for each well in that pool, nor the property number and name for each well completion on the same property. Order the well completions as follows:
   Oil pools and then gas pools by pool number
   Properties by number under each pool
   Wells by well number under each property
   Order disposition by POD number at the end of the well completion listing for a property.

8. Well status as of the last day of the reported month, use one of the following codes.

CODE 1 (WELL STATUS)

F	Flowing
P	Pumping
G	Gas Lift
S	Shut-In
I	Temporarily Abandoned (Use only if TA status has been approved at the OCD district office)
I	Injection Well for Enhanced Recovery
D	Salt Water Disposal
A	Plugged and Abandoned (Use only on the last report ONCE for this completion, then take it off the report completely)

INJECTION/DISPOSAL (These wells can only be reported with code 1 as "D" or "I". If the well is "Shut-in" or "Temporarily abandoned" please still use a "D" or an "I" whichever is appropriate. In the volume and pressure columns use zeros. Code 2 should be what your product is normally disposed of/injected.)

9. Barrels of water or MCF of gas injected.
10. Injection pressure PSIG. (Please do not report vacuum.)
11. Type of injected fluid code, use one of the following codes.

CODE 2 (TYPE OF PRODUCT INJECTED/DISPOSED)

W	Water
G	Gas
C	CO_2
O	Other

PRODUCTION (In general produced volumes should equal disposition volumes, when amending verify that the C-115 remains in balance)

12. Barrels of crude oil or condensate produced for the month. (WHOLE AMOUNT, NO DECIMALS)
13. Barrels of water produced for the month. (WHOLE AMOUNT, NO DECIMALS)
14. MCF of gas (Includes CO_2) produced for the month. (WHOLE AMOUNT, NO DECIMALS)
15. Number of days that the well completion produced or injected during the month.

DISPOSITION (In general produced volumes should equal disposition volumes)

The disposition portion of this report may be given on either the same or next line as the last well completion production line.

16. Product code, use one of the following codes.

CODE 3 (PRODUCT)

O	Crude Oil, Condensate, Drip, BSW
G	Gas (Includes CO_2)
W	Water

17. POD number for each product transported from the property or non-transported volume that affects oil storage balance.
18. Gas BTU in effect for the gas volume transported adjusted to 15.025 PSIA at 60° F. or weighted average API oil gravity of oil transported by the specific transporter.
19. Beginning oil storage volume. (WHOLE AMOUNT, NO DECIMALS)
20. Volume of oil, gas, or water transported or otherwise disposition ed (lost vented, spilled, used on property, etc.) (WHOLE AMOUNT, NO DECIMALS)
21. Transporter OGRID for oil and gas volumes transported from the POD.
22. Disposition code for non-transported products, use one of the following codes.

CODE 4 (NON-TRANSPORTED DISPOSITION)

For Oil	C	Circulating Oil
	S	Sedimentation (B.S.& W)
	L	Lost (e.g. Spilled, Fire, etc.)
	T	Theft
	O	Other
For Gas	G	Gas Lift
	R	Repressurizing or Pressure Maintenance
	V	Vented/Flared
	U	Gas Used on This Property
	L	Lost (e.g. Leaked, Fire)
	O	Other
For Water	I	Water Re-injected on This Property
	P	Pitted
	A	Evaporated
	O	Other

23. Ending oil storage volume. (WHOLE AMOUNT, NO DECIMALS)

24. The signature, printed name, title, and e-mail address of the person who is to make this report, the date this report was submitted, and the telephone number to call for questions about this report.

AMENDED REPORTING *NEW DECEMBER 2003*

CONTENTS OF AMENDED C-115's
The current amendment process can result in information different from what the operator intended to report, generally due to the complex design of disposition processing. To ensure that amendments reflect exactly what the operator intended to report, we request that operators begin resubmitting the full month's C-115 when amending. For those who use OCD's C-115 Excel spreadsheet, this can easily be done by making changes on your original C-115, then creating and e-mailing a new .txt file.

FREQUENCY OF AMENDMENTS
Please make every effort to ensure that your initial C-115 report is as complete and accurate as possible. If you need to amend, please make every effort to capture all required changes for a reporting month in one amendment file. This may mean that you should delay amending until you are confident that all changes for that month have been received. There should be no need to submit multiple amendments for the same reporting month.

MULTIPLE C-115 FILINGS PER OPERATOR
Some operators submit portions of each month's C-115 from different sources. Amendments from these operators should be coordinated to result in one complete resubmission per OGRID.

GENERAL INFORMATION

Report all gas volumes at 15.025 PSIA at 60° F. Report all oil volumes to the nearest whole barrel.

ALWAYS USE THE CURRENT DATE!
PROPERTY NUMBERS ALWAYS CHANGE WHEN THE OPERATOR CHANGES.

Please direct reporting questions to the C-115 team in Santa Fe.
Isabel Mondoya (505) 476-3479 mailto: inventory@state.nm.us C-115 questions
Andrew Wheeler (505) 476-3482 awheeler@state.nm.us, electronic filing

APPENDIX B

Water Quality Control Commission Regulations Pertaining to Underground Injection

OCD Permit Application Forms for Class I, Class III and Class V Wells

Appendix B Table of Contents

W.Q.C.C. REGULATIONS 20.6.2 NMAC

The W.Q.C.C. regulations included in this Appendix are those most directly related to underground injection projects. Consult the complete text of the New Mexico Water Quality Control Commission regulations for additional regulations.

Application Forms for Class I, Class III, and Class V Wells

OCD Forms C-101 through C-115 are in Appendix A.

20.6.2.1200 PROCEDURES:
[12-1-95; 20.6.2.1200 NMAC – Rn, 20 NMAC 6.2.I.1200, 1-15-01]

20.6.2.1201 NOTICE OF INTENT TO DISCHARGE:
A. Any person intending to make a new water contaminant discharge or to alter the character or location of an existing water contaminant discharge, unless the discharge is being made or will be made into a community sewer system or subject to the Liquid Waste Disposal regulations adopted by the New Mexico Environmental Improvement Board, shall file a notice with the Ground Water Quality Bureau of the department for discharges that may affect ground water, and/ or the Surface Water Quality Bureau of the department for discharges that may affect surface water. However, notice regarding discharges from facilities for the production, refinement pipeline transmission of oil and gas or products thereof, the oilfield service industry, oilfield brine production wells, geothermal installations and carbon dioxide facilities shall be filed instead with the Oil Conservation Division.
B. Any person intending to inject fluids into a well, including a subsurface distribution system, unless the injection is being made subject to the Liquid Waste Disposal regulations adopted by the New Mexico Environmental Improvement Board, shall file a notice with the Ground Water Quality Bureau of the department. However notice regarding injection to wells associated with oil and gas facilities as described in Subsection A of Section 20.6.2.1201 NMAC shall be filed instead with the Oil Conservation Division.
C. Notices shall state:
(1) the name of the person making the discharge;
(2) the address of the person making the discharge;
(3) the location of the discharge;
(4) an estimate of the concentration of water contaminants in the discharge; and
(5) the quantity of the discharge.
D. Based on information provided in the notice of intent, the department will notify the person proposing the discharge as to which of the following apply:
(1) a discharge permit is required;
(2) a discharge permit is not required;
(3) the proposed injection well will be added to the department's underground injection well inventory;
(4) the proposed injection activity or injection well is prohibited pursuant to 20.6.2.5004 NMAC.
[1-4-68, 9-5-69, 9-3-72, 2-17-74, 2-20-81, 12-1-95; 20.6.2.1201 NMAC – Rn, 20 NMAC 6.2.I.1201, 1-15-01; A, 12-1-01]

20.6.2.1203 NOTIFICATION OF DISCHARGE—REMOVAL:
A. With respect to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, the following notifications and corrective actions are required:
(1) As soon as possible after learning of such a discharge, but in no event more than twenty-four (24) hours thereafter, any person in charge of the facility shall orally notify the Chief of the Ground Water Quality Bureau of the department, or his counterpart in any constituent agency delegated responsibility for enforcement of these rules as to any facility subject to such delegation. To the best of that person's knowledge, the following items of information shall be provided:
(a) the name, address, and telephone number of the person or persons in charge of the facility, as well as of the owner and/or operator of the facility;
(b) the name and address of the facility;
(c) the date, time, location, and duration of the discharge
(d) the source and cause of discharge;
(e) a description of the discharge, including its chemical composition;
(f) the estimated volume of the discharge; and

(g) any actions taken to mitigate immediate damage from the discharge.
(2) When in doubt as to which agency to notify, the person in charge of the facility shall notify the Chief of the Ground Water Quality Bureau of the department. If that department does not have authority pursuant to commission delegation, the department shall notify the appropriate constituent agency.
(3) Within one week after the discharger has learned of the discharge, the facility owner and/or operator shall send written notification to the same department official, verifying the prior oral notification as to each of the foregoing items and providing any appropriate additions or corrections to the information contained in the prior oral notification.
(4) The oral and written notification and reporting requirements contained in this Subsection A are not intended to be duplicative of discharge notification and reporting requirements promulgated by the Oil Conservation Commission (OCC) or by the Oil Conservation Division (OCD); therefore, any facility which is subject to OCC or OCD discharge notification and reporting requirements need not additionally comply with the notification and reporting requirements herein.
(5) As soon as possible after learning of such a discharge, the owner/operator of the facility shall take such corrective actions as are necessary or appropriate to contain and remove or mitigate the damage caused by the discharge.
(6) If it is possible to do so without unduly delaying needed corrective actions, the facility owner/operator shall endeavor to contact and consult with the Chief of the Ground Water Quality Bureau of the department or appropriate counterpart in a delegated agency, in an effort to determine the department's views as to what further corrective actions may be necessary or appropriate to the discharge in question. In any event, no later than fifteen (15) days after the discharger learns of the discharge, the facility owner/operator shall send to said Bureau Chief a written report describing any corrective actions taken and/or to be taken relative to the discharge.
Upon a written request and for good cause shown, the Bureau Chief may extend the time limit beyond fifteen (15) days. 20.6.2 NMAC 8
(7) The Bureau Chief shall approve or disapprove in writing the foregoing corrective action report within thirty (30) days of its receipt by the department. In the event that the report is not satisfactory to the department, the Bureau Chief shall specify in writing to the facility owner/operator any shortcomings in the report or in the corrective actions already taken or proposed to be taken relative to the discharge, and shall give the facility owner/operator a reasonable and clearly specified time within which to submit a modified corrective action report. The Bureau Chief shall approve or disapprove in writing the modified corrective action report within fifteen (15) days of its receipt by the department.
(8) In the event that the modified corrective action report also is unsatisfactory to the department, the facility owner/operator has five (5) days from the notification by the Bureau Chief that it is unsatisfactory to appeal to the department secretary. The department secretary shall approve or disapprove the modified corrective action report within five (5) days of receipt of the appeal from the Bureau Chief's decision. In the absence of either corrective action consistent with the approved corrective action report or with the decision of the secretary concerning the shortcomings of the modified corrective action report, the department may take whatever enforcement or legal action it deems necessary or appropriate.
(9) If the secretary determines that the discharge causes or may with reasonable probability cause water pollution in excess of the standards and requirements of Section 20.6.2.4103 NMAC, and the water pollution will not be abated within one hundred and eighty (180) days after notice is required to be given pursuant to Paragraph (1) of Subsection A of Section 20.6.2.1203 NMAC, the secretary may notify the facility owner/operator that he is a responsible person and that an abatement plan may be required pursuant to Section 20.6.2.4104 and Subsection A of Section 20.6.2.4106 NMAC.
B. Exempt from the requirements of this Section are continuous or periodic discharges which are made:
(1) in conformance with regulations of the commission and rules, regulations or orders of other state or federal agencies; or
(2) in violation of regulations of the commission, but pursuant to an assurance of discontinuance or schedule of compliance approved by the commission or one of its duly authorized constituent agencies.
C. As used in this Section and in Sections 20.6.2.4100 through 20.6.2.4115 NMAC, but not in other Sections of this Part:

(1) "discharge" means spilling, leaking, pumping, pouring, emitting, emptying, or dumping into water or in a location and manner where there is a reasonable probability that the discharged substance will reach surface or subsurface water;
(2) "facility" means any structure, installation, operation, storage tank, transmission line, motor vehicle, rolling stock, or activity of any kind, whether stationary or mobile;
(3) "oil" means oil of any kind or in any form including petroleum, fuel oil, sludge, oil refuse and oil mixed with wastes;
(4) "operator" means the person or persons responsible for the overall operations of a facility; and
(5) "owner" means the person or persons who own a facility, or part of a facility.

D. Notification of discharge received pursuant to this Part or information obtained by the exploitation of such notification shall not be used against any such person in any criminal case, except for perjury or for giving a false statement.

E. Any person who has any information relating to any discharge from any facility of oil or other water contaminant, in such quantity as may with reasonable probability injure or be detrimental to human health, animal or plant life, or property, or unreasonably interfere with the public welfare or the use of property, is urged to notify the Chief of the Ground Water Quality Bureau of the department. Upon such notification, the secretary may require an owner/operator or a responsible person to perform corrective actions pursuant to Paragraphs (5) and (9) of Subsection A of Section 20.6.2.1203 NMAC.

[2-17-74, 2-20-81, 12-24-87, 12-1-95; 20.6.2.1203 NMAC – Rn, 20 NMAC 6.2.I.1203, 1-15-01; A, 12-1-01]

20.6.2.1210 VARIANCE PETITIONS:

A. Any person seeking a variance pursuant to Section 74-6-4 (G) NMSA 1978, shall do so by filing a written petition with the commission. The petitioner may submit with his petition any relevant documents or material which the petitioner believes would support his petition. Petitions shall:
(1) state the petitioner's name and address;
20.6.2 NMAC 9
(2) state the date of the petition;
(3) describe the facility or activity for which the variance is sought;
(4) state the address or description of the property upon which the facility is located;
(5) describe the water body or watercourse affected by the discharge;
(6) identify the regulation of the commission from which the variance is sought;
(7) state in detail the extent to which the petitioner wishes to vary from the regulation;
(8) state why the petitioner believes that compliance with the regulation will impose an unreasonable burden upon his activity; and
(9) state the period of time for which the variance is desired.

B. The variance petition shall be reviewed in accordance with the adjudicatory procedures of 20 NMAC 1.3.

C. The commission may grant the requested variance, in whole or in part, may grant the variance subject to conditions, or may deny the variance. The commission shall not grant a variance for a period of time in excess of five years.

D. An order of the commission is final and bars the petitioner from petitioning for the same variance without special permission from the commission. The commission may consider, among other things, the development of new information and techniques to be sufficient justification for a second petition. If the petitioner, or his authorized representative, fails to appear at the public hearing on the variance petition, the commission shall proceed with the hearing on the basis of the petition. A variance may not be extended or renewed unless a new petition is filed and processed in accordance with the procedures established by this Section.

[7-19-68, 11-27-70, 9-3-72, 2-20-81, 11-15-96; 20.6.2.1210 NMAC – Rn, 20 NMAC 6.2.I.1210, 1-15-01]

20.6.2.1220 PENALTIES ENFORCEMENT, COMPLIANCE ORDERS, PENALTIES, ASSURANCE OF DISCONTINUANCE.: Failure to comply with the Water Quality Act, or any regulation or standard promulgated pursuant to the Water Quality Act is a prohibited act. If the secretary determines that a person has violated or is violating a requirement of the Water Quality Act or any regulation promulgated thereunder or is exceeding any water quality standard or ground water standard contained in Commission regulations, or is not complying with a condition or provision of an approved or modified abatement plan, discharge plan, or permit

issued pursuant to the Water Quality Act, the secretary may issue a compliance order, assess a penalty, commence a civil action in district court, or accept an assurance of discontinuance in accordance with NMSA 1978, Section 74-6-10 of the Water Quality Act.
[12-1-95; 20.6.2.1220 NMAC – Rn, 20 NMAC 6.2.I.1220, 1-15-01]
20.6.2.1221 – 20.6.2.1999: [RESERVED]
[12-1-95; 20.6.2.1221 – 20.6.2.1999 NMAC – Rn, 20 NMAC 6.2.I.1221-2099, 1-15-01]
20.6.2.3000 PERMITTING AND GROUND WATER STANDARDS:
[12-1-95; 20.6.2.3000 NMAC – Rn, 20 NMAC 6.2.III, 1-15-01]
20.6.2.3001 – 20.6.2.3100: [RESERVED]
[12-1-95; 20.6.2.3001 – 20.6.2.3100 NMAC – Rn, 20 NMAC 6.2.II.2202-3100, 1-15-01]

20.6.2.3100 Permitting and Ground Water Standards

20.6.2.3101 PURPOSE:
A. The purpose of Sections 20.6.2.3000 through 20.6.2.3114 NMAC controlling discharges onto or below the surface of the ground is to protect all ground water of the state of New Mexico which has an existing concentration of 10,000 mg/l or less TDS, for present and potential future use as domestic and agricultural water supply, and to protect those segments of surface waters which are gaining because of ground water inflow, for uses designated in the New Mexico Water Quality Standards. Sections 20.6.2.3000 through 20.6.2.3114 NMAC are written so that in general:
(1) if the existing concentration of any water contaminant in ground water is in conformance with the standard of 20.6.2.3103 NMAC, degradation of the ground water up to the limit of the standard will be allowed; and
(2) if the existing concentration of any water contaminant in ground water exceeds the standard of Section 20.6.2.3103 NMAC, no degradation of the ground water beyond the existing concentration will be allowed.
B. Ground water standards are numbers that represent the pH range and maximum concentrations of water contaminants in the ground water which still allow for the present and future use of ground water resources.
C. The standards are not intended as maximum ranges and concentrations for use, and nothing herein contained shall be construed as limiting the use of waters containing higher ranges and concentrations.
[2-18-77; 20.6.2.3101 NMAC – Rn, 20 NMAC 6.2.III.3101, 1-15-01]
20.6.2.3103 STANDARDS FOR GROUND WATER OF 10,000 mg/l TDS CONCENTRATION OR LESS: The following standards are the allowable pH range and the maximum allowable concentration in ground water for the contaminants specified unless the existing condition exceeds the standard or unless otherwise provided in Subsection D of Section 20.6.2.3109 NMAC. Regardless of whether there is one contaminant or more than one contaminant present in ground water, when an existing pH or concentration of any water contaminant exceeds the 20.6.2 NMAC 12
standard specified in Subsection A, B, or C of this section, the existing pH or concentration shall be the allowable limit, provided that the discharge at such concentrations will not result in concentrations at any place of withdrawal for present or reasonably foreseeable future use in excess of the standards of this section. These standards shall apply to the dissolved portion of the contaminants specified with a definition of dissolved being that given in the publication "Methods for Chemical Analysis of Water and Waste of the U.S. Environmental Protection Agency," with the exception that standards for mercury, organic compounds and non-aqueous phase liquids shall apply to the total unfiltered concentrations of the contaminants.
A. Human Health Standards-Ground water shall meet the standards of Subsection A and B of this section unless otherwise provided. If more than one water contaminant affecting human health is present, the toxic pollutant criteria as set forth in the definition of toxic pollutant in Section 20.6.2.1101 NMAC for the combination of contaminants, or the Human Health Standard of Subsection A of Section 20.6.2.3103 NMAC for each contaminant shall apply, whichever is more stringent. Non-aqueous phase liquid shall not be present floating atop of or immersed within ground water, as can be reasonably measured.
(1) Arsenic (As).....0.1 mg/l
(2) Barium (Ba).....1.0 mg/l
(3) Cadmium (Cd).....0.01 mg/l
(4) Chromium (Cr).....0.05 mg/l

(5) Cyanide (CN).....0.2 mg/l
(6) Fluoride (F).....1.6 mg/l
(7) Lead (Pb).....0.05 mg/l
(8) Total Mercury (Hg).....0.002 mg/l
(9) Nitrate (NO3 as N).....10.0 mg/l
(10) Selenium (Se).....0.05 mg/l
(11) Silver (Ag).....0.05 mg/l
(12) Uranium (U).....5.0 mg/l
(13) Radioactivity: Combined Radium-226 & Radium-228.....30 pCi/l
(14) Benzene.....0.01 mg/l
(15) Polychlorinated biphenyls (PCB's).....0.001 mg/l
(16) Toluene.....0.75 mg/l
(17) Carbon Tetrachloride.....0.01 mg/l
(18) 1,2-dichloroethane (EDC) .....0.01 mg/l
(19) 1,1-dichloroethylene (1,1-DCE) .....0.005 mg/l
(20) 1,1,2,2-tetrachloroethylene (PCE) .....0.02 mg/l
(21) 1,1,2-trichloroethylene (TCE) .....0.1 mg/l
(22) ethylbenzene.....0.75 mg/l
(23) total xylenes.....0.62 mg/l
(24) methylene chloride.....0.1 mg/l
(25) chloroform.....0.1 mg/l
(26) 1,1-dichloroethane.....0.025 mg/l
(27) ethylene dibromide (EDB) .....0.0001 mg/l
(28) 1,1,1-trichloroethane.....0.06 mg/l
(29) 1,1,2-trichloroethane.....0.01 mg/l
(30) 1,1,2,2-tetrachloroethane.....0.01 mg/l
(31) vinyl chloride.....0.001 mg/l
(32) PAHs: total naphthalene plus monomethylnaphthalenes.....0.03 mg/l
(33) benzo-a-pyrene.....0.0007 mg/l

B. Other Standards for Domestic Water Supply

(1) Chloride (Cl) .....250.0 mg/l
(2) Copper (Cu) .....1.0 mg/l
(3) Iron (Fe) .....1.0 mg/l
(4) Manganese (Mn) .....0.2 mg/l
(6) Phenols.....0.005 mg/l
(7) Sulfate (SO4) .....600.0 mg/l
(8) Total Dissolved Solids (TDS) .....1000.0 mg/l
(9) Zinc (Zn) .....10.0 mg/l
(10) pH.....between 6 and 9

20.6.2 NMAC 13

C. Standards for Irrigation Use - Ground water shall meet the standards of Subsection A, B, and C of this section unless otherwise provided.

(1) Aluminum (Al)..... .....5.0 mg/l
(2) Boron (B) .....0.75 mg/l
(3) Cobalt (Co) .....0.05 mg/l
(4) Molybdenum (Mo) .....1.0 mg/l
(5) Nickel (Ni) .....0.2 mg/l

[2-18-77, 1-29-82, 11-17-83, 3-3-86, 12-1-95; 20.6.2.3103 NMAC – Rn, 20 NMAC 6.2.III.3103, 1-15-01]

20.6.2.3104 DISCHARGE PERMIT REQUIRED: Unless otherwise provided by this Part, no person shall cause or allow effluent or leachate to discharge so that it may move directly of indirectly into ground water unless he is discharging pursuant to a discharge permit issued by the secretary. When a permit has been issued, discharges must be consistent with the terms and conditions of the permit. In the event of a transfer of the ownership, control,

or possession of a facility for which a discharge permit is in effect, the transferee shall have authority to discharge under such permit, provided that the transferee has complied with Section 20.6.2.3111 NMAC, regarding transfers. [2-18-77, 12-24-87, 12-1-95; Rn & A, 20.6.2.3104 NMAC – 20 NMAC 6.2.III.3104, 1-15-01; A, 12-1-01]

20.6.2.3105 EXEMPTIONS FROM DISCHARGE PERMIT REQUIREMENT: Sections 20.6.2.3104 and **20.6.2.3106 APPLICATION FOR DISCHARGE PERMITS AND RENEWALS:**

A. Any person who, before or on June 18, 1977, is discharging any of the water contaminants listed in Section 20.6.2.3103 NMAC or any toxic pollutant so that they may move directly or indirectly into ground water shall, within 120 days of receipt of written notice from the secretary that a discharge permit is required, or such longer time as the secretary shall for good cause allow, submit a discharge plan to the secretary for approval; such person may discharge without a discharge permit until 240 days after written notification by the secretary that a discharge permit is required or such longer time as the secretary shall for good cause allow.

B. Any person who intends to begin, after June 18, 1977, discharging any of the water contaminants listed in Section 20.6.2.3103 NMAC or any toxic pollutant so that they may move directly or indirectly into ground water shall notify the secretary giving the information enumerated in Subsection B of Section 20.6.2.1201NMAC; the secretary shall, within 60 days, notify such person if a discharge permit is required; upon submission, the secretary shall review the discharge plan pursuant to Sections 20.6.2.3108 and 20.6.2.3109 NMAC. For good cause shown the secretary may allow such person to discharge without a discharge permit for a period not to exceed 120 days.

C. A proposed discharge plan shall set forth in detail the methods or techniques the discharger proposes to use or processes expected to naturally occur which will ensure compliance with this Part. At least the following information shall be included in the plan:

(1) Quantity, quality and flow characteristics of the discharge;

(2) Location of the discharge and of any bodies of water, watercourses and ground water discharge sites within one mile of the outside perimeter of the discharge site, and existing or proposed wells to be used for monitoring;

(3) Depth to and TDS concentration of the ground water most likely to be affected by the discharge;

(4) Flooding potential of the site;

(5) Location and design of site(s) and method(s) to be available for sampling, and for measurement or calculation of flow;

(6) Depth to and lithological description of rock at base of alluvium below the discharge site if such information is available;

(7) Any additional information that may be necessary to demonstrate that the discharge permit will not result in concentrations in excess of the standards of Section 20.6.2.3103 NMAC or the presence of any toxic pollutant at any place of withdrawal of water for present or reasonably foreseeable future use. Detailed information on site geologic and hydrologic conditions may be required for a technical evaluation of the applicant's proposed discharge plan; and

(8) Additional detailed information required for a technical evaluation of underground injection control wells as provided in Sections 20.6.2.5000 through 20.6.2. 5299 NMAC,

D. An applicant for a discharge permit shall pay fees as specified in Section 20.6.2.3114 NMAC.

E. An applicant for a permit to dispose of or use septage or sludge, or within a source category designated by the commission, may be required by the secretary to file a disclosure statement as specified in 74-6-5.1 of the Water Quality Act.

F. If the holder of a discharge permit submits an application for discharge permit renewal at least 120 days before the discharge permit expires, and the discharger is not in violation of the discharge permit on the date of its expiration, then the existing discharge permit for the same activity shall not expire until the application for renewal has been approved or disapproved. A discharge permit continued under this provision remains fully effective and enforceable. An application for discharge permit renewal must include and adequately address all of the information necessary for evaluation of a new discharge permit. Previously submitted materials may be included by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved. [2-18-77, 6-26-80, 7-2-81, 9-20-82, 8-17-91, 12-1-95; 20.6.2.3106 NMAC – Rn, 20 NMAC 6.2.III.3106, 1-15-01; A, 12-1-01; A, 7-15-02]

20.6.2.3107 MONITORING, REPORTING, AND OTHER REQUIREMENTS:

A. Each discharge plan shall provide for the following as the secretary may require:

(1) The installation, use, and maintenance of effluent monitoring devices;

(2) The installation, use, and maintenance of monitoring devices for the ground water most likely to be affected by the discharge;
(3) Monitoring in the vadose zone;
(4) Continuation of monitoring after cessation of operations;
(5) Periodic submission to the secretary of results obtained pursuant to any monitoring requirements in the discharge permit and the methods used to obtain these results;
(6) Periodic reporting to the secretary of any other information that may be required as set forth in the discharge permit;
(7) The discharger to retain for a period of at least five years any monitoring data required in the discharge permit;
(8) A system of monitoring and reporting to verify that the permit is achieving the expected results;
(9) Procedures for detecting failure of the discharge system;
(10) Contingency plans to cope with failure of the discharge permit or system;
(11) A closure plan to prevent the exceedance of standards of Section 20.6.2.3103 NMAC or the presence of a toxic pollutant in ground water after the cessation of operation which includes: a description of closure measures, maintenance and monitoring plans, post-closure maintenance and monitoring plans, financial assurance, and other measures necessary to prevent and/or abate such contamination. The obligation to implement the closure plan as well as the requirements of the closure plan, if any is required, survives the termination or expiration of the permit. A closure plan for any underground injection control well must also incorporate the applicable requirements of Sections 20.6.2.5005 and 20.6.2.5209 NMAC.
B. Sampling and analytical techniques shall conform with the following references unless otherwise specified by the secretary:
(1) Standard Methods for the Examination of Water and Wastewater, latest edition, American Public Health Association; or
(2) Methods for Chemical Analysis of Water and Waste, and other publications of the Analytical Quality Laboratory, EPA; or
(3) Techniques of Water Resource Investigations of the U.S. Geological Survey; or
(4) Annual Book of ASTM Standards. Part 31. Water, latest edition, American Society For Testing and Materials; or
(5) Federal Register, latest methods published for monitoring pursuant to Resource Conservation and Recovery Act regulations; or
(6) National Handbook of Recommended Methods for Water-Data Acquisition, latest edition, prepared cooperatively by agencies of the United States Government under the sponsorship of the U.S. Geological Survey.
C. The discharger shall notify the secretary of any facility expansion, production increase or process modification that would result in any significant modification in the discharge of water contaminants.
D. Any discharger of effluent or leachate shall allow any authorized representative of the secretary to:
(1) inspect and copy records required by a discharge permit;
(2) inspect any treatment works, monitoring and analytical equipment;
(3) sample any effluent before or after discharge;
(4) use monitoring systems and wells installed pursuant to a discharge permit requirement in order to collect samples from ground water or the vadose zone.
E. Each discharge permit for an underground injection control well shall incorporate the applicable requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC.
[2-18-77, 9-20-82, 11-17-83, 12-1-95; 20.6.2.3107 NMAC – Rn, 20 NMAC 6.2.III.3107, 1-15-01; A, 12-1-01]

20.6.2.3108 PUBLIC NOTICE AND PARTICIPATION:

A. Within 30 days of submission of an application for discharge permit, modification or renewal:

(1) The applicant shall provide notice, in accordance with the requirements of Section E of this Section, to the general public in the locale of the proposed discharge in a form provided by the department by each of the three methods listed below:

(a) prominently posting a synopsis of the public notice, in English and in Spanish, at a conspicuous public location, approved by the department, at or near the existing or proposed facility for 30 days; and

(b) providing written notice of the discharge by certified mail, return receipt requested, to owners of record of all adjacent properties; and

(c) providing notice by certified mail, return receipt requested, to the owner of the discharge site if the applicant is not the owner;

(2) In lieu of the public notice requirements of Subparagraph (b) of Paragraph (1) of Subsection A above, the applicant may publish a synopsis of the notice in a display ad at least two inches by three inches in a newspaper of general circulation in the location of the proposed discharge.

(3) In lieu of the public notice requirements of Subparagraph (a) and (b) of Paragraph (1) of Subsection A above, the applicant may provide notice of the discharge by certified mail, return receipt requested, to property owners of record within 1/2 mile of the discharge site on a form provided by the department.

(4) If there are no adjacent properties other than properties owned by the discharger, the applicant shall, in lieu of the requirements in Subparagraph (b) of Paragraph (1) of Subsection A above, publish a synopsis of the notice in a display ad at least two inches by three inches in a newspaper of general circulation in the location of the facility.

B. Within fifteen days of completion of the public notice requirements in Subsection A of this Section, the applicant shall submit to the department proof of notice, including certified mail receipts and an affidavit of posting, as appropriate. If the department determines that the notice provided pursuant to Subsection A of this Section is inadequate, the department may require additional notice in accordance with Subsection A of this Section.

C. Within 30 days of receipt of an application for a discharge permit, modification or renewal, the department shall review the application for administrative completeness. To be deemed administratively complete, an application must provide all of the information required by Paragraphs (1) through (5) of Subsection E of this Section. The department shall notify the applicant in writing when the application is deemed administratively complete. If the department determines that the application is not administratively complete, the department shall notify the applicant of the deficiencies in writing within 30 days of receipt of the application and state what additional information is necessary.

D. Within 30 days of determining an application for a discharge permit, modification or renewal is administratively complete, the department shall post a notice on its web site and shall mail notice to any affected local, state, federal, tribal or pueblo governmental agency, political subdivisions, ditch associations and Land Grants, as identified by the department. The department shall also mail or e-mail notice to those persons on a list maintained by the department who have requested notice of discharge permit applications. The notice shall include the information listed in Subsection E of this Section.

E. The notice provided under Subsection A and D of this Section shall include:

(1) The name and address of the proposed discharger;

(2) The location of the discharge, including a street address, if available, and sufficient information to locate the facility with respect to surrounding landmarks;

(3) A brief description of the activities that produce the discharge described in the application;

(4) A brief description of the expected quality and volume of the discharge;

(5) The depth to and total dissolved solids concentration of the ground water beneath the discharge site;

(6) The address and phone number within the department by which interested persons may obtain information, submit comments, and request to be placed on a facility-specific mailing list for future notices; and

(7) A statement that the department will accept comments and statements of interest regarding the application and will create a facility-specific mailing list for persons who wish to receive future notices.

F. All persons who submit comments or statements of interest to the department and who provide a mail or e-mail address shall be placed on a facility-specific mailing list and the department shall send those persons the public notice issued pursuant to Subsection G of this Section, and notice of any public meeting or hearing scheduled on the application.

G. Within 60 days after the department makes its administrative completeness determination and all required technical information is available, the department shall make available a proposed approval or disapproval of the application for a discharge permit, modification or renewal, including conditions for approval proposed by the department or the reasons for disapproval. The department shall mail or deliver a copy of the proposed approval or disapproval to the applicant, and shall provide notice of the proposed approval or disapproval of the application for a discharge permit, modification or renewal by:

(1) Posting on the department's website;

(2) Publishing notice in a newspaper of general circulation in this state and a newspaper of general circulation in the location of the facility;

(3) Mailing or e-mailing to those persons on a facility-specific mailing list;

(4) Mailing to any affected local, state, or federal governmental agency, as identified by the department; and

(5) Mailing to the Governor, Chairperson, or President of each Indian Tribe, Pueblo or Nation within the state of New Mexico, as identified by the department.

H. The public notice issued under Subsection G shall include the information in Subsection E of this Section and the following information:

(1) A brief description of the procedures to be followed by the secretary in making a final determination;

(2) A statement of the comment period and description of the procedures for a person to request a hearing on the application; and

(3) The address and telephone number at which interested persons may obtain a copy of the proposed approval or disapproval of an application for a discharge permit, modification or renewal.

I. In the event that the proposed approval or disapproval of an application for a discharge permit, modification or renewal is available for review within 30 days of deeming the application administratively complete, the department may combine the public notice procedures of Subsections D and G of this Section.

J. Following the public notice of the application and proposed approval or disapproval of an application for a discharge permit, modification or renewal, and prior to a final decision by the secretary, there shall be a period of at least 30 days during which written comments may be submitted to the department and/or a public hearing may be requested in writing. All comments will be considered by the department. Requests for a hearing shall be in writing and shall set forth the reasons why a hearing should be held. A public hearing shall be held if the secretary determines there is significant public interest. The department shall notify the applicant and any person requesting a hearing of the decision whether to hold a hearing and the reasons therefore in writing.

K. If a hearing is held, pursuant to Subsection J of this Section, notice of the hearing shall be given by the department at least 30 days prior to the hearing in accordance with Subsection G of this section. The notice shall include the information identified in Subsection H of this section in addition to the time and place of the hearing and a brief description of the hearing procedures. The hearing shall be held pursuant to Section 20.6.2.3110 NMAC.

[2-18-77, 12-24-87, 12-1-95, 11-15-96; 20.6.2.3108 NMAC – Rn, 20 NMAC 6.2.III.3108, 1-15-01; A, 12-1-01; A, 7-15-02]

20.6.2.3109 SECRETARY APPROVAL, DISAPPROVAL, MODIFICATION OR TERMINATION OF DISCHARGE PERMITS, AND REQUIREMENT FOR ABATEMENT PLANS:

A. The department shall evaluate the application for a discharge permit, modification or renewal based on information contained in the department's administrative record. The department may request from the discharger, either before or after the issuance of any public notice, additional information necessary for the evaluation of the application. The administrative record shall consist of the application, any additional information required by the department, any information submitted by the discharger or the general public, other information considered by the department, the proposed approval or disapproval of an application for a discharge permit, modification or renewal prepared pursuant to Subsection G of Section 20.6.2.3108 NMAC, and, if a public hearing is held, all of the documents filed with the hearing clerk, all exhibits offered into evidence at the hearing, the written transcript or tape recording of the hearing, any hearing officer report, and any post hearing submissions.

B. The secretary shall, within 30 days after the administrative record is complete and all required information is available, approve, approve with conditions or disapprove the proposed discharge permit, modification or renewal based on the administrative record. The secretary shall give written notice of the action taken to the applicant or permittee and any other person who participated in the permitting action who requests a copy in writing.

C. Provided that the other requirements of this Part are met and the proposed discharge plan, modification or renewal demonstrates that neither a hazard to public health nor undue risk to property will result, the secretary shall approve the proposed discharge plan, modification or renewal if the following requirements are met:

(1) ground water that has a TDS concentration of 10,000 mg/l or less will not be affected by the discharge, or

(2) the person proposing to discharge demonstrates that approval of the proposed discharge plan, modification or renewal will not result in either concentrations in excess of the standards of Section 20.6.2.3103 NMAC or the presence of any toxic pollutant at any place of withdrawal of water for present or reasonably foreseeable future use, except for contaminants in the water diverted as provided in Subsection D of Section 3109 NMAC, or

(3) the proposed discharge plan conforms to either Subsection a or b below and Subsection c below.

(a) Municipal, Other Domestic Discharges, and Discharges from Sewerage Systems Handling Only Animal Wastes. The effluent is entirely domestic, is entirely from a sewerage system handling only animal wastes or is from a municipality and conforms to the following:

(i) the discharge is from an impoundment or a leach field existing on February 18, 1977 which receives less than 10,000 gallons per day and the secretary has not found that the discharge may cause a hazard to public health; or

(ii) the discharger has demonstrated that the total nitrogen in effluent that enters the subsurface from a leach field or surface impoundment will not exceed 200 pounds per acre per year and that the effluent will meet the standards of Section 20.6.2.3103 NMAC except for nitrates and except for contaminants in the water diverted as provided in Subsection D of Section 20.6.2.3109 NMAC.; or

(iii) the total nitrogen in effluent that is applied to a crop which is harvested shall not exceed by more than 25 percent the maximum amount of nitrogen reasonably expected to be taken up by the crop and the effluent shall meet the standards of Section 20.6.2.3103 NMAC except for nitrates and except for contaminants in the water diverted as provided in Subsection D of Section 20.6.2.3109 NMAC.

(b) Discharges from industrial, mining or manufacturing operations.

(i) the discharger has demonstrated that the amount of effluent that enters the subsurface from a surface impoundment will not exceed 0.5 acre-feet per acre per year; or

(ii) the discharger has demonstrated that the total nitrogen in effluent that enters the subsurface from a leach field or surface impoundment shall not exceed 200 pounds per acre per year and the effluent shall meet the standards of Section 20.6.2.3103 NMAC except for nitrate and contaminants in the water diverted as provided in Subsection D of Section 20.6.2.3109 NMAC; or

(iii) the total nitrogen in effluent that is applied to a crop that is harvested shall not exceed by more than 25 percent the maximum amount of nitrogen reasonably expected to be taken up by the crop and the effluent shall meet the standards of Section 20.6.2.3103 NMAC except for nitrate and contaminants in the water diverted as provided in Subsection D of Section 20.6.2.3109 NMAC.

(c) All Discharges.

(i) the monitoring system proposed in the discharge plan includes adequate provision for sampling of effluent and adequate flow monitoring so that the amount being discharged onto or below the surface of the ground can be determined.

(ii) the monitoring data is reported to the secretary at a frequency determined by the secretary.

D. The secretary shall allow the following unless he determines that a hazard to public health may result:

(1) the weight of water contaminants in water diverted from any source may be discharged provided that the discharge is to the aquifer from which the water was diverted or to an aquifer containing a greater concentration of the contaminants than contained in the water diverted; and provided further that contaminants added as a result of the means of diversion shall not be considered to be part of the weight of water contaminants in the water diverted;

(2) the water contaminants leached from undisturbed natural materials may be discharged provided that:

(a) the contaminants were not leached as a product or incidentally pursuant to a solution mining operation; and

(b) the contaminants were not leached as a result of direct discharge into the vadose zone from municipal or industrial facilities used for the storage, disposal, or treatment of effluent;

(3) the water contaminants leached from undisturbed natural materials as a result of discharge into ground water from lakes used as a source of cooling water.

E. If data submitted pursuant to any monitoring requirements specified in the discharge permit or other information available to the secretary indicates that this Part is being or may be violated or that the standards of Section 20.6.2.3103 NMAC are being or will be exceeded, or a toxic pollutant as defined in Section 20.6.2.7 NMAC is present, in ground water at any place of withdrawal for present or reasonably foreseeable future use, or that the Water Quality

Standards for Interstate and Intrastate Streams in New Mexico are being or may be violated in surface water, due to the discharge, except as provided in Subsection D of Section 20.6.2.3109 NMAC:

(1) the secretary may require a discharge permit modification within the shortest reasonable time so as to achieve compliance with this Part and to provide that any exceeding of standards in ground water at any place of withdrawal for present or reasonably foreseeable future use, or in surface water, due to the discharge except as provided in Subsection D of Section 20.6.2.3109 NMAC. will be abated or prevented. If the secretary requires a discharge permit modification to abate water pollution:

(a) the abatement shall be consistent with the requirements and provisions of Sections 20.6.2.4101, 20.6.2.4103, Subsection C and E of Section 20.6.2.4106, Section 20.6.2.4107 and Section 20.6.2.4112 NMAC; and

(b) the discharger may request of the secretary approval to carry out the abatement under Sections 20.6.2.4000 through 20.6.2.4115 NMAC, in lieu of modifying the discharge permit. The discharger shall make the request in writing and shall include the reasons for the request.

(2) the secretary may terminate a discharge permit when a discharger fails to modify the permit in accordance with Paragraph 1 of Subsection E of this section.

(3) the secretary may require modification, or may terminate a discharge permit for a Class I non-hazardous waste injection well, a Class III well or other type of well specified in Subsection A of Section 20.6.2.5101 NMAC, pursuant to the requirements of Subsection I of Section 20.6.2.5101 NMAC.

F. If a discharge permit expires or is terminated for any reason and the standards of Section 20.6.2.3103 NMAC are being or will be exceeded, or a toxic pollutant as defined in Section 20.6.2.7 NMAC is present in ground water, or that the Water Quality Standards for Interstate and Intrastate Streams in New Mexico are being or may be violated, the secretary may require the discharger to submit an abatement plan pursuant to Sections 20.6.2.4104 and Subsection A of Section 20.6.2.4106 NMAC.

G. At the request of the discharger, a discharge permit may be modified in accordance with Sections 20.6.2.3000 through 20.6.2.3114 NMAC.

H. The secretary shall not approve a proposed discharge plan, modification, or renewal for:

(1) any discharge for which the discharger has not provided a site and method for flow measurement and sampling;

(2) any discharge that will cause any stream standard to be violated;

(3) the discharge of any water contaminant which may result in a hazard to public health; or

(4) a period longer than five years, except that for new discharges, the term of the discharge permit approval shall commence on the date the discharge begins, but in no event shall the term of the approval exceed seven years from the date the permit was issued. For those permits expiring more than five years from the date of issuance, the discharger shall give prior written notification to the department of the date the discharge is to commence. The term of the permit shall not exceed five years from that date.

[2-18-77, 6-26-80, 9-20-82, 7-2-81, 3-3-86, 12-1-95, 11-15-96; 20.6.2.3109 NMAC – Rn, 20 NMAC 6.2.III.3109, 1-15-01; A, 12-1-01; A, 7-15-02]

[Subsection 3109.A was added and subsequent subsections renumbered 11-15-96]

20.6.2.3110 PUBLIC HEARING PARTICIPATION:

A. The secretary may appoint an impartial hearing officer to preside over the hearing. The hearing officer may be a department employee other than an employee of the bureau evaluating the application.

B. The hearing shall be at a place in the area affected by the facility for which the discharge permit proposal, modification or renewal is sought.

C. Any person who wishes to present technical evidence at the hearing shall, no later than ten (10) days prior to the hearing, file with the department, and if filed by a person who is not the applicant, serve on the applicant, a statement of intent to present evidence. A person who does not file a statement of intent to present evidence may present a general non-technical statement in support of or in opposition to the proposed discharge plan, modification or renewal. The statement of intent to present technical evidence shall include:

(1) the name of the person filing the statement;

(2) indication of whether the person filing the statement supports or opposes the proposed discharge plan proposal, modification or renewal;

(3) the name of each witness;

(4) an estimate of the length of the direct testimony of each witness;
(5) a list of exhibits, if any, to be offered into evidence at the hearing; and
(6) a summary or outline of the anticipated direct testimony of each witness.
D. At the hearing, the New Mexico Rules of Civil Procedure, SCRA 1986, 1-001 to 1-102 and the New Mexico Rules of Evidence, SCRA 1986, 11-101 to 11-1102 shall not apply. At the discretion of the hearing 20.6.2 NMAC 20
officer, the rules may be used as guidance. Any reference to the rules of Civil Procedure and the rules of Evidence shall not be construed to extend or otherwise modify the authority and jurisdiction of the department under the Act.
E. The hearing officer shall conduct a fair and impartial proceeding, assure that the facts are fully elicited, and avoid delay. The hearing officer shall have authority to take all measures necessary for the maintenance of order and for the efficient, fair and impartial adjudication of issues arising in the proceedings.
F. At the hearing, all persons shall be given a reasonable chance to submit data, views or arguments orally or in writing and to examine witnesses testifying at the hearing.
G. Unless otherwise allowed by the hearing officer, testimony shall be presented in the following order:
(1) testimony by and examination of the applicant or permittee proving the facts relied upon to justify the proposed discharge plan, renewal or modification and meeting the requirements of the regulations;
(2) testimony by and examination of technical witnesses supporting or opposing approval, approval subject to conditions, or disapproval of the proposed discharge plan, renewal or modification, in any reasonable order;
(3) testimony by the general public; and
(4) rebuttal testimony, if appropriate.
H. The secretary may provide translation service at a public hearing conducted in a locale where the Department can reasonably expect to receive testimony from non-English speaking people.
I. If determined useful by the hearing officer, within thirty (30) days after conclusion of the hearing, or within such time as may be fixed by the hearing officer, the hearing officer may allow proposed findings of fact and conclusions of law and closing argument. All such submissions, if allowed, shall be in writing, shall be served upon the applicant or permittee, the department and all persons who request copies in advance in writing, and shall contain adequate references to the record and authorities relied on. No new evidence shall be presented unless specifically allowed by the hearing officer.
J. The department shall make an audio recording of the hearing. If the applicant or permittee, or a participant requests a written transcript or certified copy of the audio recording, the requestor shall pay the cost of the transcription or audio copying.
K. The hearing officer shall issue a report within thirty (30) days after the close of the hearing record. The report may include findings of fact, conclusions regarding all material issues of law or discretion, as well as reasons therefore. The report shall be served on the applicant or permittee, the department, and all persons who request copies in advance in writing. The report will be available for public inspection at the department's office in Santa Fe and at the field office closest to the point of the proposed discharge.
L. The secretary shall issue a decision in the matter no later than thirty (30) days of receipt of the hearing report. The decision shall be served and made available for inspection pursuant to Subsection K of this section.
M. Any person who testifies at the hearing or submits a written statement for the record will be considered a participant for purposes of Subsection 20.6.2.3113 NMAC and NMSA 1978, Section 74-6-5.N.
[2-18-77, 12-1-95, 11-15-96; 20.6.2.3110 NMAC – Rn, 20 NMAC 6.2.III.3110, 1-15-01; A, 12-1-01]
20.6.2.3111 TRANSFER OF DISCHARGE PERMIT: No purported transfer of any discharge permit shall be effective to create, alter or extinguish any right or responsibility of any person subject to this Part, unless the following transfer requirements are met:
A. Prior to any transfer of ownership, control, or possession (whether by lease, conveyance or otherwise) of a facility with a discharge permit, the transferror shall notify the transferee in writing of the existence of the discharge permit, and shall deliver or send by certified mail to the department a copy of such written notification, together with a certification or other proof that such notification has in fact been received by the transferee.

B. Upon receipt of such notification, the transferee shall have the duty to inquire into all of the provisions and requirements contained in such discharge permit, and the transferee shall be charged with notice of all such provisions and requirements as they appear of record in the department's file or files concerning such discharge permit.
C. Until both ownership and possession of the facility have been transferred to the transferee, the transferor shall continue to be responsible for any discharge from the facility.
D. Upon assuming either ownership or possession of the facility, the transferee shall have the same rights and responsibilities under the discharge permit as were applicable to the transferor.
20.6.2 NMAC 21
E. Nothing in this section or in this part shall be construed to relieve any person of responsibility or liability for any act or omission which occurred while that person owned, controlled or was in possession of the facility.
[2-18-77, 12-24-87, 12-1-95, 11-15-96; 20.6.2.3111 NMAC – Rn, 20 NMAC 6.2.III.3111, 1-15-01; A, 12-1-01]

20.6.2.3112 APPEALS OF SECRETARY'S DECISIONS:
A. If the secretary approves, approves subject to conditions, or disapproves a proposed discharge plan, renewal or modification, or modifies or terminates a discharge permit, appeal therefrom shall be in accordance with the provisions of Sections 74-6-5(N), (O) and (P), NMSA 1978. The filing of an appeal does not act as a stay of any provision of the Act, the regulations, or any permit issued pursuant to the Act, unless otherwise ordered by the secretary or the commission.
B. If the secretary determines that a discharger is not exempt from obtaining a discharge permit, or that the material to be discharged contains any toxic pollutant as defined in Section 20.6.2.1101 NMAC, which is not included in the numerical standards of Section 20.6.2.3103 NMAC, then the discharger may appeal such determination by filing with the commission's secretary a notice of appeal to the commission within thirty days after receiving the secretary's written determination, and the appeal therefrom and any action of the commission thereon shall be in accordance with the provisions of Sections 74-6-5(N),(O) and (P), NMSA 1978.
C. Proceedings before the commission shall be conducted in accordance with the commission's adjudicatory procedures, 20 NMAC 1.3.
[2-18-77, 7-2-81, 12-1-95, 11-15-96; 20.6.2.3112 NMAC – Rn, 20 NMAC 6.2.III.3112, 1-15-01; A, 12-1-01]

20.6.2.3113 APPEALS OF COMMISSION DECISIONS: An applicant, permittee or a person who participated in a permitting action and who is adversely affected by such action may appeal the decision of the commission
in accordance with the provisions of Section 74-6-7(A), NMSA 1978.
[2-18-77, 12-1-95, 11-15-96; 20.6.2.3113 NMAC – Rn, 20 NMAC 6.2.III.3113, 1-15-01; A, 12-1-01]

20.6.2.3114 FEES:
A. FEE AMOUNT AND SCHEDULE OF PAYMENT – Every facility submitting a discharge permit application for approval or renewal shall pay the permit fees specified in Table 1 of this section and shall pay a filing fee as specified in Table 2 of this section to the Water Quality Management Fund. Every facility submitting a request for temporary permission to discharge pursuant to Subsection B of Section 20.6.2.3106 NMAC, or financial assurance pursuant to Paragraph 11 of Subsection A of Section 20.6.2.3107 NMAC shall pay the fees specified in Table 2 of this section to the Water Quality Management Fund.
B. Facilities applying for discharge permits which are subsequently withdrawn or denied shall pay one-half of the permit fee at the time of denial or withdrawal.
C. Every facility submitting an application for discharge permit modification will be assessed a filing fee plus one-half of the permit fee. Applications for both renewal and modification will pay the filing fee plus the permit fee.
D. If the secretary requires a discharge permit modification as a component of an enforcement action, the facility shall pay the applicable discharge permit modification fee. If the secretary requires a discharge permit modification outside the context of an enforcement action, the facility shall not be assessed a fee.
E. The secretary may waive or reduce fees for discharge permit modifications or renewals which require little or no cost for investigation or issuance.
F. Facilities shall pay the filing fee at the time of discharge permit application. The filing fee is nonrefundable. The required permit fees may be paid in a single payment at the time of discharge permit approval

or in equal installments over the term of the discharge permit. Installment payments shall be remitted yearly, with the first installment due on the date of discharge permit approval. Subsequent installment payments shall be remitted yearly thereafter. The discharge permit or discharge permit application review of any facility shall be suspended or terminated if the facility fails to submit an installment payment by its due date.
G. Every three years beginning in 2004, the department shall review the fees specified in Table 1 and 2 of this section and shall provide a report to the commission. The department shall revise the fees as necessary in accordance with Section 74-6-5(J), NMSA 1978.

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20.6.2.3114 Table 2

20.6.2.5000 UNDERGROUND INJECTION CONTROL:
[12-1-95; 20.6.2.5000 NMAC – Rn, 20 NMAC 6.2.V, 1-15-01]
20.6.2.5001 PURPOSE: The purpose of Sections 20.6.2.5000 through 20.6.2.5299 NMAC controlling discharges from underground injection control wells is to protect all ground water of the State of New Mexico which has an existing concentration of 10,000 mg/l or less TDS, for present and potential future use as domestic and agricultural water supply, and to protect those segments of surface waters which are gaining because of ground water inflow for uses designated in the New Mexico Water Quality Standards. Sections 20.6.2.5000 through 20.6.2.5299 NMAC include notification requirements, and requirements for discharges directly into the subsurface

through underground injection control wells.
[20.6.2.5001 NMAC - N, 12-1-01]

20.6.2.5002 UNDERGROUND INJECTION CONTROL WELL CLASSIFICATIONS:

A. Underground injection control wells include the following.

(1) Any dug hole or well that is deeper than its largest surface dimension, where the principal function of the hole is emplacement of fluids.

(2) Any septic tank or cesspool used by generators of hazardous waste, or by owners or operators of hazardous waste management facilities, to dispose of fluids containing hazardous waste.

(3) Any subsurface distribution system, cesspool or other well which is used for the injection of wastes.

B. Underground injection control wells are classified as follows:

(1) Class I wells inject fluids beneath the lowermost formation that contains 10,000 milligrams per liter or less TDS. Class I hazardous or radioactive waste injection wells inject fluids containing any hazardous or radioactive waste as defined in 74-4-3 and 74-4A-4 NMSA 1978, including any combination of these wastes. Class I non-hazardous waste injection wells inject non-hazardous and non-radioactive fluids, and they inject naturallyoccurring radioactive material (NORM) as provided by Section 20.3.1.1407 NMAC.

(2) Class II wells inject fluids associated with oil and gas recovery.

(3) Class III wells inject fluids for extraction of minerals or other natural resources, including sulfur, uranium, metals, salts or potash by in situ extraction. This classification includes only in situ production from ore bodies that have not been conventionally mined. Solution mining of conventional mines such as stopes leaching is included in Class V.

(4) Class IV wells inject fluids containing any radioactive or hazardous waste as defined in 74-4-3 and 74-4A-4 NMSA 1978, including any combination of these wastes, above or into a formation that contains 10,000 mg/l or less TDS.

(5) Class V wells inject a variety of fluids and are those wells not included in Class I, II, III or IV. Types of Class V wells include, but are not limited to, the following:

(a) Domestic liquid waste injection wells

(i) domestic liquid waste disposal wells used to inject greater than 2,000 gallons per day of treated domestic liquid waste through subsurface fluid distribution systems or vertical wells;

(ii) septic system wells used to emplace greater than 2,000 gallons per day of domestic liquid waste into the subsurface, which are comprised of a septic tank and subsurface fluid distribution system;
20.6.2 NMAC 32

(iii) large capacity cesspools used to inject greater than 2,000 gallons per day of domestic liquid waste, including drywells that sometimes have an open bottom and/or perforated sides.

(b) Industrial waste injection wells

(i) air conditioning return flow wells used to return to the supply aquifer the water used for heating or cooling;

(ii) dry wells used for the injection of wastes into a subsurface formation;

(iii) geothermal energy injection wells associated with the recovery of geothermal energy for heating, aquaculture and production of electrical power;

(iv) stormwater drainage wells used to inject storm runoff from the surface into the subsurface;

(v) motor vehicle waste disposal wells that receive or have received fluids from vehicular repair or maintenance activities;

(vi) car wash waste disposal wells used to inject fluids from motor vehicle washing activities.

(c) Mining injection wells

(i) stopes leaching wells used for solution mining of conventional mines;

(ii) brine injection wells used to inject spent brine into the same formation from which it was withdrawn after extraction of halogens or their salts;

(iii) backfill wells used to inject a mixture of water and sand, mill tailings or other solids into mined out portions of subsurface mines whether water injected is a radioactive waste or not;

(iv) injection wells used for in situ recovery of lignite, coal, tar sands, and oil shale.
(d) Ground water management injection wells
(i) ground water remediation injection wells used to inject contaminated ground water that has been treated to ground water quality standards;
(ii) in situ ground water remediation wells used to inject a fluid that facilitates vadose zone or ground water remediation.
(iii) recharge wells used to replenish the water in an aquifer, including use to reclaim or improve the quality of existing ground water;
(iv) barrier wells used to inject fluids into ground water to prevent the intrusion of saline or contaminated water into ground water of better quality;
(v) subsidence control wells (not used for purposes of oil or natural gas production) used to inject fluids into a non-oil or gas producing zone to reduce or eliminate subsidence associated with the overdraft of fresh water;
(vi) wells used in experimental technologies.
(e) Agricultural injection wells - drainage wells used to inject fluids into ground water to prevent the intrusion of saline or contaminated water into ground water of better quality.
[20.6.2.5002 NMAC - N, 12-1-01]

20.6.2.5003 NOTIFICATION AND GENERAL OPERATION REQUIREMENTS FOR ALL UNDERGROUND INJECTION CONTROL WELLS: All operators of underground injection control wells, except those wells regulated under the Oil and Gas Act, the Geothermal Resources Conservation Act, and the Surface Mining Act, shall:

A. For existing underground injection control wells, submit to the secretary the information enumerated in Subsection C of Section 20.6.2.1201 NMAC of this Part; provided, however, that if the information in Subsection C of Section 20.6.2.1201 NMAC has been previously submitted to the secretary and acknowledged by him, the information need not be resubmitted; and

B. Operate and continue to operate in conformance with Sections 20.6.2.1 through 20.6.2.5299 NMAC.

C. For new underground injection control wells, submit to the secretary the information enumerated in Subsection C of Section 20.6.2.1201 NMAC of this Part at least 120 days prior to well construction.
[9-20-82, 12-1-95; 20.6.2.5300 NMAC – Rn, 20 NMAC 6.2.V.5300, 1-15-01; 20.6.2.5003 NMAC – Rn, 20.6.2.5300 NMAC, 12-1-01; A, 12-1-01; A, 7-15-02]

20.6.2.5004 PROHIBITED UNDERGROUND INJECTION CONTROL ACTIVITIES AND WELLS:
A. No person shall perform the following underground injection activities nor operate the following underground injection control wells:
20.6.2 NMAC 33
(1) The injection of fluids into a motor vehicle waste disposal well is prohibited. Motor vehicle waste disposal wells are prohibited. Any person operating a new motor vehicle waste disposal well (for which construction began after April 5, 2000) must close the well immediately. Any person operating an existing motor vehicle waste disposal well must cease injection immediately and must close the well by December 31, 2002, except as provided in this Subsection.
(2) The injection of fluids into a large capacity cesspool is prohibited. Large capacity cesspools are prohibited. Any person operating a new large capacity cesspool (for which construction began after April 5, 2000) must close the cesspool immediately. Any person operating an existing large capacity cesspool must cease injection immediately and must close the cesspool by December 31, 2002.
(3) The injection of any hazardous or radioactive waste into a well is prohibited, except as provided in this Subsection.
(a) Class I hazardous or radioactive waste injection wells are prohibited, except naturallyoccurring radioactive material (NORM) regulated under Section 20.3.1.1407 NMAC is allowed as a Class I nonhazardous waste injection well pursuant to Subsection B (1) of Section 20.6.2.5002 NMAC;
(b) Class IV wells are prohibited, except for wells re-injecting treated ground water into the same formation from which it was drawn as part of a removal or remedial action if the injection has prior approval from the Environmental Protection Agency (EPA) or the department under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) or the Resource Conservation and Recovery Act (RCRA).

(4) Barrier wells, drainage wells, recharge wells, return flow wells, and motor vehicle waste disposal wells are prohibited, except when the discharger can demonstrate that the discharge will not adversely affect the health of persons, and
(a) the injection fluid does not contain a contaminant which may cause an exceedance at any place of present or reasonable foreseeable future use of any primary state drinking water maximum contaminant level as specified in the water supply regulations, "Drinking Water" (20 NMAC 7.1) [20.7.10 NMAC], adopted by the Environmental Improvement Board under the Environmental Improvement Act or the standard of Section 20.6.2.3103 NMAC, whichever is more stringent;
(b) the discharger can demonstrate that the injection will result in an overall or net improvement in water quality as determined by the secretary.
B. Closure of prohibited underground injection control wells shall be in accordance with Section 20.6.2.5005 NMAC and Section 20.6.2.5209 NMAC.
[20.6.2.5004 NMAC - N, 12-1-01]

20.6.2.5005 PRE-CLOSURE NOTIFICATION AND CLOSURE REQUIREMENTS:
A. Any person proposing to close a Class I, III, IV or V underground injection control well must submit pre-closure notification to the department at least 30 days prior to closure. Pre-closure notification must include the following information:
(1) Name of facility
(2) Address of facility
(3) Name of Owner/Operator
(4) Address of Owner/Operator
(5) Contact Person
(6) Phone Number
(7) Type of Well(s)
(8) Number of Well(s)
(9) Well Construction (e.g. drywell, improved sinkhole, septic tank, leachfield, cesspool, other...)
(10) Type of Discharge
(11) Average Flow (gallons per day)
(12) Year of Well Construction
(13) Proposed Well Closure Activities (e.g. sample fluids/sediment, appropriate disposal of remaining fluids/sediments, remove well and any contaminated soil, clean out well, install permanent plug, conversion to other type well, ground water and vadose zone investigation, other)
(14) Proposed Date of Well Closure
(15) Name of Preparer
(16) Date
B. Proposed well closure activities must be approved by the department prior to implementation.
[20.6.2.5005 NMAC - N, 12-1-01]
20.6.2 NMAC 34

20.6.2.5006 DISCHARGE PERMIT REQUIREMENTS FOR CLASS V INJECTION WELLS
Class V injection wells must meet the requirements of Sections 20.6.2.3000 through 20.6.2.3999 NMAC and Sections 20.6.2.5000 through 20.6.2.5006 NMAC.
[20.6.2.5006 NMAC - N, 12-1-01]

20.6.2.5101 DISCHARGE PERMIT AND OTHER REQUIREMENTS FOR CLASS I NONHAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:
A. Class I non-hazardous waste injection wells and Class III wells must meet the requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC in addition to other applicable requirements of the commission regulations. The secretary may also require that some Class IV and Class V wells comply with the requirements for Class I non-hazardous waste injection wells in Sections 20.6.2.5000 through 20.6.2.5299 NMAC if the secretary determines that the additional requirements are necessary to prevent the movement of water contaminants from a specified injection zone into ground water having 10,000 mg/l or less TDS. No Class I non-hazardous waste injection well or Class III well may be approved which allows for movement of fluids into ground water having 10,000 mg/l or less TDS except for fluid movement

approved pursuant to Section 20.6.2.5103 NMAC, or pursuant to a temporary designation as provided in Paragraph (2) of Subsection C of Section 20.6.2.5101 NMAC.

B. Operation of a Class I non-hazardous waste injection well or Class III well must be pursuant to a discharge permit meeting the requirements of Sections 20.6.2.3000 through 20.6.2.3999 NMAC and Sections 20.6.2.5000 through 20.6.2.5299 NMAC.

C. Discharge permits for Class I non-hazardous waste injection wells, or Class III wells affecting ground water of 10,000 mg/l or less TDS submitted for secretary approval shall:

(1) Receive an aquifer designation if required in Section 20.6.2.5103 NMAC prior to discharge permit issuance; or

(2) For Class III wells only, address the methods or techniques to be used to restore ground water so that upon final termination of operations including restoration efforts, ground water at any place of withdrawal for present or reasonably foreseeable future use will not contain either concentrations in excess of the standards of Section 20.6.2.3103 NMAC or any toxic pollutant. Issuance of a discharge permit or project discharge permit for Class III wells that provides for restoration of ground water in accordance with the requirements of this Subsection shall substitute for the aquifer designation provisions of Section 20.6.2.5103 NMAC. The approval shall constitute a temporary aquifer designation for a mineral bearing or producing aquifer, or portion thereof, to allow injection as provided for in the discharge permit. Such temporary designation shall expire upon final termination of operations including restoration efforts.

D. The exemptions from the discharge permit requirement listed in Section 20.6.2.3105 NMAC do not apply to underground injection control wells except as provided below:

(1) Wells regulated by the Oil Conservation Division under the exclusive authority granted under Section 70-2-12 NMSA 1978 or under other Sections of the "Oil and Gas Act";

(2) Wells regulated by the Oil Conservation Division under the "Geothermal Resources Act";

(3) Wells regulated by the New Mexico Coal Surface Mining Bureau under the "Surface Mining Act";

(4) Wells for the disposal of effluent from systems which receive less than 2,000 gallons per day of domestic sewage effluent and are regulated under the Liquid Waste Disposal regulations (20 NMAC 7.3) [20.7.3 NMAC] adopted by the Environmental Improvement Board under the "Environmental Improvement Act".

E. Project permits for Class III wells.

(1) The secretary may consider a project discharge permit for Class III wells, if the wells are:

(a) Within the same well field, facility site or similar unit,

(b) Within the same aquifer and ore deposit,

(c) Of similar construction,

(d) Of the same purpose, and

(e) Operated by a single owner or operator.

(2) A project discharge permit does not allow the discharger to commence injection in any individual operational area until the secretary approves an application for injection in that operational area (operational area approval).

(3) A project discharge permit shall:

(a) Specify the approximate locations and number of wells for which operational area approvals are or will be sought with approximate time frames for operation and restoration (if restoration is required) of each area; and

(b) Provide the information required under the following Sections of this Part, except for such additional site-specific information as needed to evaluate applications for individual operational area approvals: Subsection C of Section 20.6.2.3106, Sections 20.6.2.3107, 20.6.2.5204 through 20.6.2.5209, and Subsection B of Section 20.6.2.5210 NMAC.

(4) Applications for individual operational area approval shall include the following:

(a) Site-specific information demonstrating that the requirements of this Part are met, and

(b) Information required under Sections 20.6.2.5202 through 20.6.2.5210 NMAC and not previously provided pursuant to Subparagraph (b) of Paragraph (3) of Subsection E of this Section.

(5) Applications for project discharge permits and for operational area approval shall be processed in accordance with the same procedures provided for discharge permits under Sections 20.6.2.3000 through 20.6.2.3114 NMAC, allowing for public notice on the project discharge permit and on each application for operational area approval pursuant to Section 20.6.2.3108 NMAC with opportunity for public hearing prior to approval or disapproval.

(6) The discharger shall comply with additional requirements that may be imposed by the secretary pursuant to this Part on wells in each new operational area.

F. If the holder of a discharge permit for a Class I non-hazardous waste injection well, or Class III well submits an application for discharge permit renewal at least 120 days before discharge permit expiration, and the discharger is in compliance with his discharge permit on the date of its expiration, then the existing discharge permit for the same activity shall not expire until the application for renewal has been approved or disapproved. An application for discharge permit renewal must include and adequately address all of the information necessary for evaluation of a new discharge permit. Previously submitted materials may be included by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved.

G. Discharge Permit Signatory Requirements: No discharge permit for a Class I non-hazardous waste injection well or Class III well may be issued unless:

(1) The application for a discharge permit has been signed as follows:

(a) For a corporation: by a principal executive officer of at least the level of vice-president, or a representative who performs similar policy-making functions for the corporation who has authority to sign for the corporation; or

(b) For a partnership or sole proprietorship: by a general partner or the proprietor, respectively; or

(c) For a municipality, state, federal, or other public agency: by either a principal executive officer who has authority to sign for the agency, or a ranking elected official; and

(2) The signature is directly preceded by the following certification: "I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment."

H. Transfer of Class I non-hazardous waste injection well and Class III well Discharge Permits.

(1) The transfer provisions of Section 20.6.2.3111 NMAC do not apply to a discharge permit for a Class I non-hazardous waste injection well or Class III well.

(2) A Class I non-hazardous waste injection well or Class III well discharge permit may be transferred if:

(a) The secretary receives written notice 30 days prior to the transfer date; and

(b) The secretary does not object prior to the proposed transfer date. The secretary may require modification of the discharge permit as a condition of transfer, and may require demonstration of adequate financial responsibility.

(3) The written notice required by Subparagraph (b) of Paragraph (2) of Subsection I above shall:

(a) Have been signed by the discharger and the succeeding discharger, including an acknowledgement that the succeeding discharger shall be responsible for compliance with the discharge permit upon taking possession of the facility; and

(b) Set a specific date for transfer of discharge permit responsibility, coverage and liability; and

(c) Include information relating to the succeeding discharger's financial responsibility required by Paragraph (17) of Subsection B of Section 20.6.2.5210 NMAC.

I. Modification or Termination of a Discharge Permit for a Class I non-hazardous waste injection well or Class III well: If data submitted pursuant to any monitoring requirements specified in the discharge permit or other information available to the secretary indicate that this Part are being or may be violated, the secretary may require modification or, if it is determined by the secretary that the modification may not be adequate, may terminate a discharge permit for a Class I non-hazardous waste injection Well, or Class III well or well field, that was approved pursuant to the requirements of this under Sections 20.6.2.5000 through 20.6.2.5299 NMAC for the following causes:

(1) Noncompliance by the discharger with any condition of the discharge permit; or

(2) The discharger's failure in the discharge permit application or during the discharge permit review process to disclose fully all relevant facts, or the discharger's misrepresentation of any relevant facts at any time; or

(3) A determination that the permitted activity may cause a hazard to public health or undue risk to property and can only be regulated to acceptable levels by discharge permit modification or termination.

[9-20-82, 12-1-95, 11-15-96; 20.6.2.5101 NMAC – Rn, 20 NMAC 6.2.V.5101, 1-15-01; A, 12-1-01; A, 7-15-02]

20.6.2.5102 PRE-CONSTRUCTION REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE

INJECTION WELLS AND CLASS III WELLS:

A. Discharge Permit Requirement for Class I non-hazardous waste injection wells.

(1) Prior to construction of a Class I non-hazardous waste injection well or conversion of an existing well to a Class I non-hazardous waste injection well, an approved discharge permit is required that incorporates the requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC, except Subsection C of Section 20.6.2.5210 NMAC. As a condition of discharge permit issuance, the operation of the Class I non-hazardous waste injection well under the discharge permit will not be authorized until the secretary has:

(a) Reviewed the information submitted for his consideration pursuant to Subsection C of Section 20.6.2.5210 NMAC, and

(b) Determined that the information submitted demonstrates that the operation will be in compliance with this Part and the discharge permit.

(2) If conditions encountered during construction represent a substantial change which could adversely impact ground water quality from those anticipated in the discharge permit, the secretary shall require a discharge permit modification or may terminate the discharge permit pursuant to Subsection I of Section 20.6.2.5101 NMAC, and the secretary shall publish public notice and allow for comments and hearing in accordance with Section 20.6.2.3108 NMAC.

B. Notification Requirement for Class III wells.

(1) The discharger shall notify the secretary in writing prior to the commencement of drilling or construction of wells which are expected to be used for in situ extraction, unless the discharger has previously received a discharge permit or project discharge permit for the Class III well operation.

(a) Any person, proposing to drill or construct a new Class III well or well field, or convert an existing well to a Class III well, shall file plans, specifications and pertinent documents regarding such construction or conversion, with the Ground Water Quality Bureau of the Environment Department.

(b) Plans, specifications, and pertinent documents required by this Section, if pertaining to geothermal installations, carbon dioxide facilities, or facilities for the exploration, production, refinement or pipeline transmission of oil and natural gas, shall be filed instead with the Oil Conservation Division.

(c) Plans, specifications and pertinent documents required to be filed under this Section must be filed 90 days prior to the planned commencement of construction or conversion.

(d) The following plans, specifications and pertinent documents shall be provided with the notification:

(i) Information required in Subsection C of Section 20.6.2.3106 NMAC;

(ii) A map showing the Class III wells which are to be constructed. The map must also show, in so far as is known or is reasonably available from the public records, the number, name, and location of all producing wells, injection wells, abandoned wells, dry holes, surface bodies of water, springs, mines (surface and 20.6.2 NMAC 37
subsurface), quarries, water wells and other pertinent surface features, including residences and roads, that are within the expected area of review (Section 20.6.2.5202 NMAC) of the Class III well or well field perimeter;

(iii) Maps and cross-sections indicating the general vertical and lateral limits of all ground water having 10,000 mg/l or less TDS within one mile of the site, the position of such ground water within this area relative to the injection formation, and the direction of water movement, where known, in each zone of ground water which may be affected by the proposed injection operation;

(iv) Maps and cross-sections detailing the geology and geologic structure of the local area, including faults, if known or suspected;

(v) The proposed formation testing program to obtain an analysis or description, whichever the secretary requires, of the chemical, physical, and radiological characteristics of, and other information on, the receiving formation;

(vi) The proposed stimulation program;

(vii) The proposed injection procedure;

(viii) Schematic or other appropriate drawings of the surface and subsurface construction details of the well;

(ix) Proposed construction procedures, including a cementing and casing program, logging procedures, deviation checks, and a drilling, testing, and coring program;

(x) Information, as described in Paragraph (17) of Subsection B of Section 20.6.2.5210 NMAC, showing the ability of the discharger to undertake measures necessary to prevent groundwater contamination; and
(xi) A plugging and abandonment plan showing that the requirements of Subsections B, C and D of Section 20.6.2.5209 NMAC will be met.
(2) Prior to construction, the discharger shall have received written notice from the secretary that the information submitted under item 10 of Subparagraph (d) of Paragraph (1) of Subsection B of Section 20.6.2.5102 NMAC is acceptable. Within 30 days of submission of the above information the secretary shall notify the discharger that the information submitted is acceptable or unacceptable.
(3) Prior to construction, the secretary shall review said plans, specifications and pertinent documents and shall comment upon their adequacy of design for the intended purpose and their compliance with pertinent Sections of this Part. Review of plans, specifications and pertinent documents shall be based on the criteria contained in Section 20.6.2.5205, Subsection E of Section 20.6.2.5209, and Subparagraph (d) of Paragraph (1) of Subsection B of Section 20.6.2.5102 NMAC.
(4) Within thirty (30) days of receipt, the secretary shall issue public notice, consistent with Subsection B of Section 20.6.2.3108 NMAC, that notification was submitted pursuant to Subsection B of Section 20.6.2.5102 NMAC. The secretary shall allow a period of at least thirty (30) days during which comments may be submitted. The public notice shall include:
(a) Name and address of the proposed discharger;
(b) Location of the discharge;
(c) Brief description of the proposed activities;
(d) Statement of the public comment period; and
(e) Address and telephone number at which interested persons may obtain further information.
(5) The secretary shall comment in writing upon the plans and specifications within sixty (60) days of their receipt by the secretary.
(6) Within thirty (30) days after completion, the discharger shall submit written notice to the secretary that the construction or conversion was completed in accordance with submitted plans and specifications, or shall submit as-built plans detailing changes from the originally submitted plans and specifications.
(7) In the event a discharge permit application is not submitted or approved, all wells which may cause groundwater contamination shall be plugged and abandoned by the applicant pursuant to the plugging and abandonment plan submitted in the notification; these measures shall be consistent with any comments made by the secretary in his review. If the wells are not to be permanently abandoned and the discharger demonstrates that plugging at this time is unnecessary to prevent groundwater contamination, plugging pursuant to the notification is not required. Financial responsibility established pursuant to Sections 20.6.2.5000 through 20.6.2.5299 NMAC will remain in effect until the discharger permanently abandons and plugs the wells in accordance with the plugging and abandonment plan.
[9-20-82, 12-24-87, 12-1-95; 20.6.2.5102 NMAC – Rn, 20 NMAC 6.2.V.5102, 1-15-01; A, 12-1-01]
20.6.2 NMAC 38

20.6.2.5103 DESIGNATED AQUIFERS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. Any person may file a written petition with the secretary seeking commission consideration of certain aquifers or portions of aquifers as "designated aquifers". The purpose of aquifer designation is:
(1) For Class I non-hazardous waste injection wells, to allow as a result of injection, the addition of water contaminants into ground water, which before initiation of injection has a concentration between 5,000 and 10,000 mg/l TDS; or
(2) For Class III wells, to allow as a result of injection, the addition of water contaminants into ground water, which before initiation of injection has a concentration between 5,000 and 10,000 mg/l TDS, and not provide for restoration or complete restoration of that ground water pursuant to Paragraph (2) of Subsection C of Section 20.6.2.5101 NMAC.
B. The applicant shall identify (by narrative description, illustrations, maps or other means) and describe such aquifers, in geologic and/or geometric terms (such as vertical and lateral limits and gradient) which are clear and definite.

C. An aquifer or portion of an aquifer may be considered for aquifer designation under Subsection A. of this Section, if the applicant demonstrates that the following criteria are met:
(1) It is not currently used as a domestic or agricultural water supply; and
(2) There is no reasonable relationship between the economic and social costs of failure to designate and benefits to be obtained from its use as a domestic or agricultural water supply because:
(a) It is situated at a depth or location which makes recovery of water for drinking or agricultural purposes economically or technologically impractical at present and in the reasonably foreseeable future; or
(b) It is already so contaminated that it would be economically or technologically impractical to render that water fit for human consumption or agricultural use at present and in the reasonably foreseeable future.
D. The petition shall state the extent to which injection would add water contaminants to ground water and why the proposed aquifer designation should be approved. For Class III wells, the applicant shall state whether and to what extent restoration will be carried out.
E. The secretary shall either transmit the petition to the commission within sixty (60) days recommending that a public hearing be held, or refuse to transmit the petition and notify the applicant in writing citing reasons for such refusal.
F. If the secretary transmits the petition to the commission, the commission shall review the petition and determine to either grant or deny a public hearing on the petition. If the commission grants a public hearing, it shall issue a public notice, including the following information:
(1) Name and address of the applicant;
(2) Location, depth, TDS, areal extent, general description and common name or other identification of the aquifer for which designation is sought;
(3) Nature of injection and extent to which the injection will add water contaminants to ground water; and
(4) Address and telephone number at which interested persons may obtain further information.
G. If the secretary refuses to transmit the petition to the commission, then the applicant may appeal the secretary's disapproval of the proposed aquifer designation to the commission within thirty (30) days, and address the issue of whether the proposed aquifer designation meets the criteria of Subsections A, B, C, and D of this Section.
H. If the commission grants a public hearing, the hearing shall be held in accordance with the provisions of Section 74-6-6, NMSA 1978.
I. If the commission does not grant a public hearing on the petition, the aquifer designation shall not be approved.
J. After public hearing and consideration of all facts and circumstances included in Section 74-6-4(D), NMSA 1978, the commission may authorize the secretary to approve a proposed designated aquifer if the commission determines that the criteria of Subsection A, B, C, and D of this section are met.
K. Approval of a designated aquifer petition does not alleviate the applicant from complying with other Sections of Sections 20.6.2.5000 through 20.6.2.5299 NMAC, or of the responsibility for protection, pursuant to this part, of other nondesignated aquifers containing ground water having 10,000 mg/l or less TDS.
L. Persons other than the petitioner may add water contaminants as a result of injection into an aquifer designated for injection, provided the person receives a discharge permit pursuant to the requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC. Persons, other than the original petitioner or his designee, requesting addition of water contaminants as a result of injection into aquifers previously designated only for injection with partial restoration shall file a petition with the commission pursuant to the requirements of Subsections A, B, C, and D of this Section.
[9-20-82, 12-1-95; 20.6.2.5103 NMAC – Rn, 20 NMAC 6.2.V.5103, 1-15-01; A, 12-1-01]

20.6.2.5104 WAIVER OF REQUIREMENT BY SECRETARY FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. Where a Class I non-hazardous waste injection well or a Class III well or well field, does not penetrate, or inject into or above, and which will not affect, ground water having 10,000 mg/l of less TDS, the secretary may:

(1) Issue a discharge permit for a well or well field with less stringent requirements for area of review, construction, mechanical integrity, operation, monitoring, and reporting than required by Sections 20.6.2.5000 through 20.6.2.5299 NMAC; or
(2) For Class III wells only, issue a discharge permit pursuant to the requirements of Sections 20.6.2.3000 through 20.6.2.3114 NMAC.
B. Authorization of a reduction in requirements under Subsection A of this Section shall be granted only if injection will not result in an increased risk of movement of fluids into ground water having 10,000 mg/l or less TDS, except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC.
[9-20-82, 12-1-95; 20.6.2.5104 NMAC – Rn & A, 20 NMAC 6.2.V.5104, 1-15-01; A, 12-1-01]

20.6.2.5105 – 20.6.2.5199: [RESERVED]
[12-1-95; 20.6.2.5105 – 20.6.2.5199 NMAC – Rn, 20 NMAC 6.2.V.5105-5199, 1-15-01]

20.6.2.5200 TECHNICAL CRITERIA AND PERFORMANCE STANDARDS FOR CLASS I NONHAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:
[12-1-95; 20.6.2.5200 NMAC – Rn, 20 NMAC 6.2.V.5200, 1-15-01; A, 12-1-01]

20.6.2.5201 PURPOSE: Sections 20.6.2.5200 through 20.6.2.5210 NMAC provide the technical criteria and performance standards for Class I non-hazardous waste injection wells and Class III wells.
[9-20-82; 20.6.2.5201 NMAC – Rn, 20 NMAC 6.2.V.5201, 1-15-01; A, 12-1-01]

20.6.2.5202 AREA OF REVIEW:
A. The area of review is the area surrounding a Class I non-hazardous waste injection well or Class III well or the area within and surrounding a well field that is to be examined to identify possible fluid conduits, including the location of all known wells and fractures which may penetrate the injection zone.
B. The area of review for each Class I non-hazardous waste injection well, or each Class III well or well field shall be an area which extends:
(1) Two and one half (2 1/2) miles from the well, or well field; or
(2) One-quarter (1/4) mile from a well or well field where the area of review is calculated to be zero pursuant to Paragraph (3) of Subsection B below, or where the well field production at all times exceeds injection to produce a net withdrawal; or
(3) A suitable distance, not less than one-quarter (1/4) mile, proposed by the discharger and approved by the secretary, based upon a mathematical calculation to determine the area of review. Computations to determine the area of review may be based upon the parameters listed below and should be calculated for an injection time period equal to the expected life of the Class I non-hazardous waste injection well, or Class III well or well field. The following modified Theis equation illustrates one form which the mathematical model may take to compute the area of review; the discharger must demonstrate that any equation or simulation used to compute the area of review applies to the hydrogeologic conditions in the area of review.

(4) The above equation is based on the following assumptions:
(a) The injection zone is homogenous and isotropic;
(b) The injection zone has infinite areal extent;
(c) The Class I non-hazardous waste injection well or Class III well penetrates the entire thickness of the injection zone;
(d) The well diameter is infinitesimal compared to "r" when injection time is longer than a few minutes; and
(e) The emplacement of fluid into the injection zone creates an instantaneous increase in pressure.
C. The secretary shall require submittal by the discharger of information regarding the area of review including the information to be considered by the secretary in Subsection B of Section 20.6.2.5210 NMAC.
[9-20-82, 12-1-95; 20.6.2.5202 NMAC – Rn, 20 NMAC 6.2.V.5202, 1-15-01; A, 12-1-01]

20.6.2.5203 CORRECTIVE ACTION FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. Persons applying for approval of a Class I non-hazardous waste injection well, or a Class III well or well field shall identify the location of all known wells, drill holes, shafts, stopes and other conduits within the area of review which may penetrate the injection zone, in so far as is known or is reasonably available from the public records. For such wells or other conduits which are improperly sealed, completed, or abandoned, or otherwise provide a pathway for the migration of contaminants, the discharger shall address in the proposed discharge plan such steps or modifications (corrective action) as are necessary to prevent movement of fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC.

B. Prior to operation, or continued operation of a well for which corrective action is required pursuant to Subsections A or D of Section 20.6.2.5203 NMAC, the discharger must demonstrate that:

(1) All required corrective action has been taken; or

(2) Injection pressure is to be limited so that pressure in the injection zone does not cause fluid movement through any well or other conduit within the area of review into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC. This pressure limitation may be removed after all required corrective action has been taken.

C. In determining the adequacy of corrective action proposed in the discharge permit application, the following factors will be considered by the secretary:

(1) Chemical nature and volume of the injected fluid;

(2) Chemical nature of native fluids and by-products of injection;

(3) Geology and hydrology;

(4) History of the injection and production operation;

(5) Completion and plugging records;

(6) Abandonment procedures in effect at the time a well, drill hole, or shaft was abandoned; and

(7) Hydraulic connections with waters having 10,000 mg/l or less TDS

D. In the event that, after approval for a Class I non-hazardous waste injection well or Class III well has been granted, additional information is submitted or it is discovered that a well or other conduit within the applicable area of review might allow movement of fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC, the secretary may require action in accordance with Subsection I of Section 20.6.2.5101 and Subsection B Section 20.6.2.5203 NMAC.

[9-20-82, 12-1-95; 20.6.2.5203 NMAC – Rn, 20 NMAC 6.2.V.5203, 1-15-01; A, 12-1-01]

20.6.2.5204 MECHANICAL INTEGRITY FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. A Class I non-hazardous waste injection well or Class III well has mechanical integrity if there is no detectable leak in the casing, tubing or packer which the secretary considers to be significant at maximum operating temperature and pressure; and no detectable conduit for fluid movement out of the injection zone through the well bore or vertical channels adjacent to the well bore which the secretary considers to be significant.

B. Prior to well injection and at least once every five years or more frequently as the secretary may require for good cause during the life of the well, the discharger must demonstrate that a Class I non-hazardous waste injection well or Class III well has mechanical integrity. The demonstration shall be made through use of the following tests:

20.6.2 NMAC 42

(1) For evaluation of leaks,

(a) Monitoring of annulus pressure (after an initial pressure test with liquid or gas before operation commences), or

(b) Pressure test with liquid or gas;

(2) For determination of conduits for fluid movement,

(a) The results of a temperature or noise log, or

(b) Where the nature of the casing used for Class III wells precludes use of these logs, cementing records and an appropriate monitoring program as the secretary may require which will demonstrate the presence of adequate cement to prevent such movement;

(3) Other appropriate tests as the secretary may require.
C. The secretary may consider the use by the discharger of equivalent alternative test methods to determine mechanical integrity. The discharger shall submit information on the proposed test and all technical data supporting its use. The secretary may approve the request if it will reliably demonstrate the mechanical integrity of wells for which its use is proposed. For Class III wells this demonstration may be made by submission of adequate monitoring data after the initial mechanical integrity tests.
D. In conducting and evaluating the tests enumerated in this Section or others to be allowed by the secretary, the discharger and the secretary shall apply methods and standards generally accepted in the affected industry. When the discharger reports the results of mechanical integrity tests to the secretary, he shall include a description of the test(s), the method(s) used, and the test results. In making an evaluation, the secretary's review shall include monitoring and other test data submitted since the previous evaluation.
[9-20-82, 12-1-95; 20.6.2.5204 NMAC – Rn, 20 NMAC 6.2.V.5204, 1-15-01; A, 12-1-01]

20.6.2.5205 CONSTRUCTION REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. General Construction Requirements Applicable to Class I non-hazardous waste injection wells and Class III wells.
(1) Construction of all Class I non-hazardous waste injection wells and all new Class III wells shall include casing and cementing. Prior to well injection, the discharger shall demonstrate that the construction and operation of:
(a) Class I non-hazardous waste injection wells will not cause or allow movement of fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC;
(b) Class III wells will not cause or allow movement of fluids out of the injection zone into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC.
(2) The construction of each newly drilled well shall be designed for the proposed life expectancy ofthe well.
(3) In determining if the discharger has met the construction requirements of this Section and has demonstrated adequate construction, the secretary shall consider the following factors:
(a) Depth to the injection zone;
(b) Injection pressure, external pressure, annular pressure, axial loading, and other stresses that may cause well failure;
(c) Hole size;
(d) Size and grade of all casing strings, including wall thickness, diameter, nominal weight, length, joint specification, and construction material;
(e) Type and grade of cement;
(f) Rate, temperature, and volume of injected fluid;
(g) Chemical and physical characteristics of the injected fluid, including corrosiveness, density, and temperature;
(h) Chemical and physical characteristics of the formation fluids including pressure and temperature;
(i) Chemical and physical characteristics of the receiving formation and confining zones including lithology and stratigraphy, and fracture pressure; and
(j) Depth, thickness and chemical characteristics of penetrated formations which may contain ground water.
20.6.2 NMAC 43
(4) To demonstrate adequate construction, appropriate logs and other tests shall be conducted during the drilling and construction of new Class I non-hazardous waste injection wells or Class III wells or during work-over of existing wells in preparation for reactivation or for change to injection use. A descriptive report interpreting the results of such logs and tests shall be prepared by a knowledgeable log analyst and submitted to the secretary for review prior to well injection. The logs and tests appropriate to each type of injection well shall be based on the intended function, depth, construction and other characteristics of the well, availability of similar data in the area of the drilling site and the need for additional information that may arise from time to time as the

construction of the well progresses.
(a) The discharger shall demonstrate through use of sufficiently frequent deviation checks, or another equivalent method, that a Class I non-hazardous waste injection well or Class III well drilled using a pilot hole then enlarged by reaming or another method, does not allow a vertical avenue for fluid migration in the form of diverging holes created during drilling.
(b) The secretary may require use by the discharger of the following logs to assist in characterizing the formations penetrated and to demonstrate the integrity of the confining zones and the lack of vertical avenues for fluid migration:
(i) For casing intended to protect ground water having 10,000 mg/l or less TDS:
Resistivity, spontaneous potential, and caliper logs before the casing is installed; and a cement bond, or temperature log after the casing is set and cemented.
(ii) For intermediate and long strings of casing intended to facilitate injection:
Resistivity, spontaneous potential, porosity, and gamma ray logs before the casing is installed; and fracture finder or spectral logs; and a cement bond or temperature log after the casing is set and cemented.
(5) In addition to the requirements of Section 20.6.2.5102 NMAC, the discharger shall provide notice prior to commencement of drilling, cementing and casing, well logging, mechanical integrity tests, and any well work-over to allow opportunity for on-site inspection by the secretary or his representative.
B. Additional Construction Requirements for Class I non-hazardous waste injection wells.
(1) All Class I non-hazardous waste injection wells shall be sited in such a manner that they inject into a formation which is beneath the lowermost formation containing, within one quarter mile of the well bore, ground water having 10,000 mg/l TDS or less except as approved pursuant to Section 20.6.2.5103 NMAC.
(2) All Class I non-hazardous waste injection wells shall be cased and cemented by circulating cement to the surface.
(3) All Class I non-hazardous waste injection wells, except those municipal wells injecting noncorrosive wastes, shall inject fluids through tubing with a packer set in the annulus immediately above the injection zone, or tubing with an approved fluid seal as an alternative. The tubing, packer, and fluid seal shall be designed for the expected length of service.
(a) The use of other alternatives to a packer may be allowed with the written approval of the secretary. To obtain approval, the operator shall submit a written request to the secretary which shall set forth the proposed alternative and all technical data supporting its use. The secretary may approve the request if the alternative method will reliably provide a comparable level of protection to ground water. The secretary may approve an alternative method solely for an individual well or for general use.
(b) In determining the adequacy of the specifications proposed by the discharger for tubing and packer, or a packer alternative, the secretary shall consider the following factors:
(i) Depth of setting;
(ii) Characteristics of injection fluid (chemical nature or characteristics, corrosiveness, and density);
(iii) Injection pressure;
(iv) Annular pressure;
(v) Rate, temperature and volume of injected fluid; and
(vi) Size of casing.
C. Additional Construction Requirements for Class III wells.
(1) Where injection is into a formation containing ground water having 10,000 mg/l or less TDS, monitoring wells shall be completed into the injection zone and into the first formation above the injection zone containing ground water having 10,000 mg/l or less TDS which could be affected by the extraction operation. If ground water having 10,000 mg/l or less TDS below the injection zone could be affected by the extraction operation, monitoring of such ground water may be required. These wells shall be of sufficient number, located and constructed so as to detect any excursion of injection fluids, process byproducts, or formation fluids outside the extraction area or injection zone. The requirement for monitoring wells in aquifers designated pursuant to Section 20.6.2 NMAC 44
20.6.2.5103 NMAC may be waived by the secretary, provided that the absence of monitoring wells does not result in an increased risk of movement of fluids into protected ground waters having 10,000 mg/l or less TDS.

(2) Where injection is into a formation which does not contain ground water having 10,000 mg/l or less TDS, no monitoring wells are necessary in the injection zone. However, monitoring wells may be necessary in adjoining zones with ground water having 10,000 mg/l or less TDS that could be affected by the extraction operation.
(3) In an area that the secretary determines is subject to subsidence or collapse, the required monitoring wells may be required to be located outside the physical influence of that area.
(4) In determining the adequacy of monitoring well location, number, construction and frequency of monitoring proposed by the discharger, the secretary shall consider the following factors:
(a) The local geology and hydrology;
(b) The operating pressures and whether a negative pressure gradient to the monitor well is being maintained;
(c) The nature and volume of injected fluid, formation water, and process by-products; and
(d) The number and spacing of Class III wells in the well field.
[9-20-82, 12-1-95; 20.6.2.5205 NMAC – Rn, 20 NMAC 6.2.V.5205, 1-15-01; A, 12-1-01]

20.6.2.5206 OPERATING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. General Operating Requirements Applicable to Class I non-hazardous waste injection wells and Class III wells.
(1) The maximum injection pressure at the wellhead shall not initiate new fractures or propagate existing fractures in the confining zone, or cause the movement of injection or formation fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC.
(2) Injection between the outermost casing and the well bore is prohibited in a zone other than the authorized injection zone.
B. Additional Operating Requirements for Class I non-hazardous waste injection wells.
(1) Except during well stimulation, the maximum injection pressure shall not initiate new fractures or propagate existing fractures in the injection zone.
(2) Unless an alternative to a packer has been approved under Subparagraph (c) of Paragraph (3) of Subsection B of Section 20.6.2.5205 NMAC, the annulus between the tubing and the long string of casing shall be filled with a fluid approved by the secretary and a pressure, also approved by the secretary shall be maintained on the annulus.
C. Additional Operating Requirements for Class III wells: Initiation of new fractures or propagation of existing fractures in the injection zone will not be approved by the secretary as part of a discharge permit unless it is done during well stimulation and the discharger demonstrates:
(1) That such fracturing will not cause movement of fluids out of the injection zone into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC, and
(2) That the provisions of Subsection C of Section 20.6.2.3109 and Subsection C of Section 20.6.2.5101 NMAC for protection of ground water are met.
[9-20-82, 12-1-95; 20.6.2.5206 NMAC – Rn, 20 NMAC 6.2.V.5206, 1-15-01; A, 12-1-01]

20.6.2.5207 MONITORING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. The discharger shall demonstrate mechanical integrity for each Class I non-hazardous waste injection well or Class III well at least once every five years during the life of the well pursuant to Section 20.6.2.5204 NMAC.
B. Additional Monitoring Requirements for Class I non-hazardous waste injection wells.
(1) The discharger shall provide analysis of the injected fluids at least quarterly or, if necessary, more frequently to yield data representative of their characteristics.
(2) Continuous monitoring devices shall be used to provide a record of injection pressure, flow rate, flow volume, and pressure on the annulus between the tubing and the long string of casing.
(3) The discharger shall provide wells within the area of review as required by the discharge permit to be used by the discharger to monitor pressure in, and possible fluid movement into, ground water having 10,000 mg/l or less TDS except for such ground waters designated pursuant to Section 20.6.2.5103 NMAC. This Section 20.6.2 NMAC 45

does not require monitoring wells for Class I non-hazardous waste injection wells unless monitoring wells are necessary due to possible flow paths within the area of review.

C. Additional Monitoring Requirements for Class III wells.

(1) The discharger shall provide an analysis or description, whichever the secretary requires, of the injected fluids at least quarterly or, if necessary, more frequently to yield representative data.

(2) The discharger shall perform:

(a) Appropriate monitoring of injected and produced fluid volumes by whichever of the following methods the secretary requires:

(i) Recording injection pressure and either flow rate or volume every two weeks; or

(ii) Metering and daily recording of fluid volumes;

(b) Monitoring every two weeks, or more frequently as the secretary determines, of the monitor wells, required in Subsection C of Section 20.6.2.5205 NMAC for:

(i) Water chemistry parameters used to detect any migration from the injection zone;

(ii) Fluid levels adjacent to the injection zone; and

(c) Other necessary monitoring as the secretary for good cause may require to detect movement of fluids from the injection zone into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC.

(3) With the approval of the secretary, all Class III wells may be monitored on a well field basis by manifold monitoring rather than on an individual well basis. Manifold monitoring to determine the quality, pressure, and flow rate of the injected fluid may be approved in cases of facilities consisting of more than one Class III well, operating with a common manifold, provided that the discharger demonstrates that manifold monitoring is comparable to individual well monitoring.

[9-20-82, 12-1-95; 20.6.2.5207 NMAC – Rn, 20 NMAC 6.2.V.5207, 1-15-01; A, 12-1-01]

20.6.2.5208 REPORTING REQUIREMENTS FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. Reporting Requirements for Class I non-hazardous waste injection wells.

(1) If a Class I non-hazardous waste injection well is found to be discharging or is suspected of discharging fluids into a zone or zones other than the permitted or authorized injection zone, the discharger shall within 24 hours notify the secretary of the circumstances and action taken. The discharger shall provide subsequent written reports as required by the secretary.

(2) The discharger shall provide reports quarterly to the secretary on:

(a) The physical, chemical and other relevant characteristics of injection fluids;

(b) Monthly average, maximum and minimum values for injection pressure, flow rate and volume, and annular pressure; and

(c) The results of monitoring prescribed under Subsection B of Section 20.6.2.5207 NMAC.

(3) The discharger shall report, no later than the first quarterly report after completion, the results of:

(a) Periodic tests of mechanical integrity as required in Sections 20.6.2.5204 and 20.6.2.5207 NMAC;

(b) Any other test of the Class I non-hazardous waste injection well conducted by the discharger if required by the secretary;

(c) Any well work-over; and

(d) Any changes within the area of review which might impact subsurface conditions.

B. Reporting Requirements for Class III wells.

(1) The discharger shall notify the secretary within 48 hours of the detection or suspected detection of a leachate excursion, and provide subsequent reports as required by the secretary.

(2) The discharger shall provide to the secretary:

(a) Reports on required monitoring quarterly, or more frequently as required by the secretary; and

(b) Results of mechanical integrity testing as required in Sections 20.6.2.5204 and 20.6.2.5207 NMAC and any other periodic tests required by the secretary. These results are to be reported no later than the first regular report after the completion of the test.

(3) Where manifold monitoring is permitted, monitoring results may be reported on a well field basis,

rather than individual well basis.
C. Report Signatory Requirements.
20.6.2 NMAC 46
(1) All reports submitted pursuant to this Section shall be signed and certified as provided in Subsection G of Section 20.6.2.5101 NMAC, or by a duly authorized representative.
(2) For a person to be a duly authorized representative, authorization must:
(a) Be made in writing by a signatory described in Paragraph (1) of Subsection G of Section 20.6.2.5101 NMAC.;
(b) Specify either an individual or a position having responsibility for the overall operation of that regulated facility or activity, such as the position of plant manager, operator of a well or well field, superintendent, or position of equivalent responsibility; and
(c) Have been submitted to the secretary.
[9-20-82, 12-1-95; 20.6.2.5208 NMAC – Rn, 20 NMAC 6.2.V.5208, 1-15-01; A, 12-1-01]

20.6.2.5209 PLUGGING AND ABANDONMENT FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. The discharger shall submit as part of the discharge permit application, a plan for plugging and abandonment of a Class I non-hazardous waste injection well or a Class III well that meets the requirements of Subsection C of Section 20.6.2.3109 and Subsection C of Section 20.6.2.5101 NMAC and 20.6.2.5005 NMAC for protection of ground water. If requested, a revised or updated abandonment plan shall be submitted for approval prior to closure. The obligation to implement the plugging and abandonment plan as well as the requirements of the plan survives the termination or expiration of the permit.
B. Prior to abandonment of a well used in a Class I non-hazardous waste injection well or Class III well operation, the well shall be plugged in a manner which will not allow the movement of fluids through the well bore out of the injection zone or between other zones of ground water. Cement plugs shall be used unless a comparable method has been approved by the secretary for the plugging of Class III wells at that site.
C. Prior to placement of the plugs, the well to be abandoned shall be in a state of static equilibrium with the mud weight equalized top to bottom, either by circulating the mud in the well at least once or by a comparable method approved by the secretary.
D. Placement of the plugs shall be accomplished by one of the following:
(1) The Balance Method; or
(2) The Dump Bailer Method; or
(3) The Two-Plug Method; or
(4) An equivalent method with the approval of the secretary.
E. The following shall be considered by the secretary in determining the adequacy of a plugging and abandonment plan.
(1) The type and number of plugs to be used;
(2) The placement of each plug, including the elevation of the top and bottom;
(3) The type, grade and quantity of cementing slurry to be used;
(4) The method of placement of the plugs;
(5) The procedure to be used to plug and abandon the well; and
(6) Such other factors that may affect the adequacy of the plan.
F. The discharger shall retain all records concerning the nature and composition of injected fluids until five years after completion of any plugging and abandonment procedures.
[9-20-82, 12-1-95; 20.6.2.5209 NMAC – Rn, 20 NMAC 6.2.V.5209, 1-15-01; A, 12-1-01]

20.6.2.5210 INFORMATION TO BE CONSIDERED BY THE SECRETARY FOR CLASS I NONHAZARDOUS WASTE INJECTION WELLS AND CLASS III WELLS:

A. This Section sets forth the information to be considered by the secretary in authorizing construction and use of a Class I non-hazardous waste injection well or Class III well or well field. Certain maps, cross-sections, tabulations of all wells within the area of review, and other data may be included in the discharge permit application submittal by reference provided they are current, readily available to the secretary and sufficiently identified to be retrieved.
B. Prior to the issuance of a discharge permit or project discharge permit allowing construction of a

new Class I non-hazardous waste injection well, operation of an existing Class I non-hazardous waste injection well, or operation of a new or existing Class III well or well field, or conversion of any well to injection use, the secretary shall consider the following:
(1) Information required in Subsection C of Section 20.6.2.3106 NMAC;
20.6.2 NMAC 47
(2) A map showing the Class I non-hazardous waste injection well, or Class III well or well fields, for which approval is sought and the applicable area of review. Within the area of review, the map must show, in so far as is known or is reasonably available from the public records, the number, name, and location of all producing wells, injection wells, abandoned wells, dry holes, surface bodies of water, springs, mines (surface and subsurface), quarries, water wells and other pertinent surface features, including residences and roads;
(3) A tabulation of data on all wells within the area of review which may penetrate into the proposed injection zone. Such data shall include, as available, a description of each well's type, the distance and direction to the injection well or well field, construction, date drilled, location, depth, record of plugging and/or completion, and any additional information the secretary may require;
(4) For wells within the area of review which penetrate the injection zone, but are not properly completed or plugged, the corrective action proposed to be taken under Section 20.6.2.5203 NMAC;
(5) Maps and cross-sections indicating the general vertical and lateral limits of all ground water having 10,000 mg/l or less TDS within the area of review, the position of such ground water within the area of review relative to the injection formation, and the direction of water movement, where known, in each zone of ground water which may be affected by the proposed injection operation;
(6) Maps and cross-sections detailing the geology and geologic structure of the local area, including faults, if known or suspected;
(7) Generalized maps and cross-sections illustrating the regional geologic setting;
(8) Proposed operating data, including:
(a) Average and maximum daily flow rate and volume of the fluid to be injected;
(b) Average and maximum injection pressure;
(c) Source of injection fluids and an analysis or description, whichever the secretary requires, of their chemical, physical, radiological and biological characteristics;
(9) Results of the formation testing program to obtain an analysis or description, whichever the secretary requires, of the chemical, physical, and radiological characteristics of, and other information on, the receiving formation, provided that the secretary may issue a conditional approval of a discharge permit if he finds that further formation testing is necessary for final approval;
(10) Expected pressure changes, native fluid displacement, and direction of movement of the injected fluid;
(11) Proposed stimulation program;
(12) Proposed or actual injection procedure;
(13) Schematic or other appropriate drawings of the surface and subsurface construction details of the well;
(14) Construction procedures, including a cementing and casing program, logging procedures, deviation checks, and a drilling, testing, and coring program;
(15) Contingency plans to cope with all shut-ins or well failures so as to prevent movement of fluids into ground water having 10,000 mg/l or less TDS except for fluid movement approved pursuant to Section 20.6.2.5103 NMAC;
(16) Plans, including maps, for meeting the monitoring requirements of Section 20.6.2.5207 NMAC; and
(17) The ability of the discharger to undertake measures necessary to prevent contamination of ground water having 10,000 mg/l or less TDS after the cessation of operation, including the proper closing, plugging and abandonment of a well, ground water restoration if applicable, and any post-operational monitoring as may be needed. Methods by which the discharger shall demonstrate the ability to undertake these measures shall include submission of a surety bond or other adequate assurances, such as financial statements or other materials acceptable to the secretary, such as: (1) a surety bond; (2) a trust fund with a New Mexico bank in the name of the State of New Mexico, with the State as Beneficiary; (3) a non-renewable letter of credit made out to the State of New

Mexico; (4) liability insurance specifically covering the contingencies listed in this paragraph; or (5) a performance bond, generally in conjunction with another type of financial assurance. Such bond or materials shall be approved and executed prior to discharge permit issuance and shall become effective upon commencement of construction. If an adequate bond is posted by the discharger to a federal or another state agency, and this bond covers all of the measures referred to above, the secretary shall consider this bond as satisfying the bonding requirements of Sections 20.6.2.5000 through 20.6.2.5299 NMAC wholly or in part, depending upon the extent to which such bond is adequate to ensure that the discharger will fully perform the measures required hereinabove.

C. Prior to the secretary's approval that allows the operation of a new or existing Class I nonhazardous waste injection well or Class III well or well field, the secretary shall consider the following:

(1) Update of pertinent information required under Subsection B of Section 20.6.2.5210 NMAC;

(2) All available logging and testing program data on the well;

(3) The demonstration of mechanical integrity pursuant to Section 20.6.2.5204 NMAC;

(4) The anticipated maximum pressure and flow rate at which the permittee will operate;

(5) The results of the formation testing program;

(6) The physical, chemical, and biological interactions between the injected fluids and fluids in the injection zone, and minerals in both the injection zone and the confining zone; and

(7) The status of corrective action on defective wells in the area of review.

[9-20-82, 12-24-87, 12-1-95; 20.6.2.5210 NMAC – Rn, 20 NMAC 6.2.V.5210, 1-15-01; A, 12-1-01]

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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Oct 08, 2002

Submit Original Plus 1 Copy to Santa Fe
1 Copy to Appropriate District Office

DISCHARGE PLAN APPLICATION FOR CLASS I NON-HAZARDOUS WASTE INJECTION WELL FACILITY
(Refer to the OCD Environmental Bureau for assistance in completing the application)

☐ New ☐ Renewal

I. Facility Name: _____

II. Operator: _____

Address: _____

Contact Person: _____ Phone: _____

III. Location: _____/4 _____/4 Section _____ Township _____ Range _____
Submit large scale topographic map showing exact location.

IV. Attach the name and address of the landowner of the facility site.

V. Attach a description of the types and quantities of fluids at the facility.

VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.

VII. Attach a description of underground facilities (well diagrams etc. including a C-101 or C-103, and C-108).

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

IX. Attach geological/hydrological evidence demonstrating that operations will not adversely impact fresh water.

X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

XI. CERTIFICATION:

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: _____ Title: _____

Signature: _____ Date: _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised July 12, 2001

Submit Original Plus 1 Copy to Santa Fe
1 Copy to Appropriate District Office

DISCHARGE PLAN APPLICATION FOR BRINE EXTRACTION FACILITES
(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☐ Renewal

I. Facility Name: _____

II. Operator: _____

Address: _____

Contact Person: _____ Phone: _____

III. Location: _____/4 _____/4 Section _____ Township _____ Range _____
Submit large scale topographic map showing exact location.

IV. Attach the name and address of the landowner of the facility site.

V. Attach a description of the types and quantities of fluids at the facility.

VI. Attach a description of all fluid transfer and storage and fluid and solid disposal facilities.

VII. Attach a description of underground facilities (i.e. brine extraction well).

VIII. Attach a contingency plan for reporting and clean-up of spills or releases.

IX. Attach geological/hydrological evidence demonstrating that brine extraction operations will not adversely impact fresh water.

X. Attach such other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.

XI. CERTIFICATION:

I hereby certify under penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment.

Name: _____ Title: _____

Signature: _____ Date: _____

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised January 24, 2001

Submit Original
Plus 1 Copy
to Santa Fe
1 Copy to Appropriate
District Office

DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES,GAS PLANTS, REFINERIES, COMPRESSOR, GEOTHERMAL FACILITES AND CRUDE OIL PUMP STATIONS

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☐ Renewal ☐ Modification

1. Type: _____

2. Operator: _____

Address: _____

Contact Person: _____ Phone: _____

3. Location: _____/4 _____/4 Section _____ Township _____ Range _____
Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility.

6. Attach a description of all materials stored or used at the facility.

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.

10. Attach a routine inspection and maintenance plan to ensure permit compliance.

11. Attach a contingency plan for reporting and clean-up of spills or releases.

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.
13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCD rules, regulations and/or orders.
14. CERTIFICATIONI hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: _____ Title: _____

Signature: _____ Date: _____

APPENDIX C

NEW MEXICO

OIL CONSERVATION DIVISION

ENFORCEMENT GUIDELINES

OIL CONSERVATION DIVISION

ENFORCEMENT GUIDELINES

State of New Mexico
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505
(505) 476-3440

OCD
ENFORCEMENT GUIDELINES

This document is intended to collect in one document enforcement tools employed by the New Mexico Oil Conservation Division (hereinafter referred to as "OCD"). It is hoped this document will assist OCD Districts and Bureaus to improve enforcement of the statutes, rules and orders which govern oil and gas operations in New Mexico. It is also hoped that this document will assist the regulated industries to understand OCD's enforcement procedures and rationale and thereby increase voluntary compliance with the statutory and regulatory scheme.

I. THE NEW MEXICO REGULATORY SCHEME.

A. The Regulatory Basis for Enforcement Activities.

Many aspects of oil and gas operations in New Mexico are regulated. The Oil and Gas Act, NMSA 1978, § 70-2-1 et seq. and the Water Quality Act, NMSA 1978, § 74-6-1 et seq. (hereinafter referred to collectively as "the Acts") require certain drilling, production, processing, transporting and production practices and delegate authority to OCD and the Oil Conservation Commission (hereinafter referred to as "the Commission") to regulate these activities. The Commission has promulgated rules (19 NMAC) and numerous orders which regulate in the aforementioned areas.

B. Examples of Violations.

Failure to adhere to the statutes, rules or orders referred to in the previous paragraph may result in enforcement action. It is not within the scope of this document to enumerate all possible violations of the acts, rules and orders. However, by way of introduction to the enforcement processes, examples of common violations that may result in enforcement may be useful. Common violations include failure to file production or other required reports, failure to properly plug or temporarily abandon a well, failure to report or remediate spills or leaks, improper disposal of oilfield waste, failure to follow an approved discharge plan, failure to submit or follow an abatement plan, failure to properly place signage or failure to test when required.

II. VOLUNTARY COMPLIANCE.

An important goal of the Energy, Minerals and Natural Resources Department and its OCD is to assist the regulated industries to voluntarily comply with the statutes, rules and orders. Therefore, this document must be interpreted flexibly; field personnel should work with the regulated industry when appropriate to resolve compliance issues that arise.

III. INTRODUCTION TO THE ENFORCEMENT GUIDELINES.

The enforcement guidelines are in two main sections - a section on enforcement techniques that can be employed to achieve compliance, and a section on violations in need of immediate response. The enforcement tools are set out in a step-by-step manner; however, District and Bureau personnel should exercise judgment in the selection of a process that is appropriate to the situation. Not all violations should be enforced in a step-by-step manner; for example, when a violation is repeated or is intentional, nothing in the statutes, rules or orders require handling the violation in a step-by-step manner. Personnel should consult with the District Supervisor, Bureau Chief, the Director of the Oil Conservation Division (hereinafter referred to as "the Director") and OCD Legal as appropriate to select the most appropriate process for the situation.

IV. PROGRESSIVE ENFORCEMENT.

A. Discovery of a Violation.

A violation may be discovered during a field inspection, during a review of documents (such as a well file), during computerized tracking (ONGARD)(RBDMS) or when reported by a third party. Once a violation is discovered, enforcement action may be taken.

B. Step 1 - Evaluate Circumstances.

Upon discovery, the circumstances of the violation should be investigated and evaluated. The applicable statute or rule of OCD or the Water Quality Control Commission (hereinafter referred to as "WQCC") should be identified to aid in thorough and accurate investigation. If the circumstances dictate that immediate action should be taken (such as a spill, pipeline rupture or blowout), immediate enforcement action may be needed, and some options in this regard are discussed in section V below. If the circumstances dictate that a step-by-step approach is appropriate, the violation may instead be addressed pursuant to the enforcement procedures described in the following paragraphs. In general, field personnel of a District or Bureau shall make the initial evaluation of the threat the violation poses, in consultation with the District Supervisor or Bureau Chief as necessary.

C. Step 2 - Verbal or Written Directive.

Once the threat is evaluated pursuant to the previous paragraph and found not to be immediate, enforcement may commence. Step 2 involves delivery of a verbal or written directive to the violator(s). The directive should identify the statute, rule or order violated. The directive may also order correction or cessation of the activity at issue and provide a reasonable time to correct the problem. The directive may refer to the Oil and Gas Act or Water Quality Act or rules of the OCD or WQCC and possible consequences

of the violation, such as civil or criminal penalties. Field personnel of a District or Bureau should, in most cases, issue the directive.

D. Step 3 - Document the Directive.
The fact that a directive was issued, even if issued orally, should be documented. For example, the violation and the verbal/written directive may be documented as appropriate in RBDMS, field/phone notes and well files. E-mail may be used to document the violation so long as a copy of the E-mail is placed in the relevant file. All evidence pertinent to the violation should be gathered, documented and stored (e.g. photographs, documents, samples and written statements).

E. Step 4 - Repeat Directive.
If no response is received to the directive, a second directive may be issued, if appropriate. If the first directive was oral, the second should be in writing. If the first directive was in writing, the second should clearly state it is a second notice. Certified mail may be used to focus attention on the seriousness of the situation.

F. Step 5 - Evaluate Response/Select Remedy.
F.1. Inadequate or No Response
The District Supervisor or Bureau Chief should, in most cases, determine whether a response received to the directive is adequate. If no response is received, or if a response is received which is inadequate, a Notice of Violation should immediately be issued and further enforcement action considered.
F.2. Adequate Response
If the response is adequate, a corrective action plan may be agreed upon. A corrective action plan may be oral, but even if oral should be documented. If written, the assistance of OCD Legal may be sought to prepare an appropriate document to memorialize the plan. If a corrective action plan is agreed upon, the matter shall remain at the District or Bureau unless the corrective action plan is not performed fully.

G. Step 6 - Issuance of Notice of Violation ("NOV").
If no response is received to the directive, or if the response received is inadequate, or if the person fails to follow an agreed-upon corrective action plan, a letter setting forth a Notice of Violation ("NOV") may be sent, certified mail, and a copy of the NOV posted at the well or site, if practicable. The NOV shall identify the statute, rule or order violated, order correction or cessation of the activity at issue, and order immediate compliance. The NOV may include a notice of intent to issue an order to shut-in production, cancel an allowable, temporarily cancel oil and gas transport authority, order temporary abandonment or permanent abandonment, or other appropriate action. A copy of the NOV should be forwarded to OCD Legal.

H. Step 7 - Follow-up of NOV.

If no response is received to the NOV or if an inadequate response is received, the District or Bureau may make additional follow-up efforts to obtain voluntary compliance. These efforts may be in writing or oral, but all such efforts should be documented in the appropriate file. These efforts may be supported by OCD Legal as necessary. If appropriate to the situation, the violator may be informed of subsequent enforcement steps that may be considered, as well as possible penalties of continued non-compliance. In addition, an order may be issued shutting-in production of a particular well, unit or project, temporarily canceling oil and gas transport authority, ordering temporary abandonment, ordering permanent abandonment or suspending action on pending applications. The Director and OCD Legal should be consulted in appropriate circumstances.

I. Step 8 - Decision on Further Enforcement.

If the measures described previously fail to result in compliance, the District Supervisor or Bureau Chief, in consultation with the Director and OCD Legal, should make a decision on further enforcement action from among the alternatives described below.

J. Orders to Show Cause.

J.1. When Issued.

An Order to Show Cause may be issued in instances where a violation is committed by a person under the regulatory authority of OCD (e.g. current operator or a holder of a discharge plan approved by OCD). An Order to Show Cause requires the regulated person to show OCD, in the context of a formal hearing before a hearing examiner, or, as appropriate, before the Oil Conservation Commission, why the authority granted by OCD should not be revoked, why subsequent orders should not be issued which require correction of the problem, why penalties should not be imposed or why other appropriate action should not be taken.

J.2. Step 9 - Application for Show Cause Order.

District or Bureau field personnel may apply to the Director for an Order to Show Cause concerning the violation. The application must be in writing, must be in the form described in Rule 1203, and must be prepared with the assistance of OCD Legal. The Director will, in most cases, direct the application to an examiner for hearing. In other cases, the Director may direct the application to the Oil Conservation Commission for hearing.

J.3. Step 10 - Preparation for Hearing.

Once the application is made and a hearing has been scheduled, a copy of the District or Bureau file should be sent to OCD Legal. The file should include copies of any advisory or NOV that was issued. Notice pursuant to Rule 1207 should be served on the person and on other persons affected by the order (e.g., surety companies/banks for bonds or letters of credit, transporters, etc.). If the violating party desires to negotiate concerning the NOV and pending hearing, a continuance may be granted by the hearing examiner or

the Oil Conservation Commission, as appropriate, until the issues are resolved. OCD Legal may initiate settlement negotiations with the violating party at any time in an attempt to resolve the matter prior to the hearing. OCD Legal shall inform the District or Bureau of evidence (witness statements, photos, documents, trip reports, analyses) and witnesses needed for the hearing. In most cases, the District or Bureau should have a pre-hearing meeting with OCD Legal to review testimony and discuss the evidentiary needs.

J.4. Step 11 - Hearing/Issuance of Order to Show Cause.

A hearing on the Order to Show Cause shall be held before an examiner (or the Oil Conservation Commission, as appropriate). During the hearing, the person to whom the Order to Show Cause was issued shall appear and show cause why the authority granted by OCD should not be revoked, why subsequent orders should not issue, why penalties should not be imposed or other appropriate action taken. The District or Bureau witnesses shall testify to the violation and subsequent course of events and, within a reasonable time following the hearing, an appropriate order shall be issued.

J.5. Step 12 - Compliance Monitoring.

After an order has been issued and served, District or Bureau field personnel should monitor compliance with the terms of the order. If monitoring indicates that further action is needed, the District Supervisor or Bureau Chief will consult with the Director and OCD Legal on an appropriate course of action.

J.6. Step 13 - Appeal de novo.

If the matter was heard before a hearing examiner, the person to whom the order pertains may file a request for a hearing de novo before the Oil Conservation Commission.

J.7. Step 14 - Appeal, District Court.

After an order resulting from the hearing before the Oil Conservation Commission has been issued and rehearing has been conducted or denied, the order may be appealed to the District Court. The District Court may, upon application, stay further enforcement action pending its decision on the record. An appeal to appellate court(s) may follow.

J.8. Step 15 - Appeal - Department Secretary.

After an Order has been issued by the Oil Conservation Commission and rehearing has been conducted or denied, the Order may be appealed to the Secretary of the Department of Energy, Minerals and Natural Resources. The Secretary may conduct a hearing concerning whether the order or decision of the Oil Conservation Commission contravenes the public interest.

K. Compliance Orders.

K.1. When Issued.

The Director may issue a Compliance Order (hereinafter referred to as "CO") to address violations of the Water Quality Act, the Oil and Gas Act or rules or orders of the Commission. A CO may address issues that arise, for example, from violations of rules 18, 19, 116, 310 and 711 or other rules of the OCD or WQCC, as appropriate.

K.2. Step 9B - Application for Compliance Order.
Field personnel of the District or Bureau may apply to the Director for issuance of a CO. The application should be in writing and must be prepared with the assistance of OCD Legal. Depending on the circumstances, a hearing may be required before issuance. See Step 11B. The application should include a draft form of Order including the relief requested (such as compliance, remedial measures to be required and recommended penalties). Penalties include: (a) for violations arising of the Water Quality Act, the CO may require compliance immediately or within a specified time period, may assess a civil penalty of up to Fifteen Thousand Dollars ($15,000) per day of noncompliance, and/or suspend or terminate the relevant permit or, if a time period to comply is provided in an earlier CO, a subsequent CO may assess a civil penalty of twenty-five thousand dollars ($25,000) for each day of continued noncompliance and suspend or terminate the relevant permit; or (b) for violations arising out of the Oil and Gas Act, a CO may require compliance immediately or within a specified time period, may assess a civil penalty of up to One Thousand Dollars ($1,000) per violation, or One Thousand Dollars ($1,000) per day of continuing noncompliance, and/or suspend or terminate the relevant permit.

K.3. Step 10B - Issuance of Compliance Order.
The Director may issue the CO as appropriate.

K.4. Step 11B - Determine Whether a Hearing Should be Scheduled.
Any CO which is issued pursuant to the Water Quality Act becomes final unless, no later than thirty (30) days after being served, the person to whom the CO applies submits a written request to the Water Quality Control Commission for a public hearing. Once a CO is issued, District or Bureau staff should calendar the due date for such a request. If a request for hearing is served, District or Bureau staff should forward the request and all pertinent documentation to the WQCC for docketing. If no request is forthcoming, no hearing should be scheduled. Any CO which is applied for pursuant to the Oil and Gas Act shall be scheduled for a hearing before a hearing examiner or the Commission, as appropriate, before the CO is issued.

K.5. Step 12B - Preparation for Hearing.
If a hearing is scheduled, a copy of the District or Bureau file must be sent to OCD Legal. The file should include copies of any advisory or NOV that was issued, the CO and all supporting documentation. Notice appropriate to the situation should be served. If the violating party desires to negotiate concerning the CO and pending hearing, a continuance may be granted by the Hearing Examiner or the Commission, as appropriate, until the issues are resolved. OCD Legal shall inform the District or Bureau of evidence needed to present and witnesses needed for the hearing.

K.6. Step 13B - Public Hearing.

K.6.a. Under the Water Quality Act.
District or Bureau staff, supported by OCD Legal, shall present the matter to the WQCC. District or Bureau witnesses shall testify to the violation and subsequent course of events and, after the hearing, an appropriate order shall be issued and served.
K.6.b. Under the Oil and Gas Act.
A CO under the Oil and Gas Act shall be issued only after hearing. The person committing the violation(s) shall be given notice appropriate to the situation. During the hearing, District or Bureau witnesses, supported by OCD Legal, shall testify to the violation and subsequent course of events. Within a reasonable time following the hearing, an appropriate order shall be issued.

K.7. Step 14B - Appeal de novo.
If the matter was heard before a hearing examiner of OCD, the person to whom the Order pertains may file a request for a hearing de novo before the Oil Conservation Commission.

K.8. Step 15B - Compliance Monitoring.
After a CO has been issued and served, District or Bureau field personnel should monitor compliance with the terms of the order. If monitoring indicates that further action is needed, the District Supervisor or Bureau Chief will consult with the Director and OCD Legal on an appropriate course of action.

K.9. Step 16 - Appeal.
K.9.a. Court of Appeals.
After issuance of an affirmance of a CO by the WQCC, the person aggrieved may appeal to the Court of Appeals.
K.9.b. District Court.
After a CO has been issued under the Oil and Gas Act and rehearing has been conducted or denied, an appeal to the District Court may be filed. The District Court may, upon application, stay further enforcement action pending its decision on the record. An appeal to appellate court(s) may follow.
K.9.c. Appeal - Department Secretary.
After a CO has been issued by the Oil Conservation Commission under the Oil and Gas Act and rehearing has been conducted or denied, the person to whom the Order pertains may appeal to the Secretary of the Department of Energy, Minerals and Natural Resources. The Secretary may conduct a hearing concerning whether the order or decision of the Oil Conservation Commission contravenes the public interest.

V. IMMEDIATE ACTION.

A. Emergencies and Response Action.

It is beyond the scope of this document to address emergency response, which is handled pursuant to OCD's emergency response procedures. However, should the need for immediate enforcement arise, emergency enforcement measures may be required which are described briefly below. In all cases requiring immediate enforcement measures, the District or Bureau should immediately notify the Director and OCD Legal of the situation and take appropriate emergency response measures to abate or mitigate the threat pursuant to established procedures.

B. Emergency Administrative Orders.

B.1. Rule 1202 Administrative Order.

If an emergency is found to exist that requires issuance of an order without a hearing, the OCD or OCC may promulgate an emergency order pursuant to Rule 1202. An order issued pursuant to Rule 1202 shall remain in force no longer than fifteen (15) days from its effective date.

B.2. 72-Hour Orders Pursuant to the Water Quality Act.

If a pollution source or combination of sources poses an immediate and substantial danger to public health, a 72-hour emergency order may be issued by the Director or the OCC, as appropriate. If time permits, the District or Bureau may apply to the Director for such an Order, and OCD Legal may assist the District or Bureau with the application and a draft Order. An emergency order issued hereunder may be supplemented by an application to the district court for further orders.

C. Subsequent Actions.

After issuance and service of an emergency order, steps should be immediately taken by the District or Bureau to make the order permanent, if appropriate. Thus, the District or Bureau should immediately prepare a CO or an application for a hearing to show cause, or should coordinate with OCD Legal in an application to the District Court for further relief.

VI. SETTLEMENT.

Settlement may be undertaken at any time during the foregoing proceedings. The District Supervisor or Bureau Chief, in consultation with the Director, may agree to a settlement upon terms that are mutually agreeable and which safeguard the rights of relevant persons. If a formal settlement agreement is to be prepared, the District or Bureau may draft the document, with the assistance of OCD Legal. Field personnel of the District or Bureau shall monitor performance of the settlement agreement and report any subsequent violations to the Director and OCD Legal, who will take appropriate follow-up actions.

VII. PENALTIES.

A. Introduction.

It is beyond the scope of this document to detail all penalties that can be imposed upon violation of the Acts, rules or orders. Examples are listed below to assist Districts and Bureaus to prepare applications and orders. Choice of the penalty appropriate to the situation should be carefully considered and, when questions arise, consultation should be undertaken with the District Supervisor, Bureau Chief, the Director and OCD Legal.

B. Examples of Penalties.

B.1. Shut-in well.

For a producing oil or gas well, an effective remedy for a violation is to terminate production from the well, commonly referred to in the industry as "shutting-in" the well. An order to shut-in a well, unit or project may be issued in a NOV, a CO or following hearing on an Order to Show Cause, as appropriate. A shut-in order may order production halted, and may also withdraw transport authority. An order to shut-in a well, unit or project may also order transporters (e.g. gathering companies, pipeline companies, and surface transporters) not to take product from a well, unit or project.

B.2. Cancel Allowable - Terminate Production.

For an oil or gas well which is producing from a prorated oil or gas pool, an effective remedy for a violation is termination of the allowable and production pursuant to rules 601-604. The oil or gas well allowable may be cancelled in a NOV, a CO or following a hearing on an Order to Show Cause, as appropriate. Subsequent orders may order production halted. Subsequent orders may also order transport authority revoked, and transporters (e.g. gathering companies, pipeline companies, and surface transporters) not to transport or take product from a well.

B.3 Plugging and Abandonment of Wells.

For an oil and gas well which is not producing, a remedy for a violation is an order directing the relevant person or persons to either temporarily abandon the well pursuant to the rules or permanently plug and abandon the well. An order to plug and abandon a non-producing well may be issued after hearing or in a CO. The Oil and Gas Reclamation Fund may be expended to permanently plug and abandon wells; however, such an order may be issued only after notice and hearing; therefore an Order to Show Cause is necessary to impose this penalty.

B.4. Permit Revocation/Water Quality Act.

For an oil and gas operator who holds a discharge permit pursuant to the Water Quality Act, a remedy for a violation is an order revoking the relevant permit (and other permits). An order revoking a discharge permit may be issued after hearing or in a CO.

B.5. Civil Penalty Assessment.

A civil penalty assessment in the amount of up to $1,000 for each day of violation may be assessed by OCD for violations of the Oil and Gas Act.). A civil penalty of up to $25,000 per day of noncompliance may be issued for violations of the Water Quality Act. An order imposing a civil penalty may be issued after hearing or in a CO. OCD Legal shall recover the amount of the assessment in District Court, if necessary.

B.6. Forfeiture of Financial Assurance.
For an oil and gas operator with financial assurance required by Rule 101, a remedy for violation is forfeiting the plugging and/or reclamation bond or making a draft on a letter of credit, generally upon failure of the operator to comply with an order to plug and abandon a well or properly reclaim a site. OCD Legal will collect the forfeited financial assurance.
B.7. Indemnity.
Where the costs of properly plugging exceed the amount recovered from the financial assurance under the preceding section, OCD Legal may institute proceedings to recover the unrecovered plugging costs from the relevant person.
B.8. Seizure and Sale.
Under rare circumstances, seizure and sale of illegal oil or gas that is produced or transported may be ordered. OCD Legal will initiate such a proceeding in District Court in rem.
B.9. Criminal penalties.
Under appropriate circumstances, criminal penalties for noncompliance with the acts and rules may be imposed. Where appropriate, OCD Legal and/or the Director may apply to the proper authorities for imposition of criminal penalties.

VIII. CAVEAT CONCERNING LEGAL EFFECT OF THESE GUIDELINES.
This document is intended to collect enforcement tools that presently exist in statutes, rules and orders, and to collect in written form processes which have been employed by the agency historically when faced with the need to enforce a statute, rule or order. This document is not intended to create new enforcement tools or to require a particular procedure to be used in any particular case; nor is it intended to create rights or responsibilities which are not otherwise set out in statutes, rules or orders.
ISSUED this _____ day of September, 2000.
THE OIL CONSERVATION DIVISION
By_____
Lori Wrotenbery, Director