

NOTICE

NO OCD PERMIT REQUIRED FOR RE-USE OF PRODUCED WATER

AT OIL AND GAS OPERATIONS

The Oil Conservation Division (OCD) has the authority in Section 70-2-12 NMSA 1978 (2004) to regulate “the disposition of water produced or used in connection with the drilling for or producing of oil or gas or both and to direct surface or subsurface disposal of the water, including disposition by use in drilling for or production of oil and gas ... in a manner that will afford reasonable protection against contamination of fresh water supplies designated by the state engineer.” The Oil Conservation Commission has enacted a rule, 19.15.34 NMAC, which regulates the transportation and disposition of produced water. Rule 19.15.34.12 NMAC allows the disposition of produced water for use as a drilling or completion fluid at a drilling site or disposition under other Division authorization.

The Energy, Minerals and Natural Resources Department and OCD Director support the growing interest in the re-use of produced water for oil and gas operations. The Director notes that there is some confusion about the applicability of OCC rules to re-use produced water and whether prior authorization from OCD is needed for re-use of produced water.

No OCD permit or authorization is required for the re-use of produced water, drilling fluids or other oil field liquids as a drilling or completion fluid or other type of oil field fluid, including makeup water, fracturing fluid or drilling mud, at a permitted drilling, production or plugging operation. However, the re-use of produced water is NOT permitted for any use which involves contact with fresh water zones. No permit is required for the delivery of produced water to permitted salt water disposal facilities, secondary recovery, pressure maintenance or EOR projects, surface waste management facilities, or to well sites for use in drilling, completion, or plugging operations. Produced water must be stored and re-used in a manner that protects fresh water, public health, and the environment. Produced water, brine makeup water, or frac flowback water can be stored in permanent pits or in temporary multi-well fluid management pits when used only on wells identified in the multi-well fluid management pit permit.

Multi-well Fluid Management Pits, Rule 19.15.17 NMAC

To request approval to construct a multi-well fluid management pit, an operator must file an application form C-144 with required attachments, including a list of wells with approved APDs associated with the pit, to the appropriate division district office. A form C-102 must also be provided showing the proposed pit location. These pits may be used for the storage, treatment and recycling of stimulation fluids and flow-back water during the drilling and completion of multiple wells, and may not be used for disposal of drilling, completion or other waste. Multi-well fluid management pits must be closed within 6 months from the date all stimulation operations on all wells identified in the permit cease.

Permanent Pits, Rule 19.15.17 NMAC

To request approval to construct a permanent pit, an operator or commercial entity must file an application Form C-144 with required attachments to the OCD Environment Bureau in Santa Fe and submit a copy to the appropriate OCD District Office. Fluids stored in a permanent pit can include produced water from different wells, different leases, or from deep saline aquifers. Permanent pits must be closed within 60 days of cessation of operation of the pit.

Other Re-use of Produced Water

Any other re-use of produced water that is regulated by OCD requires an authorization or permit from OCD issued on a case by case basis. An Application for Re-Use of Produced Water, form form C-147, must be submitted to the appropriate OCD District Office. The Application can be found on the OCD Forms webpage (<http://www.emnrd.state.nm.us/OCD/forms.html>).

Transportation of Produced Water, Rule 19.15.34 NMAC

Approval (with form C-133) is still required to transport produced water or other liquid oil field waste.

All applicable law and OCD rules must be complied with in connection with the re-use of produced water. OCD retains the authority to limit or condition the re-use of produced water that may adversely impact fresh water, public health, safety or the environment.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., 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

For State Use Only:

Form C-147
September 6, 2013

Submit 1 Copy to Appropriate District Office

APPLICATION FOR *RE-USE* OF PRODUCED WATER, DRILLING FLUIDS, OR OTHER LIQUID OIL FIELD WASTE OTHER THAN FOR DELIVERY TO A PERMITTED SWD WELL OR FACILITY, SECONDARY RECOVERY OR PRESSURE MAINTENANCE INJECTION FACILITY, SURFACE WASTE MANAGEMENT FACILITY, PERMANENT PIT, OR TO A DRILL SITE FOR USE AS DRILLING, COMPLETION, OR PLUGGING FLUID, PURSUANT TO 19.15.34.12(B) OR 19.15.34.13 NMAC

No OCD permit is required for the re-use of produced water, drilling fluids or other oil field liquids for use as a drilling or completion fluid or other type of oil field fluid, including makeup water, fracturing fluid or drilling mud, at a permitted drilling, production or plugging operation; or other use as permitted by OCD rules. The re-use of produced water may NOT be used in fresh water zones in drilling or plugging operations. Produced water must be stored and re-used in a manner that protects fresh water, public health, and the environment. This Application is not for the disposal of produced water.

1. Application: New Modification Renewal
2. Type of fluid to be re-used: Produced water Drilling fluid Frac fluid Other _____
3. Proposed Re-use: Road Construction Road Maintenance
 Other _____
4. Operator: _____ OGRID _____
Address: _____
Contact Person: _____ Phone: _____
5. Facility Location: _____ /4 _____ /4 Section _____ Township _____
Range _____ County _____
Attach a plat of the facility and maps that show the source(s) of produced water or other oil field waste, and the location(s) of re-use. Include a list of facility names and API numbers for proper identification, or pit permit number.
6. Scheduled dates for use: _____. If there are deviations from the scheduled dates, notification of the alternative dates is required to be provided to the District/Division prior to deviation.
7. Is this a currently permitted use? Yes No If yes, provide permit number _____

If the produced water is transported off-lease by motor vehicle, the transporter must possess an approved form C-133 and an approved use permit.

8. Attach the names, addresses, and contact information of the applicant and principal individual(s) with primary responsibility for overseeing re-use.

9. For all road construction or maintenance projects, and any other activity where produced water or other oilfield waste may move directly or indirectly into protectable ground water, attach laboratory analyses, performed by an independent commercial laboratory, for major cations and anions; benzene, toluene, ethyl benzene and xylenes (BTEX); RCRA metals; and total dissolved solids (TDS) of fluid to be re-used. Describe the method of application and volume of produced water that will be applied to road to ensure ponding will not occur and there will be no adverse impact on groundwater or surface water.

10. Attach a description of the purpose and process for treating the fluid for use. Include projected volumes of fluids to be used and waste materials, which may be subject to OCD Rules 19.15.35 and 19.15.36 NMAC.

11. Attach a hydrogen sulfide prevention and contingency plan, if applicable, that complies with those provisions of 19.15.11 NMAC.

12. For modification of an existing permit for re-use, describe the proposed change and identify information that has changed from the last form C-147 filing.

13. The division may require additional information to demonstrate that the use will not adversely impact fresh water, public health, safety or the environment and that the facility will comply with division rules and orders. Produced water shall not be used in contact with fresh water zones.

14. TERM AND TERMINATION OF PERMIT

The re-use authorized by this permit shall expire 180 days from date of approval. Nothing herein limits the number of modifications or renewals which may be granted. *The OCD may cancel or suspend a permit if conditions are not met or if contamination occurs.*

15. CERTIFICATION

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name: _____

Title: _____

Signature: _____

Date: _____

E-mail Address: _____

16. CONDITIONS OF APPROVAL

17. OIL CONSERVATION DIVISION

Approved Until: _____

By: _____

Title: _____

If the produced water is transported off-lease by motor vehicle, the transporter must possess an approved form C-133 and an approved use permit.