Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Secretary Adrienne Sandoval, Director Oil Conservation Division



BY ELECTRONIC MAIL ONLY

September 21, 2022

RE: Notice of 19.15.11 NMAC Compliance Requirements – Hydrogen Sulfide Gas

Dear Company Representatives,

The New Mexico Oil Conservation Division (OCD) gives notice that pursuant to 19.15.11 NMAC all oil and gas operations must be conducted in a manner that protects the public from exposure to hydrogen sulfide gas (H₂S). 19.15.11.8.A NMAC requires operators to determine the H₂S concentration from wells, facilities, or operations such as pipelines, central tank batteries, etc., either by testing (using a sample for each well, facility or operation) or by using demonstrated process knowledge. If the operator uses a representative sample or process knowledge, the concentration derived from the representative sample or process knowledge shall be reasonably representative of the H₂S concentration within the well, facility, or operation.

Pursuant to 19.15.11 NMAC, OCD is requiring the following:

- Operators of wells, facilities, or operations who have failed to make the H₂S concentration determination must make the determination in accordance with 19.15.11 NMAC.
- Operators of wells, facilities, or operations who have made a change or alteration that may materially increase the H₂S concentration, such as adding new wells or facilities, must make a new determination in accordance with 19.15.11 NMAC.
- If the H₂S concentration is greater than or equal to 100 ppm, the operator must calculate the radius of exposure (ROE) and comply with the applicable requirements of 19.15.11 NMAC.
- If the calculation of the ROE reveals a potentially hazardous volume is present, the operator must develop a H₂S Contingency Plan that will be used to alert and protect the public in accordance with Subsections B through I of 19.15.11.9 NMAC. The H₂S Contingency Plan, along with the H₂S concentration determination and the calculation of ROE, must be submitted to the OCD.

• For existing H₂S Contingency Plan(s), the operator must ensure the plan has been submitted and approved by the OCD. The operator must also review and amend the plan as per 19.15.11.9.F NMAC. Previously non-submitted plans and/or amended plans must be submitted and approved by the OCD to ensure the plan is adequate to protect public safety.

If the operator determines that a H₂S Contingency Plan and/or an amended plan needs to be submitted to the OCD, the operator must submit the plan, along with the H₂S concentration determination and the ROE calculation, within 180 days after receipt of this letter. The H₂S Contingency Plan, along with supporting documentation, must be submitted via OCD's online permitting system at https://www.emnrd.nm.gov/ocd/ocd-e-permitting/, selecting application type [UF-H2S] H₂S Contingency Plan.

Before beginning operations of new wells, facilities, or operations, the operator must determine the H_2S concentration and calculate if the ROE of the H_2S concentration is 100 ppm or greater. If the calculation of the ROE reveals a potentially hazardous volume of H_2S , the operator must develop a H_2S Contingency Plan and submit the plan, along with the H_2S concentration determination and ROE calculation, to the OCD before operation begins.

Failure to comply with this notice may result in enforcement action. If you have any questions, please contact Jacob Kruse at (505) 469-7321 or by email at <u>Jacob.Kruse@emnrd.nm.gov</u>.

