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# NOTICE REGARDING SURFACE COMMINGLING ORDERS

## September 2, 2020

The Oil Conservation Division (“OCD”) has revised its surface commingling order conditions of approval for allocating via bulk well tests and addition of infill wells. The new order language will be used for all orders issued after the date of this notice.

### **Revision to Conditions When Allocating via Bulk Well Tests**

The changes enacted by the new conditions of approval are as follows:

- The applicant may allocate via well tests during the flowback period at the frequency of every 3<sup>rd</sup> day instead of constant metering.
- The applicant shall allocate via a production curve instead of allocating forward when allocating via well tests during the flowback period.
- During the flowback period, days in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included when meeting the well test requirement of every 3<sup>rd</sup> day.
- The required number of well tests during the plateau period is lowered from 4 to 3.
- The required number of well tests during the decline period is lowered by 1 for each range and the 4<sup>th</sup> range is removed.
- Quarterly reports of well test frequency are no longer being required.

### **Process to Add Infill Wells to Surface Commingling Orders**

The changes enacted by the new conditions of approval are as follows:

- The applicant must state within the application noticed to all interest owners that authority to commingle future wells producing from the spacing units contained within the application is being sought.
- The surface commingling order issued by the OCD shall explicitly state that wells producing from the authorized spacing units may be added to the order.

- In addition to any requirements within the order, the applicant must submit Forms C-102 and C-103 to the OCD Engineering Bureau for each well prior to commingling its production.

**Submitting Forms and Documents for Surface Commingling Orders**

Applications shall be submitted via the OCD Fee Portal which may be found at <https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Default.aspx>.

Any documents required by the final order shall be submitted to the OCD Engineering Bureau as a PDF and emailed only to [OCD.Engineer@state.nm.us](mailto:OCD.Engineer@state.nm.us) with a reference to the related order and reason for the submittal within the text of the email.