

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David Catanach, Division Director  
Oil Conservation Division



March 23, 2015

**OCD-Request for Information.**

The Oil Conservation Division (OCD) is requiring all operators to provide information relating to wellbore(s) that have communicated with another wellbore(s) to the appropriate OCD district office within thirty (30) days of this request. Recent events indicate there have been well communication events which may affect correlative rights and/or cause concern for health, safety, and the environment. Also, based on information we have received, there has been evidence showing that inter-well communication and/or pressure increases may injure the producing formation, injection interval, casing or casing seat and may create underground waste. This request includes information regarding communication of any kind through drilling, completion, stimulation or production operations relating to both vertical and horizontal wells. Reporting and actions must be performed in accordance with 19.15.16.17 and/or 19.15.29 NMAC. Evaluation of these issues will help address and alleviate future concerns.

The completion operators will be required to immediately report any instances of inter-well communication as a result from stimulation. Releases are required to be reported on a C-141 in accordance with 19.15.29 NMAC. Communication which results in ONLY pressure increases or decreases are required to be reported on a C-103 in accordance with 19.15.16.17 NMAC.

The affected operators are required to immediately report any instances of inter-well communication which results in a release on the C-141 according to 19.15.29 NMAC. Affected operators are also advised to contact the operator performing the fracturing stimulation of any inter-well communication, to potentially reduce further impact. Affected operators are also advised to contact the OCD regarding any inter-well communication as a result from stimulation which ONLY results in an increase or decrease in the affected well's pressure.

A release is defined in Paragraph (4) of Subsection R of 19.15.2.7 NMAC as, "Release' means breaks, leaks, spills, releases, fires or blowouts involving oil, produced water, condensate, drilling fluids, completion fluids or other chemical or contaminant or mixture thereof, including oil field wastes and gases to the environment."

**For clarification, any fluid or gas released from an affected well will be considered a release. This includes, but is not limited to, any mixture of completion and/or formation gases vented from the production equipment due to the inter-well communication.**

For the reporting requirements, please see below:

**Pressure Increases/Decreases of offset wells:**

Reported on C-103, in the submittal please include the following at a minimum:

- Affected well information

March 23, 2015

Page 2

- Operator, well name, well #, API#, formation, date the well was affected, type and volume of communication, highest pressure observed, standard operating pressure, results of communication and the results of any investigation conducted
- Stimulated well information
  - Operator, property name, well #, API #, formation, stimulation start date, stimulation end date, stimulation type, stimulation pressure, stimulation volume and the results of any investigation conducted.

**Spills/Releases/Venting on any wells:**

Reported on the C-141, Release Notification and Corrective Action form. In the submittal, please include the following at a minimum:

- Affected well information
  - Operator, well name, well #, API#, formation, date the well was affected, type and volume of communication, highest pressure observed, standard operating pressure, results of communication, pressure release, fluid release, solids release and the results of any investigation conducted
- Stimulated well information
  - Operator, property name, well #, API #, formation, stimulation start date, stimulation end date, stimulation type, stimulation pressure, stimulation volume and the results of any investigation conducted.

Thank you for your assistance in this matter.

If you have any questions, please contact the appropriate OCD district office.

Sincerely,



David Catanach  
Director, Oil Conservation Division