

**This is an amendment to 19.15.18 NMAC, Sections 1, 3, 8, 11, 12, 14, and 16, effective \_\_\_\_\_.**

**19.15.18.1 ISSUING AGENCY:** Oil Conservation Commission.

[19.15.18.1 NMAC - N, 12/1/2008; A, xx/xx/xxxx]

**19.15.18.3 STATUTORY AUTHORITY:** 19.15.18 NMAC is adopted pursuant to the Oil and Gas Act, Section 70-2-6, Section 70-2-11 and Section 70-2-12 NMSA 1978.

[19.15.18.3 NMAC - N, 12/1/2008; A, xx/xx/xxxx]

**19.15.18.8 GAS-OIL RATIO AND PRODUCTION TESTS:**

**A.** An operator shall take a gas-oil ratio test no sooner than 20 days nor later than 30 days following the completion or recompletion of each oil well, if:

- (1) the well is a wildcat, or
- (2) the well is located in a pool that is not exempt from 19.15.18.8 NMAC's requirements.

**B.** Provisions of 19.15.18.8 NMAC that are applicable to the pool shall govern wells completed within one mile of the outer boundary of a defined oil pool producing from the same formation. The operator shall report the test results to the division on form C-116 within 10 days following the test's completion. The gas-oil ratio the operator reports shall become effective for proration purposes on the first day of the calendar month following the date they are reported.

**C.** Each operator shall take an annual gas-oil ratio test of each producing oil well, located within a pool not exempted from the requirements of 19.15.18.8 NMAC, during a period the division prescribes. The division shall establish a gas-oil ratio survey schedule setting forth the period in which operators are to take gas-oil ratio tests for each pool where the division requires a test. The gas-oil ratio test shall be a test the division designates, made by the method and in the manner the division in its discretion may prescribe from time to time.

**D.** An operator shall file the results of gas-oil ratio tests taken during survey periods with the division on form C-116 not later than the 10<sup>th</sup> of the month following the close of the survey period for the pool in which the well is located. The gas-oil ratios thus reported shall become effective for proration purposes on the first day of the second month following the survey period's close. Unless the operator files form C-116 within the required time limit, the division shall not assign a further allowable to the affected well until the operator file form C-116.

**E.** In the case of special tests taken between regular gas-oil ratio surveys, the gas-oil ratio becomes effective for proration purposes upon the date the division receives form C-116 reporting the test results. A special test does not exempt a well from the regular survey.

**F.** During a gas-oil ratio test, an operator shall not produce a well at a rate exceeding the top proration unit allowable for the pool in which it is located by more than ~~25~~ twenty-five percent.

**G.** The director may exempt such pools as the director deems proper from the gas-oil ratio test requirements of 19.15.18.8 NMAC. The exemption shall be by division order directed to the operators in the pool being exempted.

**H.** The director may require annual productivity tests of oil wells in pools exempt from gas-oil ratio tests, during a period the division prescribes. The division shall establish an oil well productivity survey schedule setting forth the period in which productivity tests are to be taken for each pool where the division requires the tests.

**I.** An operator shall file the results of productivity tests taken during survey periods with the division on form C-116 (with the word "exempt" inserted in the column normally used for reporting gas production) not later than the 10th of the month following the close of the survey period for the pool in which the well is located. Unless the operator files form C-116 within the required time limit, the division shall not assign further allowables to the affected well until the operator files form C-116.

**J.** In the case of special productivity tests taken between regular test survey periods, which result in a change of allowable assigned to the well, the allowable change shall become effective upon the date the division receives form C-116. A special test does not exempt a well from the regular survey.

**K.** During the productivity test, an operator shall not produce a well at a rate exceeding the top proration unit allowable for the pool in which it is located by more than ~~25~~ twenty-five percent.

[19.15.18.8 NMAC - Rp, 19.15.5.301 NMAC, 12/1/2008; A, xx/xx/xxxx]

**19.15.18.11 [RESERVED]**

[19.15.18.11 NMAC - Rp, 19.15.5.305 NMAC, 12/1/2008; Repealed, xx/xx/xxxx]

**19.15.18.12 [RESERVED]**

[19.15.18.12 NMAC - Rp, 19.15.5.306 NMAC, 12/1/2008; Repealed, xx/xx/xxxx]

**19.15.18.14 PRODUCED WATER:** An operator shall report monthly on form C-115 the amount of water produced with the oil and gas from each well.

[19.15.18.14 NMAC - Rp, 19.15.5.308 NMAC, 12/1/2008; A, xx/xx/xxxx]

**19.15.18.16 TANKS, OIL TANKS, FIRE WALLS AND TANK IDENTIFICATION:**

**A.** No person shall store or retain oil in earthen reservoirs or in open receptacles. Dikes or fire walls are not required except an operator shall erect and maintain fire walls around permanent oil tanks or tank batteries that are within the corporate limits of a city, town or village, or where such tanks are closer than 150 feet to a producing oil or gas well or 500 feet to a highway or inhabited dwelling or closer than 1000 feet to a school or church, or where the tanks are so located that the division deems them an objectional hazard. Where fire walls are required, fire walls shall form a reservoir having a capacity one-third larger than the capacity of the enclosed tank or tanks.

**B.** The operator shall identify oil tanks, tank batteries, ACT systems, tanks used for ~~salt~~ produced water collection or disposal and tanks used for sediment oil treatment or storage by a sign posted on or not more than 50 feet from the tank, tank battery or system. The sign shall be of durable construction and the operator shall keep the lettering on the sign in a legible condition; the lettering shall be large enough to be legible under normal conditions at a distance of 50 feet and the sign shall identify the operator's name, the name of the lease being served by the tank or system, if any, and the location of the tank or system by unit letter, section, township and range.

[19.15.18.16 NMAC - Rp, 19.15.5.310 NMAC, 12/1/2008; A, xx/xx/xxxx]