(K-GAS PURCHASING AND TRANSPORTING - Cont'd.)

RULE 902. RATABLE TAKE (As Amended by Order No. R-7454, March 2, 1984, and Order No. R-7454-A, March 2, 1984.)

(a) Any person now or hereafter engaged in purchasing from one or more producers, gas produced from gas wells or casinghead gas produced from oil wells shall be a common purchaser thereof within each common source of supply from which it purchases, and as such it shall purchase gas lawfully produced from gas wells or casinghead gas produced from oil wells with which its gas transportation facilities are connected in the pool and other gas lawfully produced within the pool and tendered to a point on its gas transportation facilities. Such purchases shall be made without unreasonable discrimination in favor of one producer against another in the price paid, the quantities purchased, the bases of measurement or the gas transportation facilities afforded for gas of like quantity, quality and pressure available from such wells. In the event any such person is likewise a producer, he is prohibited to the same extent from discriminating in favor of himself on production from gas wells or casinghead gas produced from oil wells in which he has an interest, direct or indirect, as against other production from gas wells or casinghead gas produced from oil wells in the same pool. For the purposes of this rule reasonable differences in prices paid or facilities afforded, or both, shall not constitute unreasonable discrimination if such differences bear a fair relationship to differences in quality, quantity or pressure of the gas available or to the relative lengths of time during which such gas will be available to the purchaser. The provisions of this subsection shall not apply (1) to any wells or pools used for storage and withdrawal from storage of natural gas originally produced not in violation of the rules, regulations or orders of the Division, (2) to persons purchasing gas principally for use in the recovery or production of oil or gas, or (3) to any well which has been designated a "hardship well" by the Division.

(b) Any common purchaser taking gas produced from gas wells or casinghead gas produced from oil wells from a common source of supply shall take ratably under such rules, regulations and orders, concerning quantity, as may be promulgated by the Division consistent with this rule. The Division, in promulgating such rules, regulations and orders may consider the quality and the deliverability of the gas, the pressure of the gas at the point of delivery, acreage attributable to the well, market requirements in the case of unpresented pools. in the case of unprorated pools, and other pertinent factors.

(c) Nothing in this rule shall be construed or applied to require, directly or indirectly, any person to purchase gas of a quality or under a pressure or under any other condition by reason of which such gas cannot be economically and satisfactorily used by such purchaser by means of his gas transportation facilities then in service.

L - REFINING

RULE 1001. REFINERY REPORTS

Each refiner of oil within the State of New Mexico shall furnish for each calendar month a "Refiner's Monthly Report," Form C-113, containing the information and data indicated by such form, respecting oil and products involved in such refiner's operations during each month. Such report for each month shall be prepared and filed according to instructions on the form, on or before the 15th day of the next succeeding month.

RULE 1002. GASOLINE PLANT REPORTS (As Amended by Order No. R-2761, January 1, 1965.)

Each operator of a gasoline plant, cycling plant, or any other plant at which gasoline, butane, propane, condensate, kerosene, oil, or other liquid products are extracted from natural gas within the State of New Mexico shall furnish for each calendar month a Gas Purchaser's Monthly Report, Form C-111, containing the information indicated by such form respecting natural gas and products involved in the operation of each plant during each month.

(This rule shall also be applicable to plants in the State of New Mexico processing carbon dioxide gas into liquid or solid

Rule 1111.

form.) Form C-111 shall be filed in accordance with the provisions of

M - REPORTS

Note: Order No. R-2761, January 1, 1965, Amends and restates in its entirety Section M, Reports. This order supersedes the following orders which previously amended various rules under Section M, Reports: Rule 1101 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1102 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1103 - Order No. R-94. September 20, 1951, Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955, Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955, Order No. R-985, April 29, 1957, Order No. R-1642, June 1, 1960, Order No. R-985, April 29, 1957, Order No. R-1642, June 1, 1960, Order No. R-985, April 29, 1957, Order No. R-1642, June 1, 1960, Order No. R-722, November 21, 1955; Rule 1105 - Order No. R-98-A, July 1, 1952, Order No. R-98-A, July 1, 1952, Order No. R-255, Sule 1105 - Order No. R-722, November 21, 1955, Order No. R-256, June 7, 1962; Rule 1106 - Order No. R-98-A, July 1, 1952, Order No. R-256, June 7, 1962; Rule 1106 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955, Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955, Rule 1107 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1109 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1109 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1110 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1110 - Order No. R-98-A, July 1, 1952, Order No. R-98-A, July 1, 1952, Order No. R-98-A, July 1, 1955, Rule 1113 - Order No. R-98-A, July 1, 1952, Order No. R-98-A, July 1, 1955, Rule 1113 - Order No. R-98-A, July 1, 1952, Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1114 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1114 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1114 - Order No. R-98-A, July 1, 1952, Order No. R-722, November 21, 1955; Rule 1112 - Ord Note: Order No. R-2761, January 1, 1965, Amends and restates in its entirety Section M, Reports. This order supersedes Commission to any form by name or by number which form name or number is superseded by a form name or number as the result of this order shall be construed as having reference to the supersedant form name or number.

RULE 1100. GENERAL (As Amended by Order No. R-2964,
January 1, 1966; Order No. R-3105, September 1,
1966; Order No. R-6702, July 1, 1981; Order No. R-6881, February 1, 1982; and Order No. R-8178,
April 1, 1986.)
A. WHERE TO FILE REPORTS
Unless otherwise specifically provided for in any rule or order
of the Division, all forms and reports required by these rules
shall be filed with the appropriate District Office of the
Division as provided in Rules 1301 and 1302.

B. ADDITIONAL DATA
These rules shall not be construed to limit or restrict the authority of the Oil Conservation Division to require the furnishing of such additional reports, data, or other information relative to the production, transportation, storing, refining, processing, or handling of crude petroleum oil, natural gas, or products in the State of New Mexico as may appear to it to be necessary or desirable either generally or specifically for the necessary or desirable, either generally or specifically, for the prevention of waste and the conservation of natural resources of the State of New Mexico.

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

Case No. 9015 Exhibit No. 3

Submitted by Hartman

Hearing Date March 5, 987