

TITLE 19 NATURAL RESOURCES AND WILDLIFE
CHAPTER 15 OIL AND GAS
PART 19 NATURAL GAS PRODUCTION OPERATING PRACTICE

19.15.19.1 ISSUING AGENCY: Energy, Minerals and Natural Resources Department, Oil Conservation Division.
[19.15.19.1 NMAC - Rp, 19.15.6.1 NMAC, 12/1/08]

19.15.19.2 SCOPE: 19.15.19 NMAC applies to persons engaged in gas development and production within New Mexico.
[19.15.19.2 NMAC - Rp, 19.15.6.2 NMAC, 12/1/08]

19.15.19.3 STATUTORY AUTHORITY: 19.15.19 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.
[19.15.19.3 NMAC - Rp, 19.15.6.3 NMAC, 12/1/08]

19.15.19.4 DURATION: Permanent.
[19.15.19.4 NMAC - Rp, 19.15.6.4 NMAC, 12/1/08]

19.15.19.5 EFFECTIVE DATE: December 1, 2008, unless a later date is cited at the end of a section.
[19.15.19.5 NMAC - Rp, 19.15.6.5 NMAC, 12/1/08]

19.15.19.6 OBJECTIVE: To regulate the gas production within the state in order to prevent waste, protect correlative rights and protect public health and the environment.
[19.15.19.6 NMAC - Rp, 19.15.6.6 NMAC, 12/1/08]

19.15.19.7 DEFINITIONS: [RESERVED]
[See 19.15.2.7 NMAC for definitions.]

19.15.19.8 METHOD OF DETERMINING GAS WELL POTENTIAL:

A. An operator shall conduct tests to determine the daily open flow potential volumes of gas wells from which gas is being used or marketed. The operator shall report the tests on division-prescribed forms within 60 days after

- (1) the date of the well's initial connection to a gas transportation facility; and
- (2) the date of reconnection following workover.

B. To establish comparable open flow capacity, the operator shall test wells in accordance with the division's Manual for back-pressure testing of natural gas wells. If the division approves the alternate method for testing, the operator shall test all wells producing from a common source of supply in a uniform and comparable manner.

C. The operator of a gas well that is not connected to a gas gathering facility shall test the well within 30 days following a christmas tree's installation. The operator shall take the tests in accordance with the procedure for testing unconnected gas well contained in the division's *manual for back-pressure testing of natural gas wells*. The operator shall report the tests on form C-122 in compliance with 19.15.7.31 NMAC and file it within 10 days following the test's completion.

[19.15.19.8 NMAC - Rp, 19.15.6.401 NMAC, 12/1/08]

19.15.19.9 GAS FROM GAS WELLS TO BE MEASURED:

A. The transporter of gas produced shall account for the gas by metering or other division-approved method and report it to the division. The owner or operator of the gas transportation facility shall report gas produced from a gas well and delivered to a gas transportation facility. The well operator shall report gas produced from a gas well and required to be reported by 19.15.19.9 NMAC that is not delivered to and reported by a gas transportation facility.

B. An operator may apply to the district supervisor, using form C-136, for approval of one of the following procedures for measuring gas.

(1) In the event a well is not capable of producing more than 15 MCFD, a measurement method agreed upon by the operator and transporter whereby the parties establish by annual test the producing rate of the

well under normal operating conditions and apply that rate to the period of time the well is in a producing status. If the well is capable of producing greater than five MCFD, the transporter shall attach a device to the line that determines the actual time period that the well is flowing.

(2) An operator may produce a well that has a producing capacity of 100 MCFD or less and that is on a multi-well lease without the well being separately metered when the gas is measured using a lease meter at a CPD. The lease's ownership shall be common throughout including working interest, royalty and overriding royalty ownership.

(3) If normal operating conditions change, either party may request a new well test, the cost of which the party requesting the new well test shall bear unless the parties otherwise agree.

C. The operator and transporter shall report the well volumes on forms C-115 and C-111 based upon the approved method of measurement and, in the case of a CPD, upon the method of allocation of production to individual wells the district supervisor approves.

[19.15.19.9 NMAC - Rp, 19.15.6.403 NMAC, 12/1/08]

19.15.19.10 GAS UTILIZATION: After the completion of a gas well, the operator shall not permit gas from the well to escape to the air, use the gas expansively in engines or pumps and then vent or use the gas to gas-lift wells unless all gas produced is processed in a gasoline plant or beneficially used thereafter without waste.

[19.15.19.10 NMAC - Rp, 19.15.6.404 NMAC, 12/1/08]

19.15.19.11 STORAGE GAS: With the exception of the requirement to meter and report monthly the amount of gas injected and the amount of gas withdrawn from storage, in the absence of waste 19.15.19 NMAC shall not apply to gas being injected into or removed from storage. (See 19.15.7.40 NMAC)

[19.15.19.11 NMAC - Rp, 19.15.6.405 NMAC, 12/1/08]

19.15.19.12 CARBON DIOXIDE: The rules relating to gas, gas wells and gas reservoirs including those provisions relating to well locations, acreage dedication requirements, casing and cementing requirements and measuring and reporting of production also apply to carbon dioxide gas, carbon dioxide wells and carbon dioxide reservoirs.

[19.15.19.12 NMAC - Rp, 19.15.6.406 NMAC, 12/1/08]

19.15.19.13 DISCONNECTION OF GAS WELLS: The operator shall report gas wells that are disconnected from intrastate gas transportation facilities to the division within 30 days of the date of disconnection. The operator shall file the notice on form C-130 in compliance with 19.15.7.39 NMAC.

[19.15.19.13 NMAC - Rp, 19.15.6.407 NMAC, 12/1/08]

HISTORY of 19.15.19 NMAC:

History of Repealed Material: 19.15.6 NMAC, Natural Gas Production Operating Practice (filed 11/29/2001) repealed 12/1/08.

NMAC History:

Those applicable portions of 19.15.6 NMAC, Natural Gas Production Operating Practice (Sections 401, and 403 - 407) (filed 11/29/2001) were replaced by 19.15.19 NMAC, Natural Gas Production Operating Practice, effective 12/1/08.