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

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

> CASE NO. 9502 ORDER NO. R-8793

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION ON ITS OWN MOTION TO CONSIDER THE AMENDMENT OF RULE 1 TO REFLECT THE DEPARTMENT NAME CHANGE TO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 a.m. on October 20, 1988, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this <u>lst</u> day of December, 1988, 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) In Chapter 234 of the Laws of 1987 the State Legislature abolished the Energy and Minerals Department and moved its functions including the Oil Conservation Division to a newly created Energy, Minerals and Natural Resources Department.

(3) Rule 1 of the Division's Rules and Regulations, which governs the scope of rules and regulations, has not been amended to reflect the change made in the statute.

(4) Division Rule 1 should be amended to reflect the Department name change as shown on Exhibit "A" attached to this order.

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(5) The effective date of this order should be January 1, 1989.

IT IS THEREFORE ORDERED THAT:

(1) Division Rule 1 is hereby amended to read in its entirety as shown on Exhibit "A" attached to and made a part of this order.

(2) The effective date of this order and amended Rule 1 shall be January 1, 1989.

(3) 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 herein above designated.

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

WILLIAM R. HUMPHRIES, Member

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ERLING A. BROSTUEN, Member

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WILLIAM J. LEMAY, Chairman and Secretary

S E A L

Exhibit "A"

RULE 1. SCOPE OF RULES AND REGULATIONS

(a) The following General Rules of statewide application have been adopted by the Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department to conserve the natural resources of the State of New Mexico, to prevent waste, to protect correlative rights of all owners of crude oil and natural gas, and to protect fresh waters. Special rules, regulations and orders have been and will be issued when required and shall prevail as against General Rules, Regulations and Orders if in conflict therewith. However, whenever these General Rules do not conflict with special rules heretofore or hereafter adopted, these General Rules shall apply.

(b) The Division may grant exceptions to these rules after notice and hearing, when the granting of such exceptions will not result in waste but will protect correlative rights or prevent undue hardship.