

TITLE 19 NATURAL RESOURCES AND WILDLIFE
CHAPTER 15 OIL AND GAS
PART 14 DRILLING PERMITS

19.15.14.1 ISSUING AGENCY: Energy, Minerals and Natural Resources Department, Oil Conservation Division.

[19.15.14.1 NMAC - N, 12/1/08]

19.15.14.2 SCOPE: 19.15.14 NMAC applies to persons engaged in drilling oil and gas wells within New Mexico.

[19.15.14.2 NMAC - N, 12/1/08]

19.15.14.3 STATUTORY AUTHORITY: 19.15.14 NMAC is adopted pursuant to the Oil and Gas Act, NMSA 1978, Section 70-2-6, Section 70-2-11 and Section 70-2-12.

[19.15.14.3 NMAC - N, 12/1/08]

19.15.14.4 DURATION: Permanent.

[19.15.14.4 NMAC - N, 12/1/08]

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

[19.15.14.5 NMAC - N, 12/1/08]

19.15.14.6 OBJECTIVE: To require an operator to obtain a permit prior to commencing drilling, deepening or re-entry operations or before plugging a well back to a different pool or completing or re-completing a well in an additional pool and to establish procedures for application for and approval or denial of the permit.

[19.15.14.6 NMAC - N, 12/1/08]

19.15.14.7 DEFINITIONS: [RESERVED]

[See 19.15.2.7 NMAC for definitions.]

19.15.14.8 PERMIT TO DRILL, DEEPEN OR PLUG BACK:

A. Permit required. An operator shall obtain ~~[a permit]~~ an approved application for permit to drill from the division prior to commencing drilling, deepening or re-entry operations, ~~[or before]~~ commencing an additional lateral, plugging a well back to a different pool, or completing or re-completing a well in an additional pool.

B. Mineral owner or lessee consent required. Subject to Subsection A of 19.15.16.15 NMAC, an operator shall not file an application for permit to drill nor commence drilling operations until the operator has either:

(1) received the consent of at least one lessee or owner of an unleased mineral interest at the proposed bottom hole location; or

(2) obtained a compulsory pooling order from the division.

[19.15.14.8 NMAC - Rp, 19.15.3.102 NMAC, 12/1/08; A, X/X/11]

19.15.14.9 APPLICATIONS: An operator shall file a complete form C-101 and complete form C-102 with the division and meet the following requirements, if applicable:

A. an applicant for a permit to drill a well within the corporate limits of a city, town or village shall give notice to the duly constituted governing body of the city, town or village or its duly authorized agent and certify on form C-101 that it gave such notice;

B. an applicant for a permit to drill in a quarter-quarter section containing an existing well or wells operated by another operator shall concurrently file a plat or other acceptable document locating and identifying the well or wells, furnish a copy of the application to the other operator or operators in the quarter-quarter section and certify on form C-101 that it furnished the copies; and

C. an applicant for a permit to operate a well in a spacing or proration unit containing an existing well or wells operated by another operator shall also comply with Subsection B of 19.15.15.12 NMAC.

[19.15.14.9 NMAC - Rp, 19.15.3.102 NMAC and 19.15.13.1101 NMAC, 12/1/08]

19.15.14.10 APPROVAL OR DENIAL OF A PERMIT TO DRILL, DEEPEN OR PLUG BACK:

A. The director or the director's designee may deny a permit to drill, deepen or plug back if the applicant is not in compliance with Subsection A of 19.15.5.9 NMAC. In determining whether to grant or deny the permit, the director or the director's designee shall consider such factors as whether the non-compliance with Subsection A of 19.15.5.9 NMAC is caused by the operator not meeting the financial assurance requirements of 19.15.8 NMAC, being subject to a division or commission order finding the operator to be in violation of an order requiring corrective action, having a penalty assessment that has been unpaid for more than 70 days since the issuance of the order assessing the penalty or having more than the allowed number of wells out of compliance with 19.15.25.8 NMAC. If the non-compliance is caused by the operator having more than the allowed number of wells not in compliance with 19.15.25.8 NMAC, the director or director's designee shall consider the number of wells not in compliance, the length of time the wells have been out of compliance and the operator's efforts to bring the wells into compliance.

B. The division may impose conditions on an approved permit to drill, deepen or plug back.

C. If the division denies the permit it shall return the form C-101 to the applicant with the cause for rejection stated.

[19.15.14.10 NMAC - Rp, 19.15.3.102 NMAC and 19.15.13.1101 NMAC, 12/1/08]

19.15.14.11 APPROVED FORM C-101 AT WELL SITE: The operator shall keep a copy of the approved form C-101 at the well site during drilling operations.

[19.15.14.11 NMAC - Rp, 19.15.3.102 NMAC, 12/1/08]

HISTORY of 19.15.14 NMAC:

History of Repealed Material: 19.15.3 NMAC, Drilling (filed 10/29/2001) and 19.15.13 NMAC, Reports (filed 6/17/2004) repealed 12/1/08.

NMAC History:

Those applicable portions of 19.15.3 NMAC, Drilling (Section 118) (filed 10/29/2001) and 19.15.13 NMAC, Reports (Section 1101) (filed 6/17/2004) were replaced by 19.15.14 NMAC, Drilling Permits, effective 12/1/08.