

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

APPLICATION OF THE NEW MEXICO OIL AND GAS ASSOCIATION TO REPEAL AND REPLACE TITLE 19, CHAPTER 15, PART 34 OF THE NEW MEXICO ADMINISTRATIVE CODE ADDRESSING PRODUCED WATER, DRILLING FLUIDS AND OTHER LIQUID OIL FIELD WASTE; AND TO AMEND THE DEFINITION OF PRODUCED WATER IN TITLE 19, CHAPTER 15, PART 2, OF THE NEW MEXICO ADMINISTRATIVE CODE.

CASE NO. 15239

NOTICE OF NMOGA'S MODIFICATIONS TO THE PROPOSED RULE

The New Mexico Oil and Gas Association (NMOGA), the applicant in the above referenced matter, hereby files the following modifications to Exhibit A attached to its Application For Rulemaking:

- A. Add “, re-use” after “recycling” in the first clause of the Objective to further reflect the intention of the proposed rule.
- B. Add the words “and secondary” between “primary” and “containment” in the first sentence of Part 34.7.B to reflect the liner requirements in Part 34.12.A(4).
- C. Add the phrase “secondary recovery,” after “producing,” in Part 34.8.A(1) and remove the phrase “secondary recovery or pressure maintenance injection facility” in Part 34.8.B(1) to make it clear that these activities constitute an authorized re-use of produced water rather than disposal of produced water.
- D. In the second sentence of Part 34.9.A, strike the phrase “The appropriate version of” and replace with “Division” since the Division has informed NMOGA it intends to use Division form C-147.

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E. Add the phrase “In addition to the other applicable rule requirements” at the beginning of Part 34.9.B to make it clear that a recycling facility will need to also comply with any other applicable provisions.

F. Change “recycled fluids” to “recycled water” in proposed Part 34.9.F to more accurately describe the type of fluids at issue.

G. Remove the phrase “all fluids” in the first sentence of Part 34.10.B and replace it with “produced water” to accurately describe the type of fluids allowed in a recycling containment.

H. Add the phrase “with division approval” after “annual basis thereafter” in the second sentence of Part 34.10.C to make it clear that annual division approval is required.

I. Add the phrase “or other oilfield wastes” at the end of Part 34.10.D to clarify further the restrictions on recycling containments.

J. Remove the phrase “or geomembrane (brazed 6 oz min) monolithic with a coating of HPCRPU (high performance chemical resistant polyurea) liners” in Part 34.12.A(4) since this material is in the process of being analyzed and tested as an alternative liner requirement.

K. Remove the phrase “drainage geotextile” in Part 34.12.A(7) because no soil is involved with the 200-mil geonet leak detection system.

L. Add a second sentence to proposed Part 34.12.C (Signs) that states: “The operator shall post the sign in a manner and location such that a person can easily read the legend.” This sentence was inadvertently left out of the proposed rule when attempting to incorporate the comparable provisions from NMAC 19.15.17.11.C.

M. Add the word “primary” before “liner” in the first sentences of Parts 34.13.B(4) and (5) to correspond to the liner requirements in Part 34.12.A(4).

N. Remove the phrase “pursuant to 19.15.29 NMAC” after “notify the division district office” in Part 34.13.B(5) because all recycling containments have a secondary liner and therefore 19.15.29 NMAC may not be applicable.

O. Add a second sentence to Part 34.13.C that states: “The operator must report cessation of operations to the appropriate division district office.”

P. Add the phrase “or tribal” between the words “federal” and “agencies” in the first line of proposed Part 34.14.G. This phrase was inadvertently left out of the proposed rule when attempting to incorporate the comparable provisions from NMAC 19.15.17.13.H(5)(d).

Q. In proposed Table I on page 8 of Exhibit A, add “(GRO+DRO+MRO)” under “TPH” in the constituent column to describe the appropriate carbon range for the proposed testing method.

R. Remove the clause “certified by a professional engineer” in Part 34.15.A(1) since the financial assurance under 19.15.8 NMAC is not certified by a professional engineer.

S. Remove the phrase “and post-closure” in Part 34.15.A(1) and the phrase “and post closure monitoring” in Part 34.15.B since this requirement does not exist for recycling containments.

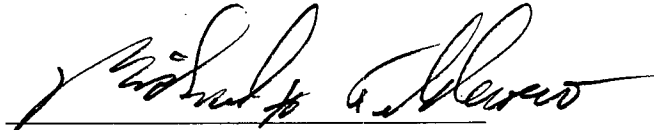
T. Replace the phrase “carrier permit” with “warrant for transportation” in the first clause of Part 34.18.C since a “carrier permit” is no longer applicable in New Mexico.

U. Replace “, an agreed” with “or agreed” and place a period after “with the division” in the first sentence of Part 34.21.C. Modify the last sentence to read: “The operator may request an immediate stay of the division’s order as part of an application for review of the notice of violation filed by the operator.”

These changes will be incorporated into NMOGA Exhibit 1 to be presented at the scheduled hearing in this matter.

Respectfully submitted:

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", written over a horizontal line.

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CERTIFICATE OF SERVICE

I hereby certify that on February 2, 2015, I served a copy of the foregoing document to the following counsel of record via electronic mail to:

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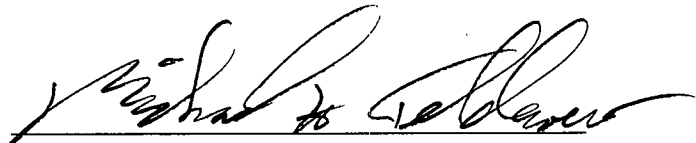
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Michael H. Feldewert