

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:**

*Case No. 12522
Order No. R-11480*

**APPLICATION OF OIL CONSERVATION DIVISION TO AMEND DIVISION
RULE 705 TO RELAX THE PROVISION THAT GOVERNS AUTOMATIC
TERMINATION OF INJECTION AUTHORITY.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a.m. on November 8, 2000, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission." The Commission, a quorum being present, having considered the record,

FINDS THAT:

(1) Due public notice has been given and the Commission has jurisdiction of this case and its subject matter.

(2) Testimony indicated Rule 705 should be amended to extend from six months to one year the period of time an injection project can have no injection activity before the project is considered abandoned and the authority for injection is automatically terminated. Testimony indicated that a six-month period does not provide sufficient flexibility for operators to make business plans and decisions in regard to injection projects. Additionally, extending the period to one year makes this time period uniform with the more general provision for other types of wells pursuant to Rule 201.

(3) Rule 705 of New Mexico Oil Conservation Division Rules should be amended as shown on the attached Exhibit "A."

(4) It is necessary to adopt the amendments to Rule 705 set forth in the attached Exhibit "A."

IT IS THEREFORE ORDERED:

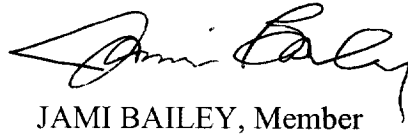
(1) Rule 705 is hereby amended and adopted as set forth in the attached Exhibit "A."

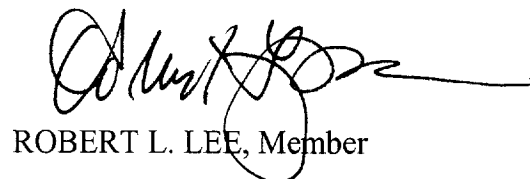
(2) Amended Rule 705 is effective as of the date of publication in the New Mexico Register.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Commission may deem necessary.

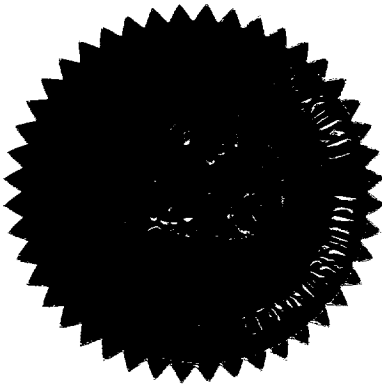
(4) Done at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JAMI BAILEY, Member


ROBERT L. LEE, Member


LORI WROTENBERY, Chairman



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EXHIBIT "A"
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705 COMMENCEMENT, DISCONTINUANCE, AND ABANDONMENT OF INJECTION OPERATIONS

A. The following provisions apply to all injection projects, storage projects, salt water disposal wells and special purpose injection wells:

B. Notice of Commencement and Discontinuance

(1) Immediately upon the commencement of injection operations in any well, the operator shall notify the Division of the date such operations began.

(2) Within 30 days after permanent cessation of gas or liquefied petroleum gas storage operations or within 30 days after discontinuance of injection operations into any other well, the operator shall notify the Division of the date of such discontinuance and the reasons therefor. No injection well may be temporarily abandoned for a period exceeding one year unless the injection interval has been isolated by use of cement or a bridge plug. The Director of the Division may delay the cement or bridge plug requirements above upon a demonstration that there is a continuing need for such a well, that the well exhibits mechanical integrity, and that continued temporary abandonment will not endanger underground sources of drinking water.

(3) Before any injection well is plugged, the operator shall obtain approval for the well's plugging program from the appropriate District Office of the Division in the same manner as when plugging oil and gas wells or dry holes.

C. Abandonment of Injection Operations

(1) Whenever there is a continuous one year period of non-injection into any injection project, storage project, salt water disposal well, or special purpose injection well, such project or well shall be considered abandoned, and the authority for injection shall automatically terminate ipso facto.

(2) For good cause shown, the Division Director may grant an administrative extension or extensions of injection authority as an exception to Subsection C, Paragraph (1) above of 19.15.9.705 NMAC.

[1-1-50...2-1-96; 19.15.9.705 NMAC - Rn, 19 NMAC 15.I.705, A, 11-30-00]