

103 SIGN ON WELLS

All wells subject to these regulations, ~~including drilling, production, and injection wells~~, shall be identified by a sign, ~~posted on the derrick or~~ not more than 20 50 feet from such well, and such sign shall be of durable construction and the lettering thereon shall be kept in legible condition and shall be large enough to be legible under normal conditions at a distance of 50 feet. ~~The wells on each lease or property shall be numbered in non-repetitive, logical and distinctive sequence.~~ Each sign shall show the number of the well, the name of the lease property ~~(which shall be different or distinctive for each lease)~~, the name of the lessee, owner or operator, and the location by quarter section unit letter, section, township and range. ~~The location, for each sign posted after March 1, 1968, shall indicate the quarter-quarter section, township, and range. [1-1-50...2-1-96]~~ Each sign posted after June 30, 1997, shall show the API number of the well with the state code, the county code, and the next five digits of the API number. An operator will have 60 days from the effective date of an operator name change to change the operator name on the well sign unless an extension of time is granted by the District Supervisor upon submission of a schedule for the changes.

BEFORE THE OIL CONSERVATION COMMISSION Santa Fe, New Mexico	
Case No. <u>11720</u>	Exhibit No. <u>1</u>
Submitted by <u>OCD</u>	
Hearing Date <u>3/19/97</u>	

101.L. All bonds required by these rules shall be conditioned for well plugging and location cleanup only, and not to secure payment for damages to livestock, range, water, crops, tangible improvements, nor any other purpose. [1-1-50...2-1-96]

101.M. Upon failure of the operator to properly plug and abandon the well(s) covered by a bond, the Division shall give notice to the operator and surety, if applicable, and hold a hearing as to whether the well(s) should be plugged in accordance with a Division-approved plugging program. If, at the hearing, it is determined that the operator has failed to plug the well as provided for in the bond conditions and Division Rules, the Division Director shall issue an order directing the well(s) to be plugged in a time certain. Such an order may also direct the forfeiture of the bond upon the failure or refusal of the operator, surety, or other responsible party to properly plug the well(s). If the proceeds of the bond(s) are not sufficient to cover all of the costs incurred by the Division in plugging the well(s) covered by the bond, the Division shall take such legal action as is necessary to recover such additional costs. Any monies recovered through bond forfeiture or legal actions shall be placed in the Oil & Gas Reclamation Fund. [6-5-86...2-1-96]

102 NOTICE OF INTENTION TO DRILL

102.A. Prior to the commencement of operations, notice shall be delivered to the Division of intention to drill any well for oil or gas or for injection purposes and approval obtained on Form C-101. A copy of the approved Form C-101 must be kept at the well site during drilling operations. [1-1-50...2-1-96]

102.B. No permit shall be approved for the drilling of any well within the corporate limits of any city, town, or village of this state unless notice of intention to drill such well has been given to the duly constituted governing body of such city, town or village or its duly authorized agent. Evidence of such notification shall accompany the application for a permit to drill (Form C-101). [5-22-73...2-1-96]

102.C. When filing a permit to drill in any quarter-quarter section containing an existing well or wells, the applicant shall concurrently file a plat or other acceptable document locating and identifying such well(s) and a statement that the operator(s) of such well(s) have been furnished a copy of the permit. [5-22-73...2-1-96]

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104. - WELL SPACING

ACREAGE REQUIREMENTS FOR DRILLING TRACTS

104.A. CLASSIFICATION OF WELLS: WILDCAT WELLS AND DEVELOPMENT WELLS

Rand Carroll

From: Frank Chavez
To: Rand Carroll
Subject: ~~REDACTED~~
Date: Tuesday, March 11, 1997 9:30AM

After talking to some operators the following changes should be considered:

Instead of "Each sign posted after. . .", say "Each permanent new or replacement sign installed after . . ."

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