

RESOLUTION NO. 2018-1688

A RESOLUTION IN SUPPORT OF THE UPDATING OF THE BLANCO-MESAVERDE
POOL RULE

WHEREAS, pool rules exist to ensure that reserves of oil and gas are effectively developed; and

WHEREAS, pool rules apply to operators' development of resources below the ground; and

WHEREAS, all operators, regardless of density requirements in a pool rule, must gain proper environmental and archeological approvals prior to drilling any new wells; and

WHEREAS, oil and gas production is an important source of revenue and pride to the City of Farmington and the State of New Mexico; and

WHEREAS, the current Blanco-Mesaverde Pool Rule has not been amended in nearly twenty years; and

WHEREAS, over sixty exceptions to the pool rule have already been granted and three more are pending review this month alone; and

WHEREAS, developments in technology and a greater understanding of the geology in the San Juan Basin warrant the updating of the existing pool rule; and

WHEREAS, the New Mexico Oil Conservation Commission will consider an application to increase the well density of the Blanco-Mesaverde pool to ensure the resources are developed; and

WHEREAS, the Farmington City Council is appreciative of the efforts and measures taken by the operators in San Juan County to cleanly and efficiently produce oil and gas; and

WHEREAS, the application will lead to greater investment in the San Juan Basin, an area of New Mexico where greater investment is needed; and

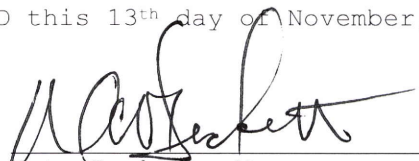
WHEREAS, this investment will encourage additional job growth in the region; and

WHEREAS, the strategy to use as many existing wells as possible to simultaneously develop resources from multiple pools is in the benefit of the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF FARMINGTON, NEW MEXICO, THAT:

We, as members of the Farmington City Council, support Case Number 16403 currently before the New Mexico Oil Conservation Commission and direct that a copy of this resolution be provided to the New Mexico Oil Conservation Commission prior to their hearing of the application.

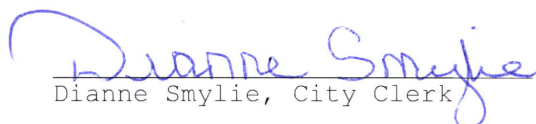
PASSED, SIGNED, APPROVED AND ADOPTED this 13th day of November, 2018.



Kate Duckett, Mayor

SEAL

ATTEST:



Dianne Smylie, City Clerk