Entered January 31, 1978

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE NO. 6091 Order No. R-5635

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 405 OF THE COMMISSION RULES, THE ADOPTION OF A NEW RULE 1131, AND A NEW FORM C-131, ALL FOR THE PURPOSE OF REPORTING GAS INJECTIONS AND WITHDRAWALS IN UNDERGROUND NATURAL GAS STORAGE PROJECTS.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>31st</u> day of <u>January</u>, 1978, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 the Commission has heretofore authorized the construction and use of facilities for the underground storage of natural gas in this State.

(3) That there is need to know the volume of gas injected each month into such underground storage projects, the volume of gas withdrawn each month from them, and the volume of gas in storage and the pressure thereof at the end of each month.

(4) That in order for the Commission to receive the abovedescribed data concerning underground gas storage projects from the operators thereof, the Commission should adopt a form for the reporting of such data.

(5) That the data form adopted by the Commission should be as shown by Exhibit "A" attached hereto and by reference made a part hereof and should be entitled, "Form C-131, Monthly Gas Storage Report."

(6) That a new Rule 1131 governing the filing of said Form C-131 should be adopted by the Commission, and said Rule should read in its entirety as follows:

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"RULE 1131. MONTHLY GAS STORAGE REPORT (Form C-131)

Each operator of an underground natural gas storage project shall report its operation monthly on Form C-131. Form C-131 shall be filed in duplicate (one copy to the Santa Fe Office of the Commission and one copy to the appropriate district office) and shall be postmarked not later than the 24th day of the next succeeding month."

(7) That Rule 405 of the Commission Rules and Regulations, which relates to "Storage Gas" should be amended by the addition thereto of the following phrase:

"(See Rule 1131)"

(8) That an order embodying the above findings and the amendments, rules and forms described herein is in the interest of conservation, will not impair correlative rights nor cause waste, and should be adopted.

IT IS THEREFORE ORDERED:

(1) That Form C-131, Monthly Gas Storage Report, as shown by Exhibit "A" attached hereto and by reference made a part hereof, is hereby adopted for use by operators of underground natural gas storage projects in the State of New Mexico.

(2) That new Rule 1131 of the Commission Rules and Regulations is hereby adopted, to read in its entirety as follows:

"RULE 1131. MONTHLY GAS STORAGE REPORT (Form C-131)

Each operator of an underground natural gas storage project shall report its operation monthly on Form C-131. Form C-131 shall be filed in duplicate (one copy to the Santa Fe Office of the Commission and one copy to the appropriate district office) and shall be postmarked not later than the 24th day of the next succeeding month."

(3) That Rule 405 of the Commission Rules and Regulations is hereby amended to read in its entirety as follows:

"RULE 405. STORAGE GAS

With the exception of the requirement to meter and report monthly the amount of gas injected and the amount of gas withdrawn from storage, in the absence of waste these rules and regulations shall not apply to gas being injected into or removed from storage. (See Rule 1131.)" -3-Case No. 6091 Order No. R-5635

(4) That this order and the amendments, rules, and forms described herein shall become effective at 7 o'clock a.m. February 1, 1978.

(5) That jurisdiction of this cause is 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

PHIL R. LUCERO, Chairman

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RAMEY, Member & Secretary JOE D.

SEAL