

D - ABANDONMENT AND PLUGGING OF WELLS

RULE 201. NOTICE

Notice of intention to plug must be filed with the Commission by the owner or his agent prior to the commencement of plugging operations on Form C-103, Sundry Notices and Reports on Wells, which notice shall state the name and location of the well and the name of the operator. In the case of a newly completed dry hole, the operator may commence plugging by securing the approval of the Commission as to the method of plugging and the time plugging operations are to begin. He shall, however, file the regular notification form.

RULE 202. PLUGGING AND ABANDONMENT

A. PLUGGING

Before any well is abandoned, it shall be plugged in a manner which will permanently confine all oil, gas, and water in the separate strata originally containing them. This operation shall be accomplished by the use of mud-laden fluid, cement and plugs, used singly or in combination as may be approved by the Commission. The exact location of abandoned wells shall be shown by a steel marker at least four inches in diameter set in concrete, and extending at least four feet above mean ground level. The name and number of the well and its location (unit letter, section, township, and range) shall be welded, stamped, or otherwise permanently engraved into the metal of the marker. Seismic, core or other exploratory holes drilled to or below sands containing fresh water shall be plugged and abandoned in accordance with the applicable provisions recited above. Permanent markers are not required on seismic holes.

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 Completion or Completion Report and Log 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.

B. TEMPORARY ABANDONMENT

No well in this state shall be temporarily abandoned for a period in excess of six months unless a permit for such temporary abandonment has been approved by the Commission. Such permit shall be for a period not to exceed one year and shall be requested from the appropriate District Office of the Commission by filing Form C-103 in triplicate. No such permit shall be approved unless evidence is furnished that the condition of the well is such as to prevent damage to the producing zone, migration of hydrocarbons or water, the contamination of fresh water or other natural resources, or the leakage of any substance at the surface.

The District Supervisor of the appropriate District Office of the Commission shall have authority to grant one extension to the permit for temporary abandonment. Such extension shall not exceed one year and shall be requested in the same manner as the original permit for temporary abandonment. No extension shall be approved unless good cause therefor is shown, and evidence is furnished that the continued condition of the well is as described above.

Upon expiration of the permit for temporary abandonment and any extension thereto, the well shall be put to beneficial use or shall be permanently plugged and abandoned, unless it can be shown to the Commission after notice and hearing that good cause exists why the well should not be plugged and abandoned, and a further extension to the temporary abandonment permit should be issued. Prior to issuing such "further extension," the Commission may at its option require the operator of the well to post with the Commission a one-well plugging bond for the well, in an amount determined by the Commission to be satisfactory to meet the particular requirements of the well.

The Secretary-Director of the Commission shall have the authority to waive the above requirement for notice and hearing and grant further extension to a permit for temporary abandonment in the case of

(1) a remote and unconnected commercial gas well or a presently non-commercial gas well which may reasonably be expected to be commercial within the foreseeable future; or

(2) a well in an oil pool in which secondary recovery operations have, by actual performance, been shown to be commercially feasible, and which well may, with reasonable certainty, be expected to be included in a bona fide secondary recovery project within the foreseeable future.

Prior to issuing such further extension, the Secretary-Director may at his option require the operator of the well to post with the Commission a one-well plugging bond for the well, in an amount determined by the Secretary-Director to be satisfactory to meet the particular requirements of the well.

No "further extension," whether issued by the Commission or by the Secretary-Director, shall be of more than two years duration, but may be renewed if circumstances warrant.

C. DRILLING WELLS

When drilling operations on a well have been suspended for 60 days, the well shall be plugged and abandoned unless a permit for temporary abandonment has been obtained for the well in accordance with Section B above.

RULE 203. WELLS TO BE USED FOR FRESH WATER

When the well to be plugged may safely be used as a fresh water well and such utilization is desired by the landowner, the well need not be filled above a sealing plug set below the fresh water formation, provided that written agreement for such use shall be secured from the landowner and filed with the Commission.

RULE 204. LIABILITY

The owner of any well drilled for oil or gas, or any seismic, core or other exploratory holes, whether cased or uncased, shall be responsible for the plugging thereof.

Memo No. 6-76
April 22, 1976

OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO
87501

M E M O R A N D U M

TO: ALL OPERATORS
FROM: JOE D. RAMEY, DIRECTOR
SUBJECT: TEMPORARILY ABANDONED AND UNREPORTED WELLS

Rules 202 B and 202 C, Commission Rules and Regulations, require the operator of any completed well or any drilling well which has been inactive for a period of six months or which has had no drilling activity for a period of sixty days, respectively, to seek approval of the temporary abandonment of such well. These rules further provide that the District Supervisor of the Commission may grant a one year extension of any permit for temporary abandonment which has previously been approved. A copy of these rules will be found on the reverse side of this memorandum.

Operators who fail to comply with the provisions of Rules 202 B and 202 C may be subject to penalties of up to \$1,000.00 a day for such violation(s) pursuant to suits filed by the Commission in District Court.

Kindly review the status of the well(s) described by attached Form(s) C-101 and take steps to supply such data as necessary to meet requirements of the above mentioned rules.

mailed 10/29/80