

*Issue NSL 326*

GOVERNOR  
JACK M. CAMPBELL  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



1964 FEB 17 10 11 31

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

P. O. BOX 871  
SANTA FE

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

February 10, 1964

Mr. Emery C. Arnold  
District Supervisor  
Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

Re: Humble NSL, South Waterflow  
Gallup Spacing Area

Dear Emery:

I am enclosing herewith an application for an unorthodox location in the South Waterflow Gallup Spacing Area. Will you please verify the topography at your earliest convenience. As there are no offset operators, we will issue the NSL order upon receipt of your verification.

Very truly yours,

J. M. DURRETT, Jr.  
Attorney

JMD/esr  
Enclosure



*Jim,*  
*I believe an approval signed by AL should have reached you by now. Please advise if it hasn't -*  
*Emery*

DRAFT  
DSN/esr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

CF Subj. \_\_\_\_\_

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

CASE No. 3028

Order No. R- \_\_\_\_\_

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE REVISION OF CERTAIN EXISTING FORMS, THE ADOPTION OF CERTAIN NEW FORMS, AND THE AMENDMENT OF CERTAIN RULES PERTAINING TO THE FILING OF FORMS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 8, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 196\_\_, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That certain forms have been designed by the Interstate Oil Compact Commission and recommended for adoption by state oil and gas regulatory agencies.
- (3) That the adoption of such forms with certain modifications by the New Mexico Oil Conservation Commission will be in the interest of increased efficiency and lower operating costs to the oil and gas industry in this state.

(4) That the adoption of said forms by the Commission will be in the interest of increased efficiency to the Oil Conservation Commission.

(5) That certain rules and regulations of the Commission should be amended to facilitate adoption of said forms.

(6) That Rule 7(A) of Order No. R-1670 governing the prorated gas pools in Northwest New Mexico and Southeast New Mexico and Rule 1121 should be amended to require the monthly filing of supplemental nominations by gas purchasers.

(7) That the adoption of the Interstate Oil Compact Commission forms as modified and the aforesaid amendments to the rules will enable the Oil Conservation Commission to more efficiently and effectively administer the laws of the State of New Mexico concerning the conservation of oil and gas, the prevention of waste, and the protection of correlative rights.

IT IS THEREFORE ORDERED:

(1) That Commission Form C-101, Notice of Intention to Drill, be revised as shown by Exhibit 1 attached hereto and made a part hereof, and that the name of said form be changed to Application for Permit to Drill, Deepen, or Plug Back.

(2) That Commission Form C-128, Well Location and Acreage Dedication Plat, be revised as shown by Exhibit 2 attached hereto and made a part hereof, and that the number of said form be changed to Form C-102.

(3) That Commission Form C-102, Miscellaneous Notices, and Commission Form C-103, Miscellaneous Reports on Wells, both be

abolished; that a new Form C-103 entitled Sundry Notices and Reports on Wells, as shown by Exhibit 3 attached hereto and made a part hereof, be adopted.

(4) That Commission Form C-104, Request for (oil) - (gas) Allowable, and Commission Form C-110, Certificate of Compliance and Authorization to Transport Oil and Natural Gas, both be abolished; that a new Form C-104 entitled Potential Test and Request for Allowable and/or Certificate of Compliance and Authorization to Transport Oil and Natural Gas, as shown by Exhibit 4 attached hereto and made a part hereof, be adopted.

(5) That Commission Form C-105, Well Record, be revised as shown by Exhibit 5 attached hereto and made a part hereof, and that the name of said form be changed to Well Completion or Re-completion Report and Log.

(6) That the format of Commission Form C-106, Notice of Intention to Utilize Automatic Custody Transfer Equipment, as shown by Exhibit 6 attached hereto and made a part hereof, be adopted.

(7) That Commission Form C-107, Application for Multiple Completion, as shown by Exhibit 7 attached hereto and made a part hereof, be adopted.

(8) That Commission Form C-108, Application to Dispose of Salt Water/<sup>by Injection</sup>Into a Porous Formation, as shown by Exhibit 8 attached hereto and made a part hereof, be adopted.

(9) That Commission Form C-111, Monthly Gas Report, and Commission Form C-114, Gasoline or Other Extraction Plant Monthly Report, both be abolished; that a new Form C-111 entitled Gas Purchaser's Monthly Report, Sheets 1 and 2, as shown by Exhibit 9 attached hereto and made a part hereof, be adopted.

(10) That Commission Form C-112, Transporter's and Storer's Monthly Report, be revised as shown by Exhibit 10 attached hereto and made a part hereof.

(11) That Commission Form C-113, Refiner's Monthly Report, be revised as shown by Exhibit 11, Sheets 1 and 2, attached hereto and made a part hereof.

(12) That Commission Form C-115, Operator's Monthly Report, and Commission Form C-115-EDP, Operator's Monthly Report (electronic data processing), as shown by Exhibits 12 and 13 attached hereto and made a part hereof, both adopted October 1, 1961, be continued in use without change.

(13) That Commission Form C-116, Gas-Oil Ratio Report, be revised as shown by Exhibit 14 attached hereto and made a part hereof, and that the name of said form be changed to Gas-Oil Ratio Tests.

(14) That the format of Commission Form C-117-A, Sediment Oil Destruction Permit, and Commission Form C-117-B, Sediment Oil Recovery Permit, as shown by Exhibits 15 and 16 attached hereto and made a part hereof, be adopted.

(15) That the format of Commission Form C-118, Treating Plant Operator's Monthly Report, as shown by Exhibit 17, Sheet 1 and Sheet 1-A, attached hereto and made a part hereof, be adopted.

(16) That Commission Form C-119, Carbon Black Plant Monthly Report, be revised as shown by Exhibit 18, attached hereto and made a part hereof.

(17) That the format of Commission Form C-120, Monthly Injection Report, and Commission Form C-120-A, Monthly Water Disposal Report, as shown by Exhibits 19 and 20 attached hereto and made a part hereof, be adopted.

(18) That Commission Form C-121, Crude Oil Purchaser's Nomination, as shown by Exhibit 21 attached hereto and made a part hereof, adopted December 1, 1955, be continued in use without change.

(19) That Commission Form C-121-A, Purchaser's Gas Nomination, be revised as shown by Exhibit 21 attached hereto and made a part hereof.

(20) That the format of Commission Form C-122, Multi-point Back Pressure Test for Gas Wells, Commission Form C-122-B, Initial Potential Test-Data Sheet, and Commission Form C-122-C, One-point Back Pressure Test for Gas Wells, as shown by Exhibits 22, 23, and 24 attached hereto and made a part hereof, be adopted.

(21) That Commission Form C-122-A, Gas Well Test Data Sheet - San Juan Basin, as shown by Exhibits 25 (blue) and 26 attached hereto and made a part hereof, adopted April 20, 1955, for initial and annual deliverability tests respectively, be continued in use without change.

(22) That Commission Form C-123, Request for the Extension of an Existing Pool or the Creation of a New Pool, as shown by Exhibit 27 attached hereto and made a part hereof, adopted July 1, 1952, be continued in use without change.

(23) That Commission Form C-124, Reservoir Pressure Report, be revised as shown by Exhibit 28 attached hereto and made a part hereof.

(24) That the format of Commission Form C-125, ~~24-125~~ <sup>Report</sup> Shut-in Pressures ~~on Gas Wells~~, as shown by Exhibit 29 attached hereto and made a part hereof, be adopted.

(25) That Commission Form C-126, Permit to Transport Recovered Load Oil, be revised as shown by Exhibit 30 attached hereto and made a part hereof.

(26) That the format of Commission Form C-127, Request for Allowable Change, as shown by Exhibit 31 attached hereto and made a part hereof, be adopted, the name of said form being changed from Oil Producers Nomination Request for Allowable Changes.

(27) That the format of the Packer Setting Report as shown by Exhibit 32 attached hereto and made a part hereof be adopted.

IT IS FURTHER ORDERED:

(1) That Rule 104 <sup>(e)</sup> E be amended to read in its entirety as follows:

"Form C-101, Application for Permit to Drill, Deepen, or Plug Back for any well shall designate the exact legal subdivision allotted to the well and no C-101 will be approved by the Commission or any of its agents without such proper designation of acreage."

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(2) That Rule 111(b) be amended in two places to make reference to Commission Form C-103 rather than to Commission Form C-102.

(3) That the first paragraph of Rule 112-A, Section IV, be amended to read in its entirety as follows:

"Application for administrative approval of a multiple completion shall be made in <sup>copy</sup> quadruplicate, with two copies of the application to be mailed to the Commission's Santa Fe Office, and two copies to the District Office for the area in which the well is located. Application shall be made on Commission Form C-107, Application for Multiple Completion, and shall be accompanied by the following:"

(4) That Rule 112-A, Section V, be amended to read in its entirety as follows:

"Application for public hearing to authorize a multiple completion shall be made in <sup>copy</sup> triplicate to the Commission's Santa Fe Office. Application shall be made on Commission Form C-107, Application for Multiple Completion, and shall set forth all material facts relative to the common sources of supply involved and the manner and method of completion proposed. Application shall be accompanied by an exhibit showing the location of all wells on the applicant's lease and all offset wells on offset leases."

(5) That Rule 112-A, Section VI (d) be amended to read in its entirety as follows:

"A packer setting report shall accompany the report of the initial segregation test and packer leakage test, if applicable.

(6) That Rule 201 be amended to make reference to Commission Form C-103 rather than to Form C-102.

(7) That Rule 312(b) and Rule 312(c) be amended to make reference to Commission Form C-104 rather than to Form C-110.

(8) That Rule 314(d) be amended to make reference to Commission Form C-104 rather than to Commission Form C-110.

(9) That Rule 504(b) be amended to read in its entirety as follows:

"No well shall be placed on the proration schedule until Form C-104 has been filed with and approved by the Commission."

(10) That the second paragraph of Rule 701 C be amended to read in its entirety as follows:

"To obtain such administrative approval, operator shall submit in triplicate Commission Form C-108, Application to Dispose of Salt Water by Injection Into a Porous Formation, said application to be filed in accordance with Rule 701-B above. Copies of <sup>also</sup> the application shall be sent to all offset operators and to the surface owner of the land upon which the well is located."

(11) <sup>(a)</sup> That the first paragraph of Rule 705 be amended to read in its entirety as follows:

"Application to drill storage wells for the purpose of storing liquefied petroleum gases shall be submitted to the Secretary-Director of the Commission for approval. In addition to Form C-101, Application for Permit to Drill, Deepen, or Plug Back, the operator shall submit the following:"

<sup>(b)</sup> That Section 2 of Rule 705 be amended to read in its entirety as follows:

"2. Upon completion of the proposed well, operator shall submit Form C-105, Well Completion or Recompletion Report and Log, a diagrammatic sketch of the finished installation, and an estimate of the storage capacity of the cavity."

(12) That Section (1) and also the last paragraph of Rule 803 be amended to make reference to Commission Form C-104 rather than to Form C-110.

(13) That the first paragraph of Rule 1002 be amended to read in its entirety as follows:

"Each operator of a gasoline plant, cycling plant, or any other plant at which gasoline, butane, propane, condensate, kerosene, oil, or other liquid products are extracted from natural gas within the State of New Mexico shall furnish for each calendar month a Gas Purchaser's Monthly Report, Form C-111, containing the information indicated by such form respecting natural gas and products involved in the operation of each plant during each month. (The rule shall also be applicable to plants processing carbon dioxide gas in the State of New Mexico.)"

(14) That Rule 1301 be amended to read in its entirety as follows:

"To expedite the administration of the work of the Commission and the enforcement of its rules and regulations, the State shall be divided into four districts as follows:

DISTRICT 1      Lea, Roosevelt, and Curry Counties, and that portion of Chaves County lying East of the North-South line dividing Ranges 29 and 30 East, NMPM.

Office at 1000 West Broadway, Hobbs.

Mailing Address:

N. M. Oil Conservation Commission  
P. O. Box 1980  
Hobbs, New Mexico 88240

DISTRICT 2      Eddy, Otero, Dona Ana, Luna, Hidalgo, Grant, Sierra, Lincoln, and De Baca Counties, and that portion of Chaves

County lying West of the North-South line dividing Ranges 29 and 30 East, NMPM.

Office at 10th and Dallas Streets, Artesia.

Mailing Address:

N. M. Oil Conservation Commission  
Drawer DD  
Artesia, New Mexico 88210

DISTRICT 3 San Juan, Rio Arriba, McKinley, and Sandoval Counties.

Office at 1000 Rio Brazos Road, Aztec.

Mailing Address:

N. M. Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico

DISTRICT 4 Remainder of State.

Office in State Land Office Building, Santa Fe.

Mailing Address:

N. M. Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Each district office shall be under the charge of a district supervisor, an oil and gas inspector, a deputy oil and gas inspector, or a member of the Commission. Unless otherwise specifically required, all matters pertaining to the Commission shall be taken care of through the district office of the district in which the land that is affected lies."

(15) That Rule 1302 be amended to read in its entirety as follows:

"All reports and forms required by the rules to be filed with the Commission shall be filed in the number and at the time specified on the form or report or by the applicable rule in Section M, Reports, of these rules. Unless otherwise specified, all such reports and forms shall be filed at the district office

of the district in which the land that is the subject matter of the report lies. All plugging bonds shall be filed directly at the Santa Fe Office of the Commission. A list of all plugging bonds approved and in force shall be kept in each district office."

IT IS FURTHER ORDERED:

That Section M, Reports, Rules 1100 through 1128, inclusive, of the rules and regulations be amended to read in its entirety as follows:

SECTION M REPORTS

RULE 1100. GENERAL

A. Where to File Reports

Unless otherwise specifically provided for in any rule or order of the Commission, all forms and reports required by these rules shall be filed with the appropriate District Office of the Commission as provided for in Rule 1302.

B. Additional Data

These rules shall not be 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 the 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.

C. Books and Records

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 of 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 these rules.

D. Written Notices, Requests, Permits and Reports

The forms listed below shall be used for the purpose shown in accordance with the instructions printed thereon and the rule covering the form, or any special rule or order pertaining to its use.

Form C-101	Application for Permit to Drill, Deepen, or Plug Back
Form C-102	Well location and Acreage Dedication Plat
Form C-103	Sundry Notices and Reports on Wells
Form C-104	Potential Test and Request for Allowable

- Form C-105 Well Completion or Recompletion Report and Log
- Form C-106 Notice of Intention to Utilize Automatic Custody Transfer Equipment
- Form C-107 Application for Multiple Completion
- Form C-108 Application to Dispose of Salt Water by Injection Into a Porous Formation
- Form C-111 Gas Purchaser's Monthly Report (Sheet 1 and Sheet 2)
- Form C-112 Transporter's and Storer's Monthly Report
- Form C-113 Refiner's Monthly Report (Sheet 1 and Sheet 2)
- Form C-115 Operator's Monthly Report
- Form C-115-EDP Operator's Monthly Report (electronic data processing)
- Form C-116 Gas-Oil Ratio Tests
- Form C-117-A Sediment Oil ~~Disposition~~ <sup>DESTRUCTION</sup> Permit
- Form C-117-B Sediment Oil Recovery Permit
- Form C-118 Treating Plant <sup>operator's Monthly</sup> Report
- Form C-119 Carbon Black Plant <sup>Monthly</sup> Report
- Form C-120 Monthly Injection Report
- Form C-120-A Monthly Water Disposal Report
- Form C-121 Crude Oil Purchaser's Nomination
- Form C-121-A Purchaser's Gas 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~~
- Form C-123 Request for the Extension of an Existing Pool or the Creation of a New Pool
- Form C-124 Reservoir Pressure Report
- Form C-125 Gas Well Shut-In Pressure Report
- Form C-126 Permit to Transport Recovered Load Oil
- Form C-127 Request for Allowable Change

RULE 1101. APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK (Form C-101)

Before commencing drilling or deepening operations, or before plugging a well back to another zone, the owner of the well must obtain a permit to do so. To obtain such permit, the operator shall submit to the Commission FIVE copies of Form C-101, Application for Permit to Drill, Deepen, or Plug Back, completely filled out. If the operator has an approved bond in accordance with Rule 101, one copy of the Drilling Permit will be returned to him on which will be noted the Commission's approval, with any modification deemed advisable. If the proposal cannot be approved for any reason, Form C-101 will be returned with the cause for rejection stated thereon.

Form C-101 must be accompanied by THREE copies of Form C-102, Well Location and Acreage Dedication Plat. (See Rule 1102.)

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If the well is to be drilled on State Land, submit SIX copies of Form C-101 and FOUR copies of Form C-102, the extra copy of each form being for the State Land Office.

RULE 1102. WELL LOCATION AND ACREAGE DEDICATION PLAT (Form C-102)

Form C-102 is a dual purpose form used to show the exact location of the well and the acreage dedicated thereto. The form is also used to show the ownership and status of the dedicated acreage.

All information required on Form C-102 shall be filled out and certified by the operator of the well except the well location on the plat. This is to be plotted from the outer boundaries of the section and certified by a registered professional engineer and/or land surveyor, registered in the State of New Mexico, or a surveyor approved by the Commission.

Form C-102 shall be submitted in TRIPLICATE or QUADRUPPLICATE as provided in Rule 1101.

Amended Form C-102 shall be filed in the event there is a change in any of the information previously submitted. The well location need not be certified when filing amended Form C-102.

RULE 1103. SUNDRY NOTICES AND REPORTS ON WELLS (Form C-103)

Form C-103 is a dual purpose form to be filed with the appropriate District Office of the Commission to obtain Commission approval prior to commencing certain operations and also to report various completed operations.

A. Form C-103 as a Notice of Intention

Form C-103 shall be filed in TRIPLICATE by the operator and approval obtained from the Commission prior to:

- (1) Effecting a change of plans from those previously approved on Form C-101 or C-103.
- (2) Altering a drilling well's casing program or pulling casing or otherwise altering an existing well's casing installation.
- (3) Temporarily abandoning a well.

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- (4) Plugging and abandoning a well.
- (5) Performing remedial work on a well. (This shall include such work as acidizing, squeezing, perforating, fracturing, and similar operations on previously completed wells, but is not applicable to new wells in the process of being completed or to old wells being drilled deeper or plugged back to another zone when such recompletion has been authorized by an approved Form C-101, Application for Permit to Drill, Deepen, or Plug Back.)
- (6) Performing any such other operations which, when completed, will affect the original status of the well. (Notice of Intention to install artificial lift equipment is not required.)

In case of well plugging operations, the Notice of Intention shall include a detailed statement of the proposed work, including plans for shooting and pulling casing, plans for mudding, including weight of mud, plans for cementing, including number of sacks of cement and depths of plugs, and the time and date of the proposed plugging operations. If not previously filed, a complete log of the well on Form C-105 (see Rule 1105) shall accompany the Notice of Intention to plug the well; the bond will not be released until this is complied with.

B. Form C-103 as a Subsequent Report

Form C-103 as a subsequent report of operations shall be filed in accordance with the section of this rule applicable to the particular operation being reported.

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

- (1) Commencement of drilling operations
- (2) Casing and cement tests
- (3) Altering a well's casing installation
- (4) Temporary abandonment
- (5) Plug and Abandon
- (6) Plugging back or deepening
- (7) Remedial work

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- (8) Installation of artificial lifting equipment
  - (9) Change in ownership of a drilling well
  - (10) Such other operations which affect the original status of the well but which are not specifically covered herein

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

- (1) Report of Commencement of Drilling Operations

Within ten days following the commencement of drilling operations, the owner of the well shall file a report on Form C-103 in TRIPLICATE. Such report shall indicate the hour and the date the well was spudded.

- (2) Report of Results of Test of Casing and Cement Job; Report of Casing Alteration

A report of casing and cement test shall be filed by the owner of the well within ten days following the setting of each string of casing or liner. Said report shall be filed in TRIPLICATE on Form C-103 and shall present a detailed description of the test method employed and the results obtained by such test, and any other pertinent information required by Rule 107. The report shall also indicate the top of the cement and the means by which such top was determined. It shall also indicate any changes from the casing program previously authorized for the well.

- (3) Report of Temporary Abandonment

A report of temporary abandonment of a well shall be filed by the owner of the well within ten days following completion of the work. The report shall be filed in TRIPLICATE and shall present a detailed account of the work done on the well, including location and type of plugs used, if any, type and status of surface and down-hole equipment, and any other pertinent information relative to the overall status of the well.

- (4) Report on Plugging of Well

A report of plugging operations shall be filed by the owner of the well within 30 days following completion of

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plugging operations on any well. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the date the plugging operations were begun and the date the work was completed, a detailed account of the manner in which the work was performed including the depths and lengths of the various plugs set, the nature and quantities of materials employed in the plugging operations including the weight of the mud used, the size and depth of all casing left in the hole, and any other pertinent information. (See Rules 201-204 regarding plugging operations.)

No plugging report will be approved by the Commission until the pits have been filled and the location levelled and cleared of junk. It shall be the responsibility of the owner of the plugged well to contact the appropriate District Office of the Commission when the location has been <sup>SO</sup> restored in order to arrange for an inspection of the plugged well and the location by a Commission representative. The filing of Form C-105 is also necessary to obtain Commission approval of a plugging report. (See Rule 1105.)

(5) Report of Remedial Work

A report of remedial work performed on a well shall be filed by the owner of the well within 30 days following completion of such work. Said report shall be filed in QUADRUPPLICATE on Form C-103 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; and any other pertinent information. Among the remedial work to be reported on Form C-103 are the following:

- (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 or packer
- (4) Report of installation of pumping equipment or gas-lift facilities

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- (5) Report of any other remedial operations which are not specifically covered herein

- (6) Report on Deepening or Plugging Back

A report of deepening or plugging back shall be filed by the owner of the well within 30 days following completion of such operations on any well. Said report shall be filed in QUADRUPPLICATE on Form C-103 and shall present a detailed account of the work done and the manner in which such work was performed. If the well is recompleted in the same pool, it shall also report the daily production of oil, gas, and water both prior to and after recompletion. If the well is recompleted in another pool, Form C-104 must also be filed in accordance with Rule 1104.

- (7) Report of Change in Ownership of a Drilling Well

A report of change of ownership shall be filed by the new owner of any drilling well within ten days following actual transfer of ownership. Said report shall be filed in TRIPLICATE on Form C-103 and shall include the name and address of both the new owner and the previous owner, the effective date of the change of ownership, and any other pertinent information. No change in the ownership of a drilling well will be approved by the Commission unless the new owner has an approved bond in accordance with Rule 101. (Form C-104 shall be used to report transfer of ownership of a completed well; see Rule 1104.)

- (8) Other Reports on Wells

Reports on any other operations which affect the original status of the well but which are not specifically covered herein shall be submitted to the Commission on Form C-103, in TRIPLICATE, by the owner of the subject well within ten days following the completion of such operation.

RULE 1104. POTENTIAL TEST AND REQUEST FOR ALLOWABLE AND/OR CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS (Form C-104)

- (1) Form C-104 completely filled out by the operator

of the well must be filed in QUINTUPLICATE before an allowable will be assigned to any newly completed or recompleted well. (A recompleted well shall be considered one which has been deepened or plugged back to produce from a different pool than previously.) Form C-104 must be accompanied by a tabulation of all deviation tests taken on the well as provided by Rule 111.

(2) The allowable assigned to an oil well shall be effective at 7:00 o'clock a.m. on the date of completion, provided the Form C-104 is received by the Commission during the month of completion. Date of completion shall be that date when new oil is delivered into the stock tanks.

Unless otherwise specified by special pool rules, the allowable assigned to a gas well shall be effective at 7:00 o'clock a.m. on the date of connection to a gas transportation facility, as evidenced by an affidavit of connection from the purchaser to the Commission, or the date of receipt of Form C-104 by the Commission, whichever date is later.

(3) No allowable will be assigned to an oil well or a gas well to which a standard unit for the pool in which it is completed is not dedicated, until a non-standard unit is approved, or until a standard unit has been communitized or pooled and dedicated to the well.

(4) No allowable will be assigned to any well until all forms and reports due have been received by the Commission and the well is otherwise in full compliance with these rules.

(5) Form C-104 with Sections I, II, and III completely filled out shall be filed in QUINTUPLICATE by the operator of the well in the event there is a change of ownership of any producing well, injection well, or disposal well, or a change of transporter (oil, condensate, casinghead gas, or dry gas), a change in pool designation, lease name, or well number, or any other pertinent change in condition of any such well. When filing Form C-104 for

change of ownership, the new operator shall file the form in the above manner, and shall give the name and address of the previous as well as the present operator. The Form C-104 will not be approved by the Commission unless the new operator has an approved bond in compliance with Rule 101.

(6) Whenever there is a temporary change in transporter and oil is to be moved from the lease by anyone other than the regular transporter authorized by an approved Form C-104, the operator shall notify the appropriate District Office of the Commission in writing within three days after the oil is moved, furnishing such information as may be required by the District Office. The operator shall furnish copies of the notification to the regular transporter and to the temporary transporter. This paragraph is intended to deal primarily with authorized batch movements of oil by the operator for use as load oil, frac oil, etc.; eventual sale of this oil is governed by Rules 508 and 1126.

RULE 1105. WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

Within 20 days following the completion or recompletion of any well, the owner shall file Form C-105 with the Commission. It must be filed in QUINTUPLICATE and each copy be accompanied by a summary of all special tests conducted on the well, including drill stem tests. In addition, one copy of all electrical and radioactivity logs run on the well must be filed with Form C-105. If the Form C-105 with attached log(s) and summaries is not received by the Commission within the specified 20-day period, the allowable for the well will be withheld until this rule has been complied with.

In the case of a dry hole, a complete record of the well on Form C-105 with the above attachments shall accompany the notice of intention to plug the well, unless previously filed.

Form C-105 and accompanying attachments will not be kept confidential by the Commission unless so requested in writing

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by the owner of the well. Upon such request, the Commission will keep these data confidential for 90 days from the date of completion of the well, provided, however, that the report, log(s), and other attached data may, when pertinent, be introduced in any public hearing before the Commission or its examiners or in any court of law, regardless of the request that they be kept confidential.

RULE 1106. NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT (Form C-106)

Form C-106, when applicable, shall be filed in accordance with Rule 309-A.

RULE 1107. APPLICATION FOR MULTIPLE COMPLETION (Form C-107)

Form C-107, when applicable, shall be filed in accordance with Rule 112-A IV.

RULE 1108. APPLICATION TO DISPOSE OF SALT WATER BY INJECTION INTO A POROUS FORMATION (Form C-108)

Form C-108, when applicable, shall be filed in accordance with Rule 701, Section C.

RULE 1109. No Rule; there is no Form C-109 at present.

RULE 1110. No Rule; there is no Form C-110 at present.

RULE 1111. GAS PURCHASER'S MONTHLY REPORT (Form C-111)

Form C-111 shall be filed monthly in accordance with the rules below. It shall be postmarked on or before the 15th day of the month for all gas taken during the preceding month. One copy shall be filed with the appropriate District Office of the Commission, as well as the Commission Offices at Santa Fe and Hobbs.

All "reportable" gas (including natural gas produced from gas wells, carbon dioxide gas produced from carbon dioxide wells, and casinghead gas produced from oil wells) which is taken into any gas gathering system shall be reported monthly on Form C-111. This shall include gas that is to go into any transportation

system, gasoline plant, extraction plant, carbon black plant, recycling plant, gas lift system, gas-drilling operation, etc., but shall not include "non-reportable" gas used on the lease by the producer thereof for consumption in lease houses, treaters, compressors, combustion engines, and other similar equipment, or which is flared.

Where gas is taken by the producer and utilized for any of the "reportable" uses outlined above, the producer shall file Form C-111 listing the reportable gas only. He shall also include said reportable gas, as well as all gas utilized for non-reportable uses, on his Operator's Monthly Report (Form C-115).

Where gas is taken at the lease by any person other than the producer, then such person taking the gas shall make the report.

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 also file Form C-111 showing thereon the source of gas, the disposition thereof, and the plant production, as provided.

**RULE 1112. 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.

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RULE 1113. 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 operation 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 1114. No Rule; there is no Form C-114 at present.

RULE 1115. OPERATOR'S MONTHLY REPORT (Forms C-115 ~~and Form C-115-EDP~~)

Operator's Monthly Report, Form C-115 or Form C-115-EDP, 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 forms. 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-104 for the affected well or wells.

RULE 1116. GAS-OIL RATIO TEST (Form C-116)

Gas-oil ratio tests shall be made and reported on Form C-116 as prescribed in Rule 301, Gas-Oil Ratio Test, and any applicable special pool rules. This form shall be submitted in DUPLICATE.

RULE 1117.

~~DISPOSITION~~  
RULE 1117. SEDIMENT OIL ~~DISPOSITION~~ PERMITS (Forms C-117-A) and ~~C-117-B~~ SEDIMENT OIL RECOVERY PERMIT (Form C-117-B)

(a) Form C-117-A, Sediment Oil Destruction Permit,

shall be submitted in TRIPLICATE in accordance with Rule 311, and shall contain the following information:

- (1) Name of operator
- (2) Name and location of lease
- (3) Type of sediment oil (tank bottom, emulsion, etc.)
- (4) Estimated amount (in barrels)

(b) Form C-117-B, Sediment Oil Recovery Permit, shall be submitted in QUADRUPPLICATE in accordance with Rule 311, and shall contain the following information:

- (1) Name of transporter
- (2) Name of operator
- (3) Name and location of lease
- (4) Type of sediment oil (tank bottom, emulsion, etc.)
- (5) Estimated amount (in barrels)
- (6) Disposition

RULE 1118. TREATING PLANT OPERATOR'S MONTHLY REPORT (Form C-118)

Form C-118 shall be submitted in DUPLICATE in accordance with Rule 312, and shall contain the following information:

- (1) Name of treating plant operator
- (2) Location of plant or plants
- (3) Source of each individual acquisition
- (4) Number of permit authorizing acquisition
- (5) Gross volume of sediment oil acquired from each source
- (6) Net amount of pipeline oil recovered from each acquisition

RULE 1119. 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 and the production and deliveries by grades of carbon black or other products produced. Such reports shall be filed in DUPLICATE on Form C-119, Carbon Black Plant Monthly Report, and be postmarked on or before the 15th day of the next succeeding month. In addition, Form C-111 shall be filed each month in accordance with Rule 1111 if the Carbon Black

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Plant operator makes any purchase directly from a lease or operates any gas gathering or transmission system.

RULE 1120. MONTHLY INJECTION REPORT (Form C-120) <sup>and</sup> ~~AND~~ MONTHLY WATER DISPOSAL REPORT (Form C-120-A)

From C-120 and Form C-120-A shall be submitted in TRIPLICATE each month and shall be used for reports required under Rule 704. Form C-120 shall be postmarked not later than the 15th day of the next succeeding month. Form C-120-A shall be postmarked not later than the 15th day of the second succeeding month.

RULE 1121. PURCHASER'S NOMINATION FORMS (Forms C-121 and C-121-A)

One copy of Form C-121, Crude Oil Purchaser's Nomination, shall be submitted to the Santa Fe Office of the Commission not later than five days prior to the Commission's statewide oil allowable hearing on nominations for the succeeding month. Nominations shall be filed each month by each person expecting to purchase oil from producing wells in New Mexico during the following month.

One copy of Form C-121-A, Purchaser's Gas Nomination, shall be submitted to the Santa Fe Office of the Commission by the first day of the month during which the Commission will consider at its allowable hearing the nominations for the purchase of gas from producing wells in New Mexico during the succeeding month. *E.g., nominations for purchase of gas during* In addition to the monthly gas nominations, six-months' nominations shall be filed in accordance with the appropriate pool rules.

RULE 1122. MULTI-POINT BACK PRESSURE TEST FOR GAS WELLS (Form C-122)  
GAS WELL TEST DATA <sup>SAN JUAN BASIN</sup> (Form C-122-A)  
INITIAL POTENTIAL TEST DATA SHEET (Form C-122-B)  
ONE-POINT BACK PRESSURE TEST FOR GAS WELLS (Form 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

August would be considered at the allowable hearing in mid-July and would be due July 1.

of Rule 401 and any applicable special pool rules and proration orders. Forms C-122-A, C-122-B and C-122-C shall be submitted according to applicable special pool rules and proration orders.

RULE 1123. 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 regarding the filing of Form C-123 in DUPLICATE.

RULE 1124. RESERVOIR PRESSURE REPORT (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 1125. GAS WELL SHUT-IN PRESSURE TESTS (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 and any applicable special pool rules.

RULE 1126. PERMIT TO TRANSPORT RECOVERED LOAD OIL (Form C-126)

Form C-126 shall be submitted in QUADRUPPLICATE to the appropriate District Office of the Commission and shall be used in conformance with Rule 508 and Rule 1104 (6).

RULE 1127. REQUEST FOR ALLOWABLE CHANGE (Form C-127)

One copy of Form C-127 shall be filed by the oil producer with the appropriate District Office of the Commission not later than the 10th day of the month preceding the month for which oil well allowable changes are requested.

RULE 1128. FORMS REQUIRED ON FEDERAL LAND

Federal forms shall be used in lieu of State forms when filing APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK and SUNDRY NOTICES AND REPORTS ON WELLS and WELL COMPLETION OR RECOMPLETION REPORT AND LOG for wells on Federal lands in New Mexico.

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However, it shall be the duty of the operator to submit two extra copies of each of such forms to the USGS, which upon approval will transmit same to the Commission. The following USGS forms will be used in lieu of Commission forms by operators of wells on Federal land:

<u>USGS Form No.</u>	<u>Title of Form</u> (Same for both agencies)	<u>NMOCC Form No.</u>
9-331C	APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK	C-101
9-331	SUNDRY NOTICES AND REPORTS ON WELLS	C-103
9-330	WELL COMPLETION OR RECOMPLETION REPORT AND LOG	C-105

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

After a well is completed and ready for pipeline connection, Commission Form C-104 shall be filed with the Commission on any and all wells drilled in the State, regardless of land status. 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-104 for the affected well or wells.

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IT IS FURTHER ORDERED:

(1) That Rule 7(A) of the General Rules and Regulations for Prorated Gas Pools, Northwestern New Mexico, and Rule 7(A) of the General Rules and Regulations for Prorated Gas Pools, Southeastern New Mexico, both as promulgated by Commission Order No. R-1670, be amended to read in their entirety as follows:

"Each month each gas purchaser shall file with the Commission his nomination for the amount of gas which he actually in good faith desires to purchase during the ensuing proration month from each gas pool regulated by this order. One copy of such "supplemental" nomination for each pool shall be submitted to the Commission's Santa Fe Office on Form C-121-A by the first day of the month during which the Commission will consider at its allowable hearing the nominations for the succeeding month (see Rule 1121 of the Commission Rules and Regulations). When filing such supplemental nomination, operator shall indicate both his preliminary nomination and his supplemental nomination. The Commission will consider all such preliminary and supplemental nominations at its statewide allowable hearing between the 13th and the 20th days of each month to determine the reasonable market demand for gas during the ensuing month, and will issue a proration schedule setting out the amount of gas which each well may

produce during such ensuing month, along with such other information as is necessary to show the allowable-production status of each well on the schedule."

IT IS FURTHER ORDERED:

(1) That any reference in any order, rule, regulation, memorandum, directive, or other instruction by the Commission to any form by name or by number which form name or number is superseded by a form name or number as the result of this order shall be construed as having reference to the supersedant form name or number.

(2) That this order shall become effective at 7:00 A.M.

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(3) That 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.

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF HUMBLE OIL & REFINING COMPANY  
FOR AN EXCEPTION TO THE FOOTAGE  
REQUIREMENTS OF RULE 3 OF ORDER  
NO. R-2612 IN CASE NO. 2935 IN  
THE SOUTH WATERFLOW GALLUP POOL  
SAN JUAN COUNTY, NEW MEXICO.

Case No. \_\_\_\_\_  
Order No. \_\_\_\_\_

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OIL OFFICE CDD

APPLICATION FOR UNORTHODOX LOCATION

Humble Oil & Refining Company, a Delaware corporation, authorized and licensed to do business in New Mexico, hereinafter designated as Applicant," for its application herein represents unto this Commission as follows:

I.

By Order No. R-2612 and Case No. 2935, this Commission established spacing and special rules and regulations for the South Waterflow Gallup oil pool located in San Juan County, New Mexico. Rule 3 of said order provides in part, "Each well projected to or completed in the Gallup formation in the South Waterflow Spacing Area shall be located within 150 feet of the center of a governmental quarter-quarter section." Rule 4 of said order further provides, "The Secretary-Director of the Commission may grant an exception to the footage requirements of Rule 3 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon."

II.

Applicant desires to drill a well to test the Gallup formation to be located in the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of Section 29, Township 29 North, Range 15 West, San Juan County, New Mexico, and to dedicate the following described acreage to said well for production from the Gallup formation, to-wit:

Township 29 North, Range 15 West

Section 29: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$

Certain coal mining operations have in the past and are presently being conducted in and around the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of said Section 29, the same being within a so-called "coal corridor" reserved by the lessor for the use of the Utah Construction and Mining Company. More particularly, a certain "haul road," together with a "ramp road," and "tailings" deposits are located within the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of said Section 29, which make it impossible for this Applicant to drill the aforesaid well upon the prescribed location as established by Order R-2612. Applicant desires to drill the well at a location 500 feet from the north line and 2,275 feet from the east line of said Section 29. The proposed location, together with a plat of the topographical obstructions, are more particularly set forth upon this Commission's "Well Location and Acreage Dedication Plat" prepared for the Applicant by Robert H. Ernst, New Mexico, PE and LS 2463, a copy of which is attached hereto and designated as Applicant's Exhibit "A". For informational purposes, attached hereto as Applicant's Exhibit "B" is a copy of "Sundry Notices and Reports on Wells" hereto filed by the Applicant with the United States Department of the Interior, Geological Survey.

### III.

Applicant further alleges and states that its oil and gas lease covering the proposed drillsite tract, which was granted to Applicant by the Navajo Tribe, as lessor, restricts oil and gas drilling operations within the so-called "coal corridor" described above, which said restriction limits this Applicant's access to the surface of the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of said Section 29 and is a factor affecting Applicant's proposed drilling in said quarter-quarter section.

### IV.

The proposed drillsite location, together with all offsetting tracts, are owned in fee by the Navajo Tribe of Indians, subject to existing leases and easements. This Applicant holds valid and subsisting oil and gas leases upon the proposed drillsite tract, as well as all tracts offsetting the drillsite tract, except the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$ )

of said Section 29, which tract is presently unleased Navajo Tribal lands. A copy of this application has been mailed by registered mail to the Navajo Tribe at Farmington, New Mexico and to the Department of the Interior, United States Geological Survey, Farmington, New Mexico.

WHEREFORE, Applicant requests this Commission to enter its order administratively granting an exception to the footage requirements of Rule 3 of Order R-2612 in Case 2935, and allowing this Applicant to drill and produce from a well in the Gallup formation to be located 500 feet from the north line and 2,275 feet from the east line of said Section 29, Township 29 North, Range 15 West.

Dated this 4th day of February, 1964.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

By William G. Odell

Mr. William G. Odell  
P. O. Box 120  
Denver, Colorado  
534-1251

Mr. Howard C. Bratton  
Hinkle, Bondurant, Bratton & Christy  
600 Hinkle Building  
Roswell, New Mexico  
622-6510

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Date February 1, 1964

Section A.

Operator HUMBLE OIL & REFINING COMPANY Lease Navajo Tract 13
Well No. 1 Unit Letter B Section 29 Township 29 North Range 15 West NMPM
Located 500 Feet From North Line, 2275 Feet From East Line
County San Juan G. L. Elevation 5333' ungraded Dedicated Acreage 120 Acres
Name of Producing Formation Gallup Pool South Waterflow Gallup

- 1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? Yes X No
2. If the answer to question one is "no", have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No If answer is "yes", Type of Consolidation. Unit Agreement
3. If the answer to question two is "no", list all the owners and their respective interests below:

Owner Land Description

Haul Road Tailings

Section B.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

HUMBLE OIL & REFINING COMPANY

(Operator)

Signature of Representative

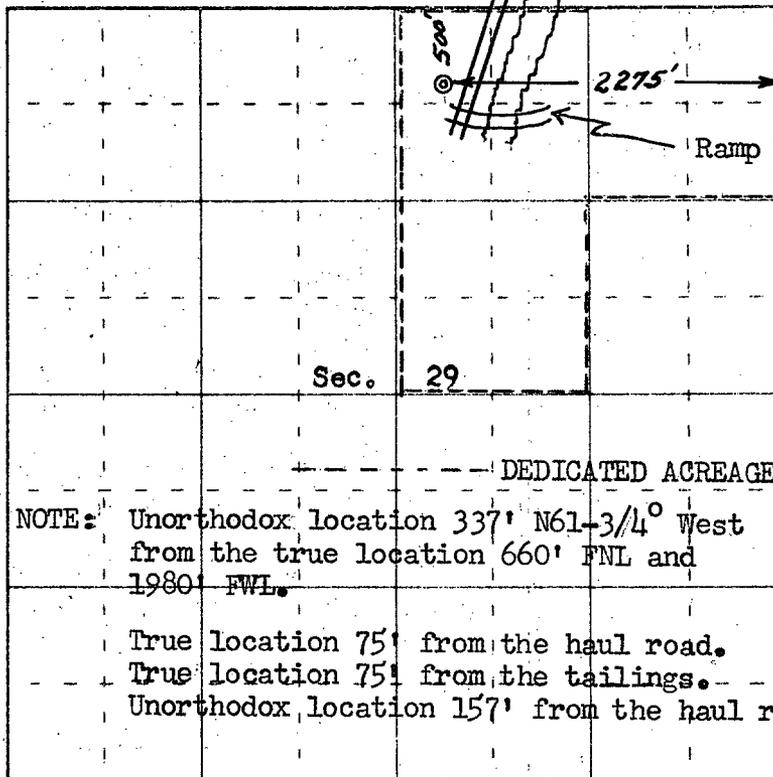
(Representative)

P. O. Box 3082

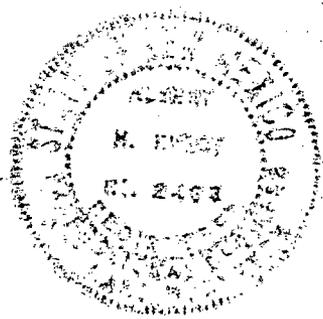
(Address)

Durango, Colorado

Note: All distances must be from outer boundaries of section.



Scale 4 inches equal 1 mile



This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

(Seal)

Date Surveyed 31 January 1964

Ernst Engineering co. Durango, Colorado

EXHIBIT "A"

Signature of Robert H. Ernst, Registered Professional Engineer and/or Land Surveyor, N. Mex. PE & LS 2463



OIL CONSERVATION COMMISSION  
Aztec DISTRICT

PLAIN OF THE OCS

1964 FEB 17 AM 10:32

OIL CONSERVATION COMMISSION  
BOX 871  
SANTA FE, NEW MEXICO

DATE 2-7-64

Re: Proposed NSP \_\_\_\_\_

Proposed NWU \_\_\_\_\_

Proposed NSL  \_\_\_\_\_

Proposed NFO \_\_\_\_\_

Proposed DC \_\_\_\_\_

Gentlemen:

I have examined the application dated 2-4-64  
for the Humble Oil Navajo TR 13#1 B-29-29N-15W  
Operator Lease and Well No. S-T-R

and my recommendations are as follows:

Approve

Location inspected 2-7-64. Situation  
is as shown on Exhibit "A" of the  
application

Yours very truly,

A. R. Hendrick