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August 8, 2011

VIA HAND DELIVERY

Ms. Florene Davidson
Commission Clerk
Oil Conservation Commission
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 14753

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RECEIVED 001

Re: Application of the New Mexico Oil and Gas Association for amendment of certain provisions of Title 19, Chapter 15, Part 16 of the New Mexico Administrative Code concerning log, completion, hydraulic fracturing and workover report, Statewide.

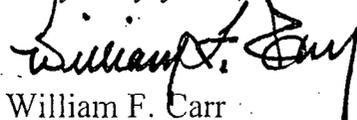
Dear Ms. Davidson:

In accordance with Oil Conservation Division Rule 19.15.3.8.A, the New Mexico Oil and Gas Association hereby files six copies of its Application for Rulemaking to amend certain provisions of Title 19, Chapter 15, Part 16 of the New Mexico Administrative Code concerning log, completion, hydraulic fracturing and workover reports. Also enclosed is a proposed legal notice for publication.

Please provide copies of these proposed amendments to the members of the Commission. The New Mexico Oil and Gas Association requests that this application be scheduled for hearing before the Commission at the earliest possible date.

Your attention to this matter is appreciated.

Very truly yours,


William F. Carr

Enc.

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION

APPLICATION OF THE NEW MEXICO OIL AND GAS ASSOCIATION FOR AMENDMENT OF CERTAIN PROVISIONS OF TITLE 19, CHAPTER 15, PART 16 OF THE NEW MEXICO ADMINISTRATIVE CODE CONCERNING LOG, COMPLETION, HYDRAULIC FRACTURING AND WORKOVER REPORTS, STATEWIDE.

CASE NO. 14753

APPLICATION FOR RULEMAKING

I

The New Mexico Oil and Gas Association (NMOGA), through its undersigned attorneys, hereby makes application to the New Mexico Oil Conservation Commission (Commission) for an order:

A. amending the provisions of the New Mexico Administrative Code ("NMAC") concerning log, completion, hydraulic fracturing and workover reports, (Title 19, Chapter 15, Part 16) to require the disclosure of the composition of fluids used to hydraulically fracture new and recompleted wells, commonly referred to as hydraulic fracturing operations, and

B. certifying the amended Commission rule for publication in the New Mexico Register as required by statute.

II

The intended effects of the proposed rule changes are to:

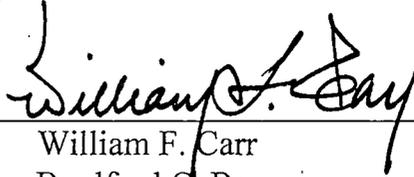
A. Assure transparency that will demonstrate the safety of this process to all concerned persons thereby facilitating production in a manner that prevents waste of oil and gas, protects correlative rights of the owners of these minerals, and

B. Assure that New Mexico's oil and gas resources are developed in a manner that protects ground water, human health and the environment; and

III

A draft of the proposed amended rule 19.15.16.18 NMAC is attached hereto as Exhibit A and incorporated herein by reference. A copy of a proposed newspaper advertisement is attached as Exhibit B.

Respectfully Submitted,

By: 

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ATTORNEYS FOR THE NEW MEXICO
OIL AND GAS ASSOCIATION

Exhibit A to Application for Rulemaking:

19.15.16.18 LOG, COMPLETION, HYDRAULIC FRACTURING AND WORKOVER REPORTS:

Within ~~20~~ 45 days after the completion or hydraulic fracturing of a well drilled for oil or gas, or the recompletion of a well into a different common source of supply, the operator shall file a completion report with the division on form C-105. For the purpose of 19.15.16.18 NMAC, a hole drilled or cored below fresh water or that penetrates oil- or gas-bearing formations or that an owner drills is presumed to be a well drilled for oil or gas. For a hydraulically fractured well, the operator shall disclose Hydraulic Fracturing Fluid Composition provided by the party performing the hydraulic fracturing stimulation operation in the template prescribed as of July 1, 2011 by the Ground Water Protection Council/Interstate Oil and Gas Compact Commission FracFocus Registry website. The operator will verify compliance with this rule on Form C-105, C-103 (the sundry notice subsequent report), or on the appropriate BLM Form 3160-4 or 3160-5 for Federal and Tribal Land.

As alternative to disclosure on the FracFocus Registry, an operator may attach the information with submittal of the appropriate Form C-105, C-103, BLM Form 3160-4 or 3160-5. [19.15.16.18 NMAC - Rp, 19.15.3.117 NMAC, 12/1/08]

Exhibit B to Application for Rulemaking

Case No. 14753: Application of the New Mexico Oil and Gas Association for amendment of certain provisions of Title 19, Chapter 15, Part 16 of the New Mexico Administrative Code concerning log, completion, hydraulic fracturing, and workover reports, Statewide. The State of New Mexico, through its Oil Conservation Commission ("Commission"), hereby gives notice that the Commission will conduct a public hearing at 9:00 A. M. on _____, _____, 2011, in Porter Hall at 1220 South Saint Francis Drive, Santa Fe, New Mexico, to consider the Application of the New Mexico Oil and Gas Association for an order amending provisions of the New Mexico Administrative Code ("NMAC") concerning log, completion, hydraulic fracturing and workover reports, codified as Part 16 of the Rules of the Oil Conservation Division [19.15.16.18 NMAC], to (1) require the disclosure of the composition of fluids used to stimulate new and recompleted wells in hydraulic fracturing stimulation operations, (2) assure transparency that will demonstrate the safety of this process to all concerned persons thereby facilitating production in a manner that prevents waste of oil and gas, protects correlative rights of the owners of these minerals as defined by the Oil and Gas Act, (3) assure that New Mexico's oil and gas resources are developed in a manner that protects ground water, human health and the environment; and (4) certify the amended rule for publication in the New Mexico Register as required by statute. Copies of the text of the proposed amendments are available from Division Administrator Florene Davidson at (505) 476-3458 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd/whatsnew.htm>. Proposals for alternatives to the proposed amendments must be received by the Commission no later than 5:00 P. M. on _____, _____, 2011. Persons intending to offer technical testimony at the hearing must file a Pre-hearing Statement (six copies) conforming to the requirements of 19.15.14. 1204 NMAC, including six copies of all exhibits the person will offer in evidence at the hearing, no later than _____, _____, 2011. Proposed alternatives and written comments may be hand-delivered or mailed to Ms. Davidson at 1200 South Saint Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Davidson at (5505) 476-3462. Pre-hearing Statements must be hand-delivered or mailed to Ms. Davidson at the above address. If you are an individual with disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Davidson at (505) 476-3458 or through the New Mexico Relay Network (1-800-659-1779) as soon as possible.

Given under the seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this ___ day of _____, 2011.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Jami Bailey
Chair, Oil Conservation Commission