

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

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IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING COMMISSION ORDER NO. R-111

OIL CONSERVATION DIVISION

CASE NO. 9316

ENTRY OF APPEARANCE

Comes Now William R. Humphries, Commissioner of Public Lands for the State of New Mexico, by and through the undersigned counsel and requests of the Oil Conservation Commission that he be allowed to enter this Appearance as a party of record in the aforesaid proceeding and for the limited purpose of placing the following comments into the record:

On November 23, 1987 the Potash-Oil and Gas Study Committee entered into an agreement that would revise, amend, and recodify Order No. R-111, as amended. After review of the agreement by Land Office staff, it was determined that the agreement allows the Bureau of Land Management ("BLM") to exercise unauthorized authority over state trust lands in the following three areas:

1. The Agreement gives the BLM the authority to designate life of mine reserves (LMRs) without regard to whether the lease covers state or federal lands.

2. The agreement provides that the BLM will "advise oil and gas lessees of the surface locations where wells will be allowed to develop leases," presumably without regard to whether the lease is state or federal.

3. Finally, the agreement provides that the BLM will determine the unitization of oil and gas leases in areas designated as a LMR, even though the State Land Office must first consent to unitization of any state leases. Further, the agreement does not address the fact that units are usually based upon common geologic characteristics. Under the agreement, the BLM could approve units that include state lands, but do not have common geologic characteristics.

In each of the three areas described above the BLM will be exercising authority over state lands which is exclusively within the jurisdiction and authority of the Commissioner of Public Lands who is mandated to manage the state's lands for the maximization of income as well as for the protection against waste and the conservation of the land's resources.

Respectfully submitted,



BILL R. GARCIA  
Attorney for William R. Humphries  
Commissioner of Public Lands  
State of New Mexico  
P.O. Box 1148  
Santa Fe, NM 87504-1148