

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

2017 JUL 26

CASE NO. 15802

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR
AMENDMENT OF SECTION 19.15.7.24 NMAC CHANGING THE TIME FOR
DIVISION NOTIFICATION AND ENFORCEMENT AFTER AN OPERATOR'S
FAILURE TO FILE AN ACCEPTABLE MONTHLY REPORT (FORM C-115)**

APPLICATION FOR RULEMAKING

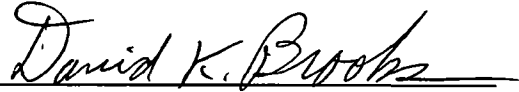
The New Mexico Oil Conservation Division ("OCD" or "Applicant") hereby applies to the Commission for adoption, after notice and hearing, of an order amending 19.15.7.24. NMAC, by reducing the time after an operator fails to file an acceptable production report (form C-115) within which OCD is directed to notify the operator of its intent to revoke the operator's authorization to transport from 60 days to 30 days, and to reduce the time within which the operator may request a hearing on the proposed revocation from 120 days to 60 days after the original due date of the form C-115.

In support of this Application, Applicant would show the following:

- (1) This amended application is filed to comply with the rulemaking provisions of 19.15.3 NMAC and applicable statutes, as amended effective July 1, 2017.
- (2) The intended effect of the proposed rule is to expedite complete and correct reporting of well production and injection in New Mexico.
- (3) A copy of 19.15.7.24 NMAC incorporating the proposed amendment is attached as Exhibit A. A copy of the legal notice for publication is attached as Exhibit B.

(3) Applicant requests that, after notice and hearing, the Commission amend 19.15.7.24 NMAC as shown on Exhibit A.

Respectfully submitted

A handwritten signature in cursive script, reading "David K. Brooks", is written over a horizontal line.

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Exhibit A to Application – Rule Text

19.15.7.24 OPERATOR'S MONTHLY REPORT (Form C-115):

A. An operator shall file a form C-115 for each non-plugged well completion for which the division has approved a form C-104 and for each secondary or other enhanced recovery project or pressure maintenance project injection well or other injection well within the state, setting forth complete information and data indicated on the forms in the order, format and style the director prescribes. The operator shall estimate oil production from wells producing into common storage as accurately as possible on the basis of periodic tests.

B. An operator shall file the reports 19.15.7.24 NMAC requires using the division's web-based online application on or before the 15th day of the second month following the month of production, or if such day falls on a weekend or holiday, the first workday following the 15th. An operator may apply to the division for exemption from the electronic filing requirement based upon a demonstration that such requirement would operate as an economic or other hardship.

C. If an operator fails to file a form C-115 that the division accepts, the division shall, within ~~60~~ 30 days of the appropriate filing date, notify the operator by electronic mail or letter of its intent to revoke the operator's authorization to transport or inject if the operator does not file an acceptable and complete form C-115. If the operator does not file an acceptable and complete form C-115 or request a hearing on the proposed cancellation within ~~120~~ 60 days of the original due date of the form C-115, the division may cancel the operator's authority to transport from or inject into all wells it operates.

Exhibit B to Application – Docket Notice

Case No. APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR AMENDMENT OF SECTION 19.15.7.24 NMAC CHANGING THE TIME FOR DIVISION NOTIFICATION AND ENFORCEMENT AFTER AN OPERATOR'S FAILURE TO FILE AN ACCEPTABLE MONTHLY PRODUCTION REPORT (FORM C-115)

The proposed amendment will reduce the time after an operator fails to file an acceptable production report (form C-115) within which the oil conservation division ("the division") is directed to notify the operator of its intent to revoke the operator's authorization to transport from 60 days to 30 days, and to reduce the time within which the operator may request a hearing on the proposed revocation from 120 days to 60 days, after the original due date of the form C-115.