

NMOCD

Waste Prevention Rule

19.15.27 NMAC



Outline

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 - Gas Capture Timeline
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19.15.27 Venting and Flaring of Natural Gas

Hearing Dates: January 4-15, 2021 (Complete)

Formal OCC Adoption: March 25, 2021 (Complete)

Rule Goes into Effect: May

Links:

- [Final Adopted Rule](#)
- [OCD News Release](#)
- [FAQ's](#)
- [EMNRD OCC YouTube channel](#)

[IPANM Methane Rule comments](#)

[IPANM Methane Rulemaking Links](#)

19.15.27.9 Statewide Gas Capture

Beginning April 1, 2022

- 98% Gas Capture by December 31, 2026
- Increase of $\frac{(\text{Baseline loss}) - 2\%}{5}$

Baseline Natural Gas Capture Rate	Minimum Required Annual Natural Gas Capture Percentage Increase
90-98%	0-1.6%
80-89%	>1.6-3.6%
70-79%	>3.6-5.6%
0-69%	>5.6-19.6%

- Except for 2022 Operator must maintain 75% capture
- If **baseline** is **below 60%** operator shall submit plan to meet minimum capture requirements
- Acquisition or sale shall not affect operators gas capture
 - No later than **60 days** operator **may file written request** to modify gas capture requirements
- **Compliance plan** due **by March 30** following reporting year if operator is out of compliance
 - Division may suspend drilling activity if future compliance is not demonstrated

19.15.27.9 Statewide Gas Capture...

B. Accounting:

- Operator submit report to certify compliance by February 28

- $Gas\ Capture = \frac{Gas\ Produced - (Lost\ Gas - ALARM\ Credits)}{Gas\ Produced}$

- Advanced Leak And Repair Monitoring (**ALARM**)
 - Division to publish list of approved technology
 - Operator files application for credit
 - Isolated within 48 hrs
 - Repaired within 15 days
 - **40%** credit of volume lost
 - Additional **20%** if performed quarterly

$$Lost\ Gas = G_{prod} - G_{sold} - B_{use} - E_{mer} - O_{ffspec} - P_{nuem} - E_{well}$$

19.15.27.9 Statewide Gas Capture...

C. Third-party verification. The division may request that an operator retain a third party to verify any data or information collected or reported pursuant to this Part, make recommendations to correct or improve the collection and reporting of data and information, submit a report of the verification and recommendations to the division by the specified date, and implement the recommendations in the manner approved by the division. If the division and the operator cannot reach agreement on the division's request, the operator may file an application for hearing before the division. The operator, at its own expense, shall retain a third party approved by the division to conduct the activities agreed to by the division and the operator or ordered by the division following a hearing.

19.15.27.9 Statewide Gas Capture...

D. Natural Gas Management Plan

- Submit with APD after effective date of the rule
 - Simply plan if in compliance with gas capture
 - Operator name and OGRID
 - Well name, API, location and footage
 - Anticipated drilling, completion and first delivery dates
 - Best practices to minimize venting and flaring
 - Anticipated volumes and separation equipment sizing
 - After **April 1, 2022** Detailed plan if out of compliance
 - Anticipated volume
 - Anticipated gathering system
 - Gather Name
 - System name and location
 - Map of well and anticipate pipeline route
 - Maximum daily capacity of the system
 - Plan for connection to the system
 - Anticipated date
 - Statement of capacity availability at first delivery
 - Anticipation of other wells connecting to the system and the impact to pressure and take-away

19.15.27.9 Statewide Gas Capture...

D. Natural Gas Management Plan

- Certification of sufficient take-away capacity to take 100% of the gas produced
 - If not able to take 100%
 - Operator can shut in or submit plan for alternative beneficial use
 - Power gen on lease
 - Power gen for grid
 - Compression on lease
 - Liquids removal on lease
 - Reinjection for underground storage
 - Reinjection for temp storage
 - Reinjection for enhance oil recovery
 - Fuel cell production
 - Submit revised plan with 20 days of being aware of **capacity constraints**
 - Submit revised plan within 20 days of being aware of **gas capture non-compliance**
 - Division may **deny** APD or **conditional approve** if operator does not
 - Make certification
 - Fails to submit adequate venting and flaring plan
 - If division determines the operator will not have adequate takeaway

19.15.27.7 Definitions

- ALARM
 - Advanced leak and repair monitoring
 - Technology for detecting leaks that is not required by applicable state or federal law, rule or regulation
 - Approved list to be published by the division
- Beneficial use?
- Emergency
 - Temporary, infrequent and unavoidable
 - (7) Four or more emergencies within a reporting area within 30 days
- Initial flowback
 - Concludes when it is technically feasible to operate separator
- Separation flowback
 - Concludes no later than 30 days after commencement of initial flowback

19.15.27.8 Venting and Flaring

- **G. Reporting of vented or flared natural gas:**

- C-129 within 15 days 50 mcf to 500 mcf
- Verbally within 24 hours if greater than 500 mcf
 - Follow up with C-129 with 15 days
- C-141 instead if release includes liquid (release already requires C-141)

- Monthly Reporting:

- October 1, 2021- **Quarterly** (Due February 15, 2022)
- 1st quarter 2022 by May 15, 2022
- **Monthly** C-115B starting April 2022

- Published on website
- Provide copy to SLO
- Notify all royalty owners

- **Categories:**

- Emergency
- Non-scheduled maintenance or malfunction
- Surface repair and maintenance
- Downhole maintenance
- Manual liquids unloading
- Storage tanks
- Lack of capacity
- Gas quality
 - N₂, H₂S, CO₂
 - O₂
- Normal Pneumatics
- Improperly closed or maintained thief hatch
- > 8 hr emergency volume
- Exploration well
- Other

19.15.27.8 Venting and Flaring

- A. Operator shall flare rather than vent
- **B. Drilling Operations:**
 - Properly-sized flare stack
 - 100 ft setback for flare from surface hole location
- **C. Completion or Recompletion Operations:**
 - Initial flowback
 - Separation flowback route to sales
 - Flare for 60 days due gas quality
 - Properly sized stack w/ auto ignitor or continuous pilot
 - Gas analysis twice per week
 - Provide gas analysis to division upon request

19.15.27.8 Venting and Flaring

- **D. Production Operations:**

- Venting or Flaring allowed:
 - Emergency or malfunction
 - Manual liquids unloading
 - Operator on-site or within 30 mins
 - Plunger lift
 - Downhole maintenance
 - Exploration well

- Other routine activities

- Gauging or sampling
- Liquid load out
- Repair and maintenance
- Normal operation of
 - gas-activated pneumatics
 - Storage tank (not including improperly closed thief hatch)
 - Dehy
 - Compression
 - Valves, flanges or connectors
- Bradenhead test
- Packer leakage test
- Production test (24 hrs)
- Gas not meeting spec (twice a week sampling)
- Commissioning (pipeline, equipment or facilities)

19.15.27.8 Venting and Flaring

- **E. Performance Standards:**

- Auto gauging system (Tanks installed after effective date of the rule)
- Auto ignitor or continuous pilot
 - Installed after effective date
 - Within 18 months if installed prior
 - Exemption for wells or facilities with less 60 mcf
- **AVO**
 - Weekly
 - Monthly on stripper wells (SI, TA'd, Inactive wells)

- **F. Measurement**

- Install measurement on wells authorized by APD issued after effective date of the rule
- Exemption for well or facility with less than 60 mcf

19.15.28 Natural Gas Gathering Systems

19.15.28.8 Operator shall not flare or vent except:

- Emergency or malfunction
- Repair and maintenance
- Normal operation of:
 - Gas-Activated pneumatics
 - Dehy
 - Compressors
 - Valves, flanges and connectors
 - Storage tanks
 - Gauging and sampling
 - Liquid load out
 - Pipeline blow down
 - Pigging
 - Purging
 - Commissioning

C. Performance Standards

- Operations plan
 - Reasonable action to prevent and minimize leaks
- Route blowdown to portable flare
 - During scheduled maintenance
 - If technically feasible during unscheduled maintenance
- Weekly AVO
- Annual monitoring of the entire length of the system

19.15.28.8 Venting and flaring

D. Reporting to upstream operators

- Written notice 14 days prior scheduled maintenance
- Verbal notification ASAP but no more than 12 hours after discovery of emergency or malfunction
 - Provide written confirmation of verbal notification within 24 hrs

E. Measurement

- Operator shall measure or estimate volumes vented, flared or used for beneficial use
- Operator shall install measurement equipment to measure vented or flared volumes
 - If metering is not practicable (low pressure, low rate) operator shall estimate volumes

19.15.28.8 Venting and flaring

F. Reporting

- C-129 within 15 days 50 mcf to 500 mcf
- Verbally within 24 hours if greater than 500 mcf
 - Follow up with C-129 within 15 days
- C-141 instead if release includes liquid (release already requires C-141)

Monthly Reporting: C-115B

Categories:

- Emergency
- Non-scheduled maintenance or malfunction
- Routine repair and maintenance
- Beneficial use
- Blowdown and purging
- Pigging
- Storage tanks
- Pneumatic devices (Gas powered)
- Improperly closed or maintained thief hatch
- Other Surface waste

19.15.28.9 Location Requirements

A. Digital GIS as-built map

- 90 days after placed into service
- 90 days after effective date for existing systems
- Update by July 31 of each year

Question?

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