

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. 4682

APPLICATION OF EL PASO NATURAL
GAS COMPANY FOR AMENDMENT OF THE
RULES AND REGULATIONS GOVERNING
THE BLANCO-MESAVERDE GAS POOL,
SAN JUAN AND RIO ARRIBA COUNTIES,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

These matters come before the Commission at 9 a.m. on June 29, 1972, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission," pursuant to motions to intervene in the above-entitled cause and a motion for an order from the Commission limiting and defining the evidence it will receive and consider in the above-entitled cause and restricting such evidence to those matters provided for by the Statutes of New Mexico, and a motion for the continuance of the above-entitled cause until such time as the Commission has prepared an environmental impact statement.

NOW, on this 6th day of July, 1972, the Commission, a quorum being present, having considered each of the above-described motions, the arguments presented therewith, 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 Section 65-3-10, New Mexico Statutes Annotated, 1953 Compilation, empowers and gives the duty to the Commission to prevent the waste of hydrocarbons and to protect the correlative rights of owners of interests in said hydrocarbons.
- (3) That Section 65-3-5, New Mexico Statutes Annotated, 1953 Compilation, gives the Commission jurisdiction and authority over all matters relating to the conservation of oil and gas.
- (4) That "waste" and "correlative rights" are defined by Sections 65-3-3 and 65-3-29, respectively, New Mexico Statutes Annotated, 1953 Compilation.
- (5) That the public has a vital interest in the conservation of the natural resources of the State of New Mexico.

(6) That the Commission's decision to approve or disapprove the application of El Paso Natural Gas Company in Case 4682 must be predicated upon the prevention of the waste of hydrocarbons and the protection of the correlative rights of owners of property in the Blanco-Mesaverde Gas Pool.

(7) That the Commission will receive evidence that is relevant to the prevention of waste of hydrocarbons and the protection of correlative rights.

(8) Evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental impact will be received by the Commission and considered in its determination to approve or disapprove the application if the party offering same can show the relevance of such matters to the prevention of waste and the protection of correlative rights.

(9) The Commission also has the authority to gather for informational purposes evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental matters, though such are not to be considered in its determination of approval or disapproval of the subject application.

(10) That the Commission will receive evidence concerning market demand, curtailment of gas supplies, energy crisis, and environmental matters if offered by a party merely for informational purposes.

(11) That after it has made its decision to approve or disapprove the application upon the basis of evidence that is relevant to waste and protection of correlative rights, and if that decision should be to approve the application, it will consider evidence offered for informational purposes only to the fullest extent possible in the implementation of the decision.

(12) That the New Mexico Oil Conservation Commission is not required by Section 12-20-6, New Mexico Statutes Annotated, 1953 Compilation, to prepare an environmental impact statement prior to the hearing of this case.

IT IS THEREFORE ORDERED:

(1) In accordance with the above, the three petitioners, the New Mexico Environmental Improvement Agency, the New Mexico Municipal League, and the New Mexico Public Service Commission each are hereby granted permission to intervene in the above-styled cause, subject to the following:

- A. Evidence offered or which is elicited on cross-examination which is not relevant to the waste of hydrocarbons shall be admitted for informational purposes only.

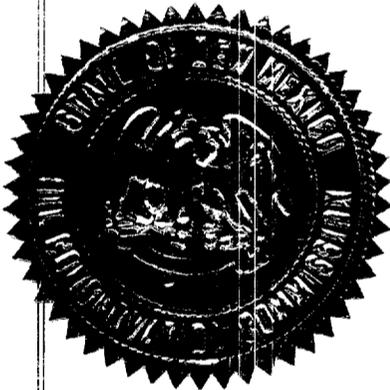
B. Evidence which is offered or which is elicited on cross-examination which is relevant to the waste of hydrocarbons shall be admitted for all purposes.

(2) To the extent that the above findings are in conflict with the motion of Southern Union Production Company, Southern Union Gathering Company, and Southern Union Gas Company, said motion is denied; to the extent the above findings are not in conflict with said motion, the motion is granted.

(3) That the motion of the New Mexico Environmental Improvement Agency to continue the above-entitled cause until such time as the New Mexico Oil Conservation Commission has prepared an environmental impact statement is hereby denied.

(4) 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

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIJO, Member

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

S E A L

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