

Entered October 12, 1976

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE NO. 5765
Order No. R-5297

IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION COMMISSION ON ITS OWN MOTION
TO CONSIDER THE PARTIAL TEMPORARY SUSPENSION
OF RULE 202B OF THE COMMISSION RULES AND
REGULATIONS TO PERMIT APPROVED TEMPORARILY
ABANDONED WELLS TO CONTINUE IN SUCH STATUS
WITHOUT THE REQUIREMENT FOR NOTICE AND HEARING
PENDING THE OUTCOME OF NEW BONDING AND PLUGGING
LEGISLATION TO BE PROPOSED TO THE FIRST SESSION
OF THE 33RD NEW MEXICO LEGISLATURE.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 15, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of October, 1976, 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 the two-year period of temporary abandonment as set forth in Rule 202 B of the Commission Rules and Regulations, as amended by Order No. R-5019, is about to expire for more than three thousand (3,000) wells.
- (3) That if further extensions are not granted by the Commission after notice and hearing, many of these wells could be ordered plugged and abandoned.
- (4) That statutory limits upon the amount the Commission may require for plugging bonds is no longer sufficient to cover the costs of plugging.
- (5) That a bill proposal has been formulated for introduction in the First Session of the 33rd N. M. Legislature which will increase bonding requirements and will create an oil and gas reclamation fund.
- (6) That, pending approval of such legislation, the Commission proposes to suspend for an indefinite period not to

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exceed one (1) year those portions of Rule 202 B that pertain to notice and hearing requirements for further extensions of temporary abandonment by the Commission.

(7) That all other provisions of Rule 202 B pertaining to permits for temporary abandonment should remain in full force and effect.

IT IS THEREFORE ORDERED:

(1) That the third, fourth, fifth, and sixth paragraphs of Rule 202 B of the Commission Rules and Regulations, as amended, pertaining to notice and hearing requirements for further extension are hereby suspended until further order of the Commission or until October 1, 1977, whichever is first.

(2) That any extension to a permit for temporary abandonment, which extension has been approved by a District Supervisor of the Commission pursuant to the provisions of the second paragraph of the aforesaid Rule 202 B, shall be deemed valid until further order of the Commission or until October 1, 1977, whichever is first.

(3) That all other sections of Rule 202 B shall remain in full force and effect.

(4) 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.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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