STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

April 11, 1983

TONEY ANAYA

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE; NEW MEXICO 87501: (505) 827-5800.

Mr. Howard Kilchrist Federal Energy Regulatory Commission Department of Energy 825 North Capitol Street, N.E. Washington, D. C. 20426

> Re: Tight Formation Designation on the Application of Four Corners Gas Producers Association, Case 7746, OCD Order No. R-7200

Dear Mr. Kilchrist:

Enclosed please find two copies of the Recommendation and exhibits of the New Mexico Oil Conservation Division for designation of certain portions of the Pictured Cliffs formation in Rio Arriba and Sandoval Counties, New Mexico, as a tight formation.

You will note that the concurrence of the U. S. Department of Interior, Bureau of Land Management, seeks certain amendments.

We are including the recommendation of the BLM with our recommendation for designation as a tight formation of the Pictured Cliffs formation underlying certain lands.

Sincerely,

W. PERRY PEARCE General Counsel

WPP/dr

enc.

UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

NGPA SECTION 107 TIGHT FORMATION RECOMMENDATION) Docket No			
STATE OF NEW MEXICO OIL)			
CONSERVATION DIVISION OF THE ENERGY AND MINERALS DEPARTMENT)			

RECOMMENDATION FOR TIGHT FORMATION DESIGNATION UNDER SECTION 107 OF THE NGPA.

Four Corners Gas Producers Association, pursuant to Section 107 of the Natural Gas Policy Act, 18 CFR §271.703 of the FERC regulations, and the Special Rules and Procedures for Tight Formation Designations under Section 107 of the Natural Gas Policy Act of 1978 of the Oil Conservation Division, petitioned the Oil Conservation Division for tight formation designation of a portion of the Pictured Cliffs formation in Rio Arriba and Sandoval Counties, New Mexico.

After notice and hearing on the application of Four Corners Producing Association, the Oil Conservation Division hereby recommends that that portion of the Pictured Cliffs formation which is described in Exhibit A (being Oil Conservation Division Order No. R-7200) attached hereto and incorporated by reference, be designated a tight formation. Additionally, the Oil Conservation Division, submits herewith Exhibits B, a copy of the exhibits presented to the Division, and C, a copy of a letter of the Bureau of Land Management, attached hereto and incorporated herein by reference, which are supporting data required under 18 CFR §271.703(c)(3) of the FERC regulations, respectively.

Respectfully submitted,

W. PERRY PEARCE Attorney for the

Oil Conservation Division

VERIFICATION

STATE OF NEW MEXICO)
)ss
COUNTY OF SANTA FE)

W. PERRY PEARCE, being first duly sworn, on oath, states that he is an attorney for the Oil Conservation Division of the Energy and Minerals Department of the State of New Mexico; that he has executed the foregoing document with full power and authority to do so; and that the matters and facts set forth therein are true to the best of his information, knowledge and belief.

W. PERRY PEARCE

Subscribed and sworn to before me, this 18 day of May, 1983.

NOTARY PUBLIC

My Commission Expires:

Oct 28 1985

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Recommendation on Four Corners Gas Producers Association in accordance with the requirements of Section 1.17 of the Rules of Practice and Procedure.

Dated this $\frac{\cancel{\cancel{U}}}{\cancel{\cancel{U}}}$ day of May, 1983.

W. PERRY PEARCE