

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF PROCEEDINGS

CASE NO. 404

September 16, 1952
Regular Hearing

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

CASE NO. 404.

(Notice of Publication read by Mr. Graham.)

MR. FRAZIER: We are ready.

(Witnesses sworn.)

J O H N P. C U S A C K,

having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. FRAZIER:

Q What is your name?

A John P. Cusack.

Q Where do you live?

A Fort Worth, Texas.

Q What is your business?

A Oil producer.

Q How long have you been an oil producer?

A Forty-two years.

Q Do you have any properties in the Hobbs Pool?

A I do.

Q What properties do you have there in the Hobbs Pool?

A I have an interest in the NE $\frac{1}{4}$ of Section 28, 18 South, Range 38 East; and the East half of the SE $\frac{1}{4}$ of Section 34, 18 South, Range 38 East; and the NE $\frac{1}{4}$ of Section 3, 19 South, Range 38 East.

Q I ask you to look at what has been marked for identification Exhibit A, and state whether or not your properties are outlined in red on this exhibit.

A They are.

Q Are your properties right in the City of Hobbs or where?

A Two in the City of Hobbs -- all three in the City of Hobbs, two in the town site.

Q Were they producing oil prior to May, 1952?

A They were.

Q During May 1952, did the company have a strike?

A It did.

Q How long did it last?

A Approximately a month.

Q During this period were you able to produce oil from your wells?

A Yes.

Q How much?

A The allowable.

Q Did you actually make it, did the pipe lines take any?

A The pipelines, by reason of the strike, took 20 per cent of the property in 3 and 34, which is connected to the Atlantic, the Shell took 40 per cent from the property, the Moon Lease in Section 28 - -

Q The other wells right around there, what pipeline are they connected to?

A To the Humble pipeline.

Q Did the Humble have any shut-down?

A No, the Humble ran one hundred per cent.

Q All of the time?

A At all times, yes.

Q Were any wells effected beside yours? I mean by the strike.

A Yes, sir. Well, there is 257 wells in the pool, and the Humble connected to 75 wells, so the balance was effected.

Q I understand that there was an allowable of 358,112 on 257 wells for the month of May, is that correct?

A That is correct.

Q All of the Humble wells took their full quota, but the others, Atlantic 20% and Shell 40%, is that correct?

A That is correct.

Q Humble is connected to 75?

A That is correct.

Q Shell is connected to 137?

A Correct.

Q Atlantic to 45?

A Correct.

Q How many producing companies?

A Twenty-five.

Q How many are connected to Humble?

A Five.

Q What were the total oil runs for the month of May?

A 193,159

Q How much shortage?

A 164,760 barrels.

Q How much percentage did the Humble run to that 183,000?

A Humble ran 102,545 barrels, or approximately 53 per cent of the total runs for the month.

Q The remainder of the 132 wells, only twenty producing

companies ran 47 per cent of the total, is that correct?

A Correct.

Q What do you ask the Commission to do to afford you relief?

A I ask the Commission to do one of two things. Make up the back allowable or re-adjust it back so that we will get our equitable share of the oil in the Hobbs Pool Reservoir.

Q Are you aware of the Commission's Order of June, subsequent to this shortage, deleting back allowables?

A I am.

Q Either type of relief would be desirable to you?

A That is correct. I prefer the re-adjusting back.

Q You have an interest, then, in the Turner 'B' Lease on the East Half of the SE $\frac{1}{4}$ of Section 34, 18 South, Range 38, East, and the NE $\frac{1}{4}$ of Section 3, 19 South, Range 38 East?

A I have, correct.

Q How many wells on the Byers Lease?

A Four wells.

Q How many barrels a day produced for the month of May?

A 1408, I believe.

Q How many barrels were run on the west off-set 160 acres?

A 6,166 barrels.

Q How many barrels on the south 160?

A 3,940 barrels.

Q Is that a low pressure area?

A Yes.

Q As a result of that situation, what will happen to your wells?

A Well, with unequal withdrawals, it will cause infiltration

of water and coning of the oil, that is a well established fact, and causes early abandonment of such wells.

Q Is that condition apt to destroy your reservoir there?

A Probably we won't have any wells.

Q Is there a cluster of 53 wells around there?

A There is.

Q Those are in a low pressure area?

A That is correct.

Q How many barrels did the 53 wells run in May?

A 71,508 barrels.

Q What percentage

A 37 per cent of the total runs of the pool.

Q Of course you are familiar with the rule that was passed in June prohibiting the back allowable.

A I am.

Q The Hobbs Pool has had production since 1930?

A Correct.

Q As a result of engineering practices about 76% of the wells are still flowing?

A Correct.

Q And you believe will probably continue for some years to come?

A I do.

Q What would be the result of the unequal withdrawals?

A Coning, as I said before, it would cause the infiltration of water and coning as referred to it and would definitely cause early abandonment of the wells, particularly so of these

wells in question. And, also, would cause the ultimate recovery to be less in the pool.

Q As I understand it, this situation could entirely destroy production from your wells?

A That is correct.

Q Anything else you want to mention to the Commission?

A No, save and except as I expressed myself before. There has been some talk they can't take a back allowable but they can re-adjust it back without any difficulty.

Q Do you believe that if the recovery is properly adjusted it will tend to increase the production from that pool?

A I do.

MR. FRAZIER: That is all.

By MR. WHITE:

Q Would it have been possible to have tied to the Humble line?

A No, it would be possible for the Humble to cut down at least 40 per cent.

Q Now as to the 132 wells effected, if the Commission should grant you relief, it should also grant relief to the other operators if they come in, isn't that true?

A In granting a relief to us, it takes care of the other operators, if you re-adjust it back.

Q I don't know. I would like to check into this. I question whether we have the right.

By MR. MACEY:

Q You said you couldn't tie into the Humble, why?

A How long have you been in the oil business? Can you do this overnight?

Q Is there anything that prevented you?

A Yes, the physical efforts to tie it in. You are in a town site, you can't tear up the street in 27 days to get in there. That is a matter of mechanics. I am not an engineer. The Humble can answer that better than I can.

MR. FRAZIER: What was your shortage for the month of May, 10,880?

A That is correct.

MR. FRAZIER: That is all.

MR. MACEY: What was your question, of runs or production.

MR. FRAZIER: Production from his wells, what the allowable was.

MR. MACEY: Was it 10,000 barrels in production.

A Under production.

MR. MACEY: I think you will find it is under-runs, and the oil you would have in storage, it is legal oil.

A We don't have that type of storage. That is just a token.

MR. MACEY: The fact remains there is 2,000 barrels difference from your actual production and under-runs.

MR. FRAZIER: Do you have any records on that?

MR. MACEY: We have complete records on Mr. Cusack's runs as reported to us.

MR. FRAZIER: Do you have them here?

MR. MACEY: Yes, I will read them off.

MR. FRAZIER: I would like to have it in the record.

MR. MACEY: Under production for the three month period of May, June and July -- that is what this covers, by months -- but the under production for the three months are as follows: The Byers Lease was 4101; the Moon 'A', 1725; the Moon 'B', 1854; the Turner 'B', 734; making a total of 8414.

MR. CUSACK: We will accept that.

MR. FRAZIER: That was for the month of May?

MR. MACEY: For the three month period.

MR. FRAZIER: May, June, July.

MR. MACEY: That is right.

MR. FRAZIER: Do you have a breakdown of that?

MR. MACEY: The allowable and production and runs for the three months.

MR. FRAZIER: I would like to have that.

MR. SPURRIER: Did you introduce your exhibit.

MR. FRAZIER: If I didn't, I offer it in evidence.

MR. SPURRIER: Without objection it will be received, and without objection Mr. Macey's compilation, Exhibit No. 2, will be accepted.

MR. FRAZIER: Any questions of Mr. Cusack?

MR. MCKELLAR: The only question I have is the one about the coning. You are under producing about 8,000 barrels and something.

MR. MACEY: 8,414 barrels.

MR. MCKELLAR: Was it your testimony, by not producing

these 8,400 barrels your wells would be more susceptible to coning?

A They are. It has a tendency, the fact we are on the east edge of the pool, to cause coning. What I am interested in, if this continues over a period of time, that is a fatal thing.

MR. WHITE: If the Commission would grant your relief and you would produce this 8,000 barrels, you would have to be producing in excess of your daily allowable.

A That is correct.

MR. WHITE: Wouldn't that extra heavy withdrawal have a tendency to cause coning?

A No.

MR. McKELLAR: I couldn't follow your testimony where the wells are being under-produced - -

A As I stated, we are willing to have it re-adjusted back. We wouldn't feel that it would cause coning, would you?

MR. McKELLAR: I am not going to answer your question. I don't want to take issue with you Mr. Cusack. All you want is your equitable share of the production, what is your equitable share of cutting back - -

A By cutting back those that ran 100 per cent and raising the ones under-produced or under-run, whichever way you want to do it.

MR. SPURRIER: Any further questions of this witness?

MR. WHITE: If under-production would cause your wells to cone, to give you an increase on the others, in effect, they would be under-producing and they would likewise cone, wouldn't the same thing happen, by allowing you to over produce, wouldn't

it cause the other operators to have coning in their wells?

A I feel that in cutting back the top allowable and increasing those under-run has a tendency to increase the production in the field.

MR. MACEY: Are you going to offer some testimony concerning the differentials and pressures?

A We will have some tests run, yes, sir.

MR. FRAZIER: Did you during your shut-down, or your temporary shut-down during the month of May, did you notice whether any of your wells started making more water?

A No, I couldn't state.

MR. SPURRIER: If there are no further questions of this witness, the witness may be excused. Let's take a five minute recess.

(RECESS)

MR. SPURRIER: The meeting will come to order, please. Mr. Frazier.

C H A R L E S P. M I L L E R,
having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. FRAZIER:

Q What is your name?

A Charles Miller.

Q Where do you live?

A Hobbs, New Mexico.

Q What is your occupation?

A Geologist-Engineer Consultant.

Q How long have you been a Geologist-Engineer Consultant?

A Since 1926.

Q Over what period of time have you been familiar with the Hobbs Pool?

A Since 1929.

Q Since 1929. Now, Mr. Miller, I hand you what has been marked as Exhibit A, showing the various wells in the Hobbs Pool. Are you familiar with the well in which Mr. Cusack is interested, outlined in red there?

A Yes, sir, I am.

Q Is that a low pressure area?

A With relation to the total of the field, the facts indicate that is a little lower than the average, yes.

Q It has been agreed here, on the testimony of Mr. Macey, there was a shortage from those wells of 8400 barrels in May, June and July of 1952. Considering those unequal withdrawals from that pool, what effect would that have on these wells which were under-produced?

A The wells in question of Mr. Cusack's are located on the east flank of the Hobbs Pool. It is a generally accepted and established fact that the Hobbs Pool is hydrostatic as well as a volumetric drive. In other words, a portion of the motivating power, to answer your question, assumes these facts to be correct. Any excessive withdrawal within the heart of the field at the expense of the edge wells will serve to cause a differential in reservoir pressure. Any lowering of the pressure within the field will have a tendency to encourage an encroachment of the

water from the edge. In that event, we can assume that if the differential were allowed to exist for any period of time it would lead to the coning of water through there and perhaps around Mr. Cusack's properties.

Q You mean Mr. Cusack's properties might be isolated completely from the Pool?

A It is a possibility, and certainly a fact if the differential were allowed to continue for any length of time.

Q Is it necessary to establish the correlative rights of these wells to properly adjust that pool?

A I believe so. In fact, the entire theory and practice of proration within the Hobbs field is on the basis of correlative rights and proportionate or equal withdrawals.

Q That is the basis of the whole proration schedule?

A That is right.

Q Throughout the years, as I understand it then, unless the correlative rights of these wells in the producing area are adjusted, it endangers the reserve in that pool?

A It endangers the reserve and I do not intend to set it and say over a period of 30 days there can be a material effect. The principle is there and if that practice is allowed to continue we certainly can expect to see the results.

Q Over what period of time do you believe that this adjustment should be made? Would you say a month, two months, or what?

A That is a question that I wouldn't care to answer at the present time, if you will excuse me. It in itself can be

controversial. The question would have to be determined by a recent, perhaps, observation on pressure relationships within the wells of the adjoining area.

Q Should the adjustment be gradual?

A That I believe would be to the advantage of the field, yes.

Q Would that prevent waste and conserve the oil?

A We are considering the welfare of the field. Any detrimental effect in any portion of the field will effect the entire field eventually.

Q Did you have any other statement to make to the Commission?

A Well, I would like to sum it up. I have a short written statement.

Q Do you feel all the wells that came up short in that period of time of shut-down, should have the same relief?

A I am speaking of the field as a whole.

Q In your opinion, to properly adjust the pool, all the wells that were short should be given the same relief he is seeking?

A I believe the reservoir balance within the field should be re-established and maintained for the good of the field.

Q Maintained and balanced as over the period of years?

A Yes.

Q In your opinion that would eliminate waste in that pool? That is, the basis we have followed the past 22 years.

A It would to a considerable degree.

Q You just sum up to the Commission anything you have.

A I have just a brief written statement which I think sums up what we have been talking about. The detrimental effect to some operators of unequal withdrawals within the Hobbs field, while possibly not immediately apparent has, in our opinion, nevertheless become existent. It is our thought that if such a practice be continued or be permitted again, it will definitely work to the disadvantage of those who produce from the extreme flank positions of the field.

We recommend that in an attempt to establish again a degree of reservoir balance within the Hobbs field, and in particular within that portion from which full allowables were produced during the recent pipeline strike, a reduced rate of flow be assigned for a thirty to sixty day period to those wells from which top allowable was run during said strike.

Q You are aware of the Order the Commission entered in June deleting these allowables?

A I am.

MR. FRAZIER: That is all.

By MR. WHITE:

Q Mr. Miller, you testified as to what theoretically can happen if the practice is to continue.

A That is right.

Q Now, did this excessive withdrawal in the middle of the field during the month of May actually cause any coning in Mr. Cusack's well?

A As I pointed out in my testimony, we are not aware of the change on such a short period of time. The point I wish to

make is the practice in itself is wrong and if it is continued we believe will lead to an unequal reservoir pressure.

Q Did the under-production of 8414 barrels actually bring it about?

A I wouldn't say. I say the principle is still there and the basis of proration in the field is equal withdrawing.

Q There is no actual evidence the excessive withdrawal has caused coning?

A That as yet hasn't been determined.

Q That could be easily available.

A By pressure survey we could probably, or at the close of this period.

Q Were Mr. Cusack's wells pumping water prior to May?

A Let me clear that -- may I ask Mr. Cusack?

MR. CUSACK: We have two wells in there to my knowledge, -- I didn't check back -- that make water.

MR. WHITE: Producing more now than prior to May?

MR. CUSACK: I couldn't tell you.

A Within a short period of time I doubt if the reaction would be obvious. The principle is there and if continued will lead to an unequal reservoir pressure. We are looking at the idea of maintaining the reservoir balance to obtain the highest ultimate recovery from the field.

MR. SPURRIER: Anyone else? Any other questions of the witness?

By MR. MACEY:

Q Does it take some time for this coning to show up?

A In that event I think it would. Mr. Cusack's wells cut back would have a flow tendency around the bore hole. We do not know, maybe the water may have passed through there during that excessive withdrawal.

Q How long would it take for that to disclose itself?

A I can't answer that question.

Q Does it vary in different locations?

A Yes, sir, depending on the different type of structure and permeability. In the Hobbs Field, I would say the time required would be short.

By MR. WHITE:

Q As I understand your testimony, is it necessary that there be an equitable withdrawal of the oil through these wells of Mr. Cusack's and the other wells in the Hobbs Pool to obtain a maximum recovery?

A I didn't understand your question.

Q I say, in your opinion is it necessary that there be an equitable withdrawal of the oil through these wells of Cusack's and the other wells in the Hobbs Pool to obtain a maximum recovery, is that right?

A That is in order to prevent the water from further surging through the pay.

MR. WHITE: That is all.

MR. SPURRIER: Any further questions of this witness.

MR. McKELLAR: I want to ask him a question, I don't want to take issue here. I want to go back over your statement. I wonder if you had recommended that the rest of the wells in that field be reduced. That was my understanding. I want to

know if that is correct.

A to answer that question, I would take that course rather than increase the allowable of Mr. Cusack's wells. In increasing the allowable we defeat the purpose we are trying to accomplish by excessive withdrawals. We are trying to re-establish the balance in the Hobbs Field to obtain the greatest recovery.

MR. MCKELLAR: In that event, that wasn't in the call of this hearing and, of course, if you are going to reduce Magnolia's wells in that pool, we want to be heard after proper notice.

A To what extent was Magnolia hurt?

MR. MCKELLAR: I don't know. We have no views to express. If it is a recommendation our wells be reduced, we want to be heard.

By MR. MACEY:

Q If you reduce the allowables in the Hobbs Pool on those wells not effected by the strike, you would decrease the allocation to the Hobbs Pool?

A That is Right.

Q Therefore, your allocation to the other pools would be higher or increased on account of the decreased allocation.

A That is a question for the Commission to decide.

Q When allocated among the pools, and it stands to reason if you decrease the Hobbs Pool you, therefore, spread it out among the other top allowable pools, is that right?

A That is correct. Could not your allocation be anticipated and set to compensate for that?

~~Q Possibly, but you said you didn't want to raise the~~

allowable on Mr. Cusack's wells. If you don't raise the allowable on his wells or the other wells, how can you raise the total allocation in the Hobbs Pool?

A I don't know. It is necessary if we are looking at the point of recovery, it is necessary.

Q The reason I mention it, there are other operators who would be discriminated against as between pools.

A They certainly have a right to be heard.

Q At the present time Mr. Cusack's wells are producing their full allowable and have been since May, is that right?

A That is correct, the record indicates that.

Q Under the present condition, do you know any reason why they couldn't continue along that line?

A I am not asking they be increased or decreased.

Q I think you misunderstood me. I meant they are producing their full allowable. You said if the present condition continues -- by condition, do you mean the strike?

A That is the condition I refer to, that is right.

Q Let me ask you one other point. There are a number of marginal wells in the Hobbs Pool.

A Yes.

Q Some of them were effected by the strike. If we went along on the theory of reducing the allowable, if we held the allocation to the Hobbs Pool constant and reduced the allocation on some wells and raised the allowable on the effected wells, there would be some marginal wells that could not be raised?

A That is true. I believe the general principle of

of proration, the marginal wells are not effected by raising or lowering of the allocation, but are fixed by their capacity to produce.

Q That is right.

MR. CAMPBELL: Jack M. Campbell. I would like to ask this question on behalf of Texas Pacific. I am not clear at this time whether the applicant is now seeking to regain lost oil or lost pressure or both. Is it the applicant's request the allowables on his wells remain the same and the others be reduced, or the allowables on his wells be increased and the others be reduced. I would like to know just what he is requesting the Commission to do at this time.

A I believe Mr. Cusack can answer that better than I can.

MR. CUSACK: In answer to that question, it is satisfactory to us to do it either way, either adjust it back or grant us our shortage.

MR. CAMPBELL: When you speak of adjusting back, I don't understand. I am not concerned with what the Commission should do, I am concerned with what you are recommending for another operator in the field.

MR. CUSACK: Well, if they adjust it back, they deduct the marginal wells and adjust by the top allowable wells, adjust it back and raise the under allowables up.

MR. CAMPBELL: On all the wells in the field?

MR. CUSACK: The ones producing full allowable.

By first adjusting - -

MR. McKELLAR: Have you made any recommendations, or

do you make any as to the period of time this adjustment is to be made?

MR. CUSACK: That is entirely up to the Commission. It is a question of making up the back allowable. You can take it over a period of time and it will not have any appreciable effect on the reservoir, whether it is three months or what it is.

MR. WHITE: Mr. Cusack, did you make any tender of your oil to any company other than Humble?

MR. CUSACK: No. We were not in a position to do that. They wouldn't accept it. They are not in very close working agreement. You have to get them in a back room - -

MR. SPURRIER: The answer to the question is no?

MR. CUSACK: That is correct.

MR. SPURRIER: Any other questions of the witness?

By MR. FRAZIER:

Q Mr. Miller, reference has been made the Magnolia's production in the pool. Where are those wells located?

A The west flank of the Hobbs Field.

Q Connected to the Humble line?

A I believe that is right.

Q They were not shut-down during the strike?

A No, they were not.

MR. FRAZIER: That is all.

MR. SPURRIER: Anything further? Mr. Frazier?

MR. FRAZIER: No, sir.

MR. MACEY: Do you know of any reason why Mr. Cusack was not allowed to produce his oil during the months of May and

June? In other words, he was operating under the law that was in effect at the time, he could have made up some of his under production during the month of June under the law we were operating under.

A I do not know. The storage capacity on his lease, that is one factor that would have to be considered. Possibly he would be limited.

MR. MACEY: Do you know any reason why the Humble Pipeline Company, who were running the 100 per cent allowable during the month of May in the Hobbs Field, do you know any real legal reason why the Humble would not accept Mr. Cusack's oil had it been delivered by truck or tendered it to him in any manner?

A I do not know, but it can be answered on the principles of general practice. These pipeline companies are not in the habit of pilfering one another's connections. It was to be assumed the condition existing in May would not be permanent and the cost of subscribing connections for a short period of time did not justify the expenditure.

MR. CUSACK: I might make an observation. Ten years ago I went to the Humble Oil Company and saw a man in their Field Office to solicit our connection in this particular area. They gave me to understand the arrangement had been made with Atlantic to release the connection. I called the Atlantic and I thought we were going into a throat-cutting affair between the Atlantic and Humble, and Humble did not get the connection. These companies do not take each other's connections unless it is agreeable to the company to release it. If we would transport by truck, that under

the law is waste, you know that would be waste in itself.

MR. MACEY: In what way?

MR. CUSACK: In trucking out oil off a field.

MR. FRAZIER: Were there trucks available?

MR. CUSACK: You might as well say buckets as trucks.
(off the record.)

MR. SPURRIER: Any further questions of Mr. Miller?

If not, the witness may be excused.

MR. FRAZIER: That is all I have.

(Witness excused.)

MR. SPURRIER: Any further comment in this case?

MR. SELINGER: I would like to make one statement with respect to Skelly. We have a well here by the east flank. We did not run all of our allowable. We feel that insofar as the applicant's case is concerned, with respect to making up back allowable we leave that to the Commission to decide. We do object, however, to the alternative proposal that other operators' wells be reduced currently in order to make up what the Commission has assigned the allowable. We don't believe the call of the notice is sufficient to authorize this Commission to cut wells in the Hobbs Pool.

MR. SPURRIER: Mr. Campbell.

MR. CAMPBELL: I would like to make a brief statement on behalf of Gulf Oil Corporation's wells in the Hobbs Pool. Fundamentally, Gulf is in favor of the recently enacted rule of Commission relating to back allowables; however, should the Commission see fit in this instance not to adhere strictly to

its rule and conclude in this case to grant back allowables or make other adjustments, we feel that all other operators should be extended the same privilege, not only in the Hobbs Field but in all other fields in the state where comparable conditions existed due to pipeline proration caused by the oil strike.

We would like to make a statement on behalf of Texas Pacific Coal and Oil Company, that if the Commission should see fit in this case to grant back allowables or make adjustment of allowables, it should extend to all operators in the Hobbs Pool. I have not, until just a few moments ago, seen the Notice of Hearing and I am not certain whether the notice is sufficient to extend this adjustment to all the operators in the pool, other than the applicant. As I read the application, it is that broad. Whether this notice is sufficient, I do not know. If the Commission determines the notice is not sufficient and makes an adjustment to all the operators in the pool, on behalf of Texas Pacific, we feel it should not be made until notice is furnished sufficient to authorize the Commission to make the adjustment as to all operators in the pool and not just as to the applicant in this particular case.

MR. SPURRIER: Mr. Holloway.

MR. HOLLOWAY: Tidewater would like to concur in the recommendation by Mr. Campbell to the effect no application be taken until the notice is sent out.

MR. SPURRIER: Anyone else?

MR. RAY: Carl J. Ray representing the Texas Company. In our opinion the pipeline proration presented a problem not

only in the Hobbs Field insofar as it effects correlative rights, but in all fields throughout New Mexico, and we feel that should the Commission grant any relief in this matter, it should apply equally to all operators in all producing areas in the State and not just to one field.

We further wish to go on record in opposing any relief which would curtail the production of our properties or other operators. We feel that if any correction is made, it should be in the form of allowing the operators effected by pipeline pro- ration to make up their back allowable. We wish to oppose the curtailing of the normal allowable to make this adjustment.

MR. SPURRIER: Anyone else?

MR. FRAZIER: I might say, the Commission knows this rule curtailing back allowables was passed on June 2 - -

MR. SPURRIER: Effective July 1.

MR. FRAZIER: - - which was subsequent to the short time involved here.

MR. SPURRIER: Anyone else? Mr. Porter, do you have something on your mind? If there is no further comment in the case we will take it under advisement and proceed to Case 405.

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing and attached transcript of hearing, before the Oil Conservation Commission, State of New Mexico, Case 404, taken September 16, 1952, is a true and correct record to the best of my knowledge, skill and ability.

DATED AT Albuquerque, New Mexico, this 7th day of October, 1952.


REPORTER