

Entered January 8, 1962
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2475
Order No. R-2174

APPLICATION OF THE OIL CONSERVATION
COMMISSION, UPON ITS OWN MOTION, FOR
AN AMENDMENT OF RULE 309.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 17, 1962, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of January, 1962, 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:

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

(2) That Rule 309 of the Commission Rules and Regulations should be amended in order to facilitate the administration of requests for approval of off-lease storage.

IT IS THEREFORE ORDERED:

That Rule 309 of the Commission Rules and Regulations is hereby amended by the inclusion of Rule 309-C which reads in its entirety as follows:

RULE 309-C. ADMINISTRATIVE APPROVAL, OFF-LEASE STORAGE

For good cause shown, the Secretary-Director of the Commission shall have authority to grant an exception to Rule 309-A to permit the production from one lease to be transported prior to measurement to another lease for storage thereon, provided an application reflecting ownership of the leases has been filed in triplicate with the Commission and is accompanied by plats of the leases showing thereon the wells on the leases and the

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formations in which they are completed and the proposed location of the tank battery, and provided further that:

1. All production is from the same common source of supply.
2. Commingling of production from the two leases will not result.
3. There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.
4. All parties owning an interest in the leases have consented in writing to the off-lease storage.
5. In lieu of paragraph 4 of this rule, the applicant may furnish proof of the fact that said parties were notified by registered or certified mail of his intent to transport prior to measurement the production from one lease to another lease for storage. The Secretary-Director may approve the application if, after a period of 20 days following receipt of the application, no party has made objection to the application.
6. Where State or Federal lands are involved, the applicant shall furnish evidence that the Commissioner of Public Lands for the State of New Mexico or the Regional Supervisor of the United States Geological Survey has consented to the proposed off-lease storage.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



A. L. PORTER, Jr., Member & Secretary

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