

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Dylan Fuge, Division Director (Acting)
Oil Conservation Division



NOTICE
WELL NAMING CONVENTION

UPDATED February 24, 2023

In recent years, the Oil Conservation Division (“OCD”) has observed an increase in new Applications for Permits to Drill (“APD”). OCD has also observed that many operators are not following the historical OCD and State Land Office (“SLO”) naming conventions. Divergence from the state’s well naming conventions negatively impacts data quality and creates unnecessary workload for regulatory agencies. Improper naming results in staff having to review and possibly change associated well names and property codes. Improper naming also makes it hard for OCD and SLO to link production with wells sharing the same resources. The well name creates a related “Property” code which then links and allows state agencies to accurately track associated production. Without proper naming these wells will not be properly linked with each other.

Name changes identified as necessary after APD approval and the start of production further complicate process as these wells require additional ITO services to process related sundries, as all related production must then be reconciled by the operator to ensure proper reporting to the appropriate property code. In 2022 there were 357 wells that required a well name change. We are issuing this Notice to remind operators of these requirements. Failure to follow these requirements may result in delays in APD processing. OCD has also enclosed a copy of SLO’s well name guidelines for reference (see Attachment A).

Operators are not required to make any well name changes for already producing wells pursuant to this notice unless they are specifically contacted by one of the regulatory agencies. Otherwise, this notice applies on a go forward basis. Any operator who directed to change the name of currently producing wells that do not meet the below naming requirements will need to contact the OCD to ensure it is changed properly. You can contact the OCD at OCD.Engineer@emnrd.nm.gov.

OCD Well Naming Guidelines.

When naming wells, an operator must follow these guidelines:

General naming requirements

- No punctuations or special symbols in well name.
- Infill horizontal wells must have the same well name as the well defining the spacing unit.

Naming requirements for Coms and Units

- If well is part of a Communitization Agreement (more than one lease) (“Com”) must be part of the name.
- All wells within a unit or com must use the same name and must incorporate the unit or com name only.
 - Unit or com names should not be abbreviated.
 - No additional numbers or letters are allowed in the official name
- The well must have the word “State” in the name if the spacing unit is partially or wholly comprised of State lands but absent of Federal lands.
- The wells must have the word “Fed” or “Federal” in the name if there is Federal land in the spacing unit. Units which include federal lands do not use “State” in the name.
- “Federal,” “Federal Com,” “State”, “State Com” and “Unit” must be at the end of the property name.
- For units only, if the Unit exceeds the current numbering convention (999 wells) with OCD approval an operator may propose an alternative naming convention for review.

Numbering requirements

- Well Number – Can be a maximum of 3 numbers and a letter designator (i.e. 001H, 123H, etc.) the below letter designators are only used in the specific circumstances provided:
 - H – Horizontal
 - Y - Skid well
 - **For horizontal wells being skid, the operator will have the H changed to a Y on the original well and the skid well will adopt the original well number ending in H.**
 - X – replaces the H the second time the well is skidded
 - Z – replaces the H the third time skidded

Examples:

For wells in a Unit (Unit Name Only)

Johnson Ranch Unit
Johnson Ranch Unit #001H
Johnson Ranch Unit #002H
Johnson Ranch Unit #003H

Skelly Unit
Skelly Unit #001H
Skelly Unit #002H
Skelly Unit #003H

For wells in a Com (Com Name Only)

Johnson Ranch Federal Com
Johnson Ranch Federal Com #001H
Johnson Ranch Federal Com #002H
Johnson Ranch Federal Com #003H

Johnson Ranch State Com
Johnson Ranch State Com #001H
Johnson Ranch State Com #002H

Johnson Ranch State Com #003H

For wells not associated with Coms or Units, below are examples for matching a lease name etc.

Johnson Ranch State
Johnson Ranch 32 State
Johnson Ranch 32 29 State
Johnson Ranch A State
Johnson Ranch Federal
Johnson Ranch 32 Federal
Johnson Ranch 32 29 Federal
Johnson Ranch A Federal

**ATTACHMENT A – NEW MEXICO STATE LAND OFFICE WELL NAMING
GUIDANCE**

NMSLO Naming Requirements for State Comm Wells

1. The well must have the word “Com” in the name
2. The well must have the word “State” in the name if the spacing unit is comprised of State or State/Fee lands
3. The wells must have the word “Fed” or “Federal” in the name if there is Federal land in the spacing unit, in which case do not use “State” in the name
4. **ALL WELLS TO BE COVERED BY A SINGLE AGREEMENT SHOULD HAVE THE SAME NAME/PROPERTY ID** - It causes issues for SLO royalty division if there are different names for each well in the spacing unit. If there are 4 wells to be drilled in the W2W2 of a section all in the Wolfcamp formation, regardless of target WCA, WCB etc, then all wells need the exact same name. Well numbers can be assigned as desired.

Example of wells with the same name in the same spacing unit:

Green Grass 25 State Com #701, in the E2 section 25, Wolfcamp Formation
Green Grass 25 State Com #805, in the E2 section 25, Wolfcamp Formation
Green Grass 25 State Com #910, in the E2 of section 25, Wolfcamp Formation

Example of wells without the same name but in the same spacing unit:

Green Grass 25 WCA-PA #1H, in the E2 section 25, Wolfcamp Formation
Green Grass 25 WCB-BO #1H in the E2 section 25, Wolfcamp Formation
Green Grass 25 WCX-AO #1H in the E2 section 25, Wolfcamp Formation

In order for all your wells in a single comm or unit to pay on the same basis/Production Unit Number (PUN) these conventions should be adhered to. Naming infill wells differently from the initial well defeats the purpose of communitization, the point of which is to have all production from the spacing unit allocated the exact same way.

If your wells aren't currently following these rules, please submit sundry notices to the NMOCD and have them changed accordingly.