

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO AMEND RULES 108 AND 113 TO PROVIDE FOR NOTICE OF DEFECTIVE CASING AND FOR THE NOTICE OF DAMAGE TO CASING, CEMENT, OR THE FORMATION AS A RESULT OF WELL TREATMENT.

CASE NO. 8646
Order No. R-8003

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on July 10, 1985, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW on this 18th day of September, 1985, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The Oil Conservation Division, hereinafter referred to as the "Division," proposes to amend its general Rule 108 as shown on Exhibit "A" attached to this order, to require written notice of defective well casing and/or cement.

(3) The Division further proposes to amend its general Rule 113, also as shown on said Exhibit "A", to require written notice of injury resulting from well stimulation.

(4) Each proposed amendment would require such notice if the resultant conditions were such as to have the potential to create underground waste or contamination of fresh waters.

(5) The proposed amended rules would better enable the Division to carry out its statutory mandates of preventing waste and protecting fresh waters and should be approved.

-2-

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IT IS THEREFORE ORDERED THAT:

(1) Division Rule 108 and Division Rule 113 are hereby amended to read in their entirety as shown on Exhibit "A" attached to and made a part of this order.

(2) The effective date of this order and of the amendments to said Rule 108 and Rule 113 shall be September 23, 1985.

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

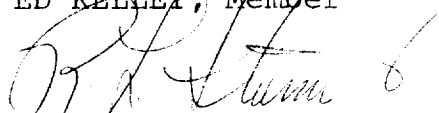
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JIM BACA, Member



ED KELLEY, Member



R. L. STAMETS, Secretary
and Chairman

S E A L

RULE 108. DEFECTIVE CASING OR CEMENTING

If any well appears to have a defective casing program or faultily cemented or corroded casing which will permit or may create underground waste or contamination of fresh waters, the operator shall give written notice to the Division within five (5) working days and proceed with diligence to use the appropriate method and means to eliminate such hazard. If such hazard of waste or contamination of fresh water cannot be eliminated, the well shall be properly plugged and abandoned.

RULE 113. SHOOTING AND CHEMICAL TREATMENT OF WELLS

If injury results to the producing formation, injection interval, casing or casing seat from shooting, fracturing, or treating a well and which injury may create underground waste or contamination of fresh waters, the operator shall give written notice to the Division within five (5) working days and proceed with diligence to use the appropriate method and means for rectifying such damage. If shooting, fracturing, or chemical treating results in irreparable injury to the well the Division may require the operator to properly plug and abandon the well.

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EXHIBIT "A"