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Lori Wrotenbery, Director
Oil Conservation Division
NM Energy, Minerals & Natural Resources
2040 S. Pacheco St.
Santa Fe, NM 87505

Re: Comments on Proposed Changes to Statewide Rule 303 - Downhole
Commingling

Dear Lori:

NMOGA would like to express strong support for the proposed changes to Statewide Rule 303 and the associated Form C-107A. These changes will further the interests on conservation by encouraging efficient completion methods while still protecting the correlative rights of affected parties. This is a significant improvement to the current regulatory process for downhole commingling.

We would also like to take this opportunity to thank the Work Group, in particular David Catanach. David's leadership on this team insured ample opportunity for input and thoughtful consideration of the comments and suggestions submitted by non-work group members. This approach has been used very successfully in the past and NMOGA urges the Division to continue using this method to address problems and opportunities that affect a significant portion of the oil and gas industry. In fact, a couple of our members have suggested applying this "Work Group" process to streamline the process of obtaining NMOCD approval for surface commingling activities.

Once again, thanks for facilitating this effort to regulate "only when necessary and only to the extent necessary." If you have any questions or comments, please contact Mr. Richard Foppiano, the co-chairman of our Regulatory Practices Committee.

Sincerely,



Robert M. Gallagher
President

xc: NMOGA Executive Committee
NMOGA Regulatory Practices Committee
Jennifer Salisbury, Secretary, Energy, Minerals and Natural Resources

**"A healthy petroleum industry helps build a healthy New Mexico."
Serving our members since 1929.**