

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

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
AN ORDER REPROMULGATING THE RULES
AND REGULATIONS OF THE OIL CONSERVATION
DIVISION TO COMPLY WITH THE NEW MEXICO
ADMINISTRATIVE CODE.**

**CASE NO. 11451
Order No. R-10534**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on January 18, 1996, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 18th day of January, 1996, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) The current compilation of the Rules and Regulations of the Oil Conservation Division ("Rules") is not in compliance with the recently created New Mexico Administrative Code (NMAC).

(3) Repromulgation of such Rules by the Commission in the NMAC structure is necessary to comply with State Records Center rules for the NMAC.

(4) The Division witness testified that she personally reformatted every rule and that she subsequently proofread the proposed reformatting of the Rules and compared them with the existing Rules and that other than the change in format and corrections of minor typographical, grammatical and numbering errors noticed while proofreading, there are no changes in the Rules besides the following:

- a) The following Commission orders of more than specific application, with amendments, will now become sections of the NMAC: R-111, R-3221, R-5353, R-7940 and R-8170. These orders will be listed in 19 NMAC 15, under new Part R so, for example, Order R-111 will be cited as 19 NMAC 15.R.111.

- b) Forms C-134 to C-140 will be added to 19 NMAC 15.M.1100.D. (Rule 1100.D.)
- c) OCD Rules 1 to 8 will now be Sections 11 to 18 in 19 NMAC 15.A.
- d) Parts B (where Rules 1 to 8 were formerly located), Q and P (new Parts) of 19 NMAC 15 are reserved.
- e) The definitions formerly found in Rule 0.1 will now be found in Section 7 of Part A (19 NMAC 15.A.7).
- f) The first six sections of every Part of the OCD Rules and Regulations (found in Chapter 15 "Petroleum Oil and Gases Storage and Handling" of Title 19 "Natural Resources and Wildlife" of the NMAC) will contain the following information: 1) Issuing Agency, 2) Scope, 3) Statutory Authority, 4) Duration, 5) Effective Date and 6) Objective.

(5) Adoption of the proposed reformatting with a common effective date of February 1, 1996, will comply with the NMAC, provide for better service through electronic accessibility to persons dealing with the Division and will improve the operation of the Division.

(6) Because there are no substantive changes for any Rule, the Division should publish a synopsis of this order in the New Mexico Register rather than each newly reformatted rule which would be prohibitive in cost.

IT IS THEREFORE ORDERED THAT:

(1) As of February 1, 1996, the reformatted Rules and Regulations of the Oil Conservation Division presented at the time of hearing as "Exhibit "A" in this Case and incorporated by reference into this order are hereby adopted as the Rules and Regulations of the Division, superseding all Rules and Regulations of the Oil Conservation Division published prior to the effective date of this order.

(2) The effective date of this order shall be February 1, 1996.

(3) A synopsis of this order and the nature of the change to the rules shall be all that is published in the New Mexico Register.


(4) Jurisdiction is hereby retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

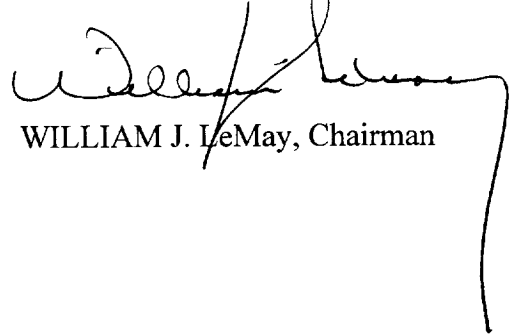
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JAMI BAILEY, Member



WILLIAM W. WEISS, Member



WILLIAM J. LeMay, Chairman

S E A L

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

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 11445
ORDER NO. R-10540**

**APPLICATION OF YATES PETROLEUM
CORPORATION FOR A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on January 25, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 25th day of January, 1996, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Yates Petroleum Corporation, seeks approval of the Papalotes Unit Agreement for all oil and gas in any and all formations underlying the following described 2,583.60 acres, more or less, of State and Fee lands in Lea County, New Mexico:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 26: All

Section 34: All

Section 35: All

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 2: All

(3) No interested party appeared and objected to the proposed unit agreement.

(4) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the unit area should be submitted to the Director of the Division for approval.

(5) Approval of the proposed unit agreement should promote the prevention of waste and protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED THAT:

(1) The Papalotes Unit Agreement is hereby approved for all oil and gas in any and all formations underlying the following described 2,583.60 acres, more or less, of State and Fee lands in Lea County, New Mexico:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 26: All

Section 34: All

Section 35: All

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 2: All

(2) The plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

(3) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days thereafter, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) All plans of development and operation, all unit participating areas and expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

CASE NO. 11445

Order No. R-10540

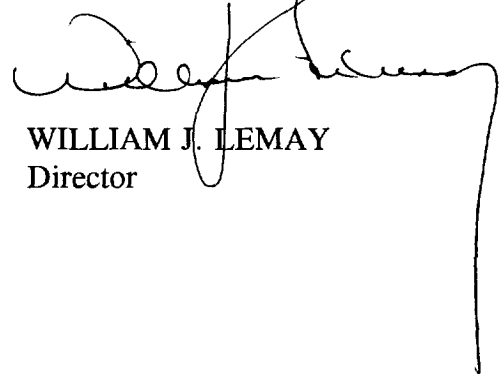
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(5) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.

(6) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the signature.

WILLIAM J. LEMAY
Director

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