

## NOTICE

### NO OCD PERMIT REQUIRED FOR RE-USE OF PRODUCED WATER

#### AT OIL AND GAS OPERATIONS

The Oil Conservation Division (OCD) has the authority in Section 70-2-12 NMSA 1978 (2004) to regulate “the disposition of water produced or used in connection with the drilling for or producing of oil or gas or both and to direct surface or subsurface disposal of the water, including disposition by use in drilling for or production of oil and gas ... in a manner that will afford reasonable protection against contamination of fresh water supplies designated by the state engineer.” The Oil Conservation Commission has enacted a rule, 19.15.34 NMAC, which regulates the transportation and disposition of produced water. Rule 19.15.34.12 NMAC allows the disposition of produced water for use as a drilling or completion fluid at a drilling site or disposition under other Division authorization.

The Energy, Minerals and Natural Resources Department and OCD Director support the growing interest in the re-use of produced water for oil and gas operations. The Director notes that there is some confusion about the applicability of OCC rules to re-use produced water and whether prior authorization from OCD is needed for re-use of produced water.

No OCD permit or authorization is required for the re-use of produced water, drilling fluids or other oil field liquids as a drilling or completion fluid or other type of oil field fluid, including makeup water, fracturing fluid or drilling mud, at a permitted drilling, production or plugging operation. However, the re-use of produced water is NOT permitted for any use which involves contact with fresh water zones. No permit is required for the delivery of produced water to permitted salt water disposal facilities, secondary recovery, pressure maintenance or EOR projects, surface waste management facilities, or to well sites for use in drilling, completion, or plugging operations. Produced water must be stored and re-used in a manner that protects fresh water, public health, and the environment. Produced water, brine makeup water, or frac flowback water can be stored in permanent pits or in temporary multi-well fluid management pits when used only on wells identified in the multi-well fluid management pit permit.

#### Multi-well Fluid Management Pits, Rule 19.15.17 NMAC

To request approval to construct a multi-well fluid management pit, an operator must file an application form C-144 with required attachments, including a list of wells with approved APDs associated with the pit, to the appropriate division district office. A form C-102 must also be provided showing the proposed pit location. These pits may be used for the storage, treatment and recycling of stimulation fluids and flow-back water during the drilling and completion of multiple wells, and may not be used for disposal of drilling, completion or other waste. Multi-well fluid management pits must be closed within 6 months from the date all stimulation operations on all wells identified in the permit cease.

### Permanent Pits, Rule 19.15.17 NMAC

To request approval to construct a permanent pit, an operator or commercial entity must file an application Form C-144 with required attachments to the OCD Environment Bureau in Santa Fe and submit a copy to the appropriate OCD District Office. Fluids stored in a permanent pit can include produced water from different wells, different leases, or from deep saline aquifers. Permanent pits must be closed within 60 days of cessation of operation of the pit.

### Other Re-use of Produced Water

Any other re-use of produced water that is regulated by OCD requires an authorization or permit from OCD issued on a case by case basis. An Application for Re-Use of Produced Water, form C-147, must be submitted to the appropriate OCD District Office. The Application can be found on the OCD Forms webpage (<http://www.emnrd.state.nm.us/OCD/forms.html>).

### Transportation of Produced Water, Rule 19.15.34 NMAC

Approval (with form C-133) is still required to transport produced water or other liquid oil field waste.

All applicable law and OCD rules must be complied with in connection with the re-use of produced water. OCD retains the authority to limit or condition the re-use of produced water that may adversely impact fresh water, public health, safety or the environment.