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**UIC CLASS V
GEOTHERMAL
REGULATIONS**

2019



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6

1445 ROSS AVENUE, SUITE 1200

DALLAS, TEXAS 75202 – 2733

Office of the Regional Administrator

March 18, 2019

The Honorable Michelle Lujan Grisham
Governor of New Mexico
490 Old Santa Fe Trail Room 400
Santa Fe, New Mexico 87501

Dear Governor Grisham:

Section 145.32 of Title 40 of the Code of Federal Regulations (40 CFR) provides procedures for revisions to approved State Underground Injection Control (UIC) programs. The New Mexico UIC program to administer Class I, II, III, IV and V injection wells, as codified at 40 CFR Section 147.1601, has been revised as part of New Mexico's recent modifications of its environmental programs. Therefore, the New Mexico Energy, Minerals, and Natural Resources Department submitted the following changes to its program:

- Transfer of Class V geothermal well regulation from the Energy, Minerals and Natural Resources Department's Oil Conservation Division to the Energy Conservation and Management Division. The rules were codified in the New Mexico Administrative Code at 19.11.1 through 19.11.4 NMAC, effective February 27, 2018.

The above revision to the UIC program has been reviewed and determined to be non-substantial based on the requirements of 40 CFR Part 145, the Safe Drinking Water Act and related guidance. Therefore, I am pleased to approve this revision to the State's UIC program.

If you have any questions, please contact me at (214) 665-2100, or your staff may contact Ms. Carmen Assunto, State and Local Government Liaison, at (214) 665-2200.

Sincerely,

A handwritten signature in black ink, which appears to read "Anne L. Idsal", is positioned above the printed name.

Anne L. Idsal
Regional Administrator

cc: Cabinet Secretary Sarah Propst
New Mexico Energy, Minerals and
Natural Resources Department

NEW MEXICO CLASS II REVISION FACT SHEET

WHAT DID THEY PROPOSE TO CHANGE?

- Remove inconsistent and repetitive language regarding the scope of the rule
- Replace the “old” language describing the types of wells covered by the rule and the types of substances that could be injected with the classification of Class II wells found in the federal rules
- Eliminate unnecessary definition, combine procedures and improve the clarity of the rule

SPECIFICS:

- 1) 19.15.26.1 NMAC ISSUING AGENCY - Amended to clarify that the New Mexico Oil Conservation Commission rather than the Oil Conservation Division is the agency issuing the rule
- 2) 19.15.26.2 NMAC SCOPE – Deleted language that lists the types of wells covered by this section and simply defined the scope as injection wells under the Oil and Gas Act. Added language to clarify that this rule does not apply to other classes of injection wells regulated under the Water Quality Act, the Geothermal Resources Development Act and the Surface Mining Act. These wells are regulated under New Mexico’s approved program for Class I, III and V wells 40 CFR 147.1601
- 3) 19.15.26.3 NMAC STATUTORY AUTHORITY - Amended to specify the subsection in the Oil and Gas Act relating to the regulation of injection wells and to delete unnecessary language listing wells covered by the rule.
- 4) 19.15.26.6 NMAC OBJECTIVE – Amended to clarify that this rule is intended to both implement the Oil and Gas Act and to maintain primacy under the federal Safe Drinking Water Act. Deleted unnecessary language listing the types of injection covered by the rule.
- 5) 19.15.26.7 NMAC DEFINITIONS – Amended to add a definition of “fluids” taken from the federal rules, 40 CFR 144.3 Deleted other definitions (“affected person”, “pressure maintenance project”, “water flood project”) because they are either no longer needed or are defined elsewhere in the 19.15.2.7 NMAC rule
- 6) 19.15.26.8 NMAC INJECTION OF FLUIDS INTO RESERVOIRS – Deleted two differing descriptions of the projects covered by this rule and replaced the language with the description of Class II wells found in the federal regulations 40 CFR 144.6 (b). Combined Subsections F and G to provide a single application process for pressure maintenance, secondary recovery and enhanced oil recovery projects.
- 7) 19.15.26.12 NMAC COMMENCEMENT, DISCONTINUANCE AND ABANDONMENT OF INJECTION OPERATIONS
19.15.26.13 NMAC RECORDS AND REPORTS – Amended these two sections to replace the term salt water disposal” with “produced water disposal”

WHY THESE ARE NON-SUBSTANTIAL?

This Program Revision does not involve any significant changes to the existing New Mexico UIC regulations. The scope of the Class II well remains the same and the same agency administers the program.

Code of New Mexico Rules Currentness
Title 19. Natural Resources and Wildlife
Chapter 15. Oil and Gas
Part 26. Injection (Refs & Annos)

N.M. Admin. Code 19.15.26

19.15.26. INJECTION

19.15.26.1 ISSUING AGENCY: Oil Conservation Commission.

[19.15.26.1 NMAC - Rp, [19.15.9.1 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.2 SCOPE: 19.15.26 NMAC applies to persons constructing, operating or closing an injection well under the Oil and Gas Act. 19.15.26 NMAC does not apply to other classes of injection wells regulated under the Water Quality Act, the Geothermal Resources Development Act or the Surface Mining Act.

[19.15.26.2 NMAC - Rp, [19.15.9.2 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.3 STATUTORY AUTHORITY: 19.15.26 NMAC is adopted pursuant to the Oil and Gas Act, Section 70-2-6, Section 70-2-11 and Paragraphs (13), (14), (15), (21) and (22) of [Subsection B of Section 70-2-12 NMSA 1978](#).

[19.15.26.3 NMAC - Rp, [19.15.9.3 NMAC](#), 12/1/2008; A, 12/27/2018]

Credits

19.15.26.4 DURATION: Permanent.

[19.15.26.4 NMAC - Rp, [19.15.9.4 NMAC](#), 12/1/08]

19.15.26.5 EFFECTIVE DATE: December 1, 2008, unless a later date is cited at the end of a section.

[19.15.26.5 NMAC - Rp, [19.15.9.5 NMAC](#), 12/1/08]

19.15.26.6 OBJECTIVE: To regulate injection wells under the Oil and Gas Act and to maintain primary enforcement authority for the Safe Drinking Water Act ([42 U.S.C. 300f et seq.](#)) Underground Injection Control (UIC) program for UIC Class II wells.

[19.15.26.6 NMAC - Rp, [19.15.9.6 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.7 DEFINITIONS: “Fluid” means any material or substance which flows or moves whether in a semisolid, liquid, sludge, gas or any other form or state.

19.15.26.7 NMAC - Rp, [19.15.9.701 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.8 INJECTION OF FLUIDS INTO RESERVOIRS:

A. Permit for injection required

(1) A permit is required under 19.15.26 NMAC for any injection wells that inject:

(a) produced water or other fluids that are brought to the surface in connection with natural gas storage operations or conventional oil or natural gas production and may be commingled with waste waters from gas plants that are an integral part of production operations, unless those waters are classified as a hazardous waste at the time of injection;

(b) fluids for enhanced recovery of oil or natural gas; and

(c) fluids for storage of hydrocarbons that are liquid at standard temperature and pressure.

(2) The division shall grant a permit for injection under 19.15.26.8 NMAC only to an operator who is in compliance with [Subsection A of 19.15.5.9 NMAC](#). The division may revoke a permit for injection issued under 19.15.26.8 NMAC after notice and hearing if the operator is not in compliance with [Subsection A of 19.15.5.9 NMAC](#).

B. Method of making application.

(1) The operator shall apply for authority to construct and operate an injection well by submitting form C-108 complete with all attachments to the division.

(2) The applicant shall furnish, by certified or registered mail, a copy of the application to each owner of the land surface on which each injection or disposal well is to be located and to each leasehold operator and other affected persons, as defined in [Subsection A of 19.15.2.7 NMAC](#), within any tract wholly or partially contained within one-half mile of the well.

C. Administrative approval.

(1) If the application is for administrative approval rather than for a hearing, it shall be accompanied by a copy of a legal notice the applicant published in a newspaper of general circulation in the county in which the proposed injection well is located. The legal notice shall include:

- (a) the applicant's name, address, phone number and contact party;
 - (b) the injection well's intended purpose, with the exact location of single wells or the section, township and range location of multiple wells;
 - (c) the formation name and depth with expected maximum injection rates and pressures; and
 - (d) a notation that interested parties shall file objections or requests for hearing with the division within 15 days.
- (2) The division shall not approve an application for administrative approval until 15 days following the division's receipt of form C-108 complete with all attachments including evidence of mailing as required under Paragraph (2) of Subsection B of 19.15.26.8 NMAC and proof of publication as required by Paragraph (1) of Subsection C of 19.15.26.8 NMAC.
- (3) If the division does not receive an objection within the 15-day period, and a hearing is not otherwise required, the division may approve the application administratively.

D. Hearings. If a written objection to an application for administrative approval of an injection well is filed within 15 days after receipt of a complete application, if 19.15.26.8 NMAC requires a hearing or if the director deems a hearing advisable, the division shall set the application for hearing and give notice of the hearing.

E. Produced water disposal wells.

- (1) The director may grant an application for a produced water disposal well administratively, without hearing, only 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 the waters are to be disposed of into a formation older than Triassic (Lea county only) and the division receives no objections pursuant to Subsection C of 19.15.26.8 NMAC.
- (2) The division shall not permit disposal into zones containing waters having total dissolved solids concentrations of 10,000 mg/l or less except after public notice and hearing, provided that the division may, by order issued after public notice and hearing, establish exempted aquifers for such zones where the division may administratively approve the injection.
- (3) Notwithstanding the provisions of Paragraph (2) of Subsection E of 19.15.26.8 NMAC, the director may authorize disposal into such zones administratively if the waters to be disposed of are of higher quality than the native water in the disposal zone.

F. Pressure maintenance, secondary recovery and enhanced oil recovery injection projects.

- (1) The division shall set applications for establishment of pressure maintenance, secondary recovery and enhanced oil recovery injection projects for hearing. The division shall fix the project area and the allowable formula for an injection project on an individual basis after notice and hearing.
- (2) The project area of an injection project shall comprise the spacing or proration units a given operator owns or operates upon which injection wells are located plus spacing or proration units the same operator owns or operates that directly or diagonally offset the injection tracts and have producing wells completed on them in the same formation; provided however, that the division may include in the project area additional spacing or proration units not directly or diagonally offsetting an injection tract if, after notice and hearing, the operator establishes that the additional units have wells completed on the unit that have experienced a substantial response to water injection.
- (3) The allowable the division assigns to wells in an injection project area shall equal the wells' ability to produce and is not subject to the depth bracket allowable for the pool or to the market demand percentage factor.
- (4) Nothing in Subsection F of 19.15.26.8 NMAC shall prohibit the division's assignment of special allowables to wells in buffer zones after notice and hearing. The division may assign special allowables in the limited instances where it is established at a hearing that it is imperative for the protection of correlative rights to do so.
- (5) The division may authorize the expansion of injection projects and the placement of additional wells on injection after hearing or administratively, subject to the notice requirements of Subsection B of 19.15.26.8 NMAC.
- (6) The director may grant an exception to the hearing requirements of Subsection A of 19.15.26.8 NMAC for conversion to injection of additional wells provided that the wells are necessary to develop or maintain thorough and efficient injection operations for an authorized project and provided that the division does not receive an objection pursuant to Subsection C of 19.15.26.8 NMAC.
- (7) An established injection project shall have only one designated operator. The division shall set for hearing an application for exception.

G. Storage wells.

- (1) The director may grant administratively, without hearing, an application for the underground storage of liquefied petroleum gas or liquid hydrocarbons in secure caverns within massive salt beds, provided the applicant has complied with the notice provisions of Subsection B of 19.15.26.8 NMAC and the division receives no objections pursuant to Subsection C of 19.15.26.8 NMAC.
- (2) In addition to the filing requirements of Subsection B of 19.15.26.8 NMAC, the applicant for approval of a storage well under Subsection G of 19.15.26.8 NMAC shall file the following:
 - (a) with the director, financial assurance in accordance with the provisions of 19.5.8 NMAC; and

(b) with the appropriate division district office:

(i) form C-101;

(ii) form C-102; and

(iii) form C-105.

[19.15.26.8 NMAC - Rp, [19.15.9.701 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.9 CASING AND CEMENTING OF INJECTION WELLS: The operator of a well used for injection of gas, air, water or other medium into a formation shall case the well with safe and adequate casing or tubing so as to prevent leakage, and set and cement the casing or tubing to prevent the movement of formation or injected fluid from the injection zone into another zone or to the surface around the outside of a casing string.

[19.15.26.9 NMAC - Rp, [19.15.9.702 NMAC](#), 12/1/08]

19.15.26.10 OPERATION AND MAINTENANCE:

A. The operator of an injection well shall equip, operate, monitor and maintain the well to facilitate periodic testing and to assure continued mechanical integrity that 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. The operator of an injection project shall operate and maintain at all times the injection project, including injection wells, producing wells and related surface facilities, 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. The operator shall report the failure of an injection well, producing well or surface facility, which failure may endanger underground sources of drinking water, to the division under the "immediate notification" procedure of [19.15.29.10 NMAC](#)

D. The operator shall report injection well or producing well failures requiring casing repair or cementing to the division prior to commencement of workover operations.

E. The division may restrict the injected volume and pressure for, or shut-in, injection wells or projects that have exhibited failure to confine injected fluids to the authorized injection zone or zones, until the operator has identified and corrected the failure.

[19.15.26.10 NMAC - Rp [19.15.9.703 NMAC](#), 12/1/08]

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

A. Testing.

(1) Prior to commencement of injection and any time the operator pulls the tubing or reseats the packer, the operator shall test the well 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 or time as the appropriate district supervisor may approve. The operator shall use a pressure recorder and submit copies of the chart to the appropriate division district office within 30 days following the test date.

(2) At least once every five years thereafter, the operator shall test an injection well to assure its continued mechanical integrity. Tests demonstrating continued mechanical integrity shall include the following:

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

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

(c) other tests that are demonstrably effective and that the division may approve for use.

(3) Notwithstanding the test procedures outlined in Paragraphs (1) and (2) of Subsection A of 19.15.26.11 NMAC, the division may require the operator to conduct more comprehensive testing of the injection well 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 that the operator conduct special tests prior to the expiration of five years if the division believes conditions so warrant. The division shall consider a special test that demonstrates a well's continued mechanical integrity the equivalent of an initial test for test scheduling purposes, and the regular five-year testing schedule shall be applicable thereafter.

(5) The operator shall advise the division of the date and time any initial, five-year or special tests are to be commenced so the division may witness the tests.

B. Monitoring. The operator shall equip an injection well so 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 conducts a step-rate test for the purpose of increasing an authorized injection or disposal well pressure limit, the operator shall give notice of the date and time of the test in advance to the appropriate division district office.

(2) The operator shall submit copies of injection or disposal well pressure-limit increase applications and supporting documentation to the division's Santa Fe office and to the appropriate division district office.

[19.15.26.11 NMAC - Rp, [19.15.9.704 NMAC](#), 12/1/08]

19.15.26.12 COMMENCEMENT, DISCONTINUANCE AND ABANDONMENT OF INJECTION OPERATIONS:

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

B. Notice of commencement and discontinuance.

(1) Immediately upon the commencement of injection operations in a well, the operator shall notify the division of the date the 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 the discontinuance and the reasons for the discontinuance.

(3) Before temporarily abandoning or plugging an injection well, the operator shall obtain approval from the appropriate division district office 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 all wells in an injection or storage project or into a produced water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.

(2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or continuous non-injection, or during the term of a previously granted extension.

[19.15.26.12 NMAC - Rp, [19.15.9.705 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.13 RECORDS AND REPORTS:

A. The operator of an injection well or project for secondary or other enhanced recovery, pressure maintenance, gas storage, produced water disposal or injection of other fluids shall keep accurate records and shall report monthly to the division gas or fluid volumes injected, stored 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) produced water disposal not regulated by [19.15.36 NMAC](#) on form C-115;
- (4) produced water disposal at surface waste management facilities regulated by [19.15.36 NMAC](#) on form C-120-A;
- (5) gas storage on form C-131-A; and
- (6) injection of other fluids on a division-prescribed form.

B. The operator of a liquefied petroleum gas storage project shall report to the division annually on form C-131-B.

[19.15.26.13 NMAC - Rp, [19.15.9.706 NMAC](#), 12/1/2008; A, 12/27/2018]

19.15.26.14 RECLASSIFICATION OF WELLS: The director may reclassify an injection well from a category defined in Subsection B of 19.15.26.8 NMAC to another category without notice and hearing upon the request and proper showing by the injection well's operator.

[19.15.26.14 NMAC - Rp, [19.15.9.707 NMAC](#), 12/1/08]

19.15.26.15 TRANSFER OF AUTHORITY TO INJECT:

A. Authority to inject granted under a division order is not transferable except upon division approval. An operator may obtain approval of transfer of authority to inject by filing completed form C-145.

B. The division may require the operator to demonstrate mechanical integrity of each injection well that will be transferred prior to approving transfer of authority to inject.

[19.15.26.15 NMAC - Rp, [19.15.9.708 NMAC](#), 12/1/08]

HISTORY OF 19.15.26 NMAC:

History of Repealed Material: 19.15.9 NMAC, Secondary or Other Enhanced Recovery, Pressure Maintenance, Salt Water Disposal, and Underground Storage (filed 11/13/2000) repealed 12/1/08.

NMAC History:

Those applicable portions of 19.15.9 NMAC, Secondary or Other Enhanced Recovery, Pressure Maintenance, Salt Water Disposal, and Underground Storage (Sections 1-6, 701 - 708) (filed 11/13/2000) were replaced by 19.15.26 NMAC, Injection, effective 12/1/08.

Current with all new rules, amendments, and repeals received by February 2, 2019

N.M. Admin. Code 19.15.26, NM ADC 19.15.26

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