NEW MEXICO OIL CONSERVATION COMMISSION
P. O. BOX 871
Santa Fe, New Mexico

CASE 859

Application of the Commission upon its own motion for revision and amendment of the provisions of Rule 6 (B) of the Special Rules and Regulations for the various Pictured Cliffs Gas Pools as contained in Order No. R-565, as follows:

RULE 6   (a) unchanged

     (b) The Secretary of the Commission shall have authority to grant an exception to Rule 6 (a) without Notice and Hearing where application has been filed in due form and where the following facts exist and the following provisions are complied with;

1. The proposed non-standard proration unit consists of less than 158 acres except where the unorthodox size or shape of the tract is due to a variation in legal subdivision of the U. S. Public Land Surveys;

2. The non-standard gas proration unit consists of contiguous quarter-quarter sections and/or lots.

3. The non-standard gas proration unit lies wholly within a single governmental section.

4. The entire non-standard gas proration unit may reasonably be presumed to be productive of gas.

5. The applicant presents written consent in the form of waivers from:

(a) all operators owning interests in the section in which any part of the non-standard gas proration unit is situated and which acreage is not included in said non-standard gas proration unit.

(b) all operators owning interests in acreage offseting the non-standard unit.

6. In lieu of paragraph 5 of this rule, the applicant may furnish proof of the fact that said offset operators were notified by registered mail of his intent to form such non-standard gas proration unit. The Secretary of the Commission may approve the application if, after a period of 30 days following the mailing of said notice, no operator has made objection to formation of such non-standard gas proration unit.

These revisions are recommended so that an increased number of non-standard units may be approved administratively.