

OCD Agreed Modification from Testimony- Lines 43 & 70

Citation	Party	Topic	Proposed Modification	OCD Position
8(E)(3)	NMOGA	flare performance standard	allow flare that "ensure[s] proper combustion of gases"	OCD prefers the phrase "complete and continuous" because it better defines the required performance than "proper", which has no readily ascertainable technical meaning and would allow substandard performance for even state-of-the-art flares. Nonetheless, OCD does not mean to imply that flares must achieve 100% destruction efficiency. However, it is difficult to formulate a standard that optimizes performance without making that implication. Accordingly, in the interest of compromise, OCD proposes the phrase "that maximizes flare combustion efficiency."
8(G)(1)(b)(iv)	NMOGA	reporting venting and flaring caused by emergencies & malfunctions	identify gas analysis as "representative"	If one term is used, OCD prefers the qualifier "compositional" which more accurately describes the gas sample, but agrees with Commissioner Engler that adding "representative of the well or facility" may clarify that in some circumstances, operators may not be able to collect a sample from the precise volume of gas that was or is being vented or flared.

OCD Exhibit 4E

OCD Agreed Modification from Testimony- Lines 85 & 87

Citation	Party	Topic	Proposed Modification	OCD Position
8(G)(2)(m)	NMOGA	monthly reporting	delete category for "other not described above"	NMOGA argues that the "other" category is unnecessary and introduces uncertainty into the reporting process. OCD believes that this category allows the development of a form that can accounts for unforeseen volumes that should be reported. "Uncertainty" should be addressed by adjusting the accounting requirement, not by eliminating the requirement to report. OCD did not intend this category to report venting from equipment and events not otherwise listed, such as purge gas, bradenhead tests, etc. However, OCD recognizes that it would not be appropriate to require operators to report volumes that OCD has determined are not waste. Accordingly, OCD proposes to revise this subparagraph to say "other waste as defined in 19.15.2 NMAC that is not described above."
8(G)(4)	NMOGA	monthly reporting	delete requirement to report wasted gas to royalty owners	Reporting waste to royalty owners will cause operators to change their wasteful production practices. Operators will be required to collect this information, which they can send to royalty owners using already established methods. Notably, Colorado also requires such reporting. Nonetheless, OCD recognizes that the proposed language imposes an obligation on operators prior to the availability of the monthly reports. Accordingly, OCD proposes to add the initial phrase "Beginning January 2022." Additionally, OCD agrees with NMOGA that overriding royalty interest owners do not require this reporting, and will except from the requirement.

Current Rule 19.15.18.12 - Line #22

19.15.18.12 CASINGHEAD GAS:

F. Pending connection of a well to a gas-gathering facility, or when a well has been excepted from the provisions of Subsection A of 19.15.18.12 NMAC, the operator shall burn all gas produced and not used, and report the estimated volume on form C-115.

- This rule was adopted in 1972 following the hearing referenced in OCD's testimony.
- The rule directly relates to issues raised in the hearing.
 - First, the Commission previously required flaring over venting.
 - Second, the Commission required operators to report all venting and flaring, not just venting and flaring exceeding 50 mcf.

OCD Proposal for 19.15.27.8.G(1)(a)

➤ Current proposal in OCD Exhibit 2A:

G. Reporting of vented or flared natural gas.

(1) Venting or flaring caused by an emergency, a or malfunction, or of long duration.

- (a) The operator shall notify the division of venting or flaring that exceeds 50 MCF in volume and either results from an emergency or malfunction, or lasts eight hours or more cumulatively within any 24-hour period from a single event by filing a form C-129 with the division as follows:

➤ Proposed Revision:

G. Reporting of vented or flared natural gas.

(1) Venting or flaring caused by an emergency, a or malfunction, or of long duration.

- (a) The operator shall notify the division of venting or flaring that exceeds 50 MCF in volume and either results from an emergency or malfunction, or lasts eight hours or more cumulatively within any 24-hour period from a single event by filing a form C-129 **in lieu of a C-141, except as provided by Subparagraph (d) of Paragraph (1) of Subsection G of 19.15.27.8 NMAC**, with the division as follows:

OCD Proposal for 19.15.27.8.G(1)(d)

➤ Current proposal in OCD Exhibit 2A:

(d) The operator shall file a form C-141 instead of a form C-129 for the release of a liquid during venting or flaring that is or may be a major or minor release under 19.15.29.7 NMAC.

➤ Proposed Revision:

(d) The operator shall file a form C-141 instead of a form C-129 for a release ~~of a~~ which includes liquid during venting or flaring that is or may be a major or minor release under 19.15.29.7 NMAC.

C115 vs. C115B - Line #77

Property Id	Property Name	Wells Required to Report
320608	ROSA UNIT	512
318432	SAN JUAN 28 7 UNIT	447
326241	VPR "A"	417
327799	NORTHEAST BLANCO UNIT	415

- The C-115 is a production accounting form based on the concept of taxable property. Making substantial changes to this form will adversely affect other agencies, such as SLO and TRD.
- Operators report multiple wells on C-115s. For example, the four taxable properties in the table contain 1,791 wells and an unknown number of associated facilities.
- OCD can't use the data in these C-115s to identify venting and flaring related to specific wells or facilities.
- Operators can't use the data in these C-115s to identify patterns and solutions to venting and flaring from specific wells or facilities.
- OCD's proposed rule did not expressly state that the C-115B requires reporting by a single well or single facility, but OCD clearly conveyed its intent to require reporting on this basis during stakeholder meetings and in its testimony.

OCD Proposal for 19.15.27.8.G(2) - Line 77

➤ Current proposal in OCD Exhibit 2A:

(2) Monthly reporting of vented and flared natural gas. The operator shall separately report the volume of vented natural gas and volume of flared natural gas for each month in each category listed below. Beginning July 1, 2021, the operator shall gather data for quarterly reports in a format specified by the division and submit by November 15, 2021 for the third quarter and February 15, 2022 for the fourth quarter.

➤ Proposed Revision:

(2) Monthly reporting of vented and flared natural gas. The operator shall separately report **for each well or each facility** the volume of vented natural gas and volume of flared natural gas for each month in each category listed below. Beginning July 1, 2021, the operator shall gather data for quarterly reports in a format specified by the division and submit by November 15, 2021 for the third quarter and February 15, 2022 for the fourth quarter.

OCD Proposal for 19.15.27.8.G(2)(m) - Line #85

➤ Current proposal in OCD Exhibit 2A:

“(m) other not described above.”

➤ Proposed Revision:

“(m) other **waste as defined in 19.15.2 NMAC that is** not described above.”