



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

MEMORANDUM

TO: ✓ Rand Carrol, Legal Counsel
Ms. Lori Wrotenbery, Director

FROM: Michael E. Stogner, Chief Hearing Officer/Engineer *MES*

SUBJECT: 104 Rule Changes

DATE: June 28, 1999

Rand,

I remembered a change that I think is appropriate, some operators, especially new ones, and even District personnel, are sometimes confused where administrative applications are to be sent.

104.F. UNORTHODOX LOCATIONS

(1) Well locations for producing wells and/or injection wells which are unorthodox based on the requirements of B and C above and which are necessary for an efficient production and injection pattern within a secondary recovery, tertiary recovery, or pressure maintenance project are hereby authorized, provided that the unorthodox location within the project is no closer than the required minimum distance to the outer boundary of the lease or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. These locations shall only require prior approval as for an orthodox location. [1-1-50...2-1-96]

(2) The Director may grant an exception to the well location requirements of B and C above or special pool orders after notice and opportunity for hearing when the exception is necessary to prevent waste or protect correlative rights. [1-1-82...2-1-96]

(3) Applications for administrative approval pursuant to F(2) above shall be **submitted to the Division's Santa Fe office and must be** accompanied by (a) a plat showing the spacing unit, the proposed unorthodox well location and the adjoining spacing units and wells, (b) a list of affected persons as defined in Rule 1207.A(2), and (c) information evidencing the need for the exception. Notice shall be given as required in Rule 1207.A(2). [2-9-66...2-1-96]

(4) The applicant shall submit a statement attesting that applicant, on or before the date the application was submitted to the Division, sent notification to the affected persons by submitting a copy of the application, including a copy of the plat described in F(3) above, by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within twenty days from the date the Division received the application. The Division Director may approve the unorthodox location upon receipt of waivers from all the affected persons or if no affected person has filed an objection within the 20 day period. [2-9-66...2-1-96]

(5) The Director may set for hearing any application for administrative approval of an unorthodox location. [1-1-82...2-1-96]

(6) Whenever an unorthodox location is approved, the Division may order such action as is necessary to offset any advantage of the unorthodox location. [1-1-50...2-1-96]