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**Elizabeth S. Bush**  
 Coordinator, Public Issues

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September 13, 1995

Mr. William J. LeMay, Director  
 New Mexico Oil Conservation Division  
 2040 South Pacheco  
 Santa Fe, NM 87505

*Case 11273*

RE: Proposed Rules and Procedures  
 Natural Gas and Crude Oil Production Incentive Act

Dear Mr. LeMay,

ARCO Permian a unit of Atlantic Richfield Company appreciates the opportunity to comment on the proposed rules implementing the Natural Gas and Crude Oil Production Incentive Act (HB 65). We support the Commission's efforts to keep the rules short, concise and easy to administer.

ARCO Permian offers the following comments and suggestions for your consideration in preparing the final rules.

**Production Restoration**

Definitions

We suggest that a definition of owner be added. Owner for purposes of these rules and the Act should be limited to working interest owners.

Form: The space size needs to be increased for the person's name who is attesting to the accuracy of the information provided.

**Well Workover Projects**

C. Definitions

We suggest that a definition of owner be added. Owner for purposes of these rules and the Act should be limited to working interest owners.

10. Well workover project - this definition implies that workover projects must be approved prior to the work being done in order to be considered for qualification. This needs clarification as requiring prior approval could lead to an unnecessary administrative burden for both the

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Commission and the operators. Operators could be expected to submit every proposed workover for approval in order to protect their opportunity for qualifying for the incentive. A possible solution could be pre-approval by rule of all work normally not requiring advance Commission approval.

D. Procedure

4. We suggest this be clarified to state that applications are filed on “behalf of all **working** interest owners.”

If you have any question about our comments, please contact me at the above address and number.

Sincerely,



Elizabeth S. Bush  
Coordinator, Public Issues

ESB

cc: Mr. W. F. Carr  
NMOGA