

**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 FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 13029

**APPLICATION OF THE OIL CONSERVATION DIVISION TO AMEND RULE
1107 [APPLICATION FOR MULTIPLE COMPLETION (FORM C-107)]**

ORDER NO. R-11965

ORDER OF THE OIL CONSERVATION COMMISSION

BY THE COMMISSION:

THIS MATTER, a rulemaking proceeding, came before the Oil Conservation Commission (hereinafter referred to as "the Commission") during a public hearing on April 17, 2003 at Santa Fe, New Mexico, on application of the Oil Conservation Division (hereinafter referred to as "the Division"), and the Commission, having carefully considered the evidence, the pleadings, comments and other materials submitted in support of the application, now, on this 15th day of May, 2003,

FINDS;

1. Notice has been given of the application and the public hearing on this matter, and the Commission has jurisdiction of the parties and the subject matter herein.
2. The Division seeks adoption of an amended Rule 1107 [19.15.13.1107 NMAC], in order (a) to delete a provision for Form C-107 which is now obsolete, and (b) to add a provision for a new Form C-107A (APPLICATION FOR DOWN-HOLE COMMINGLING), to be utilized by operators applying for permission to down-hole commingle production from different pools pursuant to Rule 303.C, and a new Form C-107B (APPLICATION FOR SURFACE COMMINGLING) to be utilized by operators applying for permission to surface commingle production from different pools and leases where ownership is diverse.
3. At the public hearing of this matter, the Division presented the testimony of Richard Ezeanyim, P.E. Mr. Ezeanyim is the Bureau Chief of the Engineering Bureau of the Division.

4. Mr. Ezeanyim testified that Form C-107 (Application for Multiple Completion), for which a provision is made in existing Rule 1107, is no longer used and is no longer needed.

5. Mr. Ezeanyim further testified that Rule 303.C [19.15.5.303.B NMAC] provides for a form C-107A to be utilized by operators desiring to apply for permission to down-hole commingle production from different pools. However, there is no provision in Rule 1107 for a form C-107A.

6. Mr. Ezeanyim further testified that Rule 303.B [19.15.5.303.B NMAC], as recently amended, provides for a form C-107B to be utilized by operators desiring to apply for permission to surface commingle production from different pools and leases. However, there is no provision in Rule 1107 for a form C-107B.

7. No one else appeared at the public hearing either in support of or in opposition to the proposed amendments, and the Commission received no written comments thereon.

8. Form C-107 (Application for Multiple Completion) is obsolete, and the provision that refers to the form in existing Rule 1107 should be deleted.

9. There is a need for a new Form C-107A to be utilized by operators desiring to apply for permission to down-hole commingle production from different pools as provided in Rule 303.C.

10. Exhibit 2 introduced at the hearing is the form to be promulgated as Form C-107A.

11. There is a need for a new Form C-107B to be utilized by operators desiring to apply for permission to surface commingle production from different pools and leases as provided in Rule 303.B.

12. Exhibit 3 introduced at the hearing is the form to be promulgated as Form C-107B.

13. Rule 1107 [19.15.13.1107] should be amended as requested by the Division.

14. A draft of a proposed amended Rule 1107 incorporating the Division's proposed changes is attached hereto as Exhibit A and incorporated herein for all purposes.

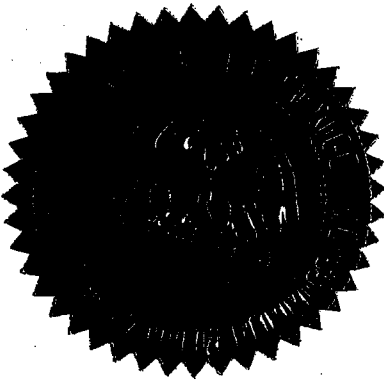
15. The amended rule set forth in Exhibit A should be adopted as a part of the Rules and Regulations of the Oil Conservation Division in lieu of the existing rule and published in its entirety in the New Mexico Register.

IT IS THEREFORE ORDERED, AS FOLLOWS:

1. The Rule of the Oil Conservation Division, presently codified at 19.15.13.1107 NMAC, shall be and hereby is amended, effective as of the date of publication of the amendment in the New Mexico Register, to read as shown on Exhibit A. Staff is instructed to forthwith seek publication of this amendment in the Register.

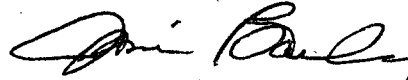
2. Jurisdiction of this matter is retained for entry of such further orders as may be necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



S E A L

**STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**


JAMI BAILEY, MEMBER


ROBERT LEE, MEMBER



LORI WROTENBERY, CHAIR

EXHIBIT A

**19.15.13.1107 APPLICATION FOR MULTIPLE COMPLETION (~~Form C-107~~);
DOWNHOLE COMMINGLING (Form C-107A) AND SURFACE
COMMINGLING (Form C-107B)**

~~Form C-107, when applicable, shall be filed in accordance with Subsection A of
19.15.3.112 NMAC~~

A. Form C-107A, when applicable, shall be filed in accordance with
Subsection C of 19.15.5.303 NMAC.

B. Form C-107B, when applicable shall be filed in accordance with
Subsections B and D of 19.15.5.303 NMAC.

Strikeout = deletions
Underline = additions

DUMMY SHEET