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NOTICE

CLARIFICATION ON OCD'S "INFORMATION ON C-115Bs and C-115s INCLUDING FREQUENTLY ASKED QUESTIONS, REPORTING CODES AND CALCULATION METHODS."

May 5, 2022

As part of ongoing stakeholder engagement, the Oil Conservation Division ("OCD") provides further guidance, information, and answers Frequently Asked Questions ("FAQs") regarding the Natural Gas Waste Rules, 19.15.27 and 19.15.28 NMAC, which went into effect on May 25, 2021. This FAQ and Guidance specifically modifies Question one (1), Reporting Code Crosswalk, and replaces Question three (3) of the OCD's April 19, 2022, FAQ release **as it relates to gas lift gas reporting**.

Additionally, the OCD is providing notice of a change in the reporting system for all C-115B quarterly reports including the report due May 15, 2022. **Submissions with gas capture percentages over 100% will not be allowed and the system will prohibit the reports from being filed until a correction is made.**

Going forward, OCD will release additional and/or updated FAQs and Guidance as necessary. To help identify areas where such additional guidance would be helpful, please continue to submit questions to: OCD.Engineer@state.nm.us

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Question #1 What should be reported as gas produced under Column 14 on the C-115?

OCD’s April 19, 2022, notice titled C-115B-C115 FAQ provided an example of how produced gas should be reported on the C-115. After additional discussion with multiple stakeholders, it was discovered that this example contained an error. The example incorrectly showed gas lift being reported under the production side Column 14 of the C-115.

Column 14 “Gas Produced” on the C-115 should reflect the volume of gas produced **not** including gas lift volumes. Column 14 volume will need to balance with the disposition side of the C-115 (Column 20 – Disposition volumes) including the following disposition codes (Column – 8 Code 3 and Column – 22 Code 4):

- Transported
- Flared
- Lost
- Repressurizing
- Used on property
- Venting
- Other

This volume should also include gas used in items such as pneumatics, maintenance, storage tanks, etc.

		INJECTION				PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER																	
Z		9		10		12		13		14		15		17		18		19		20		21		23			
POOL NO. AND NAME		Volume		Pressure		Barrels of Oil/condensate produced		Barrels of water produced		MCF Gas Produced		Days Produced		Point of Disposition		Gas BTU or Oil API Gravity		Oil on hand at beginning of month		Volume (Bbls/mcf)		Transporter Ogrid		Oil on hand at end of month			
7.																											
Pool and Name																											

While gas lift is not to be reported under Column 14, gas lift gas **is** required to be reported on the C-115. In specific limited instances gas lift may be reported on the C-115B. Specific direction is provided below.

C-115 and C-115B Reporting Code Crosswalks

Below is a basic description of the C-115 Non-Transported Disposition codes and a crosswalk on how the disposition codes relate between the C-115 and C-115B.

The OCD has removed “G-Gas lift” from the disposition side (Column - 22 Code 4) of the C-115.

C-115 Non-Transported Disposition Codes.

Code	Code Title	Brief Description
F	Flaring	For gas that is flared
G	Gas Lift	For gas from Gas Lift
L	Lost	Gas unintentionally vented (Typically due to a malfunction or emergency)
R	Repressurizing	When repressurizing a well or system
U	Used on Property	Gas used beneficially onsite
V	Venting	Gas intentionally vented onsite
O	Other	Any item not described above.

Question #3: How should Gas lift be reported on the C-115B and C-115?

Gas lift on the C-115 – Production Side

Operators shall report gas volumes used for artificial lift using the injection side of the C-115. This means operators shall select “G – Gas lift” (Column 8 - Code 1).

Production Side of C115					Disposition Side of C115								
INJECTION					PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER				
8	9	10	11	12	13	14	15	17	18	19	20	21	23
Code	Volume	Pressure		Barrels of Oil/condensate produced	Barrels of water produced	MCF Gas Produced	Days Produced	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter Ogrid	Oil on hand at end of month
Z													
POOL NO. AND NAME													
Property No. and Name													
Well No. & U-L-S-T-R													
API No.													
Pool and Name													

After selection of “G – Gas lift” for column 8, operators will enter the volume in mcf used for gas lift (Column 9).

Production Side of C115					Disposition Side of C115								
INJECTION					PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER				
8	9	10	11	12	13	14	15	17	18	19	20	21	23
Code	Volume	Pressure		Barrels of Oil/condensate produced	Barrels of water produced	MCF Gas Produced	Days Produced	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter Ogrid	Oil on hand at end of month
Z													
POOL NO. AND NAME													
Property No. and Name													
Well No. & U-L-S-T-R													
API No.													
Pool and Name													

Operators do not have to report a pressure for Column 10 if they correctly selected “G” for Column 8. However, operators may enter the injection pressure used for gas lift here (Column 10).

Production Side of C115											Disposition Side of C115						
Z		INJECTION		PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER									
POOL NO. AND NAME		9	10	12	13	14	15	17	18	19	20	21	23				
Property No. and Name		Volume	Pressure	Barrels of Oil/condensate produced	Barrels of water produced	MCF Gas Produced	Days Produced	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter Ogrid	Oil on hand at end of month				
Well No. & U-L-S-T-R		D	E	D	E	E	E	D	E	E	E	D	E				
API No.		E	E	E	E	E	E	E	E	E	E	E	E				
Pool and Name		1	2	3	4	5	6	7	8	9	10	11	12				

After entering the pressure, Operators need to enter “G - Gas” in Column 11 Code 2.

Production Side of C115											Disposition Side of C115						
Z		INJECTION		PRODUCTION				DISPOSITION OF OIL, GAS, AND WATER									
POOL NO. AND NAME		9	10	12	13	14	15	17	18	19	20	21	23				
Property No. and Name		Volume	Pressure	Barrels of Oil/condensate produced	Barrels of water produced	MCF Gas Produced	Days Produced	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (Bbls/mcf)	Transporter Ogrid	Oil on hand at end of month				
Well No. & U-L-S-T-R		D	E	D	E	E	E	D	E	E	E	D	E				
API No.		E	E	E	E	E	E	E	E	E	E	E	E				
Pool and Name		1	2	3	4	5	6	7	8	9	10	11	12				

Gas lift on the C-115 – Disposition Side

Column 22 Code 4 has been updated and no longer contains “G – Gas Lift” as an option for disposition of gas.

Volumes of gas lift gas are only reported if:

- Any gas lift gas is vented or flared during any process, that gas volume should be reported on the appropriate "V – Venting" or "F – Flaring" code on the C-115 (Column 22 – Code 4).
- Any gas lift gas is used on property during any process, that gas volume should be reported with the appropriate “U – used on lease” code on C-115 (Column 22 – Code 4).

Gas lift on the C-115B

Gas lift volumes used for artificial lift are generally **not** to be reported on the C-115B and are not considered beneficial use or lost gas. However, if any gas from the gas lift is vented, flared, or used on lease as part of any process, the volume should be reported under the applicable category as defined in 19.15.27 NMAC.

Gas lift C-115 and C-115B Examples

In Figure 1, for the C-115 and the C-115B, below is a simple gas lift scenario.

C-115B Summary		
Production/Other Data		
Volume Natural Gas Produced	2010	MCF
Volume Natural Gas Sold	1900	MCF
Volume of Gas Excluded from Percentage calc	1910	MCF
Volume of Gas Lost	100	MCF
Natural Gas Captured (%)		
95.02		

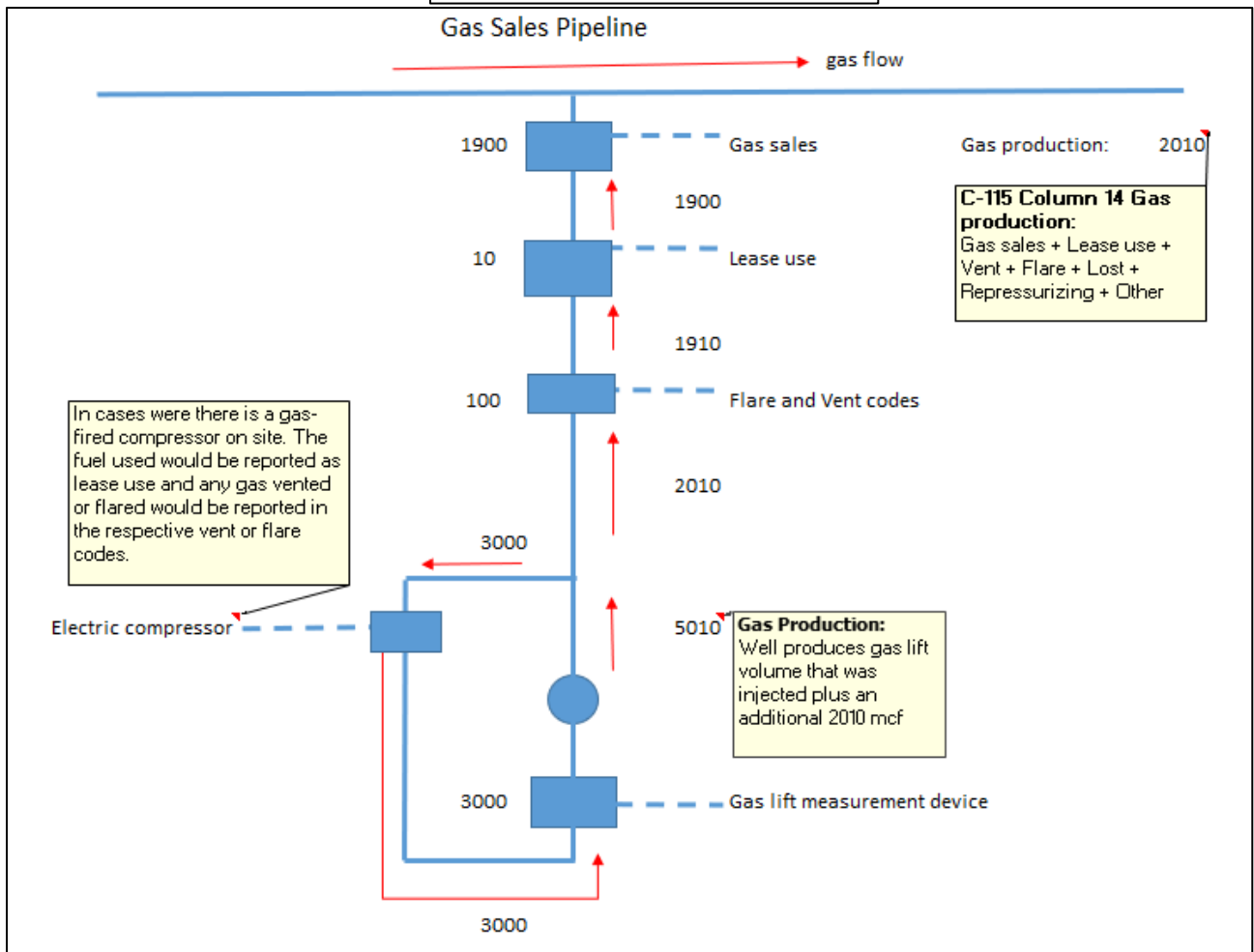


Figure 1, Gas lift Scenario