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.

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.
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).

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

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

**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.
Example For the C-115:

<table>
<thead>
<tr>
<th>POOL NO. AND NAME</th>
<th>C</th>
<th>O</th>
<th>D</th>
<th>E</th>
<th>Pool Volume</th>
<th>Production Volume</th>
<th>Gas Lift</th>
<th>Oil Lift</th>
<th>Water Lift</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-15-99999</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>200 G</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Gas Lift should be reported as a separate record in the resulting C-115 text file, as demonstrated below.

For the C-115B:

For the C-115B, OCD imports production and sales volume from the C-115. The purpose of the C-115B is to enable operators to report gas as required by 19.15.27 NMAC. In our example, the venting and flaring and the result summary from our example looks as follows:
Figure 1, Gas lift Scenario