

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

**SPECIAL ADMINISTRATIVE
RULES AND PROCEDURES
FOR
TIGHT FORMATION DESIGNATIONS
UNDER SECTION 107
OF THE
NATURAL GAS POLICY ACT OF 1978**

Effective March 31, 1992

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
P.O. BOX 2088
SANTA FE, NEW MEXICO 87504

**SPECIAL RULES AND PROCEDURES FOR
TIGHT FORMATION DESIGNATIONS UNDER
SECTION 107 OF THE NATURAL GAS POLICY ACT OF 1978**

Amended March 31, 1992

A. *General*

Applications for tight formation designations under Section 107 of the NGPA and applicable FERC rules and regulations shall be accepted by the Division at its Santa Fe, New Mexico office after June 30, 1980. These special rules apply only to individual tight formation designations and do not apply to individual well filing requirements for price category determination.

B. *Definitions*

1. "Crude oil" means a mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separation facilities.
2. "Division" means the Oil Conservation Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico.
3. "FERC" means the Federal Energy Regulatory Commission.
4. "USBLM" means the office of the United States Bureau of Land Management in Albuquerque, New Mexico.
5. "Formation" means any geological formation or portion thereof described by geological as well as geographical parameters which is the subject of a tight formation designation application.
6. "Infill drilling" means any drilling in a substantially developed formation (or a portion thereof) subject to the requirements respecting well spacing or proration units which were amended by the Division or the Oil Conservation Commission after the formation (or portion thereof) was substantially developed and which were adopted for the purpose of more effective and efficient drainage of the reservoirs in such formation. Such amendment may provide for the establishment of smaller drilling or production units or may permit the drilling of additional wells on original units.

C. *Procedure*

1. All applications for tight formation designation in the State of New Mexico, which contain state and/or fee lands in any proportion, shall be filed with the Division.
2. Any application for tight formation designation in the State of New Mexico which contains Federal and/or Indian lands in any proportion shall be concurrently filed with the USBLM and the Division.
3. Any application containing lands entirely administered by the federal government shall be filed only with the USBLM. **IF LANDS ARE ENTIRELY FEDERAL, NO APPLICATION NEED BE FILED WITH THE DIVISION NOR WILL ACTION BY THE DIVISION BE NECESSARY.**
4. Upon receipt of an application for the designation of a tight formation which involves both the Division and USBLM, it will be determined after preliminary review of the subject filing which agency is the most appropriate to sponsor said filing and submit same to the FERC.
5. Proof of publication must be submitted with the application. Such proof shall consist of a copy of the legal advertisement which was published once in a newspaper of general circulation in the county or counties within the proposed tight formation area. The contents of such advertisement shall include:
 - a. the name, address, phone number and contact party for the applicant;
 - b. the legal description of the proposed area, amount of acreage contained in said area and percentages of land types within said area;
 - c. name of formation or formations to be included and pool names if applicable;
 - d. a notation that any interested party must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico, 87504, within fifteen days from the date of publication.

**NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER
PROOF OF NOTIFICATION HAS BEEN SUBMITTED.**

6. If no objection is received within fifteen days following the date of public notification, the application may be approved administratively.

7. If a written objection is received within fifteen days after the date of public notice or if a hearing is deemed advisable by the Division Director, the application may be set for hearing and notice thereof given by the Division.
8. The application shall include a complete set of supporting exhibits (i.e. -- maps, plats, cross-sections, type logs, engineering data, reservoir analyses, core analyses, calculations, pressure information, publications, etc.) together with a statement of the meaning and purpose of each exhibit and shall be submitted to the Division and if applicable to the USBLM. These exhibits shall cover all aspects of the required evidentiary data described in Section D below.
9. An oath statement shall accompany the application signed by each participant and notarized as to the accuracy and interpretation of the application.
10. Three complete additional sets of exhibits, statements, and oath statements must accompany the application; these additional items will be forwarded to the FERC by either the Division or USBLM, together with the Division's recommendation either in the form of an administrative order or letter to the FERC filed by the USBLM.
11. Further, it may be necessary for the applicant to submit additional data and/or supplement the original application with additional supporting statements and/or data. The applicant shall be responsible for submitting the required number of copies to complete the application for final approval by the FERC.
12. At the request of the USBLM or the Division, a meeting with the applicant may be necessary so that additional inquiries or questions of the filing may be addressed.

D. *Evidence*

1. Evidence offered by an applicant shall include:
 - a. a land plat or lease map which clearly indicates the land types (state, fee, federal, and/or Indian) and amounts and percentages for each;
 - b. a map and geographical and geological descriptions of the area and formation for which the designation is sought;
 - c. geological and engineering data to support the application;
 - d. a map or list which clearly locates or describes wells which are currently producing oil or gas, or both, from the formation within the geographical area of the formation;

- e. a report of the extent to which an applicant believes existing state and federal regulations will assure that development of the formation will not adversely affect or impair fresh water aquifers (during both hydraulic fracturing and waste disposal operations) that are being used or are expected to be used in the foreseeable future for domestic or agricultural water supplies;
 - f. if the formation has been authorized to be developed by infill drilling prior to the date of recommendation, information and data demonstrating that the formation cannot be developed without the incentive price established in 18 CFR §271.703(a); and,
 - g. any other information which the Division and/or BLM may require.
2. Evidence shall be based on each of the following geological and engineering guidelines:
- a. The estimated average in situ permeability, throughout the pay section, is expected to be 0.1 millidarcy or less;
 - (1) Permeability may be established and demonstrated by any customary or acceptable methods, techniques, or testing acceptable in the oil and gas industry.
 - b. The stabilized production rate, either at atmospheric pressure or calculated against atmospheric pressure, of wells completed for production in the formation, without stimulation, is not expected to exceed the production rate determined in accordance with the following table:

<i>If the average depth to the top of the formation (in feet):</i>		<i>The maximum allowable production rate (in MCF/day) may not exceed:</i>
<i>Exceeds</i>	<i>but does not exceed</i>	
0	1000	44
1000	1500	51
1500	2000	59
2000	2500	68
2500	3000	79
3000	3500	91

<i>If the average depth to the top of the formation (in feet):</i>		<i>The maximum allowable production rate (in MCF/day) may not exceed:</i>
<i>Exceeds</i>	<i>but does not exceed</i>	
3500	4000	105
4000	4500	122
4500	5000	141
5000	5500	163
5500	6000	188
6000	6500	217
6500	7000	251
7000	7500	290
7500	8000	336
8000	8500	388
8500	9000	449
9000	9500	519
9500	10000	600
10000	10500	693
10500	11000	802
11000	11500	927
11500	12000	1071
12000	12500	1328
12500	13000	1432
13000	13500	1655
13500	14000	1913
14000	14500	2212
14500	15000	2557

- c. No well drilled into the recommended tight formation is expected to produce, without stimulation, more than five barrels of crude oil per day.

- d. If an application meets the guidelines contained in subparagraphs 2.b. and 2.c. above, but does not meet the guidelines contained in subparagraph 2.a., the applicant may, in the alternative, show that the formation exhibits low permeability characteristics and that the incentive price is necessary to provide reasonable incentive for production of natural gas from the formation due to extraordinary risks or costs associated with such production.
 - (1) An application based on the guidelines outlined in subparagraph 2.d. above shall include data to support the contention that the guidelines contained in paragraph 2.b. and 2.c above are met, and in addition thereto, shall contain:
 - (a) the types and extent of enhanced production techniques which are expected to be necessary;
 - (b) the estimated expenditures necessary for employing those techniques; and,
 - (c) an estimate of the degree of increase in production from use of such techniques together with engineering and geological data to support that estimate.
- e. If the formation or any portion thereof were authorized to be developed by infill drilling prior to the date of recommendation and the Division has information which in its judgement indicates that such formation or portion subject to infill drilling can be developed absent the incentive price established in 18 CFR §271.703(a), then the Division Director shall not include such formation or portion thereof in its recommendation.

CONSERVATION DIVISION
RECEIVED
'92 NOV 24 AM 10 11

LAW OFFICES
LOSEE, CARSON, HAAS & CARROLL, P.A.

ERNEST L. CARROLL
JOEL M. CARSON
JAMES E. HAAS
A. J. LOSEE
DEAN B. CROSS
MARY LYNN BOGLE

300 YATES PETROLEUM BUILDING
P. O. DRAWER 239
ARTESIA, NEW MEXICO 88211-0239

TELEPHONE
(505) 746-3505
TELECOPY
(505) 746-6316

November 20, 1992

Mr. William J. LeMay
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Case 10617

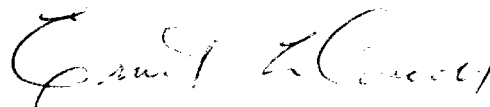
Re: Application of C. W. Trainer for a Tight
Formation Designation Under Section 107 of
the Natural Gas Policy Act of 1978, Chaves
County, New Mexico, No. 10617

Dear Mr. LeMay:

I am enclosing herewith for filing with the above-reference case
an Affidavit of Publication reflecting notice of the above appli-
cation, which was published November 15, 1992.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



Ernest L. Carroll

ELC:kth
Enclosures

AFFIDAVIT OF PUBLICATION

County of Chaves

State of New Mexico,

I, Jim Richards,

Class. Manager,

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico, do solemnly swear that the clipping hereto attached was published once a week in the regular and entire issue of said paper and not in a supplement thereof for a period

of one time

weeks

beginning with the issue dated 15th

November, 1992

and ending with the issue dated 15th

November, 1992

Jim Richards
Manager

Sworn and subscribed to before me

this 15th day of

November, 1992

W. Carlton Shippey
Notary Public

My commission expires

July 21, 1994
(Seal)

Publish November 15, 1992

LEGAL NOTICE

C. W. TRAINER, P. O. Box 756,
Hobbs, New Mexico, 88241,
Phone (505) 393-2727

Att'r: C. W. Trainer hereby provides Notice of Application for Designation as a Tight Formation by the Federal Energy Regulatory Commission for the Mississippi Formation underlying the following described land:

Township 11 South, Range 28 East, N.M.P.M.

Section 35: E/2
Section 36: All

Township 11 South, Range 29 East, N.M.P.M.

Section 21: S/2
Section 22: All
Section 23: W/2
Section 26: W/2
Section 27: All
Section 28: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: W/2

Township 12 South, Range 28 East, N.M.P.M.

Section 1: All
Section 2: E/2

Township 12 South, Range 29 East, N.M.P.M.

Section 2: NW/4
Section 3: N/2
Section 4: N/2
Section 5: All
Section 6: All

containing 11,040 acres more or less with the approximate percentages of land types as follows:

94.2% Fee, 5.8% State of New Mexico.

Any interested party must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico, 87504 within fifteen (15) days from this date of publication.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Division hereby gives notice pursuant to law and Rules and Regulations of said Division promulgated thereunder of the following public hearing to be held at 8:15 A.M. on December 17, 1992, at the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner, duly appointed for said hearing as provided by law.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 10641:
Application of Yates Drilling Company for the expansion of the Cactus Queen (Voluntary) Unit Area and for the amendment of Division Order No. R-9075-A, Chaves County, New Mexico.

Applicant seeks an amendment of Division Order No. R-9075-A which approved the voluntary unitization (for the purpose of establishing a secondary recovery project) of the Queen formation underlying the Cactus Queen Unit Area, which encompasses 320 acres, more or less, in portions of Sections 27 and 34, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, to include at this time an additional 320 acres, more or less, comprising the SW/4 NE/4, S/2 NW/4, SW/4 and NW/4 SE/4 of said Section 34. Said expansion area is located approximately 12 miles southwest by south of Caprock, New Mexico.

CASE: 10642: Application of Yates Drilling Company for the expansion of the Cactus Queen (Voluntary) Unit Waterflood Project Area, to amend Division Order No. R-9075-B, and to qualify said expansion area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Chaves County, New Mexico.

Applicant seeks to expand its Cactus Queen (Voluntary) Unit Waterflood with its proposed expansion under Division Order No. R-9075-B, to the subject of Division Case No. 10641. The applicant proposes to inject water in the to Queen interval within said expanded area through 5 certain wells to be converted from producing wells to injectors. The applicant also requests that said Order No. R-9075-B be amended to include any provisions necessary for such other matters as may be appropriate for said expansion and continued waterflood operations. FURTHER, the applicant seeks an order pursuant to the Rules and Procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying said expanded area for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said area of interest is located approximately 12 miles southwest by south of Caprock, New Mexico.

CASE 10617: (Readvertised)
Application of C. W. Trainer for designation of a tight formation, Chaves County, New Mexico.

Applicant seeks the designation of the Mississippian formation underlying an area comprising 11,009.08 acres, more or less, of State (approximately 5.8%) and fee (approximately 94.2%) lands in Sections 35 and 36, Township 11 South, Range 28 East; Sections 21 through 23 and 26 through 35, Township 11 South, Range 29 East; Sections 1 and 2, Township 12 South, Range 29 East; and, Sections 2 through 6, Township 12 South, Range 29 East, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Sections 271.701-705. Said area is located approximately 29 miles east by south of Roswell, New Mexico.

CASE 10644:
Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico

Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 of Section 10, Township 5 South, Range 24 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not limited to the Undesignated Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Unit C of Section 10. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 34 miles north of Roswell, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 25th day of November, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
William J. Lemay
WILLIAM J. LEMAY, Director

AFFIDAVIT OF PUBLICATION

County of Chaves

State of New Mexico,

OK
for

I, Jean M. Pettit

Bus. Manager,

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico, do solemnly swear that the clipping hereto attached was published once a week in the regular and entire issue of said paper and not in a supplement thereof for a period

of one time

weeks

beginning with the issue dated 2nd

December, 1992

and ending with the issue dated 2nd

December, 1992

Manager

Sworn and subscribed to before me

this 2nd day of

December, 1992

Notary Public

My commission expires

July 21, 1994

(Seal)



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



January 27, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Allen F. Buckingham
U.S. Bureau of Land Management
Albuquerque District Office
435 Montano, N.E.
Albuquerque, New Mexico 87107

*RE: Division Case No. 10617. Application of C.W. Trainer for
designation of a tight formation, Chaves County, New Mexico.*

Dear Mr. Buckingham:

I have enclosed for your "Tight Formation" records a complete copy of the Division's application for a Mississippian Tight Formation Area in Chaves County, New Mexico that consist entirely of State and Fee lands. I will supplement this record with any future correspondence between the FERC and the Division regarding this filing.

Should you have any questions, or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner".

MICHAEL E. STOGNER
Chief Hearing Officer/Engineer

MES/jc

cc: File: Case 10617



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

January 25, 1993

LOSEE, CARSON, HAAS & CARROLL
Attorneys at Law
P. O. Drawer 239
Artesia, New Mexico 88211-0239

**RE: CASE NO. 10617
ORDER NO. R-9832**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Leichtle
Sally E. Leichtle
Administrative Secretary

Enclosure

cc: BLM - Roswell

final prices of incentive-related item and services.

The contracting officer evaluates the information received to determine the contractor's performance in meeting the incentive target and the appropriate price revision, if any, for the items or services.

B. Annual Reporting Burden

The annual reporting burden is estimated as follows: Respondents, 3,000; responses per respondent, 1; total annual responses, 3,000; preparation hours per response, 1; and total response burden hours, 3,000.

Obtaining Copies of Proposals

Requester may obtain copies of OMB applications or justifications from the General Services Administration, FAR Secretariat (VRS), room 4037, Washington, DC 20405, telephone (202) 501-4755. Please cite OMB Control No. 9000-0067, Incentive Contracts, in all correspondence.

Dated: February 5, 1993.

Beverly Fayson,
FAR Secretariat.

[FR Doc. 93-3452 Filed 2-12-93; 8:45 am]

BILLING CODE 6820-34-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. JD93-04112T New Mexico-37]

New Mexico; NGPA Notice of Determination by Jurisdictional Agency Designating Tight Formation

February 8, 1993.

Take notice that on February 4, 1993, the Oil Conservation Division of the New Mexico Department of Energy, Minerals and Natural Resources (New Mexico), submitted the above-referenced notice of determination pursuant to § 271.703(c)(3) of the Commission's regulations, that a portion of the Mississippian Formation in Chaves, County, New Mexico, qualifies as a tight formation under section 107(b) of the Natural Gas Policy Act of 1978. The area of application covers 11,009.08 acres, more or less, of state and fee lands more fully described on the attached appendix.

The notice of determination also contains New Mexico's findings that the referenced portion of the Mississippian Formation meets the requirements of the Commission's regulations set forth in 18 CFR part 271.

The application for determination is available for inspection, except for

material which is confidential under 18 CFR 275.206, at the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington DC 20426. Persons objecting to the determination may file a protest, in accordance with 18 CFR 275.203 and 275.204, within 20 days after the date this notice is issued by the Commission.

Lois D. Cashell,
Secretary.

Appendix

Township 11 South, Range 28 East

Section 35: E/2

Section 36: All

Township 11 South, Range 29 East

Section 21: S/2

Section 22: All

Section 23: W/2

Section 26: W/2

Section 27-34: All

Section 35: W/2

Township 12 South, Range 28 East

Section 1: All

Section 2: E/2

Township 12 South, Range 29 East

Section 2: NW/4

Section 3: N/2

Section 4: N/2

Section 5-6: All

The area of application contains 11,009.08 acres, more or less, of state and fee lands in Chaves County, New Mexico.

[FR Doc. 93-3453 Filed 2-12-93; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP93-193-000]

Arkla Energy Resources, a Division of Arkla, Inc.; Request Under Blanket Authorization

February 8, 1993.

Take notice that on February 2, 1993, Arkla Energy Resources, (Arkla), a division of Arkla, Inc., Post Office Box 21734, Shreveport, Louisiana 71151, filed an application with the Commission in Docket No. CP93-193-000 pursuant to §§ 157.205, 157.211, and 157.212 of the Commission's Regulations to upgrade certain facilities in Arkansas under its blanket certificate issued in Docket Nos. CP82-384-000 and CP82-384-001, all as more fully set forth in the application which is open to public inspection.

Arkla states that it would upgrade the existing meter station on its transmission line, Line K-South, for increased deliveries to Arkansas Louisiana Gas Company's (ALG) new rural extension to serve domestic customers in Union County, Arkansas. It is stated that the volumes delivered would be about 660 Mcf annually and

20 Mcf on a peak day and the cost of construction would be about \$5,906.

Any person or the Commission's staff may, within 45 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to § 157.205 of the Regulations under the Natural Gas Act (18 CFR 157.205) a protest to the request. If no protest is filed within the time allowed therefor, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to section 7 of the Natural Gas Act.

Lois D. Cashell,
Secretary.

[FR Doc. 93-3456 Filed 2-12-93; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP93-190-000]

Bridgeline Gas Distribution Co.; Application

February 8, 1993.

Take notice that on February 1, 1993, Bridgeline Gas Distribution Company (Bridgeline), 400 Poydras Street, New Orleans, Louisiana 70130, filed an application with the Commission in Docket No. CP93-190-000 pursuant to section 7(c) of the Natural Gas Act (NGA) for a blanket certificate under § 284.224 of the Commission's Regulations under the NGA, all as more fully set forth in the application which is open to the public for inspection.

Bridgeline states that approval of its request for a part 284 blanket certificate would allow Bridgeline to engage in the sale, transportation (including storage), and assignment of natural gas as permitted for intrastate pipelines under subparts C, D, and E of part 284 of the Regulations. Bridgeline also states that it has concurrently filed a petition with the Commission for rate approval under § 284.123(b)(2) in Docket No. PR93-8-000, in which Bridgeline proposes rates for the transportation and storage services it would provide under the herein requested blanket certificate. No new facilities are proposed herein.

Any person desiring to be heard or to make any protest with reference to said application should on or before March 1, 1993, file with the Federal Energy Regulatory Commission, Washington, DC 20426, a motion to intervene or a protest in accordance with the



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

January 27, 1993

POST OFFICE BOX 2086
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

U.S. Department of Energy
Federal Energy Regulatory Commission
825 North Capitol Street, NE
Room 6300, Mail Stop PR-25
Washington, DC 20426

Attention: Marilyn L. Rand, Director - Division of Producer Regulation

RE: *Division Case No. 10617. Application of C.W. Trainer for designation of a tight formation, Chaves County, New Mexico.*

Dear Ms. Rand:

Pursuant to FERC Rule 271.703(c)(3), please find enclosed two copies of Division Order No. R-9832, issued in Case No. 10617 and dated January 25, 1993. This order recommends to the Federal Energy Regulatory Commission that the Mississippian formation underlying approximately 11,009.08 acres, more or less, of state and fee lands in a portion of Townships 11 and 12 South, Range 28 and 29 East, NMPM, Chaves County, New Mexico, be designated a "tight formation" under Section 107 of the Natural Gas Policy Act of 1978.

Enclosed, also find copies of the hearing transcript and exhibits presented by the applicant at the December 17, 1992 public hearing.

Also enclosed are copies of the published notices for this matter and other pertinent items.

Should you have any questions or require additional information, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Case File: 10617
NM Oil Conservation Division - Artesia
Joel M. Carson - Artesia

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

NGPA SECTION 107 TIGHT FORMATION)	Docket No. _____
RECOMMENDATION)	
)	
STATE OF NEW MEXICO OIL)	
CONSERVATION DIVISION OF THE)	
ENERGY, MINERALS AND NATURAL)	
RESOURCES DEPARTMENT)	

**RECOMMENDATION FOR TIGHT FORMATION
DESIGNATION UNDER
SECTION 107 OF THE NGPA.**

C. W. Trainer, pursuant to Section 107 of the Natural Gas Policy Act of 1978, 18 CFR §271.703 of the FERC regulations for the New Mexico Oil Conservation Division's Special Rules and Procedures for Tight Formation Designations under Section 107 of the Natural Gas Policy Act of 1978, as promulgated by Order No. R-6388-B, petitioned the New Mexico Oil Conservation Division for tight formation designation of the Mississippian formation underlying portions of Townships 11 and 12 South, Ranges 28 and 29 East, NMPM, Chaves County, New Mexico.

After notice and hearing on the application of C.W. Trainer, the New Mexico Oil Conservation Division hereby recommends that a portion of the Mississippian formation referenced in Division Order No. R-9832, issued in Case No. 10617, being Exhibit "A" attached hereto and incorporated by reference, be designated a "tight formation area". Additionally, the New Mexico Oil Conservation Division submits herewith Exhibit "B", a copy of the letter of application from C. W. Trainer's general counsel dated November 10, 1992; Exhibit "C", a transcript of the December 17, 1992 Division Examiner Hearing; Exhibit "D", Exhibits 1 through 20 presented by the applicant at said hearing; Exhibit "E", copies of "affidavits of publication" of this matter; and Exhibit "F", a copy of Division Order No. R-3030, issued in Case 3364 and dated January 21, 1966 which created, classified and designated the White Ranch-Mississippian Gas Pool within the proposed "tight formation" area.

Respectfully submitted this 27 day of January, 1993.



Michael E. Stogner
Chief Hearing Officer/Engineer



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



January 27, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

U.S. Department of Energy
Federal Energy Regulatory Commission
825 North Capitol Street, NE
Room 6300, Mail Stop PR-25
Washington, DC 20426

Attention: Marilyn L. Rand, Director - Division of Producer Regulation

*RE: Division Case No. 10617. Application of C.W. Trainer for
designation of a tight formation, Chaves County, New Mexico.*

Dear Ms. Rand:

Pursuant to FERC Rule 271.703(c)(3), please find enclosed two copies of Division Order No. R-9832, issued in Case No. 10617 and dated January 25, 1993. This order recommends to the Federal Energy Regulatory Commission that the Mississippian formation underlying approximately 11,009.08 acres, more or less, of state and fee lands in a portion of Townships 11 and 12 South, Range 28 and 29 East, NMPM, Chaves County, New Mexico, be designated a "tight formation" under Section 107 of the Natural Gas Policy Act of 1978.

Enclosed, also find copies of the hearing transcript and exhibits presented by the applicant at the December 17, 1992 public hearing.

Also enclosed are copies of the published notices for this matter and other pertinent items.

Should you have any questions or require additional information, please contact me.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Case File: 10617
NM Oil Conservation Division - Artesia
Joel M. Carson - Artesia

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

NGPA SECTION 107 TIGHT FORMATION RECOMMENDATION)	Docket No. _____
)	
)	
STATE OF NEW MEXICO OIL)	
CONSERVATION DIVISION OF THE)	
ENERGY, MINERALS AND NATURAL)	
RESOURCES DEPARTMENT)	

**RECOMMENDATION FOR TIGHT FORMATION
DESIGNATION UNDER
SECTION 107 OF THE NGPA.**

C. W. Trainer, pursuant to Section 107 of the Natural Gas Policy Act of 1978, 18 CFR §271.703 of the FERC regulations for the New Mexico Oil Conservation Division's Special Rules and Procedures for Tight Formation Designations under Section 107 of the Natural Gas Policy Act of 1978, as promulgated by Order No. R-6388-B, petitioned the New Mexico Oil Conservation Division for tight formation designation of the Mississippian formation underlying portions of Townships 11 and 12 South, Ranges 28 and 29 East, NMPM, Chaves County, New Mexico.

After notice and hearing on the application of C.W. Trainer, the New Mexico Oil Conservation Division hereby recommends that a portion of the Mississippian formation referenced in Division Order No. R-9832, issued in Case No. 10617, being Exhibit "A" attached hereto and incorporated by reference, be designated a "tight formation area". Additionally, the New Mexico Oil Conservation Division submits herewith Exhibit "B", a copy of the letter of application from C. W. Trainer's general counsel dated November 10, 1992; Exhibit "C", a transcript of the December 17, 1992 Division Examiner Hearing; Exhibit "D", Exhibits 1 through 20 presented by the applicant at said hearing; Exhibit "E", copies of "affidavits of publication" of this matter; and Exhibit "F", a copy of Division Order No. R-3030, issued in Case 3364 and dated January 21, 1966 which created, classified and designated the White Ranch-Mississippian Gas Pool within the proposed "tight formation" area.

Respectfully submitted this 27 day of January, 1993.



Michael E. Stogner
Chief Hearing Officer/Engineer

03/19/93

12:42

202 219 0209

FERC/OPPR

001



Case 10617

m.s.

FEDERAL ENERGY REGULATORY COMMISSION
OFFICE OF PIPELINE AND PRODUCER REGULATION
OPPR FAX NUMBER 202-219-0209
Washington, DC 20426

DATE: 3/19/93

TO: WILLIAM J LEMAY
NAMENEW MEXICO
LOCATION

PHONE

TELEFAX PHONE NUMBER: 505-827-5741FROM: JANET ARDINGER
FROMWASHINGTON D.C.
LOCATION1-202-208-0845
PHONE

ADDITIONAL COMMENTS _____

This information we are sending has 2 page(s) not including the cover sheet.Please call (202) 208-0666 if you did not receive the telex in its entirety.

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20426

OFFICE OF PIPELINE AND PRODUCER REGULATION

MAR 19 1993

In Reply Refer To:
PR25.2/EJS

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Tight Formation Determination
New Mexico-37
Mississippian Formation
FERC No. JD93-04112T

Dear Mr. LeMay:

On February 4, 1993, the Commission received your notice of determination that the Mississippian Formation underlying approximately 11,010 acres in Chaves County, New Mexico, qualifies as a tight formation under section 107(c)(5) of the Natural Gas Policy Act of 1978. Our review of the notice indicates that it is incomplete.

The notice shows that there are four wells producing from the Mississippian formation within the recommended area. Three of these, Well Nos. 1, 2, and 3, required relatively small quantities (6,000 gallons or less) of acid treatment in order to achieve natural gas flow rates of 3,200 Mcfd, 588 Mcfd, and 560 Mcfd, respectively. Staff calculations show that when the thicknesses of the wells' perforation intervals are considered, the maximum rate of acid injection into the three wells was 207 gallons per foot.

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In light of the above and the fact that the allowable pre-stimulation flow rate from the Commission's regulations is 336 Mcfd for the recommended formation, please provide a statement,

William J. LeMay

- 2 -

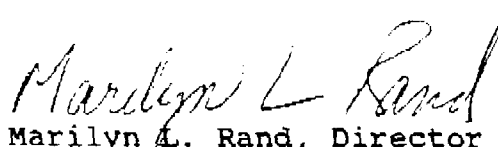
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Pursuant to section 275.202(b) of the Commission's regulations, the 45-day period for Commission review will not commence until the requested information is received.

Sincerely,



Marilyn L. Rand, Director
Division of Producer Regulation

cc: C. W. Trainer
P. O. Box 755
Hoffs, New Mexico 88241

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON D C 20426

OIL CONSERVATION DIVISION
RECEIVED

OFFICE OF PIPELINE AND PRODUCER REGULATION

1993 MAR 24 AM 8 57

MAR 19 1993

In Reply Refer To:
PR25.2/EJS

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Tight Formation Determination
New Mexico-37
Mississippian Formation
FERC No. JD93-04112T

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William J. LeMay

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Sincerely,



Marilyn L. Rand, Director
Division of Producer Regulation

cc: C. W. Trainer
P. O. Box 755
Hoffs, New Mexico 88241

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



March 23, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Losee, Carson, Haas & Carroll, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

Attn: Joel M. Carson

Re: Tight Formation Determination
New Mexico 37 - Mississippian Formation
F.E.R.C. No. JD93-04112T
NMOCD Case No. 10,617/Order No. R-9832

Dear Mr. Carson:

The New Mexico Oil Conservation Division (NMOCD) is in receipt of the attached letter from the Federal Energy Regulatory Commission (F.E.R.C.), dated March 19, 1993, which places the Division on notice that the subject application is incomplete. We, therefore, are directing C. W. Trainer, as the original applicant in this matter, to furnish both the NMOCD and the F.E.R.C. the required supplemental information.

Please provide us with a suitable "time frame" you feel will be needed to collect this data, we will then contact the F.E.R.C. and inform them as to when this information can be expected.

Should you have any questions or comments concerning this matter, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Marilyn L. Rand, F.E.R.C. - Washington, D.C.
Case File: 10,617
William J. LeMay -- Director, NMOCD - Santa Fe
C. W. Trainer - Hobbs, NM
Jack Ahlen - Consulting Geologist - Roswell, NM
Allen F. Buckingham - U.S. BLM, Albuquerque (for informational purposes only)

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON D C 20426

OFFICE OF PIPELINE AND PRODUCER REGULATION

MAR 19 1993

In Reply Refer To:
PR25.2/EJS

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Tight Formation Determination
New Mexico-37
Mississippian Formation
FERC No. JD93-04112T

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In light of the above and the fact that the allowable pre-stimulation flow rate from the Commission's regulations is 336 Mcfd for the recommended formation, please provide a statement,

William J. LeMay

- 2 -

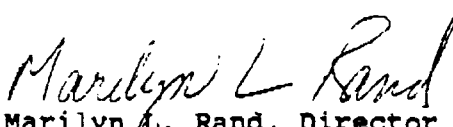
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Pursuant to section 275.202(b) of the Commission's regulations, the 45-day period for Commission review will not commence until the requested information is received.

Sincerely,



Marilyn L. Rand, Director
Division of Producer Regulation

cc: C. W. Trainer
P. O. Box 755
Hoffs, New Mexico 88241

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

April 9, 1993

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Federal Energy Regulatory Commission
825 North Capitol Street, NE
Room 6300, Mail Stop PR-25
Washington, D.C. 20426

Attention: Marilyn L. Rand, Director - Division of Producer Regulation

**RE: *Tight Formation Determination
New Mexico 37 - Mississippian Formation
FERC No. JD93-04112T
NMOCD Case No. 10617/Order No. R-9832***

Dear Ms. Rand:

Reference is made to your letter (PR25.2/EJS) dated March 19, 1993 requesting additional information to supplement the subject tight formation application. Please find enclosed two copies of an engineering report prepared by the applicant.

Should you have any questions or comments concerning this matter, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/amg

cc: Case File: 10617
William J. LeMay - NMOCD Director
C.W. Trainer - Hobbs, NM
Jack Ahlen - Consulting Geologist - Roswell, NM
Allen F. Buckingham - USBLM, Albuquerque, NM (Information only)
Bruce A. Stubbs - Pecos Petroleum Engineering, Inc., Roswell, NM
Joel M. Carson - Artesia, NM



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



March 23, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
(505) 827-5800

Losee, Carson, Haas & Carroll, P.A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

Attn: Joel M. Carson

Re: Tight Formation Determination
New Mexico 37 - Mississippian Formation
F.E.R.C. No. JD93-04112T
NMOCD Case No. 10,617/Order No. R-9832

Dear Mr. Carson:

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Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: Marilyn L. Rand, F.E.R.C. - Washington, D.C.

~~File: 10,617~~

William J. LeMay - Director, NMOCD - Santa Fe

C. W. Trainer - Hobbs, NM

Jack Ahlen - Consulting Geologist - Roswell, NM

Allen F. Buckingham - U.S. BLM, Albuquerque (for informational purposes only)

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20428

OFFICE OF PIPELINE AND PRODUCER REGULATION

MAR 19 1983

In Reply Refer To:
PR25.2/EWS

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

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New Mexico-37
Mississippian Formation
FERC No. JD93-04112T

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William J. LeMay

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Sincerely,

Marilyn A. Rand
Marilyn A. Rand, Director
Division of Producer Regulation

cc: C. W. Trainor

P. O. Box 755

Hofa, New Mexico 88241

Ernest L. Carroll

Losee, Carson, Haas & Carroll, P. A.

P. O. Drawer 339

Artesia, New Mexico 88211-0239

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D. C. 20426

Case 10617

OFFICE OF PIPELINE AND PRODUCER REGULATION

MAR 19 1993

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PR25.2/EJS

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Marilyn L. Rand, Director
Division of Producer Regulation

cc: C. W. Trainer
P. O. Box 755
Hoffs, New Mexico 88241

Ernest L. Carroll
Losee, Carson, Haas & Carroll, P. A.
P. O. Drawer 239
Artesia, New Mexico 88211-0239

final prices of incentive-related item and services.

The contracting officer evaluates the information received to determine the contractor's performance in meeting the incentive target and the appropriate price revision, if any, for the items or services.

B. Annual Reporting Burden

The annual reporting burden is estimated as follows: Respondents, 3,000; responses per respondent, 1; total annual responses, 3,000; preparation hours per response, 1; and total response burden hours, 3,000.

Obtaining Copies of Proposals

Requester may obtain copies of OMB applications or justifications from the General Services Administration, FAR Secretariat (VRS), room 4037, Washington, DC 20405, telephone (202) 501-4755. Please cite OMB Control No. 9000-0067, Incentive Contracts, in all correspondence.

Dated: February 5, 1993.

Beverly Fayson,

FAR Secretariat.

[FR Doc. 93-3452 Filed 2-12-93; 8:45 am]

BILLING CODE 6820-34-M

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. JD93-04112T New Mexico-37]

New Mexico; NGPA Notice of Determination by Jurisdictional Agency Designating Tight Formation

February 8, 1993.

Take notice that on February 4, 1993, the Oil Conservation Division of the New Mexico Department of Energy, Minerals and Natural Resources (New Mexico), submitted the above-referenced notice of determination pursuant to § 271.703(c)(3) of the Commission's regulations, that a portion of the Mississippian Formation in Chaves County, New Mexico, qualifies as a tight formation under section 107(b) of the Natural Gas Policy Act of 1978. The area of application covers 11,009.08 acres, more or less, of state and fee lands more fully described on the attached appendix.

The notice of determination also contains New Mexico's findings that the referenced portion of the Mississippian Formation meets the requirements of the Commission's regulations set forth in 18 CFR part 271.

The application for determination is available for inspection, except for

material which is confidential under 18 CFR 275.206, at the Federal Energy Regulatory Commission, 825 North Capitol Street, NE., Washington DC 20426. Persons objecting to the determination may file a protest, in accordance with 18 CFR 275.203 and 275.204, within 20 days after the date this notice is issued by the Commission.

Lois D. Cashell,

Secretary.

Appendix

Township 11 South, Range 28 East

Section 35: E/2

Section 36: All

Township 11 South, Range 29 East

Section 21: S/2

Section 22: All

Section 23: W/2

Section 26: W/2

Section 27-34: All

Section 35: W/2

Township 12 South, Range 28 East

Section 1: All

Section 2: E/2

Township 12 South, Range 29 East

Section 2: NW/4

Section 3: N/2

Section 4: N/2

Section 5-6: All

The area of application contains 11,009.08 acres, more or less, of state and fee lands in Chaves County, New Mexico.

[FR Doc. 93-3453 Filed 2-12-93; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP93-193-000]

Arkla Energy Resources, a Division of Arkla, Inc.; Request Under Blanket Authorization

February 8, 1993.

Take notice that on February 2, 1993, Arkla Energy Resources, (Arkla), a division of Arkla, Inc., Post Office Box 21734, Shreveport, Louisiana 71151, filed an application with the Commission in Docket No. CP93-193-000 pursuant to §§ 157.205, 157.211, and 157.212 of the Commission's Regulations to upgrade certain facilities in Arkansas under its blanket certificate issued in Docket Nos. CP82-384-000 and CP82-384-001, all as more fully set forth in the application which is open to public inspection.

Arkla states that it would upgrade the existing meter station on its transmission line, Line K-South, for increased deliveries to Arkansas Louisiana Gas Company's (ALG) new rural extension to serve domestic customers in Union County, Arkansas. It is stated that the volumes delivered would be about 660 Mcf annually and

20 Mcf on a peak day and the cost of construction would be about \$5,906.

Any person or the Commission's staff may, within 45 days after issuance of the instant notice by the Commission, file pursuant to Rule 214 of the Commission's Procedural Rules (18 CFR 385.214) a motion to intervene or notice of intervention and pursuant to § 157.205 of the Regulations under the Natural Gas Act (18 CFR 157.205) a protest to the request. If no protest is filed within the time allowed therefor, the proposed activity shall be deemed to be authorized effective the day after the time allowed for filing a protest. If a protest is filed and not withdrawn within 30 days after the time allowed for filing a protest, the instant request shall be treated as an application for authorization pursuant to section 7 of the Natural Gas Act.

Lois D. Cashell,

Secretary.

[FR Doc. 93-3456 Filed 2-12-93; 8:45 am]

BILLING CODE 6717-01-M

[Docket No. CP93-190-000]

Bridgeline Gas Distribution Co.; Application

February 8, 1993.

Take notice that on February 1, 1993, Bridgeline Gas Distribution Company (Bridgeline), 400 Poydras Street, New Orleans, Louisiana 70130, filed an application with the Commission in Docket No. CP93-190-000 pursuant to section 7(c) of the Natural Gas Act (NGA) for a blanket certificate under § 284.224 of the Commission's Regulations under the NGA, all as more fully set forth in the application which is open to the public for inspection.

Bridgeline states that approval of its request for a part 284 blanket certificate would allow Bridgeline to engage in the sale, transportation (including storage), and assignment of natural gas as permitted for intrastate pipelines under subparts C, D, and E of part 284 of the Regulations. Bridgeline also states that it has concurrently filed a petition with the Commission for rate approval under § 284.123(b)(2) in Docket No. PR93-8-000, in which Bridgeline proposes rates for the transportation and storage services it would provide under the herein requested blanket certificate. No new facilities are proposed herein.

Any person desiring to be heard or to make any protest with reference to said application should on or before March 1, 1993, file with the Federal Energy Regulatory Commission, Washington, DC 20426, a motion to intervene or a protest in accordance with the

FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D. C. 20426

Case 10617
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OIL CONSERVATION DIVISION
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JUN 4 1993

In Reply Refer To:
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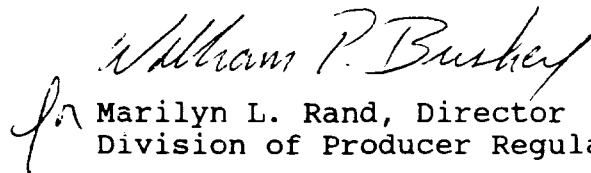
William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals
and Natural Resources
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Tight Formation Determination
New Mexico-37
Case No. 10617
Mississippian Formation
FERC No. JD93-04112T

Dear Mr. LeMay:

By letter dated March 19, 1993, we tolled the 45-day period for Commission review of the referenced determination pending your response to our letter. The Commission received your response on April 14, 1993. Accordingly, the 45-day period for Commission review of this notice of determination expired May 29, 1993, and the determination is final. Therefore, the Mississippian Formation underlying the recommended area has been approved for tight formation designation.

Sincerely,


Marilyn L. Rand, Director
Division of Producer Regulation

cc: C.W. Trainer
P.O. Box 755
Hobbs, NM 88241

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