

**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. 12333
Order No. R-11334*

**APPLICATION OF OIL CONSERVATION DIVISION TO AMEND DIVISION
RULES 103 AND 202 REGARDING WELL SIGNS AND PLUGGED AND
ABANDONED MARKERS**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This case came on for hearing at 9 o'clock a.m. on January 21 and February 25, 2000, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 25th day of February, 2000, 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 Rules 103 and 202 should be amended to require: (i) signs be placed on well-related facilities; (ii) signs remain in place until the well is plugged and the facilities closed; (iii) signs be replaced by the new operator within 90 days of a change in operator; (iv) that no permanent structure preventing wellhead access be built over plugged and abandoned wells; (v) OCD approval prior to sign removal; and (vi) that below-ground plugged and abandoned markers conform to certain requirements.

(3) Rules 103 and 202 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 Rules 103 and 202 set forth in the attached Exhibit "A."

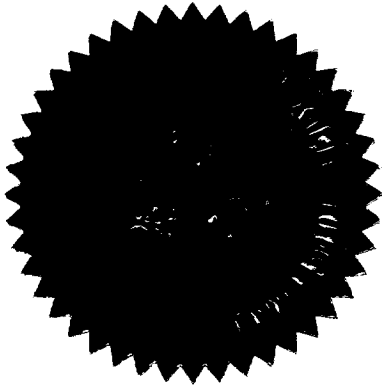
IT IS THEREFORE ORDERED:

(1) Rules 103 and 202 are hereby amended and adopted as set forth in the attached Exhibit "A."

(2) Amended Rules 103 and 202 are 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JAMI BAILEY, Member

ROBERT L. LEE, Member

LORI WROTENBERY, Chairman

EXHIBIT "A"
CASE NO. 12333
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103 SIGN ON WELLS

All wells and related facilities regulated by the Division shall be identified by a sign, which sign shall remain in place until the well is plugged and abandoned and the related facilities are closed. For drilling wells, the sign shall be posted on the derrick or not more than 20 feet from the well. The sign shall be of durable construction and the lettering shall be legible and large enough to be read 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. An operator will have 90 days from the effective date of an operator name change to change the operator name on the well sign unless an extension of time, for good cause shown along with a schedule for making the changes, is granted. Each sign shall show the:

1. number of well;
2. name of property;
3. name of operator;
4. location by footage, quarter-quarter section, township and range (or Unit Letter can be substituted for the quarter-quarter section); and
5. API number.

202 PLUGGING AND PERMANENT ABANDONMENT

202.B. PLUGGING

(2) The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches (4") in diameter set in cement and extending at least four feet (4') above mean ground level. The operator name, lease name and well number and location, including unit letter, section, township and range, shall be welded, stamped or otherwise permanently engraved into the metal of the marker. No permanent structures preventing access to the wellhead shall be built over a plugged and abandoned well without written approval of the OCD. No plugged and abandonment marker shall be removed without the written permission of the OCD.

(5) Below-ground plugged and abandonment markers can be used only with written permission of the OCD when an above-ground marker would interfere with agricultural endeavors. The below-ground marker shall have a steel plate welded onto the surface or conductor pipe of the abandoned well and shall be at least 3 feet below the ground surface and of sufficient size so that all the information required by Rule 103 can be stenciled into the steel or welded onto the surface of the steel plate. The OCD may require a re-survey of the well location.