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William J. LeMay, Chairman
Oil Conservation Commission
2040 S. Pacheco
Santa Fe, New Mexico 87505

Re: Oil Conservation Commission Case Nos. 11,352 and 11,635

Dear Chairman LeMay:

On behalf of El Paso Natural Gas Company, I am submitting the following post-hearing comments on proposed revisions to OCD Rule 116 concerning release notification and corrective action:

(1) Rule 116 - Release of liquids to a water course

The Rule 116 Committee proposes in § 116.B(1)(b)(ii) that the release of any volume, which "will reach a water course" must be reported. El Paso believes that such a requirement is speculative and suggests that "will reach" should be stricken and replaced by "reaches". Typically, best efforts are made to prevent any released liquids from reaching a water course. It should only be necessary to report the release pursuant to § 116.B(1)(b)(ii) once it is determined that those efforts have failed. Such an approach is consistent with current Rule 116.

(2) Rule 116 - Reportable release of natural gas

The Rule 116 Committee in its proposed § 116.B(2) requires that the OCD be notified of a natural gas release only if the release causes specified impacts to the environment. The Committee does not propose a notification requirement for specified volumes of natural gas released regardless of environmental

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impact. Then at the Commission hearing in this matter, the OCD proposed that a release of natural gas in excess of 500 mcf be classified as a Major Release and a release of natural gas between 50 and 500 mcf be classified as a Minor Release. The OCD specifies notification requirements for each category of release.

El Paso believes that a requirement to report such small releases of natural gas is impractical. It is not possible to accurately quantify these releases and, in some cases, even to detect them. Further, the paperwork created by such a requirement would be unnecessarily burdensome on both industry and the OCD.

El Paso supports the proposal of Marathon Oil Company to classify a release of natural gas in excess of the 1000 mcf as a Minor Release and to omit a specified volume from the Major Release category. Such an approach is consistent with current Rule 116, which requires subsequent written notification to the OCD for releases of 1000 or more mcf. It is only at 1000 mcf level that attempts to measure natural gas releases become meaningful, given the imprecision of such measurements.

In conclusion, El Paso requests that the Commission adopt these proposed amendments to Rule 116. El Paso appreciates the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Edmund H. Kendrick", with a stylized flourish at the end.

Edmund H. Kendrick

EHK:dlo
2652-9612