

# Exhibit J

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

**IN THE MATTER OF THE APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR REPEAL OF EXISTING RULES 19.15.1 THROUGH 19.15.15 NMAC, ADOPTION OF NEW RULES 19.15.2 THROUGH 19.15.16 NMAC, 19.15.18 THROUGH 19.15.26 NMAC, 19.15.29 AND 19.15.30 NMAC, 19.15.34 THROUGH 19.15.37 NMAC, AND 19.15.39 NMAC, AND AMENDING 19.15.17 AND 19.15.36 NMAC TO MAKE CONFORMING CHANGES; STATEWIDE**

**CASE NO. 14180**

**AFFIDAVIT OF NOTICE**

I hereby certify that notice of this proposed rulemaking was given as follows:

1. The Oil Conservation Division (OCD) filed the Application in rulemaking Case 14180 on August 12, 2008. The application packet includes the proposed rules and amendments, and the written testimony of Cheryl Bada explaining the proposed restructuring of the rules.

2. Division Director Mark Fesmire issued the Notice of Rulemaking in Case 14180 on August 13, 2008. The notice provides that the hearing will be held September 12, 2008. A copy of the Notice of Rulemaking is attached as Exhibit J-1.

3. 19.15.14.1202.A(1) NMAC requires that the notice be published one time in a newspaper of general circulation in the state no less than 20 days prior to the scheduled hearing date. The notice was provided to the Albuquerque Journal, a newspaper of general circulation in the state, for publication more than 20 days prior to the scheduled hearing date of September 12, 2008. Exhibit J-2, attached, is a copy of the notice, with the cover letter that was sent to the Albuquerque Journal on August 13, 2008. Exhibit J-3, attached, is a copy of proof sheet returned by the Albuquerque Journal, indicating a publication date of August 16, 2008. The OCD has not received an affidavit of publication from the Albuquerque Journal, but will supplement the record when it receives the affidavit.

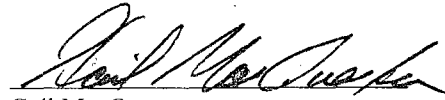
4. 19.15.14.1202.A(2) NMAC requires that the notice be published on the applicable Oil Conservation Commission (OCC) docket and that the clerk send the docket by regular or electronic mail not less than 20 days prior to the hearing to all who have requested such notice. The hearing in Case 14180 was set for a special September 12, 2008 OCC hearing docket; both the docket and the hearing notice were sent on August 18, 2008 by electronic mail to all who have requested such notice. See Exhibit J-4, attached.

5. 19.15.14.1202.A(3) NMAC requires that the notice be published one time in the New Mexico Register, with the publication date not less than 10 business days prior to the scheduled hearing date. Notice was published in the New Mexico Register on August 29, 2008, more than 10 days prior to the scheduled hearing date. See Exhibit J-5, attached.

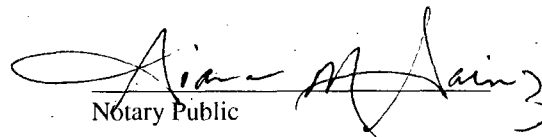
6. 19.15.14.1202.A(4) NMAC requires that the notice be published by posting on the OCD's website not less than 20 days prior to the scheduled hearing date. The notice and the entire application packet were scanned and have been available on the OCD's website since August 14, 2008. See Exhibit J-6, attached.

***Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J***

7. Section 14-4A-4, NMSA 1978 provides that prior to the adoption of a proposed rule that may have an adverse effect on small business, an agency shall provide a copy of the proposed rule to the commission at the same time as persons who have requested advance notice of rulemaking. Although the OCD does not believe that the proposed rules will have an adverse effect on small business, the OCD hand-delivered a courtesy copy of the Notice of Rulemaking and an application packet to the Small Business Regulatory Commission on August 13, 2008.. See Exhibit J-7, attached

  
Gail MacQuesten

SUBSCRIBED AND SWORN to before me this 2<sup>nd</sup> day of September 2008.

  
Notary Public

My Commission Expires:

May 6, 2009



OFFICIAL SEAL  
DIANA M. SAINZ  
NOTARY PUBLIC  
STATE OF NEW MEXICO

My Commission Expires: 5-6-2009

## NOTICE OF RULE MAKING

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

The State of New Mexico, through its Oil Conservation Commission, hereby gives notice that the Commission will conduct a public hearing on **September 12, 2008**, beginning at 9:00 a.m., in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, concerning the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. If additional time is needed, the hearing may continue at a later date announced by the Commission.

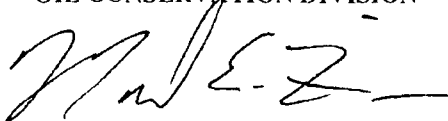
The hearing concerns the following changes to Title 19, Chapter 15 of the New Mexico Administrative Code: repeal of Parts 1-15; adoption of new Parts 2-16, 18-26, 29, 30, 34, 35, 37 and 39 to replace the repealed Parts 1-15; the amendment of Parts 17 and 36. The changes restructure the existing rules; correct cross-references to conform to the new numbering system; correct the placement of definition sections; re-write the rules in the active voice; remove outdated transition language; adopt consistent use of terms; remove outdated references to the carbon black plant monthly report and the new well tax incentive; add definitions of "tribal lands," "tribal leases," "tribal minerals" and "deliverability pressure;" and amend rules on forms to reflect actual filing practices.

Copies of the text of the proposed new rules and amendments are available from acting commission clerk Theresa Duran-Saenz at (505) 476-3483 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd> under "Announcements." If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Duran-Saenz at (505) 476-3483 or through the New Mexico Relay Network (1-800-659-1779) as soon as possible.

Written comments on the proposed amendments, pre-hearing statements and notices of recommended modifications must be received no later than 5:00 p.m. on Wednesday, September 3, 2008. Any person may present non-technical testimony or make an un-sworn statement at the hearing. Any person who intends to present technical testimony or cross-examine witnesses at the hearing shall, no later than 5:00 p.m. on Wednesday, September 3, 2008, file six sets of a pre-hearing statement with Ms. Duran-Saenz. The pre-hearing statement shall include the person's name and the name of the person's attorney; the names of all witnesses the person will call to testify at the hearing; a concise statement of each witnesses' testimony; all technical witnesses' qualifications including a description of the witnesses' education and experience; and the approximate time needed to present the testimony. The person shall attach to the pre-hearing statement any exhibits he or she plans to offer as evidence at the hearing. Any person recommending modifications to a proposed rule change shall, no later than Wednesday, September 3, 2008, file a notice of recommended modifications with Ms. Duran-Saenz including the text of the recommended modifications, an explanation of the modifications' impact, and the reasons for adopting the modifications. Written comments, pre-hearing statements and notices of recommended modifications may be hand-delivered or mailed to Ms. Duran-Saenz at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Duran-Saenz at (505) 476-3462.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 13th day of August 2008.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



Mark E. Fesmire, P.E.  
Director, Oil Conservation Division

*Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J-1*

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



August 13, 2008

via email: [Legals@abqpubco.com](mailto:Legals@abqpubco.com)

323-7777

Albuquerque Publishing Company  
7777 Jefferson NE  
Albuquerque, NM 87109

8/13/08 Elgin conference receipt

**Attention: Legal Department**

**Re: Notice of Publication – Repeal, Replacement and Amendments to the  
Oil and Gas Act, NMSA 1978, Section 70-2-1 through 70-2-38**

Dear Legal Department:

Please publish the attached notice one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

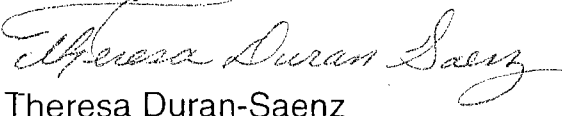
Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit in duplicate.
2. Statement of cost (also in duplicate).
3. Certified invoices for prompt payment.

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

**Please publish the notice as soon as possible.**

Sincerely,

  
Theresa Duran-Saenz

Attachment

**Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J-2**



## NOTICE OF RULE MAKING

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

The State of New Mexico, through its Oil Conservation Commission, hereby gives notice that the Commission will conduct a public hearing on **September 12, 2008**, beginning at 9:00 a.m., in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, concerning the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. If additional time is needed, the hearing may continue at a later date announced by the Commission.

The hearing concerns the following changes to Title 19, Chapter 15 of the New Mexico Administrative Code: repeal of Parts 1-15; adoption of new Parts 2-16, 18-26, 29, 30, 34, 35, 37 and 39 to replace the repealed Parts 1-15; the amendment of Parts 17 and 36. The changes restructure the existing rules; correct cross-references to conform to the new numbering system; correct the placement of definition sections; re-write the rules in the active voice; remove outdated transition language; adopt consistent use of terms; remove outdated references to the carbon black plant monthly report and the new well tax incentive; add definitions of "tribal lands," "tribal leases," "tribal minerals" and "deliverability pressure;" and amend rules on forms to reflect actual filing practices.

Copies of the text of the proposed new rules and amendments are available from acting commission clerk Theresa Duran-Saenz at (505) 476-3483 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd> under "Announcements." If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Duran-Saenz at (505) 476-3483 or through the New Mexico Relay Network (1-800-659-1779) as soon as possible.

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**Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 13th day of August 2008.**

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
Mark E. Fesmire, P.E.  
Director, Oil Conservation Division**

**Durán-Saenz, Theresa, EMNRD**

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**From:** Duran-Saenz, Theresa, EMNRD  
**Sent:** Wednesday, August 13, 2008 2:37 PM  
**To:** 'Legals@abqpubco.com'  
**Cc:** Macquesten, Gail, EMNRD (gail.macquesten@state.nm.us)  
**Subject:** 2008 8.13 Notice of Hearing - Rule Reorganization  
**Attachments:** 2008 8.13 Notice of Hearing - Alb Jnl.doc

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2008 8.13 Notice of Hearing - Alb Jnl

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**From:** Elyn Sloane  
**Fax Number:**  
**Voice Phone:**

**To:** theresa  
**Company:** N M DEPT OF ENERGY, MINERALS  
**Fax Number:** 1 (505) 476-3462  
**Voice Phone:** 1 (505) 827-7131

**CC:**

**Fax Notes:**

Date and time of transmission: Wednesday, August 13, 2008 4:35:22 PM  
Number of pages including this cover sheet: 04

*Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J-3*



\*\*\* Proof \*\*\*

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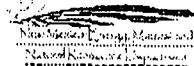
Phone: (505) 827-7131  
Name: N M DEPT OF ENERGY MINERALS  
Account #: C80932  
Address: OIL CONSERVATION DIV  
1220 S ST FRANCIS DR  
SANTA FE, NM 87505  
Client:  
Placed by: theresa  
Fax #:

Ad Information

Classification: 0000-Legals - Government  
Size: 1 x 175.660  
Start date: 08-16-08 Billed size: 175.00 5.14 agate lines  
Stop date: 08-16-08 Ad #: 5023357  
Insertions: 1 Ad type: In-Column Display Ad  
Rate code: Gov't Legal Display  
Publications: Journal Daily (AM)

Ad Cost: \$ 98.00  
Tax @ 6.7500%: \$  
Tax @ 7.3125%: \$  
Tax @ 7.9375%: \$  
Total: \$ 104.62

Ad Copy:



NOTICE OF RULE MAKING  
STATE OF NEW MEXICO  
ENERGY, MINERALS AND  
NATURAL RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
COMMISSION  
SANTA FE, NEW MEXICO

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STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
Mark E. Fesmire, P.E.  
Director, Oil Conservation

Albuquerque Publishing Company

7777 Jefferson NE

Albuquerque, NM 87109

(505)823-7777

Division  
Journal: August 16, 2006

## **Duran-Saenz, Theresa, EMNRD**

**From:** Duran-Saenz, Theresa, EMNRD  
**Sent:** Monday, August 18, 2008 1:40 PM  
**To:** (ballen@sesi-nm.com); (charlie.perrin@state.nm.us); (cheryls@ypcnm.com); (chris.williams@state.nm.us); (ccarter@pvtnetworks.net); (dale@capstoneoil.com); (dboneau@pvtnetworks.net); (dexterh@forl.com); Diane Ellenburg (Diane\_Ellenburg@blm.gov); (dneeper@earthlink.net); (ekendrick@montand.com); elizabeth\_bush@oxy.com; Macquesten, Gail, EMNRD (gail.macquesten@state.nm.us); Gary Wink (gary.wink@state.nm.us); J. Scott Hall (shall@montand.com); (hawkinj2@bp.com); (jbailey@slo.state.nm.us); (jan.wooldridge@dmv.com); (jtporwood@mindspring.com); Jimmy D. Carlile (jimmyc@forl.com); (jlevine@pnm.com); John\_Matis@blm.gov; Roberts, Kelly G, EMNRD (KellyG.Roberts@state.nm.us); Lisa Curry Gray (lisa@lcgraylaw.com); (markm@forl.com); Brown, Maxey G, EMNRD (MaxeyG.Brown@state.nm.us); Mikal Altomare (Mikal.Altomare@state.nm.us); Bratcher, Mike, EMNRD (mike.bratcher@state.nm.us); (rel@dmv.com); Rachel Jankowitz (rachel.jankowitz@state.nm.us); (rtupman@hess.com); (richard.ezeanyim@state.nm.us); Inge, Richard, EMNRD (richard.inge@state.nm.us); (Rick\_Foppiano@oxy.com); (bwatson@trailnet.com); shane@spearbrothersgroup.com; Sonny Swazo (Sonny.Swazo@state.nm.us); (stan.phillips@apachecorp.com); (syahney@heyco.org); (tim.gum@state.nm.us); (tyrafeil@duganproduction.com); (baizelb@earthlink.net); (rrmiles@cableone.net); (read@lookingglass.net); (myoung@mewbourne.com); (land@marbob.com); (jbyrom@djsimmonsinc.com); (dgirand@mackenergycorp.com); (csecows@aol.com); (bganter@br-inc.com); (aalexandcer@br-inc.com); (WDeedler@aol.com); (walker@kfoc.net); (sallyk@forl.com); (rhodge@northstarop.com); (namebored@aol.com); (llrb@austin.rr.com); (lcgraysf@earthlink.net); (kahlinaa@ypcnm.com); (jdewbre@swm.com); (ddrdmidland@aol.com); (ccw@spinn.net); (BRANA1223@aol.com); (ballen@sesi-nm.com); (charlie.perrin@state.nm.us); (cheryls@ypcnm.com); (chris.wyatt@bp.com); (chris.williams@state.nm.us); (ccarter@pvtnetworks.net); (dan\_mccright@eogresources.com); (dboneau@pvtnetworks.net); (dexterh@forl.com); (DonAdams@hess.com); (dneeper@earthlink.net); (ekendrick@montand.com); elizabeth\_bush@oxy.com; Elizabeth Taylor (etaylor@wtmlawfirm.com); Macquesten, Gail, EMNRD (gail.macquesten@state.nm.us); (huffaker@handmlc.com); J. Scott Hall (shall@montand.com); (hawkinj2@bp.com); (jbailey@slo.state.nm.us); (jan.wooldridge@dmv.com); (jtporwood@mindspring.com); JD Steven M. Feisal (sfeisal@chkenegy.com); (jlevine@pnm.com); John Tull (john.tull@state.nm.us); Jolene McCaleb (jmccaleb@wtmlawfirm.com); (kristen.howell@williams.com); (gandy2@leaco.net); (markm@forl.com); (mjc@gallegoslawfirm.net); Mikal Altomare (Mikal.Altomare@state.nm.us); (omundsdry@hollandhart.com); (ppearce@br-inc.com); (rtupman@hess.com); (richard.ezeanyim@state.nm.us); (Rick\_Foppiano@oxy.com); (bwatson@trailnet.com); (shane@spearbrothersgroup.com); (boyds\_enm@zianet.com); Sonny Swazo (Sonny.Swazo@state.nm.us); (stan.phillips@apachecorp.com); (jbemis@slo.state.nm.us); (steven.hayden@state.nm.us); (syahney@heyco.org); (tim.gum@state.nm.us); (tyrafeil@duganproduction.com); (van.barton@state.nm.us); (wcarr@hollandhart.com); (yolanda.perez@conocophillips.com); 'Patricia Clugston'  
**Cc:** Macquesten, Gail, EMNRD (gail.macquesten@state.nm.us)  
**Subject:** Emailing: 9-12 OCC MEETING Special, 9-12 OCC MEETING Special  
**Attachments:** Docket No. 29-08 FINAL Special.pdf; Docket No. 29-08 FINAL Special.doc; 9-12 OCC MEETING Special.pdf; 9-12 OCC MEETING Special.docx

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9-12 OCC MEETING Special  
9-12 OCC MEETING Special

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*Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J-4*

**FINAL DOCKET: SPECIAL COMMISSION MEETING –FRIDAY – SEPTEMBER 12, 2008**

**9:00 A.M. – Porter Hall  
1220 South St. Francis  
Santa Fe, New Mexico**

Land Commissioner, Patrick H. Lyons, may designate Jami Bailey as his representative for this meeting, or may participate himself.

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**Notice:** During this meeting, the Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with Commission counsel under the attorney-client privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

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**CASE 14181:** *Application of the New Mexico Oil Conservation Division for the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.*

The State of New Mexico, through its Oil Conservation Commission, hereby gives notice that the Commission will conduct a public hearing on September 12, 2008, beginning at 9:00 a.m., in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, concerning the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. If additional time is needed, the hearing may continue at a later date announced by the Commission. The hearing concerns the following changes to Title 19, Chapter 15 of the New Mexico Administrative Code: repeal of Parts 1-15; adoption of new Parts 2-16, 18-26, 29, 30, 34, 35, 37 and 39 to replace the repealed Parts 1-15; the amendment of Parts 17 and 36. The changes restructure the existing rules; correct cross-references to conform to the new numbering system; correct the placement of definition sections; re-write the rules in the active voice; remove outdated transition language; adopt consistent use of terms; remove outdated references to the carbon black plant monthly report and the new well tax incentive; add definitions of "tribal lands," "tribal leases," "tribal minerals" and "deliverability pressure;" and amend rules on forms to reflect actual filing practices. Copies of the text of the proposed new rules and amendments are available from acting commission clerk Theresa Duran-Saenz at (505) 476-3483 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd> under "Announcements." If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Duran-Saenz at (505) 476-3483 or through the New Mexico Relay Network (1-800-659-1779) as soon as possible. Written comments on the proposed amendments, pre-hearing statements and notices of recommended modifications must be received no later than 5:00 p.m. on Wednesday, September 3, 2008. Any person may present non-technical testimony or make an un-sworn statement at the hearing. Any person who intends to present technical testimony or cross-examine witnesses at the hearing shall, no later than 5:00 p.m. on Wednesday, September 3, 2008, file six sets of a pre-hearing statement with Ms. Duran-Saenz. The pre-hearing statement shall include the person's name and the name of the person's attorney; the names of all witnesses the person will call to testify at the hearing; a concise statement of each witnesses' testimony; all technical witnesses' qualifications including a description of the witnesses' education and experience; and the approximate time needed to present the testimony. The person shall attach to the pre-hearing statement any exhibits he or she plans to offer as evidence at the hearing. Any person recommending modifications to a proposed rule change shall, no later than Wednesday, September 3, 2008, file a notice of recommended modifications with Ms. Duran-Saenz including the text of the recommended modifications, an explanation of the modifications' impact, and the reasons for adopting the modifications. Written comments, pre-hearing statements and notices of recommended modifications may be hand-delivered or mailed to Ms. Duran-Saenz at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Duran-Saenz at (505) 476-3462.

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OIL CONSERVATION DIVISION  
SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conservation Commission hereby gives notice pursuant to law and Commission rules of the following meeting and public hearing to be held at 9:00 A.M. on **September 12, 2008**, in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, before the Oil Conservation Commission. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing please contact Division Administrator Theresa Duran-Saenz at (505) 476-3483 or through the New Mexico Relay Network (1-800-659-1779) by **September 2, 2008**. Public documents can be provided in various accessible forms. Please contact Ms. Davidson if a summary or other type of accessible form is needed. A preliminary agenda will be available to the public no later than two weeks prior to the meeting. A final agenda will be available no later than 24 hours preceding the meeting. Members of the public may obtain copies of the agenda by contacting Ms. Davidson at the phone number indicated above. Also, the agenda will be posted on the Oil Conservation Division website at [www.emnrd.state.nm.us](http://www.emnrd.state.nm.us).

**STATE OF NEW MEXICO TO:**

**All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.**

***CASE 14181: Application of the New Mexico Oil Conservation Division for the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38.*** The State of New Mexico, through its Oil Conservation Commission, hereby gives notice that the Commission will conduct a public hearing on September 12, 2008, beginning at 9:00 a.m., in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, concerning the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. If additional time is needed, the hearing may continue at a later date announced by the Commission. The hearing concerns the following changes to Title 19, Chapter 15 of the New Mexico Administrative Code: repeal of Parts 1-15; adoption of new Parts 2-16, 18-26, 29, 30, 34, 35, 37 and 39 to replace the repealed Parts 1-15; the amendment of Parts 17 and 36. The changes restructure the existing rules; correct cross-references to conform to the new numbering system; correct the placement of definition sections; re-write the rules in the active voice; remove outdated transition language; adopt consistent use of terms; remove outdated references to the carbon black plant monthly report and the new well tax incentive; add definitions of "tribal lands," "tribal leases," "tribal minerals" and "deliverability pressure;" and amend rules on forms to reflect actual filing practices. Copies of the text of the proposed new rules and amendments are available from acting commission clerk Theresa Duran-Saenz at (505) 476-3483 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd> under "Announcements." If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Duran-

Saenz at (505) 476-3483 or through the New Mexico Relay Network (1-800-659-1779) as soon as possible. Written comments on the proposed amendments, pre-hearing statements and notices of recommended modifications must be received no later than 5:00 p.m. on Wednesday, September 3, 2008. Any person may present non-technical testimony or make an un-sworn statement at the hearing. Any person who intends to present technical testimony or cross-examine witnesses at the hearing shall, no later than 5:00 p.m. on Wednesday, September 3, 2008, file six sets of a pre-hearing statement with Ms. Duran-Saenz. The pre-hearing statement shall include the person's name and the name of the person's attorney; the names of all witnesses the person will call to testify at the hearing; a concise statement of each witnesses' testimony; all technical witnesses' qualifications including a description of the witnesses' education and experience; and the approximate time needed to present the testimony. The person shall attach to the pre-hearing statement any exhibits he or she plans to offer as evidence at the hearing. Any person recommending modifications to a proposed rule change shall, no later than Wednesday, September 3, 2008, file a notice of recommended modifications with Ms. Duran-Saenz including the text of the recommended modifications, an explanation of the modifications' impact, and the reasons for adopting the modifications. Written comments, pre-hearing statements and notices of recommended modifications may be hand-delivered or mailed to Ms. Duran-Saenz at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Duran-Saenz at (505) 476-3462.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 18th day of August, 2008.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



Mark E. Fesmire, P. E.  
Division Director

S E A L

## New Mexico Register / Volume XIX, Number 16 / August 29, 2008

**NOTICE OF RULE MAKING****STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL  
RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO**

The State of New Mexico, through its Oil Conservation Commission, hereby gives notice that the Commission will conduct a public hearing on **September 12, 2008**, beginning at 9:00 a.m., in Porter Hall at 1220 South St. Francis Drive, Santa Fe, New Mexico, concerning the repeal, adoption and amendment of rules issued pursuant to the Oil and Gas Act, NMSA 1978, Sections 70-2-1 through 70-2-38. If additional time is needed, the hearing may continue at a later date announced by the Commission.

The hearing concerns the following changes to Title 19, Chapter 15 of the New Mexico Administrative Code: repeal of Parts 1-15; adoption of new Parts 2-16, 18-26, 29, 30, 34, 35, 37 and 39 to replace the repealed Parts 1-15; the amendment of Parts 17 and 36. The changes restructure the existing rules; correct cross-references to conform to the new numbering system; correct the placement of definition sections; re-write the rules in the active voice; remove outdated transition language; adopt consistent use of terms; remove outdated references to the carbon black plant monthly report and the new well tax incentive; add definitions of "tribal lands," "tribal leases," "tribal minerals" and "deliverability pressure;" and amend rules on forms to reflect actual filing practices.

Copies of the text of the proposed new rules and amendments are available from acting commission clerk Theresa Duran-Saenz at (505) 476-3483 or from the Division's web site at <http://www.emnrd.state.nm.us/ocd> under "Announcements." If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Ms. Duran-Saenz at (505) 476-3483 or through the New Mexico Relay Network (1-800-659-1779) as soon as possible.

Written comments on the proposed amendments, pre-hearing statements and notices of recommended modifications must be received no later than 5:00 p.m. on Wednesday, September 3, 2008. Any person may present non-technical testimony or make an un-sworn statement at the hearing. Any person who intends to present technical testimony or cross-examine witnesses at the hearing shall, no later than 5:00 p.m. on Wednesday, September 3, 2008, file six sets of a pre-hearing statement with Ms. Duran-Saenz. The pre-hearing statement shall include the person's name and the name of the person's attorney; the names of all witnesses the person will call to testify at the hearing; a concise statement of each witnesses' testimony; all technical witnesses' qualifications including a description of the witnesses' education and experience; and the approximate time needed to present the testimony. The person shall attach to the pre-hearing statement any exhibits he or she plans to offer as evidence at the hearing. Any person recommending modifications to a proposed rule change shall, no later than Wednesday, September 3, 2008, file a notice of recommended modifications with Ms. Duran-Saenz including the text of the recommended modifications, an explanation of the modifications' impact, and the reasons for adopting the modifications. Written comments, pre-hearing statements and notices of recommended modifications may be hand-delivered or mailed to Ms. Duran-Saenz at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or may be faxed to Ms. Duran-Saenz at (505) 476-3462.

**Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 13th day of August 2008.**

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION  
Mark E. Fesmire, P.E.  
Director, Oil Conservation Division**

*Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J-5*





NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

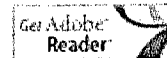
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## RULES

### **To Access Our Current Rules**

**(06/16/08) - PDF Format**

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### **To Access New Mexico Statutes - [Click Here](#)**

### **Newly Adopted Enforcement Rules (11/10/05)**

eOil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505  
P: (505) 476-3440  
F: (505) 476-3471

**711 Surface Waste Management Rules are available on OCD Online: Order No. R-12460-B. {Replaced February 14, 2007 by the Newly Adopted Rules (19.15.36 NMAC) above}  
(02/14/07)**

### **Proposed Rule Changes:**

#### **The OCD's suggested modifications to proposed rule restructure (8/28/08)**

##### **Modifications**

#### **Proposed restructuring of OCD Rules (8/13/08)**

OCD Application to Repeal, Replace and Amend

Exhibit A - Repealer language to repeal Parts 1-15

Exhibit B - Proposed Parts 2-16, 18-26, 29, 30, 34, 35, 37, 39

Part 2, Part 3, Part 4, Part 5, Part 6, Part 7, Part 8, Part 9,  
Part 10, Part 11, Part 12, Part 13, Part 14, Part 15, Part 16  
Part 18, Part 19, Part 20, Part 21, Part 22, Part 23, Part 24  
Part 25, Part 26, Part 29, Part 30, Part 34, Part 35, Part 37, Part

39

Exhibit C - Amendment to Part 17

Exhibit D - Amendment to Part 36

Exhibit E - Crosswalk chart from current rules to restructured rules

Exhibit F - Crosswalk chart from restructured rules to current rules

Exhibit G - Pre-filed written testimony

Exhibit H - Draft Advertisement

#### **Notice of September 12, 2008 Hearing on OCD Application to repeal, replace and amend (August 13, 2008)**

*Application for  
Repeal, Replacement  
And Amendment  
OCD Exhibit J-6*

**Highlights of the "Pit Rule" (May 15, 2008)**

**November 5, 2007 Notice of Public Hearing**

**Proposed Pit Rule -- September 21, 2007**

**Application to the Commission (All information about this case may be found in the imaging system under Case File 14015)**

**Proposed Pit Rule**

**Public Notice**

**Amendments to Other Rules Impacted by Proposed Pit Rule**

**Definitions**  
**Disposition of Produced Water and Other Field Waste**  
**Safety Procedures for Drilling and Production**  
**Plugging and Abandonment**  
**Sundry Notices**

**Pit Rule Public Notice (12/01/06)**

Questions? Contact pagemaster.

Webmaster | Disclaimer

# New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



August 13, 2008

Mr. Justin Mount  
Economic Development Department  
Joseph M. Montoya Building  
1100 S. St. Francis Drive, Suite 1060  
Santa Fe, NM 87505

Hand-Delivered

Re: Application of the Oil Conservation Division for Rule Repeal, Replacement and Amendment

Dear Mr. Mount:


The Oil Conservation Division (OCD) is proposing to repeal, replace and amend its rules. As explained more fully in the application, the OCD's primary objective is to restructure its rules to make better use of the New Mexico Administrative Code's organizational structure. In addition, the OCD proposes changes to its rules to correct cross-references, correct the placement of definitions, adopt consistent use of terms, use the active voice, remove outdated provisions and add several needed definitions. The OCD also proposes changes to its rules related to forms to correct errors in those rules, remove outdated provisions and reflect current filing practices and requirements.

The OCD does not believe that its proposal will have an adverse effect on small business. To the contrary, clarifying the rules and establishing a more useful organizational structure should be beneficial to all businesses regulated by the OCD.

As a courtesy, with this letter the OCD is providing the Economic Development Department with a copy of its application and accompanying exhibits. Those exhibits include the proposed rules, pre-filed written testimony describing the proposals, and "crosswalk" charts that will enable you to compare the current rules and the proposed rules. The OCD is also providing with this letter a copy of the notice of hearing. As you will see, the Oil Conservation Commission has scheduled the hearing on the OCD's application for **September 12, 2008**. Written comments on the proposed amendments, pre-hearing statements and notices of recommended modifications must be received by **September 3, 2008**.

If you have any questions, please do not hesitate to call.

Sincerely,

  
Gail MacQuesten  
OCD Attorney (505) 476-3451

*Application for*  
**Repeal, Replacement  
And Amendment  
OCD Exhibit J-7**

