

This rule was filed as Rule G-0.1, Rule G-1, Rule G-2, Rule G-3, Rule G-4, Rule G-5, Rule G-6, Rule G-7, Rule G-8, Rule G-9, Rule G-10 and Rule G-100.

TITLE 19 NATURAL RESOURCES AND WILDLIFE
CHAPTER 14 GEOTHERMAL POWER
PART 1 GENERAL PROVISIONS

19.14.1.1 ISSUING AGENCY: Energy and Minerals Department, Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico.
[Recompiled 12/31/01]

19.14.1.2 SCOPE: [RESERVED]
[Recompiled 12/31/01]

19.14.1.3 STATUTORY AUTHORITY: [RESERVED]
[Recompiled 12/31/01]

19.14.1.4 DURATION: [RESERVED]
[Recompiled 12/31/01]

19.14.1.5 EFFECTIVE DATE: [November 15, 1983]
[Recompiled 12/31/01]

19.14.1.6 OBJECTIVE:

A. The following geothermal rules and regulations are of statewide application and have been adopted by the oil conservation division of the New Mexico energy and minerals department to conserve the natural geothermal resources of the state of New Mexico, to prevent waste, and to protect the correlative rights of all owners of geothermal resources. Special rules, regulations, and order may be adopted from time to time when required for a particular geothermal resources area, and shall prevail over the geothermal rules and regulations if in conflict therewith. However, when these geothermal rules and regulations do not conflict with special rules hereafter adopted, these geothermal rules and regulations will apply.

B. The Division may grant exceptions to these rules and regulations after notice and hearing, when the granting of such exceptions will not result in waste but will protect correlative rights or prevent waste.
[Rule G-1; Recompiled 12/31/01]

19.14.1.7 DEFINITIONS:

A. "Commission" shall mean the oil conservation commission.

B. "Condensate" shall mean the liquid recovered from the condensation of gases or steam produced from a geothermal reservoir.

C. "Correlative rights" shall mean the opportunity afforded, insofar as is practicable to do so, the owner of each property in a geothermal reservoir to produce his just and equitable share of the geothermal resources within such reservoir, being an amount, so far as can be practicably determined, and so far as can be practicably obtained without waste, substantially in the proportion that the quantity of recoverable geothermal resources under such property bears to the total recoverable geothermal resources in the reservoir, and for such purpose to use his just and equitable share of the natural heat or energy in the reservoir.

D. "Designated agent" shall mean that person designated by the owner or operator of any geothermal resources well to be his agent in all matters concerning the keeping of records within the state.

E. "Development well" shall mean a well drilled within the established limits of a designated geothermal field or within one mile thereof, for the commercial production of geothermal resources.

F. "Disposal well" shall mean a well drilled or converted for the purpose of disposing of fluids into a formation other than a geothermal reservoir.

G. "Division" shall mean the oil conservation division of the New Mexico energy and minerals department.

H. "Drilling operations" shall mean the actual drilling, redrilling, completion or recompletion of a well for geothermal production or injection, including the running and cementing of casing, the performance of such operations as logging and perforating, and the installation of wellhead equipment.

I. "Exploratory well" shall mean a well drilled for the discovery or evaluation of geothermal resources one mile or more beyond the established limits of a designated geothermal field.

J. "Geothermal section" shall mean that section of the oil conservation division charged with the authority and duty of regulating the drilling, development and production of geothermal resources, and with conserving and preventing waste of geothermal resources within this state pursuant to the provisions of the Geothermal Resources Conservation Act.

K. "Geothermal field" shall mean an area defined by the division which contains a well, or wells, capable of commercial geothermal production. "Geothermal field" includes "low-temperature thermal field."

L. "Geothermal gradient well" (see thermal gradient well)

M. "Geothermal observation well" shall mean any well which is to be utilized for the express purpose of evaluating or monitoring a geothermal reservoir by pressure observation or limited production.

N. "Geothermal reservoir" shall mean any common source of geothermal resources, whether the fluids produced from the reservoir are native to the reservoir, or flow into or are injected into said reservoir.

O. "Geothermal resources" shall mean the natural heat of the earth or the energy, in whatever form, below the surface of the earth present in, resulting from, created by, or which may be extracted from, this natural heat, and all minerals in solution or other products obtained from naturally heated fluids, brines, associated gases and steam, in whatever form, found below the surface of the earth, but excluding oil, hydrocarbon gas and other hydrocarbon substances.

P. "Geothermal resources area" shall mean the same general surface area which is underlain, or appears to be underlain, by one or more formations containing geothermal resources.

Q. "Geothermal resources well" (see well)

R. "Geothermal waters" shall mean the water or brine produced from a geothermal reservoir.

S. "Injection" shall mean the placing of fluids in an underground stratum through a wellbore, whether by pressure at the surface or by gravity flow, and whether for disposal or other purpose.

T. "Injection well" shall mean a well drilled or converted for the purpose of injecting fluids into a geothermal reservoir.

U. "Log or well log" shall mean a systematic detailed and correct recorded description of the lithologic sequence encountered while drilling a geothermal well.

V. "Low-temperature thermal field" shall mean an area defined by the commission which contains a well, or wells, capable of production of low-temperature thermal waters.

W. "Low-temperature thermal water" shall mean naturally heated water the temperature of which is less than boiling at the altitude of occurrence, which has value by virtue of the heat contained therein and is found below the surface of the earth, or in warm springs on the surface.

X. "Low-temperature thermal well" shall mean a well drilled to produce low-temperature thermal water for the purpose of extracting heat for agricultural, commercial, industrial, municipal or domestic uses.

Y. "Multiple completion" shall mean the completion of a well in such a manner as to produce from more than one geothermal reservoir.

Z. "Operator" shall mean any person drilling, maintaining, operating, producing or in control of any well, and shall include "owner" when any well is operated or has been operated or is about to be operated by or under the direction of the owner.

AA. "Owner" shall mean the person who has the right to drill into and to produce from any geothermal resources area, and to appropriate the geothermal resources thereof for himself or for himself and another.

BB. "Person" shall mean any individual, firm, association or corporation or any other group or combination acting as a unit.

CC. "Potential" shall mean the properly determined ability of a well to produce geothermal resources under conditions prescribed by the division.

DD. "Temporary abandonment" shall mean a state or period of suspended operations during which essentially continuous drilling, production, injection, storage or work-over procedures have not taken place. Such period shall be 60 days for drilling wells and six months for all other classes of wells.

EE. "Thermal gradient well" shall mean a well drilled or used solely for temperature observation purposes, and which shall not be completed as a geothermal producing well or as an injection or disposal well.

FF. “Unorthodox well location” shall mean a location which does not conform to the well location requirements established by the geothermal rules and regulations of the division.

GG. “Waste” shall mean any physical waste including, but not limited to, underground waste resulting from the inefficient, excessive or improper use or dissipation of reservoir heat or energy or resulting from the location, spacing, drilling, equipping, operation or production of a geothermal resources well in such a manner as to reduce or tend to reduce the ultimate economic recovery of the geothermal resources within a reservoir and surface waste resulting from the inefficient production, gathering, transportation, storage or utilization of geothermal resources and the handling of geothermal resources in such a manner that causes or tends to cause the unnecessary or excessive loss or destruction of geothermal resources obtained or released from a geothermal reservoir.

HH. “Well” shall mean any exploratory well, development well, injection well, disposal well, thermal gradient well, geothermal observation well, or low-temperature thermal well, as defined herein.
[Rule G-01; Recompiled 12/31/01]

19.14.1.8 ENFORCEMENT OF LAWS, RULES, AND REGULATIONS DEALING WITH CONSERVATION OF GEOTHERMAL RESOURCES: The division, its agents, representatives, and employees are charged with the duty and obligation of enforcing all statutes, rules and regulations of the state of New Mexico relating to the conservation of geothermal resources. However, it shall be the responsibility of all geothermal resource owners or operators to obtain information pertaining to the regulation of geothermal resources before operations have begun. Minor deviations from the requirements of these rules as to field practices may be permitted by the division or its duly authorized representatives where such can be safely done without waste and burdensome delay or expense to the operator avoided.

[Rule G-2; Recompiled 12/31/01]

19.14.1.9 WASTE PROHIBITED:

A. The production or handling of geothermal resources of any type or in any form, or the handling of products thereof, in such a manner or under such conditions or in such an amount as to constitute or result in waste is hereby prohibited.

B. All owners, operators, contractors, drillers, transporters, service companies, pipe pulling and salvage contractors and other persons shall at all times conduct their operations in the drilling, equipping, operating, producing, and plugging and abandoning of geothermal resource wells in a manner that will prevent waste of geothermal resources, and shall not wastefully utilize geothermal resources or allow leakage of such resources from a geothermal reservoir, or from wells, tanks, containers, or pipe, or other storage, conduit or operating equipment.

[Rule G-3; Recompiled 12/31/01]

19.14.1.10 PROTECTION OF LIFE, HEALTH AND THE ENVIRONMENT: All geothermal operations, exploratory, drilling and producing, shall be conducted in a manner that will afford maximum reasonable protection to human life and health and to the environment.

[Rule G-4; Recompiled 12/31/01]

19.14.1.11 OTHER DEPARTMENTS AND AGENCIES: Nothing in these rules shall be construed to supersede the authority which any state department or agency has with respect to the management, protection and utilization of the state lands and resources under its jurisdiction.

[Rule G-5; Recompiled 12/31/01]

19.14.1.12 UNITED STATES GOVERNMENT LEASES: It is recognized by the division that all persons conducting geothermal operations on United States government land shall comply with the United States government regulations. Such persons shall also comply with all applicable state rules and regulations which are not in conflict therewith.

[Rule G-6; Recompiled 12/31/01]

19.14.1.13 UNITIZED AREAS: After notice and hearing, the division may grant approval for the combining of two or more contiguous leases into a unitized area for purposes of exploration for and production of geothermal resources.

[Rule G-7; Recompiled 12/31/01]

19.14.1.14 CLASSIFYING AND DEFINING POOLS: The division will determine whether a particular well or field is a high-temperature geothermal well or field or a low-temperature thermal well or field, as the case may be, and will, from time to time, classify and reclassify wells and name pools accordingly, and will determine the limits of any field so designated and from time to time redetermine such limits.
[Rule G-8; Recompiled 12/31/01]

19.14.1.15 FORMS UPON REQUEST: Forms for written notices, requests and reports required by the division will be furnished upon request.
[Rule G-9; Recompiled 12/31/01]

19.14.1.16 AUTHORITY TO COOPERATE WITH OTHER AGENCIES: The division may from time to time enter into arrangements with state and federal governmental agencies, industrial committees and other persons, with respect to special projects, services and studies relating to conservation of geothermal resources.
[Rule G-10; Recompiled 12/31/01]

19.14.1.17 DESIGNATION OF AGENT: Any person who had drilled or is drilling or proposes to drill any geothermal well shall file a "designation of agent" (on a form approved by the division) with the division. The designated agent shall be a resident of this state and shall be the repository for all well records of wells drilled by the owner or operator for whom he is agent (Rule G-200 B) [now 19.14.51.9 NMAC]. All changes of address of the agent shall be immediately reported to the division in writing. Upon termination of any agent's authority, a new designation of agent shall be filed with the division within ten days.
[Rule G-100; Recompiled 12/31/01]

HISTORY OF 19.14.1 NMAC:

Pre-NMAC History: The material in this Part was derived from that previously filed with the State Records Center and Archives:

Rule G-0.1, Definitions, 11/1/83.

Rule G-1, Scope of Rules and Regulations, 11/1/83.

Rule G-2, Enforcement of Laws, Rules, and Regulations Dealing with Conservation of Geothermal Resources, 11/1/83.

Rule G-3, Waste Prohibited, 11/1/83.

Rule G-4, Protection of Life, Health, and the Environment, 11/1/83.

Rule G-5, Other Departments and Agencies, 11/1/83.

Rule G-6, United States Government Leases, 11/1/83.

Rule G-7, Unitized Areas, 11/1/83.

Rule G-8, Classifying and Defining Pools, 11/1/83.

Rule G-9, Forms Upon Request, 11/1/83.

Rule G-10, Authority to Cooperate with Other Agencies, 11/1/83.

Rule G-100, Designation of Agent, 11/1/83

History of Repealed Material: [RESERVED]