

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION

APPLICATION OF THE NEW MEXICO OIL AND GAS  
ASSOCIATION FOR AMENDMENT OF CERTAIN PROVISIONS  
OF TITLE 19, CHAPTER 15 OF THE NEW MEXICO  
ADMINISTRATIVE CODE CONCERNING PITS, CLOSED-LOOP  
SYSTEMS, BELOW GRADE TANKS AND SUMPS, AND OTHER  
ALTERNATIVE METHODS RELATED TO THE FOREGOING  
MATTERS, STATEWIDE.

CASE NO. 14784

and

APPLICATION OF THE INDEPENDENT PETROLEUM  
ASSOCIATION OF NEW MEXICO FOR THE AMENDMENT  
OF CERTAIN PROVISIONS OF TITLE 19, CHAPTER 15  
OF THE NEW MEXICO ADMINISTRATIVE CODE  
CONCERNING PITS, CLOSED-LOOP SYSTEMS, BELOW  
GRADE TANKS AND SUMPS, AND AMENDING OTHER  
SPECIAL RULES RELATED TO THE FOREGOING MATTERS,  
STATEWIDE.

CASE NO. 14785  
Order No. R-13506

ORDER OF THE COMMISSION

These scheduling matters come before the Oil Conservation Commission ("Commission") on (i) the Joint Motion for Continuance ("Joint Motion") filed on January 12, 2012 by the New Mexico Oil and Gas Association ("NMOGA"), the Independent Petroleum Association of New Mexico ("IPANM"), and the Oil and Gas Accountability Project ("OGAP") and (ii) the letter motion ("NMWA Motion") dated December 29, 2011, from the New Mexico Wilderness Alliance ("NMWA").

The Joint Motion requests that Case Nos. 14784 and 14785 be continued to some date after February 17, 2012 and that all filing dates be extended accordingly. The NMWA Motion requests that (i) the portion of Case No. 14785 that seeks an amendment to NMAC § 19.15.39.8(B) be severed from the rest of Case No. 14785 and (ii) the hearing dates and filing deadlines concerning the amendment to NMAC § 19.15.39.8(B) be extended by thirty to sixty days.

For the following reasons both the Joint Motion and the NMWA Motion are well taken and both are granted to the extent set forth in this Order.

With respect to the NMWA Motion, the modifications to NMAC Title 19, Chapter 15, Part 17 (“Rule 17”) that are sought by IPANM in Case No. 14785 are identical to those modifications to Rule 17 that are sought by NMOGA in Case No. 14784. The distinction between the two cases is that IPANM also seeks to modify a section of NMAC Title 19, Chapter 15, Part 39 (“Rule 39”). Rule 17 addresses a host of technical issues related to the use of pits, closed loop systems, below grade tanks and sumps. Rule 39 is a less technical, special rule regarding pits and produced water injection wells in certain areas in Sierra and Otero counties.

IPANM and NMWA disagree as to the amount of overlap of evidence there will be for the Rule 17 hearing and the Rule 39 hearing. That issue need not be resolved for these purposes. The point seems to be that, if the Rule 17 amendments are adopted, they will affect the Commission’s judgment on the proposal to amend Rule 39. While that may be the case, we do not yet know which, if any, of the proposed amendments to Rule 17 will be adopted, or whether the Commission may choose to adopt amendments of its own in response to evidence offered. Moreover, it is true that Rule 17 and Rule 39 were not adopted simultaneously, as NMWA points out, and it hardly seems a foregone conclusion that they are required to be amended simultaneously. Finally, we expect that stakeholders with regard to the Rule 39 proposal may not be identical to those for the Rule 17 proposal. For clarity, organization of the hearing and an orderly process and analysis we believe that segregating the hearing on the Rule 39 amendment proposal from the hearing on the Rule 17 amendment proposal is recommended.

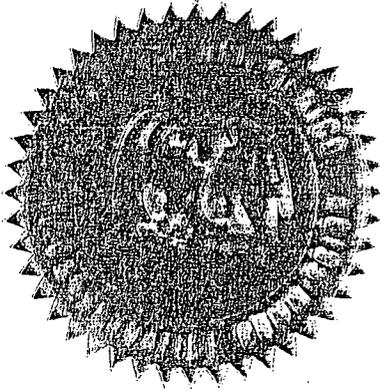
With respect to the Joint Motion, this continuance is sought not only by proponents of the Rule 17 amendments but an environmental group that has filed court papers in opposition to the proponents. As grounds for the continuance, movants cite time and work demands that are created by the New Mexico legislature being in session simultaneously with the current hearing dates, other court cases, the review of other timely, yet relatively recent, rule modifications proposed by the Oil Conservation Division, and the possibility that movants may be able to narrow the issues before the Commission. For the reasons cited by the movants, the motion is well taken and will be granted.

NOW THEREFOR it is ORDERED AND DECREED that

1. The hearing on the Rule 17 amendments, as proposed by NMOGA and IPANM, is severed from the hearing on the Rule 39 amendments, as proposed by IPANM;
2. The hearing on the Rule 17 amendments, currently set for January 23 – 27, 2012, is continued until **April 16 -20, 2012**. Notice of these dates, as well as the time and place, will be appropriately published.
3. The hearing on the Rule 39 amendments proposed by IPANM will be scheduled and noticed after completion of the hearing and deliberation on the proposed Rule 17 amendments.

DONE in Santa Fe, New Mexico, this 19<sup>th</sup> day of January, 2012.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, written over a light background.

JAMI BAILEY, Chair

SEAL