

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

IN THE MATTER OF

**PROPOSED AMENDMENTS TO SECTION 19 OF 19 15 16 NMAC AND
SECTION 16 OF 19 15 7 NMAC, EXTENDING THE TIME FOR REPORTING
COMPLETION OF HORIZONTAL WELLS FROM 20 TO 45 DAYS, AND
PROPOSED FURTHER AMENDMENT OF SECTION 19 OF 19 15 16 NMAC TO
REQUIRE OPERATORS TO REPORT CERTAIN INFORMATION
REGARDING HYDRAULICALLY FRACTURED WELLS IN THE FRAC
FOCUS CHEMICAL DISCLOSURE REGISTRY**

**CASE NO 15726
ORDER NO R-14353**

ORDER INITIATING RULEMAKING

BY THE COMMISSION

This matter came on for consideration on May 18 2017 in Santa Fe New Mexico before the Oil Conservation Commission (Commission) upon a proposal from the Oil Conservation Division (OCD)

NOW on this 18th day of May 2017, the Commission finds

(1) Rulemaking proceedings should be instituted for the adoption of amendments of existing rules relating to the following subject matter

(a) It is proposed that 19 15 16 NMAC be changed by amending section 19 thereof to

(i) extend the time for reporting completion of horizontal wells from 20 to 45 days and

(ii) require that disclosures concerning hydraulically fractured wells be made to the extent, and on forms prescribed by Frac Focus in lieu of existing Oil Conservation Division (OCD) requirements and forms and that such disclosures be filed with both Frac Focus and OCD

(b) It is further proposed that 19 15 7 NMAC should be changed by amending Section 16 thereof to conform its requirements amendments that

may be made to Section 19 of 19 15 16 NMAC regarding time for filing completion reports for horizontal wells

(2) Drafts of the proposed rule amendments are attached as Exhibit A 1 (19 15 16 NMAC) and Exhibit A-2 (19 15 7 NMAC)

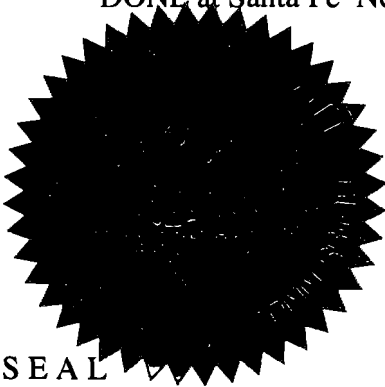
IT IS THEREFORE ORDERED THAT

(1) The Commission hereby initiates proceedings for rulemaking as described above and sets this matter for hearing in accordance with 19 15 3 NMAC on Tuesday, June 13 2017 at 9 00 a m

(2) The Commission clerk is directed to issue the required public notices

(3) Jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary

DONE at Santa Fe New Mexico on the day and year designated above



**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

A handwritten signature in cursive script that reads "David R. Catanach".

DAVID R. CATANACH, Chair

SEAL

CASE No. 15726

EXHIBIT A-1 to ORDER INITIATING RULEMAKING

19.15.16.19 LOG, COMPLETION AND WORKOVER REPORTS

A. Completion report. Within 20 days (45 days in the case of a horizontal well) after completion of a well drilled for oil or gas, or recompletion of a well into a common source of supply, the operator shall file a completion report with the division on form C-105. For the purpose of 19.15.16.19 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. The operator shall signify on form C-105, or alternately on form C-103, whether the well has been hydraulically fractured.

B. Hydraulic fracture disclosure. For a hydraulically fractured well, the operator shall also complete and file the division's hydraulic disclosure form, with the FracFocus chemical disclosure registry, and with the division, a completed hydraulic fracturing disclosure within 45 days after completion of the well. The hydraulic fractureing disclosure shall include the well API number; the well name; the well number; the well location by unit, lot, section, township and range; the county where the well is located; the well's surface and bottom hole locations by footage from the section line; the operator's name and address; the operator's OGRID; the operator's phone number; the fracture date; the well's production type (oil or gas); the pool code; the well's gross fractured interval; the well's true vertical depth; the total volume of fluid pumped; and a description of the hydraulic fluid composition and concentration listing each ingredient and for each ingredient the trade name, supplier, purpose, chemical abstract service number, maximum ingredient concentration in additive as percentage by mass, maximum ingredient concentration in the hydraulic fracturing fluid as percentage by mass; certification by the operator that the information included on the hydraulic fracture disclosure form is true and complete to the best of the operator's knowledge and belief; and the signature, printed name, e-mail address and title of the operator or operator's designated representative. be completed on a then current edition of the hydraulic fracturing fluid product component information form published by FracFocus and shall include complete and correct responses disclosing all information called for by the FracFocus form; provided that:

1. The division does not require the reporting of information beyond the material safety data sheet data as described in 29 C.F.R. 1910.1200.

2. The division does not require the reporting or disclosure of proprietary, trade secret or confidential business information.

CASE No. 15726

EXHIBIT A-2 to ORDER INITIATING RULEMAKING

**19.15.7.16 WELL COMPLETION OR RECOMPLETION REPORT AND LOG
(Form C-105)**

A. Completion reports. Within 20 days (45 days in the case of a horizontal well) following the completion or recompletion of a well, the operator shall file Form C-105 with the appropriate division district office accompanied by a summary of special tests conducted on the well, including drill stem tests. In addition, the operator shall file a copy of electrical and radio-activity logs run on the well with form C-105. If the division does not receive form C-105 with attached logs and attached summaries within the specified 20-day period, the division shall withhold the allowable until the operator has complied with 19.15.7.16 NMAC.

B. Dry holes. In the case of a dry hole, a complete record of the well on form C-105 with attachments listed in Subsection A of 19.15.7.16 NMAC shall accompany the notice of intention to plug well, unless previously filed. The division shall not approve the plugging report or release the bond until the operator has complied with 19.15.7.16 NMAC.

C. Confidentiality. The division shall not keep form C-105 and accompanying attachments confidential unless the well's owner requests in writing that the division keep it confidential. Upon such request, the division shall keep these data confidential for 90 days from the date of the well's completion, provided, however, that the report, logs and other attached data may, when pertinent, be introduced in a public hearing before division examiners, the commission or in a court of law, regardless of the request that they be kept confidential.