

Entered August 23, 1977  
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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO ON ITS  
OWN MOTION TO CONSIDER ADOPTION  
OF RULES 407 AND 1130, AND FORM C-130.

CASE NO. 5943  
Order No. R-5515

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 23rd day of August, 1977, 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 33rd Legislature of the State of New Mexico passed the Natural Gas Pricing Act (being Laws 1977, Chapter 73), Section 9 of which states that "except for wells plugged and abandoned pursuant to rules and regulations of the oil conservation commission, no producer who is subject to the maximum allowable base price limitations shall abandon all or any portion of its facilities for production and sale of natural gas for consumption in New Mexico without first obtaining the permission and approval of the commission."
- (3) That said Act was signed into law and became effective on March 18, 1977.
- (4) That the term "commission" as the last word in Finding (2) above refers to the Public Service Commission.
- (5) That the Public Service Commission intends to adopt regulations defining "abandonment of facilities," which definition should include the disconnection of gas wells from intrastate gas transportation facilities if the well was drilled prior to January 1, 1975, and should exclude wells plugged and abandoned pursuant to the rules and regulations of the Oil Conservation Commission.

(6) That in order to monitor abandonment of facilities and to provide notice to operators that they may need to seek Public Service Commission approval before abandonment, rules and a form should be adopted providing for the reporting by operators of all gas wells which are disconnected from intrastate gas transportation facilities.

(7) That such rules and form are within the Commission's authority to collect data, to make investigations and inspections, and to examine, check and test all means and modes of transportation and equipment.

(8) That proposed Rule 407 DISCONNECTION OF GAS WELLS states:

"All gas wells which are disconnected from intrastate gas transportation facilities shall be reported to the Commission by the operator of the well or wells within 30 days of the date of disconnection. Such notice must be filed on Form C-130 in compliance with Rule 1130."

(9) That proposed Rule 1130 NOTICE OF DISCONNECTION (Form C-130) States:

"(1) Form C-130, Notice of Disconnection, shall be filed in triplicate with the Commission by the operator of the well as provided in Rule 407.

(2) The operator shall state, to the best of his knowledge, the reasons for disconnecting any gas well from gas transportation facilities.

(3) The Commission shall furnish the New Mexico Public Service Commission with any Form C-130 indicating that a disconnected gas well may or will be reconnected to a gas transportation facility for ultimate distribution to consumers outside of the State of New Mexico."

(10) That the proposed Notice of Disconnection (Form C-130) is in the form and style prescribed by Exhibit A attached to this Order and by this reference made a part hereof.

(11) That in the public interest, the Commission should adopt proposed Rules 407 and 1130, and proposed Form C-130.

IT IS THEREFORE ORDERED:

(1) That Rule 407 of the Commission Rules and Regulations is hereby adopted and reads in its entirety as follows:

"RULE 407. DISCONNECTION OF GAS WELLS

"All gas wells which are disconnected from intrastate gas transportation facilities shall be reported to the

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Commission by the operator of the well or wells within 30 days of the date of disconnection. Such notice must be filed on Form C-130 in compliance with Rule 1130."

(2) That Rule 1130 of the Commission Rules and Regulations is hereby adopted and reads in its entirety as follows:

"RULE 1130. NOTICE OF DISCONNECTION (Form C-130)

"(1) Form C-130, Notice of Disconnection, shall be filed in triplicate with the Commission by the operator of the well as provided in Rule 407.

"(2) The operator shall state, to the best of his knowledge, the reasons for disconnecting any gas well from gas transportation facilities.

"(3) The Commission shall furnish the New Mexico Public Service Commission with any Form C-130 indicating that a disconnected gas well may or will be reconnected to a gas transportation facility for ultimate distribution to consumers outside of the State of New Mexico."

(3) That Form C-130 is hereby adopted in the form and style prescribed by Exhibit A attached to this order and by this reference made a part hereof.

(4) That jurisdiction of this cause is retained for the entry of such further order of the Commission.

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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NEW MEXICO OIL CONSERVATION COMMISSION  
NOTICE OF GAS WELL DISCONNECTION

I. OPERATOR

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ADDRESS

II. DESCRIPTION OF WELL AND LEASE

LEASE NAME	WELL NO.	POOL NAME, INCLUDING FORMATION
LOCATION Unit Letter _____, _____ feet from the _____ line and _____ feet from the _____ line, Section _____, Township _____, Range _____, NMPM, _____ County, New Mexico.		

III. NAME OF TRANSPORTER PRIOR TO DISCONNECTION

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DATE OF DISCONNECTION

IV. REASON(S) FOR DISCONNECTION (CHECK PROPER BOX)

<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Reconnection to <u>In</u> trastate Pipeline
<input type="checkbox"/> Temporary Abandonment	<input type="checkbox"/> Reconnection to <u>Inter</u> state Pipeline *
<input type="checkbox"/> Other (Please Explain)	

\* NOTICE — Under the terms of the Natural Gas Pricing Act, Laws 1977, Chapter 73, no producer shall abandon any portion of its facilities for production and sale of natural gas for consumption in New Mexico without first obtaining the permission and approval of the New Mexico Public Service Commission, except for wells plugged and abandoned pursuant to the rules and regulations of the Oil Conservation Commission.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Distribution

Two copies to OCC Santa Fe

One copy to OCC District Office

Name \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

(Signature)

Exhibit A  
Order No. R-5515