

Case No. 15487: EXHIBIT A to Fifth Amended Application for Rulemaking

This is an amendment to 19.15.39 NMAC, adding new section 11, effective //.

19.15.39.11 SPECIAL PROVISIONS FOR A SELECTED AREA OF THE ROSWELL ARTESIAN BASIN:

- A. Designated area. The designated area shall comprise:**
- (1) the area within the following townships and ranges in Chaves county:
 - (a) township 5 south, ranges 22 and 23 east;
 - (b) township 6 south, ranges 22 east through 24 east;
 - (c) township 7 south, ranges 22 east through 24 east;
 - (d) township 8 south, ranges 21 east through 25 east;
 - (e) township 9 south, ranges 21 east through 25 east;
 - (f) township 9½ south, range 24 east;
 - (g) township 10 south, ranges 21 east through 25 east;
 - (h) township 11 south, ranges 21 east through 26 east;
 - (i) township 12 south, ranges 21 east, 21 ½ east, and 22 east through 26 east;
 - (j) township 13 south, ranges 21 east through 27 east;
 - (k) township 14 south, ranges 21 east through 27 east;
 - (l) township 15 south, ranges 21 east through 27 east;
 - (m) township 18 south, range 20 east;
 - (n) township 19 south, range 20 east; and
 - (2) the area within the following townships and ranges in Eddy county:
 - (a) township 16 south, ranges 21 east and 23 east through 27 east;
 - (b) township 17 south, ranges 21 east and 23 east through 27 east;
 - (c) township 18 south, ranges 21 east and 23 east through 27 east;
 - (d) township 19 south, ranges 21 east and 23 east through 27 east;
 - (e) township 20 south, ranges 21 east and 23 east through 27 east;
 - (f) township 20½ south, ranges 21 east through 23 east;
 - (g) township 21 south, ranges 22 east through 25 east;
 - (h) township 22 south, ranges 22 east through 24 east; and
 - (i) township 23 south, ranges 22 east and 23 east.

B. Applicability. All wells drilling commenced after _____ (the effective date of 19.15.39.11 NMAC) from surface locations within the designated area, or which will penetrate the designated area above the base of the San Andres formation, shall be permitted, drilled and operated in accordance with 19.15.39.11 NMAC.

C. Wells that penetrate the shallow aquifer. For wells that will penetrate the shallow aquifer of the Roswell ground water basin within the area thereof as mapped by the office of the state engineer, or will penetrate the shallow aquifer within one mile of the area so mapped, the operator shall include in the casing program at least the following.

- (1) If a conductor pipe is used, it will be adequately cemented in place to prevent drainage of fluids from the surface or other shallow formations into the shallow aquifer.
- (2) The operator shall set a surface casing string at least 50 feet below the base of the shallow aquifer, such that the surface casing is landed in the first competent formation, and circulate cement to the surface.
- (3) The operator shall set an intermediate casing string in the San Andres formation at a depth of approximately 1200 feet below the surface, and not more than 50 feet above the first show of hydrocarbons encountered in the San Andres formation on the mud log.
- (4) After setting each string of water protection casing, the operator shall furnish a cement bond log to the division's Artesia district office, and shall not continue drilling until the division approves the cement bond log and the corresponding casing completions.
- (5) The operator shall cement production casing to a depth not less than 500 feet above the intermediate casing shoe.
- (6) After setting production casing, the operator shall furnish a cement bond log to the division's Artesia district office, and shall not proceed with completion until the division approves the cement bond log.

D. Exceptions. Notwithstanding Paragraph (2) of Subsection C of 19.15.39.11 NMAC, the district supervisor of the division's Artesia district office may approve a casing program for a well that penetrates the

mapped area of the shallow aquifer that provides for only one water-protection casing string to be set in the San Andres formation in accordance with Paragraph (3) of Subsection C of 19.15.39.11 NMAC, or for setting either or both casing strings at a shallower depth than is provided in Subsection C of 19.15.39.11 NMAC, if the district supervisor finds that the proposed casing program will be reasonably sufficient to prevent fluid movement into or out of the well bore from or to either designated aquifer. In approving any exception to Paragraph (2) of Subsection C of 19.15.39.11 NMAC, the district supervisor may attach such conditions of approval as, in his or her judgment, are reasonably necessary to prevent such fluid movement. In any well for which an exception is approved pursuant to Subsection C of 19.15.39.11 NMAC, the operator shall circulate cement on the production casing to the surface.

E. Wells that penetrate only the artesian aquifer. For wells that will not penetrate the shallow aquifer, but will penetrate the artesian aquifer of the Roswell ground water basin, or will penetrate the San Andres formation within the area of the artesian aquifer, as mapped by the office of the state engineer, or within one mile thereof, the operator shall include in the casing program all of the provisions required by Subsection C of 19.15.39.11 NMAC, except that the surface casing string specified in Paragraph (2) of Subsection C of 19.15.39.11 NMAC shall not be required, the intermediate casing string required by Paragraph (3) of Subsection C of 19.15.39.11 NMAC may serve as the surface casing, and cement on the production casing shall be circulated to the surface.

F. Annular space. In order to provide an adequate annular space, the diameter of the hole in which a casing string is set shall be at least two inches greater than the outer diameter of the couplings on the casing string.

G. Compliance with statewide rules. 19.15.39.11 NMAC shall not be construed to relieve the operator of any well from the obligation to comply with any applicable statewide rules, including, but not limited to, 19.15.16.9, 19.15.16.10 and 19.15.16.11 NMAC.

H. Transitional provisions. Any APD for a proposed well within the designated area that was previously approved and suspended by emergency order of the division shall be reinstated if it meets the requirements of 19.15.39.11 NMAC. Any operator may amend any such APD within 30 days after the effective date of 19.15.39.11 NMAC to comply with 19.15.39.11 NMAC. If the division reinstates or approves as amended a previously suspended APD, the APD shall continue in force for two years from the date of original approval, plus the number of days that such APD was suspended.

[19.15.35.11 NMAC - N, / /]