

PROPOSED ADVERTISEMENT:

Application of the Oil Conservation Division upon its own motion to amend Rule 1104 of its General Rules and Regulations to eliminate the requirement of filing Form C-104 for change of transporter.

**STATE OF NEW MEXICO-
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION FOR
AMENDMENT OF RULE 1104 OF ITS GENERAL RULES AND REGULATIONS TO
ELIMINATE THE REQUIREMENT THAT FORM C-104 BE FILED FOR CHANGE OF
TRANSPORTER**

CASE NO. 11793

APPLICATION FOR AMENDMENT OF RULE 1104

1. Division Rule 1104 currently requires that Form C-104 be filed for a change of transporter.

2. Due to changed conditions in the industry, changes in transporters occur much more frequently than in the past. Due to the increased number of transporter changes, the filings of such changes on Forms C-104 have been piling up in the Division District offices.

3. The Division has examined its need for such information, i.e., change of transporter, and has determined that such information does not appreciably aid the Division in performing its regulatory functions. Such information does however aid industry, particularly royalty owners, in providing a cross-check in determining whether payments are being made or made correctly.

3. The Division notes that the transporter is listed on Form C-115 "Operator's Monthly Report" and that this information is available via the ONGARD system. Although this information may not be as timely as the filing of Form C-104 for a Change of Operator, the backlog of C-104 "Change of Operator" filings has made such filings untimely also.

EXHIBIT "A"

**1104 REQUEST FOR ALLOWABLE AND AUTHORIZATION TO
TRANSPORT OIL AND NATURAL GAS (Form C-104)**

1104.A. Form C-104 completely filled out by the operator of the well must be filed in QUINTUPLICATE before an allowable will be assigned to any newly completed or recompleted well. (A recompleted well shall be considered one which has been deepened or plugged back to produce from a different pool than previously.) Form C-104 must be accompanied by a tabulation of all deviation tests taken on the well as provided by Rule 111. [1-1-65...2-1-96]

1104.B. The allowable assigned to an oil well shall be effective at 7:00 o'clock a.m. on the date of completion, provided the Form C-104 is received by the Division during the month of completion. Date of completion shall be that date when new oil is delivered into the stock tanks. Unless otherwise specified by special pool rules, the allowable assigned to a gas well shall be effective at 7:00 o'clock a.m. on the date of connection to a gas transportation facility, as evidenced by an affidavit of connection from the transporter to the Division, or the date of receipt of Form C-104 by the Division, whichever date is later. [1-1-65...2-1-96]

1104.C. No allowable will be assigned to any well until a standard unit for the pool in which the well is completed has been dedicated by the operator, or a non-standard unit has been approved by the Division, or a standard unit has been communitized or pooled and dedicated to the well. [1-1-65...2-1-96]

1104.D. No allowable will be assigned to any well until all forms and reports due have been received by the Division and the well is otherwise in full compliance with these rules. [1-1-65...2-1-96]

1104.E. Form C-104 with Sections i, II, III, and VI, completely filled out shall be filed in QUINTUPLICATE by the operator of the well in the event there is a change of operator of any producing well, injection well, or disposal well, or a change of transporter (oil, condensate, casinghead gas, or dry gas), a change in pool designation, lease name, or well number, or any other pertinent change in condition of any such well. When filing Form C-104 for change of operator, the new operator shall file the form in the above manner, and shall give the name and address of the previous as well as the present operator. The Form C-104 will not be approved by the Division unless the new operator has an approved bond in compliance with Rule 101. [1-1-65...2-1-96]

~~1104.F. Whenever there is a temporary change in transporter and oil is to be moved from the lease by anyone other than the regular transporter authorized by an approved Form C-104, the operator shall notify the appropriate District Office of the Division in writing within three days after the oil is moved, furnishing such information as may be required by the District Office. The operator shall furnish copies of the notification to the regular transporter and to the temporary transporter. This paragraph is intended to deal primarily with authorized batch movements of oil by the operator for use as load oil, frac oil, etc.; eventual sale of this oil is governed by Rules 508 and 1126. [1-1-65...2-1-96]~~