

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 943
Order No. R-722

IN THE MATTER OF THE APPLICATION
OF THE OIL CONSERVATION COMMISSION
OF NEW MEXICO UPON ITS MOTION FOR
AN ORDER REVISING SECTION "M" - REPORTS,
OF THE RULES AND REGULATIONS OF THE
COMMISSION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on August 17, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 21st day of November, 1955, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That experience has demonstrated to the Commission that certain sections and provisions of Section M - Reports, of its Rules and Regulations are in need of revision to enable the Commission more efficiently to control and regulate the reports which are submitted to it.

IT IS THEREFORE ORDERED:

1. That Section M - Reports, of the Rules and Regulations of the New Mexico Oil Conservation Commission be, and the same is hereby, revised to read as follows:

M - REPORTS

All reports and forms as required by the following rules shall be filed with the appropriate District Office of the Commission as provided for in Rule 1302 of the Statewide Rules and Regulations unless otherwise specifically provided for in one of the following rules.

Order No. R-722

Mailing addresses of the District Offices of the Commission are as follows:

P. O. Box 2045, Hobbs, New Mexico

321 Carper Building, Artesia, New Mexico

P. O. Box 697, Aztec, New Mexico

P. O. Box 871, Santa Fe, New Mexico

RULE 1101. ADDITIONAL INFORMATION MAY BE REQUIRED.

These rules shall not be taken or construed to limit or restrict the authority of the Oil Conservation Commission to require the furnishing of such additional reports, data or other information relative to production, transportation, storing, refining, processing, or handling of crude petroleum oil, natural gas or products in the State of New Mexico as may appear to it to be necessary or desirable, either generally or specifically, for the prevention of waste and the conservation of natural resources of the State of New Mexico.

RULE 1102. BOOKS AND RECORDS TO BE KEPT TO SUBSTANTIATE REPORTS.

All producers, transporters, storers, refiners, gasoline or extraction plant operators and initial purchasers of natural gas within the State of New Mexico shall make and keep appropriate books and records for a period not less than five years, covering their operations in New Mexico, from which they may be able to make and substantiate the reports required by this order.

RULE 1103. WRITTEN NOTICES, REQUESTS, PERMITS AND REPORTS.

The forms hereinafter mentioned and attached to these rules in the Appendix are hereby adopted and made a part of these rules for all purposes and the same shall be used for the purposes shown on each of the several forms and in accordance with the Rules requiring the use of said forms and the instructions printed thereon, which instructions are a part of this rule. They are:

Form C-101	Notice of Intention to Drill
Form C-102	Miscellaneous Notices
Form C-103	Miscellaneous Reports on Wells
Form C-104	Request for (oil) - (gas) allowable
Form C-105	Well Record
Form C-110	Certificate of Compliance and Authorization to Transport Oil and Natural Gas
Form C-111	Monthly Gas Report
Form C-112	Transporter's and Storer's Monthly Report
Form C-113	Refiner's Monthly Report
Form C-114	Gasoline or Other Extraction Plant Monthly Report

Form C-115	Operator's Monthly Report (Oil, Condensate and Gas)
Form C-116	Gas-Oil Ratio Report
Form C-117	Tank Cleaning Report
Form C-118	Treating Plant Report
Form C-119	Carbon Black Plant Monthly Report
Form C-120	Monthly Injection Report
Form C-121	Crude Oil Purchaser's Nomination
Form C-121-A	Gas Purchaser's Preliminary Nomination
Form C-122	Multi-point Back Pressure Test for Gas Wells
Form C-122-A	Gas Well Test Data Sheet - San Juan Basin
Form C-122-B	Initial Potential Test - Data Sheet
Form C-122-C	One-point Back Pressure Test for Gas Wells - Data Sheet (Deliverability)
Form C-123	Request for the Extension of an Existing Pool or the Creation of a New Pool.
Form C-124	Bottom Hole Pressures
Form C-125	Shut-in Pressures on Gas Wells
Form C-126	Permit for Transporting Recovered Load Oil
Form C-127	Oil Producers Nomination
Form C-128	Well location and/or gas proration plat

RULE 1104. NOTICE OF INTENTION TO DRILL (Form C-101)

Before beginning drilling operations, the owner or operator of the well shall give notice thereof by filing with the Commission in **QUINTUPPLICATE**, Form C-101. A copy of the notice will be returned by the Commission to the applicant, on which will be noted the Commission's approval with any modifications considered advisable, or the rejection of the plan submitted. Drilling operations shall not begin until this approval is obtained and until a bond has been submitted and approved as required by Rule 101 (Note: on State Land, the State Land Office requires 1 copy of Form C-101, therefore in that case submit 6 copies).

The information required on Form C-101 shall include the name and number of the well, exact location, status of land, (whether federal, state or privately owned), type drilling equipment to be used, drilling contractor, formation to be completed in and approximate depth, casing program, and any other pertinent information. For all locations an official Commission well location and/or gas well plat, Form C-128, made by a registered professional engineer and/or land surveyor, registered in the State of New Mexico, or a surveyor approved by the Commission, showing and certifying the location of the well, must be submitted in **TRIPLICATE** with Form C-101.

RULE 1105. MISCELLANEOUS NOTICES (Form C-102)

Form C-102, 'Miscellaneous Notices', shall be filed by the operator in **TRIPLICATE** and approval obtained from the District Office of the Commission before starting operations leading to:

1. A change in drilling plans
2. Plugging a well
3. Temporary abandonment of a well, or
4. Remedial work; such as, acidizing, squeezing operations, formation fracturing, setting a liner, gun perforating or other similar operations not specifically covered herein.
5. Plugging back or drilling deeper

Form C-102 shall not be required to cover the operations described in Item 4 above for new wells in the process of completion, however, work done and results obtained should be reported on Form C-103.

In case of well-plugging operations, the notice shall give a detailed statement of the proposed work, including length and depth of plugs, plans for mudding, cementing, shooting, testing and removing casing; and the date of the proposed plugging operations. Before plugging any well, that has had commercial production, the owner shall give notice to all adjoining lessees, and representatives of such adjoining lessees may be present to witness the plugging, if they so desire. Failure to file notice before plugging shall constitute grounds for delaying the release of the bond. If not previously filed, a complete log of the well on Form C-105 shall accompany the notice of intention to plug the well, and the bond will not be released until this is complied with.

RULE 1106. MISCELLANEOUS REPORTS ON WELLS (Form C-103)

Form C-103, 'Miscellaneous Reports on Wells', shall be submitted for approval to the appropriate District Office of the New Mexico Oil Conservation Commission within the time specified in the section of this rule applying to the particular operation to be reported.

The report submitted on Form C-103 shall cover the work outlined previously on Form C-102, 'Miscellaneous Notices', and shall include a detailed account of the work done, the manner in which the work was performed and other pertinent information.

Form C-103 is to be used in reporting various operations such as:

- (a) Commencement of Drilling Operations (spudding date)
- (b) Plugging Operations
- (c) Results of Test of Casing Shut-off
- (d) Remedial Work
- (e) Change of ownership of Drilling Well
- (f) Plugging back or drilling deeper

or any similar operations which affect the original status of the well and which are not specifically covered herein.

Information to be entered on Form C-103 for a particular operation is as follows:

(a) Report on Commencement of Drilling Operations:

Within ten days following the commencement of drilling operations, the owner of the well shall file with the Commission a report on Form C-103, in TRIPLICATE. Such report shall indicate the date well is spudded and any other pertinent data not previously submitted on Forms C-101 or C-102, whichever is applicable.

(b) Report on Plugging of Well:

Within thirty days following the completion of plugging operations on any well, a record of the work done shall be filed with the Commission, in TRIPLICATE, on Form C-103. Such report shall be filed by the owner of the well and shall include the date the plugging operations were begun, along with the date the work was completed; a detailed account of the manner in which the work was performed; the depths and lengths of the various plugs set; the nature and quantities of materials employed in plugging operations; the amount, size and depth of all casing left in the hole and the weight of mud employed in plugging the well and any other pertinent information. No plugging report submitted on Form C-103 shall be approved by the Commission unless such report specifically states that pits have been filled and the location levelled and cleared of junk. The filing of Form C-105, 'Well Record', is also necessary to obtain Commission approval of a plugging report.

It shall be the responsibility of the owner of the plugged well to contact the appropriate District Office of the Commission to arrange for an inspection of the plugged well and the location by a Commission representative.

(c) Report on Results of Test of Casing Shut-off

A report on a test of casing shut-off shall be filed with the Commission on Form C-103, in TRIPLICATE, within ten days following the completion of the test. Such report shall be filed by the owner of the well and shall indicate any changes in the casing program previously outlined and approved on Form C-101 or

C-102, whichever is applicable. The report shall also present a detailed description of the test method employed and the results obtained by such test, and any other pertinent information.

(d) Report on Remedial Work

Within thirty days following the completion of remedial work on a well, a report on the operation shall be filed with the Commission on Form C-103, submitted in QUADRUPLICATE. Such report shall be filed by the operator of the well and shall present a detailed account of the work done and the manner in which such work was performed; the daily production of oil, gas and water both prior to and after the remedial operation; the size and depth of shots; the quantity of sand, crude, chemical or other materials employed in the operation, and any other pertinent information. Remedial work to be reported on Form C-103 is as follows:

1. Report on shooting, fluid fracturing or chemical treatment of a previously completed well.
2. Report on squeeze job.
3. Report on setting of liner, packer or pump.
4. Report on installation of gas lift facilities,

or any similar operations which affect the original status of the well and which are not specifically covered herein.

(e) Report on Change in Ownership of Drilling Well.

Within ten days following the official change in ownership of a drilling well, such change in ownership will be reported to the Commission on Form C-103, submitted in TRIPLICATE. Such report shall be filed by the new owner of the well, and shall include the name and address of the previous owner, the effective date of the change in ownership, and any other pertinent information. No change in the ownership of a drilling well will be approved by the Commission until a \$5,000.00 one-well plugging bond or a \$10,000.00 blanket plugging bond has been filed with and approved by the Commission in the name of the new owner.

(f) Report on Plugging Back or Drilling Deeper Operations.

Within thirty days following the completion of plugging back or deepening operations, a report of such work must be filed with the Commission on Form C-103, submitted in QUADRUPPLICATE. Such report shall be filed by the operator of the well and shall present a detailed account of the work done and the manner in which such work was performed.

(g) Other Report on Wells.

Reports on operations not specifically covered herein shall be submitted to the Commission on Form C-103, in TRIPLICATE, by the operator of the subject well within ten days following the completion of the work specified.

RULE 1107. REQUEST FOR (OIL-GAS) ALLOWABLE (Form C-104)

It is necessary that this form be submitted by the operator before an initial allowable will be assigned to any completed oil or gas well. Form C-104 is to be submitted in QUADRUPPLICATE to the Commission District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 a. m. on the date of completion, provided completion report is filed during month of completion. The completion date shall be that date, in the case of an oil well, when oil is delivered into the stock tanks. For all gas wells, the Form C-104 must be accompanied by a Commission location and/or Gas Well Plat, Form C-128, in DUPLICATE showing (a) the location of the well with respect to the outer boundaries of the Section, (b) the acreage to be dedicated to the well, and (c) the location of all other wells, both oil and gas, located within the area of said plat.

Form C-110, Certificate of Compliance and Authorization to Transport Oil or Natural Gas, shall accompany Form C-104.

RULE 1108. WELL RECORD (Form C-105)

Within 20 days after the completion of any well, the owner shall file in QUINTUPLICATE Form C-105 with ONE COPY of all electrical and radio-activity logs run on the well. The well record with the attached electrical and radio activity logs shall not be kept confidential by the Commission unless so requested in writing by the owner of the well. Upon such request the Commission will keep the report and log confidential for 90 days from date of completion of the well; provided, however, that the report, log or data therein when pertinent may be introduced in any public hearing before the Commission or any court regardless of the request that the report be kept confidential. If the Form C-105 with attached log or logs is not received by the Commission in the specified 20 days, the allowable for the well will be withheld until this provision is complied with.

In the case of well-plugging operations, a complete record of the well on Form C-105 with the log or logs run on the well shall accompany the notice of intention to plug the well, if not previously filed.

(Note: On State Land submit one additional copy of Form C-105)

RULE 1109. CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS (Form C-110)

(a) Each producer of crude petroleum oil, casinghead gas, liquid hydrocarbons, and natural gas shall execute, in QUINTUPLICATE, and file Form C-110 with the Commission, setting forth fully therein the data and information indicated by such form covering each well from which crude petroleum oil, casinghead gas, natural gas and liquid hydrocarbons are produced.

(b) Whenever there shall occur a change in the operating ownership of any producing well, or whenever there shall occur a change of transporter from any producing well, or whenever there shall occur a change of well numbers or lease designation, Form C-110 shall be executed and filed in accordance with appropriate instructions; except that in the case of a temporary change in transporter when oil is moved from any lease by anyone other than the transporter authorized by the Form C-110, the operator shall notify the appropriate District Office of the Commission in writing 3 days after the oil is moved, furnishing the information as instructed by the District Office. In a temporary change, one copy will be sent to the regular transporter, one copy to the temporary transporter, and one copy will be returned to the operator.

RULE 1110. MONTHLY GAS REPORT (Form C-111)

All gas produced from natural gas wells and all casinghead gas produced which is taken into a fuel system or other system (except gas taken into a gasoline or other extraction plant gathering system which is required to be reported on Form C-114), shall be reported monthly on Form C-111. Where such natural or casinghead gas is taken by the producer, then the producer shall make such report. In case said gas is taken at the well by any person other than the producer, then such person taking said gas shall make the report. Form C-111 shall be postmarked on or before the 15th of the month for all of said gas taken during the preceding month, and shall be submitted in DUPLICATE, except when report concerns District 3 where it will be submitted in TRIPLICATE. One copy shall be sent to the Commission at Santa Fe, one copy to the Commission office at Hobbs and one copy to the Commission office at Aztec, when report concerns District 3 of the Commission.

RULE 1111. TRANSPORTER'S AND STORER'S MONTHLY REPORT (Form C-112)

Each transporter and/or storer of crude petroleum oil and liquid hydrocarbons within the State of New Mexico shall file for each calendar month a Transporter's and Storer's Monthly Report, Form C-112, containing complete information and data indicated by such form respecting stocks of crude

petroleum oil and liquid hydrocarbons on hand and receipts and deliveries of crude petroleum oil and liquid hydrocarbons by pipeline and trucks within the State of New Mexico, and receipts and deliveries from leases to storers or refiners; between transporters within the State; between storers and refiners within the State. Form C-112 shall be filed in DUPLICATE and postmarked on or before the 15th day of the next succeeding month.

RULE 112. REFINER'S MONTHLY REPORT (Form C-113)

Every refiner of crude petroleum oil within the State of New Mexico shall furnish for each calendar month a Refiner's Monthly Report, Form C-113, containing the information and data indicated by such form respecting crude petroleum oil and products involved in such refiner's operations during each month. Such report for each month shall be filed in DUPLICATE and be postmarked on or before the 15th day of the next succeeding month.

RULE 113. GASOLINE OR OTHER EXTRACTION PLANT MONTHLY REPORT (Form C-114)

Each operator of a gasoline plant, cycling plant or any other plant at which gasoline, butane, propane, kerosene, oil, or other liquid products are extracted from gas within the State of New Mexico shall furnish for each calendar month a Gasoline or Other Extraction Plant Monthly Report, Form C-114, containing the information indicated by such form respecting gas and products involved in the operation of each such plant during each month. Such report for each month shall be filed in DUPLICATE and postmarked on or before the 15th day of the next succeeding month, except when report concerns District 3 where it will be submitted in TRIPLICATE. One copy shall be sent to the Commission at Santa Fe, one copy to the Commission at Hobbs and one copy to the Commission at Aztec, when report concerns District 3 of the Commission.

RULE 114. OPERATOR'S MONTHLY REPORT (Form C-115)

Operator's Monthly Report, Form C-115, shall be filed on each producing lease within the State of New Mexico for each calendar month, setting forth complete information and data indicated on said form. Oil production from wells which are producing into common storage shall be estimated as accurately as possible on the basis of periodic tests.

The reports on this form shall be filed by the producer as follows:

Original to the Oil Conservation Commission at Santa Fe; one copy to the Oil Conservation Commission District Office at Hobbs; one copy to the District Office in which district the lease is located; and one copy to each transporter involved. Each report for each month shall be postmarked not later than the 24th day of the next succeeding month. Repeated failure of an operator to file this report in accordance with the provisions of this rule may result in cancellation of Form C-110 for the affected well or wells.

RULE 1115. GAS-OIL RATIO TEST (Form C-116)

A gas-oil ratio test shall be made and reported on Form C-116 as prescribed in Rule 301, Gas-Oil Ratio Test. This form shall be submitted in DUPLICATE.

RULE 1116. TANK CLEANING PERMIT (Form C-117)

(a) Form C-117 shall be submitted in QUADRUPLICATE pursuant to Rule 311.

(b) A tank cleaning permit is not necessary in the following cases:

1. Where "tank bottoms" are to be used on operator's lease roads or fire walls.
2. Where merchantable oil is reclaimed by an operator and disposed of through a duly authorized transporter as shown on Form C-110 filed with the Commission.
3. Where there is a transfer of "tank bottoms" from one tank to another located in the same tank battery, provided there is no change in the custody or control of the "tank bottoms."
4. Where there is the reclaiming of pipe line break oil or the treating of "tank bottoms" at a pipe line station, crude oil storage terminal or refinery, or to the treating by a gasoline plant operator of oil and other catchings collected in traps and drips in the gas-gathering lines connected to gasoline plants and in scrubbers at such plants.

RULE 1117. TREATING PLANTS (Form C-118)

Form C-118 shall be submitted in QUADRUPLICATE and in accordance with Rule 312. This report shall be postmarked not later than the 15th of the next succeeding month.

RULE 1118. CARBON BLACK PLANT MONTHLY REPORT (Form C-119)

Each operator of a carbon black plant within the State of New Mexico shall file for each calendar month, the monthly volume of gas received by him from a gasoline extraction plant or plants, and a monthly volume or volumes of gas received by him from each lease operator delivering natural gas directly to such plant, together with the opening and closing stocks, the production and deliveries by grades of carbon black or other products produced. Such reports containing information as required by the form shall be filed in DUPLICATE on Form C-119, Carbon Black Monthly Report, and be postmarked on or before the 15th day of the next succeeding month.

RULE 1119. MONTHLY INJECTION REPORT (Form C-120)

Form C-120 shall be submitted in TRIPLICATE and shall be used for reports required under Rule 701. This report shall be postmarked not later than the 15th of the next succeeding month.

RULE 1120. PURCHASER'S NOMINATION FORM (Forms C-121 and C-121A)

One copy of Form C-121, crude oil purchasers nomination, and Form C-121 A, gas purchasers preliminary nomination, shall be submitted to the Commission not later than 5 days prior to said Commission's statewide proration hearing on nominations for the succeeding month. Form C-121 and Form C-121 A shall be mailed to the Oil Conservation Commission, P. O. Box 871, Santa Fe, New Mexico.

RULE 1121. MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS
(Form C-122)

GAS WELL TEST DATA (C-122-A)

INITIAL POTENTIAL TEST DATA SHEET (C-122-B)

ONE -POINT BACK PRESSURE TEST FOR GAS WELLS (C-122-C)

Form C-122 shall be submitted in TRIPLICATE to the Oil Conservation Commission at Santa Fe, New Mexico, and shall be used to show back pressure data as required under the provisions of Rule 401 and any applicable special pool rules and proration orders. Form's C-122-A, C-122-B and C-122-C shall be submitted according to applicable special pool rules and proration orders.

RULE 1122. REQUEST FOR THE EXTENSION OF AN EXISTING POOL OR
THE CREATION OF A NEW POOL (Form C-123)

The owner or operator of a well which requires the creation or extension of a pool shall be given written instructions by the appropriate District Office in regard to the filing of Form C-123 in DUPLICATE.

RULE 1123. BOTTOM HOLE PRESSURES (Form C-124)

Form C-124 shall be submitted in TRIPLICATE and shall be used to report bottom hole pressures as required under the provisions of Rule 302 and any applicable special pool rules.

RULE 1124. SHUT-IN PRESSURES ON GAS WELLS (Form C-125)

Form C-125 shall be submitted in TRIPLICATE and shall be used to report shut-in pressure tests on gas wells as required under the provisions of Rule 402.

RULE 1125. PERMIT FOR TRANSPORTING RECOVERED LOAD OIL
(Form C-126)

Form C-126 shall be submitted in QUADRUPPLICATE to the Proration Manager at Hobbs, New Mexico, (Box 2045) and shall be used in conformance with Rule 506 and Rule 1109 (b).

RULE 1126. OIL PRODUCERS ALLOWABLE CHANGE (Form C-127)

One copy of Form C-127 shall be filed by the oil producer with the Oil Conservation Commission, Box 2045, Hobbs, New Mexico, not later than the 15th day of the month preceding the month for which oil allowable changes are requested.

RULE 1127. WELL LOCATION AND/OR GAS PRORATION PLAT (Form C-128)

This is a combination plat to be used for well locations and gas proration.

Form C-128, Well Location Plat, shall be submitted in TRIPLICATE with Form C-101 - according to Rule 1104.

Form C-128, Gas Proration Plat, shall be submitted in DUPLICATE with Form C-104 according to Rule 1107.

RULE 1128. FORMS REQUIRED ON WELLS LOCATED ON FEDERAL LAND

Federal forms in lieu of State Forms will be used on Federal Land in New Mexico when filing NOTICE OF INTENTION TO DRILL, MISCELLANEOUS NOTICES, MISCELLANEOUS REPORTS ON WELLS, OR WELL RECORDS. However, it shall be the duty of each operator in the State of New Mexico that drills on Federal Land to submit two extra copies of each of such forms to the USGS, who will approve same and transmit them to the Commission on those forms provided by the USGS. The following USGS forms will be accepted in lieu of the regular Commission forms from operators of wells on Federal Land:

<u>USGS FORM</u>	<u>TITLE OF FORM</u>	<u>SIMILAR OCC FORM</u>
9-331a	Sundry Notices and Reports on Wells	C-101
9-331a	" " " " " "	C-102 Plugback or Drill deeper (only)
9-331a	" " " " " "	C-103 Plugback or Drill deeper (only)
9-330	Log of Oil or Gas Well	C-105

The above forms as may be revised, are the only forms that may be submitted in the place of the regular Commission forms.

After a well is completed and ready for pipe line connection, Oil Conservation Commission Forms C-104 and C-110 shall be filed with the Commission on any and all wells drilled in the State, regardless of land status.

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Further, all reports and forms as required under the preceding rules of this section of the Rules and Regulations that pertain to production must be filed on the proper Oil Conservation Commission form as set out in said Rule - no other forms will be accepted.

Failure to comply with the provisions of this Rule will result in the cancellation of Form C-110 for the affected well or wells.

DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms

JOHN F. SIMMS, Chairman

E. S. Walker

E. S. WALKER, Member

W. B. Macey

W. B. MACEY, Member and Secretary



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